

Briefing to the Incoming Minister for Land Information

Introduction to the Land Information Portfolio

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Introduction

This briefing introduces you to your role and functions as Minister for Land Information and what Land Information New Zealand Toitū te Whenua (LINZ) does to support you. It also outlines significant issues and decisions requiring your attention over the next three months.

LINZ has approximately 750 permanent staff spread across three offices in Hamilton, Wellington, and Christchurch. LINZ:

- provides authoritative information about the land, sea, and waterways. This helps people to get where they are going and directs important land use decisions
- holds the official property records and ensures that surveys and valuations are carried out consistently. This guarantees property rights so New Zealanders can make land investments and secure mortgages and insurances to buy their homes
- looks after more than 2 million hectares of Crown land (approx. eight percent of New Zealand) and manages nearly 13,000 individual Crown properties
- ensures the regulatory decisions associated with the overseas investment regime are robust and enforced.

LINZ is guided by the whakataukī:

Whatungarongaro te tangata toitū te whenua

People come and go, but the land remains

Annex 1 provides an overview of LINZ as an organisation.

Annex 2 outlines our key customers and stakeholders.

Annex 3 outlines current delegations of your statutory powers.

Annex 4 provides an overview of LINZ appropriations.

Your responsibilities as Minister for Land Information

Core responsibilities

As Minister for Land Information, you have overall responsibility for the way LINZ carries out its roles and functions, and for the administration of 15 Acts, including the Public Works Act 1981 (PWA), the Land Act 1948 and the Land Transfer Act 2017.

You are also responsible for decision-making in the following areas, with some of these decisions having standing delegations to LINZ officials:

- Compulsory acquisition of land under the PWA
- Overseas Investment applications
- Geographic name proposals
- Funding decisions on tenure review
- Appointments to statutory boards

A summary of the decisions you will be asked to make is set out below. More information about legislation under which delegations have been made to LINZ is in **Annex 3**.

Compulsory acquisition of land under the Public Works Act 1981

The Public Works Act (PWA) sets out how the Crown and local authorities acquire land for a public work, how a landowner is compensated and how the land is disposed of when it is no longer required. Under the PWA, the Minister for Land Information is responsible for acquisition of land by the Crown.

While the aim is to acquire land by agreement with an owner, there are times when use of the compulsory acquisition powers under the PWA is required.

Historically, most decision-making has been delegated to LINZ officials. However, as Minister for Land Information you will be asked to make decisions each year on the compulsory acquisition of land. This involves signing notices to the landowner and, if necessary, recommending that the Governor-General takes the land by proclamation when negotiation with the landowner fails. If a local authority needs to use compulsory acquisition powers, it must ask you to recommend that the Governor-General takes the land by proclamation.

As part of following the PWA process, LINZ works closely with a number of public service agencies – particularly Waka Kotahi NZ Transport Agency.

During 2019/20, over 30 notices related to compulsory acquisition were signed; 25 of these required a decision by the Minister for Land Information or the Governor-General.

Overseas investment applications

The Overseas Investment Office (OIO) within LINZ is the regulator under the Overseas Investment Act 2005 and Regulations. This includes assessing applications from overseas investors who wish to purchase sensitive New Zealand assets, to ensure the investment will be beneficial to New Zealand and not contrary to New Zealand's national interest.

You and the Minister of Finance (or nominated Associate) jointly decide on applications where these have not been delegated to LINZ. These are typically larger, more significant, applications involving sensitive land. Historically, other decisions have been delegated to the OIO for decision through a Designation and Delegation Letter. You and the Minister of Finance (or nominated Associate) also jointly decide applications to accept or waive acceptance of offers of special land (for example, the beds of lakes and rivers).

You will receive written advice from the OIO about each sensitive land application or offer of special land you decide.

During 2019/20, 33 applications were sent to Ministers for a decision as they were outside the scope of LINZ's delegated powers.

Geographic name proposals

The New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa (NZGB) is the national naming authority. The NZGB is responsible for consistent, standardised, and accurate official geographic names in New Zealand, New Zealand's continental shelf and offshore islands, and New Zealand's area of interest in Antarctica.

