

Assessment of the Property Information Regulatory System

Objective ID:

Strategy, Policy and Design Group

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Section 1:

Why did we assess the Property Information Regulatory System?

Regulatory systems are designed to shape how people behave to achieve an outcome. They do this with both legislated and informal rules.

Regulatory systems provide a social good by influencing outcomes around safety, fairness and sustainable practices, among others. They may also impose costs or limit freedoms. By balancing these aspects, the government expects regulatory systems to deliver net benefits to Aotearoa New Zealand over time.

Toitū Te Whenua Land Information New Zealand has regulatory stewardship responsibilities for four regulatory systems:

- the Property Rights system
- the Crown Land system
- the Overseas Investment system
- the Property Information system.

Toitū Te Whenua must take the same care with its regulatory systems as it does all its other assets.

Assessing the performance of a regulatory system is part of good regulatory stewardship. This provides a benchmark for discussing the system's performance and possible improvements.

This report presents the findings of the assessment of the Property Information Regulatory System (PIRS).

The Property Information Regulatory System was assessed in 2021

1.1 The assessment of PIRS was conducted by a panel from Toitū Te Whenua. Panel members were Senior Advisor Regulatory Stewardship Anita Murrell, Senior Policy Advisor Rosie Parry, and Policy Advisor Nileema Narayan. Due to staff changes, Director of Strategy, Policy and Design Colin Meehan finalised this report.

A cooperative and outward-looking approach

- 1.2 Toitū Te Whenua released its first Regulatory Stewardship Strategy in 2018¹. This strategy signalled a commitment to, among other things, 'a more outward-looking approach to relationships and system leadership'². This commitment recognises that regulatory systems involve a complex range of system interfaces, actors, policies and institutional actions.
- 1.3 For this regulatory system assessment, the panel focused on stakeholder experiences. Insights gained from stakeholders can help Toitū Te Whenua in many ways including:
 - developing a shared understanding of the PIRS
 - identifying underperformance and risks
 - having an input into future improvement discussions.
- 1.4 Through conducting more than 30 interviews, the panel gathered insights from stakeholders, key system participants, and other regulatory agencies who interact with the PIRS.
- 1.5 The panel thanks all interviewees, participants and contributors who provided their insight, expertise and knowledge, including:
 - government agencies such as Ministry of Housing and Urban Development,
 Stats NZ and the Treasury
 - crown agents such as the Earthquake Commission and the Real Estate Agents Authority
 - public sector organisations including Te Tumu Paeroa, New Zealand Post and Ouotable Value Limited
 - territorial authorities
 - commercial property data providers and consumers, including homes.co.nz,
 CoreLogic and the Insurance Council of New Zealand.

¹ Regulatory stewardship and strategy | Toitū Te Whenua Land Information New Zealand (linz.govt.nz)

² <u>ibid</u>, para 20

Section 2:

Establishing a shared understanding of the Property Information Regulatory System

To ensure good regulatory stewardship it is essential to establish an agreed and shared understanding of the key aspects of a regulatory system. The 2018 Toitū Te Whenua Regulatory Stewardship Strategy contained a relatively simple description of the PIRS, which reflected the purpose at the time. To support future discussions, this section of the report expands the description of PIRS activities, stakeholders, roles and interconnectedness³.

This includes understanding:

- activities being regulated
- stakeholders and their roles and responsibilities
- affected parties
- interconnectedness and interdependencies with other systems.
- 2.1 The PIRS is a complex system that connects across and receives inputs from multiple other systems. It is these connections that create the greatest value and opportunity, and also present the biggest challenges. While solutions sometimes appear straightforward, getting agreement across complex systems can often be the hardest part.
- 2.2 The primary objective of the PIRS is 'to provide quality information about properties to enable well-informed decision making'⁴.
- 2.3 As figure 1 illustrates, the PIRS supports a wide array of property-related decisions. Within the PIRS there is substantial (though sometimes incomplete) property information including:
 - boundaries
 - ownership
 - occupation (including rented/leased spaces)
 - underlying zoning, which indicates approved use of the land and property information produced as part of the resource management and building regulatory systems, such as:

³ Note: As the primary focus of this report is on performance and improvements, section 2 is not a full description of all aspects of the PIRS. The intent is to introduce the reader to some activities, stakeholders, roles and interconnectedness.

