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SUBMISSION::

Proposed New Fees for LINZ Survey and Title Services 9-April-2021

To: feesreview@linz.govt.nz

This submission is from the *Institute of Cadastral Surveying* (ICS).

The ICS is an organisation whose membership is actively engaged in cadastral surveying.

This response represents the collective views of the ICS, and is based on the experience and operational knowledge of our members whom are significant creators and users of the survey and title information records.

It is also submitted in the best interests of landowners and the public - our clients. It should be emphasised that these parties are basically the funders of the current survey system, but do not have a real pathway to submit on this matter. Surveyors (and lawyers) are therefore their best advocates.

The ICS have:

- **previously engaged with LINZ** on this matter (direct letter Sole (ICS President) to Crisp (LINZ CE) 18-Jan-2018; 2018 Consultation Feedback 18-Apr-2018) and shared our viewpoints;
- provided our expert input as an invited **participant in the Stakeholders Panel** (Pat Sole 2019-20)
- sought and **received feedback** from members on the proposed fees – and this feedback is incorporated within this submission;
- discussed and considered the feedback and the wider impacts of the proposed fees amongst our **Executive Team** in order to further formulate an ICS response;
- encouraged members to make **individual submissions** on the Fees Review.

The ICS have identified **three key issues** of the proposal which we consider need your further critical consideration. These are:

- **Oppose the survey fee recommendations::** We are disappointed with and oppose the survey fee recommendations set out within the consultation document. We respectfully request that LINZ review the preferred option solution after consideration of this submission.
- **Fairness and Equity::** It is apparent that the cadastral users (legal and survey) are being the only ones targeted to pay the costs for the land information system – which includes many other components of the department that are peripheral to the actual functioning and delivery of the services. This is unfair on the user-payers – our Clients.

- **Inadequate provision for the “public good” value::** The proposal document acknowledges that the Cadastre as a national asset that provides huge benefits beyond those gained by individual landowners, yet it does not appear to value this asset by way of suggesting any annual government investment into it (rather applying the “user-pays” funding regime).

Our detailed narrative concerning these key issues are presented initially. As practitioners and key users of survey and title records, we have compiled our learned arguments in support of these views. We trust that you can consider these particular components of our feedback with due consideration and giving them the weight that they deserve.

In terms of the remainder of the proposal document, our **feedback and key points** are noted, including reasons in support of our views.

The answers to the “**Questions for Stakeholders**” are also noted.

We thank you for the opportunity to provide feedback on the proposed Fees Review, and trust that you will be able to incorporate the consensus of all submissions received in the best interests of the survey system, and in terms of the Cadastral Survey (Fees) Regulations 2003.

Questions and clarifications can be requested via the ICS Secretary (Brent George) – sec@ics.org.nz

KEY ISSUES:

Oppose the survey fee recommendations::	
The ICS is disappointed with and opposes the survey fee recommendations in the consultation document	<p>This is because the recommendations primarily they do not:</p> <ul style="list-style-type: none"> • consider the direct impact of such cost escalation on the price of land and housing; • realise a sustainable income stream in the long-term; • contemplate prior pro-active input and consultation suggestions; • address the current inequity in third party funding where alternative funding sources from other significant beneficiaries of the wider cadastral system have not been explored (including both national and local Government); • consider the additional costs of survey as a result of satisfying regulatory requirements borne by clients of lodging surveyors and the long-term beneficiaries of that work; • address those benefits and cost savings of the electronic Landonline system which were promised and have not been delivered; • result in accountability in the delivery of services (timeliness, quality or added value) or the costs of those services; • reflect actual costs of provision of some services or recognise free delivery of other products; • consider fairly who has paid for and should pay for a rebuilt Landonline system; • recognise the post-Covid environment and the opportunity for different thinking in cost recovery.
Removal of resubmission/requisition fee is applauded	<p>We commend the initiative to remove the resubmission/requisition fee which we feel has been poorly targeted, leads to poor relationships between LINZ and Licensed Cadastral Surveyors and does not often recognise the complexity of survey.</p>
Accept that an increase is warranted – but needs to be better attributed to Users	<p>Overall, the ICS recognises the need for a general fee increase. On that basis and based on the passage of time, a modest fee increase could be accepted as reasonable (on behalf of our clients – the public - who otherwise have little voice) as long as the increase is fairly and equitably attributed across the Users and other beneficiaries of the system.</p>

