



Cabinet Economic Growth and Infrastructure Committee

EGI Min (13) 27/14

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Minute of Decision

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Advanced Survey and Title Services: Indicative Business Case

Portfolio: Land Information

On 13 November 2013, the Cabinet Economic Growth and Infrastructure Committee (EGI):

Advanced Survey and Title Services

- 1 **noted** that the survey and titles systems administered by Land Information New Zealand (LINZ) using Landonline form the basis for New Zealand's property rights market and are critical to the on-going functioning of the economy;
- 2 **noted** that LINZ needs to begin work now on a second generation of investment (via a project being called Advanced Survey and Title Services) because the current technology is becoming outdated and is increasingly constraining the ability to meet survey and title customer needs;
- 3 **noted** that the *Indicative Business Case for Advanced Survey and Title Services* (the IBC), attached to the submission under EGI (13) 249, assesses a number of options for addressing technology issues, customer needs and the need to provide for an integrated future property service;

Better Property Services

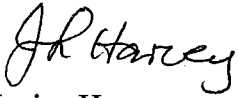
- 4 **noted** that officials from LINZ, the Department of Internal Affairs, the Ministry for the Environment and the Ministry of Business, Innovation and Employment are exploring better integration of central and local government property (including building) ownership, consenting and information services;
- 5 **noted** that the future envisaged is one that provides for a seamless customer experience based on integrated, up-to-date, digital and location-based information;
- 6 **noted** that the Advanced Survey and Title Services system will be a fundamental building block for this interoperable and customer-focused future;
- 7 **noted** that this "Better Property Services" future will see improvements in timeliness, quality and cost effectiveness resulting in increased productivity and the release of more valuable information for use by both the government and private sector innovation, contributing an estimated additional \$135 million to real GDP in 2025;

- 8 **agreed** that proposals for how to achieve this Better Property Services future be reported to EGI in April 2014;

Advanced Survey and Title Services: Indicative Business Case

- 9 **noted** that the preferred option in the IBC will:
- 9.1 address outdated technology issues, while using some components of the existing Landonline application;
 - 9.2 enable full system interoperability (to allow LINZ to contribute to future seamless property and building sector services);
 - 9.3 modernise the existing survey and title systems service to meet customer needs and expectations (for example, it will enable access to Landonline on mobile devices);
 - 9.4 provide for a better interface between users' systems and Landonline, reducing the time customers spend interacting with LINZ;
 - 9.5 provide a more complete record of all land in New Zealand (including a register of Crown-owned land and improved accuracy of Māori land information);
 - 9.6 introduce capability to allow property boundaries, in the future, to be defined and shown in three dimensions (3D);
- 10 **noted** that the indicative net present cost for the preferred option is \$42 million;
- 11 **noted** that the costs for developing the system will be met by users of the system through fees paid to LINZ, and that fees are due to be reviewed in the next six months;
- 12 **noted** that funding options being considered include a combination of user fees and cash reserves; a capital injection from the Crown to be repaid via user charges; and user fees, cash reserves and a capital injection from the Crown to cover any cash shortfall;
- 13 **noted** that LINZ is seeking advice to ensure cost recovery from current system fee payers to fund a future system complies with public sector guidelines for fee-setting and cost recovery;
- 14 **noted** that Cabinet will receive further advice on fee levels for survey and title services by April 2014;
- 15 **noted** that funding options for Advanced Survey and Title Services will be considered further as part of the Detailed Business Case;
- 16 **noted** that LINZ estimates it will take approximately 18 months until the start of the project, and that it will then take a further four years to develop and build the new services and transition to business as usual;
- 17 **noted** that the project will require up to 20 additional highly-skilled and experienced technical Full Time Equivalents during the peak of the project period;
- 18 **agreed** that LINZ be given some flexibility to breach the cap on employees if required by up to 20 Full Time Equivalents from 2014 until project completion in 2019, to enable the project to be delivered on time;

- 19 **directed** LINZ to develop a Detailed Business Case for implementation of Advanced Survey and Title Services and report back to EGI by September 2014.



Janine Harvey
Committee Secretary

Reference: EGI (13) 249

Present:

Rt Hon John Key
Hon Gerry Brownlee (Chair)
Hon Tony Ryall
Hon Dr Jonathan Coleman
Hon Dr Nick Smith
Hon Tim Groser
Hon Craig Foss
Hon Chris Tremain
Hon Simon Bridges
Hon Maurice Williamson
Hon Michael Woodhouse

Officials present from:

Office of the Prime Minister
Officials Committee for EGI

Distribution:

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Secretary for Internal Affairs
Secretary for Internal Affairs (Local Government)
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Chief Executive, MBIE (Building and Construction)
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