

# **Briefing for the Incoming Minister 2002**

## **Section 1: Policy Issues**



# Table of Contents

Introduction	1
Purpose of the Department	1
<i>Land Titles</i>	1
<i>Geodetic and Cadastral Survey System</i>	1
<i>Landonline</i>	2
<i>Topographic Information</i>	2
<i>Hydrographic Information</i>	2
<i>Rating Valuation System</i>	3
<i>Crown Property</i>	3
<i>Continental Shelf</i>	3
<i>Geographic Board</i>	3
<i>Electoral Support</i>	3
Outcomes	3
LINZ's Goals	4
Summary of issues where decisions by the Minister will be required	5
Legislative Reviews	7
Review of the Public Works Act 1981	7
Review of the Land Act 1948	8
Review of the Valuers Act 1948	9
Proposed Review of the New Zealand Geographic Board Act 1946	10
LINZ's Regulatory Functions	12
Standards for Rating Valuations	12
<i>New Rating Valuations Rules</i>	12
Land Titles and Survey	13
<i>Maori land issues</i>	14
Occupational Regulation and Statutory Boards	16
New surveyor regulatory regime	16
<i>Cadastral Surveyors Licensing Board</i>	16
Landbrokers	16
Appointments to the Valuers Registration Board	17
Appointments to the New Zealand Geographic Board	18

Information Capture, Authorisation and Management	19
<b>Landonline</b>	<b>19</b>
<i>Landonline Stage One</i>	19
<i>Landonline Stage Two</i>	20
<i>Funding</i>	21
<i>Pricing</i>	22
Hydrographic and topographic information	22
<i>Review of hydrographic survey capability</i>	23
<i>Information for Emergency Services</i>	23
Determining the limit of the Continental Shelf	24
Ross Dependency, Antarctica	25
Access to and Dissemination of Information	27
Electronic government/ eLINZ	27
<i>Virtual Agency Strategy</i>	27
<i>NZ Government Internet Portal</i>	28
NZTopoOnline	29
Access to information for Maori land development	29
Paper records	30
Crown Land and Property	32
Crown Pastoral Lease Tenure Review	32
<i>Objectives for tenure review</i>	32
<i>The tenure review process</i>	32
<i>Progress with tenure reviews</i>	33
<i>Programme funding</i>	33
<i>Issues</i>	33
<i>Threshold test</i>	33
<i>Reporting</i>	33
Property Management and Disposal	34
<i>Identification of Crown property information</i>	34
<i>Weed and Pest Management</i>	35
<i>Lakes and Riverbeds</i>	36
Management of Liabilities	36
<i>Contaminated sites</i>	37
Crown Forest Licences	38
<i>Long term lease issues</i>	38

Treaty of Waitangi Settlements	38
Public Access to Land	39
<i>Private Land</i>	39
<i>Crown land</i>	39
<i>Overseas Investment</i>	39



# Introduction

This section of the briefing introduces Land Information New Zealand, sets out the main issues that the department will face over the next few years and highlights the issues that will require the Minister for Land Information's attention.

## **Purpose of the Department**

Land Information New Zealand (LINZ) was established on 1 July 1996, taking over responsibility for the policy, regulatory and core government service delivery functions of the former Department of Survey and Land Information, the Land Titles Office, and the purchase of hydrographic<sup>1</sup> services from the New Zealand Defence Force. Its core activities are:

### *Land Titles*

LINZ authorises and records changes in rights to freehold land. This includes creating new land titles, recording changes of ownership or other interests in land and providing copies of these records. The system LINZ maintains provides an accurate and up-to-date register of the ownership of freehold land. This lessens the risk to the State's guarantee of title and interests in land.

### *Geodetic and Cadastral Survey System*

The geodetic<sup>2</sup> and cadastral<sup>3</sup> systems work together to provide the framework for defining and recording rights in land and for other land information systems.

#### *Geodetic Survey System*

The geodetic survey system provides the underlying spatial reference system for New Zealand. It involves a network of primary survey marks in the ground. The positions of these marks are recorded in terms of a New Zealand datum, which is compatible with the international global satellite positioning system. The geodetic reference system provides the spatial referencing framework for the cadastral survey system. It also enables the compatible positioning of all other spatial information, such as topographical, hydrographical and geological mapping, and for navigational purposes.

---

<sup>1</sup> **Technical terms are explained as footnotes.** A hydrographic survey records the shape and features of the seabed.

<sup>2</sup> A geodetic survey defines the shape and area of all or parts of the Earth and enables positions on the Earth's surface to be determined.

<sup>3</sup> A cadastral survey creates the official record of the various legal divisions and descriptions of land and forms the basis for land ownership. Cadastral surveyors undertake surveys that define the spatial extent of interests in land.

### *Cadastral Survey System*

The cadastral survey system includes all survey reference points, land surveys, boundary marks, and cadastral records in the form of LINZ approved survey plans. This information enables the identification and definition of parcels of land for registration and recording of interests and statutory actions under the freehold land title, Maori land and Crown land systems. It also provides the national property framework for use in geographic information systems (GIS)<sup>4</sup> operated by local authorities and utility companies and provides support for the electoral system, emergency services and for other government administration purposes.

### *Landonline*

Under *Landonline* LINZ is automating its land titles, cadastral survey and electoral business functions. Stage One of *Landonline* provides remote access to information in the land titles, cadastral survey and geodetic databases. Stage Two of *Landonline* will enable conveyancers<sup>5</sup> and surveyors to prepare and lodge transactions directly from their offices. Bulk survey and title data is made available to the private sector and GIS users via resellers.

### *Topographic Information*

LINZ is responsible for national topographical mapping at 1:50,000 and broader scales. It undertakes this mapping for defence and emergency services and constitutional purposes. LINZ makes its topographical maps available through retailers and on the Internet through *NZTopoOnline*. Its bulk digital topographical information is made available through resellers.

### *Hydrographic Information*

LINZ is responsible for providing hydrographic information for navigational purposes. It produces this information, which includes charts, nautical publications and notices to mariners, in accordance with the standards of the International Hydrographic Organisation. LINZ's hydrographic charts are provided to users via authorised chart retailers.

---

<sup>4</sup> Geographic information system (GIS): A computer programme that stores spatial information about land and/or the seabed and allows the information to be analysed and displayed as computer generated maps. These maps can be created to the end user's specification and may either be viewed on a computer screen or printed on paper.

<sup>5</sup> Conveyancers are people who are qualified to undertake transactions in land. At present these are lawyers or landbrokers.

<i>Rating Valuation System</i>	LINZ ensures that property valuations for rating purposes are provided to a consistent standard. It sets minimum standards for rating valuations and audits local authorities for compliance.
<i>Crown Property</i>	LINZ oversees the management and disposal of the Crown's interest in land and property (outside the conservation estate). It also manages Crown liabilities in land and property (eg. contaminated sites) and administers Crown Forest Licences under the Crown Forest Assets Act 1989. LINZ certifies that the activities of other government agencies comply with statutory requirements and Government policy when they dispose of surplus property.
<i>Continental Shelf</i>	LINZ is responsible for obtaining seabed data to determine the furthestmost extent of New Zealand's legal continental shelf and assisting the Ministry of Foreign Affairs and Trade to lodge New Zealand's submission with the United Nations Commission on the Limits of the Continental Shelf by 2009. Marine survey work is scheduled for completion by 2004.
<i>Geographic Board</i>	LINZ provides administrative support to the NZ Geographic Board, which is chaired by the Surveyor-General. This Board is responsible for place naming in New Zealand, including the Kermadec, Chatham, Auckland and Campbell Islands and within the territorial waters of New Zealand.
<i>Electoral Support</i>	LINZ provides technical support to the Representation Commission (which determines electoral boundaries), the Chief Electoral Office, the Electoral Enrolment Centre, and Statistics New Zealand. LINZ's primary functions are the provision of an Index to Places and Streets for use on polling day, mapping support, the collation of street addresses for enrolment purposes, and the spatial definition of meshblocks <sup>6</sup> .

