

Crown Estate Management System – Regulatory System Assessment

Context

1. Land Information New Zealand (LINZ) has regulatory stewardship responsibilities for four regulatory systems. A regulatory system includes the rules, institutions, skilled workforce, practices and understandings which combine to make regulation of an activity or sector effective.
2. The State Sector Act was amended in 2013 to make it clear that Departmental Chief Executives have regulatory stewardship responsibilities. Taking a stewardship approach requires Chief Executives to look beyond their direct statutory responsibilities to the capability and resilience of the regulatory system over time, including the other agencies which form part of the system as well as LINZ.
3. LINZ has published its [Regulatory Systems Strategy](#) to ensure it discharges these stewardship responsibilities well. LINZ carries out regulatory systems assessments to ensure that individual systems are performing well, and are able to respond to emerging issues and trends so that they remain fit-for-purpose. Looking systematically across different regulatory systems enables LINZ to transfer learning and innovation more readily (including drawing on the experiences of other agencies).
4. One of the tools LINZ, like other agencies, is using to be an effective steward of its regulatory systems is a periodic assessment of each system. These assessments are a snapshot rather than an in depth analysis. The assessments check how the system is working now rather than what the rules should be (i.e. they are not a policy review), and they look to identify the main areas that should be the focus of LINZ's attention in the short to medium term, rather than be more in depth analyses of the strengths and weaknesses of an institution (i.e. they are not a Performance Improvement Framework review).
5. Given this is the first time LINZ has undertaken an assessment of this regulatory system it was expected it would identify many areas of potential improvement, which would need to be prioritised. It is important to note that responding to a review is expected to be a long-term endeavour; improvements to system performance should be an ongoing exercise.
6. Each review places a significant expectation on LINZ. LINZ is currently responding to the [Crown Pastoral Land Regulatory System Assessment](#) and so, again, it is expected it will need to prioritise its efforts. What will be important is what occurs between now and the next review.

The Crown Estate Management System

7. The Crown Land System is based around the statutory framework that enables the Crown to acquire, sell and manage land (including pastoral leases) in a way that gives due consideration to the need to deliver public works and private property rights.
8. There are two parts to the system - the Crown Pastoral Land and Crown Estate Management systems. This assessment covers only the Crown Estate Management System because the Crown Pastoral Land system was assessed in 2018.

9. The Crown Estate Management System enables the Crown to acquire land, manage land to achieve the purpose for which it was acquired, and dispose of Crown-owned land if it is not needed. Its key statutes are:
 - Public Works Act 1981 (PWA)
 - Land Act 1948.

Crown Estate Management System – Regulatory System Assessment

The Crown Estate Management System was designed a long time ago and it remains relevant while continuing to evolve

The system was designed a long time ago in a less complex world

1. The Public Works Act 1981 (PWA) and the Land Act 1948 (Land Act) both pre-date the Waitangi Tribunal and associated Treaty settlements. They were enacted when the Crown had a different relationship with Māori, including at iwi and hapu levels. They also reflect a time when public consultation was not as integral to law-making and government policy as it is today.
2. The Crown Estate Management System (the System¹), based upon the PWA and Land Act, provides the main framework for the Crown to buy, hold, manage and sell land. Despite the age of the System, it is still delivering the outcomes it was intended to deliver:
3. the PWA:
 - a. defines the scope of the Crown’s powers to acquire, hold, use and dispose of land for public works. It meets the fundamental challenge of empowering the Crown to acquire land (including through compulsory acquisition) but restricting the use of that power to the delivery of necessary public works;²
 - b. establishes the processes the Crown must follow, including that compulsory acquisition can only be used after exhausting negotiations for voluntary acquisition, and the Crown must make appropriate financial payments when private property rights are acquired; and
 - c. places a requirement on the Crown to justify ongoing holding of a property, and requires the Crown to dispose of a property if it is no longer needed for a public work. This disposal process does include the possibility that land may be repurposed for another public work by transferring it within the Crown, offered to the former owner or a successor of that owner, offered to iwi under a right of first refusal, or sold on the open market.
4. the Land Act:
 - a. provides power for the Crown to acquire land or an ownership interest in land, through the Commissioner of Crown Lands on direction by a Minister, on a willing-seller willing-buyer basis, for any Government purpose. It also provides for the Crown’s underlying ownership to prevent land from having no owner;
 - b. ensures that Crown-owned land is appropriately managed, including land where the Crown holds an underlying ownership, without requiring the land to be used for a public work; and
 - c. allows for that land to be alienated from the Crown (disposed of).
5. The Land Act’s framework still serves an important purpose for enabling the Crown to acquire land voluntarily, and appropriately manage land it holds. However, some specific parts of the legislation are

¹ Or the Regulatory System.

² Identifying the land that is needed to deliver a public work occurs outside of the PWA and is completed by the relevant agency. This process can include business cases and budget processes to secure funding and ensure the optimal delivery of the public work.

less relevant, such as: incentivising settlement of uncultivated land, returned soldier settlement and preventing the aggregation of large landholdings.

6. Alongside the System, New Zealand has a robust Property Rights System based on the Torrens system of land registration (primarily provided for by the Land Transfer Act 2017 and the Cadastral Survey Act 2002). The Torrens system provides for strong protection of private property rights, reflecting the value of property as an essential underpinning of the economy.
7. Land acquisition decisions that must be made within the System necessarily have difficult trade-offs. The legislation creates strict rules for how powers to acquire land are exercised, and decisions to acquire or dispose of land have often been subject to court rulings.
8. The Crown has historically needed to own land in freehold in order to use it for delivering a public work or purpose. As a result, the PWA and Land Act both establish ways to acquire, hold, manage and dispose of land to deliver public works or government purposes. Owning land in order to use it may no longer be a necessity for all public works (e.g. covenants for conservation or access easements); however, the System was designed around ownership and the rights traditionally associated with ownership.

The legislation is largely unchanged since 1981...

9. The PWA has been amended twice since 1981 with minor changes made, such as the removal of the list of “essential public works,” and increases to the solatium/compensation payments for land acquired for a public work. A review of the PWA was completed in 2001, but, following Cabinet consideration, no changes resulted. Most past reviews have been legislation-focused rather than about the System outcomes and performance.
10. The Land Act was reviewed in 2005, but no changes occurred after the Cabinet paper was withdrawn.
11. There have been a number of calls for legislative reviews of the entire System, eg:

The Waitangi Tribunal has been clear and consistent in calling for changes to be made to the PWA. In 2010 the Wairarapa Ki Tararua Report (WAI 863) argued that “the compulsory acquisition of Māori land for public works can be justified in Treaty terms only in exceptional circumstances, where the national interest is at stake and there is no other option.” In 2013 the Waitangi Tribunal made a specific call for legislative change in the Te Kāhui Maunga Report (Wai 1130) “The time has come for the Crown to ... revise the Public Works Act 1981.”