<p>Transfer the “deposit fee” to be charged as part of the e-dealing process</p>	<p>It is not clear if the proposed fees will continue to charge the “deposit fee” at the e-survey dataset submission, or correctly reassign this fee component where it should rightly be charged – at the e-dealing stage. The ICS advocates for this correction to be included in the new fee structure.</p>
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<p>Fairness and Equity::</p>	
<p>We believe that the current and proposed fee proportions are unfair and not equitable</p>	<p>Within the new fees proposal, it is the cadastral users (legal and survey) that are being targeted as the only ones paying costs for:</p> <ul style="list-style-type: none"> • search products (discourages thorough search) • building and rebuilding Landonline • funding other un-related LINZ functions wholly or partially • functions in excess of that required to validate the work • subsidising Crown and Local Authority operations <p>It is also considered that the “titles” part of the system inherently benefits from the accurate population of the “survey” part of the system. The correct and full delineation of the parcel or spatial extents (as surveyed) provides surety in support of the record of ownership (title). Therefore, some accrued benefit of the survey processing costs should ideally be accounted for within the titles costs.</p>
<p>Costs for providing a service likely inclusive of non-cadastral items</p>	<p>The preferred “Option 2” costs have been calculated (presumably) using current financial information reports to identify the “actual unit cost of providing a service”. There appears to be no recognition that these costs will include components that are not rightfully attributable – of fully attributable - to the service. For example:</p> <ul style="list-style-type: none"> • legacy Landonline system maintenance costs • costs relating to the provision of LDS • maintain geodetic and survey control systems • preparation of non-cadastral survey standard documents
<p>We believe that the current and proposed fee proportions are unfair and not equitable in relation to private versus non-private land ownership apportionment.</p>	<p>A considerable portion of the land included within the Landonline system is Crown Land. It is only reasonable that the Crown contributes an equitable portion of the Landonline system costs to recognise this fact.</p>

<p>Inadequate provision for the “public good” value::</p>	
<p>Considerable misinformation within the document</p>	<p>In our view, there is considerable misinformation, a lack of transparency and inadequate understanding of the complexity of the wider cadastral system in many of the statements in the consultation document. These statements result in a lack of recognition of the wider public good such a system has in underpinning the economy and allowing the registration of interests in land which benefit all.</p>
<p>The cadastre is a national asset</p>	<p>The document doesn’t address the Cadastre as a national asset that provides huge benefits beyond those gained by individual landowners.</p>
<p>Recognition of the economic benefit to the country is warranted</p>	<p>The document notes that the benefit of a superior titles system is primarily an economic one for the whole country (pp 16,17) therefore the costs of the system should be at least partially borne by the country.</p>
<p>Transactions fees are the</p>	<p>In essence, survey and conveyancing fees are used to offset the increasing cost in the</p>

<p>sole source of funding</p>	<p>rebuild and ongoing enhancement of Landonline - an ongoing cost that does not appear to be managed particularly well.</p> <p>It is noted that the Landonline annual System Cost is \$54.1 million, and Processing Cost is \$29 million. The system cost is almost double the processing cost. Surveyors and Solicitors Clients should be paying for the Processing cost only. We fail to understand why our clients should be subsidising or funding the ongoing cost of a system that we are burdened with, regardless of a rebuild or otherwise.</p> <p>Surely the ongoing cost and enhancement of Landonline needs to be meet by other means. We submit that the cost of Landonline rebuild and ongoing enhancements should be met by the general public, local authorities, central government, private companies, banking and financial organisations as end users of the titles and surveys and instruments that we create.</p> <p>Any company who is making commercial gain from bulk GIS property data should also contribute to the cost of the Landonline maintenance and rebuild.</p>
<p>Ministerial communications intended</p>	<p>For these reasons, and because ultimately new Fee Regulations are required, we intend initiating communications with Minister O'Connor (Minister of Land Information) and relevant Opposition Party representatives to express our experienced and justified arguments on this matter.</p>