⁴ https://www.linz.govt.nz/regulatory/regulatory-stewardship-and-strategy

- resource and building consents, which provide information about the approved development of the property over time
- building information, which informs buyers and sellers, emergency services, and insurance companies about building performance
- utility connections and locations (such as power, drinking/sewage/storm water, gas, fibre, roadways or footpaths)
- rating valuations, which provide the basis for territorial authorities to set rates
- other council-held information, such as that in Land Information Memoranda (LIM) reports
- market values, which enable mortgages to be raised and lodged on titles and inform sales
- sales history, which indicates the changing market value of the property over time
- disclosure of defects
- addresses (often used as a proxy for a unique property identifier in lieu of an official one)
- geographic place names.



Figure 1: Property information is at the heart of many decisions

Information from multiple, credible sources

- 2.4 A variety of government agencies contribute data and information into the PIRS.
 - The Ministry for Business, Innovation and Employment administers the building regulatory system. This produces building consent information and builder's reports.
 - The Ministry for the Environment is the regulator of the resource management regulatory system. This system provides consent information to inform the public of approved developments and land use.
 - The Earthquake Commission holds information on insurance claims made under the Earthquake Commission Act 1993. The Earthquake Commission is mandated to collect and disclose property-related information.
 - Fire and Emergency New Zealand created the suburbs and localities dataset used for emergency services. This dataset is now held by Toitū Te Whenua.
 - The Department of Internal Affairs (DIA) is the lead government agency for local government and provides information and advice on areas including local government legislation. The DIA sets requirements for LIM reports.
 - Local government assigns property addresses and allocates property numbers to any area of land, building or part of a building.
 - Stats NZ collects property information from people and organisations through censuses and surveys. The Chief Executive of Stats NZ is also the government's Chief Data Steward, supporting the use of data as a resource across government to help deliver better services to New Zealanders.
 - Real estate agents collect and provide information about properties as part of the appraisal, sale, and purchase process. Agents and real estate companies are licensed by the Real Estate Authority. Agents are obligated to disclose any known defects relating to a property to potential purchasers.

Other information providers

2.5 There is also a range of professional and non-government providers of information that help individuals make informed property decisions. These providers, such as surveyors and valuers, operate under legal requirements, professional standards and codes of conduct. Many of these providers also provide non-private information and analysis that assists the property market.

Information is accessible and used

2.6 The government has been collecting and managing land information for 180 years. Landonline holds 2.3 million property titles containing, among other things, location, size, boundaries and current owner information.

2.7 In the year ended 2021, Landonline delivered 3.4 million search products (see figure 2)). The 'Search for and order a land record' function was accessed 80,450 times.



Figure 2: An example of Landonline usages⁵

2.8 Local and central government agencies have access to District Valuation Rating (DVR) data. Some DVR data is available to local and central government agencies through a data supply agreement between Toitū Te Whenua and the agencies (figure 3).

⁵ Landonline a3-for-nzers 202108 (2).pdf (linz.govt.nz)

- 2.9 Conveyancers automatically advise subscribed territorial authorities that the ownership on a title has changed upon registration of the dealing. Conducting this process through Landonline has several benefits, including more accurate data and less manual work.
- 2.10 Similarly, the Central Record of State-Owned Land (CRoSL) is a publicly available tool which provides users with an overview of Crown and state-owned land ownership.

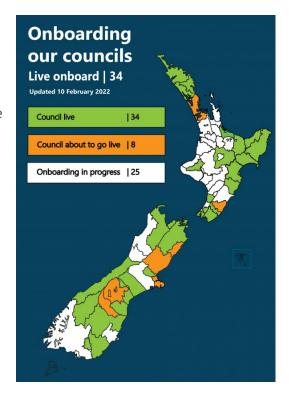


Figure 3: DVR onboarding progress⁶

System modernisation

- 2.11 Resilience of a regulatory system is in part an ability to respond, change and be innovative. Landonline is one of the components of the PIRS responding to changing customer needs, future technology trends and regulatory changes without further major platform upgrades. Landonline is underpinned by legislation, refreshed business rules, updated processes and modern technology.
- 2.12 A programme of work is underway to modernise Landonline (see figure 4). Landonline customers will be able to access information from their choice of device and operating system. The new Landonline is due to be completed in 2023.

