

Regulatory Analysis Summary Addendum: Rating Valuations Amendment Regulations: Offence provision

Decision sought	Policy decision on the penalty for non-compliance with the proposed amendments to the Rating Valuations Regulations 1998	
Agency responsible	Land Information New Zealand	
Portfolio Minister(s)	Hon Mike Butterick	
Date finalised	12 August 2026	
Ministry for Regulation ID number	REG-2340	

Brief description of the Minister's regulatory proposal (preferred option)

The proposed Rating Valuations Amendment Regulations 2026 (the proposed regulations) will introduce a requirement to provide information to the Valuer-General when a property is sold. Cabinet earlier agreed that the proposed regulations would create a strict liability offence for not providing the information, punishable by an administrative penalty of \$300. However, the proposed penalty was found to be inconsistent with the empowering provisions of the Rating Valuation Act 1998 (RVA) and a change is required.

The proposal is to change the penalty from a fixed \$300 administrative penalty to a fine not exceeding \$5000.

Summary of the problem definition

This Regulatory Analysis Summary (RAS) is an addendum to the Regulatory Impact Statement (RIS) *Improving the quality of property sales data to enhance rating valuations*, which was finalised on 12 January 2026 and was considered by the Cabinet Business Committee on 16 March 2026.

The proposed regulations create a requirement to provide sale information

Property sales information is a key input into general revaluations because it is evidence of market value. The quality of general valuations has been declining, reaching a low point in 2022 when 65 percent of revaluations did not meet the standard set by the Valuer-General on the first attempt. This puts pressure on the rating valuation system and risks public trust in territorial authorities.

The proposed regulations will introduce a requirement for vendors, or the lawyer/conveyancer acting on their behalf, to provide certain information about the sale of a property to the Valuer-General when a property is sold. This will improve the availability and quality of property sales

data to the rating valuations system, resulting in improvement to the quality of rating revaluations and reduced pressure on the system.

Enforcement provisions are required to deter non-compliance with the proposed regulations

Rating valuations reflect the likely selling price of a property on the revaluation date. This value is estimated based on sales of similar properties within the district since the previous revaluation. It is important that valuers have access to *complete and accurate* sale information, as revaluations are more likely to be accurate without the need for rework.

Without an enforcement provision, the new requirement to provide sale information will result in non-compliance. A similar requirement to provide sale information already exists under section 31 of the Local Government (Rating) Act 2002, which requires a property vendor to provide the sale price of a property to local authorities. This section does not contain an enforcement provision. Evidence from consultation indicates that there is already non-compliance with this requirement, suggesting this will be the case without an enforcement provision in the proposed regulations.

Therefore, in order to give full effect to the proposed regulations and provide valuers with access to complete and accurate sale information, there must be consequences for non-compliance.

Cabinet agreed to create an offence for non-compliance with the proposed regulations

On 23 March 2026, Cabinet agreed under section 52(1)(g) of the RVA, to amend the Rating Valuations Regulations 1998 (RV Regulations) to create a strict liability offence for non-compliance with the proposed regulations punishable by a fixed administrative penalty of \$300.¹

A change is required to the form the offence for non-compliance will take

The Parliamentary Counsel Office (PCO) has advised that the proposed administrative penalty is outside the scope of the empowering provision in section 52(1)(g) of the RVA, as this would have to be explicitly provided for in the Act. An infringement offence is not an option for the same reason.

Summary of options considered for addressing the problem

The policy objective of the proposed regulations is to improve the quality of rating revaluations by improving the availability and quality of property sales data. One option is to simply to replace the fixed \$300 administrative penalty with a fine, which does not require changing the RVA. Other options, also considered in the original RIS, are to have no penalty at all, or amend the RVA to allow for an infringement offence or fixed administrative penalty.

Option 1: Replace the fixed \$300 administrative penalty with a fine

This option would replace the fixed administrative penalty with a fine not exceeding \$5000.

This would give full effect to the requirements of the regulations by providing an enforcement mechanism for non-compliance. This would act as an incentive to provide the required sale information.

However, this option raises proportionality concerns because:

1. the sanctions (both monetary and reputational) may be disproportionate to the level of offending, and

¹ CBC-26-MIN-0008 refers.

2. offences of this type rely on District Court processes to determine liability, which increases the cost of pursuing and responding to enforcement action.

