

# **Property rights**

under the Official Information Act 1982 Land Information Portfolio



Te Kāwanatanga o Aotearoa New Zealand Government

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# 1 Introduction

This briefing on property rights supplements your initial briefing on the Land Information portfolio.

Property rights is one of four regimes covered in supplementary briefings.

Regimes	Main activities	Main legislation
Overseas investment	Ensure permitted investments in New Zealand's sensitive assets by overseas persons provide net benefits to New Zealand	Overseas Investment Act 2005
Property rights	Administer a state-guaranteed regime of property rights, restrictions and responsibilities over land and property in New Zealand	Cadastral Survey Act 2002, Land Transfer Act 2017
Geographic and property information	Providing information that New Zealanders value when making land, sea and property-related decisions, as well as informing local and central government decision-making on issues like emergency response and climate change	Valuers Act 1948, Rating Valuations Act 1998, New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Act 2008
Crown land	Administer Crown land, and the regime for acquiring and disposing of land in a way that balances both the public interest and private property rights	Land Act 1948, Public Works Act 1981, Crown Pastoral Land Act 1998

Figure 1: LINZ regimes c	overed in supplementary	briefings
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This briefing discusses:

- your role in relation to property rights
- activity in the property rights regime
- upcoming opportunities
- the outlook for property rights
- suggested next steps.

## Facts at a glance

# **15% GDP**

Property services is one of New Zealand's largest contributing industries to GDP.<sup>1</sup>

In the property rights regime in the last year there were:

# ✓ 3,283,424

property search products delivered (through both Landonline and Land Record Search).

# 2,697,174

parcels in the cadastre (including road and water parcels such as rivers, lakes and the seabed).



live titles in the register.

The survey and title regime is administered through Landonline. In the last financial year there were:

# 🕒 3.2 million

logins to Landonline, the platform for New Zealand's property regime, up from 3 million in the 2021/22 financial year. Landonline has 13,551 active users, which include surveyors, solicitors and conveyancing professionals, banks, councils and real estate agents.

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territorial authorities in New Zealand have gone live with Notice of Change of Ownership in Landonline.

<sup>&</sup>lt;sup>1</sup> Source: Stats NZ 2021. <u>Gross domestic product (GDP) | Stats NZ</u> Includes owner-occupied property operation, rental hiring, and real estate services.

# 2 Your role as Minister for Land Information

Your main roles in relation to property rights are ensuring Toitū Te Whenua Land Information New Zealand (LINZ) maintains the legislative framework for holding and transferring property, overseeing the modernisation of the land registry digital platform (Landonline), deciding on survey and title fees and charges, and directing LINZ on any areas of policy development.

# 2.1 Maintaining the legislative regime for holding and transferring property

You are responsible for administering the Land Transfer Act 2017 and the Cadastral Survey Act 2002. These Acts set the legislative regime for holding and transferring land and related property in New Zealand. The property rights regime is one of the foundations of the economy.

Land Transfer Act 2017	Cadastral Survey Act 2002
• Maintains the Torrens system of land title in New Zealand, the principles of which are to:	• Requires the Surveyor-General to maintain a national geodetic regime and a national survey control regime
<ul> <li>provide security of ownership of estates and interests in land</li> </ul>	<ul> <li>Provides for the electronic lodging and processing of cadastral surveys</li> </ul>
<ul> <li>facilitate the transfer of and dealings with estates and</li> </ul>	• Promotes and maintains the accuracy of the cadastre by:
<ul> <li>interests in land</li> <li>provide compensation for any losses arising from the operation</li> </ul>	<ul> <li>requiring cadastral surveys to be done by, or under the direction of, licensed cadastral surveyors</li> </ul>
<ul> <li>of the system</li> <li>provide a register of land that describes and records the</li> </ul>	<ul> <li>requiring cadastral surveyors to meet standards of competence to be licensed</li> </ul>
ownership of estates and interests in land.	<ul> <li>providing for the setting of standards for cadastral surveys and cadastral survey data.</li> </ul>

#### Figure 2: Legislative regimes for holding and transferring land and related property

LINZ considers that this legislative regime is performing well and is one of the reasons New Zealand has an international reputation for a secure and efficient property rights regime.