GENERAL ISSUES:

Section:	Statement:	ICS Feedback:
<p>2. Executive Summary</p>	<p>Fees are the right way of funding survey and title services because the services primarily provide a private benefit to the person receiving the services</p>	<p>This statement is incorrect.</p> <p>Whilst it can be argued generally that survey fees paid by surveyors (on behalf of their clients) provide private benefit to that client/landowner, there are many downstream users of both the on-ground survey network and the spatial cadastral fabric that also are beneficiaries of that transaction.</p> <p>In submitting a survey plan to LINZ for approval, there are a number of regulatory requirements (including placing of the survey in terms of a national survey network, upgrading existing errors in the existing cadastral fabric and improvements to accuracy, node matching and exception processing) which add cost to cadastral survey. These benefit many others, and fees should reflect a level of discounting of these costs borne entirely by the client (which are often significant).</p> <p>The on-ground survey network has a long half-life. We regularly find marks placed and of importance, more than 100 years ago. This network is largely maintained and enhanced by cadastral survey. The benefits of such a network built at the cost of those lodging data, is enjoyed free by all users. These users are wide ranging from those undertaking subsequent cadastral survey, engineering for roading or other purposes, earth deformation studies, sea level investigation, historic studies etc. Our land transfer system does not demand that properties are re-surveyed on sale, so these surveys often support many generations of property ownership.</p> <p>This upgrading also has positive public good outcomes. It makes the cadastral fabric much more useful for all spatial purposes including Central, Regional and Local Government. For example, even electoral meshblocks are based on cadastral data but its use is wide-ranging and varied, and often for planning purposes. Third party users can acquire the data and enhance it for any specific purpose, for distribution or on-sale.</p> <p>LINZ prides itself in issuing this cadastral spatial data free of charge via its LINZ Data Service. Yet large long-term accuracy gains are funded by cadastral surveyors and their clients, through the payment of lodgement fees as the only user group required to do so.</p>
<p>2. Executive Summary</p>	<p>Fees are the right way of funding survey and title services because the services primarily provide a private benefit to the person receiving the services</p>	<p>This is a subjective statement and not a factual statement.</p> <p>There are many other instances where survey and title data is used for other applications. Increasing fees ignores these other data users.</p> <p>In addition, with regards to the over recovery of fees previously, it could be said that the survey and legal community is in credit and this aspect has not been considered.</p>

Section:	Statement:	ICS Feedback:
<p>2. Executive Summary</p>	<p>Fees need to increase to meet the future costs relating to the rebuilding of Landonline and ongoing enhancement</p>	<p>This statement is incorrect.</p> <p>Survey and title fee payers have already paid for the building of Landonline. This came with an expectation of lowered fees and services delivered in a timelier manner (refer LINZ Fact Sheet 1 – May 1998). There were also assurances around quality and consistency, and feedback on lodging professional’s work. None of these services have been consistently - if ever - delivered.</p> <p>Furthermore, centralisation and closure of in excess of 10 regional offices, has led to significant loss of institutional and professional knowledge, the dislocation of many historic records from their communities of interest, and greater difficulty in accessing appropriate (or sometimes any) records or staff. Many records have been imaged at the expense of survey and title fee payers. In this sense, the recommendation to further increase search fees seems particularly unfair, especially when it is fully automated.</p> <p>Based on the recent history of over-recovery of fees (eg: 30-June-2016 surplus - LINZ Four Year Plan:2017-2021), it is difficult to reconcile that there is accountability for any increased costs, or that benefits are only to those who lodge survey and titles transactions. This appears to have become a “slush-fund” to support LINZ’s general operational costs, when the benefits have neither been delivered or accrue only to those paying all the costs. At this point of time all users have free access to open data, other than cadastral users who have to pay for it.</p> <p>Rebuild costs must be seen as a cost (and asset) to the general population, and particularly landowners. The Crown as a landowner to around a third of the country, pays an insignificant contribution in fees yet receives considerable benefit through central and local government processes. The overall benefits of the guarantee of title and cadastral system to the economic well-being and security of the country cannot be overstated (and is acknowledged within the proposal document – page 16 “Value of services”), and a much wider fee/income structure would be much more sustainable. Government funding in particular, given the general drivers to provide freely accessible data to the public, will provide better accountability.</p> <p>The ICS is aware that there is (and has been) a need for cross-subsidisation of different survey and title services in some form. Whilst, it can be argued that whatever system is introduced is inequitable, it is our view that the costs (and benefits) of survey plan lodgement be attributed across the widest possible number of transactions (and this necessarily means title transactions, as the survey underpins the “where” of these). This minimises direct fee costs added to the cost of land and housing to the end user.</p> <p>Landonline enhancement also requires professionals to invest in training and learning new imposed processes required to interact with the new system, and possible hardware and software costs. Such costs further add negatively to end user’s bottom line. There needs to be recognition that the survey and legal industries are also continually financially exposed to Landonline development and system changes.</p>

