

Modernising Landonline – Survey and Title Enhancement Programme (STEP)

Programme Increment 13 (9 February 2022 – 3 May 2022)

Report to joint Ministers

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

Key Metrics for Programme Increment 13

(9 February 2022 – 3 May 2022)

Programme Status: Amber

Overall 	May 2022	February 2022
Financial		
People		
Delivery		
Risk and Assurance		
Stakeholders		

The Modernising Landline programme began in November 2018. LINZ's objectives are to deliver:

- a flexible and modular technology platform
- improved quality and range of survey and title services
- improved productivity and information flows by enabling the future integration of Landonline property data with systems such as the Māori Land Court's Māori Land Information System
- better access to property information for the public and decision-makers.

97% of planned work was completed

33% value enabled by new functionality and services released to customers and the public (since April 2019)

\$53 million capital expenditure (46% of modelled cost of \$116.2 million)

58% total time elapsed

Key Messages

Programme status was kept at Amber during the increment pending Cabinet's consideration of the revised programme outlook. Management of recruitment and retention issues remained high priority. A recruitment campaign to attract permanent staff and staff retention initiatives were put in place.

Delivery – core system rebuild

- Close to 100% of work planned in the delivery period was completed.
- Planning continued for major releases of new functionality for property conveyancing and lodgement of subdivision plans later this year

Delivery – Search and Notices

- The online public land record service continued to generate over 10,000 orders a month.
- 43 of 67 territorial authorities were subscribed to the property transaction notification service (Notice of Change of occupancy) at the end of May. 11 banks were subscribed to the mortgage registration notification service (Notice to Mortgagee).

Finance

Programme expenditure: \$53 million by 30 April 2022 (since November 2018). This is 46% of the programme's modelled capital cost (at the 50th percentile) of \$116 million (based on 2020 reforecast).

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	53.0	46%
Operating expenditure	18.7	23.8	14.2	34%

People

High priority continued to be placed on strategies for managing difficult job market conditions. Retention and recruitment issues remain the programme's key challenge and risk. The table below shows that In April 2022 there were 149 people working on the programme, 18 below the forecast of 167. Current annualised turnover rates remain high (employees 41.6% and contractors 42.6%). A recruitment round aimed at attracting permanent staff to the programme drew a promising response with over 100 applicants. Other measures to mitigate people risks are outlined in the Risk table on page 5.

	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Forecast number of people*	–	–	168	154	155	167
Contractors	58	61	57	55	65	69
LINZ employed	76	77	85	85	79	80
Total actual	134	138	142	140	144	149
Contractor %	43%	44%	40%	39%	45%	46%
LINZ employed %	57%	56%	60%	61%	55%	54%
Annual turnover % LINZ employed						41.6%
Annual turnover % contractors						42.6%

*Tracking of forecast numbers isn't available before December 2021.

Delivery

Rebuild of core IT system

Last year's focus on foundational changes to Landonline's core system has turned toward migrating customers onto new survey and title services.

- **97 per cent** of work planned for the increment was completed.
- **Work continued on releasing or enhancing new survey and title functionality** and expanding the size of pilot groups of conveyancers and surveyors engaged in testing these services. Straightforward aspects of a property sale or purchase can now be transacted on the new platform, and all survey plans can be imported and validated in the new system.

Search and Notices products – customer adoption

- **Public land record search**¹ – records are being ordered at a rate of 10,000 a month (compared with 3,000 a month via LINZ’s manual service). A social media campaign to increase use by the public was begun.
- **Registered web search**² is in use by 36% of customers by volume. This figure has remained steady.
- **Notice of Change of Ownership**³ – in use by 43 of 67 councils (up from 34 in February 2022) covering over 75% of New Zealand’s population and responsible for over 70% of all property transaction notifications generated nationally. Auckland Council was smoothly migrated onto the service, a significant milestone as the council is responsible for the rating of 31 per cent of all rating units nationwide. Sixty-four percent of conveyancers are using the service in participating regions where councils have been using the service for more than six months.
- **Notice to Mortgagee**⁴ – in use by 11 financial institutions. Full uptake by major banks was targeted for June 2022 however technology development cycles are determining the timing of uptake by ANZ, ASB and Kiwibank.

Benefit delivery

Value enabled by products and services delivered since April 2019: 33%. This is up from 27% reported in April 2022. Value delivery is expected to increase markedly from October 2022 when new survey and title transaction functionality is due to be widely released to customers.

An independent review found that benefits identified by the 2018 programme business case (monetised and non-monetary) are expected to be achieved in full, and are likely to exceed the business case forecast. This is because products are offering better functionality than initially envisaged, use of some products is higher than forecast (e.g., the public land record search service), and new sources of value are being identified as the programme progresses.

For example, the ability to digitally visualise surveys from data held in Landonline will remove the need for surveyors to submit images of drawn surveys. This has been described as transformative for survey professionals.

Risk and Assurance

Assurance

Good progress has been made addressing assurance recommendations made in February 2022 by independent advisor Independent Quality Assurance NZ. The Government Chief Digital Officer has begun their latest programme assurance review.

¹ A web-based service offering easier and cheaper public access to property information, e.g., a land title or survey plan

² A web-based search application allowing registered customers to search for and purchase products such as a title record from any device

³ Automated notifications to territorial authorities when a property transaction is completed, enabling accurate updating of rating information

⁴ Automated notifications to participating financial institutions when a mortgage is registered on a title

Top risks managed by Governance board

Risk	Mitigation	Current state	Resolution by
Inability to attract and retain resources	Rolling review of approaches to recruitment 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
Change capacity (internal)	Extensive communication with business units and active involvement of senior management	<ul style="list-style-type: none"> Fortnightly catchups with Property Rights Business squad relationship with wider LINZ Business Owners' relationship with wider LINZ Kaihautu level discussions Head of Property Rights is now a member of the STEP Governance Board Release plan keeps Property Rights informed Head of Customer Engagement on Leadership Squad 	Ongoing
Timelines (possible delay to end delivery)	Well embedded rolling review process in place	<ul style="list-style-type: none"> Monthly reporting / monitoring Consistent re-evaluation of initiatives 	Ongoing
Stakeholders and potential to resist move to new Landonline	Steady currently with strong pilot involvement by customers	<ul style="list-style-type: none"> Extensive piloting of enhancements Change management plans and close customer contact 	Ongoing

Stakeholder Engagement

LINZ continued to engage widely with stakeholders, including property lawyers, cadastral surveyors, territorial authorities, and key data organisations, to both promote the adoption of new services at predominantly online events, direct online engagement, through representative groups, social media, and industry publications. Planning continued for major releases of new functionality for property conveyancing and lodgement of subdivision plans later this year.

Programme Increment 14

Programme Increment 14 runs from 4 May 2022 to 22 July 2022. Work will continue on:

- the rebuild of the core system – preparing for general releases of survey and titles functionality
- driving uptake of search and notices services
- managing recruitment issues.