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Tertiary Education Report: Victoria University of Wellington – Transfer of Crown Assets

Date:	26 July 2011	TEC priority:	Medium
Security level:	In Confidence	Report no:	S/11/00392
		Minister's office No:	

ACTION SOUGHT

	Action sought	Deadline
Hon Steven Joyce Minister for Tertiary Education	Approve , subject to certain criteria outlined in this report, the transfer of all Crown title assets currently under the management of Victoria University of Wellington into this institution's legal title Agree , to forward this submission to the Minister of Finance for his consideration	At your earliest convenience
Hon Bill English Minister of Finance	Approve , subject to certain criteria outlined in this report, the transfer of all Crown title assets currently under the management of Victoria University of Wellington into this institution's legal title	At your earliest convenience

Enclosure: No **Round Robin:** No

CONTACT FOR TELEPHONE DISCUSSION (IF REQUIRED)

Name	Position	Telephone	1st contact
David Nicholson	General Manager, Strategy, Planning and Information	Section 9(2)(a) Section 9(2)(a)	✓
Section 9(2)(a)	Principal Advisor, Monitoring and Crown Ownership	Section 9(2)(a) Section 9(2)(a)	

THE FOLLOWING DEPARTMENTS/AGENCIES HAVE SEEN THIS REPORT

- OTS LINZ FRST MoE MED MFAT MoH
 MoRST MSD NZQA NZTE TEC TPK Treasury

Minister's Office to Complete:

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

Comments:

Released under the Official
Information Act 1982

Recommendations

It is recommended that the Minister for Tertiary Education and Minister of Finance:

1. **note** that in October 2009 Cabinet (CAB Min (09) 38/12 refers) agreed, subject to certain criteria, to allow tertiary education institutions to obtain the legal title to Crown assets under their management, and authorised the Minister of Finance and Minister for Tertiary Education to make decisions regarding this policy and the transfer of assets;
2. **note** that Victoria University of Wellington (VUW) has applied to transfer approximately \$152 million of Crown title assets under its management into its legal title;
3. **note** that the Tertiary Education Commission (TEC) has assessed VUW's application against criteria agreed to by Cabinet and recommends that all Crown title assets included in VUW's application be transferred into its legal title;
4. **agree** to transfer all Crown title assets managed by VUW into the institution's legal title subject to:
 - a. VUW obtaining an independent assessment of its capital asset management systems, processes and asset performance measures against the tertiary education sector Capital Asset Management Standard, which will result in an improvement plan designed to move VUW towards compliance with the standard, as agreed to between the TEC and VUW;
 - b. the successful completion of the consents and clearances provided for in the Public Works Act 1981, and other relevant legislation and government policies related to the transfer of assets from the Crown to tertiary institutions; and
 - c. VUW paying for the external costs of the transfer including, but not limited to, the services of a Land Information New Zealand (LINZ) accredited supplier and any other costs associated with transferring legal title to VUW.

AGREE/DISAGREE

AGREE/DISAGREE

5. **note** that the TEC has consulted with the Ministry of Education, The Treasury, Te Puni Kōkiri, the Office of Treaty Settlements and Land Information New Zealand over the proposed transfer and none of these departments or agencies have identified any reason why the assets in question should be retained in Crown title;
6. **note** that, subject to your agreement to recommendation 4. above, the Ministry of Education will draft a Memorandum of Understanding (MoU) between VUW and the Secretary for Education setting out the conditions of the transfer; and

Purpose

1. This report seeks your approval, subject to certain conditions to be set out in a Memorandum of Understanding (MoU), to transfer the title to approximately \$152 million of Crown assets currently managed by Victoria University of Wellington (VUW) into VUW's legal title.