⁶ Landwrap - February 2022 | Toitū Te Whenua Land Information New Zealand (linz.govt.nz)

Modernising New Zealand's land record system

Ensuring customers can easily supply and access land records

Information for New Zealanders



Toitū Te Whenua Land Information New Zealand (LINZ) holds data about our land and land transactions – completed by surveyors and solicitors – in a single system called Landonline.

We're modernising Landonline to ensure information about land in Aotearoa continues to be trusted and becomes more accessible.

What we're doing

The programme focuses on our two major products: property titles and surveys.

Property titles

We're:

- making property sale and purchase processes faster, easier and more joined up
- automating notifications to councils and banks
- enhancing processes and procedures for LINZ.

Surveys

We're:

- delivering simpler process to enter and confirm survey data
- connecting the work surveyors and solicitors do when sub-dividing land and making it easier to comply with the rules and get approvals from LINZ
- simplifying and improving the graphical parts of a survey to meet the different needs of users
- making it easier to add survey data into Landonline.

Benefits

- Modern and future proofed land record system that integrates with modern software.
- Faster, easier, and cheaper access to property titles via the Land Record Search.
- Joined up property information between surveyors, solicitors, conveyancers, councils, and banks.
- Time-savings and efficiencies for LINZ customers and staff.
- In-house capability developed to build Landonline and maintain it in the future.
- A system that can quickly and easily respond to changing customer needs, future technology trends and changes in law

Challenges

- Understanding the best way to support customers to transition from a system they're familiar with to a new way of working.
- Ensuring we're working with our customer groups to design and deliver what they need.
- Adding easier and simpler processes for customers without compromising Landonline's current high levels of security.

Figure 4: Modernising Landonline factsheet⁷

Accountabilty system

- 2.13 Stakeholders can use accountability information to identify the agencies responsible for the regulations that affect them. Stakeholders can influence the general direction of the agency regulatory strategies, and become involved in identifying regulatory problems and areas where the costs of regulation could be reduced.
- 2.14 Within the PIRS there are several statutory roles and institutions to give effect to legislated policy settings. These roles and institutions support, maintain and enforce specific pieces of legislation or policy as part of the regulatory system.
- 2.15 Toitū Te Whenua operations are governed by legislation including the Public Finance Act 1989 and Public Service Act 2020. Toitū Te Whenua reports annually to Parliament on core activities. Toitū Te Whenua's Chief Executive also has

⁷ Landonline a3-for-nzers 202108 (2).pdf (linz.govt.nz)

stewardship duties across the PIRS (and other property related regulatory systems). Stewardship expectations⁸ include:

- having processes that produce predictable and consistent outcomes for regulated parties across time and place
- acting proportionately, fairly and equitably in the way it treats regulated parties
- conforming to established legal and constitutional principles, and supporting compliance with New Zealand's international and Treaty of Waitangi obligations.
- 2.16 Toitū Te Whenua's strategic intention⁹ is to 'be the "go to" agency for core geographic and property information, including information relating to the Crown Estate'. Toitū Te Whenua has chosen to take a functional leadership role and to work with dataset owners to improve the discoverability, accessibility, quality and interoperability of these datasets.
- 2.17 Toitū Te Whenua has also committed to:
 - influence other holders of key geographic and property data to adopt consistent data management and sharing practices
 - make it easy for decision-makers and customers to find and use authoritative geographic and property information.
- 2.18 Key performance measures are presented to Parliament through the annual report (see figures 5 and 6).