**Outcomes**

The core outcomes specified for LINZ by the previous Government are:

1. The on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and

---

<sup>6</sup> A meshblock is a population based land area that represents the smallest area from which statistical information is collected. Meshblocks are also used to determine electoral boundaries.

- standards and specifications for provision of land data.
2. The establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records to underpin economic activity in New Zealand.
  3. The efficient management of Crown land-related liabilities and responsibilities through either:
    - efficient management and disposal of surplus Crown land assets and land-related liabilities; or
    - efficient oversight and/or management of Crown land purchase and disposal regulatory instruments<sup>7</sup>.
  4. The on-going maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services' responses.

While delivering these outcomes, the department must take account of Government's key goals, expectations of the public service and ownership interests in LINZ.

## LINZ's Goals

LINZ's goals for the next five years are set out in its *Strategic Business Plan*. The goals aim to enhance our systems, standards and processes to better ensure that we:

- collect, maintain, process and use authoritative information efficiently; and
- provide information and related services to our customers in a way that recognises their needs.

The goals also aim to enhance our capability to:

- meet the tasks the Government requires of us; and
- implement our eLINZ strategy to improve access to, and delivery of, core land and seabed information.

The goals are:

### *Authoritative LINZ*

LINZ's information will meet New Zealand's needs for authoritative core land and seabed information.

---

<sup>7</sup> Regulatory instruments include regulations, rules and standards that define how processes regulated by the Government must be undertaken.

### *Accessible LINZ*

Enable all customers to easily access authoritative and relevant land and seabed information and related services, at cost and at any time.

### *Capable LINZ*

LINZ has available skilled, knowledgeable and adaptable people, and robust information management systems that meet government and customer expectations and support the achievement of strategic goals and integration across the wider government sector.

These three goals reflect LINZ's transformation from being a paper-based organisation to one that operates predominantly in an electronic environment. LINZ has become a public service leader in the trend to collect, process and disseminate information electronically.

## **Summary of issues where decisions by the Minister will be required**

The following issues which will require decisions by the Minister are more fully explored in the main body of this report.

- The Minister for Land Information chairs a Ministerial Subcommittee on the development of *Landonline* to which LINZ reports monthly. The committee makes key decisions about the project (page 21).
- LINZ intends to seek an additional appropriation of \$3m to \$4m from 2003/04 onwards. This is to meet revised baseline estimates for the operating costs of the survey and title business of *Landonline*. All costs will be recovered from third parties and there will be no fiscal impact. (page 21).
- Approval will be required for new fees and charges for providing survey and titles products and services for *Landonline* by July 2003 (page 22).
- Proposals for appointments to the Cadastral Surveyors Licensing Board (page 16), the New Zealand Geographic Board (page 18), and the Valuers Registration Board (page 17) will be presented to the Minister shortly.
- Policy proposals for a revised Land Act will be ready for consideration by the Minister in late September (page 8).

- Cabinet has deferred a decision on options for copying LINZ's paper survey and title records for preservation and for local access (page 30). A paper is to be presented shortly. Some of the public, including Maori, wants the records to be physically available in their regions.
- Policy proposals for new Public Works legislation will be ready for consideration by the Minister in late September 2002. The proposed legislation will involve trade-offs and public debate (page 7).
- LINZ intends to present proposals for a new regulatory regime for Valuers to the Minister by December 2002 (page 9).
- Information requirements for the emergency services may require approval before December 2002 (page 23).
- The New Zealand Geographic Board Act 1946 requires review. Public consultation will be required. Policy development will be complete by June 2003 (see page 10).
- Some provisions of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 will require an Order in Council before *Landonline* Stage Two is implemented (see page 14).
- Additional funding may be sought to manage risks identified on Crown owned properties if the Crown Organisations (Criminal Liability) Bill is passed into law (page 34).

## Legislative Reviews

Legislative reviews have been undertaken for the Public Works Act 1981, the Land Act 1948 and the Valuers Act 1948. A review of the New Zealand Geographic Board Act 1946 is proposed.

### **Review of the Public Works Act 1981**

The Public Works Act 1981 provides powers for the Crown, local authorities and requiring authorities to take property from landowners for “public works”. It also has provisions for the disposal of land once it is no longer required.

The origins of this legislation are based in the law of England and New Zealand’s 1882 and 1928 Public Works Acts, which were designed for the construction of public utilities essential to the infrastructure development of a new country. That infrastructure is now largely established and in today’s environment, private providers and utility companies carry out many of the services that were formerly funded and undertaken by central government.

The review has been undertaken against this background, and in response to Waitangi Tribunal recommendations and fiscal liability issues arising from claims relating to disposals. The disposal process has become highly contentious over time and subject to much litigation.

Proposals for consideration include:

- greater protection of both general and Maori land from compulsory acquisition;
- clear, unambiguous disposal provisions;
- a time limit for offering general land back to former owners;
- arrangements for offer-back of former Maori land;
- provisions for consistent administration of the legislation by all of its users; and
- provisions for improved compliance and enforcement.

Extensive public, stakeholder and Maori consultation has helped identify and address the issues, risks and options for change. In the early stages, Maori consultation involved representatives from pan-Maori organisations and 17 hui were undertaken. Policy development involved an expert group, *Te Roopu Arataki*, which produced an independent report. The historical use of public works legislation to dispossess Maori of their land has resulted in numerous claims to the Waitangi Tribunal, which has made recommendations to review the Act. In the review of the Public Works Act, extensive consultation with Maori has been required to fulfil the Crown's Treaty obligations.

There is an inherent tension between users of the legislation and affected landowners. Consequently, trade-offs will be necessary when addressing acquisition, compensation, disposal, administration and enforcement issues. Since not all of the parties can be satisfied by the policy outcomes of the review, debate can be expected in the lead up to the Select Committee stage.

Policy proposals for new public works legislation will be ready for the Minister's consideration by late September 2002. As well as the draft Cabinet papers, a detailed briefing will also be provided for the Minister in September.

## **Review of the Land Act 1948**

The Land Act 1948 provides the mechanism by which the Crown grants (and dissolves) ownership interests in land, and under which land that has no owner reverts to the Crown<sup>8</sup>.

The period of land settlement and development that the Land Act supported has passed. Since 1948, there have been changes in public administration and a substantial reduction in the amount of Crown land. Consequently, some of the provisions and major principles underpinning the Act are no longer relevant.

---

<sup>8</sup> All rights of land ownership are historically derived from the Crown.

