Internal Affairs
Te Tari Taiwhenua

Regulatory Analysis Summary: Amendments to the Public Lending Right for New Zealand Authors Regulations 2008

Decision sought	*Final Cabinet policy decisions to amend Public Lending Right for New Zealand Authors Regulations 2008*
Agency responsible	*Department of Internal Affairs (the Department)*
Portfolio Minister(s)	*Hon Brooke van Velden*
Date finalised	*14 July 2026*
Ministry for Regulation tracking number	*REG-2304*

Brief description of the Minister's regulatory proposal (preferred option)
Lowering the Public Lending Right (PLR) per-title threshold from 50 to 30 and introducing an in-scheme mechanism to remedy underpayments.

Summary of the problem definition
The PLR scheme exists to recognise New Zealand authors who have more than 50 copies of a book available in New Zealand libraries. The 50-copies threshold was established to balance administrative efficiency against the broadest possible recognition of authors. However, this threshold was set before digital lending began to influence how many copies of books libraries purchased for their physical collections, and before payments were made by electronic banking. The threshold now risks excluding physical books that are considered 'available' to readers, alongside concerns that it disadvantages emerging and niche authors. In addition, the scheme lacks a formal mechanism to address underpayments, which have to date been managed through ad hoc goodwill payments that are not budgeted for and cannot be guaranteed to be paid. Most stakeholders support reducing the 50-copies threshold and introducing a discrete remedy for underpayments.

Summary of options considered for addressing the problem
Regulatory amendments are necessary to change the requirements of the scheme (such as the 50-copies threshold) because these requirements are set out in regulations.
Option One: Status quo – Books are eligible for contributing towards a payment if at least 50 copies are available throughout New Zealand libraries. No mechanism for remedying underpayments is available.
Option Two: Deregulate by removing the 50-copies threshold – Under this option, a New Zealand author would be eligible to receive payment for any copies of all their books in libraries (assuming the books meet other eligibility criteria such as the minimum page count). No mechanism for remedying underpayments is available.
Option Three: Lower per-title threshold set at 30 – Books are eligible for contributing towards a payment if at least 30 copies are available throughout New Zealand libraries.

Option Four: Aggregate per-author threshold set at 50 – Authors are eligible for a payment once the total number of copies across all their titles in New Zealand libraries meets an aggregate 50-copies threshold. **Option Five: Presence of a title in a catalogue –** Payment would be based on the number of libraries that have a given book available (i.e. have at least one copy), which will be determined using the OCLC WorldCat database. **A discrete remedy to address underpayments –** Options Three, Four, and Five will include a discrete change to enable underpayments to be remedied more effectively. This supplementary change will establish a predictable in-scheme pathway so that underpayments can be remedied in a subsequent year by drawing from the subsequent year's payment pool.
Is the Minister's preferred option in the Cabinet paper the same as the preferred option in the RAS? Yes.
Summary of the main benefits of the Minister's preferred option More authors are recognised with a payment, and more titles become eligible to contribute towards a payment.
Summary of the main costs of the Minister's preferred option Large relative increase in administrative costs in the first year following implementation, and small increase in ongoing costs thereafter. The 'book rate' (payment per copy) is reduced as the value of the fund remains the same while the number of eligible authors and titles increases. This means that many eligible authors will receive a slightly lower payment under a 30-copies threshold than they would have if the threshold remained at 50.
Does the RAS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs? Yes.
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.

Limitations and constraints on analysis			
Condensed timeframes	No	Constrained option set	Yes
Legislative constraints	Yes	Data and evidence gaps	Yes
Ministerial direction	Yes		
Limited public consultation	No		
Summary of limitations and constraints on analysis The options available have been limited by the Minister's objective, which is to deliver change this Parliamentary term. Data modelling for the options was limited to information available for previously registered authors. The Department could not carry out modelling for Option Five (Presence of a title in a catalogue) because it does not have access to the necessary data.			

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

The options have been limited to those that can be achieved this Parliamentary term, which are changes that can be made to the Public Lending Right for New Zealand Authors Regulations 2008.

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: 9(2)(a)

Jayne Beggs
Acting General Manager Policy
14/07/2026

Quality Assurance Statement	
Reviewing Agency: Department of Internal Affairs	**QA rating:** Meets

Panel Comment:

The Department's Regulatory Impact Analysis panel (the panel) has reviewed the *Amendments to the Public Lending Right for New Zealand Authors Regulations 2008* RAS (RAS) in accordance with the quality assurance criteria set out on the Ministry for Regulation website.

The panel members for this review were:

- Peter Hodge, Principal Policy Analyst (Chair)
- Steve James, Senior Policy Analyst (Member)
- Joshua Ward, Senior Policy Analyst (Member)
- Vy Nguyen, Principal Policy Analyst (Shadow member)
- Sophia Kalafatelis, Senior Policy Analyst (Secretariat)

The panel considers that the information and analysis summarised in the RAS *meets* the quality assurance criteria. The paper sets out a convincing argument and contains sufficient information for Ministers to make informed decisions. It assesses several feasible options and decides on the best option using sound analysis while drawing on feedback from stakeholders. The paper shows how key stakeholders were consulted on the proposal and how their views were considered during the process. The paper is concise and written in plain English.