The NZGB can make most final decisions, but for those place names that are publicly consulted which attract objection, and which the NZGB cannot uphold, you will be asked to make the final decisions. In 2019/20, the Minister for Land Information made the final decision on 19 place names. For place names agreed as part of Treaty negotiations, the Minister for Treaty of Waitangi Negotiations makes the final decisions. For Crown protected area names (such as reserves), the Minister of Conservation makes the final decisions.

Funding decisions on tenure review

As Minister for Land Information, you have overall responsibility for LINZ's administration of around 1.2 million hectares of Crown pastoral land, largely in the South Island high country. LINZ administers this land on behalf of the Crown, leasing much of it for pastoral farming. There are currently 165 Crown pastoral leases.

Tenure review is a voluntary process in which pastoral leaseholders have an opportunity to buy some of their leasehold land. The Commissioner for Crown Lands, who is an employee of LINZ, is the statutory decision maker regarding any tenure review. The Crown Pastoral Land Act 1998 provides the basis for the Commissioner's decisions. LINZ works closely with the Department of Conservation as part of the tenure review process.

As Minister for Land Information, LINZ must seek your approval for the funding of a tenure review's substantive proposal before it can be put to the leaseholder. As part of this process, you consult with the Minister of Conservation on the substantive proposal outcomes and funding before making a decision.

The Crown Pastoral Land Reform Bill before Select Committee proposes to end tenure review. However, until the Bill is enacted, the Commissioner and LINZ must continue to undertake tenure review in accordance with existing legislation.

Appointments to statutory boards

As the Minister for Land Information, you are responsible for the appointment of members of three statutory boards, the:

- Cadastral Surveyors Licensing Board (the CSLB)
- Valuers Registration Board (VRB)
- NZGB.

The next scheduled appointment round for each of these boards is as follows.

Board	Scheduled appointment round
CSLB	2022
VRB	2022
NZGB	2021

In addition, the Minister for Land Information is responsible for the process of appointing the Chair of the Orton Bradley Park Board¹. This appointment takes place every three years, with the next due in 2022.

Related responsibilities

You also have a role in working alongside other Ministers:

- You will work alongside Ministers as part of your decision-making role under the Overseas Investment Act:

¹ Orton Bradley Park is a private rural property in Christchurch. This appointment is made by the Governor-General on the recommendation of the Minister for Land Information.

- The Minister of Finance (or nominated Associate) is responsible for overseas investment policy and any changes to the legislation.
 - Sensitive Land decisions under the Forestry pathway are decided by yourself and the Minister of Finance (or nominated Associate).
 - Decisions relating to fishing quota are decided by the Minister of Finance (or nominated Associate) and the Minister of Fisheries.
 - Decisions to 'call in' transactions under the Emergency Notification Pathway are made by the Minister of Finance (or nominated Associate).
 - Decisions relating to national interest assessment are made by the Minister of Finance (or nominated Associate). This applies both to transactions that are called in via the Emergency Notification Pathway and other overseas investment decisions that require a national interest assessment.
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- You are also responsible for approving expenditure on Rebuilding Landonline jointly with the Minister of Finance and Minister for Government Digital Services.
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- In addition, LINZ works with the Minister for Treaty of Waitangi Negotiations, the Minister of Māori Development and Te Arawhiti as part of managing the Treaty Settlement Landbank. The Treaty Settlement Landbank contains Crown-owned properties that could be used in future settlements.

Current priorities

Ensuring New Zealand has an efficient and robust property system

Rebuilding Landonline

Cabinet agreed to a Programme Business Case for rebuilding Landonline in October 2018. The rebuild, called the Survey and Title Enhancement Programme (STEP) is a five-year programme with an estimated capital cost of \$128.2 million. Objectives of this programme are to:

- significantly improve the quality and range of survey and title services we provide to customers
- improve end-to-end processing across the wider property system
- make high quality property information more accessible to the public and decisionmakers
- remove risks to Landonline arising from the aging IT platform
- change how LINZ delivers services to customers.

The land registry system, Landonline, is a critical asset. It is the technology platform used to conduct all land transactions in New Zealand and is primarily used by surveyors and conveyancers.

Landonline was established in 2002, and although a world leading system in its time, it is now outdated technology. Some system components are no longer supported or reaching the end of their life. Technology changes and upgrades over the years have resulted in a complex system that is expensive to maintain and slow to adapt to changing requirements.