In May 2001 Cabinet agreed that LINZ should proceed with a review and this has since been carried out in consultation with government departments and organisations with an interest in and knowledge of Crown land. The policy proposals for new legislation include:

- removing redundant sections from the Act;
- providing for flexible empowering legislation;
- principles based decision-making about Crown land;
- making the Chief Executive of Land Information New Zealand and the Minister for Land Information the principal decision-makers; and
- options for recognising the Treaty of Waitangi.

The Minister will be provided with a draft Cabinet paper setting out the policy proposals in late September, once final issues relating to options for a Treaty clause have been resolved. The proposals are not expected to be controversial, although there may be some residual attachment to concepts in the Act that are mistakenly considered to be necessary for the administration of land in New Zealand. For example there is a view that Crown land may not be held in title. LINZ, however, has established that this is not the case.

## **Review of the Valuers Act 1948**

The valuing profession is currently regulated by the Valuers Act 1948. There may no longer be justification for government intervention in the valuing profession. LINZ considers the risks associated with a deregulated industry are low and that the current regulatory regime is unnecessary. The statutory status of the New Zealand Institute of Valuers, the Valuers Registration Board and the associated registration system may no longer be necessary to protect users from incompetent valuation advice.

The Act has been reviewed and proposals for new legislation are being developed, including the removal of statutory recognition and the requirement for compulsory membership of the Valuers Registration Board.

The New Zealand Property Institute, which includes the New Zealand Institute of Valuers, has been consulted. Valuers may consider that removal of statutory recognition affects their professional standing and that this may result in the quality of valuation advice being lower, with associated financial impacts.

LINZ will discuss policy proposals with the Minister before December 2002, with a view to submitting a draft Cabinet paper shortly thereafter. Appointments to the Valuers Registration Board are discussed on page 17.

### **Proposed Review of the New Zealand Geographic Board Act 1946**

The New Zealand Geographic Board Act 1946 is now over 50 years old and requires comprehensive review, because it does not fully accommodate the requirements of Treaty of Waitangi settlements or modern consultation and administrative processes.

As the agency responsible for administering the New Zealand Geographic Board (NZGB), LINZ advises the Office of Treaty Settlements on Maori place names. The process of place naming in Treaty of Waitangi settlement legislation replicates the NZGB procedure and this has caused some problems. Place naming is an important component of Treaty settlements and the NZGB procedure may be more effective.

Possible outcomes of the review include:

- clarifying the jurisdiction and membership of NZGB;
- addressing consultation and administrative procedures;
- aligning the Act with the Treaty of Waitangi;
- modernising the Act's machinery provisions; and
- the inclusion of place names resulting from Treaty of Waitangi claim settlements.

Wide public consultation, including the issue of a public discussion paper and consultation with Maori, will be a necessary part of the review. The proposed discussion paper will require Cabinet approval and LINZ will submit a draft to the Minister and provide briefings as the paper is developed. The policy process is expected to be complete by June 2003 with the development of legislation planned for 2003/04. Appointments to the NZGB are discussed on page 18.

### **Summary: Legislative Reviews**

- Policy proposals for new public works legislation will be submitted to the Minister in late September. The proposed legislation will involve trade-offs and public debate.
- Policy proposals for a Land Bill will be submitted to the Minister in late September.
- The Valuers Act 1948 has been reviewed. Some proposals are still being discussed. A draft Cabinet paper will be submitted by December 2002.
- The New Zealand Geographic Board Act 1946 requires review. Naming issues resulting from Treaty settlements need to be addressed. Public consultation will be required. Policy development will be complete by June 2003

## LINZ's Regulatory Functions

LINZ's regulatory activities involve standard setting and quality assurance for:

- Crown property management, acquisition and disposal;
- property valuation for rating purposes; and
- the collection, authorisation, management and dissemination of information associated with the land rights register, place naming, geodetic and cadastral survey reference systems, topographic and hydrographic information systems, and the associated determination of property, electoral and administrative boundaries.

### **Standards for Rating Valuations**

The Government valuation department (Valuation New Zealand) was disestablished in 1998 and the provision of rating valuations became contestable. Valuation New Zealand was split into the Office of the Valuer-General, located in LINZ and Quotable Value New Zealand, a Government owned service provider of rating valuations. Territorial Authorities (TAs) became responsible for maintaining their own district valuation rolls and were empowered to purchase rating valuations from a service provider of their choice.

The Valuer-General, under the Rating Valuations Act 1998, sets minimum standards for the provision of rating valuations by service providers to TAs and also has an audit role. The audit role is to ensure that valuations are meeting the standards set out in the Rating Valuation Rules (see below). Valuation methodology is audited and the values must be certified as correct before a general revaluation of a district may take effect for rating purposes. Audit costs are met from fees charged to TAs.

### *New Rating Valuations Rules*

New Rating Valuation Rules give effect to changes made by the Local Government Rating Act 2002. Fundamental changes have been made to the way a property and a ratepayer are defined, thereby creating certainty. The previous legislation was unclear in this respect and consequently, money may be owing by TAs to ratepayers in back rates. Currently, the Privy Council is considering this matter.

The new Rules will allow councils to stop maintaining valuation information that is not required for the rating system they use. This means that councils rating on land values can choose not to maintain capital values<sup>9</sup> (commonly called 'government valuations' or GVs). The public may consider removing capital values a loss, but this is a matter for their councils to deal with.

The Rules also provide a detailed methodology for the valuation of utilities (eg. telecommunications and electricity networks). This year, for the first time, utilities will be rated nationally. While these values are likely to be challenged, councils are responsible for their outcome.

The Rules are to be tabled in the House for submission to the Regulations Review Committee after Parliament resumes.

## **Land Titles and Survey**

The Cadastral Survey Act 2002 which came into force on 1 June 2002 and the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 authorised aspects of LINZ's automated survey and title processing system (*Landonline*). The legislation:

- allows conveyancers and cadastral surveyors to submit documents and data electronically;
- enables the Surveyor-General and the Registrar-General of Land to set standards for the electronic submission of documents and data, and the Chief Executive of LINZ to undertake checks and audits to ensure that their standards have been met;
- provides an effective system of occupational regulation for cadastral surveyors that clearly separates the Surveyor-General's role in setting standards and carrying out quality assurance for surveys and survey data from the regulation of cadastral surveyors; and
- ensures the continued integrity of the Land Titles Register and the cadastral survey system in an electronic environment.

---

<sup>9</sup> Capital values include the value of the land plus the improvements on the land.

The regulation-making provisions of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 came into force on 17 May 2002, and the remainder of the Act substantially came into force on 1 June 2002.

Other provisions will come into force by Order in Council on 26 August 2002 (relating to caveats, paper instruments and consequential repeals including the repeal of landbroker provisions<sup>10</sup> of the Land Transfer Act). The balance of the provisions relating to the removal of easements<sup>11</sup> and profits à prendre,<sup>12</sup> the early lapse of caveats and deposit documents, will be brought into force by another Order in Council before the implementation of Stage Two of *Landonline*.

The Minister will be kept informed about progress and the appropriate timing of the latter Order in Council.

### *Maori land issues*

Almost half of all Maori land blocks are currently unsurveyed and therefore unregistered in the Land Transfer System. A reliable definition of land parcels, as provided by a survey, is integral to the registration of land and the issue of title under the Land Transfer Act 1952. The cost of undertaking a full survey of Maori land is estimated to be about \$62 million.

