

Modernising Landonline – Survey and Title Enhancement Programme (STEP)

Programme Increment 18 (17 April 2023 to 11 July 2023)

Report to joint Ministers

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

Key Metrics for Programme Increment 18

Programme Status: Green/Amber

	July 2023	April 2023
Overall		
Financial		
People		
Delivery		
Risk and Assurance		
Stakeholders		

Programme Objectives

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

Quarter 1 2025: all Landonline customers migrated to and using the new platform for all transactions, majority of benefits realised, programme transitions to business as usual.

Key Messages

- Overall status was rated Green/Amber in May 2023. The programme’s independent governance board will next consider programme status on 25 August 2023.
- 99% of planned work was completed during programme increment 18.
- Up to 70% of survey and titles transactions can now be undertaken in New Landonline. Strong focus on customer engagement to increase uptake.
- Uptake of new services released to date is better than expected.
 - 30% of straightforward sale and purchase property transactions and 45% of survey plans were created and submitted in the new platform
 - 66 of 67 councils have adopted the automated property transaction notification service (required for rating purposes) and the remaining council is about to start using the service.
- Independent analysis of benefits realisation (July 2023) found the programme remains on track to fully realising, and is likely to exceed, anticipated benefits.
- \$89.4 million of \$124 million in financial efficiency savings had already been enabled for users of automated property transaction and mortgage notifications services: territorial authorities, financial institutions and conveyancers.
- Capital spend of \$82 million to 30 June 2023 is within forecast.
- Early planning for the transition to business as usual in 2025 has begun.

Delivery ●

- Ninety nine percent of planned work was completed in Programme Increment 18, comfortably above the delivery target of at least 83% of planned work per increment. Consistent delivery at this level has been achieved throughout calendar 2023.
- The independent programme board agreed to reprioritise some activity to ensure the 2025 milestone (all Landonline customers migrated to and using the new platform for all transactions, majority of benefits realised) is reached. As a result modernisation of a relatively small number of administration functions completed by internal specialist staff, that seldom change, will now be undertaken post-programme as a business as usual activity.
- Delivery highlights include:
 - release of a prototype digitally visualised survey plan to the Survey Working Group (professional surveyors working with LINZ on programme delivery). The ability to create a digital survey plan is considered one of the most significant enhancements to survey practice since Legacy Landonline was introduced in the early 2000s.
 - Ongoing releases of complex property transaction functions and support/refinements for survey capture services released in March 2023. Survey capture involves the creation and submission of a survey plan to Landonline.



Transition to business as usual

- Early planning has begun for transitioning the programme to business as usual after quarter 1 2025, with some early transitional activities occurring over the next 18 months.

Finance ●

Programme capital expenditure: \$82 million (since November 2018 to 30 June 2023), 47% of the reforecast \$175.7 million modelled capital budget that was agreed in August 2022

	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	82.0	35.5
% of Approved Programme re-forecast	47%	47%

People

STEP software development teams are fully resourced however several support roles are vacant and proving challenging to fill. Ongoing difficulties recruiting permanent staff means more contractors are being taken on than planned. In July 2023 the contractor to permanent staff ratio was steady at 58% to 42% respectively against a planned 50:50 ratio.

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Forecast number of people	172	170	171	180	181	182
Contractors	96	96	97	98	97	97
LINZ employed	76	74	74	73	70	70
Total actual¹	172	169	171	171	167	167
Contractor %	56%	57%	57%	58%	58%	58%
LINZ employed %	44%	43%	43%	42%	42%	42%
Annualised turnover² % LINZ employed	27.4%	25.9%	20.8%	21.4%	18.0%	20.0%
Annualised turnover % contractors	27.1%	22.5%	22.2%	23.8%	23.1%	23.6%
3 Month Turnover % Total	4.9%	4.9%	4.0%	5.6%	4.5%	5.7%

Stakeholders - customer uptake

Title Dealings application

- Nearly all eligible firms (98.7%) have now tried the new Title Dealings application at least once.
- Between April and July 2023 straightforward discharge mortgage, property transfer to new owners, and mortgage registration dealings submitted from New Landonline increased from 21% to 30%.