Your role in maintaining the property rights legislative regime is likely to focus on how the regime connects to reform in other ministerial portfolios.

Legislation for property rights is closely connected to legislation for development, housing, the environment, Māori land, and overseas investment. Reform in any of these areas will require your involvement to meet desired outcomes while maintaining the integrity of the property rights regime.

A recent example is the July 2023 release of a Ministry of Business, Innovation and Employment discussion document on anti-competitive land agreements. LINZ helped prepare this discussion document given the role of the Land Information portfolio in administering the property rights regime.

LINZ will identify property rights implications of government initiatives in its weekly updates to you, so that you can discuss them in the following week's officials meeting.

## 2.2 Overseeing completion of the Survey and Title Enhancement Programme

LINZ administers the property rights regime using an information technology platform called Landonline. The key users of Landonline include lawyers, conveyancers and surveyors, working on behalf of their clients.

LINZ is almost two-thirds of the way through the Survey and Title Enhancement Programme (STEP), a major upgrade to Landonline. STEP is one of the government's larger information technology projects. Your role involves providing oversight to ensure LINZ delivers a modern, secure and efficient regime that works for property professionals and their clients.

Your main responsibilities include:

- meeting with LINZ officials and the STEP board (section 4.1.2) to set your expectations for the programme and to monitor progress, including delivery and financial progress
- reporting to Cabinet on progress
- authorising LINZ expenditure at key points in the programme.

You share the responsibility for authorising programme expenditure with the Minister of Finance and the Minister for Digitising Government (on confirmation of responsibilities).

Section 4.1 provides more information on STEP.

The previous Minister for Land Information provided a report to Cabinet on STEP in December 2022. One of the recommendations of that report was that the Minister update Cabinet again in July 2023, but that report was deferred until after the election.

LINZ will prepare the next six-monthly report for you to take to Cabinet on progress in upgrading Landonline, due within the first six months of 2024. LINZ is available to discuss with you and will liaise with you and your office about the content and timing.

LINZ will brief you on progress well in advance and will seek an opportunity to discuss STEP with you in more depth.

## 2.3 Deciding on survey and title fees and charges

LINZ's delivery of survey and title services is funded by fees from third parties (mainly lawyers, conveyancers and surveyors who pass fee costs onto their clients). The previous Minister for Land Information set new fees in early 2021 and signalled the need for a further fee review.

Section 4.2 provides more information on survey and title fees and charges.

Government fee reviews require Ministers to seek Cabinet approval at three points in a review: before public consultation, once fee recommendations are ready, and once fee regulations are ready to be signed by the Governor-General. LINZ will brief you in late 2023 on the fee review process and seek your agreement to key issues for review and a review timeframe.

## 2.4 Directing LINZ on areas of policy development

You may have identified areas of potential policy development in relation to the property rights landscape, or you may identify these as you administer the Land Information portfolio.

LINZ can provide advice on policy issues that you are interested in exploring.

# 3 Main areas of property rights activity

The main areas of LINZ's activity in the property rights regime are defining property boundaries across New Zealand, and administering land titles and other interests in land.

## 3.1 Defining property boundaries

## 3.1.1 Cadastral surveys

While Landonline stores property records, the accuracy of the land titles being transacted depends on precise information about the land's features and boundaries.

Cadastral surveys determine the location of features and boundaries for each parcel of land. The complete set of all cadastral survey records is called the cadastre.

The accuracy of New Zealand's cadastre depends on the tight management of survey standards and processes. LINZ and the Surveyor-General have functions and responsibilities in relation to the survey regime set out in the Cadastral Survey Act 2002. Functions include setting the rules of licensed cadastral surveyors and ensuring that the records of New Zealand's land boundaries are accurate.

Your principal role in relation to cadastral surveys is to ensure the legislation is up to date, and that LINZ is maintaining a robust system of quality control. You will have opportunities to enquire into LINZ's performance through regular performance reports and meetings with officials.

Cadastral surveys are underpinned by a reference system of earth measurements provided by LINZ. The complete system for defining land rights has three stages.