These concerns are mitigated in the following ways:

- LINZ would have to apply the LINZ Prosecution Policy and the Solicitor General's Prosecution Guidelines, including only prosecuting if the public interest test *requires* it. In applying the public interest test, LINZ would have to consider alternative methods of responding, the seriousness of the offence, and the cost of prosecution. The proposed offence would form part of a wider suite of compliance tools including education, awareness and reminders, and be used as a last resort where other compliance tools have failed.
- This option would provide greater discretion to the District Court to tailor the penalty so that it is proportionate to the seriousness of the offence. The District Court would also be able to discharge a person without conviction, in appropriate cases.

The option is in line with penalties for failure to provide information under other legislation.²

Option 2: No enforcement provision

This option would remove the strict liability offence and any other consequences for non-compliance. Non-compliance would be addressed operationally through interventions such as reminder letters and phone calls, and through education campaigns.

Under this option, there would be no formal enforcement tools to deal with non-compliance with the proposed regulations, which would limit the effectiveness of the regulations. No benefits have been identified for this option, beyond the benefits to investors who do not intend to comply with the rules.

Evidence from consultation indicates that there is already a level of non-compliance with the existing statutory requirement to provide the sale price of a property under the Local Government (Rating) Act 2002 s31, suggesting that this is also likely to be the case without an enforcement provision in the proposed regulations.

Option 3: Amend the RVA to create an administrative penalty or infringement offence

This option would amend the Rating Valuations Act 1998 to provide for administrative penalties and/or infringement offences for non-compliance with the regulations.

These types of offence would arguably be a more proportionate response to the low level of offending in not providing required information. However, amending primary legislation would take a significant amount of time, particularly as this change is unlikely to be considered a legislative priority. During this time, revaluation quality would continue to decline, requiring more resourcing and putting more pressure on the system. This option would also carry the additional costs of the work required to amend primary legislation (LINZ resourcing, House and Select Committee time etc).

Appendix 1 contains an analysis of the options compared to the status quo.

Is the Minister's preferred option in the Cabinet paper the same as the preferred option in the RAS?

Yes

² For example, section 46 of the Climate Change Response Act 2002, which carries a penalty of \$5,000 for an individual and \$30,000 for a body corporate.

Summary of external consultation

Targeted consultation undertaken in July–August 2025 asked for feedback on the possibility of the regulations allowing the Valuer-General to impose financial penalties for non-compliance. The proposal was to create an offence for non-compliance with the regulations, and sought feedback on the amount of the penalty, noting that the maximum penalty that could be imposed under s52(1)(g) of the RVA was \$5000. The proposal consulted on did not go into further detail on the type of offence being proposed, or the types of penalties being considered.

There was support for the regulations creating an offence for non-compliance with the sale data provision requirements – seven of the 25 respondents were in favour of the proposal, while a further 16 did not comment on it.³ Two stakeholders suggested an amount for possible penalties (“\$1,000 for first offence, \$200 [sic] for 2nd offence” and “\$5,000”).

While the proposal consulted on did not go into further detail on the type of offence, LINZ considers that the current proposal is consistent with previous consultation.

LINZ has subsequently consulted with the New Zealand Law Society (NZLS) on the wording of the draft regulations, including the draft offence provision. NZLS raised concerns about proportionality and practicality. LINZ has worked with NZLS to mitigate their concerns, including through adjusting the wording of the defence provision to require a lower burden of proof of attempted compliance and adjusting the format of information to be provided to minimise the amount of judgement needed by practitioners.

Summary of the main benefits of the Minister’s preferred option

While the impact of the offence provision cannot be directly quantified, LINZ considers it is required to fully realise the benefits as calculated in the primary RIS. These were [s 9(2)(b)(ii)] [REDACTED], with an additional ‘High’ impact of non-monetised benefits.

A prosecution inherently carries a greater deterrent effect than an administrative penalty and is therefore likely to be a more effective incentive to comply.

Summary of the main costs of the Minister’s preferred option

The primary RIS took into account the cost of implementing an administrative penalty, so there are only the additional costs of conducting a prosecution to consider. Prosecuting an offence carries higher one-off costs than issuing an administrative penalty due to the need to fund legal representation for court proceedings. However, it is probable such prosecutions would be rare. There would be lower initial implementation costs as conducting a prosecution relies on existing LINZ procedures rather than having to stand up a new administrative penalty regime.