Background

2. In October 2009, Cabinet agreed, subject to certain criteria, to allow tertiary education institutions (TEIs) to obtain the legal title to Crown assets under their management. This policy allows TEIs to acquire full legal title to assets that they have an ongoing educational need for, provided that there are no overriding reasons to retain the assets in Crown title. Cabinet authorised the Minister for Tertiary Education and Minister of Finance to make decisions regarding this policy and the transfer of assets.
3. The high level intent of the policy, as identified in the original Cabinet paper [SOC(09)98], is to:
 - a. support the Government's goals, as stated in the Tertiary Education Strategy;
 - b. support TEIs to improve their capital asset management and deliver on their investment plans;
 - c. be fair and transparent;
 - d. provide incentives for TEIs to make decisions that ensure value for money through effective and efficient management of their assets; and
 - e. be consistent with TEIs being autonomous and accountable institutions.

Application from Victoria University of Wellington

4. On 14 September 2010 Andrew Simpson, Chief Operating Officer, VUW wrote to the Tertiary Education Commission (TEC) and applied for all Crown title assets managed by VUW to be transferred into its legal title. The value of these assets as indicated by VUW is approximately \$152 million out of total land and buildings under VUW's current management of approximately \$491 million (around 31% of total land and buildings).¹ The assets in question are located on 38 separate titles with a total land area of approximately 11.2 hectares located in the suburbs of Kelburn, Karori and Island Bay, Wellington.
5. The assets are currently used for teaching and research and to provide student and staff services, including student accommodation. VUW's application states that its assets are utilised to maximum capacity and all assets are required for current and future delivery of VUW's educational programmes and research. VUW believes that it has a comparative lack of space relative to other

¹ Asset values calculated based on VUW's fixed asset register as at 31 December 2009.

universities. It states that its asset portfolio is under constant review and that it may wish to explore alternative asset configurations in the future, but that this is not envisaged in the short-term as all assets are fully utilised.

Assessment

6. In October 2009, Cabinet agreed to assessment criteria related to applications to transfer Crown title assets into TEIs' legal title. These criteria are listed in Annex A. The TEC has assessed VUW's application against these criteria and a detailed assessment is attached in Annex B.
7. The TEC has determined that VUW's application has met the assessment criteria, specifically:
 - a. Ownership status – all Crown title assets under VUW's management are eligible to be transferred.²
 - b. Capital asset management integration – from the evidence provided VUW demonstrates that it has in place capital asset management systems and processes that enable it to effectively and efficiently manage its portfolio of assets. However, more information is required to determine whether VUW has sufficiently integrated the government's capital asset management expectations into its planning and reporting systems and how its assets (or capital tied up in these assets) are performing.
 - c. Educational need – VUW states that it requires the use of the assets for current and future delivery of its educational programmes and research. VUW has declared the ongoing educational purpose of each asset, based on the agreed definition of educational purposes. Current use has been verified by an independent agent. On the evidence provided in the institution's current investment plan and other relevant strategic documents including its strategic plan, strategic capital plan and student accommodation strategy, the TEC considers that the assets will support current and future educational purposes.
 - d. Financial risk – the TEC has no current concerns about VUW's financial viability or sustainability.
 - e. Educational risk – the TEC has no current concerns about VUW's educational performance.
8. Therefore, on the basis of the TEC's assessment, officials recommend that Ministers agree to transfer all Crown title assets currently managed by VUW into this institution's legal title subject to:
 - a. VUW obtaining an independent assessment of its capital asset management systems, processes and asset performance measures along with the development of an improvement plan which aims to move VUW towards a best practice level of asset management practice. This will be assessed against the Tertiary Education Institution Capital Asset

² No disagreement exists from any third party over ownership of the assets and VUW has declared that it has managed all titles contained within its application since at least 1990. This will be checked and confirmed before transfer.