Changing the PWA and Land Act is inherently complex with additional issues such as interfaces with other systems and pieces of legislation that would need to be considered.

...but the System has changed through litigation, structural changes to the public sector and needs for different public works.

Litigation has set precedents that change operational processes

12. Land is important to the people who own it and live on it. So it is unsurprising that there has been extensive litigation over the PWA, particularly land acquisitions and disposals. Court cases have established precedents that modify the operational processes.
13. Overall, the benchmark for a public work has shifted slightly due to the combination of minor legislative amendments, case law, public expectations, and a gradual change in the social licence the Crown has with its citizens.

Structural changes to the public sector mean more agencies have a need to acquire and manage land to deliver public works

14. The structure of the Crown has changed. When the PWA was enacted, responsibility for acquiring, managing, and disposing of land lay almost completely with the Ministry of Works. During the 1980s and 1990s the Ministry of Works and Development and the Department of Survey and Land Information were dis-established. Their functions were devolved out to a range of new agencies.
15. As a result of structural changes since the 1980s, the responsibility for managing Crown-owned land used for core public services such as education, health, corrections, and defence has been devolved to each responsible agency.
16. Under the PWA most acquisition and disposal decision-making power remains with the Chief Executive of LINZ and the Minister for Land Information. For the Land Act the decision making typically resides with the Commissioner of Crown Lands.
17. Structural changes have also occurred beyond the core public service. More entities collectively comprising the Crown have been created and given responsibility for managing some Crown-owned land, as illustrated in figure 2. These include new Crown Entities, Tertiary Education Institutes, District Health Boards, State Owned Enterprises, and Mixed Ownership Companies. This change adds some complexities to managing Crown-owned land as these agencies are further from the direct control or influence of Government Ministers.

The sort of public works that agencies need land to deliver has changed as well

18. The activities or public works necessitating the use of land acquisition, and repurposing powers have changed over time.
19. New public works such as getting developers to build homes to sell (Kiwibuild) are underway while more traditional public works such as electricity transmission, telecommunications, the building and maintenance of roads/transport networks, are carried out by Crown entities and/or private companies.

The System is under some pressure and modifications to other legislation since the PWA has resulted in instances of land acquisition and disposal outside of the PWA ...

Pressure from demands for improved efficiency and needs for pace and urgency

20. The process of planning a public work is slow with significant levels of public participation and opposition from landowners who do not want to lose their land. For the Crown this means that acquiring land for a public work is time-consuming, costly and is likely to involve considerable uncertainty and planning upfront. For the person whose land is being acquired, simply “moving on” is not easy or costless, partially due to increases in land values or fewer apparent options.
21. An example of this in practice is road building, which has significant demand for new land to undertake public works in the provision of new infrastructure.

Some land acquisition and disposal now occurs outside of the PWA and Land Act.

22. Some parts of the Crown operate under modified requirements/rules to acquire, hold and dispose of land. This includes ‘workarounds’ that modify slow or costly PWA processes. For example:
 - a. the New Zealand Transport Agency and Kiwirail have recourse to other legislation (e.g. Government Roding Powers Act, NZ Railways Corporation Restructuring Act), and are able to keep profits from land they sell to maintain their programme of work.
 - b. State housing is not subject to offerback provisions under the PWA since 2016 amendments to the Housing Act 1955 exempted it.

- c. Many other agencies are not able to keep the profits and so do not have the same incentives to dispose of land.
 - d. Local government is able to use the PWA but with slightly different processes and interpretations. Their proximity to constituents mean they are less inclined to compulsorily acquire. Hence, they often have limited in-house expertise if they do seek to use the PWA.
 - e. The Office of Treaty Settlements (now Te Arawhiti) is able to use Treaty settlement legislation which enables another resolution entirely. This process does not override the PWA rules, but enables land to be returned to iwi as part of the settlement.
23. Different parts of the Crown have different requirements, preferences and abilities to acquire land and hold land in different arrangements and forms of tenure.

The system is not well understood beyond the people who have a specific reason to interact with the system

24. Most people in New Zealand have little awareness of the System or how it works. This is not overly problematic because most New Zealanders will not interact with the PWA as they are not likely to have their land acquired or to re-acquire land being disposed. When private landowners must interact with the System they tend to face a significant experience gap as they will often negotiate with accredited suppliers (who are experts on the system) acting on behalf of the Crown.
25. The System and its objectives are mostly understood by those who work within it. This expertise is found in government agencies often involved in acquisition and disposal of land, and accredited suppliers. Parts of local government that acquire or dispose of land less frequently may be less aware of the System objectives and processes.
26. The System is complex so new people engaging with it face a significant learning curve, including accredited suppliers, lawyers, and members of the public:
- a. New employees working for accredited suppliers take time to reach the level of knowledge and experience required to be efficient and effective at working within the System. There is no formal qualification or professional training available in the specialist area of land law; much of the required expertise comes through experience.
 - b. There is a considerable body of case law for lawyers working in this space to be aware of. Any engagement with the PWA can involve a significant amount of statutory interpretation.
 - c. The accredited suppliers are expected to provide people whose land is being acquired with information on their rights. Members of the public often seek legal advice, but this advice is not always correct or accurate due to the legal complexities. This is costly and time consuming for them and increases the likelihood of misunderstanding in the System.
27. Very few people interact with the Land Act on a regular basis, despite several regular instances where they should. For example, the CCL manages many lakebeds and riverbeds.³ Activities on this land, such as gravel extraction, require a CCL consent in addition to any other consents required. However, as this is not well known, there have been instances where people breach the Land Act, for example, by occupying or using Crown-owned land without consent (often as a result of not knowing who owns a particular area of land).

³ The ownership of lakes and riverbeds can be tricky to determine. Some lakes and riverbed areas are under Department of Conservation control, and common law rights such as 'ad medium filum' apply to some rivers, meaning some private individuals may have property rights over riverbeds.

LINZ performs two different functions in the System.