As in the primary RIS, there will be no additional internal enforcement cost for LINZ, as this work would be funded by the Office of the Valuer-General from existing baselines.

The court costs associated with this option would not have been a factor with an administrative penalty. These costs would be taken into account as part of applying the public interest test under the Solicitor General’s Prosecution Guidelines.

Finally, there would be additional costs to offending parties, both financially in terms of court costs, but also potential costs to reputation and livelihood from being convicted of an offence.

³ One real estate body did not agree with this proposal as they believed the proposed penalties would apply to real estate professionals. This is not the case, and LINZ followed up with them to clarify this.

These would be mitigated as far as possible by LINZ ensuring that compliance is easy and straightforward, and the fact that any prosecution must meet public interest thresholds.

Does the RAS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?

The cost-benefit analysis in the primary RIS gave a benefit cost ratio of 2.7 in the worst case and 10.8 in the best case. LINZ considers that even with the additional one-off costs of prosecuting offending, the benefit cost ratio would still be positive, as prosecutions are likely to be rare and the associated costs would be offset by the cost savings of the proposed regulations. LINZ also considers that a fine would have a lower impact on the cost-benefit analysis than the impact of having no enforcement provision, given the likely impact on compliance rates.

Have any potential inconsistencies with the principles of responsible regulation in the Regulatory Standards Act been identified in relation to the Minister's preferred option?

No.

Note: Principle 9(m) in the Act requires that "legislation should be the most effective, efficient, and proportionate response to the issue concerned that is available." For this policy issue, options 1 and 3 are both legislative options. Option 1 rates better for effectiveness and efficiency. While Option 3 rates better for proportionality of response to non-compliance, it is less proportionate in terms of the amount of time and resourcing required to implement. On balance, Option 1 is preferred.

Limitations and constraints on analysis

Condensed timeframes	No	Constrained option set	No
Legislative constraints	Yes	Data and evidence gaps	No
Ministerial direction	No	Other	No
Limited public consultation	Yes		

Summary of limitations and constraints on analysis

Note that only limitations and constraints on the issue of the offence provision have been considered.

Legislative constraints

Options for an enforcement provision are constrained by the RVA. PCO have advised that for an administrative penalty or an infringement offence to be available options, these would have to be explicitly provided for in the primary legislation. This is not the case, with the RVA providing only for an offence provision with a penalty not exceeding \$5,000.

Limited public consultation

This RAS relies on information from the targeted consultation used for the primary RIS. LINZ undertook targeted consultation with key stakeholder groups in the rating revaluations process. This included New Zealand's 67 territorial authorities, two valuation service providers (QV and Opteon), three professional legal bodies (New Zealand Society of Conveyancers, New Zealand Law Society, Law Association of New Zealand), and two real estate bodies (Real Estate Institute of New Zealand (REINZ) and PGG Wrightson Real Estate).

What are the implications of these limitations and constraints, and what has been done – or will be done – to mitigate and manage them?

Legislative constraints

Amendment of primary legislation would be more costly and would take much longer to achieve, leading to the possibility of further decline in rating revaluation quality in the meantime. The option of amending the RVA could be considered in the future as part of a wider review of the rating valuation system.

Limited public consultation

LINZ considered that, as the proposed regulations primarily impact key industry stakeholders (territorial authorities, valuation service providers, solicitors, and conveyancers), targeted consultation on the proposed regulations was sufficient.

I am satisfied that, given the available evidence, this RAS represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:



Becci Whitton

Leader, Strategy and Policy, LINZ

12 August 2026

Quality Assurance Statement

Reviewing Agencies: Land Information New Zealand, Department of Internal Affairs

QA rating: Meets

Panel Comment:

The Quality Assurance Panel, with representatives from Land Information New Zealand and the Department of Internal Affairs, has reviewed the Regulatory Analysis Summary Addendum (RAS addendum) *Rating Valuations Amendment Regulations: Offence provision* and considers that it **meets** the quality assurance (QA) criteria.

The Panel is of the view that the RAS addendum is complete, convincing, consulted, clear and concise. As set out in the RAS addendum, the proposal is consistent with proposals that were subject targeted consultation in 2025. The RAS addendum analysis is proportionate, building on the analysis in the earlier January 2026 Regulatory Impact Statement (RIS) *Improving the quality of property sales data to enhance rating valuations*. The problem is clearly defined and an analytical framework has been used to assess the costs, benefits and impacts of the proposal.