- Management Standard (TEI CAM Standard), which is a capital asset management standard based on industry best practice and developed in consultation with the tertiary education sector and Treasury's National Infrastructure Unit;³
- b. successful completion of the consents and clearances provided for in the Public Works Act 1981, and other relevant legislation and government policies related to the transfer of assets from the Crown to tertiary institutions; and
 - c. VUW paying for the external costs of the transfer including, but not limited to, the services of a LINZ accredited supplier and any other costs associated with transferring legal title of assets to VUW.
9. These conditions will enable officials to collect further information to support and augment VUW's application while concurrently allowing necessary processes to proceed. Any change of ownership associated with the transfer of assets, which is expected to occur 6-12 months after any approval from Joint Ministers, will not occur until all conditions listed in paragraph eight⁴ have been adhered to.

Protection of Māori Interests

10. The Crown Asset Transfer Policy has a number of mechanisms designed to safeguard Māori interest in land and buildings. As part of assessing transfer applications, the TEC requests information from the Office of Treaty Settlements (OTS) on the status of treaty claims in the area where a TEI has requested Crown assets to be transferred. OTS has confirmed that it is not aware of any unsettled Treaty claims from iwi or hapu over any VUW administered Crown owned properties.
11. VUW has noted that a number of Crown-owned, university-administered properties are subject to a right of first refusal (RFR) as part of the Taranaki Whānui Treaty claim settlement.⁵ When any Crown-owned land subject to a RFR is transferred to a TEI, then the TEI becomes subject to all outstanding obligations of the RFR, in this case as set out in the Port Nicholson Block (Taranaki Whānui ki Te Upoko o Te Ika) Claims Settlement Act 2009. Should it be agreed that Crown assets be transferred to VUW, the Ministry of Education will write to the Trustees of the Port Nicholson Block Settlement Trust and

³ TEI CAM Standard is based on the National Asset Management (NAM) Steering Group principles as described in the International Infrastructure Management Manual and the 2006 National Asset Management Steering Group Property Manual. The TEC is currently working with a Capital Asset Management Sector Reference Group to ensure that the standard is fit-for-purpose for undertaking assessments as part of the Crown Transfer and Disposal Policy. The TEC is also working very closely with The Treasury's National Infrastructure Unit on the suitability and applicability of the TEI CAM Standard and its alignment to the Government wide CAM Standard.

⁴ The Memorandum of Understanding will contain all conditions of transfer and will be agreed to by the TEI before any further transfer processes linked to the application begin.

⁵ The RFR, which is effective for 100 years from 9 September 2009, can only be acted upon following the sale of the assets and will still result in VUW achieving market value for assets disposed of.

outline the implications of the transfer for specific titles where an RFR exists and will advise that the RFR will transfer with the Crown title. The obligations for VUW will form part of the MoU.

12. For those properties that are not covered by the Port Nicholson Block (Taranaki Whānui ki Te Upoko o Te Ika) Claims Settlement Act 2009, clearance through the Protection Mechanism and Sites of Significance processes to protect Maori interests in Crown owned assets may need to be undertaken as part of the transfer process outlined in paragraph 8 b above.

Consultation

13. The TEC has consulted with the Ministry of Education, The Treasury, The Office of Treaty Settlements, Te Puni Kōkiri and Land Information New Zealand in the development of this report.

Next Steps

14. Subject to your joint agreement to the recommendations contained in this report, the Ministry of Education will draft a MoU in consultation with the TEC, to be executed by the Secretary for Education and VUW, which will set out the parameters of the transfer and will include:⁶
 - a. which assets are included in the transfer of title;
 - b. arrangements for protecting Māori interests in the land and/or buildings;
 - c. any other provisions, covenants or encumbrances related to the use and/or sale of the land or buildings; and
 - d. any specific requirements to be met by VUW prior to the transfer of the legal title including those set out in paragraph 8 a, b and c.
15. Once all parties have agreed to the MoU, the normal transfer processes contained in the Public Works Act 1981, related legislation and relevant government policies will be followed. This can take 6 – 12 months. The full asset transfer process is outlined in Annex C.
16. Following a decision by the Minister for Land Information, or delegate, that the transfer of the public work is required for the public interest and that the land is required for that public work, a sale agreement, to be executed by LINZ, under delegation from the Minister for Land Information will be actioned. Under the Public Works Act 1981, all transfers of land from the Crown to tertiary institutions for public works are subject to the approval of the Minister (or delegate).⁷

⁶ An agreement for transfer or disposal needs to be executed by the Minister for Land Information. A MoU establishes parameters associated with any transfer or disposal but the details must be set out in a sale agreement which must be agreed to by the Minister for Land Information (or delegate).