28. While the System's functions for managing Crown-owned land have been devolved out to the respective agency,⁴ The Minister for Land Information and the Chief Executive of LINZ remain as the centralised decision maker(s) for all central government acquisition and disposal of land under the PWA. LINZ supports the decision maker(s), and acts more broadly as a regulator or 'guardian of the rules' for the System.
29. In addition to the regulatory function, LINZ manages significant amounts of Crown-owned land in an operational capacity.

LINZ's has a function as a regulator...

30. LINZ's role as a regulator encompasses the breadth of the PWA, with the exception of local Government acquiring land by negotiated agreement.
31. Other Crown agencies need to apply to LINZ in order to have the Minister for Land Information's decision-making powers used on their behalf (e.g. for acquisition of land for a public work). In evaluating these applications, LINZ effectively sets the process and rules that create a threshold for other agencies to meet before a statutory decision such as acquisition or disposal will be made.
32. To assist with this LINZ issues standards and guidance for how the Crown should operate. LINZ is also responsible for regulating the Crown property accredited supplier regime. There are differing views on the effectiveness of this function in the regulatory System, as is explained in the section below.
33. The remit of LINZ's functions includes monitoring and enforcing Crown agency compliance with PWA requirements. LINZ officials ensure compliance with acquisition processes by any agency seeking to acquire land and the Minister for Land Information (in their decision-making/requesting the Governor General sign notices). This function applies to the range of Crown Entities delivering public works and managing public land, which has increased and diversified since 1981. When land is acquired, the Minister for Land Information has to consider the requirements of Crown Entities (which may report to a separate Board or Minister) and a private landowner. Local authorities that acquire land by methods other than compulsory acquisition do so without the involvement of LINZ, and this compliance role that LINZ plays.
34. LINZ is expected to be able to provide advice on the performance of the system and evaluations of the best use of land. Assessing best use may be needed when LINZ must make decisions between two agencies with competing public works for the same piece of Crown-owned land.
35. LINZ needs to be consistent in its decisions to give the public confidence in the System and manage any litigation risks. However, this makes it difficult for LINZ to push for innovative ways to deliver efficiency and so LINZ is seen as risk averse. For example, it has been noted that LINZ's standards and processes have not been reviewed for sometime.
36. The System does not specify how Crown-owned land should be managed by the relevant agency or assign responsibility for regulating how the relevant agencies manage their Crown-owned land. The legislation is silent on the functions and expectations of agencies managing Crown-owned land. LINZ has no clear mandate to create rules for how Crown-owned land (that is part of the Crown Estate) should be managed by other agencies. The agency that has a clear mandate in this space is the Treasury with their Crown asset management responsibilities.

⁴ For example, Crown-owned land that is used to deliver a public work such as education, health, prisons, or transport infrastructure, is held and maintained by the respective agency

... and LINZ manages significant amounts of Crown-owned land in an operational capacity

37. LINZ is a key asset manager of Crown-owned land (and buildings) totalling nearly eight percent of the country's land. By comparison, the Department of Conservation manages almost thirty three percent of New Zealand.
38. LINZ is responsible for acquiring and managing land under the Land Act. This function is vital from two perspectives: it avoids gaps in land ownership (i.e. ensures the Government's underlying ownership), and provides a useful tool to acquire land on a willing-seller willing-buyer basis for government purposes. LINZ has operational functions under this legislation:
 - a. A service delivery and advice function to identify where the Crown has residual land ownership rights under the Land Act, e.g. riverbeds. This is complex and requires expert advice because Different authorities such as the Land Settlement Board (now the Commissioner of Crown Lands) and the Registrar General of Land have granted different interests in these instances, and some property rights have even been 'grandfathered' in from English common law.
 - b. A service delivery function to acquire and maintain property. For example some of the Landbank properties being held for use in Treaty of Waitangi settlements were purchased using the Land Act by the Commissioner of Crown Lands with approval of the Minister for Land Information.
39. The area of most contention in relation to LINZ's functions under the Land Act seems to be the interaction of LINZ-managed Crown land and Department of Conservation managed Crown land. LINZ is often perceived as an absent landlord, especially with regard to the management of lakes, riverbeds or small pieces of land.
40. LINZ's other operational functions come from holding and managing land, predominantly underutilised or surplus land (including land held under the PWA) that is being disposed of by LINZ on behalf of other agencies. These are:
 - a. A service delivery function that uses both internal resource and outsourcing to property management and commercial service providers (some accredited suppliers) in order to manage and dispose of property. LINZ uses accredited suppliers to separate the management of property and the delegated decision making function on disposals of property.
 - b. A delegated statutory decision-making function with a clear role in deciding on both LINZ and broader Crown acquisition, repurposing and disposal of Crown-owned land. There have been deliberate efforts to improve the performance of this function, such that the average decision-making time has been reduced over the last few years.
 - c. LINZ has been developing its internal information and land management functions, as a result of an ongoing performance improvement programme. LINZ provides legal advice to inform decisions, and needs to have information available on the properties it manages (including properties it disposes of) and the performance of that management.
41. LINZ has a Disposals Fund to support the repurposing/disposal of Crown-owned properties. This was established in 2016 to help remove cost barriers for disposing agencies, by enabling LINZ to manage the disposal of their properties.
42. LINZ's roles as regulator and service delivery can be problematic as the distinction between the two roles is not always clear from the outside.

Some regulatory functions delivered by LINZ are causing pain-points for other actors in the System

43. This section of the assessment relates to LINZ's function as a regulator of the System

Compliance, dispute resolution, and monitoring/evaluation have been under invested in...

44. LINZ carries out thorough compliance checks on acquisition and disposal of land held under the PWA because that is the point where a decision is made by the Minister for Land Information or LINZ on delegated authority.
45. LINZ does not carry out any compliance checks on agencies that hold land under the PWA to ensure that land is still needed to deliver the public work; the onus is on departments to identify land that is surplus as part of their asset management programmes. There are currently no consistent processes for deciding when land is surplus.
46. There are not many tools available to LINZ to ensure compliance (i.e. enforcement tools), since the Crown is effectively authorising and regulating itself.
47. Disputes within the Crown are typically resolved informally, as the only mechanism to challenge a decision is through a judicial review or going to Court:
 - a. For landowners this dispute mechanism is expensive, daunting and uncertain.
 - b. This mechanism is less effective for intra-Crown disputes because it is improbable that one part of the Crown will legally challenge another part of the Crown. For example, in the repurposing process where a transaction may have the Crown (or different agencies of the Crown) involved on both sides.
48. How the right of objection to compulsory acquisition is articulated and designed is considered outdated by some.
49. LINZ carries out monitoring of the performance of its own land-management and decision-making functions (e.g. what approvals are being sought and by whom) but it has only limited data on the System's performance. For example, LINZ does not actively monitor how other agencies acquire/manage/hold/dispose of land.