#### Figure 3: A three-stage process to determine the precise location of properties

The **geodetic regime** is the first stage, measuring the location and height of land. This provides the underlying framework of location reference points used for cadastral surveys.

of work, ensuring accurate documentation of property locations and related information such as boundary dimensions and land areas.

> The **land registration regime** is the final stage and records ownership and property rights information.

Components of the geodetic, cadastral and land registration regimes are integrated in Landonline.

Each stage of work contributes to other areas of activity, increasing the value of the overall property regime to New Zealand. For example:

- the geodetic regime is the basis for the charts that mariners use to navigate safely
- cadastral surveys contribute to accurate electoral boundaries and help define rights to Māori land and Crown land
- land registration provides a basis for banks to provide mortgages.

## 3.1.2 The cadastre and Landonline

Landonline holds the cadastre (the set of all cadastral survey records) in a digital database. This database replaced the paper-based survey records system that had operated in various forms in New Zealand since the 1840s.

Since September 2007, it has been mandatory to lodge plans electronically through Landonline. Most survey records have been converted into digital form, although some rarely used or fragile survey records remain in paper form.

## 3.1.3 Cadastral surveys and subdivisions

Cadastral surveys are used when a parcel of land is subdivided into two or more separate parcels of land.

For subdivisions subject to local authority approval, the local authority certifies the survey. This verifies that subdivisional requirements and services, such as providing roading and drainage, have been met. Landonline allows local authorities to certify surveys online.

#### Figure 4: Land subdivision

2. Local authority 3. LINZ 1. Surveyor Produces a cadastral survey plan Certifies the plan to verify that it Receives survey plan from (which shows a property's legal meets subdivision requirements surveyor, checks quality, deposits boundaries, areas and (for example, roading and the survey plan as a legal dimensions) drainage services) document, cancels the existing title, and issues a new title record for each new piece of land shown

## 3.1.4 Surveyors and the Cadastral Surveyors Licensing Board

on the deposited plan

Cadastral surveys can only be undertaken by a licensed cadastral surveyor or a person acting under the direction of one. Licences to practice are issued annually by the Cadastral Surveyors Licensing Board, and license renewal is based on the maintenance of competency. The board consists of five members and two substitute members appointed by the Minister for Land Information, with the Surveyor-General as an additional board member.

#### Figure 5: Surveyor-General



The job of defining and registering property boundaries comes up in a wide range of ministerial decisions on different issues. These issues include Māori land, compulsory acquisition of land for major transport or other infrastructure programmes, environmental management, and responses to natural disasters. LINZ will advise you on issues as they arise.

The Surveyor-General also chairs Ngā Pou Taunaha o Aotearoa New Zealand Geographic Board (which administers the official naming of places in New Zealand) and supports the Electoral Commission's setting of electoral boundaries.

# 3.2 Administering land titles and other interests in land

## 3.2.1 Land title registration

The property rights regime provides people with certainty regarding land ownership. The regime sets out and guarantees what is owned, who owns it, ownership rights and how ownership can be transferred.

The core of the property rights regime is a system of land registration that guarantees title. New Zealand uses a government-backed register of title to land called the Torrens system. This was introduced to New Zealand in 1870 and is named after Sir Robert Torrens, who introduced the system to South Australia.

### Figure 6: Principles of the Torrens system of land title in New Zealand

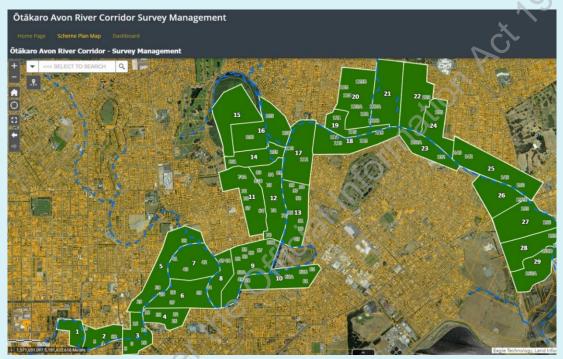


Land registration and the transfer of titles provides the basis for owning and using property throughout New Zealand. Property in the land register includes houses, commercial real estate and a range of infrastructure. Figure 7 provides an example of recent land title work for land affected by the Christchurch earthquakes.