⁷ Tertiary institutions are a 'local authority' under the Public Works Act 1981. Legally, it is for the Minister for Land Information to agree to transfer this land from the Crown to VUW.

Annex A: Assessment Criteria

1. Cabinet has agreed to criteria for assessing applications from TEIs for the transfer of Crown title assets:
 - a. The TEI must have managed the asset since at least 1990.⁸
 - b. There must be no overriding legal or policy reasons for the Crown to retain the asset (and where there are, the Crown will negotiate a lease or another suitable alternative with the TEI).⁹
 - c. There must be no disagreement from any third party over which TEI should receive the transferred asset or proceeds of disposal (with particular reference to past and current usage and management).
 - d. The TEI must have incorporated the Government's Capital Asset Management programme into its strategic, financial planning and reporting systems.¹⁰
 - e. The assets to be transferred must be required to support TEIs giving effect to their investment plans and capital asset management plans.¹¹
 - f. The TEI's financial risk must be assessed using the TEC's Financial Monitoring Framework.
 - g. The TEI's educational risk must be assessed using a variety of measures including educational performance indicators as determined by the TEC.

⁸ The policy is intended to apply to the sizeable group of assets that have been used and managed by TEIs for as long as the Crown has owned the assets. This is distinct from the smaller number of Crown-owned assets leased by TEIs in recent years to meet their changing needs (for example, VUW's lease of the old Government Buildings), to which the policy does not apply. 1990 is the year in which tertiary institutions were first established in legislation in their current form and thus provides a useful cut-off.

⁹ For instance, a future Treaty of Waitangi settlement could in some cases represent an overriding policy reason to retain land in Crown title for the time being.

¹⁰ The TEC is developing a TEI CAM reporting framework (which includes a TEI CAM Standard) to enable TEIs to work toward meeting the Government's expected levels for good practice (as set out in the Treasury CAM guidelines).

¹¹ The definition of education purpose to meet the criteria of ongoing education need for assets has been defined by TEC together with the tertiary education sector using categories specific to tertiary education institutions including buildings used for academic and teaching space, central administration support, student services and accommodation.

Annex B: Assessment of VUW's application

Ownership Status

1. VUW has stated that it has managed all Crown title assets included in its application since 1990. This will be confirmed by a detailed review of each title by a LINZ accredited supplier in consultation with the University and the Ministry of Education.
2. VUW has declared that it is not aware of any claims from other tertiary education institutions over its Crown title assets.
3. VUW has noted that a number of Crown owned university administered properties on the Kelburn Campus are subject to a RFR as part of the Taranaki Whānui Claim Settlement.¹²
4. OTS is not aware of any other claims from iwi or hapu over any VUW administered Crown properties.

Capital Asset Management Integration

5. The TEC agrees that VUW has an appropriate level of capital asset management practice to enable it to effectively and efficiently manage its portfolio of assets. This is evidenced through the contents of VUW's current strategic asset management plan which is closely aligned to other strategic documents and plans. The TEC also noted that VUW has complied with criteria related to the submission of capital intentions reporting and asset performance information to the TEC and verification of Crown title assets managed by the institution.
6. However the TEC noted that, for the avoidance of doubt that VUW has integrated the Government's Capital Asset Management expectations into its strategic, financial planning and reporting systems, an independent and expert review of VUW's capital asset management systems and asset performance measures should be undertaken using the TEI CAM Standard. This review should occur concurrently alongside any asset transfers and be a prerequisite before any final conveyancing to transfer title of assets to VUW. Therefore the TEC recommends an 'in-principle' approval related to this aspect of the assessment subject to the TEC working with VUW to develop a fit-for-purpose external review of capital asset management systems and practices along with the development of an improvement plan to be shared with the TEC.