... LINZ's provision of advice, standards and guidance provision across the System are dated...

50. The Crown Property Forum⁵ has been well received. However, agencies have differing views on LINZ's provision of advice when requested, and noted that LINZ communication and engagement on updating its standards, guidelines and processes is poor. LINZ has a position of not evaluating/interpreting other agencies policies (or processes) around the PWA.
51. There was a desire for LINZ to improve training and education, and increase awareness of system processes. Better communicating new practices/best practice across the system and providing new standards and guidance would also help in this effort.
52. LINZ issues standards and guidance, but some of these standards are old and are not very accessible for modern audiences in the current operating environment. Some think there are gaps in the suite of standards LINZ produces and find it tricky to understand what any given standard's intended outcome is. For example, LINZ does not produce standards designed for use by Local Government.
53. Some agencies are seeking to repurpose or dispose of land without being aware of their obligations including Treaty settlement Rights of First Refusal (RFRs) or the Māori Protection Mechanism⁶ that might apply. LINZ does not provide a 'single source of truth' where agencies can find all iwi rights and the Crown's obligations in relation to Crown-owned land (these are often in Deeds so not always easy to

⁵ The Crown Property Forum is an annual event bringing together all agencies that manage Crown-owned land to share knowledge and discuss matters of common interest.

⁶ The Māori Protection Mechanism is a process for the Crown (through the Office of Treaty Settlements) to consult with Māori when agencies wish to dispose of surplus land. Māori can express an interest in land to be set aside by the Crown for use in a future Treaty of Waitangi settlement.

find). Additionally, the different Deeds and Treaty claim settlement legislation contain different provisions.

... and there are mixed views on accredited suppliers.

54. The Crown property accredited supplier regime was established as part of the regulatory / service split changes in the 1990s. LINZ accredits these suppliers, declaring them competent to undertake the work on behalf of Crown entities. Accreditation limits the number (and should improve the quality) of possible sources of requests for decisions by LINZ. Some local government agencies use accredited suppliers; however, there are no requirements for them to do so.⁷
55. There are mixed views on accredited suppliers, including:
- a. Accredited suppliers provide good service through a complex process. In particular, the larger accredited suppliers seem to provide high quality service.
 - b. Accredited suppliers delivering mixed quality of work, sometimes from the same supplier. Some cases of quality issues as work submitted to LINZ for decision makers is not up to standard.
 - c. Knowing the best way to work with accredited suppliers is difficult. Agencies know less than the accredited suppliers about the processes and cannot always instruct/contract accredited suppliers on favourable terms to deliver the required outputs. Some agencies worry that the accredited suppliers are not working as quickly or efficiently as possible. There are a limited number of accredited suppliers agencies can go to, and high costs for agencies to change accredited supplier.
 - d. Some larger agencies have, or want to have, in-house expertise that they can use rather than solely relying on accredited suppliers.
 - e. Accredited suppliers do have a large number of highly experienced people who currently play a key role in keeping the System working. They are an example of how the System relies on informal arrangements and experienced staff as much as effective processes.

The processes that Agencies must follow to acquire, manage, and dispose of land are inflexible and inefficient.

Acquiring new land can be variable and slow...

56. There are statutory timeframes (under the PWA) for the land acquisition process that must be followed. Land can only be acquired for an identifiable public work, in line with existing legislation and case law.
57. The PWA acquisition process suits most agencies' needs, but is slow and labour intensive. Crown entities are required to use accredited suppliers to acquire land, while Local Government are able to complete the work in-house and only need to request LINZ/Minister for Land Information make a decision for compulsory acquisition (and action acquisition via the Governor-General).
58. Financial incentives have been implemented (eg the 'Advance Compensation Agreement'). While these have not been used much it does appear that if these incentives have sped up the process they have not been costly to the Crown or resulted in the landowner being financially worse off.
59. The Commissioner of Crown Lands can acquire private land by agreement under the Land Act, subject to Ministerial approval. This acquisition power is currently rarely used (it is used primarily in the Treaty claims settlement area) and seems to be working well when it is applied. Payment is by negotiation, usually on a commercial basis, rather than being compensation for a loss.

⁷ There is no requirement for councils to use accredited suppliers, even when they submit work to LINZ for a compulsory acquisition decision under the PWA due to their statutory independence under the PWA.

... repurposing land to other Government agencies (as part of the disposal process) is slow and fraught with difficulties...

60. When Crown-owned land is considered surplus by an agency that was using it to deliver a public work, an early step in the disposal process is to repurpose the land within the Crown.⁸ This repurposing allows another agency to use the land to deliver a public work. The process of repurposing existing Crown-owned land can be faster and is often less controversial than acquiring new land. As such it is an important tool/process that should help the efficient delivery of public works.
61. There are a number of difficulties that make this process inefficient. Agencies reported the following difficulties:⁹
- a. Identifying Crown-owned land as surplus is up to the relevant land-holding agency, with little guidance from LINZ. Because the cost and time to acquire new land is high, many agencies are reluctant to quickly identify land as surplus until they have thoroughly investigated whether they have another need for the land.
 - b. Currently four agencies must be notified when land is declared as surplus - the Department of Conservation (DOC), Heritage New Zealand, Housing New Zealand Corporation (HNZC), and the Ministry of Housing and Urban Development (HUD)¹⁰. These agencies are usually reactive to the opportunity to acquire Crown-owned land. The result is that the notifiable agencies can be slow to provide a view on whether they want the land, which delays the repurposing or disposal process.
 - c. Repurposing surplus land to non-notifiable agencies can also be slow. Capability to identify a need for land varies across agencies. Even situations where an agency has identified its need will often still be slowed down by agencies having to work through the budget process (or similar) to obtain funding.
 - d. Disagreements over the value of properties being repurposed within the Crown can slow down or de-rail the process. When property is transferred between two agencies LINZ needs to know there is an agreement for the property and the valuation process has been appropriate.¹¹ The general practice, reinforced by Public Finance Act (PFA) requirements, is that each agency will obtain its own valuation, even where the transfer is within the Crown. The Treasury's view is that having separate valuations ensures more robust asset management by having more contestability. Disputes between two valuations tend to be resolved slowly on a case by case basis.¹²
 - e. A new issue is multiple agencies wanting the same piece of Crown-owned land. There is currently no consistent or bespoke process to evaluate competing needs before making a decision.
62. Overall, the repurposing of land between agencies is inefficient. Moreover, the existing repurposing of land is not subject to the same rigour or scrutiny as other PWA acquisition or disposal processes.