Section 1: Diagnosing the policy problem

What is the policy problem?

The Public Lending Right (PLR) scheme exists to provide for New Zealand authors to receive payments in recognition of the fact that their books are available in New Zealand libraries

1. The PLR scheme was introduced by the Public Lending Right for New Zealand Authors Act 2008 (the Act).[1] The scheme provides payment to registered New Zealand authors who have eligible books available in New Zealand libraries.[2] Eligibility of a book is determined based on several criteria set out in the Act and its associated Public Lending Right for New Zealand Authors Regulations 2008 (the Regulations). These include features of a book, such as the number of pages it contains, and how many copies of the book are available throughout New Zealand libraries – with at least 50 copies being required under the current settings.
2. Each year a survey is carried out to estimate the number of copies of eligible books (also referred to as 'titles') held by New Zealand libraries. The estimate is generated based on a sample of New Zealand libraries – there are 89 public and tertiary library networks throughout New Zealand. The survey rotates between an 'all titles' survey, and a 'new titles' survey. For a 'new titles' survey, only those titles that were recently published, or that were not registered in the prior year are counted. For all other titles, the estimated number of copies is carried forward from the previous year's survey, subject to certain exceptions (e.g. when a new edition of a title has been published).
3. Registered authors receive a payment in proportion to the estimated number of copies of eligible books that they have in New Zealand libraries. A book rate is determined each year by dividing the PLR fund, which has an appropriation of $2.4million, by the total number of eligible copies in the scheme for the payment year. The book rate is then multiplied by the number of eligible copies an author has to determine the payment an author will receive in recognition of their books being available in libraries.
4. A summary of PLR payment information from 2016 through 2025 is provided in Table 1.

[1] The PLR scheme replaced the New Zealand Authors Fund, which had been operating since 1973 for the purpose of making payments to authors for the library use of their work. The prior fund was disestablished for several reasons, notably, it lacked clear policy objectives and there were ongoing issues about its effectiveness. These issues are described further in the regulatory impact statement contained within the Public Lending Right for New Zealand Authors Bill.

[2] While Europe has a directive (Directive 2006/115/EC) that gives authors and other rights holders an exclusive right to license or prohibit the lending of their works, there is no equivalent of this directive in New Zealand. Exemptions relating to the subsequent lending of purchased copies of an author's work sit within the Copyright Act 1994. Therefore, libraries can loan books that they have purchased without breaching copyright law. Although there was no legislation requiring the establishment of a PLR scheme, it was introduced to provide authors with payment in recognition of their books being made available through New Zealand libraries.

Table 1: Summary of PLR payment data between 2016 and 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Authors registered	1,811	1,764	1,829	1,801	1,507	1,791	1,911	1,884	1,705	1,541
Authors paid	1,557	1,553	1,461	1,492	1,180	1,409	1,388	1,415	1,331	1,251
Book rate	$3.46	$3.39	$3.61	$3.39	$5.61	$4.74	$5.26	$5.04	$5.37	$5.19
Eligible titles surveyed[3]	9,161		7,515		6,408		7,713		6,960	

The settings of the scheme limit fulfilment of the scheme's purpose

5. The scheme intends to recognise authors for their books being available throughout New Zealand libraries. Yet, the current settings place a relatively high threshold that authors must meet to receive this recognition. Specifically, each book must have at least 50 copies available.
6. Modelling based on the 2024 payment year suggests more than 300 authors did not receive a payment because they failed to meet the 50-copies threshold. This represents ~20% of the pool of registered authors in 2024. Moreover, approximately 2700 titles were excluded because they were estimated to have fewer than 50 copies available throughout New Zealand libraries, despite satisfying the other eligibility criteria.
7. While many registered New Zealand authors are able to meet or exceed the threshold, there are concerns that the current threshold disadvantages emerging authors and authors of niche books, such as academic books that are not popular with the broader public but that provide value to a small group of people (such as experts) or to a specific region (for historic texts).
8. In addition to the eligibility issues noted above, the Regulations currently require payments for eligible titles to be made before the end of the payment year (i.e. before 31 December). Because the $2.4million fund is fully distributed each payment year, there are no funds that remain to remedy situations where an author received a lower payment than they should (an 'underpayment'). When payment issues arise, they can be remedied using additional ex-gratia payments (goodwill payments). These are sourced from the Department's baseline funding, and so decisions are made on a case-by-case basis while considering other Departmental costs at the time. These payments cannot be guaranteed under the current settings.