Section:	Statement:	ICS Feedback:
2. Executive Summary	The fees for survey and title services have stayed the same since 2011	<p>This statement requires further context.</p> <p>Fees were doubled to pay for the “designing and building of the automated system, and conversion of existing paper records”. This fee increase was accepted by surveyors (on behalf of their clients) over the four year set-up phase of Landonline, on the promise of lower fees after the system was implemented.</p> <p>These fees were significantly reduced for a period, before they again doubled in 2011. Since that time, fee income has significantly exceeded processing costs.</p> <p>With the changes proposed in the current document, costs of plan lodgement will have approximately trebled over the last twenty years and when coupled with loss of prior services, is a solution that is not sustainable into the future.</p>
2. Executive Summary	Fees need to increase to meet future costs relating to the rebuilding of Landonline and ongoing enhancement	<p>Why? When the 3rd paragraph states that the service “<i>primarily provides a private benefit to the person receiving the service</i>”.</p> <p>What part of the Landonline rebuilding and enhancement benefits a landowner (say) who is subdividing their property “today”?</p>
2. Executive Summary	LINZ has identified the specific costs of processing transactions and operating Landonline and the wider survey and title system.	What costs have been included and excluded?
2. Executive Summary	LINZ intends to have new survey and title fees in place by the end of September 2021	<p>This implies that fees increases are fait accompli.</p> <p>Whilst we may accept that this is the case, we trust that the process – including valid consideration of stakeholder consultation and feedback – is fully accounted for in the LINZ deliberations prior to presentation to Cabinet.</p>
2. Executive Summary	LINZ will review survey and title fees again when the current programme to rebuild Landonline is completed in 2023.	<p>This is a nicely open-ended statement. Although it could be taken to imply a reduction on fees, it is equally likely to be a provision for further increase in fees – particularly if the assumptions used with the financial modelling are proven to be inadequate.</p> <p>And 2023 is not too far down the track either.</p>