... and the disposal process is slow.

63. The disposal process is slow, partly due to the range of statutory and government policy requirements that must be addressed (such as protecting values on the land, investigating alternative government

⁸ The possible exception to this is 'gifted land' which may need to be returned to the former owner at nil value if it was gifted for a specific public work and that public work is no longer needed.

⁹ Some of these difficulties are close to court rulings and addressing them may be complicated by legal risks

¹⁰ The housing function at the Ministry of Business Employment and Innovation (MBIE) has shifted to HUD.

¹¹ LINZ does check that the valuations were done by a registered valuer and that they are current

¹² One common dispute resolution method is to appoint an independent valuer. This is costly, time consuming, and provides no guarantee that both agencies will agree with that valuation.

uses, offer back to former owners, and meeting Treaty obligations). Most agencies understand why the process takes this long, but still think it could be more efficient.

64. LINZ takes an active role in managing the disposal process on behalf of other agencies if they request it. The average time for LINZ to dispose of a property in 2017/2018 was 29 months.¹³ LINZ does tend to dispose of a property faster than other agencies.
65. Many agencies are unsure how LINZ makes decisions (including whether LINZ has a system for ensuring consistency). Some agencies don't know where their property is in the disposal process, which slows their internal planning processes.
66. Agencies face different financial incentives to dispose of land. Some are able to keep proceeds of sale to fund other projects due to their legislation. Other agencies must cover the administrative costs of disposal but the funds from the sale are returned to the Crown. LINZ's Disposals Fund helps to offset these costs, but has not fully resolved these issues.
67. Offerback expectations have changed due to a recent Supreme Court case.¹⁴ Consistency is difficult as case law has been changing. Some people question whether the offerback is still fit for purpose.
68. There are some concerns that PWA disposals have resulted in Māori freehold land losing its status and reverting to general land. Any Māori freehold land that was acquired should be offered back to iwi and hapu through the Māori Land Court with the same status as when it was acquired unless requested not to.

There are some improvements that should be a priority for LINZ in both its regulatory function and operational capacity

Delivering more efficient processes

69. Service delivery processes are expensive and time consuming and are not efficient. For example:
 - a. The land acquisition process can take up to two years if a negotiated acquisition cannot be agreed and compulsory acquisition is required. This can take longer if a landowner objects to the acquisition or the acquisition has to go through other regulatory processes (e.g. the RMA).
 - b. Repurposing land within the Crown is slow and expensive. Part of this is due to both agencies seeking their own valuation and then the time it takes to negotiate an agreed value for the property in question. Additionally, acquiring agencies also have to access the necessary funding through the Budget process. A lack of guidance around when land is surplus (or underutilised) may contribute to some agencies being slow at repurposing land.
 - c. The average disposal of Crown-owned land takes years, even with simple parcels of land. The process is not easy to navigate. There is significant 'red tape', and what is required is often not clear (e.g. iwi obligations and offerback). The timeframes and processes are not well understood, neither are the considerations that the decision maker must weigh up. Some land is not identified for disposal because it would be more expensive to dispose of than the value of the land (because of surveying / legal costs etc).
70. There is scope to improve the quality and completeness of the standards and guidance that LINZ provides to ensure an efficient and effective System. The issues that need to be improved include:
 - a. Gaps in the suite of standards and guidance. Agencies are lacking clarity around when they are obligated to declare land surplus and begin the disposal/repurposing process. Producing separate guidance for Local Government to assist them with the process of acquiring land.

¹³ There were 4 outliers that took 123-163 months. If these are excluded the average was 21 mths.

¹⁴ https://www.courtsofnz.govt.nz/cases/charles-william-williams-and-ors-v-auckland-council-1/@_@images/fileDecision?r=501.24856857.

- b. On average, 14% of acquisition or disposal decisions (under the PWA) that are presented to LINZ require rework. This suggests that the standards or guidance could provide more assistance to users of the System; and/or that the accredited supplier regime is not ensuring LINZ receives quality work for decisions, which is what it was intended to do; and/or the accredited supplier regime needs to be reviewed.

Improving the information LINZ holds on land it manages, and functions it carries out, with a view to better monitoring System performance

- 71. LINZ has five information systems for the collection and storage of data relating to LINZ's land management and regulatory functions. It is difficult to obtain a clear and current understanding from these systems of the performance of LINZ from the data and information (both in-house and out-sourced) that is available.
- 72. The lack of robust, clear and accurate information is being addressed - via the 'Crown Property IT strategy' – which is looking at transition options.
- 73. When implemented, the Crown Property IT strategy will deliver significant improvement on the usability of information and data LINZ collects and maintains (both in terms of quality and timeliness). This strategy needs to enable LINZ to evaluate the performance of both its land management and regulatory functions.
- 74. One specific information gap hindering the monitoring of System performance is uncertainty around what land is in the Crown Estate. There is no 'single source of truth' so people know what land is in the Crown Estate in a single digital, interoperable, and re-usable format.
- 75. A positive step forward in remedying this problem is LINZ's work developing a central record of State land. This has been difficult because:
 - a. The Crown Estate includes land that is clearly and easily identifiable, such as schools, hospitals, defence force land, and prisons. But, it also includes areas of land such as riverbeds and small slivers of rural land that have never been out of Crown ownership. It can be difficult to confirm Crown ownership because it may involve an exhaustive exercise investigating historic plans records to ensure nobody else has ownership.
 - b. Even once Crown ownership is confirmed, a considerable amount of information is still paper-based (or within people's heads). This makes information gathering inefficient.
- 76. LINZ is putting significant effort in to capitalising on resources spent collecting data relating to Crown-owned land, by collaborating with other land-holding agencies to translate this information into Geographic Information Systems. With several agencies across government investing in the same thing, there has been considerable overlap of resources being spent and limited work done on capitalising on this.

Implementing asset management on land LINZs holds.

- 77. Land is a valuable asset that needs to be well managed. One way to achieve this is through shifting from land administration to strategic asset management.
- 78. LINZ is using the Treasury framework for strategic asset management to do a self assessment of its land management practices. This is part of the suite of investor confidence rating material that is being used across Government.
- 79. LINZ is clear that it needs to be a better asset manager and LINZ anticipates this self assessment will provide a clear path forward, identifying improvements that it needs to put in place.