Measure	Baseline 1	2020/21 performance	Desired direction of travel
Percentage of key users who report that key data sets are critical for decision-making	64%	100%	\uparrow
Percentage of key users who report that key data sets are of the appropriate quality	50%	77.8%	\uparrow
Percentage of key users who report ease in accessing data critical to informing decisions	64%	100%	\uparrow

Figure 5: Extract from 2021 Toitū Te Whenua Annual Report¹⁰

⁸ Government Expectations for Good Regulatory Practice (treasury.govt.nz)

⁹ <u>Toitū Te Whenua Strategic-intentions-he-takunetanga-rautaki</u>

¹⁰ Annual Report | Pūrongo ā-tau | Toitū Te Whenua Land Information New Zealand (linz.govt.nz)

The impacts we will make

Our work will bring about these key shifts:

Decision makers reliant on high-quality geographic and property information can more easily discover and access the key datasets they need.

Decision makers find these key datasets useful

– a single source of truth – and able to be linked
with other data to enable their decision-making.

How we will measure these impacts

Measure	Baseline (2018/19)	Desired direction of travel
Percentage of key users who report ease in accessing data critical to informing decisions'	64%	\bigcirc
Percentage of key datasets of the appropriate quality ²	50%	\bigcirc

Short to medium term priorities

LINZ's programme of work to 2023 includes:

- completing our work to identify, assess and improve the key datasets required to support effective decision-making around resilience and climate change, water, and urban areas
- identifying other nationally significant geographic and property datasets that will support improving outcomes for Māori and iwi and delivering highervalue public services
- developing a cost recovery model for geographic and property data held by government agencies, which is understood and adopted by affected parties
- supporting agencies that publish key datasets to use nationally consistent data standards that support data interoperability
- releasing a national property data management framework that provides well-defined, reliable and accurate property data relationships and enables better accessibility, standardisation and linking of property data.

Figure 6: Extract from Toitū Te Whenua Strategic Intentions¹¹

Roles and standards

2.19 The Surveyor-General is the regulator of the geodetic and cadastral survey subsystems. They undertake a range of functions in relation to property related data, and the role includes the maintenance of the national geodetic and national survey control systems. The role also includes setting standards which determine how the spatial extent of interests under a tenure system are defined and described, issuing guidelines in respect to the standards set under the Act, and setting standards for how new cadastral survey data is integrated into the cadastre.

¹¹ Strategic Intentions | He takunetanga rautaki | Toitū Te Whenua Land Information New Zealand (linz.govt.nz)

- 2.20 The Registrar-General of Lands regulates the land transfer sub-system. The Registrar-General sets requirements for information to be recorded in the Land Title Register, which is used to generate a record of title.
- 2.21 The Valuer-General is responsible for technical advice on valuation issues, setting standards for the DVR, and ensuring those standards are met. The Valuer-General may set requirements in relation to valuations and DVRs, require provision of information to the Valuer-General or other people, and make rules about the distribution of rating valuations.
- 2.22 The Commissioner of Crown Lands regulates the Crown pastoral land system. The Commissioner reports on performance of statutory powers and functions.

A connected framework

2.23 Other regulatory systems like property rights, Crown land and overseas investment feed into the PIRS. Together, these establish the framework by which individuals receive state-guaranteed property rights, restrictions and responsibilities over most land and property in New Zealand.

Partnered data leadership

- 2.24 In 2021, the government agreed to a data investment plan, led by the Government Chief Data Steward (GCDS) who is also the Government Statistician and the Chief Executive of Stats NZ. The GCDS supports the use of data as a resource across government to help deliver better services to New Zealanders.
- 2.25 As well as developing policy and infrastructure, the GCDS provides support and guidance so agencies can use data effectively, while maintaining the trust and confidence of New Zealanders. The GCDS provides leadership of government-held data and is responsible for enabling greater data use. The GCDS partners with New Zealand data leaders to develop and implement the stewardship framework to enable government to maintain a sustainable data system.
- 2.26 The New Zealand data leaders include the Chief Archivist, Government Chief Digital Officer, Government Chief Information and Security Officer, Government Chief Privacy Officer, Government Statistician, Commissioner of Inland Revenue, Iwi Leaders Forum, government chief executives, sector leads, and Te Mana Raraunga.

2.27 The GCDS¹²:

- sets the strategic direction for the government's data management
- leads New Zealand's state sector's response to new and emerging data issues
- co-develops a data stewardship framework to enable agencies to manage data as a strategic asset and benchmark their data maturity
- leads the government's commitment to accelerating the release of open data.