Educational Need

7. VUW's application states that each of the assets (as evidenced on the asset verification spreadsheet) is required for ongoing educational provision and meets the criteria for transfer. The following table illustrates the educational

¹² The RFR, which is effective for 100 years from 9 September 2009, can only be acted upon following the sale of the assets and will still result in VUW achieving market value for assets disposed of.

purposes for which the assets are currently used and for which VUW states they will be used in the future.

Table 1: Crown Assets to be Transferred

Educational Purpose-Current and Future	Area (ha)	Land Book Value 31/12/09 \$000	Building Net Book Value 31/12/09 \$000	Total Values 31/12/09 \$000	Proportion	Notes
Academic space (including dedicated teaching and research space, academic and general support offices)	6.2851	14,682	68,224	82,906	54.50%	Includes total land value of main Kelburn and Karori campuses as is predominant purpose at both sites. Value of individual buildings on each site is attributed to the education purpose identified.
Centrally timetabled teaching space (lecture theatres, seminar and tutorial rooms)			6,232	6,232	4.10%	
Student and staff services space, including counselling and sports and recreation, student accommodation etc Of which: Student accommodation	3.9842 3.5348	24,826 23,198	32,565 27,094	57,392 50,292	37.70% 33.05%	Purpose built student accommodation - Weir Hse and Helen Lowry flats - makes \$21,495,000 (43%) of the value of student accommodation properties
Commercial space, including space leased or rented to others, bookshops, cafeteria etc	0.1875	930	359	1,289	0.90%	Future use for this space is identified as academic
Central administrative support	0.0456	137	1,975	2,112	1.30%	
Other considered on a case by case basis (anything not included elsewhere including transition, decanting and vacant space)	0.6524	1,489	752	2,241	1.50%	With the exception of the workshops which remain as other, all other assets identified in this category are identified as having future uses as academic space or student and staff services space.
TOTALS	11.1548	42,064	110,108	152,172	100.00%	

8. Over half of the assets (in area and value) requested for transfer are identified both now and in the future as academic space. This is consistent with VUW's strategic goals of improving overall research performance and strengthening its high quality research-led learning and teaching environment. A further significant proportion of the assets by value is devoted to student and staff services. These include general student support facilities with the bulk being made up of student accommodation. In addition to purpose built fully catered accommodation for first year students, the portfolio includes a number of residential properties on individual titles. Student accommodation is seen as a key component of the student experience and as a tool for the recruitment, retention and performance of students and researchers. VUW's supply of beds, as a proportion of EFTS compares favourably with other universities.

9. In 2010 VUW developed a student accommodation strategy which indicated that accommodation demand from domestic first year students and new international students would continue to grow in the foreseeable future. In each of the last five years there has been a shortfall against demand, averaging 535 beds. It is noted that VUW research shows that academic performance is better from students from outside the Wellington region, and that the provision of student accommodation is a key factor in out of town students enrolling at the institution. The strategy recognises that the portfolio of houses currently operated as University Hall is a large value asset with significant deferred maintenance and unrealised potential for beds. Many houses are poorly configured and have structural constraints which make normal refurbishment expensive and ineffective.
10. VUW considers that the transfer of those residential assets in Crown ownership, together with a pool of university owned residential sites, will enable it to consider a longer term higher impact strategy to optimise bed potential while minimising capital requirements. The strategy recommends reviewing the status of assets previously identified as non strategic/inefficient to determine whether they can be redeveloped or sold, investigating in detail options to intensify site development and running an EOI campaign to determine whether property market participants can devise an innovative option for consideration to address longer term bed demand.
11. The TEC agrees that, on the basis of VUW's strategic planning, the assets will support on-going educational purposes. An independent Land Information New Zealand (LINZ) accredited supplier has verified the current use of a sample of the assets representing each educational purpose as submitted on the asset verification spreadsheet. Their report notes that the assets inspected are fully utilised and appropriate for the future uses identified.
12. The TEC considers that there are no matters of national educational interest that would be served by retaining any assets under VUW's management in Crown title.