LINZ chairs the Maori Land Liaison Committee, which also includes representatives from the Maori Land Court and Te Puni Kokiri. The Committee has developed and refined proposals to provide for the introduction of “computed diagrams” which will allow Maori Land Court Orders to be registered in the Land Transfer system at considerably less cost than meeting the requirements of a full survey.

---

<sup>10</sup> see page 16

<sup>11</sup> An easement is a right over another’s property such as a right of way or the right to convey water, electricity or telecommunications.

<sup>12</sup> A profit a prendre is a right to enter on land and take part of its substance or produce (eg. a right to graze cattle, cut timber, take gravel etc.).

Preliminary work has also commenced on a concept of “building title” to enable house sites on Maori land to be given status under the Land Transfer system. Both these proposals are intended to make it easier for Maori landowners to obtain finance for the development of their land.

**Summary: LINZ's Regulatory Functions**

- New rules for rating valuations will be submitted to the Regulations Review Committee once Parliament resumes.
- Some provisions of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 will require an Order in Council before *Landonline* Stage Two is implemented.
- The Maori Land Liaison Committee is examining options for registering Maori land in the land titles system.

## Occupational Regulation and Statutory Boards

LINZ provides administrative support and the Minister is responsible for appointments to the:

- Cadastral Surveyors Licensing Board;
- Valuers Registration Board; and
- New Zealand Geographic Board.

LINZ is responsible for Government policy for the regulation of cadastral surveyors and valuers. Until recently it also was responsible for the licensing of landbrokers.

### **New surveyor regulatory regime**

With the coming into force of the Cadastral Survey Act 2002 on 1 June 2002, only cadastral surveyors, who define land boundaries, now require professional regulation. The previous legislation regulated surveying for other purposes and granted permanent registration with no provision for review. Now only qualified practitioners who are able to demonstrate ongoing competence may undertake the input of data into the cadastral survey system.

#### *Cadastral Surveyors Licensing Board*

A new body, the Cadastral Surveyors Licensing Board, is provided for in the Act. The Board, which is in the process of being established, will set and review standards for the competency of cadastral surveyors. As the transition arrangements between the old Survey Board and the new Board are of limited duration, determining the membership is a priority.

The previous Minister agreed to aspects of an appointment process to the Board. LINZ will reconfirm this process with the new Minister and present a proposal for the remainder of the process by September 2002. The appointment of the Board is not expected to be controversial.

### **Landbrokers**

The Land Transfer Act 1952 contains provisions for the licensing of non-lawyer landbrokers to register land transactions in the land titles system. These provisions dated from the 19<sup>th</sup> century and are redundant. Only one landbroker was licensed from the 1950s until the late 1990s.

The law changed with the passing of the Trans-Tasman Mutual Recognition Act and several recent court decisions. The current law allows anyone to apply to the Registrar-General of Land for a landbroker licence, but provides no clear criteria for granting one and there are no provisions for oversight or professional standards for landbrokers.

The previous Government decided to repeal the landbroker provisions in the Land Transfer Act and this was effected by the Land Transfer Amendment (Commencement Order) 2002 which will take effect on 26 August 2002. Provision has been made for existing licensed landbrokers to have their licences “grandparented” so that they can continue to practise until a new regime for licensing non-lawyer conveyancers is put in place.

The previous Minister of Justice issued drafting instructions for such a regime to be included in the Law Practitioners Bill, but legislation has not yet been introduced to Parliament. From 26 August, no new licences for non-lawyer conveyancing will be able to be issued until such time as the Law Practitioners Bill is passed.

### **Appointments to the Valuers Registration Board**

The Valuers Registration Board consists of the Valuer-General and four registered valuers appointed by the Minister for Land Information. The term of office of one Board member expired in January 2002 and that of the remaining members will expire on or before April 2003. As the occupational regulatory regime for valuers is currently being reviewed (see page 9), the Board’s future is in doubt.

LINZ will prepare a draft paper for Cabinet to appoint the member whose term expires this year. The appointment is made on the recommendation of the New Zealand Institute of Valuers and is not contestable. The appointment of the other members will require a full consultative process and LINZ will propose an appointment process to the Minister by the end of the calendar year. The views of other agencies and some of the Minister’s Parliamentary colleagues will be required.

## **Appointments to the New Zealand Geographic Board**

A total of seven appointments need to be made to the New Zealand Geographic Board.

The terms of three Board members expire on 1 October 2002. Their reappointment is expected to be routine since they are appointed on the recommendation of three organisations named in the Act and are not contestable.

Of the four other Board members, two members are appointed on the Minister's nomination and two on the nomination of the Minister of Maori Affairs.

LINZ will report to the Minister on a process to fill the vacancies before the end of the calendar year.

### ***Summary: Occupational Regulation and Statutory Boards***

- Appointments are needed for the new Cadastral Surveyors Licensing Board. A proposal for a selection process will be presented by September 2002.
- Existing licensed landbrokers can continue to practise until new legislation is passed. Until then, new licences will not be issued.
- Appointments need to be made to the Valuers Registration Board. An appointment process will be submitted to the Minister by December 2002. Consultation will be required.
- Appointments need to be made to the New Zealand Geographic Board. Cabinet will be asked to approve the vacancies by the end of the year. Some of the appointments require liaison with other Ministers.

# Information Capture, Authorisation and Management

## **Landonline**

The *Landonline* project is a major information technology project concerned with the development of an electronic database and business rules that support the capture, processing and maintenance of survey and land title information.

The project is being undertaken in two stages. The first enables licensed users, (eg. surveyors, lawyers and search agents) to access information in the survey and titles databases remotely. It also enables LINZ's authorisation and maintenance business to be carried out electronically, with considerable operational efficiencies.

The second stage will enable surveyors and conveyancers to lodge documents electronically with the department and undertake a range of transactions online. The benefits of an integrated and automated survey and titles system include significantly reduced costs to licensed users of accessing core survey and titles data and of having transactions processed. It also will enable the bulk of land transactions to be processed within 24 hours, resulting in flow-on benefits to the wider economy.

There is international interest in the *Landonline* application and this has implications for any intellectual property rights that are owned by the Crown. These are currently being defined.

## *Landonline Stage One*

Stage One of *Landonline* has been implemented in all LINZ processing centres. The database has been populated with titles and related information. The conversion of cadastral survey plan information into digital form is nearly complete for the South Island and is likely to be completed by early to mid 2004 for the rest of the country. LINZ has terminals available for public use in processing centres located in five main centres. Bulk data is also available to the private sector who can add value to the information and resell it.

## *Landonline Stage Two*

Stage Two of *Landonline* will enable the electronic lodgement of routine title dealings (discharges, transfers, mortgages) and all survey plans. Registration of the electronic title dealings in the land transfer system will be fully automated. Construction and testing of Stage Two by the supplier was recently completed and LINZ's acceptance testing has commenced. There is a risk that problems encountered in this process will take longer to fix than the time scheduled. At this stage, implementation is scheduled for December 2002 or early 2003 following a four-week pilot based in Christchurch.

### *Security*

For LINZ's customers, Stage One of *Landonline* provides remote access to the database of survey and titles information for search purposes only. Under Stage Two, which provides for the digital lodgement and authorisation of transactions, users will have a capacity to change the core information in the database. As a result, the introduction of a comprehensive registration and security system is necessary.