¹² Government Chief Data Steward (GCDS) - data.govt.nz

Section 3: There are improvement opportunities

The panel concludes that, overall, the PIRS is achieving its intended outcome. The PIRS provides quality information that enables many decision-makers to make well-informed decisions about transacting, developing and investing in New Zealand property.

Stakeholders who were interviewed provided a range of views, and on balance the PIRS was generally accepted as working reasonably well. While stakeholders observed that there are improvement opportunities, these issues do not stop property decisions being made.

The panel noted that there is substantial property-related information available, and this is held by credible agencies. Agencies are undertaking initiatives to improve data/information in the PIRS, increasing the availability and accessibility of information. Agencies are also collaborating with a growing emphasis on leadership across the PIRS.

Equally, there are areas where more needs to be done. As the PIRS sits within and links to other regulatory and non-regulatory systems, much of the stakeholder feedback related to the intersection of systems. Further investigation is required to fully understand these issues.

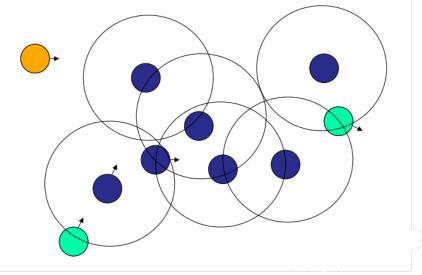
In this section of the report, we further describe improvement opportunities under three key themes:

- cohesion and system leadership
- accessibility through knowledge
- data quality, reusability.
- 3.1 As a regulatory assessment is a snapshot analysis, the assessment does not deeply examine every theme that was discussed by stakeholders. As with any complex system, how the system performs, and the experience overall, may vary among participants.
- 3.2 The examples provided in this report may not reflect the views of all stakeholders, and the examples in this report may not fully capture the cause, effect or intentions of the parties quoted. Further analysis is required, but the examples provide a useful addition to our understanding of the PIRS.

The regulatory system would benefit from more cohesion

A regulatory system is more than a collection of systems operating in proximity

3.3 Many stakeholders felt that the PIRS lacked a joined up and shared view. Individual parties were seen as developing their own information processes and products in isolation, within their own mandates. Many stakeholders felt there wasn't an agency that had an overarching mandate for information quality. Stakeholders also felt that



agencies were more focused on their individual functions. Having individual agencies fix data gaps and errors was ineffective and time consuming.

3.4 Some stakeholders could not define the role of Toitū Te Whenua as the regulatory steward of the PIRS, and others were unsure about the role of Toitū Te Whenua as a whole either in regulation or customer service. Several stakeholders were also confused about roles and responsibilities across the PIRS.

'Government needs to take ownership of the relationships between data.'

Interviewee, public sector

3.5 The absence of a clear, joined up and strategic approach to the way data is collected, shared and used was expressed in different ways. Some stakeholders felt a stronger central government role in oversight and regulation of the regulatory system was the answer. Such a view might suggest the need for a set of prescribed outcomes and objectives through legislation, with roles, levers, mechanisms, accountabilities and incentives.

- 3.6 Other stakeholders felt that standardisation was needed, rather than legislation. For some, self-regulation or reliance on the market to drive acceptable standards of information and accessibility was not working.
- 3.7 While such approaches are potential solutions, and worthy of consideration, the panel's view is that these solutions reflect the fact that multiple systems are operating in proximity rather than multiple systems operating as one. The PIRS would benefit from leadership across government, with a shared view and greater cohesion of effort.

Steps in the right direction

3.8 The need for Toitū Te Whenua to work across the whole system was reflected in its regulatory stewardship strategy:

While LINZ is responsible for one or more functions within each system, we are also responsible for ensuring that all the functions and the entities that carry them out work well together¹³.

- 3.9 The need for a joined up, strategic approach to the way data is collected, shared and used is also reflected in the refreshed Data Strategy and Roadmap for Aotearoa NZ, commissioned by the Government Chief Data Steward and published by Stats NZ in September 2021¹⁴.
- 3.10 Delivering on both these strategies is a step in the right direction and will help clarify the PIRS objectives. To give real effect to change, actions should be achievable rather than aspirational. Any improvements to the PIRS must be designed with a whole-of-system lens. This will require partnerships across the system, deep collaboration and a willingness to organise government around services, rather than a focus within agency boundaries.

