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Hon Grant Robertson
Minister of Finance
Parliament Buildings
WELLINGTON

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Dear Minister

The Housing Crisis and the Advanced Survey and Title Services Project for Land Information New Zealand

We wish to bring your attention to the growing risks of the current Landonline system, administered by Land Information New Zealand (LINZ). This system protects basic property rights and is an essential part of any solution to the housing crisis.

The proposed replacement service platform, Advanced Survey and Title Services (ASaTS), is critical to the delivery of land titles and new houses, and we cannot stress enough the need to adequately resource its speedy development and implementation in Budget 2018.

The New Zealand Institute of Surveyors (NZIS) advocates on behalf of the surveying and spatial sector. Our members are the lead professionals for the delivery of residential developments. The work undertaken by NZIS professionals and the legal community ensures the delivery of new land titles and the continued integrity of the New Zealand title system. New Zealand needs more houses, more quickly, and this can only be done effectively through ASaTS.

LINZ is responsible for the land tenure framework that underpins certainty of property ownership by recording survey and land title information. It also makes this information available to support economic activity on behalf of the government.

Almost 20 years ago LINZ introduced Landonline. At the time it was a world leading system enabling land dealings to be carried out efficiently and securely online. However, at 20 years the system in digital 'life-span' terms, is now old. The ageing system is already responsible for greater delays to housing projects, construction and land title lodgements. Increasingly there are signs of issues, and if it were to fail, there would be significant impact on the delivery of housing – through both the government and the private sector – and on the wider New Zealand economy.

NZIS members, the legal profession, and others in a range of sectors rely on the Landonline system and are now experiencing significant inefficiencies in undertaking their work. They suffer reduced work capacity and lengthy delays as Landonline struggles to support modern data-systems. Our members bring to your attention the real potential that Landonline could adversely affect everything the government is attempting to achieve on the housing front. As an example, in 2012, significant Landonline performance issues manifested in the early, very busy stages of the Canterbury Rebuild Programme. The Landonline platform needed significant upgrades at that time, but even with on-going 'patching' it will never meet evolving data, integrity and 3D requirements needed to support the technological advances and future needs of New Zealand.

Recognising the need for a Landonline replacement, LINZ consequently proposed the ASaTS project with the vision of a 'fit for purpose' platform by 2022. The proposal was fully supported by NZIS and property professionals, and members accepted that Landonline user fees should be retained at higher levels beyond the 15-year payback period to fund and accelerate the development of a replacement system.

We believe it is essential to housing supply and the protection of New Zealanders' most valuable assets that the government continues to support the ASaTS project. It presents an opportunity for the government to show it is addressing issues throughout the entire housing and land supply chain and not just focusing on shortages of tradespeople and materials. Further delay in the commencement of the project could undermine future productivity and even the potential stability of the land tenure system. It could also impair the ability to grow access and use of quality data at a time where such analysis will be critical to housing supply and growth.

We believe ASaTS will enhance productivity and address inefficiencies that waste a significant portion of survey and legal professionals' time, resulting in increased delivery of land to the market and less time repeating work and fixing errors that result from a dated way of working forced by the current system. We also believe that ASaTS will be better placed to manage 3D title data for high density and multi-level developments (our cities are growing up, not out) and provide more connected data to enable better property decision-making.

The current system is built with software language that is now considered near the end of its supported life, putting at risk the resilience that is critical for our key property system and infrastructure. Landonline manages property assets that presently equate to 1 trillion dollars in value - it provides the foundation for mortgage lending and gives certainty of property rights to New Zealanders. In our opinion the current Landonline system is a risk to the integrity and efficiency of the New Zealand title system. A failure of the system would bring land and housing development to a dramatic halt.

Ongoing improvements to connectedness in the new service will allow for better management of the Crown estate and associated physical assets particularly in times of emergency.

The key drivers for ASaTS are therefore:

- Enhancing New Zealand's housing supply
- Improving productivity
- Assisting resilience, particularly in emergencies
- Protecting property rights
- Ensuring the system supporting the most valuable assets for many New Zealand families is fit for purpose.

We hope that this brings into focus the growing risk of the current Landonline system and the importance of Government's continued support and prioritisation of the ASaTS project.

Your faithfully



Rebecca Strang
President
New Zealand Institute of Surveyors