Financial Risk

13. VUW is a 'low risk' financial institution as assessed by the TEC's Financial Monitoring Framework. The TEC agrees that the financial performance of VUW is of a sufficient level that it is very unlikely to present a significant risk to the Crown following the transfer of the assets.

Educational Risk

14. The TEC agrees that the educational performance of VUW is of a sufficient level that it is not likely to be subject to intervention or closure that could present a significant risk to ongoing Crown ownership of the assets. This assessment was evidenced with reference to performance linked funding models and TEC educational performance indicators.

Annex C: Asset Transfer Process

<p>Stage 1: Application</p>	<p>The TEI enters into a strategic discussion with the TEC about its assets. As part of this discussion, the TEI identifies Crown title assets for which it has ongoing need and for which it wishes to acquire legal title.</p> <p>The TEI lodges an application for transfer with the TEC.</p> <p>NB. Where the TEI applies for transfer of land that currently has no title, the TEI will be responsible for applying to Land Information New Zealand (LINZ) to get a title (and for bearing any associated costs). The Ministry of Education (as landowner) will support a TEI's application as required.</p>
<p>Stage 2: Assessment</p>	<p>The TEC checks the following:</p> <ol style="list-style-type: none"> 1. It assesses the TEI's declaration regarding its ongoing educational need for the assets covered by the application against its current Investment Plan and other relevant documents. 2. It confirms that the TEI has integrated the Government's Capital Asset Management (CAM) programme into its strategic, financial planning and reporting systems, and that the transfer aligns with the TEI's long-term strategic goals. 3. It confirms that the transfer is included in the TEI's current strategic capital plan. 4. It confirms that there is no disagreement from any third party over which TEI should receive the transferred asset (with particular reference to past and current usage and management). 5. It assesses the TEI's educational or financial risk status, with reference to the TEC's financial monitoring framework and educational performance commitments. <p>Note: There may be question marks over some of the above. If so, then the TEC, in consultation with the TEI as required, will make case-by-case judgements about whether the best option is to resolve the issues before proceeding further, to highlight the matters for Ministerial decision in the subsequent report (see below), or to take some other course of action.</p> <p>The TEC contacts the Office of Treaty Settlements (OTS) and Te Puni Kōkiri (TPK) to ascertain the status of Treaty of Waitangi settlements in the area. There are three broad options:</p> <ol style="list-style-type: none"> 1. <u>The land is in an area where Treaty claims have not yet been settled and settlement negotiations are some time away.</u> This might sometimes be considered an over-riding policy reason to retain the land and/or building in Crown title. If so, the TEC will contact the TEI and advise it of the likely implications for its asset transfer application. The TEI will then be given an opportunity to: <ul style="list-style-type: none"> o Place its application on hold indefinitely until Treaty claims in the area