#### Figure 7: Land title work and the Christchurch red zone

In August 2023, LINZ transferred the final blocks of Crown-owned red zone land to Christchurch City Council, marking the end of a process of Crown and council work to reestablish the use of this land following the 2011 Canterbury earthquakes.

LINZ amalgamated 5,500 property titles along the Ōtākaro Avon River Corridor into 29 parcels of land. This ensured the council could use the land immediately for regeneration purposes, with many projects already under way.



The 29 red zone land parcels along Christchurch's Ōtākaro Avon River Corridor

## 3.2.2 Landonline

Landonline is the digital platform for registering titles and recording land boundaries. Virtually all private land in New Zealand is registered through Landonline, and its register holds over 2.3 million live land titles and 2.7 million surveyed parcels of land, including parcels for roads and water (such as rivers, lakes and seabed). The platform is accessed by over 4,000 users a day.

#### Figure 8: Landonline

#### Overview

- Established between 1999 and 2003
- The only way to create, buy and sell property in New Zealand
- Recognised globally as a world-class property regime
- Critical enabler of the New Zealand economy
- Provides information for the financial systems that New Zealanders rely on

#### **Key statistics**

- Over 13,000 registered users
- 3.2 million logins a year
- Over 11,000 surveys annually, creating over 30,000 new titles
- 2.7 million parcels in the cadastre (including parcels for road and water parcels)
- Over 2.3 million live titles in the register
- 3.3 million search products delivered annually (including both Landonline and Land Record Search)
- 500,000 title documents received annually
- 4.16 out of 5 customer satisfaction rating for survey and title services in 2023

Users	Activities
Surveyors	Supplying cadastral survey data to Landonline for land that has been surveyed (for example, a parcel of land that has been subdivided)
Lawyers and conveyancers	Acting on behalf of New Zealanders buying or selling property, or changing property details, to ensure property and ownership data is correct
Real estate agents	Sourcing title information on properties that agents are selling
Banks	Assigning mortgages against property titles with confidence that they are lending to the owner of the property Ensuring the mortgage is recorded against the title, so banks
	have security over their lending
Councils	Issuing certificates or consents based on resource management legislation Ensuring councils have the correct details about the property
	owner for rating purposes
LINZ staff	Monitoring information and processing survey plan lodgements and titles dealings that need manual processing
The public	Ordering property titles online through the LINZ Land Record Search webpage

## 3.2.3 Property professionals and the registration process

LINZ administers Landonline but private-sector property professionals play an essential role in land transfers. In particular, lawyers, conveyancers and surveyors lodge legal documents (including any survey updates) to record any changes made to titles, such as transfers of ownership, discharges of mortgage and new mortgages. LINZ records each transaction in the record of title for that land.

#### Figure 9: Land title registration

## 1. Customers



Seek to buy or sell property, get a mortgage or pay off a mortgage

2. Lawyers, conveyancers and surveyors



Lodge legal documents, including any survey updates, with LINZ to record any changes made to titles



3. LINZ

Records the transaction in the record of title for that land

Organisations representing property professionals want to ensure the property rights regime meets their needs and the needs of their clients. These organisations may engage with you to discuss the regime. Engagement generally includes meetings with the heads of key organisations (**Annex 1**), invitations for you to speak at industry conferences and ministerial correspondence.

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LINZ will invite you to one of the next LINZ-coordinated meetings of representatives of property professions.

## 3.2.4 Registrar-General of Land

Trust and confidence in the property rights regime is maintained through two independent statutory officers based at LINZ. One is the Registrar-General of Land, who is responsible for maintaining public confidence in the land titles regime. The other, the Surveyor-General, is described in section 3.1.4.

#### Figure 10: Registrar-General of Land



- Maintains the land title register and provides access to authoritative property information
  - Develops standards and sets an assurance programme for the land rights registration regime
- Provides technical policy advice on land registration
- Administers claims and reviews under the Land Transfer Act 2017

Registrar-General of Land: Robbie Muir

## 3.2.5 Value of the property rights regime

The property rights regime facilitates the creation and exchange of title (or any other change to someone's ownership or interests in land, including boundary changes) as securely and efficiently as possible.