The PLR scheme has not kept pace with changes to the publishing and library sectors

9. Since the scheme was introduced, there have been broader changes to the publishing and library sectors. For example, digital books are becoming more widely available and are

[3] Values are only provided for years in which an 'all titles' survey was carried out.

being accessed more frequently.[4] However, there have been no major changes to the scope or purpose of the scheme to reflect the changing environment. This means that many authors are not recognised for digital versions of their books being made available through libraries.

10. The rise of digital publishing and reading has affected how physical books are printed, and how many copies libraries obtain. This means some of the eligibility criteria, such as the 50-copies threshold, may no longer be suitable.[5] It disadvantages authors if their books are not held physically in high volume, particularly because there is no recognition that these same books may be available through alternative formats.
11. As previously noted, recent trends suggest that digital books are becoming more widely available and are being accessed more frequently. Therefore, if the scheme continues in its current form, its effectiveness may be further diminished over time as the threshold becomes harder to meet for a growing share of authors whose physical books are not held in high volumes.

Regulatory requirements limit changes that can be made to improve the scheme

12. Non-regulatory changes cannot alter the scope of the scheme, the eligibility of authors, or the basis on which they are remunerated, as these matters are prescribed in either primary or secondary legislation. For example, expanding the scope of the scheme, such as to include digital books, would require changes to primary legislation.

What objectives are sought in relation to the policy problem?

13. The purpose of the PLR scheme is to provide for New Zealand authors to receive payments in recognition of the fact that their books are available for use in New Zealand libraries. An **effective** scheme is therefore one that:
    a. Recognises New Zealand authors for having books available in New Zealand libraries.
14. In addition to being effective, any changes must also be **efficient.** An efficient scheme is one where the costs and resource demands on the administrator and other affected stakeholders are sustainable, while retaining the flexibility to respond to changes in the operating environment. These objectives require that:
    a. Administrative costs associated with the scheme are sustainable;
    b. Operational and financial impacts on libraries and the National Library are minimal; and
    c. There is flexibility to accommodate future changes to the operating environment.
15. Because of the current operational activities required to support the scheme – such as the annual survey, for which costs scale with the number of titles included – a conflict exists

[4] The 2024 Analysis and Insight Report by Public Libraries of New Zealand captures trends in collection sizes and number of issues for both physical and digital material since 2017. The national collection size for e-items (digital audiobooks and eBooks) was ~3.7million items in 2024, compared with just ~1.3million items in 2017. Moreover, the number of issues for e-items grew from ~2million in 2017 to ~8.9million in 2024.

[5] The 2024 Analysis and Insight Report by Public Libraries of New Zealand shows that there were fewer physical items in collections in 2024 than in 2015. The report also shows that spending on digital collections has grown far more rapidly than spending on physical collections, despite both formats experiencing growth since 2015.

between providing broader recognition of authors and their books, and ensuring the administrative costs associated with the scheme are sustainable. As the number of authors and books in the scheme increase, the time and costs involved in determining the number of eligible book copies, as well as the number of payments processed, increases. Temporary increases in administrative costs will be tolerated provided another objective has a high chance of being satisfied. However, if a moderate to large increase in costs is expected to be enduring under a given option, the option will be significantly discounted.

What external consultation has been undertaken?

16. The Department undertook targeted engagement with relevant stakeholders between 8 May and 4 June 2026. Authors, illustrators, editors, librarians, publishers and others involved in the sector were provided with material outlining possible changes to the Regulations and were asked to provide feedback through an online survey. The engagement material and survey questions were limited by the Minister's decisions on scope, as described in **Section 2**.
17. Stakeholders were asked to indicate whether they supported a range of proposed changes to the regulations and were able to provide rationale for their responses. Where appropriate, stakeholders were asked to indicate a desired threshold value. In addition to providing their views on a remedy to address underpayments, stakeholders were also asked whether they would support the introduction of a minimum and/or maximum payment threshold. These thresholds were framed as optional add-ons to the core options described in **Section 2**.
18. The Department received 480 submissions, mostly from authors. Engagement with the wider sector occurred through representative bodies. Because of this, the views of the library sector were primarily reflected in one joint submission made by Library and Information Association of New Zealand (LIANZA), Public Libraries of New Zealand (PLNZ) and the School Library Association of New Zealand Aotearoa (SLANZA). Representatives from organisations such as the New Zealand Society of Authors (NZSA) and the Publishers Association of New Zealand (PANZ) were also invited to attend online sessions to learn more about the proposed changes and ask any questions.
19. The Department consulted the Public Lending Right Advisory Group (PLRAG) on the proposals prior to, and after, the targeted engagement period. As specified in Section 19 of the Act, the functions of the advisory group are to advise the Chief Executive of the Department on regulatory proposals, and on policy and administrative matters affecting the scheme.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options with the status quo?