Access to data

'The value of data lies in its use.'

Data Strategy and Roadmap for Aotearoa NZ

3.11 Under the broad heading of 'access', the panel identified four interrelated issues. This section explores these issues.

¹³ Regulatory stewardship and strategy | Toitū Te Whenua Land Information New Zealand (linz.govt.nz); para 23

¹⁴ Government Data Strategy and Roadmap 2021 - data.govt.nz

People need to know the system to get the benefits

'You have to know the system well to understand what data might be available and where to find it.

A newcomer wouldn't be able to figure it out.'

Interviewee, private sector

- 3.12 As the PIRS is made up of many intersecting systems, it can be difficult for all users to find out what information exists, and where. Stakeholders spoke of relying on personal networks of individuals and prior knowledge of agencies and interactions to identify and understand information gaps and how to fill them. The panel heard that a person needed two to three years' experience in the system to understand where and how to access data, as well as the limitations of what it can be used for.
- 3.13 Knowledge of how to maximise what's in the PIRS should not have to be 'earned' through experience. All users would benefit if the PIRS was clearly mapped out. A simple presentation of the interconnecting system would at least enable users to navigate across the PIRS.

Information and guidance exists but people don't know what they don't know

- 3.14 Many stakeholders expressed a desire for better guidance, education, or a mechanism/portal that brings information together. The panel believes that 'better' in this context reflects the need for a regulatory system that is more customercentric.
- 3.15 The Real Estate Authority was one example of an agency within the PIRS providing information to users, through the website settled.govt.nz. This site provides information for people buying and selling property. It is clear in its context. Users can quickly identify that settled.govt.nz is 'guiding Kiwis through home buying and selling'¹⁵.
- 3.16 Similarly, councils provide substantial information through their websites on an array of property-related topics like rates, resource consents and natural hazards. Various government agencies also provide hundreds of pages of guidance and education material.

¹⁵ About settled.govt.nz | Settled.govt.nz

- 3.17 As a consequence of complexity within the PIRS, third-party data providers have stepped in to assist customers to navigate and collate information from the PIRS. It was beyond the scope of this assessment to determine whether users of third-party providers are getting value from these providers.
- 3.18 The variability of information and guidance means that some users may make property decisions with limited information.
- 3.19 While regular and experienced users might ultimately work out what is available and what is useful, casual or infrequent users are less likely to know what 'good' looks like. There is a lack of overall connectedness of education and knowledge, which is consistent with the other theme of better cohesion.

Knowledge gaps

3.20 The panel also heard of gaps in access to data that may require legislative change. There is some information that is 'known' that is not captured within the PIRS. The panel heard of a scenario where real estate agents are only required to disclose information that they can be reasonably expected to hold, and property owners are not legally required to disclose defects to agents or purchasers.

Example: Information shared during residential real estate sales

The Real Estate Authority (REA) received a complaint from a new homeowner who had discovered serious defects in a property after settlement. The vendor had disclosed the defects to the first real estate agent they engaged. That agent informed the vendor that they were obligated to disclose the defects to potential purchasers.

As a result, the vendor engaged a new agent and did not disclose the defects. The buyer was not made aware of the defects, as the agent brokering the sale was not aware of them. In this case, the agent had not done anything wrong, so the REA were unable to assist the homeowner.

The cost to obtain data

'The taxpayer generates the information and funds LINZ, why should they pay again to access information?'

Interviewee, private sector

3.21 The cost of accessing data was a recurring theme raised by stakeholders. The panel appreciates that cost concerns are more complex than presented. The examples presented in this section show a range of cost-related aspects, and some suggest there are opportunities to reduce costs in the PIRS. Other examples show additional cost in the PIRS are a result of inefficiencies or the PIRS not operating optimally.

Example: Land Information Memoranda (LIM)

A LIM is a summary of all the information about a property held on file by a council. It includes information on potential risk of natural hazards, drainage, consents and permits affecting the land or buildings, and defects the council has been notified of. LIMs do not provide all information on a property. For example, if the council has not been notified of a weathertightness issue for the property it will not show on the LIM.