The System interfaces with other systems could be better.

80. The interaction with the RMA is not simple (especially for landowners); and this has been highlighted in previous reviews of the PWA. While the two systems address different aspects – RMA (land use) and the Crown Estate (land ownership and management) – there are sufficient linkages between them that further improvements could be considered.
81. Other system interactions are similarly clunky, e.g. the Overseas Investment Office, Heritage, Defence, and Te Ture Whenua Māori.
82. Treaty of Waitangi – post settlement period and Crown obligations in relation to Māori land have evolved considerably since 1981 – which is challenging the principles underpinning the PWA and the implementation of the PWA.
83. Requirements from other systems, government policy or Treaty settlement legislation apply to properties held under the PWA and the Land Act. However, there are differences in how these requirements are met.

Step-changes that should be investigated to address issues across the system

The System does not give any Agency a clear mandate for regulating how Crown-owned land should be managed...

84. As identified above, the System does not give any one Agency a clear mandate for regulating how Crown-owned land should be managed.
85. There are few overarching controls on how agencies should manage their land. As a result land management practices across the Crown vary. As it currently stands, there are limited incentives and drivers for improved asset management of Crown-owned land at an individual property level.
86. Two agencies have some responsibility in this space:
 - a. The Treasury has a role in ensuring that land is well managed because it is a valuable asset. The management of Crown-owned land could be influenced by the Treasury's capital charge regime and the investor confidence rating (ICR) regime, but these create stronger incentives at an asset portfolio level than a property-by-property level. They are not seen as tailored instruments to help inform decision-making and do not help to overcome misaligned incentives between property rights and management responsibilities.
 - b. LINZ is a trusted advisor on property and has the majority of regulatory functions in this System.
87. There is an opportunity for LINZ to influence/work with the Treasury to ensure the Crown's asset management is improved. This is because the Treasury has better levers to implement and improve asset management of Crown-owned land across Crown Agencies.

...and there seems to be a decision making framework gap.

88. Land is scarce, and changing land use is slow and expensive. Acquiring land to deliver public works takes time so the Crown needs to be confident it is acquiring the right land and is managing land it holds appropriately.
89. The lack of overarching controls on how agencies manage their land flows into another gap in the system. There is no agency responsible for regulating how individual agencies do/don't make decisions to identify Crown-owned land (held under the PWA) as surplus. It is up to each agency to ensure their compliance with the PWA for land they are holding. This limits the amount of Crown-owned land that is being repurposed for an alternative use. Again, the Treasury's asset management frameworks may have a role in incentivising agencies to identify land that is surplus.

90. It is difficult to acquire new land and to repurpose existing Crown-owned land. There is pressure on the agency-centric land management approach to shift to an all-of-Government approach that can identify the 'best public value' from Crown-owned land now and in the future.
91. This lack of 'best public value' manifests in a number of ways, including:
- a. Difficulty developing processes to identify underutilised land that may be on agency's books.¹⁵
 - b. No agency with a mandate to ensure/regulate other agencies that hold Crown-owned land to check they are identifying land as surplus and then following appropriate disposal/repurposing processes.
 - c. Difficulty making strategic decisions on the best use of Crown-owned land, for example choosing between two agencies that both want a parcel of Crown-owned land being repurposed.

Some emerging challenges need to be responded to ...

92. The System is flexible and functioning, and has been able to address changes in circumstances to date, but it is expected to face challenges. For example:
- a. Freshwater is not owned in New Zealand. Rights associated with freshwater are an important issue for iwi and a major point of discussion for Māori- Crown relations. Roles and responsibilities for lake and riverbeds affect achieving clean and healthy freshwater bodies.
 - b. Climate change is expected to result in wide-ranging impacts that will affect residential, commercial and publicly-owned land. The way in which the Crown manages its land may need to adapt.
 - c. Pressure on infrastructure and housing in urban areas, where land is scarce. New structures, such as the Urban Development Authority, are attempting to solve these issues but also lead to questions about the role of the PWA and demands for the management of crown land to improve.

Testing against the key 4 criteria

Effectiveness

93. The System manages the challenge of empowering the Crown to acquire land for public works while appropriately restricting that power through safeguards protecting private property rights. These safeguards include clear processes, expectations of what a public work is, and financial compensation to people who have their property acquired by the Crown. The System also provides a clear backstop to ensure that the Crown's underlying ownership prevents land from having no owner, and ensures that land is appropriately managed.
94. Overall the System is providing for agencies to acquire land for public works, despite the lengthy process in doing so. It gives due statutory consideration to private landowners' interests, including compensation at current market value and solatium/special compensation payments that have been recently increased. Based on the data that LINZ holds, the average landowner is being compensated at or slightly above their valuation of their property. When Crown-owned land is not needed, then the first step is to enable that land to be repurposed within the Crown before the former owner is given an option to re-purchase, followed by iwi, and if they do not want it then land is sold on the open market.
95. The System is not set up to ensure effective asset management of Crown-owned land in a consistent manner. Different agencies in the System manage the Crown Estate land they are responsible for in

¹⁵ There were assertions from some people interviewed that Agencies may be 'landbanking' land that they do not currently need against a possible future use that has not yet been identified. This is an effort to avoid the time/cost of disposing of the land and then re-acquiring it if necessary.

different ways. Not all agencies have the same incentives for improved asset management, and there is no single Crown approach to ensuring Crown-owned land is used for its best use.

96. The disposal process has some issues. Some agencies have no incentive to dispose of land because they incur an administrative cost and no benefits. The four notifiable agencies¹⁶ often do not have adequate time and resources to assess properties, and in some cases properties have undergone considerable change prior to their being notified. There are questions around how effective processes like offerbacks are and what outcomes they are trying to achieve. There is also a question whether offerback is still required where compensation and solatium payments ensure landowners are no better or worse off at the time their property is acquired. The offerback provisions date back to the PWA 1864 where circumstances around landowners and their successors' relationship with property were much different than today.
97. Most of the regulated community understand the System objectives, but the System's processes do not optimally help everyone meet this objective.
98. No holistic review of the System has been completed recently. This means challenging/emerging issues are left un-addressed. These include issues such as ownership of land being equated to use of the land, no all-of-Government view of the best public value or way to identify the best use of Crown-owned land.