20. The Department has developed four criteria to evaluate the alternative policy proposals against the status quo.

Effectiveness (40%)	Will this option ensure that authors are recognised for their books being available in New Zealand libraries?
Efficiency (30%)	Will this option lead to an increase in the costs of implementation and ongoing costs?
Proportionality (20%)	Does the degree of change in eligibility deliver recognition for additional authors in proportion to the reduction in payments for existing recipients?
Adaptability (10%)	Does the option enable the scheme to accommodate future changes within the operating environment or regulatory requirements?

21. The criteria are weighted to reflect that effectiveness and efficiency were explicit objectives at the outset of the work and were emphasised by the Minister of Internal Affairs (the Minister) and stakeholders (with authors caring more about effectiveness, and libraries caring more about efficiency). Adaptability arose as a consideration during the policy process in response to feedback received from stakeholders indicating that broader work is required to improve the scheme. Adaptability has therefore been included as a criterion, while recognising it is of less importance than effectiveness and efficiency. Similarly, proportionality arose as a criterion throughout the policy process once it became clear that the value of the fund would not be increasing so the gain for new beneficiaries would need to be balanced against the impact on authors already eligible for a payment.

What scope will options be considered within?

22. The Minister decided to progress with changes that can be completed this Parliamentary term. This allows for small-to-medium scale changes to the Regulations. The Minister decided that changing the value of the fund will not be considered as part of this work.

23. With the scale of change limited to regulation change that can be achieved this Parliamentary term, several core issues associated with the scheme are out of scope. These include consideration of expanding the scheme to include digital books, updating the definition of New Zealand library to include school and/or private libraries, and removing the annual registration requirement. These options are out of scope as they would require either changes to primary legislation or an extensive policy process, both of which would not be achievable this Parliamentary term.

24. An option to move to a lending activity model, where payment would be based on number of times a book is loaned out in a payment year, was initially identified as a possible option for change and was proposed during targeted engagement but has been excluded from this analysis. The lending model proved unpopular among two key stakeholder groups – authors

and libraries. The Department also considers that a lending-activity model is not feasible because it would require significant implementation costs and there is limited information on which to assess its effectiveness. Although it may be worth considering if broader policy change were being considered, such as the inclusion of digital books, it is not considered as viable within the current scope of work.

25. One of the key issues that remains within scope is the 50-copies threshold. The 50-copies requirement was established for administrative financial reasons when payments were made manually by cheque. This involved a disproportionate cost in processing and paying inconsequential sums. Although avoiding the administration of very small payments may improve efficiency, it conflicts with the purpose of the scheme. Changing the threshold to broaden eligibility can be done through changes to the Regulations.

What options are being considered?

Option One – Status quo

26. There will be no changes to the Regulations. To be eligible, authors would be required to meet the 50-copies threshold for each book, as well as other eligibility criteria.

Option Two – Deregulate by removing the 50-copies threshold

27. Under this option, an author would be eligible to receive payment for any copies of all their books in libraries, provided they meet other criteria for eligibility.

Option Three – Lower per-title threshold set at 30 *(Minister's preferred option)*

28. Under this option, the eligibility assessment is the same as the status quo, with the difference being that a book only needs 30 copies available throughout New Zealand libraries to become eligible for payment, provided it meets other criteria for eligibility. A threshold of 30 was selected because, at 30 copies, a title has meaningful presence across the library network, and the payment is commensurate with the administrative processing costs. Below 30, the cost of administration increases materially with diminishing author recognition in return.[6]

Option Four – Aggregate per-author threshold set at 50

29. This option would involve replacing the current per-title threshold with an aggregate per-author threshold of 50. Authors would be eligible for a payment once the total number of copies across all their titles in New Zealand libraries meets an aggregate 50-copies threshold (assuming other eligibility criteria are also satisfied). Authors would be paid in accordance with the total number of eligible copies of their books available in libraries.

Option Five – Presence of a title in a catalogue

30. Rather than counting the number of copies of books held by libraries, this option would instead count the number of libraries that have a given book available. Therefore, payment

[6] It is expected that many of the ~5700 titles that have previously been deemed ineligible under Regulation 9(6) – which relates to failing to have 50 copies in 3 consecutive surveys – may become eligible again with a threshold set as low as 10. This could significantly increase ongoing administrative costs and result in a moderate-to-large decrease in the book rate.

for each eligible book would be determined by the number of library catalogues that contain that book. There would be no benefit for having more than one copy in each library. The method proposed to survey catalogues of New Zealand libraries is through a service known as Online Computer Library Centre (OCLC) WorldCat.[7]

A discrete remedy to address underpayments

31. Option Three, Option Four, and Option Five will include a discrete change to enable underpayments to be remedied more effectively. As described in **Section 1**, when payment issues arise, they must currently be remedied using additional ex-gratia payments (goodwill payments) which are not separately budgeted for and cannot be guaranteed to be paid. By contrast, the supplementary change will establish a predictable in-scheme remedy pathway, where underpayments are remedied in a subsequent year using the subsequent year's payment pool. This payment would be in addition to an author's normal payment in that subsequent year. Because of the small impact of this change and the fact it received support from the majority of stakeholders, it will not form part of a multi-criteria analysis.