Every external user of the system will be required to have a digital certificate, which is a digital substitute for a person's signature. This is to confirm the identity of the user and to protect against unauthorised parties gaining access to the system and illegally tampering with information. Customers will be invited to apply for digital certificates from 26 August and will be required to have obtained these and signed a new customer contract before the pilot commences, if they wish to continue to have access to *Landonline*.

### *Special charges*

A further innovation for Stage Two has been the introduction of a time charge for 'logging on' to the part of the system that permits survey plans to be viewed. This charge has been offset by a compensating reduction in the fees for the relevant survey-related software licences. The search-related charge shifts the burden, more equitably, onto the more significant users of the system.

## *Funding*

### *Project costs*

The total cost of developing both the Stage One and Stage Two system is currently forecast to be \$142.5m, which is at the lower end of the financial parameters set by Cabinet in 1999. The Government finances the project through a capital grant.

The operational costs for the project are presently being recouped by way of the Automation Fee which is scheduled for removal in July 2003, following a comprehensive review of the fee structure for survey and titles products and services (see below).

The Minister for Land Information chairs a Ministerial Subcommittee, which monitors progress with the project. The Subcommittee is empowered by Cabinet to make decisions about the project and to approve expenditure within approved parameters. LINZ reports monthly to the Subcommittee and quarterly to Cabinet. The Subcommittee is expected to function until the completion of Stage Two.

### *Landonline operating costs*

The ongoing operating costs of LINZ's survey and title business in the *Landonline* environment are based on assumptions about costs and savings that have changed since the project was approved in 1997. These savings have been reassessed.

Assumptions made in 1997 about minimal staff levels and the length of time needed to process transactions have proven to be optimistic.

At the time of doing the business case for approval of Stage 2 in 2001, additional future costs for ongoing facilities management and hardware and software maintenance costs were also identified. The impact of inflation has also contributed to operating costs.

The resulting appropriation that LINZ intends to seek will have no fiscal impact on taxpayers because all additional costs will be recovered from the users of the system.

LINZ will submit a proposal to the Minister for additional baseline appropriation before the end of the year. The amount needed is expected to be in the vicinity of \$3m to \$4m per annum. Cabinet was advised of this future need when Stage Two of

*Landonline* was approved.

### *Pricing*

Cabinet has directed that LINZ undertake a comprehensive review of its survey and titles fees and charges to be completed when the current Automation Fee for *Landonline* is removed in July 2003. The objective is to have in place a new and coherent set of fees and charges to recover the costs of providing survey and titles products and services, and a template for recovering the cost of other products and services offered by LINZ.

Electronic goods and services have significantly different cost structures from those for conventional products and services and will require different pricing methods. The methods will conform to the principles for the pricing of government information and the pricing of information services in the public service.

LINZ expects consultation with stakeholders on the new fees and charges regime should mitigate any concerns, including concerns about any implications for private sector business processes. It is expected that the new regime will result in lower fees than were in place when *Landonline* began.

The new structure must be in place by July 2003 and the Minister will be kept informed of progress.

### **Hydrographic and topographic information**

LINZ is responsible for maintaining hydrographic information for navigational purposes. It produces this information, which includes charts, nautical publications and notices to mariners, in accordance with the standards of the International Hydrographic Organisation. LINZ's hydrographic charts are provided to users via authorised chart retailers.

The department is responsible for national topographical mapping at 1:50,000 and less detailed scales. It undertakes this mapping for defence, emergency services and national constitutional purposes. LINZ makes its topographical information available as maps through retailers and on the Internet through *NZTopoOnline*. Its bulk digital topographical information is made available through resellers to GIS operators such as local authorities, utility companies and private sector companies.

### *Review of hydrographic survey capability*

Currently, LINZ has an arrangement with the Navy to contract *HMNZS RESOLUTION* and purchases other hydrographic surveys through contestable contracts. The survey of New Zealand's main shipping lanes is ongoing, particularly as larger vessels with small keel clearances require increasingly precise survey of the seabed.

LINZ is the only significant commissioner of hydrographic survey work in New Zealand. Its participation in or support for the contestable market is limited as LINZ only undertakes a limited number of surveys each year. The high cost of providing a hydrographic survey service means that there are very few viable suppliers from which LINZ can draw besides the Navy and the National Institute of Water and Atmospheric Research. Thus, a truly contestable market is very unlikely to be achieved.

A review of hydrographic survey capability has recommended that in future there be a panel of three to four accredited hydrographic survey providers to compete for survey contracts. It is also recommended that LINZ should assist the providers in their business planning by publishing hydrographic survey requirements five years in advance. LINZ has no significant concerns with the findings of the review, although it doubts that the market will provide for as many providers as recommended because of the high costs involved. It is expected that the Minister of Defence may approach the Minister in relation to issues affecting LINZ that stem from this review.

### *Information for Emergency Services*

LINZ provides land information for emergency services (ie. police, fire and ambulance).

At present, LINZ's location information relating to roads, place names (topographical) and street addresses (electoral) is purchased by private sector system developers at the cost of making it available to them. The data itself is provided free of charge. The system developers reprocess, compile and add other information not held by LINZ (eg. motorway off-ramps) and the reprocessed information is then sold to the emergency services on separate contracts and at commercial rates.

Representatives from the emergency services are concerned that the form of LINZ's information is not well suited to direct use by the emergency services.

LINZ has recently assisted the emergency services to develop data specifications. More work needs to be undertaken before data can be managed according to the specifications. Officials are examining options for acquiring and maintaining information in accordance with them. A business case is being developed to determine the cost impacts and benefits.

If LINZ is to manage location information for emergency services according to the specifications, there may be a requirement for additional expenditure, in which case Cabinet approval may be necessary.

## **Determining the limit of the Continental Shelf**

In July 1996, New Zealand ratified the United Nations Convention on the Law of the Sea (UNCLOS) Treaty and has until August 2009 to lodge a submission to the United Nations for its legal continental shelf. By doing so it will attain sovereign rights over the living and non-living resources of its seabed and underlying strata. LINZ is responsible for obtaining seabed data, determining the furthest extent of the legal continental shelf and assisting with developing New Zealand's submission. The Ministry of Foreign Affairs and Trade (MFAT) leads the project.

The required programme of bathymetric<sup>13</sup> surveys, seismic surveys<sup>14</sup> and data analysis that is required for delimiting the shelf is now virtually complete and within its \$44 million budget.

New Zealand has commenced boundary negotiations with Australia as the New Zealand shelf is the same as Australia's in three areas because of the offshore islands of Lord Howe, Norfolk and Macquarie. Depending on these negotiations more data processing and reporting may be required. This work is a relatively low cost component of the project and could be undertaken well within its contingency budget.

---

<sup>13</sup> A measurement of the depth of the ocean at a particular set of locations. The information may be used to produce a map of the surface of the seabed.

<sup>14</sup> Seismic survey is a survey method where the behaviour of shock waves is used to gain an understanding of the surface and subsurface qualities of the seabed

MFAT is to report to Cabinet by 2004 on the delimitation of the continental shelf of the Ross Dependency. If international negotiations fail to exempt the determination of the limit of Antarctica's continental shelf from existing UNCLOS deadlines, then LINZ may be required to undertake additional work acquiring data in the Ross Sea region of Antarctica. If this eventuates, there will be costs outside the original continental shelf budget and more funding will need to be sought.