The cost of obtaining a LIM report and the information it contains can differ between councils. Most councils require a record of title to process a LIM request, adding another step in the process. The panel heard that it can take three to four weeks for a LIM report to arrive, even though there is a statutory timeframe of 10 days. The timeframes and cost can mean that properties are sold before a LIM is obtained.

- 3.22 Although the rating valuation sub-system was outside the scope of the assessment, costs associated with its data was a recurring theme. The panel heard that some councils charge for access to District Valuation Rating (DVR) data. The cost of accessing DVR data also differed between the councils that do charge for this.
- 3.23 The panel also heard how the Māori Land Court (MLC) was charged for data collected through the PIRS. The MLC is charged whenever someone accesses DVR data.

'Public data should be provided for public good, not private gain.'
Interviewee, private sector

3.24 As noted earlier, to varying degrees, commercial/third-party data providers have responded to user demand for data products. In some examples, data products were necessary because the PIRS was not meeting user needs. Conversely, some stakeholders thought some data products were costly and inflexible. For example, products may contain more fields of data than required, which could lead to people paying for data they don't need. Some stakeholders were unsure how much data had simply been repackaged into a usable format.

Case study: Reliance on third-party suppliers

An area of data provision which is missing from government datasets is clearly defined properties that can be uniquely identified. CoreLogic has overcome this gap in unique property identifiers by creating their own and using Quotable Value's QPID. Agencies including EQC, HUD and IRD use this data in the absence of any other option.

Case study: Reliance on third-party suppliers

The Ministry of Housing and Urban Development (HUD) developed its own system and data products (for example, matching parcel, address, and District Valuation Roll data) to enable property information to inform policy development and decision-making.

Similar information and products are required across government, and because they are not available elsewhere, HUD has assumed a default role in providing data products to agencies such as Inland Revenue, Stats NZ, the Ministry of Social Development and the Reserve Bank. To do so, HUD has had to sign a multi-year contract with CoreLogic for data supply. This also meant key government functions rely on an overseas-based commercial entity.

3.25 The panel also heard how processing raw data into usable information was expensive. To support such investments, commercial/third-party providers entered longer term contractual arrangements. As a consequence, smaller providers found it difficult to gain entry into a market.

Data quality, reusability

Data is packaged for a specific use, and is being wasted due to a lack of reusability.

'There is an increasing demand for better, more wide-spread use of data across New Zealand. There is work underway which will help to build a foundation to enable greater use of data, however there is an opportunity for greater coordination and cohesion across the system.'

Data Strategy and Roadmap for Aotearoa NZ

3.26 Stakeholders advised that data across the PIRS usually needs to be tided, processed and packaged into products. The panel also heard of products being developed for a particular purpose and then used only once, sometimes after significant effort.

- Several participants spoke of data wastage, duplication of effort and multiple entities/agencies investing resource into processing and packaging the same datasets in similar ways.
- 3.27 The panel also heard that people were frustrated by the inability to save and share data that may have potential for re-use. The gap in delivery of data products to end users is often fulfilled by commercial/third-party data providers. The private market benefits from repeat sales and may not have an incentive to create or provide access to data products which can be used for multiple purposes.
- 3.28 Address-related data was a regular example of incomplete data, and there are differences in recording what the address is intended to identify (such as a property, building, letterbox, or access point). Stats NZ, councils, CoreLogic and New Zealand Post hold address data tailored to suit their individual uses. Toitū Te Whenua has an indirect mandate through its relationship with local government authorities to collate and maintain the official address dataset.
- 3.29 Fire and Emergency New Zealand (FENZ) created and maintained the suburbs and localities dataset as there was a gap in data required for accurate dispatch of emergency services. This dataset is now maintained by Toitū Te Whenua.

'The issues using addresses for emergency response seen in Canterbury have still not been fixed. If we had a similar event today, we would encounter the same problems.'