An overview of stakeholder feedback from targeted engagement

32. Stakeholders generally supported lowering the current per-title threshold, making it the most widely supported option for change. Individual authors and the New Zealand Society of Authors expressed strong support for this approach, although views differed on how low the threshold should be set. There was moderate support for an aggregate per-author model, with individual authors and representative bodies noting they would also be supportive of this model should the lower per-title threshold option not be progressed. However, the aggregate option attracted less support overall than the lower per-title threshold option.
33. A minority of individual authors supported a catalogue presence model. Representatives from the library sector (LIANZA, PLNZ, and SLANZA) expressed support for a catalogue presence model, seeing it as one of the more practical models. However, they also noted reliance on the OCLC WorldCat database would not be futureproof if changes are made to the scheme in the future, for example, to include school libraries or eBooks and digital lending. There was little support for a lending activity model, with few individual stakeholders and no representative bodies supporting this option.
34. While many stakeholders opposed the optional minimum and maximum payment threshold add-ons, the majority supported creating a formal pathway to remedy underpayments.

Stakeholders expressed strong support for a lower per-title threshold but had different views on how low it should be set.

35. Stakeholders expressed strong support for lowering the per-title threshold, with many favouring a threshold below 30 copies. A threshold of 10 copies per-title was the most popular option among individual authors. Many sector representatives also favoured lower thresholds, although library sector representatives cautioned against reducing the threshold significantly. In general, support was strongest for a threshold set at 10 or 20 copies.

[7] OCLC WorldCat is an online library catalogue that can be used to search across the collections of almost all New Zealand libraries. The National Library manages Te Puna Services, which is the New Zealand consortium for OCLC WorldCat and manages data from New Zealand libraries that is fed into this global OCLC WorldCat database. Around 92% of New Zealand libraries are consortium members.

How do the options compare with the status quo/counterfactual?

	Option One – Status Quo	Option Two – Deregulate by removing the 50-copies threshold	Option Three – Lower per-title threshold set at 30 (*Minister's preferred option*)	Option Four – Aggregate per-author threshold set at 50	Option Five – Presence of a title in a catalogue
Effectiveness (x4 multiplier)	0	++ It would enable the maximum number of authors and titles to be recognised.	+ More authors and titles would be eligible.	+ More authors and titles would be eligible.	++ It would enable recognition of substantially more authors and titles.
Efficiency (x3 multiplier)	0	- - Ongoing survey costs expected to increase significantly as survey of all libraries required (sample no longer satisfactory).	- New authors/titles included, and previously ineligible titles now become eligible, so will increase annual survey costs and other administrative costs.	- New authors/titles will be included, and previously ineligible titles now become eligible, so will increase annual survey costs and other administrative costs.	- - Significant costs involved in ensuring data completeness and catalogue assessment pipeline. Ongoing costs may be lower than under status quo.
Proportionality (x2 multiplier)	0	- - The degree of change goes beyond what is needed to bring additional authors into the scheme, while having a large effect on	+ Moderate reduction in the book rate but brings in 173 additional authors. The degree of change is commensurate with the	+ Moderate reduction in the book rate but brings in 113 additional authors. However, the system change is more	- Significant changes to the payment methodology, with major implementation demands on the National Library, while

		eligible authors by reducing the book rate.	scale of the identified problem without disproportionately affecting existing recipients.	significant relative to the outcomes achieved.	the scale of problem addressed is not proportionate to the cost of change.
Adaptability (x1 multiplier)	0	0 Does not restrict future changes to purpose or scope of scheme.	0 Does not restrict future changes to purpose or scope of scheme.	0 Does not restrict future changes to purpose or scope of scheme.	- - Would be difficult to expand scope of scheme under this option. Commits scheme (and libraries) to use and rely on an overseas database.
Overall assessment	0	-2	3	3	-2

Section 3: Cost-benefit analysis

What are the additional costs and benefits of the preferred option in the Cabinet paper?

36. Option Three and Option Four are equally viable based on the multi-criteria analysis. However, Option Three is preferred because it is closer to the status quo and received stronger support from stakeholders during targeted engagement. Progressing an option that is most similar to the current structure for calculating payments will reduce the chance of producing unintended consequences.

37. To assess the change in costs and benefits, estimates have been produced based on PLR data from the 2024 payment year. The 2024 payment year was chosen as it was a year where all titles were surveyed. The 2025 payment data were not suitable for modelling because during the 2025 payment year a considerable number of authors were found to be eligible after the fund had been fully distributed (and were remunerated accordingly through ex-gratia payments).

38. Under **Option Three – Lower per-title threshold set at 30**, based on titles surveyed, a moderate number of additional authors (~173) are expected to be eligible for payment. More titles (~1417) are also expected to be eligible, with some of these belonging to new authors that will now receive a payment, and others belonging to authors that already receive a payment for other titles. Figure 1 shows the impact on the book rate and number of eligible authors as the per-title threshold is lowered.