MFAT will be advising the Government on progress in the negotiations and on any matters relating to the determination of the limit of the Antarctic continental shelf. LINZ will keep the Minister informed of any vote or other implications.

## **Ross Dependency, Antarctica**

LINZ's responsibilities for the provision of geodetic, topographic and hydrographic information services include the Ross Dependency. The geodetic survey and topographic mapping programmes are managed in conjunction with the United States Geological Survey (USGS). This cooperation is undertaken in terms of an Arrangement agreed in 1999.

Topographic mapping focused initially on the ice-free Dry Valleys area and more recently on Ross Island. Geodetic surveys are closely coordinated with surveys to monitor deformation of the Earth's crust and changes in ice sheet cover.

A hydrographic survey has been undertaken and charts are being produced. LINZ continues to evaluate options for acquiring the hydrographic information that is needed for shipping in New Zealand's areas of interest.

New Zealand's place-naming activities in Antarctica will be considered in the review of the Geographic Board Act (see page 10).

LINZ will keep the Minister informed of issues as they arise or if there are any budget implications resulting from activities.

### **Summary: Information Capture Authorisation and Management**

- Stage One of Landonline is nearly complete. LINZ's acceptance testing for Stage Two has commenced. Implementation is scheduled for 2002/03. The project cost of Stage Two is forecast to be well within its budget.
- LINZ intends to seek an additional appropriation of \$3m to \$4m from 2003/04 onwards. This is to meet revised baseline estimates for the operating costs of the survey and title business of *Landonline*. All costs will be recovered from third parties and there will be no fiscal impact.
- The Minister chairs a Ministerial Subcommittee that makes key decisions and to which LINZ reports.
- New fees and charges for providing survey and titles products and services will be in place by July 2003.
- The hydrographic survey of New Zealand's main shipping lanes is ongoing. A truly contestable hydrographic survey market is unlikely to be achieved.
- Provision of standardised information for use by emergency services is being explored. This may require additional funding.
- Surveys necessary to determine the limit of New Zealand's continental shelf are almost complete. If determining the limit of Antarctica's continental shelf is required LINZ will seek additional funding.
- LINZ provides mapping and survey support for New Zealand's interests in Antarctica.

## Access to and Dissemination of Information

### **Electronic government/ eLINZ**

LINZ provides basic geospatial<sup>15</sup> datasets to resellers, who repackage this information for the geographic information systems used by end users, such as local authorities and utility companies.

Increasing use of the Internet, coupled with advances in software and technology, have resulted in different information management and usage needs that are not always met when the resellers repackage the information. It is now possible to provide geospatial information via the Internet and users may retrieve compatible information from different sources and repackage it themselves without having to purchase a product from a reseller.

There are advantages to this. Users of online information from the Internet will not have to bear the high costs of systems and data management that are to be found in the offline environment. Users will also benefit from access to the most recent information, since it will always be in its latest version.

A key role for LINZ in this changing environment will be to ensure that its core geospatial data sets are consistent and compatible with central and local government's information requirements and meet standards for interoperability.

### *Virtual Agency Strategy*

Following up on the E-government Strategy, in 2001 LINZ produced a Virtual Agency Strategy '*Moving to eLINZ*'. This strategy examines the extent to which LINZ can be transformed into an electronic virtual agency by 2004. Key aspects of the strategy are that electronic records will be authoritative and that all communications and dealings with external parties will be available electronically. Non-electronic communication channels will still be maintained unless the Government determines otherwise. Implementing the strategy has increasingly involved LINZ positioning the Internet as its primary service delivery channel.

---

<sup>15</sup> Geospatial data refers to information about locations and their relationships to each other.

LINZ has recently redeveloped its Internet site so that it is presented to meet the needs of its external customers. Its previous site was based around its own organisational structures. In addition to providing access by subject, the new site also provides entry points for customised user groups. The site is designed to provide self-help so that the users can meet their needs online. Online learning tools are being made available so that conveyancers and surveyors can learn to lodge transactions electronically from their offices. Some dissatisfaction with these changes is anticipated from customers who are used to dealing with staff at their local LINZ office.

Some users of LINZ information and transaction services, including *Landonline*, will require personal assistance and a single point of contact is being implemented to assist this. The single point of contact for all telephone and email communication ensures that a consistently high standard of response is provided. It also enables all contact to be logged and analysed so that the service can be improved.

### *NZ Government Internet Portal*

The Internet is becoming the principal means of accessing government information. As this information is held in a number of formats by different government agencies, a common standard for locating data has been developed by the State Services Commission's E-government Unit. To further assist the public to access information held by different agencies, LINZ is facilitating the development of geospatial metadata<sup>16</sup> standards. The E-government Unit has been provided with the metadata relating to LINZ's key products and services and the public will be able to access this information by visiting the portal.

The ongoing development of the Government portal may cause demand for LINZ to provide information in a form that is on the margins of LINZ's mandate, as LINZ does not enhance or add value to its raw data. If this situation develops, LINZ will seek the Minister's views on any mandating issues.

---

<sup>16</sup> Metadata is an electronic index containing information about other information, similar to a library card index.

## **NZTopoOnline**

Government policy requires that LINZ make topographical information available “easily, widely and equitably to the people of New Zealand”. To this end, LINZ has commissioned online access to its basic 1:50,000 topographical information. Free access will be provided initially to LINZ’s primary customers and subsequently to the general public. This will provide a new online means by which users will be able to obtain digital data for incorporation in a GIS.

The system has been tested and pilot projects have been successfully completed. The system has an online reporting function and users are able to identify errors, omissions or changes that can be adjusted in *NZTopoOnline*. This is an improvement on the traditional approach of amending and reissuing new editions of paper maps.

## **Access to information for Maori land development**

The need for improved and better-coordinated information has been identified by the Government as being a key element in the removal of impediments to Maori land development.

A Maori land information project has been scoped in consultation with Te Puni Kokiri and the Department for Courts (Maori Land Court) to identify and document information on Maori land held by the three agencies, and other sources. The project will commence in 2002/03 and will also identify the needs of users of Maori land information, including iwi. Following an analysis of the gaps between the information held by various sources and the identified needs of users, the project will identify and assess options for bridging those gaps, including recommendations for linkages between data sets held and maintained by different agencies.

The Maori Land Liaison Committee (see page 14) and LINZ have worked together to introduce *Landonline* terminals into Maori Land Court Offices. This enables Maori Land Court staff to more easily access information in the land titles system, particularly in those locations where LINZ and the Maori Land Court do not both have offices. LINZ has also agreed to waive search fees for Court staff.

## Paper records

Only one quarter of LINZ's 30 million paper records are held electronically in the *Landonline* database because the rest are historical and have low user demand. The Government considered the location of paper records in 2001 and 2002 and concluded that they should be stored in main centres. This was implemented with the closure of LINZ's offices as the first stage of *Landonline* was implemented.

Currently, members of the public can access paper records by visiting a LINZ office, by using a search agent or by ordering copies of records via the Internet. However the removal of the records has raised concerns from users in former branch office localities and claims have been lodged with the Waitangi Tribunal.