Efficiency

99. The PWA part of the System has rigorous processes to ensure the Crown's acquisition of private land for a public work is justified and any person(s) who have property acquired by the Crown are compensated. However, these processes are slow and costly to navigate. The processes of acquisition and disposal can take years even in simple circumstances.
100. Additional safeguards in the System create additional inefficiencies. The expectations of good asset management (derived from the Public Finance Act) have resulted in two separate valuations for Crown-to-Crown transfers being sought, slowing down the repurposing of Crown-owned land. Accredited suppliers who are regulated by LINZ can be expensive and may become more so if the number of suppliers decreases. The significant amount of statutory interpretation and legal expertise required throughout various parts of the System also create further complexities and costs in order for the System to work.
101. The perception is that the disposal process is unnecessarily lengthy, typically because it is compared to the private market. It took an average of 29 months for LINZ to dispose of a property in 2017/2018. Efforts have been made to improve efficiency, such as LINZ having a dedicated operational resource and expertise that can dispose of surplus land faster than other agencies. However, the processes remain a hindrance to improving efficiency and there are not many fast-track methods for easier transactions, whether acquisition and transfers or disposals, without compromising the protections for landowners and due diligence.

Durability and resilience

102. The System has been resilient to changes and has been able to adapt to emerging directions from government. The legislation underpinning the System has not had significant amendments for almost 35 years and has been able to meet the majority of needs. It has adapted to changing circumstances evident in the adjustments to the special compensation payments and amendments to align with other legislation over the years.

¹⁶ These agencies are Department of Conservation (conservation values), Heritage New Zealand (heritage values), the Ministry of Housing and Urban Development (HUD) and Housing New Zealand (suitability for housing)

103. The longevity of the System is likely to be partially due to precedents from case law clarifying or filling in gaps in the legislation as new issues arise that were not clearly considered in the legislation. While these legal precedents contribute to durability, they also add complexity and inefficiency. It is anticipated that any future legislative change would undergo similar scrutiny through the courts.
104. Current tensions with other Systems such as the RMA and Te Ture Whenua Māori do present risks to the System's ability to cope with pressures, and increase the risk of a regulatory underperformance as a result of these different Systems being misaligned.
105. The System is dependent on skilled and knowledgeable individuals to maintain processes for managing and transferring land between agencies. This presents a risk to the System, if the experts depart without transferring their skills and the processes in place are not resilient to cope with the inexperienced staff.

Fair and accountable

106. The System provides protection for private landowners rights, through the statutory requirements and due diligence required by the System prior to compulsorily acquiring land, as well as the avenues landowners have by being heard by the Environment Court, and the Land Valuation Tribunal (for compensation).
107. There is limited education to inform private landowners of their rights and entitlements if they have a reason to be involved with the System.
108. Landowners are compensated for their property based on market value. Special compensation payments have been recently updated to \$50,000. This payment provides additional compensation to people when their homes or other land are acquired at a time when they had not planned to sell. There are some who think these payments are insufficient to fully compensate landowners for injury or loss, of having their home (or land) acquired for a public work. Data held by LINZ seems to show that on average, the Crown's compensation meets the landowners' overall valuation of their land and sometimes exceeds it, despite the average landowner having a 30% higher valuation than the Crown.
109. The lengthy and expensive process in getting decisions reviewed through the court system can leave landowners significantly out of pocket, and the financial cost/risk of legal action is a barrier to some seeking a review of a decision.

Key issues

Priority 1: LINZ to step up and step out as a regulator, with a focus on system performance

- The System is complex, and there is low awareness of how it works. This makes it difficult for key agencies using the System to acquire land from private landowners who are unaware how the System operates.
 - 1.1 LINZ should improve the information it supplies to explain how the system operates. This should be focused at key agencies within the System which are effectively forced to interact with the System.
 - 1.2 LINZ should look for ways to improve the transparency of System processes to give the public confidence in the System.

- The standards and guidance that LINZ produces are often outdated and difficult for audiences to use, and are not guaranteeing quality outcomes. Additionally, there are some gaps in LINZ's suite of standards, including that LINZ does not produce standards or guidance for Local Government to assist them in the acquisition or disposal of land under the PWA.

1.3 LINZ should review the standards and guidance it produces and provides to others in the system, with a view to ensuring the standards are focussed on improving system-level performance. This should include creating any new standards or guidance that are needed (which could include standards or guidance for identifying land as surplus, and for Local Government when using the PWA), and ensuring all standards and guidance contribute to efficient system-level performance.

- Land is managed by individual agencies that have varying information on the land they are responsible for. LINZ does not have easy access to this information to provide a clear picture to assess and monitor the whole Crown Estate. This makes it difficult to monitor and evaluate how the Crown Estate is currently managed, and what improvements may be required.

1.4 LINZ should continue, and speed up if possible, work developing a central record of State land.

1.5 LINZ should future-proof the functionality of this central record of State land as an aid to LINZ's regulatory functions, for example ensuring that other relevant monitoring and performance data can be appropriately connected and extracted.

- LINZ has made clear improvements to the processes for acquiring and disposing of land, but the processes are still commonly expensive and slow. Acquisition can take up to two years, repurposing within the Crown is slow, and the average disposal that LINZ completes (at a faster rate than other agencies) is over two years.

1.6 LINZ should continue to actively seek to improve the processes of acquisition, repurposing and disposal of land, with a view to efficiency, effectiveness, and fairness (including to iwi).

Priority 2: LINZ to step up to become a high performing operator/manager of Crown-owned land

- Land is a valuable asset and needs to be well managed. LINZ holds land for a variety of reasons. For example land that is being disposed of because it is no longer needed for a public work, landbank properties set aside for Treaty of Waitangi settlements, and land held under the Land Act.

2.1 LINZ should confirm it is delivering the best public value from the land it is responsible for managing. LINZ is shifting from administering land to being an strategic asset manager. Once the asset management maturity self assessment is completed, LINZ should work to implement improvements identified..

- LINZ's current information systems have varied capability for the collection and storage of data relating to LINZ's land management practices. This makes it tricky to understand LINZ's performance in managing land.

2.2 LINZ should deliver significant improvements to the usability of information and data LINZ collects and maintains on the land it manages (for example, by implementing the 'Crown Property IT strategy').

- LINZ's service delivery model includes a balance of in-house and out-of-house suppliers. In particular, service providers and accredited suppliers are contracted to manage land it holds and progress properties through disposal.