39. With more authors receiving a payment, this may support these authors to dedicate more time to writing. Increased writing output, or higher quality writing, would be a benefit to all New Zealanders. But because the value of the fund is not changing, the impact will be minor, on the order of several hundred dollars for these authors. While it may be appreciated, it will not provide significant additional support for their creative endeavours.

40. Because more authors will be eligible for a payment, but the quantum of the fund remains at $2.4million, the book rate will fall.[8] This will have a slight negative effect on most authors who already receive a payment through the scheme. These authors would receive a lower payment under a 30-copies threshold than they would have if the threshold remained at 50.

41. A distributional analysis, presented in Figure 2, has been carried out to model how changing the per-title threshold would affect payments to authors. The analysis suggests that lower thresholds would redistribute a relatively small proportion of payments from existing recipients to newly eligible authors. The analysis does not account for previously ineligible titles that may be eligible under lower thresholds, or for previously unregistered authors who may choose to register under new PLR settings.

42. Under Regulation 9(6), a book is excluded from future surveys if it has been found to have fewer than 50 copies for three consecutive surveys. ~5700 books have been excluded to date for this reason. Authors of these books will be able to register again in 2027 because

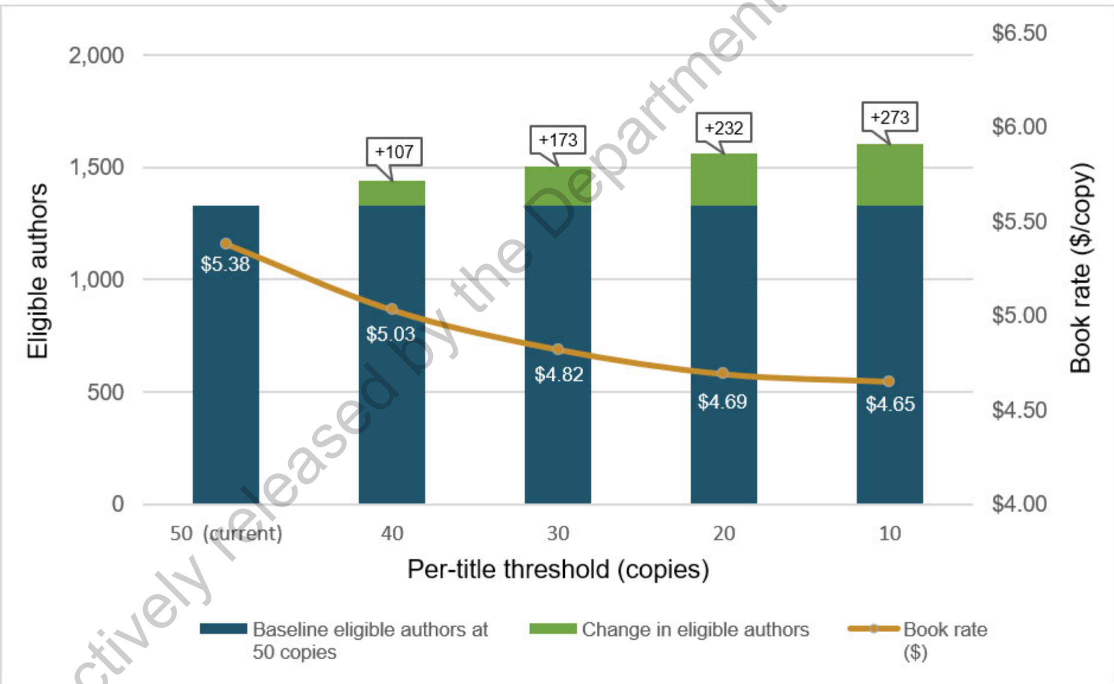
[8] Considering only books and authors eligible in 2024, the modelling suggests a book rate of $4.82 under a 30-copies threshold. However, if titles previously ruled ineligible under Regulation 9(6) but recorded with at least 30 copies at their last survey were also eligible (around 1500 titles), the book rate could fall as low as $4.31. However, this should be treated as an edge-case estimate, as many of these titles were last surveyed years ago, and many would be expected to have fallen below the 30-copies threshold as libraries refresh their collections.

the threshold that was used to exclude the books has changed. This means as many as ~5700 books could be brought back into the 2027 'all titles' survey. Implementation costs therefore reflect an increase in initial survey costs if all of these previously ineligible titles are surveyed.[9]

43. Because the annual survey rotates between an 'all titles' and 'new titles only' approach, the ongoing cost increase from these ineligible books being reregistered is averaged across the 2-year cycle. Many of these books are unlikely to remain in the survey for long, however, as many are likely to be excluded again under Regulation 9(6). This is reflected in the small ongoing cost increase.

44. As more authors and books become eligible under a lower threshold, there is expected to be an increase in the staff time required to make eligibility assessments, deal with questions, challenges, and other potential administrative processing costs. With 13% more authors estimated to be eligible, ongoing staff costs are estimated to be 13% higher compared to the status quo.

