

Modernising Landonline – Survey and Title Enhancement Programme (STEP)

Programme Increment 16 (18 October 2022 to 24 January 2023)

Report to joint Ministers

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

Key Metrics for Programme Increment 16

18 October 2022 to 24 January 2023

Programme Status: Amber/Red

Overall 	January 2023	October 2022
Financial		
People		
Delivery		
Risk and Assurance		
Stakeholders		

The Modernising Landline programme began in November 2018. LINZ’s objectives are to deliver by 2025/26:

- 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.

Key Milestone:

2024/25: all Landonline customers migrated to new platform, legacy Landonline decommissioned.

90% planned work completed during increment

45% value enabled by new functionality and services released to customers and the public (since April 2019)

\$70.5 million capital expenditure (40% of the reforecast modelled cost of \$175.7 million)

54% total time elapsed

Key Messages

- Significant parts of the modernised system are available to conveyancers and surveyors after the successful open release of new property transaction services and continued expansion of pilot survey services.
- The programme’s independent governance board held its first meeting on 3 March 2023.
- The board introduced a five-point scale for rating progress (replacing the previous Green, Amber and Red scale with Red, Amber/Green, Amber, Amber/Red and Red).
- Overall the project is in good health, however the Board felt delivery challenges presented by an increasing backlog of work warranted an Amber/Red rating until active remediation was in place. This is represented in the table above.
- Activities are under way to reduce the backlog and increase delivery team efficiency. This includes evaluations of two options with potential to significantly reduce the backlog (further detail under Delivery below), with decisions due in late March/early April.
- Programme teams are now fully resourced, aided by improving job market conditions.
- Programme expenditure remains within forecast.

Core system rebuild - Titles

- Use of the new platform to complete straightforward mortgage financing and property sale and purchase transactions (collectively two-thirds of all Landonline title transactions) has steadily increased since release of the new Title Dealings application in October 2022. By the end of Increment 16:
 - nearly 15% of all eligible title transactions dealings had been submitted from the new application (exceeding the 10% target)
 - 73% of eligible firms have had one or more people use the new application
 - few support calls had been made to the LINZ contact centre, highlighting the intuitiveness of the new application.
- LINZ is continuing to drive voluntary uptake of the application while work continues to deliver more title functionality over the next six months. Some customers report they won't use the application until it supports more complex title transactions.

Core system rebuild – Survey

- A pilot enabling surveyors to submit and validate survey plans on the new platform (a process known as survey capture) had expanded to more than 700 of Landonline's 1,862 registered survey customers by mid-January 2023. STEP is on track to release this service to all surveyors by 31 March 2023, supported by a comprehensive change, communication, marketing, and engagement plan.

Core system rebuild – approaches to backlog reduction

- Some aspects of the rebuild are proving more complex than initially scoped, adding to the backlog of work that must be done before all customers are migrated to the new platform by the target date of mid-2025. Without mitigations, this has potential to extend the delivery timeframe.
- LINZ has responded by: focusing on the highest priority work; evaluating options for simplifying the build; boosting recruitment and taking on more people (within the programme's funding envelope) to increase delivery throughput; and identifying less critical aspects of the rebuild that can be deferred until after the legacy Landonline system is turned off.
- Two promising options for considerably reducing the backlog are being evaluated, including reusing an existing product for viewing survey plans instead of building from new, and outsourcing conversion of software code for some staff desktop applications. Procurement of the code conversion option was well advanced, with final decisions on a potential vendor due to be made in late March/early April.

Search and Notices

- Notice of Change of Ownership (NOC): 59 of 67 territorial authorities were using the NOC service at increment end. The service allows solicitors to automatically and accurately notify

councils when a property transaction is completed, introducing time and cost-saving efficiencies for councils, solicitors and their clients. High adoption of the service by solicitors was being reported, with over 70% of property transactions notified to councils. Of the remaining councils, three were soon to start using the service, and active discussions were underway with the others.