Figure 11: Key benefits	C (1 )		
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Secure title	Low-cost property transactions	Up-to-date property data for decision making
<ul> <li>Secure title allows a person or business to be confident in the ownership of land or legal interests in land. When someone has security of ownership, they know what they own and who can use it for what purposes.</li> <li>Keeping official records of land boundaries adds to the sense of security of ownership and reduces the risk of boundary disputes between neighbours.</li> <li>Secure title can also be used as financial security for borrowing from a bank. When a bank is less confident that a person is the rightful owner of a property, it is less likely to lend to that person (or it will charge more for the higher risk of lending its money).</li> </ul>	<ul> <li>The property rights regime reduces the cost of buying, selling or changing rights in land, compared to a situation with no registration and recording of survey and title information.</li> <li>Within the regime, property rights can usually be verified through an online search.</li> <li>Changing owners or rights is also often a straightforward online operation for a solicitor or conveyancer.</li> <li>If the survey and title records were not held electronically and made easily available, people would need to spend more time carrying out their due diligence on a property purchase.</li> </ul>	<ul> <li>Landonline provides fast, easy and cost-effective access to property titles via the Land Record Search.</li> <li>Landonline also provides joined-up property information between surveyors, solicitors, conveyancers, councils and banks.</li> </ul>

# 4 Upcoming opportunities

Two opportunities for you in the Land Information portfolio are the completion of the Survey and Title Enhancement Programme and the next survey and title fees review.

## 4.1 Completing the Survey and Title Enhancement Programme

The Survey and Title Enhancement Programme (STEP) is an in-house programme that began in April 2019. The focus is on upgrading and improving New Zealand's survey and title information technology platform, Landonline, while building capability within LINZ to continually update Landonline without future one-off investments by government.

Significant parts of the modernised platform are already live, with up to 70 percent of survey and title transactions able to be conducted on the new platform. Landonline customers have been involved throughout the development, testing, piloting and release of new features, and satisfaction with delivered services is high. The programme has been independently assessed as being well on track for delivering the benefits anticipated by the 2018 programme business case.

STEP is expected to be substantially completed by June 2025. By this time, all external customers and most internal customer support staff are expected to have migrated onto the new system to conduct property transactions. This key milestone will:

- ensure the ongoing stability of the Landonline system
- allow all core activities to be completed on the new platform
- mark a transition to a new survey and title operating model
- allow further system development work after June 2025 to focus on enhancements (such as enabling surveyors to upload three-dimensional survey plans).

# 4.1.1 Programme objectives

Landonline was established between 1999 and 2003, and while it was a world-leading system in its time, it is now outdated technology. Some system components are no longer supported or are reaching the end of their life. Technology changes and upgrades over the years have resulted in a complex regime that has been expensive to maintain and slow to adapt to changing requirements. STEP aims to deliver:

- a flexible, modular, secure and more adaptable technology platform
- higher quality survey and title services that cover a broader range of transactions
- improved productivity and a better flow of information, due to the integration of Landonline property data with regimes such as the Māori Land Court's Pātaka Whenua, an online Māori land portal
- better access to property information for the public and decision makers.

STEP's delivery stage will continue to give the Land Information portfolio a significant digital technology focus. This is consistent with a general trend to provide users of government services with more opportunities to access services online.

## 4.1.2 Ministerial oversight and programme governance

Cabinet consideration of an update to Landonline began in November 2013, when the Cabinet Economic Growth and Infrastructure Committee noted the need to begin work on a second-generation replacement for Landonline.

Cabinet agreed to the STEP business case in October 2018 and set up a framework for ministerial control and oversight.

Ministerial responsibility for programme expenditure approvals is held jointly by the Minister for Land Information, Minister of Finance and Minister for Digitising Government (on confirmation of responsibilities). The next request for expenditure approval is expected to be submitted in late 2024.