Section:	Statement:	ICS Feedback:
2. Executive Summary	Table 1: Summary of estimated fee impact on solicitors, conveyancers and surveyors	<p>The proposed fees are noted.</p> <p>Breaking these down simply to a “per lot” basis, the per lot survey fees [compared with current fees in square brackets] and the percentage increase from current to proposed would be:</p> <ul style="list-style-type: none"> • Two Primary parcels = \$615.00 [\$382.00] +61% • Ten Primary parcels = \$275.00 [\$185.00] +47% • One Hundred Primary parcels = \$138.50 [\$104.92] +32% <p>Consideration should be given to better allocating the fees to reflect a fairer (=lower) proportional increase for a two-lot subdivision.</p>
3. Problem Definition	Rationale for fees	<p>We cannot agree that other funding options have been sufficiently investigated.</p> <p>In our view, other options could include a “Guarantee of Title” levy on land titles or general taxation, for many costs (particularly system costs) involved.</p> <p>These options have been discounted in the opening premise, yet would have little inflationary effect on the costs of land and housing. Those lodging cadastral datasets, should not be subsidising the many other users nor LINZ’s other functions – for example Geodetic Control, Court Cases, Service As-Built Standards etc.</p> <p>Recommendations from LINZ officers should include these alternative options in order to present a full and fair choice as necessary for a sustainable survey and titles system.</p> <p>It is acknowledged that there appears to be no political will to do this. However, in line with other political objectives to reduce the cost of housing and land development and reduce the compliance costs for development, such a taxation recovery would appear to generate a sustainable income for further development, enhancement and processing service.</p>
3. Problem Definition	<p>Rationale for fees -</p> <p>Our view is that third-party funding through fees is the right way to fund survey and title services</p>	<p>We disagree with this statement.</p> <p>While our clients are the initial primary beneficiary of the survey and title ‘service’ there are many downstream beneficiaries who end up using the survey data accurate GIS that our clients have paid for.</p> <p>Private companies and government departments have access to a wealth of property information that they use for commercial gain, without paying for the ongoing maintenance and upkeep of the systems and processes that enable free access</p> <p>We submit that the portion of the Landonline annual system cost and upgrades and rebuild should not be borne by our clients but should be paid for by the end user of the readily available data that our client pays to populate.</p>

Section:	Statement:	ICS Feedback:
3. Problem Definition	Rivalry	Disagree with this section and find it borderline obtuse, for the reasons outlined above.
3. Problem Definition	Fees are insufficient to recover increased costs – Landonline is also the platform that allows LINZ to efficiently process instruments and cadastral survey datasets that change existing land information.	Landonline is also the platform that populates cadastral information within the LINZ Data Service (LDS). The LDS is a source dataset that populates external GIS applications to support property reporting and analysis. As is government policy, this information is freely made available. Therefore, the users of the LDS cadastral information are benefiting from this rich data, but they are unable to be isolated, easily identified, and charged accordingly. Some consideration should be given to recovering fees from this sector – either via the GIS application enhancer, or via some sort of general levy per user extraction.
3. Problem Definition	Fees are insufficient to recover increased costs – Landonline was built on a platform that has “matured” and needs to be revitalised and made stable for the long term	This is a very subjective statement. You have not defined what “matured” means. You have not defined what “revitalised” means. LINZ has not asked the survey profession what revitalisation is needed. The initial stakeholder participation provided little opportunity for debate and wider consultation. LINZ have forced their ideas on a captive end user (surveyors and solicitors)
3. Problem Definition	Box 1: Landonline rebuild – Why does LINZ need to rebuild Landonline?	<i>“... confidence in property rights underpins living standards and is critical to the financial and banking systems...”</i> This appears to support and confirm our view that a “public good” component exists within a Landonline system. However, please explain how confidence in property rights underpins living standards, and also how Landonline is critical to the financial and banking systems? If it is critical, then why are the banking and financial systems not contributing to the development of a new system? <i>“... its core software, which was widely used in the 1990s, is now nearing ‘end of life’...”</i> This is a burden that is being accounted for within the costs of the running and maintaining the system, which is unfairly increasing the operating costs. The presumption is that a new system would not need as much maintenance or expensive enhancement. Please confirm.
3. Problem Definition	Box 1: Landonline rebuild –	<i>“More NZ business opportunities” and “Produce plans in 3D” and “better investment decisions”</i>