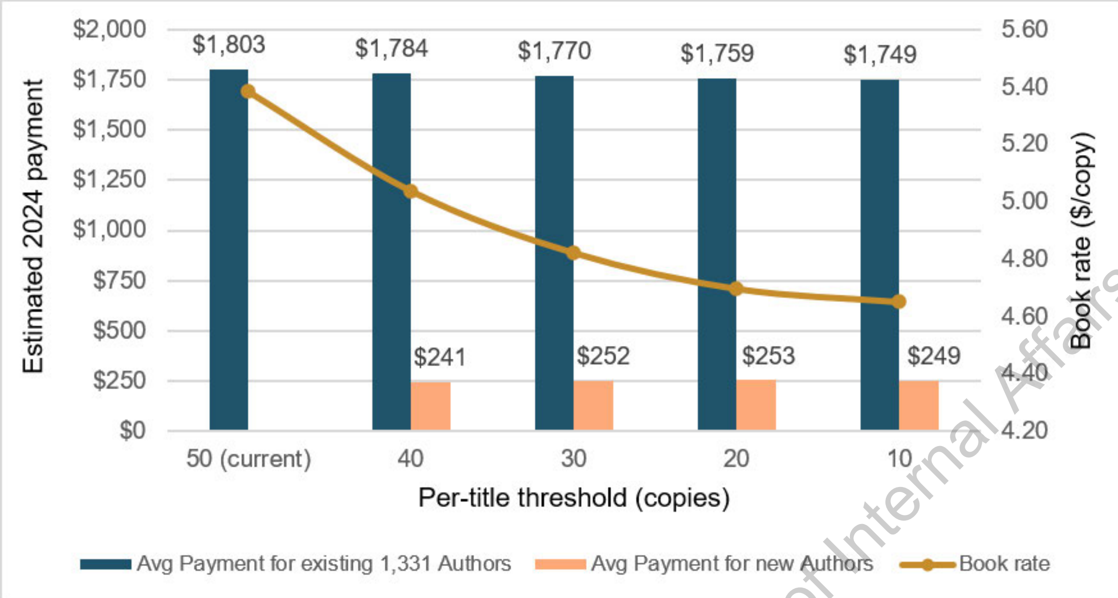
Figure 1: Estimated change in author eligibility and the book rate at different per-title thresholds



Lowering the per-title threshold brings more authors into the scheme but reduces the book rate paid per copy. Estimates are based on registered authors for the 2024 payment round. The actual number of new recipients may differ as more authors may choose to register for the scheme under lower thresholds, and books previously deemed ineligible under Regulation 9(6) may become eligible as the threshold is lowered. It is expected that this would have a moderate to large impact on the book rate as the threshold approaches 10 copies.

[9] Survey costs scale approximately in proportion to the number of books included in the survey, and so cost changes have therefore been estimated accordingly.

Figure 2: Estimated average author payments at different per-title thresholds



Reducing the threshold results in a modest reduction in average payments for existing recipients. For example, lowering the threshold from 50 copies to 30 copies would have reduced the average payment from $1,803 to $1,770, a decrease of $33. At a threshold of 30 copies, 173 newly eligible authors would have received an average payment of approximately $252, with 15 of these authors estimated to receive $500 or more. *These estimates do not account for titles that were previously ineligible under Regulation 9(6). Some of these previously ineligible titles would become eligible again, particularly at lower thresholds, which could increase the number of newly eligible authors and alter how author payments are distributed.*

Table 2: Cost-Benefit Analysis

Nature of the benefit/cost to New Zealand	Dollar value of impact (or quantified impact)	Scale of unquantifiable impact	Nature of impact – one-off or ongoing	Source of evidence
Additional benefits of the preferred option compared with taking no action				
Increase in eligible authors	173 more authors eligible[10] (This represents a 13% increase in eligible authors)	Medium	ongoing	Modelling based on 2024 registered author data
Increase in eligible books	1417[11] (This represents a 33% increase in eligible books)	Medium	ongoing	Modelling based on 2024 registered author data
Increased New Zealand literary output	NA	Small	ongoing	NA
Total annual benefits	Increased distribution of payments across greater number of authors	Medium	ongoing	
Total one-off benefits	NA	NA	NA	NA
Additional costs of the preferred option compared with taking no action				
Implementation costs	Up to $111,285 (This indicates the maximum estimated increase in costs if all previously	Large (relative to status quo cost)	one-off	Estimate based on scaling up survey costs for 2024 calendar year

[10] This figure does not include authors who may become eligible for payment if their titles previously deemed ineligible under Regulation 9(6) – which relates to failing to have 50 copies in 3 consecutive surveys – are reregistered and meet the new 30-copies threshold.
[11] This figure does not include books that may become eligible if books previously deemed ineligible under Regulation 9(6) are reregistered and meet the new 30-copies threshold. Approximately 1500 books had at least 30 copies when last surveyed before becoming ineligible under Regulation 9(6). If all these books still have at least 30 copies in 2027 (an unlikely outcome as many years may have passed since they were deemed ineligible), this could mean up to 3000 more books are eligible for payment.