	<p>have been settled.</p> <ul style="list-style-type: none"> ○ Proceed with the application in full in which case the Minister may agree for a head lease to be issued to the TEI over the assets in question. ○ Proceed with an amended application which includes some or all of the assets previously included in the asset transfer application. <p>2. <u>The land is in an area in which there are current negotiations about Treaty settlements.</u> In this case, the OTS and TPK will speak to relevant iwi to find out if they wish the site to be considered for inclusion in a Treaty settlement. If so, the TEC will contact the TEI and discuss whether to proceed with one of the three options listed above. (This does not automatically mean that the land will be included in a Treaty settlement.)</p> <p>3. <u>The land is in an area in which all claims have already been settled.</u> In this case, the application will proceed (subject to any right of first refusal requirements).</p> <p>If the application is to proceed, then the TEC forwards the application to the Ministry which considers whether there are any other legal or policy reasons not to transfer the asset. The Ministry confirms that the TEI has managed the asset since 1990 or earlier. If there are no hindrances, then the Ministry returns the application to the TEC.</p> <p>Note: There may be question marks over some of the above. If so, then the TEC, in consultation with the TEI as required, will make case-by-case judgements about whether the best option is to resolve the issues before proceeding further.</p>
<p>Stage 3: Ministerial decision-making</p>	<p>Officials report to joint Ministers summarising the outcomes of the processes listed above, providing advice about the transfer, and making an overall recommendation about whether it should go ahead. Joint Ministers make a decision on the transfer.</p> <p>Officials expect that the process from initial application to reporting to Ministers will take 2-4 months, depending on how many applications agencies are processing at the time, how quickly the TEI provides any supplementary information, and whether agencies have any concerns about the contents of the application.</p> <p>Once Ministers make a decision, which officials anticipate will take about 2-3 weeks, there are two broad options, as outlined below.</p>
<p>Option One: Ministers approve the transfer (or part of it) in principle:</p>	
<p>Stage 4: Development of MoU</p>	<p>The Ministry of Education drafts a Memorandum of Understanding (MoU) with the TEI, setting out the details of the transfer process. Amongst other things, this MoU covers:</p> <ul style="list-style-type: none"> • What assets are included in the transfer. This is to enable partial transfers (where an application has covered multiple assets, and Ministers have approved the transfer of some but not all of these assets), and to enable a single MoU to cover more than one application from the same TEI where circumstances make this practical. • What legislation will be used to give effect to the transfer. All land will be transferred under the Public Works Act 1981 unless there are strong

	<p>reasons to prefer the Education Act 1989 in a particular case.</p> <ul style="list-style-type: none"> • Arrangements for protecting Māori interests in the land as per Government provisions. • Financial arrangements for the cost of transfer. The TEI must pay the external cost of the transfer (currently approximately \$3,000 for the services of a LINZ-accredited supplier, plus any extra costs associated with titles, surveying etc.). • Details of any conditions of sale to be placed on the transfer.
Stage 5: Transfer	<p>The transfer process starts as per existing policy and statutory requirements. This process can take 6-12 months or longer, and includes the following clearances, in the order given:</p> <ol style="list-style-type: none"> 1. The Department of Conservation (DoC) is consulted on whether the land is needed for the provision of marginal strips, as required by section 24(2a) of the Conservation Act 1987. DoC has 20 working days to respond, and can ask for this to be extended by another 20 working days if required. This clearance can happen simultaneously with 2. below. 2. The Historic Places Trust is consulted on whether the land holds heritage value that requires protection, as required by Cabinet mandate (CAB (07) 31/1A refers) and the Ministry of Culture and Heritage's Policy for Government Departments' Management of <i>Historic Heritage 2004</i>. The Trust has 20 working days to respond, and can ask for this to be extended by another 20 working days if required. This clearance can happen simultaneously with 1. above. 3. Māori interests are considered either through the Protection Mechanism and Sites of Significance processes, or through a Right of First Refusal process. A Right of First Refusal process takes around 2 months to complete. The Protection Mechanism/Sites of Significance process takes 7-15 months or longer to complete.
Stage 6: Conveyancing	<p>If the outcome of the steps above is satisfactory, then LINZ approves the transfer proposal, any agreed encumbrances are added to the title, and the land is transferred to the TEI. These final steps take 2-4 weeks.</p>
<p>Option Two: Ministers do not approve the transfer, or the process is aborted for some other reason (e.g. by the TEI):</p>	
Stage 4a: Standard lease	<p>If the asset is not already on a lease (i.e. if the current occupancy arrangements are informal), the Crown and TEI will identify a satisfactory outcome on a case-by-case basis. If the TEI wishes, the Ministry may issue a standard head lease for the asset.</p>