As at 31 October 2020, the programme was within budget and had begun delivering customer service improvements. Work on rebuilding core IT systems has begun.

Ministerial responsibility for programme expenditure approvals is held jointly by the Minister for Land Information, Minister of Finance and Minister for Government Digital Services. The next request for expenditure approval is expected to be submitted by September 2021.

STEP provides quarterly reports to joint Ministers (Minister for Land Information, Minister of Finance, and Minister for Government Digital Services).

In addition to mitigating risks relating to the Landonline system, LINZ is also strengthening its technology risk capabilities, particularly in relation to information security risks. The Chief Information Security Officer is developing a multi-year

improvement programme that will improve information security, which will benefit Landonline and other LINZ systems.

Next steps

- LINZ will continue working with customers in the design and delivery of the rebuild.
- The next update for joint Ministers is due in December 2020.
- LINZ will work with you on the preparation of a programme update to Cabinet due in March 2021.

Fees and Charges Review

In 2019, LINZ started reviewing the fees for its survey and title services. These fees are set under regulations made by the Governor-General on the advice of you and your Cabinet colleagues. The fees have not been updated since 2012.

A financial tool was recently developed to model the costs of survey and title activities, which will help ensure that proposed changes are evidence-based. The fees will incorporate the costs of the Survey and Title Enhancement Programme.

Next steps

- LINZ will discuss fees proposals with you and then seek your agreement on the release of a public consultation document.

Improving geographic information and its use

Procuring a Satellite Based Augmentation System

In Budget 2019, Government approved \$ [REDACTED] over four years² funding for investment in a satellite-based augmentation service (SBAS) with Australia and placed the funding into tagged contingency pending submission and approval of an implementation business case. Cabinet delegated the authority to draw down the tagged contingency to the Minister for Land Information, Minister of Finance and Minister of Transport.

LINZ has partnered with Geoscience Australia to procure a SBAS capability for New Zealand and Australia. SBAS improves the accuracy and integrity of global navigation satellite systems such as GPS. SBAS enables diverse applications including landing emergency medical aircraft in more challenging weather conditions, supporting the

² This amount is confidential and commercially sensitive

introduction of automated vehicles and delivering innovative services to the agricultural sector.

A SBAS request for tender (RFT) was issued in March 2020 by Geoscience Australia for the benefit of Australia and New Zealand. The RFT closed in July 2020 and LINZ is participating in the evaluation.

LINZ is developing an implementation business case, expected to be completed by December 2020. The business case will draw on the commercial information provided in the RFT responses.

Next steps

- LINZ will present the implementation business case for SBAS to you and the Ministers of Finance and Transport in December 2020. We will also seek approval to release funding held in tagged contingency and commence contract negotiations in the new year.

Improving management of Crown land

Strategic asset management approach

Over recent years, LINZ has been working to implement a strategic asset management approach to the land it owns or administers. As part of this, LINZ has prepared strategic asset management plans for its properties. These plans provide information on what land LINZ holds, why LINZ holds it and how it should be managed, enabling LINZ to be more deliberate in decisions about the use of these properties.

To support this, LINZ is aiming to engage with other agencies to build a better picture of all the property assets held by the Crown to enable government agencies and local councils to better understand the scope of the Crown's property holdings and make the best decisions about their land/property needs.

Biosecurity and biodiversity

LINZ's biosecurity and biodiversity programme is to reduce the impact of pests and weeds on Crown land. LINZ has had significant increases in its baseline funding for biosecurity and biodiversity work through Budget 2019 and Budget 2020, and was allocated \$40 million over four years from the Jobs for Nature COVID-19 recovery package.

Crown pastoral land

Work is underway to update the legislative framework and regulatory regime which guides the way the pastoral estate (1.2m hectares of land across 165 pastoral leases) is managed. The Crown Pastoral Land Reform Bill, before the Environment Select

Committee, proposes to end tenure review. The Bill would also update the regulatory system that guides the management of Crown pastoral land including proposed changes aimed at clarifying outcomes and increasing transparency and accountability. If tenure review is ended through the Bill, the Crown will remain the long-term owner of a significant proportion of land in the South Island High Country.