As a result of public concern, LINZ undertook a consultation programme with stakeholders and customers (including Maori) in the locations where offices were closed, to identify those records that stakeholders most wanted to access and what their preferred method of copying was. Following an analysis of the outcome of the consultation, the level of demand for paper records, and the costs of various copying options, a paper was submitted to Cabinet in June 2002. Cabinet deferred its decision and Ministers have sought further work on the wider public service policy and statutory framework for determining the custody of original records and on access channels and funding arrangements in other government agencies. Officials are to provide a report back to Cabinet shortly.

This issue has attracted considerable public interest in the past and if decisions do not meet community expectations, the interest can be expected to continue. Proposed archives legislation that is currently being drafted should address some of these expectations.

### ***Summary: Access to and Dissemination of Information***

- Spatial information is available to users directly via the Internet as well as through resellers. LINZ has to ensure that others can use its information.
- LINZ is transforming into a “virtual” agency where electronic records are authoritative and communication is available electronically. Conventional communication channels will be maintained.
- LINZ works with the E-government Unit to assist the public to access government information.
- LINZ's electronic maps are to be available free to the public over the Internet.
- A project is underway to identify and document information on Maori land. Landonline terminals have been placed in Maori Land Court Offices.
- Paper records were relocated to main centres when branch offices closed. Some of the public, including Maori, want the records available in their regions. Cabinet is considering the matter further and officials will report shortly.

## Crown Land and Property

LINZ oversees the management and disposal of the Crown's interest in land and property (outside the conservation estate). It also manages Crown liabilities in land, administers Crown Forest Licences and certifies the property disposal activities of other government agencies.

### **Crown Pastoral Lease Tenure Review**

303 Crown pastoral leases comprising about 2.5 million hectares are located in the South Island high country. A pastoral lease gives the holder the exclusive, restrictive right of pasturage over the land and a perpetual right of renewal for terms of 33 years.

Enabling legislation for the management and review of Crown Pastoral Leases (the Crown Pastoral Lands Act (CPLA)) was passed in 1998. Previously land tenure reform was conducted in a process under the Land Act 1948.

#### *Objectives for tenure review*

The Government's objectives for tenure review are to:

- promote sustainable land management in the high country;
- release the state's productive assets where these can be more efficiently used by the private sector;
- safeguard public interest values in the high country; and
- minimise the costs incurred by the Crown in administering pastoral leases.

#### *The tenure review process*

Under the CPLA, the tenure review process provides for the exchange of the Crown's and the lessees' financial interests in the leases. Tenure review allows the Crown to take its interest in conservation and recreation values and the lessee to retain lands with economic use values as a freehold estate. Tenure review is a negotiated process from which either the Crown or the lessee may withdraw at any time. The Commissioner of Crown Lands has the statutory authority to make decisions on behalf of the Crown. During the review process the Commissioner consults the Director-General of Conservation who makes recommendations based on the conservation and recreation values inherent in individual leases.

*Progress with tenure reviews*

Thirty-six reviews were recently completed under the Land Act 1948. The first review under the CPLA is near completion. Another 26 reviews are undergoing public consultation and about 35 reviews are due to be released for consultation in the current financial year. The programme is scheduled for completion in 2008.

*Programme funding*

Programme funding is managed by way of the Land Tenure Reform Account. Credits to the account include amounts paid by lessees to make land freehold. Debits include the amounts paid by the Crown to purchase lessees' interests for conservation.

As part of the Budget 2002 package, the Government has provided a multi-year appropriation for the tenure reform programme over three years. This will provide more flexibility for the purchase of leases with significant inherent values when suitable opportunities arise.

*Issues*

LINZ's programme may be too rapid for non-government conservation organisations (NGOs) to manage and there may be adverse reaction if these groups consider that they are unable to participate. Conservation NGOs are also likely to promote public debate about the process, the underlying statutory framework, foreign ownership, conservation outcomes, and the level of Crown funding for purchasing leases.

*Threshold test*

The Minister's agreement is required to proceed with tenure reviews that do not meet a threshold test. The test is intended to ensure that continuing with tenure reform on an individual property is a better financial option for the Crown than continuing to receive rental income from the estate. The Minister is briefed about individual properties as they arise.

*Reporting*

LINZ and the Department of Conservation report jointly on programme progress including any financial and conservation issues as part of each six-month budget baseline update. A draft report for inclusion in the baseline update is submitted to the Minister for approval.

## **Property Management and Disposal**

LINZ manages approximately 4600 properties administered under the New Zealand Railways Corporation Restructuring Act 1990, the Public Works Act 1981 or the Land Act 1948. These have a value of about \$92 million. Each year the department identifies properties that are suitable for inclusion in a disposal programme. Properties are generally included where the net return from disposal is greater than the costs of processing for disposal. This means, however, that the pool of high value properties is decreasing and the proportion of lower value properties is increasing. Many of the lower value properties will cost more to sell than will be realised from sale. Disposal costs must be balanced against the long-term holding costs should the properties remain on the Crown's balance sheet. In 2001/02, 90 properties were sold for \$6.2 million.

In order to manage the day to day administration of Crown owned properties, LINZ outsources to private sector contractors who work to standards set by the department.

While most Crown land management and disposal is routine work, some situations are complex. A current example is the possible exchange of surplus Crown owned land at Wiri Quarry for land of archaeological value that is privately owned. Cabinet recently deferred a decision on this matter until a new government was formed.

### *Identification of Crown property information*

Many of the properties referred to above originate from other agencies and former government departments and little is known about them. To remedy this lack of knowledge and also to prepare for the proposed enactment of the Crown Organisations (Criminal Liability) Bill (see below), a 'warehouse' project that will gather information about Crown properties is under way. Risk and potential liability issues will be identified and risk mitigation measures will be put in place.

Additional funding may need to be sought to implement risk mitigation measures, and if this is the case, LINZ will prepare draft Cabinet proposals for the Minister's consideration.

*Crown Organisations (Criminal Liability) Bill,*  
Key features of the Crown Organisations (Criminal Liability) Bill, reported back to Parliament in November 2001, are that Crown organisations and individual employees will no longer be immune from prosecution for breaches of parts of the Building Act and Health and Safety in Employment Act. The breaches relate to offences likely to cause serious harm.

If the Bill is passed in its current form, proceedings brought under either Act will be brought against the Crown organisation responsible. The organisation will be liable for offences committed by its employees and agents, except where it can demonstrate that it took all reasonable steps to remedy the effects, or lacked knowledge of the breach. Immunity may not be claimed for any employee or agent of the Crown, or a contractor providing services to the Crown, or acting in any capacity for or on behalf of the Crown.

The proposed Health and Safety in Employment Amendment Bill would make it unlawful to insure against fines imposed under that Act. LINZ's 'warehouse' project will limit the Crown's exposure from the Crown Organisations (Criminal Liability) Bill.

### *Weed and Pest Management*

LINZ is responsible for the control of weeds and pests on its lands and on Crown owned river and lake beds. The department receives annual appropriations for weed and pest management and is developing a series of five-year weed and pest plans to prioritise and manage this work. Biosecurity contractors are employed to implement the department's plans and to coordinate operations nationally.

LINZ's biosecurity work programme voluntarily follows the intent of Regional Pest Management Strategies, where these exist. Regional Councils, following a public consultation process, develop the strategies.