STEP is governed by a board comprising three experienced independent members and the LINZ Chief Executive.<sup>2</sup> The board is charged with overseeing and governing the programme to ensure delivery within scope, time and budget, and realisation of benefits for customers and New Zealand.

The independent board members are:

- Jenn Bestwick current independent chair of Tonkin and Taylor Ltd, chair of the
- Tertiary Education Commission
- Murray Jack former chair and Chief Executive of Deloitte NZ, current chair of Chartered Accountants Australia and New Zealand
- Rogan Clarke Customer Experience Transformation Specialist at the Ministry for Social Development.

<sup>&</sup>lt;sup>2</sup> Gaye Searancke is participating as a member of the board in her substantive role as Chief Executive.

The Treasury, the Department of the Prime Minister and Cabinet, the Digital Public Service branch of the Department of Internal Affairs and Te Kawa Mataaho – Public Service Commission provide further external oversight.

LINZ provides quarterly reports to you and joint Ministers with the next report due by the end of 2023. The quarterly reports provide an opportunity for you to assess how LINZ is performing against targets set at the start of STEP. LINZ will also provide updates on programme status and upcoming releases of new Landonline features in its weekly reports to you.

LINZ can arrange for you to meet with the STEP board.

## 4.1.3 Funding

Landonline's operating costs, including that of STEP, are funded by Landonline users. LINZ charges fees to surveyors, lawyers and conveyancers accessing survey and title services, who pass these costs on to their clients.

The full capital cost of STEP by the end of the 2026/27 financial year is expected to be \$175.7 million. The programme has three sources of funding:

- \$103 million capital injection from the Crown was approved and set aside for the programme in Budget 2018. LINZ was required to seek periodic approvals from joint Ministers to draw on this fund (see Figure 12) and must fully repay the capital injection by 2030 through collecting fees.
- Depreciation funding has been generated by the modernised system and is funded by Landonline user fees.
- \$32.9 million in capital reserves is being provided by LINZ itself (this is primarily depreciation funding generated by the legacy system).

The cost of STEP will be fully repaid by user fees for LINZ survey and title services. User fees are a small component of transaction costs for a residential property purchase. The relevant fees for simple residential transactions (with a mortgage) are \$90 per transfer or mortgage instrument. This is a small component of the total amount charged by a conveyancer to a customer. Fees for survey transactions vary depending on the size and complexity of the subdivision, and are built into the overall costs of property development.

#### Figure 12: Expenditure approvals for the Survey and Title Enhancement Programme

In line with current Cabinet directions, LINZ must seek periodic expenditure approvals from joint Ministers before it can proceed with planned work.

Expenditure approvals have been sought approximately every 18 months since work began in April 2019. Joint Ministers have to date authorised expenditure totalling \$145.35 million. The most recent approval was given in July 2023 for expenditure of \$36.03 million to maintain the programme from January 2024 to June 2025, by which time the modernisation of the legacy system should be substantially completed.

Joint Ministers have allocated the \$103 million capital injection toward programme expenditure. The balance needed to fund expenditure is sourced from capital reserves and recycled depreciation.

LINZ next expects to seek expenditure approvals in late 2024. This request will cover the final stage of the programme from July 2025, involving enhancements to the system that were anticipated by the 2018 business case.

## 4.1.4 Delivery progress to date: new services

New Landonline services have been continuously piloted and released since 2019, including major releases of modernised survey and title services over the past 12 months. Large parts of the modernised platform are live, with surveyors and solicitors now able to process up to 70 percent of property transactions by volume on the new platform. These are summarised in Figure 13.

r.s. Released under

#### Figure 13: Customer uptake of new services

#### **Title Dealings Application**

- Enables lawyers and conveyancers to complete almost all straightforward sale and purchase and re-financing transactions in the new Landonline.
- Over 98% of eligible firms have used the new Title Dealings application at least once.

#### **Survey Capture**

- A more efficient tool for surveyors to use to submit survey datasets.
- Half of all surveys are now created (captured) and submitted in new Landonline.

#### Notice of Change of Ownership

- Helps property lawyers fulfil their legal requirement to notify the relevant council of changes in property ownership.
- Councils automatically receive accurate property information so they can update their rating databases.
- All territorial authorities have adopted this automated service.