Public Works Act and whenua Māori

The previous Ministers for Māori Development and Land Information were working to develop changes to the Public Works Act aimed at better protecting Māori land while ensuring the Crown and local authorities are still able to undertake public works. A Public Works (Whenua Māori) Amendment Bill is being drafted to make changes to offer-back provisions and compensation, and to add principles for acquisition. This Bill does not change land acquisition powers.

Working with other agencies

There are further opportunities to improve management of Crown land through the way LINZ works with other agencies. There are also opportunities to drive shared outcomes by working more closely with stakeholders. For example:

- LINZ is working with Treaty partners to co-design biosecurity and biodiversity projects that align with iwi plans and sites of cultural significance.
- LINZ is visiting more Crown pastoral leases to increase visibility and to support improved monitoring.
- In the Mackenzie basin, LINZ is working with four other agencies (Mackenzie District Council, Waitaki District Council, Environment Canterbury and the Department of Conservation) and local rūnanga to ensure that there is a clear understanding of each organisation's priorities and approach to promote alignment.

Health and safety

LINZ's work in administering Crown land exposes staff and contractors to some significant health and safety risks. LINZ has a centralised team working with internal staff and contractors to understand and mitigate these risks, and ensure contractors meet industry safety standards and accreditation before working for or with LINZ.

Next steps

- You will need to decide whether to reinstate the Crown Pastoral Land Reform Bill for consideration by the Environment Select Committee.
- You may be contacted by the Minister for Māori Development to discuss the progress of the Public Works (Whenua Māori) Amendment Bill.

Ensuring effective administration of the Overseas Investment Act

LINZ has been focused on implementing the changes brought in by the Overseas Investment (Urgent Measures) Amendment Act 2020, which came into force on 16 June 2020. This Act introduced:

- an emergency notification pathway for business transactions involving the acquisition of a controlling interest
- a national interest assessment which may be applied to transactions to ensure overseas investment in sensitive and high-risk assets are not contrary to New Zealand's national interest
- a simplified regime for 'low risk' transactions
- stronger enforcement powers.

Some of the changes introduced by the Act are yet to come into force, and LINZ will brief you on these.

LINZ has recently focused on enforcement of OIO requirements. Monitoring and investigation capability has increased, and enforcement action has been taken where appropriate. This enforcement has resulted in significant court action in the 2019/20 year, including nearly \$4 million of penalties imposed.

The Overseas Investment Amendment Bill (No 3), is before Select Committee, and proposes further reform measures. If passed into law, LINZ will be required to implement these measures, including changes to manage concerns around how the Act protects farmland, recognises Māori cultural values, and manages certain types of water extraction on sensitive land.

Work is also beginning on mandatory review of the forestry-related changes to the Act introduced in 2018. This review will look at the operation and effectiveness of the changes. Work on the review started in 2020, with a draft Terms of Reference circulated to relevant Ministers. Treasury is leading the review, with support from an operational perspective from LINZ.

Next steps

- LINZ will brief you in further detail on your role in making decisions under the Overseas Investment Act.

Fees review

The Overseas Investment Office is largely funded by fees from applicants seeking consent for transactions and a review of fees is underway. A specific memorandum account records the cumulative difference between fee revenues and operational costs for each

financial year. As at 1 July 2020, the balance of the memorandum account was a deficit of \$8.8 million.

A proposed new fee structure and fee rates has been developed. The proposed structure reflects the 2018 changes to the Overseas Investment Act, and a public consultation document on the proposals has been prepared.

Next steps

- LINZ would like to discuss fees proposals with you and then seek your agreement to release a public consultation document.