Section:	Statement:	ICS Feedback:
	How will LINZ's customers benefit?	These stated benefits support and confirms our view that there are other user benefits from the Landonline system.
3. Problem Definition	Review of third-party funding arrangements. Principle 1: Fair Users of services should pay...	This should be extended to all users - not just the developer/creator of the new title. It should include bulk users of GIS data, Local Authorities, Central Government, financial and banking sector, and any body/corporation/company who in turn benefits and financially gains commercially from our clients' initial fee payment.
3. Problem Definition	Review of third-party funding arrangements. Principle 2: Effective Should support the objectives or reasons for service	Agree.
3. Problem Definition	Review of third-party funding arrangements. Principle 3: Efficient Value for money	Always should be value for money. We would like to know how LINZ envisages measuring this metric.
3. Problem Definition	Review of third-party funding arrangements. Principle 4: Sustainable Reliance on Crown funding should be minimised.	A considerable portion of the land included within the Landonline system is Crown Land. It is only reasonable that the Crown contributes an equitable portion of the Landonline system costs to recognise this fact.
3. Problem Definition	Review of third-party funding arrangements. Principle 5: Transparent/predictable Must be a clear line of sight between	Agree regarding Transparency. But do not agree with funding the operational and maintenance of the system that others benefit from without contribution.

Section:	Statement:	ICS Feedback:
	services provided and costs recovered (for that service)	
4. Costs to be recovered	Value of Services	<p>It is difficult to validate the figures produced in Section 4 without extensive fact-checking. However, even in Figure 3, some services identified such as “<i>Maintain geodetic and survey control systems</i>” and “<i>Provide Landonline data via LINZ data service</i>” should not be fully funded from survey and title fee revenue.</p> <p>It is also noted that under the “Value of Services” heading, the benefits of security and efficiency attribute to all title holders (and sometimes others via registered interests such as Banks), not just those lodging survey transactions.</p> <p>It is pleasing to note that there is acceptance of the low volume of survey transactions (Box 2) and the low proportion of system costs therefore allocated to that activity.</p> <p>Conversely, because of the high complexity of survey transactions (there are often many thousands of individual pieces of information) and the required high resource per transaction to validate them, low volumes generate high processing costs. It is our view that this is another reason why costs need to be further distributed across more fee paying and other customers, as significant benefits accrue to others and they support the “where” of registered title transactions.</p>
4. Costs to be recovered	Volume of transactions	<p><i>“LINZ will assess in the next fee review whether the simplified search service leads to increased demand for these services and higher volumes”.</i></p> <p>If a simplified search service leads to higher volumes of use and therefore data extraction, will this likely increase or decrease the per-unit cost to extract these items? (Note that the ICS considers searched data of existing digital records should be available at no cost).</p>
5. Options	Two main options	<p>It is disappointing that only two fee options have been explored, particularly given the previous feedback provided well in advance of this review.</p> <p>Those fee options have essentially looked at a raw percentage increase to existing fees, or to reflect reallocated forecast costs.</p> <p>Clearly survey fee increases are minimised by the former option (which we and our clients would prefer, and which accommodate inclusion of the resubmission fee), but neither in our view sufficiently advise those making decisions on fee regulation of the other possibilities.</p> <p>Crown funding and/or a title levy are two of those additional funding options, which in addition to new third</p>

Section:	Statement:	ICS Feedback:
		<p>party funding (for example, for bulk data) will make ongoing cost arrangements far more sustainable.</p> <p>Politicians need to be made much more aware of the national benefits of a secure survey and title system, in allocating costs fairly to avoid unnecessary escalation in land development fees at this time.</p>
5. Options	Options for fee changes	<p><i>“Any decisions relating to these products will be announced separately as part of the Landonline rebuild communications”.</i></p> <p>We have concerns that this statement is a portent of likely increase in Landonline licensing as well. We would sincerely hope this is not the case.</p>
5. Options	Option 1 – Allocate an equal percentage increase to all fees	<p><i>“...some fees would not reflect the underlying costs of providing the service.”</i></p> <p>We understood and were previously advised by LINZ prior to the 2011 fee increase that these initial fees were indeed set to reflect the costs of the service.</p>
5. Options	Table 7: Option 2 Search - Electronic	<p>How can it cost \$5 to supply a search copy of a title or plan? It must really only cost cents once the fixed costs of Landonline are met.</p> <p>As a comparison, <i>Quickmap</i> and <i>Grip</i> effectively provide these for free (minus the title diagram).</p>
6. Fee Proposals	Table 9: Proposed survey and title fee levels For providing a copy of a survey plan via an approved electronic workspace facility	<p>Presently the survey plans are the only electronic component of a survey dataset that attract a fee when searched. For example, if an electronic copy of the survey report, field notes or survey calculations are available, these attract no charge when accessed through an approved electronic Landonline workspace.</p> <p>The fee for retrieving an electronic copy of the survey plan is an anomaly, and this fee is unjustified. Further, if these plans were to be released via the bulk data supply mechanism, third party providers would release these to the general public, reducing time demands on the Landonline system, thereby reducing system costs.</p> <p>The current and proposed charges for survey plans can only be seen as a revenue generating mechanism, rather than as a public good.</p>
6. Fee Proposals 7. Potential Impacts	Preferred option fees	<p>We recognise the place of LINZ in validation and approval of cadastral survey data and boundary definition.</p> <p>That said, LINZ is in a monopoly environment and our clients have no option but to pay fees as required (and any increases thereto). It is our view that in the current environment, a modest increase in fees (up to 20%) is not only justified but anticipated.</p>