2.3 LINZ should review the balance of in-house and out-of-house work (e.g. its use of contracted service providers/accredited suppliers) to ensure it is getting value-for-money and delivering an efficient disposal/repurposing service for the Crown.

Priority 3: LINZ needs to work to make the System operate better by stepping up collaboration with key agencies; considering stretch improvements within the existing System processes; and, preparing to influence major System updates.

- The System does not give a clear mandate for regulating how Crown-owned land should be managed. The Treasury has a role through its asset management frameworks, Investor Confidence Ratings, Capital Charge and Long Term Investment Plans that can be applied by the relevant agency to any/all Crown-owned land held by that agency.

3.1 LINZ should seek to influence the Treasury to drive improvements in asset management of Crown-owned land across all agencies.

- The regulatory system assessment does not investigate whether the System is the best way to deliver the intended outcomes. Without evaluating whether the current System is the best way to deliver the intended outcomes, it is clear that the System has changed significantly since the core legislation (PWA and Land Act) was enacted. There may be non-legislative changes to the System that could improve performance.

3.2 Evaluate instances where a set of rights other than ownership (e.g. easements, covenants, lease agreements) may be more effective or efficient ways of the Crown using land to deliver certain types of public works.

3.3 In collaboration with key agencies (e.g. the Treasury, HUD), investigate ways to improve the efficiency of processes around transfers of land within the Crown (repurposing). These transfers of land are expected to get increasingly important as the Crown needs to make better use of the assets it is responsible for.

3.4 LINZ, working with the Treasury, should investigate the value of shifting the system focus from individual agency asset management of land, to an all-of-Government focus on ensuring the Crown Estate is managed to deliver the best use and public value from an all-of-Government perspective.

- The regulatory system assessment does not evaluate the legislation governing the System, only its performance in achieving System outcomes. The legislation governing the System is dated, and there is good reason for LINZ to be prepared for a major update:

3.5 There may be an opportunity to review the core legislation such as the PWA. This would bring it more into line with newer legislation e.g. Treaty of Waitangi settlements, and further legislative changes that are planned such as the Urban Development Legislation.

3.6 Litigation is a characteristic of the system (and the system almost encourages it with Treaty of Waitangi issues, offerback in a more complicated work, value of land, competition for land) and litigation is costly.

3.7 Many of the processes (e.g. acquisition, repurposing/disposal) are slow and poorly understood.

- 3.8 The legislation has close links to the RMA, but the two legislative frameworks have quite different philosophies underpinning them, particularly the role of the public and consultation.
- 3.9 Since the most recent legislation was enacted 35 years ago the System has changed due to structural changes to the public sector. As a result there is now centralised decision making and decentralised land management functions.¹⁷ Any legislative change presents an opportunity to re-design the System to deliver better outcomes.
- 3.10 The challenges of freshwater quality and allocation, climate change and the pressure on urban areas will all place pressure on the system and increase demands for better information and management of Crown land.

Key strengths

Key Strength 1: Delivering on system objectives.

- The System is delivering land for public works. Despite pressures or challenges, agencies and departments are using the System to acquire land for multiple public works.
- The System is not significantly affecting private landowners' confidence in property rights – e.g. people are not afraid of 'landgrabs'. Agencies appear acutely aware of the public perception of the PWA, especially with Māori landowners due to historical land confiscation. This awareness influences the decision-making processes agencies undertake when considering land needs, including actively avoiding compulsorily acquiring Māori freehold land and sites of significance such as urupa and mahinga kai (but there instances of considerable unease). The Crown generally has a good understanding of the significant powers it has, and the need to constrain the use of those powers to avoid undermining confidence in property rights.

Key Strength 2: Durability and adaptability to change over time

- The System is one of the oldest and has endured through adaptation to changing circumstances. The common law powers that the System is designed to provide for are some of the oldest in Western democracies, dating back to the times of William the Conqueror in the 11th Century. The PWA is also one of the oldest pieces of legislation in New Zealand; the original 1864 Act actually consolidated and replaced Acts and Ordinances dating back to 1845. Changes to compensation regime, adjustments to defining public works and the additions of multiple safeguards have ensured the System continues to deliver its intended objectives.

Key Strength 3: Delivering improved asset management

- Asset management has improved over last half decade. Most agencies report their asset management being a much higher priority than it was seven or eight years ago. Agencies recognise the costs associated with poor asset management and have actively worked to rationalise their portfolios. Agencies have made efforts to improve the quality of their knowledge of their assets to manage their portfolios, and reported significantly improved asset management as a result.

Key Strength 4: General understanding of why processes exist and take so long

- Most agencies understand the policy objectives of the System and understand the lengthy processes in the System are required to protect landowners rights.

¹⁷ The current System is a hybrid of the two options with LINZ playing both a regulatory role and also carrying out some land management responsibilities. Any system redesign would need to consider the implications and potential consequences of moving to another form of arrangement, such as costs to agencies to implement.

Land Information New Zealand Response to Crown Estate Management Regulatory System Assessment

I welcome the assessment teams' Review of the Crown Estate Management Regulatory System. This review is a constructive and useful addition to our on-going stewardship activities and provides LINZ with an opportunity to enhance the stewardship of the Crown Estate system.

I agree in principle with the overall findings of the Review, which align with our current key system improvements.

LINZ is currently prioritising actions in response to the 2018 regulatory review of the Crown Pastoral Land Regulatory System (detailed in my response to that review). As a result, we are sequencing the activities needed to respond to this regulatory review over a longer period of time.

In the short term we have prioritised the development of a new Central Register of State Land as a comprehensive record of all government-owned land to better inform decision-making and provide a stronger basis to respond to the recommendations in the review.

As a second order we have identified the following review response priorities to progress over the medium term:

1. establishing regulatory indicators and measures to enhance monitoring of performance as a regulator and the trends and issues within the system
2. targeting engagement with the Crown Estate sector, local government, iwi and property professionals on key issues with the system.

Additionally, work is underway to enhance LINZ's management of its properties. An asset management maturity assessment has been completed and recommendations for priority actions are being implemented. These include developing an asset management policy, and asset management plans for our key property portfolios and linking these with appropriate monitoring and evaluation tools.

LINZ will continue to explore system improvements and advise government on opportunities for review and changes to the underlying legislation and the best use of the Crown's estate.

There are also opportunities for LINZ to assess how the Crown Estate regulatory system can support government in the key outcomes of climate change, resilience and urban issues.

Jerome Sheppard

Deputy Chief Executive, Crown Property