	ineligible titles under Regulation 9(6) come into the survey in 2027. It is not possible to know what percentage of the ~5,700 previously ineligible titles will actually be registered again by authors.)			
Ongoing administrative costs	$20,567 (Assumes staff costs are 13% higher than baseline as 13% more authors are estimated to be eligible for payment under the new threshold. This change reflects currently identified authors only and may increase further if previously ineligible or unregistered authors register under the new threshold. This value also includes higher survey costs on the assumption that some previously ineligible titles under Regulation 9(6) will remain in the survey as they meet the new threshold – this cost is averaged across a 2-year cycle as it is primarily incurred during the 'all titles' survey.)	Small (relative to status quo cost)	ongoing	Estimate based on scaling up administrative costs for 2024 calendar year
Total annual costs	$20,567			
Total one-off costs	Up to $111,285			
Net impacts compared with taking no action				
Total annual benefits minus costs		Medium		
Total one-off benefits minus costs		Low		

Are the benefits of the preferred option in the Cabinet paper expected to exceed the costs?

45. The benefits of the preferred option (Option Three) primarily affect the authors who currently do not receive recognition for having books available in libraries because they do not meet the 50-copies threshold. A lower threshold would better align with the purpose of the scheme by broadening eligibility and, consequently, the number of authors that receive recognition for having their books available in libraries. The Department considers that the scale of the quantifiable increase in costs, considered over the long-term, are commensurate with the benefits achieved through configuring the scheme's settings to better give effect to the purpose of the scheme.

What are the impacts on different groups of the preferred option compared with taking no action?

46. If the threshold is lowered, many authors who currently receive no payment (i.e. no recognition) would become eligible and receive a payment. Those authors would be new beneficiaries, while the impact on existing authors would be small, reflecting a small reduction in the book rate. The overall effect is expected to be small because a threshold of 30 would introduce only a limited number of additional authors and titles. Authors who previously received a payment for some of their catalogue, but had titles for which they did not previously receive a payment, are now more likely to be recognised for older books that may not be kept in high volume by libraries. By contrast, if the status quo is maintained, these authors will not receive a payment (i.e. no recognition) for these books.
47. The preferred option will result in an increase in administrative costs for the Department. These will need to be absorbed within the Department's baseline funding.

Conclusion

Which option is the most effective, efficient, and proportionate response to the problem?

48. The Department considers **Option Three – Lower per-title threshold set at 30** to best achieve the objectives because it is the most effective, efficient and proportionate response. It gives effect to the intent of the PLR Act, as it enables recognition of more authors for their titles being available in libraries. It results in a spike in short-term costs, but only a small ongoing increase compared to baseline. It also achieves a fairer distribution of the PLR fund, which was a key expectation identified during targeted engagement, while still enabling successful authors to receive appropriate payments by maintaining a moderate book rate. The Department's preferred option aligns with the Minister's preference.

Section 4: Delivering an option

What are the next steps for implementing the legislation?

49. The key milestones for implementation are outlined in the Table 3.

Table 3: Implementation timeline

October 2026	Regulations are notified in the New Zealand Gazette.
October 2026 – November 2026	National Library communicates with previously registered authors, publishers and libraries about upcoming changes that will take effect for the 2027 payment year.
1 January 2027	Amendments come into force and the registration window opens for the 2027 PLR payment year.
1 March 2027	Registration window closes.
March – October 2027	Full 'all titles' survey carried out using new 30-copies per-title threshold.

How will the proposal be monitored, evaluated, and reviewed?

50. Seven metrics will be tracked for three years (2027–2029) after the changes are implemented. These will be:
    - The number of eligible titles that meet the 30-copies threshold;
    - the number of registered authors;
    - the number of authors receiving a payment;
    - the number of challenges;
    - the book rate;
    - the frequency of underpayments; and
    - the value of underpayments.
51. The impacts will be discussed with the Public Lending Right Advisory Group after the monitoring period has concluded and the data are available for comparison.[12] This will

[12] The Advisory Group is the appropriate group to engage with given they are responsible for advising the Chief Executive of the Department on regulatory proposals, and on policy and administrative matters affecting the scheme.

enable a comparison between previous 'all titles' surveys before implementation (2024 and 2026) and the subsequent two 'all titles' surveys after implementation (2027 and 2029).[13]

52. If a decision is made to undertake broader changes to the scheme before the three-year monitoring period ends, then the 2027 payment year will become the baseline for subsequent comparisons.

[13] In place of the scheduled 'new titles only' survey, a full 'all titles' survey will be undertaken during the 2027 payment year because of the change in eligibility criteria (the per-title threshold being lowered to 30).