

Survey and Title Enhancement Programme (STEP)

Programme Increment 11 (11 August – 2 November 2021)

Report to joint Ministers

- Minister for Land Information
- Minister of Finance
- Minister for the Digital Economy and Communications

Key Metrics

Programme Status: Amber

Overall 	Nov 2021	August 2021
Financial		
People		
Delivery		
Risk and Assurance		
Stakeholders		

93% of work planned in Programme Increment 11 was completed

23% value has been enabled by new functionality and services released to customers and the public

\$40.8 million capital expenditure (35% of modelled cost of \$116.2 million)

51% total time elapsed

Key Messages

- An independent Gateway review in September 2021 rated the programme's likelihood of delivering on its objectives as Green – the highest possible Gateway delivery confidence rating.
- The STEP governance board kept overall programme status at Amber while focus was maintained on:
 - recruitment and retention: managing delivery impacts caused by tight job market conditions
 - re-estimating the size and cost of work needed to replace the Landonline system. On track for December 2021 completion.

Delivery – core system rebuild

- Pilots of new survey and title functionality were expanded. New titles functionality enables 13 per cent of all title transactions by volume on the new platform.
- Timing of the database migration (currently planned for April 2022) is being reconsidered alongside other delivery priorities. Overall programme delivery is not affected by a decision to delay.

Delivery – Search and Notices

- The online public land record search service was made available worldwide.
- Approximately 80,000 land records had been ordered via the new service by 31 October 2021.
- Auckland Council has subscribed to the Notice of Change of Ownership service – a significant milestone as the region contains 31% of all New Zealand rating units. Twenty-four of 67 territorial authorities had subscribed to the service.

Cabinet/Expenditure approvals

- A six-monthly programme update was considered by Cabinet in November 2021.

- LINZ will seek expenditure approvals from joint Ministers in February 2022.

Finance

- **Programme expenditure: \$40.8 million by 31 October 2021** (since November 2018). This is 35% of the programme’s modelled capital cost (at the 50th percentile) of \$116 million. Financial modelling for the re-estimation project is expected to confirm the programme can be delivered within funding arrangements approved by Cabinet in 2018.

Expenditure type (\$m)	Full Programme		Spend to date (since Nov18)	
	Approved funding (QRA 85)	Modelled cost (budget)	Actual	% of modelled cost
Capital expenditure	128.2	116.2	40.8	35%
Operating expenditure	18.7	23.8	10	42%

- **Project re-estimation:** a well-informed estimate of work needed to complete replacement of legacy Landonline has been developed. This is informing forecasting for the expenditure approval request in February 2022.

People

	Jul 2021	Aug 2021	Sep 2021	Oct 2021
Contractors	41	43	50	54
Internal	86	83	83	80
Total	127	126	133	134

High priority has been placed on developing strategies to respond to job market conditions currently impeding plans to scale resources and affecting delivery. Recruiting permanent workers has proved difficult – recent advertised roles have been filled by contractors. STEP is planning to add three additional development squads and fill remaining squad vacancies so they can operate at full capacity. This amounts to an

increase of around 35–40 FTE by mid-2022. A high percentage of new starters are expected to be contractors. Impacts are being factored into project re-estimation activity.

Delivery

Core IT system rebuild

Foundational work on the core system rebuild began in Programme Increment 7 (August 2020) and this work is ongoing. By the end of Increment 17 (February 2023), customers will be able to conduct over 75% of title and survey transactions on the new system. This would represent a significant step toward eliminating risk from reliance on obsolescent Landonline software. Legacy Landonline is expected to be decommissioned for external customers by mid to late 2024.

Progress in Increment 11:

- **93 per cent of** committed work was completed.
- **pilots of new survey and title functionality** were expanded. The titles pilot enables conveyancers to conduct mortgage discharges and complete Authority and Instruction forms – 13% of all Landonline title transactions by volume. The survey pilot enables customers to capture and validate the most common survey plans on the new platform. Feedback is allowing ongoing enhancements to these services ahead of wider releases.
- **Timing of the Landonline database migration** onto the new system (currently planned for April 2022) is being reconsidered alongside other delivery priorities. Resetting the migration timing does not affect overall programme delivery.