Survey capture

- 45% of all surveys are now created (captured) and submitted in New Landonline
- Our focus is to have all Survey customers using new Landonline – Survey application to complete survey capture as soon as possible, giving themselves time to become familiar with the new application before the legacy survey capture service is turned off.

Notice of Change of Ownership

- 66 of 67 councils are now using the Notice of Change of Ownership service (NoC), with the last one in the process of onboarding.
- 80% of all property transactions nationwide are being notified to councils who have been using the service for 6 months or more.

¹ The Total actual row comes from our financial data and consists of all staff who have been in the role for > 2 weeks of the month irrespective of whether they are new starters or leavers. As such this figure is never 100% accurate at any moment in time.

² Turnover is annualised, based on a rolling 12-month average headcount. Contractors who've been here for <3 months are excluded.

Notice to Mortgagee

- 16 banks and/or financial institutions (FIs) are accepting electronic notifications of mortgage registrations via this service, representing 76% of all transactions. This will lift to 96% of transactions once the remaining major bank comes on board shortly.

Benefit realisation

An independent analysis (July 2023) of progress realising the four benefit areas identified by the Programme Business Case found the programme is on track to fully realising and likely to exceed anticipated benefits.

Benefit 1: Reduced risk to business continuity and confidence (45% of total benefits)

- System reliability has been maintained during the rebuild of Landonline
- New browser-based remote access to Landonline is incrementally reducing risk associated with the access software needed for the Legacy platform.
- Up to 70% of survey and titles transactions can now be undertaken in New Landonline
- New functionality is available at extended hours to better meet user demand.

Benefit 2: Improved ability to meet customer and policy needs

- July 2022 user survey: satisfaction with New Landonline was over the 80% target level
- Most Landonline functions can now be accessed remotely via web-browsers instead of by specific computers and software for Legacy Landonline.
- LINZ can now rapidly deploy New Landonline system changes to meet customer or policy needs, with 31 moderate or significant releases across Titles, Survey and Search in 2022/23 (compared with five moderate or significant releases a year able to be deployed in Legacy Landonline)
- Digital Certificates, which create administrative burden for users, are being reduced by 69% from 13,000 to just 4,000.

Benefit 3: Improved Productivity

- Financial benefits of \$124.6 million are on track to full realisation. The programme has so far enabled \$89.4 million in efficiencies through automated property transaction/mortgage notification services now in use by conveyancers, banks, and territorial authorities. Higher than expected take up by financial institutions outside the main four banks will further increase the value of the Notice to Mortgagee product.
- Releases of survey and title functionality has begun creating time savings for conveyancers and surveyors. The delivery of remaining customer functionality by March 2025 is expected to deliver \$31 million in efficiency benefits.
- Since the release of the Public Land Record Search product in February 2021, transaction volumes have been consistently more than twice the volumes forecast in the Business Case.

Benefit 4: Economic value

- A secure, reliable and fit-for-purpose Landonline will ensure it retains its high value as a national data asset and enable high value innovation.
- In addition to the \$124.6 million of planned financial benefits, the delivery of the new platform by March 2025 will enable further innovation such the Digital Visualisation of Survey Plans.

Emerging benefits and case studies

- Several benefits that weren't anticipated by the original business case have been identified and will be monitored as part of active benefits management.
- Case studies and a revalidation of financial benefits before March 2025 will ensure benefits reporting is robust and accurate.

Risk and Assurance

Two quality assurance evaluations of the programme were conducted. The first, an increment review conducted by Independent Quality Assurance NZ, gave favourable feedback on the programme's operations. The second assessment indicated a high level of programme maturity in the programme's software testing and automation processes.

Top risks managed by governance board

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

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"> • Extensive piloting of enhancements • Change management plans and close customer contact • Customer working groups with demos/road shows • Small incremental release strategy 	Ongoing