Interviewee, public sector

Case study: Canterbury earthquakes

The Canterbury Earthquake Royal Commission identified issues with the use of address information following the Canterbury earthquakes. Building records were maintained in relation to postal addresses, but territorial authorities use different identifiers such as a single address for a building composed of multiple units.

A building can have two or more addresses where it has multiple entrances, units or tenancies. In the immediate aftermath of the earthquakes, issues with the identification of buildings and units impacted occupiers' access to emergency services. Emergency services had difficulty

locating buildings and, because there was no unique identifier, some buildings were searched multiple times (and others not at all) by urban search and rescue teams. ¹⁶

The Earthquake Commission recommended that:

- a clear system for identifying individual buildings should be developed and included in plans for a building safety evaluation process
- Toitū Te Whenua should continue work on initiatives which develop nationally consistent address protocols and make them publicly available.¹⁷
- 3.30 Since the interview phase of the regulatory assessment, Toitū Te Whenua has published a new NZ Addresses (pilot) dataset. This dataset is available on the LINZ Data Service, providing comprehensive national address data. This builds on its predecessors, incorporating previously missing addresses into official address data. Toitū Te Whenua is now developing a process to identify missing data and will continue to populate the dataset as addresses are verified.

Data sharing maturity

- 3.31 While data sharing between government agencies occurs, there are variable levels of maturity. Sharing can be difficult due to quality, format and consistency differences, as well as data not being captured. Funding, system compatibility and expertise constraints also affect the extent that data and data products are used across multiple agencies.
- 3.32 Privately held data, which may be beneficial to the public or others, is also not commonly or easily shared. For example, insurance companies cannot confirm whether claims, other than EQC claims, have been made or paid by other insurers, or repairs carried out appropriately. Real estate agents are unable to access information about potential defects that may have been disclosed to other agencies.

¹⁶ [1] Canterbury Earthquake Royal Commission Final Report, Volume 7, p.39

¹⁷ [2] Canterbury Earthquake Royal Commission Final Report, Volume 7, pp.39, 40

Section 4: Conclusion – Stronger together

This regulatory assessment was commissioned as part of the Toitū Te Whenua commitment to good regulatory stewardship. Regulatory stewardship includes:

- identifying and reporting on the benefits of regulatory systems over time
- being deliberate about improving system performance
- actively identifying and managing regulatory risks.

Benefits

- 4.1 The panel concluded that the Property Information Regulatory System is providing information to enable well-informed decision-making. Reliable property information exists and is held by credible agencies that have the ability and desire to make improvements.
- 4.2 Similarly, connected property information is needed to tackle big public policy issues such as climate change, impacts on the environment and economic and social well-being. To continue to deliver benefits over time, the Property Information Regulatory System must be more cohesive, more connected and easier to use.

Deliberate improvements

- 4.3 Change to the Property Information Regulatory System cannot occur in isolation. A change within one system that is not designed and delivered across the rest of the system may not deliver an improvement overall.
- 4.4 The themes identified in this assessment are not new. Notably, these themes closely match the strategic intentions expressed by Toitū Te Whenua:
 - Consistent data management, sharing practices and influencing other holders of data.
 - Making it easy for decision-makers and customers to find and use authoritative property information.
- 4.5 While further investigation of specific 'solutions' is required, the fact that themes were consistent across a range of stakeholders provides confidence on the continued need for change.

Risks

- 4.6 The Property Information Regulatory System is complex, composed of many interconnected parts. Property related information is produced across multiple, interconnected systems. This is both a benefit and a challenge.
- 4.7 Connecting data and legacy systems will always present technical challenges. Some systems cannot 'talk' to each other, or the cost of replacing legacy systems may be prohibitive. However, addressing technical challenges is not the starting point. The first step is to organise government around the services it provides, promoting deep collaboration between agencies, rather than approaching change from within agency themselves.

Next steps

4.8 An assessment of the performance of a regulatory system provides the basis for discussing performance and improvements with all system participants. All regulatory assessments are a snapshot of information available at a point in time and include a degree of subjectivity. Historically, the agency responsible for a regulatory system will issue a formal response to the assessment. Given the interconnectedness of data is a central theme of this report, the panel encourages Toitū Te Whenua to work closely with other agencies to determine priorities, work programmes and funding opportunities.