Working with you in the first few months

The most important things for you to be aware of, including decisions you need to make, by the end of March 2021 are:

Item	Expected date
Vote Lands: Budget Processes	
LINZ will discuss possible Budget 2021 bids with you	Nov/Dec 2020
LINZ will consult with you on changes to the Statement of Performance Expectations	December 2020
LINZ will seek your agreement to the Estimates of Appropriation within Vote Lands	March 2021
Satellite-Based Augmentation System	
Implementation Business Case to be completed and provided to Ministers	December 2020
Advice to joint Ministers on funding drawdown to complete procurement and commence the implementation phase	
Reviews of third-party fees	
Options on Survey and Title fees for consultation	November 2020
Options on Overseas Investment fees for consultation	
Crown Pastoral Land Reform Bill	
Decision on reinstatement of the Crown Pastoral Land Reform Bill	As soon as practicable
Overseas investment applications	
Several applications for your consideration are anticipated	Ongoing
Public Works Act 1981 decisions	
You will receive a number of these decisions. As the process involves other government agencies (such as NZTA) and contracted service providers, it is difficult to predict when cases will require your action	Ongoing
New Zealand Geographic Board	
The Board will refer several proposals to your office for final decision	Ongoing

LINZ's core functions

Geographic and property information

LINZ collects, manages, and releases geographic and property information such as physical features on the land, depths of the seafloor, property boundaries, addresses and place names.

The information is used to produce over 2,000 datasets, 480 topographic maps and 525 nautical charts for New Zealand, some Pacific Islands and the Ross Sea region of Antarctica.

Geographic and property information is released for others to use through the LINZ Data Service (LDS), which has 77,500 registered users.

LINZ also maintains the positioning infrastructure (such as New Zealand's network of 130,000 survey marks) that provides the underlying spatial reference framework required for creating maps and nautical charts, and determining property boundaries.

Property rights

LINZ administers the Land Transfer Act 2017 and Cadastral Survey Act 2002, under which land title is guaranteed and property boundaries are defined. LINZ also maintains the ownership register and survey records upon which the property market and land development activity depend.

Landonline has an average of 4200 unique users accessing the system every day. There are 2,275,977 active titles in the register and 2,608,972 surveyed parcels of land (including parcels for road and water such as rivers, lakes, and seabed).

Crown land

LINZ administers the Crown Land regulatory system, which is made up of the Land Act 1948, the Crown Pastoral Land Act 1998, and the Public Works Act 1981. The system:

- provides for Crown-owned land to be leased for the purpose of pastoral farming
- enables the Crown to acquire, manage and dispose of land in a way that balances the public interest and private property rights.

Under this legislation, LINZ directly administers around 2 million hectares of New Zealand's land, worth \$1 billion. This land includes surplus residential and non-residential properties, South Island High Country pastoral leases, riverbed land, beds of lakes such as Wanaka and Karapiro, bare land and major sites such as the Waihi gold mine and Crown forestry licences. It also includes around 15,000 properties, including nearly 7,000

properties in the Christchurch residential red zones, and over 1,500 on behalf of other agencies.

LINZ also regulates the acquisition and disposal of land for public works and works with other government agencies to ensure surplus Crown land is put to its best use.

In addition, LINZ is responsible for acquiring and clearing land in Christchurch's residential red zones and for anchor projects in the central city.

Overseas investment

The Treasury is responsible for overseas investment policy.

The OIO, which is part of LINZ, is the regulator under the Overseas Investment Act 2005.

Approximately 15 percent of all foreign direct investment into New Zealand is subject to the overseas investment regime, and in 2019/20, investments worth more than \$15 billion were granted consent after assessment by the OIO. These included 169 decisions on residential land development, forestry purchases, acquisitions of significant business assets and applications to purchase sensitive land, of which 33 were decided by Ministers.

Further information

We propose to provide you with further briefing material on the following topics over the coming weeks:

- Responsibilities under the Overseas Investment Act
- Crown pastoral land
- Public Works Act 1981
- Procuring a Satellite-Based Augmentation System (SBAS)
- Survey and Title Enhancement Programme (STEP)
- Land owned or administered by LINZ
- Biosecurity and biodiversity
- Improving national elevation data
- Regulatory stewardship.

LINZ's funding

LINZ is funded through Vote Lands and has a total departmental appropriation of \$184 million for the 2020/21 year. Approximately 59% of LINZ's revenue is generated from third parties, mainly through fees for property title transactions and survey lodgements. A more detailed view is attached as **Annex 4**.

Main expenditure areas	2020/21
Survey and title system	40%
Management of Crown land (includes biosecurity)	30%
Location Information and geospatial work	15%
Overseas Investment Regime	11%
Canterbury Earthquake Recovery	4%

% based on Budget Estimates released May 2020