#### Notice to Mortgagee

- An automated process for solicitors to inform financial institutions that a mortgage has been registered against a record of title.
- 16 banks and financial institutions are accepting electronic notifications of mortgage registrations through this new service. These firms represent 96 percent of live mortgages in Landonline.

### Public Land Record Search

- Replaced a manual request service that took several days to complete.
- A web browser-based service enabling property information to be delivered in minutes.

## 4.1.5 Benefits of the new Landonline services

New Landonline services will provide faster and more secure services to property professionals and their clients.

#### Figure 14: Progress delivering benefits of the Survey and Title Enhancement Programme

#### **Benefits**

#### Reduced risk to business continuity and confidence

- System reliability has been maintained during the rebuild of Landonline.
- The move to web browser based remote access is reducing the risk associated with the software needed to access the legacy Landonline platform.
- Up to 70 percent of survey and title transactions by volume can now be undertaken in the new Landonline.
- New functions are available for extended hours to better meet user demand.

#### Improved ability to meet customer and policy needs

- Satisfaction with the new Landonline is above the 80 percent target level.
- Most Landonline functions can be accessed remotely through a web browser, so users no longer need to install specific software to use Landonline.
- LINZ can rapidly deploy system changes to meet customer or policy needs. In 2022/23, 31 moderate or significant releases were deployed across the title, survey and search functions (compared with just five releases per year in the legacy Landonline).

#### Improved productivity

- The programme has enabled efficiencies through the automated property transaction and mortgage notification services now in use by lawyers, conveyancers, banks and territorial authorities.
- Release of new survey and title services are saving conveyancers and surveyors time.
- Since the release of the Public Land Record Search product in February 2021, transaction volumes have doubled from what was forecast.

#### **Economic value**

- A secure, reliable and fit-for-purpose Landonline will retain its value as a national data asset.
- The new platform will enable high-value innovation, such as the digital visualisation of survey plans.

## 4.1.6 First phase completion by June 2025

In 2024, LINZ will complete a plan outlining the transition from active development of new Landonline features to a fully functional new Landonline service and a new survey and title operating model.

The first phase of the wider modernisation programme is expected to be completed by June 2025. By that time, LINZ expects that all external customers and most internal customer support staff will have migrated to the new system. After that time, LINZ will continue working with customers to prioritise delivery of innovative Landonline enhancements promised in the programme business case. The transition plan will cover ongoing accountability reporting to ministers and Cabinet.

LINZ will brief you on its proposed plan for completing the transition to a new survey and title operating model and provide an opportunity for you to discuss the plan with officials.

## 4.2 Reviewing survey and title fees and charges

LINZ's delivery of all survey and title services is funded by fees from third parties (lawyers, conveyancers, surveyors and other customers).

The difference between third-party revenue and total cost is reflected in a LINZ memorandum account. By the end of the 2023/24 financial year, lower property market activity, the cost of investment in modernising the Landonline system and general inflation pressures means the survey and title memorandum account is forecast to have a deficit balance.

The deficit balance is putting pressure on LINZ's financial position. This pressure was anticipated, and Budget 2023 included a repayable \$85 million line of credit to be drawn down as required over three years. The line of credit will enable LINZ to maintain the balance sheet and provide immediate cover for the anticipated deficits.

LINZ is undertaking fee modelling and developing options to understand the level of fees required to recover the costs of delivering survey and title services.

The regulations that would be required to be amended for any fee changes are:

- the Cadastral Survey (Fees) Regulations 2003
- the Land Information New Zealand (Fees and Charges) Regulations 2003
- the Land Transfer Regulations 2018.

LINZ will brief you in late 2023, seeking approval for the next steps for a survey and title fee review.

# 5 Outlook for property rights

The New Zealand property rights regime is world class, with strong digital and data capabilities. LINZ's work on modernising Landonline through the STEP programme has strengthened LINZ's connections with customers and the property rights sector and is helping deliver innovative enhancements to the current regime.