Search and Notices products – customer adoption

- **Registered web search** (web-based search application allowing registered customers to search for and purchase products such as a title record from any device): in use by 35% of customers by volume (20% in March 2021).
- **Public land record search** (web-based service offering easier and cheaper public access to property information, e.g., a land title or survey plan): records are being ordered at a rate of 10,000 a month (compared with 35,000 records ordered annually via LINZ’s manual service).
- The service was opened to most countries in October. Comprehensive privacy and risk and security assessments were undertaken before releasing the service globally. Previously overseas customers could only access land records through the time-consuming and more expensive manual ordering service.
- **Notice of Change of Ownership** (automated notifications to territorial authorities when a property transaction is completed, enabling accurate updating of rating information): in use by 24 of 67 councils (up from 16 in August 2021) and 60 per cent of conveyancers in participating regions for councils signed on for 6 months or more.
- Auckland Council is being onboarded (representing 31% of NZ rating units). In return for access to the service LINZ now has access to the council’s District Valuation Roll property data. LINZ can make this data available to government agencies through its connected data initiative for better decision-making on property related matters. Agencies interested in this data include Statistics New Zealand and Housing and Urban Development.

- **Notice to Mortgagee** (automated notifications to participating financial institutions when a mortgage is registered on a title): in use by 10 financial institutions, up from three in March 2021, Full uptake by major banks targeted for June 2022.

Value enabled to date

Value enabled by delivery to date: 23%, up from 22% reported in August 2021. Value delivery is expected to increase from mid-2022 when survey and title transaction functionality (based on the new system) will be widely released to customers.

Value enabled is determined from value points assigned to each STEP initiative:

Initiative	Value Points	Value enabled to date
Initiatives not yet started	700	
Titles – Simple House sale & purchase	26	69%
Survey A – Import & validate LT survey	50	85%
Survey B - Extending Survey User Interface	33	19%
Database conversion	38	31%
Common Services B1 - Requests	1	0%
Common Services B2 - Workflow POC	0	40%
Business rules repository - B	6	57%
Completed Initiatives	146	100%
STEP total value points	1,000	228
Progress enabling value %		23%

Risk and Assurance

An independent Treasury-led Gateway review rated the programme’s likelihood of delivering on its objectives as Green – the highest possible Gateway delivery confidence rating. This rating reflected the review team’s assessment that “Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major

outstanding issues that at this stage appear to threaten delivery significantly”.

Recruitment and retention issues remain the programme’s highest risk and challenge.

Top risks managed by STEP governance board

Risk	Mitigation	Current state	Resolution by
Inability to attract and retain resources	Review of recruitment strategy in line with changes to market conditions	Programme is using the following approaches to manage the risk: <ul style="list-style-type: none"> Retention strategy Workforce plan Continuous recruitment approach Squads outside Wellington Non-monetary retention approach 	Ongoing
Actual cost materially differs from estimates	a) Develop and implement improved programme reporting b) Ongoing review of programme assumptions	Improved programme reporting methodology has been implemented	Ongoing
Cadence slower than desirable	Integrated planning and improved reporting	Improved estimating and reporting metrics allow leadership team earlier identification and management of delivery problems	Ongoing

The latest quarterly review by Independent Quality Assurance New Zealand (IQANZ)

has reported that the programme has built good delivery capability, with supporting frameworks and approaches now embedded that are delivering improved programme reporting, work estimation and delivery team metrics. This in turn was expected to further strengthen reporting to Ministers on programme progress and status. Given the increased scale and momentum of the work underway, programme leaders are now focused on further developing their strategic leadership capability.

The programme’s overall risk profile was internally re-assessed to Medium from High at the start of the programme in 2019. The assessment was conducted using Treasury’s Risk Profile Assessment tool. The latest assessment is mainly due to the programme team’s much stronger familiarity with and confidence in the Agile project delivery methodology.

Stakeholder Engagement ●

LINZ continues to engage widely with stakeholders, including property lawyers, cadastral surveyors, territorial authorities, and key data organisations, and promoting adoption of new services at events as sponsors, speakers, and participants.

Programme Increment 12

Programme Increment 12 runs from 3 November 2021 to 8 February 2022. Work will continue on:

- foundational work on the rebuild of the core system – including ongoing customer pilots of new survey and title functions
- driving uptake of search and notices services
- managing recruitment issues
- preparation for expenditure approvals (February 2022).