Section:	Statement:	ICS Feedback:
		<p>Our clients, in creating new allotments have many fees to pay in the subdivision process. Every one adds directly to the cost of sections and therefore housing. Developers, whether they are large multi-development specialists or small one-off subdividers, must ensure they cover their development costs.</p> <p>Our view is that the fees proposed in Section 6 are excessive, both in terms of the work required to process transactions and the levels of service provided. We would seek to allocate more survey fees across greater numbers of title services, but only after investigating wider proposals for significant funding.</p> <p>In terms of search fees, we have always advocated that search fees should be close to nil (especially as no intervention is required to provide the electronic images). Cadastral surveys often require significant data and being able to locate records at reasonable time and cost, is an incentive for thorough searching and lodging error free work. It is a considerable inequity that individual cadastral records attract a fee, yet bulk users of cadastral data pay no such fee.</p>
7. Potential Impacts	Survey fee payers Typical survey transactions	<p>The scale of fees proposed for multi primary and secondary parcels does not correlate with the amount of 'work' that LINZ validation staff contribute to the process.</p> <p>The vast majority of the validation work is completed by the automated LINZ validation and business rules. The human input between say a small to medium subdivision compared to a large-scale subdivision is not proportional. Lot closes, pegging accuracies, existing mark, and mark naming regimes are all automatic. For example, a 132-lot subdivision submitted for approval was fully validated within 3 days. At a cost of more than \$10,500. The human input was limited to the existing and new property rights, the external definition (that was already captured in Landonline), and validation semantics.</p> <p>We propose that a reverse sliding scale for larger datasets is considered. The current system is automatically a scale of opportunity governed by automated business rules. LINZ add very little value to the approval process in such (large) datasets.</p>
7. Potential Impacts	Table 12: Monthly invoice fee change impacts for survey firms (\$)	Is this analysis relevant? How can we be confident that the analysis is correct?
8. Next steps	Considering feedback	<p>As stated previously, we are extremely disappointed with this consultation document which only seems to look to a preservation of the existing third-party fee regime, despite our early attempts at considered feedback.</p> <p>We can only hope that recommendations are given the weight and consideration that they deserve, resulting in</p>