LINZ has a strategy for the property regime with focus areas and changes it expects to see until 2030. LINZ can discuss this strategy with you.

There are opportunities to further connect services across government to ensure that data is available, land development processes are joined up and technology platforms and services are modernised and customer-centric. Property challenges relating to land use, affordability and Māori land are issues that New Zealand will face in the coming years.

## 6 Next steps

# LINZ can arrange a meeting to discuss STEP and will brief you shortly on next steps for a survey and title fees review.

LINZ is ready to respond to your direction on priorities for the property rights regime, as part of your Land Information portfolio responsibilities. LINZ can develop advice and options for issues of importance to you. LINZ will also provide advice on implications for

# Annex 1 Critical relationships

Your main working relationships in relation to the property rights regime are with other Ministers, the public, property professionals and businesses, and central and local government.

Other Ministers	
Minister of Finance	• The Minister of Finance is one of the Ministers who jointly oversees the Survey and Title Enhancement Programme and approves capital expenditure in this programme. You will also work with the Minister of Finance on wider funding issues including initiatives in the annual budgets.
Minister for Digitising Government (on confirmation of responsibilities)	<ul> <li>The Minister for Digitising Government is one of the Ministers who jointly oversees the Survey and Title Enhancement Programme and approves capital expenditure in this programme.</li> </ul>
Other Ministers	• You are likely to work closely on policy development with a range of Ministers, including the Minister of Housing, the Minister for Treaty of Waitangi Negotiations, the Minister of Justice and the Minister for Courts.
Property profession	als and businesses
New Zealand Law Society	• The New Zealand Law Society is the national regulator and representative body of the legal profession in New Zealand. Their responsibilities include maintaining a public register of lawyers, issuing practicing certificates and certificates of standing and creating processes for changes in modes of practice.
New Zealand Society of Conveyancers	<ul> <li>The New Zealand Society of Conveyancers is the professional body representing conveyancing practitioners in New Zealand. Their role is to represent, promote and regulate the conveyancing profession.</li> </ul>
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Central and Local G	Central and Local Government		
Māori Land Court Te Kooti Whenua Māori	<ul> <li>LINZ joins up with the Māori Land Court on implementation of Te Ture Whenua Māori Act 1993 and partners on property regime and technology improvements for Māori landowners.</li> </ul>		
Property agencies	<ul> <li>LINZ shares strategic priorities with the Ministry of Housing and Urban Development – Te Tūāpapa Kura Kāinga and Kāinga Ora – Homes and Communities regarding property and urban areas. LINZ and Kāinga Ora connect around processes and demand for land for housing.</li> </ul>		
Other government agencies	<ul> <li>LINZ is your principal departmental advisor on the property rights area, but LINZ will also seek views from related agencies when developing advice for you. For example, LINZ would consult with the Ministry of Justice, Te Arawhiti – Office for Māori Crown Relations and Te Puni Kōkiri – Ministry of Māori Development on property rights issues relating to Māori.</li> <li>LINZ has agreements with Inland Revenue to deliver tax data, and Stats NZ for property transfer data.</li> </ul>		
	<ul> <li>LINZ works with Te Tumu Paeroa Office of the Māori Trustee on our property system strategy and shares information on land records.</li> </ul>		
Statutory officers a	nd regulatory bodies		
Surveyor-General	• The Surveyor-General is a dedicated statutory officer who is responsible for setting the standards for the cadastral and geodetic regime, and monitoring and auditing compliance with those standards. The Surveyor-General is the ex-officio chair of Ngā Pou Taunaha o Aotearoa New Zealand Geographic Board, and an ex-officio member of the Cadastral Surveyors Licensing Board.		
Registrar-General of Land	• The Registrar-General of Land is a dedicated statutory officer who is responsible for maintaining public confidence in the land titles regime. The Registrar-General of Land develops standards and guidelines and sets an audit and assurance programme for the regime. The Registrar-General of Land also monitors regime performance, provides policy advice, and administers claims and reviews under the Land Transfer Act 2017.		
Cadastral Surveyors Licensing Board	• The primary function of the Cadastral Surveyors Licensing Board is the licensing of cadastral surveyors who are competent		