- Notice to Mortgagee (NtM): 14 financial institutions were using the NtM service that notifies lenders when a mortgage is registered against a property, representing 40% of all mortgage registration transactions. This will rise to 90% when ASB and ANZ join the service in the coming months.
- Search: Māori Land Court milestone - a new feature introduced in November 2022 automatically notifies Landonline web search customers and users of Public Land Record Search if the property they're searching is identified as Māori Freehold Land administered by the Māori Land Court. The notification may include a link directly into Māori Land Online, enabling customers to easily find out more about that land. The feature builds on more than a decade of work between LINZ and the Māori Land Court to improve record matching between Landonline and Māori Land Online.

Finance ●

Programme capital expenditure: \$70.5 million (since November 2018). Capital spend to date is 40% of the recently reforecast \$175.7m modelled capital budget.

Programme expenditure over build phase (November 2018 to 31 January 2023).

	Capital expenditure (\$m)	Operating expenditure over 12 years (\$m)
Full Programme		
Original PBC approved funding (QRA 85)	128.2	51.7
Approved Programme re-forecast	175.7	76.1
Spend to date (since Nov18)		
Actual	70.5	27.0
% of Approved Programme re-forecast	40%	36%

The reforecast capital expenditure (a \$47.5m increase on the programme business case forecast of \$128.2m) was approved by Cabinet on 8 August 2022 [GOV-22-MIN-0026].

People

The STEP team is fully resourced after considerable recruitment and retention effort and aided by softening employment market conditions. Future recruitment will focus on permanent employees to bring the programme back to the forecast 50:50 ratio of permanent to contractor numbers.

	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Forecast number of people	165	157	165	165	173	173
Contractors	70	81	81	90	95	96
LINZ employed	73	71	73	74	76	76
Total actual	143	152	154	164	171	172
Contractor %	49%	54%	53%	55%	56%	56%
LINZ employed %	51%	46%	47%	45%	44%	44%
Turnover¹ % LINZ employed	46.7%	40.8%	30.7%	27.4%	25.9%	20.8%
Turnover % contractors	33.0%	29.0%	26.6%	27.1%	22.5%	22.2%
3 Month Turnover % Total	6.1%	6.6%	5.1%	4.9%	4.9%	4.0%

Benefit delivery

Value enabled by products and services delivered since April 2019: At the end of Increment 16 this was 45%, up from 41% reported in October 2022. The programme remains on track to fully realise or exceed benefits anticipated by the 2018 Programme Business Case.

Progress toward benefit realisation targets is independently assessed at the conclusion of each 12-week programme increment. The most recent assessment noted that realisation of some benefits could be delayed due to delivery and adoption challenges the programme has faced. The assessment noted that mitigations were in place to manage this risk through effective scope management and work to drive uptake of new services.

Risk and Assurance

Assurance

- The 2022/23 STEP Assurance Plan was reviewed by the Government Chief Digital Officer.
- Programme risks were refreshed.

Top risks managed by governance board

- Productivity and cost impacts of retention, recruitment, and sickness
- Unanticipated complexity, which increases delivery timeframes

¹ Turnover is annualised, based on a rolling 12-month average headcount. Contractors who've been here for <3 months are excluded.

Top four programme risks

Risk	Mitigation	Current state	Resolution by
Inability to attract and retain resources	We maintain a rolling review of our 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 to business units and active involvement of senior management	<ul style="list-style-type: none"> Strong engagement, communications and feedback loops with LINZ business groups and teams; direct involvement of Kaihautū and key LINZ leaders 	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 Continuing development and tracking of metrics 	Ongoing
Stakeholders and potential to resist move to new Landonline	<ul style="list-style-type: none"> Extensive piloting of enhancements Change management plans and close customer contact 	<ul style="list-style-type: none"> Steady currently with strong pilot involvement by customers 	Ongoing

Stakeholder Engagement

LINZ continued to engage widely with stakeholders, including property lawyers, cadastral surveyors, territorial authorities, and key data organisations.

Programme Increment 17

Programme Increment 17 runs to 20 April 2023. The focus of the increment is on:

- mitigating challenges posed by unanticipated delivery complexity
- ongoing monitoring of IT job market conditions and STEP workforce retention strategies
- supporting new titles services
- building complex title transaction services
- work toward the open release of survey transaction services in March 2023
- driving uptake of search and notices services.