Section:	Statement:	ICS Feedback:
		the proposals being significantly modified before any paper recommending new fees is presented to Cabinet.
Appendix 1: Comparison of proposed fees with Australian service providers	Table 14: Fees comparison	<p>Why bother to compare costs with Australia?</p> <p>Isn't the whole idea to make the system better rather than say look we are still cheaper? In the World Bank Doing Business 2020 survey, Australia are far below us in the registering property rank. So, what is the point or comparing us with them?</p>
Appendix 2: System cost allocation	Table 15: Two methods for allocating the system costs to be recovered	<p>The total title costs for each "Method" are \$23.4M and \$49.2M respectively. The total survey costs for each "Method" are \$14.2M and \$14.7M respectively.</p> <p>Why are these costs not similarly reflected in the fee change percentage respectively for title and survey components? ie: the survey lodgement fees are increasing by 22% to 147% compared with the title lodgement fees which are increasing from 7% to 49% (or is it a function of volume of transactions?)</p>
9. Questions for stakeholders	1. What is your view on the preferred option for third party funding of the survey and title regime (that is, option 2: Change all fees to reflect costs)?	<p>Disagree</p> <p>Why - Beneficiaries of system not correctly identified and no work done or recommended for other funding sources/options.</p> <p>There is obvious information and evidence in the public domain which demonstrates there are many and varied beneficiaries of our cadastral infrastructure, but particularly Government itself.</p> <p>The suggested regime would definitely benefit from further refinement – our suggestion would to spread survey transaction costs far more widely and investigate other significant sources of potential funding.</p>
9. Questions for stakeholders	2. Which option do you prefer for the fee changes?	<p>None of the options mentioned.</p> <p>As above re reasons and preferred approach.</p>
9. Questions for stakeholders	3. Do you have a view on the impact the proposed new and increased fees could have on you, or your business?	<p>Impacts of increased survey fees are a direct additional cost to the price of land and housing.</p> <p>Because they must be paid to allow registration of interests, I do not see they will significantly impact on business. All that will happen is that those fees will be passed on to the end user, as they have always been. But there is no incentive currently for LINZ to be accountable for their cost inputs.</p>

Section:	Statement:	ICS Feedback:
		As stated above in our narrative relating to Section 6 and Section 7.
Other	Consultation Fatigue	<p>The recent plethora of requests for feedback on various matters including submissions on rule changes; feedback on standards; and provision of stakeholder advice is not diminishing. These requests originating from the Department are not the only invitations that practitioners need to professionally address. Various local council District Plan changes and regional council long-term plans also require our individual attention.</p> <p>All of these various requests for feedback contribute to “consultation fatigue”.</p> <p>Whilst the outcome from this fatigue may present as a nil-response or token feedback on a particular matter – this should not be taken as acceptance or support for any proposal or rule or plan.</p> <p>LINZ need to be aware of this consultation reality, and not take the silence from some parties (mainly individual professionals) that do not submit as an endorsement of any proposal(s).</p>
Other	General comments on the financial information included within the document	<p>There is little transparency within the figures and values stated within the document.</p> <p>How do we know that the specific fees are being spent in the area that they are being collected from?</p> <p>How does the LINZ Data Service get paid for and why are the users of that not charged? The LDS is a great system but why is it lumped in with Survey and Title costs (Figure 3)?</p> <p>Who paid for LINZ to create the local body as-builts standards, and how is this relevant to the survey and title system?</p>
Other	Duplication of charges	The document does not address the ‘double-dipping’ of paying for existing easements when recapturing in Landonline to comply with the RCS2010.
Other	LINZ Cabinet paper (Feb-2021)	<p>We have been provided with an excerpt from the LINZ paper to Cabinet seeking approval from ministers to start public consultation on the proposed new fees.</p> <p>In relation to the comment <i>“the most common comment was the need for government funding to contribute to the costs of developing and maintaining Landonline, to recognise the public benefit of a stable and secure land register”</i>:-</p> <p>In order to have a “stable and secure land register” – clearly for the “public good” - the system requires an adequate network of survey marks.</p>

Section:	Statement:	ICS Feedback:
		<ul style="list-style-type: none"> • LINZ don't do enough to preserve - let alone add - to the cadastral network framework. There is a reliance on the industry to replace marks. • The LINZ survey mark protection process is the ambulance-at-the-bottom-of-the-cliff. It is not widely respected by Councils or contractors, nor is there much follow-up on protection orders. • Despite the 'before-U-dig' process, Councils (through their contractors) still take out valuable survey marks for hundreds of metres – often along entire residential blocks with kerb and footpath reconstructions. • This adds to the costs that our clients have to pay when a subsequent surveys have to extend well beyond the zone of interest and establish new/additional reference marks. • Any increase of fees needs to be partly invested in a stronger survey mark protection process