Appendix 1: How do the options compare to the status quo?

Option 3, the preferred option in the primary RIS and the option agreed to by Cabinet, is included for reference. The following criteria will be used to compare options:

Criterion⁴	Definition	Source
Effectiveness	Level of impact that the intervention will have on the quality and reliability of property sales data	Primary RIS
Efficiency	Reduction in the amount of time spent collecting and analysing property sales data, and minimising the level of rework required due to missing data	Primary RIS
Implementation cost	The collection and enforcement of property sales data can be operationalised and maintained in an efficient way	Primary RIS
Proportionality	The intervention is limited to what is actually needed to achieve the desired policy objectives and the associated penalties are set at a level that is proportionate to the offence	Regulatory Standards Act 2025 section 9m

⁴ The primary RIS also included *Impact on stakeholders*, defined as “The intervention minimises the negative impacts on stakeholders”. This criterion does not apply in the context of an enforcement provision, as the intention is to negatively impact stakeholders who are not in compliance.

Criterion	Option 1: Replace the administrative penalty with a fine	Option 2: No enforcement provision	Option 3: Amend primary legislation
Effectiveness	++ This option would ensure the reliable provision of high-quality property sales data to the rating valuation system, as it would provide an enforcement mechanism that is clear, fair and carries a strong deterrent. Prosecuting an offence would be a slower process than under Option 3, and penalties would be limited to more serious non-compliance due to the increased cost of prosecution and the requirement to meet the threshold for prosecution. However, an offence would be likely to have a higher deterrent effect on non-compliance, potentially leading to a higher level of compliance.	- A lack of enforcement mechanism would undermine the effectiveness of the proposed regulations. There is already a requirement for vendors to provide the sale price of a property under the Local Government (Rating) Act 2002 s31, and evidence from consultation suggests that this is not always provided, suggesting that this will also be the case for other sale information without an offence provision.	+ This option would be effective in ensuring the reliable provision of high-quality property sales data to the rating valuation system. Imposing a penalty under this option would be a faster process than under Option 1, allowing a more efficient response to non-compliance. This option would also allow LINZ to impose a penalty for lower-level non-compliance. However, this option would involve amending primary legislation, which would take a significant amount of time and resource. In the meantime, revaluation quality would continue to decline, requiring more resourcing and putting more pressure on the system.
Efficiency	++ A fine would result in a decrease in the number of property sales where sale information is missing or incomplete. This would mean that valuation service providers and TAs spend less time chasing up missing data, and less resource is required from LINZ and valuation service providers to rework failed revaluations.	- A lack of enforcement mechanism would mean that there would continue to be property sales where sale information is missing or incomplete. This would mean that valuation service providers and TAs will need to spend time chasing up missing data, and resourcing is required from LINZ and valuation service providers to rework failed revaluations.	++ An administrative penalty or infringement offence would result in a decrease in the number of property sales where sale information is missing or incomplete. This would mean that valuation service providers and TAs spend less time chasing up missing data, and less resource is required from LINZ and valuation service providers to rework failed revaluations.
Implementation cost	- Under this option, LINZ would have to cover costs relating to court proceedings. This would, however, be simpler to implement than Option 3, as it relies on an existing procedure rather than LINZ having to stand up an administrative regime. Also, prosecutions would be likely to be rare.	0	-- This option would have higher costs than not having an offence provision, as LINZ would have to stand up and operate an administrative regime and cover the cost of implementing the penalty, collections and writing off bad debt. This option would also carry the costs and delays of amending primary legislation (LINZ resourcing, House and Select Committee time etc).

Criterion	Option 1: Replace the administrative penalty with a fine	Option 2: No enforcement provision	Option 3: Amend primary legislation
Proportionality	0 This option would carry a greater maximum financial penalty than Option 3 (the level of penalty would be determined by the court) and could result in a criminal conviction. However, this disproportionality is mitigated by: • LINZ being subject to the Solicitor General's Prosecution Guidelines and the public interest test so that prosecutions are likely to be rare; • the inclusion of a defence, • the possibility of lower penalties if appropriate, and, • the availability of the option of discharge without conviction.	0	+ This option would carry a moderate penalty for what is ultimately low-level offence, the failure to provide information.
Overall assessment	3	-2	2

Key for qualitative judgements:

++	much better than the status quo
+	better than the status quo
0	about the same the status quo
-	worse than the status quo
--	much worse than the status quo