Some of LINZ's biosecurity work can be controversial, particularly weed control in lakebeds and riverbeds where the Crown is the owner (see below), and wild pine issues. LINZ manages its control programme with limited resources and

prioritises expenditure in order to obtain the best outcome. LINZ mitigates risks by seeking comment on its annual works programme from interested parties, stakeholders and adjoining owners.

### *Lakes and Riverbeds*

LINZ has responsibility for the administration of the beds of some lakes and for the land margins adjoining them. LINZ is responsible for maintaining lake facilities including camping grounds, car parks, toilets, picnic areas, boat ramps, wharves, and jetties. LINZ also pays electricity charges for pumped water and sewage systems, and is responsible for rubbish disposal, weed control and lawn mowing. The department works with affected local authorities to resolve issues concerning key facilities.

The management of these areas is complicated because of the competing demands for recreational, commercial, conservation and utility purposes. There are also legal issues such as operating easements for water storage that are yet to be finalised for those hydro lakes that were transferred to LINZ following the Government's sale of parts of its electricity business in 1998.

There are areas of erosion around some lakes where remedial action is needed, since houses and roads are at risk from undermining in the next 10 years. The Crown may have to purchase additional land to contain erosion, in which case funding may need to be sought. If this is the case, LINZ will prepare a draft Cabinet proposal for the Minister's consideration.

LINZ also has responsibility for certain riverbeds. Weed control and the issue of recreation permits that allow for certain activities, such as jet boating operations, are the main issues that arise.

Over the last 12 months maintenance issues in relation to lakes have attracted some public interest.

### **Management of Liabilities**

LINZ deals with a number of land related liabilities which have arisen from the actions or omissions of the department, its predecessor organisations and from the actions of illegal occupiers.

Certain liabilities do not require ongoing ministerial involvement as policy is in place for their management and funds have been appropriated. Examples include contingent liabilities associated

with the disposal of land no longer required for public works and implementing the settlement of the Turangi ancillary claims concerning the construction of the Turangi Township and the Tongariro Power Development Scheme.

Other liabilities, such as the purchase and management of properties in Huntly East that are prone to land subsidence generally fit into the above category, but the Minister has become involved on rare occasions.

### *Contaminated sites*

Systems have also been put in place for the management of LINZ's contaminated sites and funds have been appropriated, however contaminated site issues are controversial.

LINZ undertakes investigation and where necessary, remedial action on contaminated land on its books and in certain cases, on former Crown owned land. Sites are investigated or remediated if a problem is brought to the department's attention.

In August 2000, the Government revised its policy for dealing with contamination (caused by dieldrin)<sup>17</sup> on former Crown owned properties to allow for their repurchase and for the consideration of environmental, social and economic factors in their assessment. The policy has since been applied to contaminated properties in Southland. The Government also directed the Ministry for the Environment (MfE) to develop a policy for the management of sites caused by contamination other than dieldrin. LINZ will participate in any policy development that MfE initiates.

The most significant non-dieldrin contaminated site on LINZ's books is the former New Zealand Forest Service timber treatment plant at Jollies Pass Road near Hanmer Springs. This site is actively monitored and managed.

LINZ's contaminated sites can be expected to attract ongoing public interest.

---

<sup>17</sup> Dieldrin is an organochlorine and is linked to certain health risks.

## **Crown Forest Licences**

LINZ administers 73 Crown Forestry Licences (CFLs) under delegation from Shareholding Ministers (Finance and State-Owned Enterprises). CFLs are provided for in the Crown Forest Assets Act 1989 (CFA Act). This Act empowered the Crown to sell its exotic forests and related assets while retaining the land for use in Treaty claim settlements.

The CFL fees are paid to the Crown Forestry Rental Trust and the annual income is about \$40 million. LINZ manages the three yearly periodic review of licence fees and the nine year general review of the methodology for establishing those fees. Currently there are 59 licences under periodic review with 30 of these in a formal dispute resolution process. The sums involved in licence reviews are large and lessees have a strong incentive to challenge valuations and associated rental fees.

### *Long term lease issues*

LINZ has recently been dealing with two cases at the Tairua and Waitangi Forests where land subject to the CFA Act is being sought by local authorities for sewage effluent disposal. In another case, a company has sought access to Woodhill Forest for sand mining and local Treaty claimants oppose the activity. These cases have been the subject of letters and telephone calls to Ministers. They have implications for local iwi as the land is held for Treaty settlement purposes.

## **Treaty of Waitangi Settlements**

LINZ has an involvement in the Treaty of Waitangi claim settlement process both as the Government's principal advisor on land issues and as the 'proprietor' of the Crown land that is used for Treaty settlement purposes. LINZ officials are not normally involved in direct negotiations with claimants.

LINZ contributes to the development of Crown policy for Treaty of Waitangi settlements, and has recently provided advice relating to river and lakebeds. The department also has a role in survey and titling when implementing settlements and it advises the Office of Treaty Settlements about the suitability of Crown owned land for prospective settlements.

## **Public Access to Land**

Public access to foreshores, along rivers, to public land across private land and to private rural land has recently been the subject of letters to the Minister. Public understanding of the legal situation regarding access to these areas is poor. Access is often unavailable, uncertain or is sometimes discouraged.

### *Private Land*

LINZ's view is that allowing general public access to these areas would require significant changes to property rights legislation, particularly the law relating to trespass. Making better information available about which areas are available to the public for access could only be achieved at considerable cost to the taxpayer.

### *Crown land*

There is a public perception that Crown land, particularly pastoral leases, are or should be open to public access. Pastoral leases are subject to the provisions of the Trespass Act 1980 and lessees are entitled to restrict access. Under the Land Act, all Crown land is legally closed to public access. However, the public commonly access Crown lands such as riverbeds.

### *Overseas Investment*

In the review of the Land Act (page 8), it is proposed to clarify the situation by (a) continuing to apply the trespass provisions to all Crown lands; but (b) specifying that the Chief Executive of LINZ has the discretion to grant a general licence allowing access to certain Crown lands. It is not desirable to allow unrestricted access to all Crown lands as, for example, the land may be contaminated, hazardous, or be undergoing preparation for sale.

Legislation controlling overseas investment requires that farmland must first be advertised for sale on the open market to New Zealanders before being offered to overseas purchasers. The Minister of Finance and the Minister for Land Information must both agree to the sale of "sensitive" land to overseas buyers. In recent months attention has been on the ownership of high country stations and Crown pastoral leases. There is no evidence that foreign owners are more or less likely to permit access to their properties than New Zealand citizens. Nevertheless, there is a perception that foreign owners are unfamiliar with New Zealand customs and conventions and are therefore more likely to deny New Zealanders traditional rights of access for recreation.

### **Summary: Crown Land and Property**

- The tenure review process for high country leases allows lessees to purchase land of productive value and the Crown to retain its interest in land of conservation value. About 50 reviews are under way this year. The Minister's approval is required to review certain properties. Progress is reported 6-monthly in budget baseline updates.
- Lower value properties in the Crown land portfolio are increasingly difficult to sell. Some Crown land issues are controversial.
- Information about Crown properties is being gathered to prepare for the proposed enactment of the Crown Organisations (Criminal Liability) Bill. LINZ may seek additional funding to manage risks.
- Weed and pest control can be a public issue because funding is limited and work must be prioritised.
- The ongoing management of lake and river beds involves the public and councils.
- Land related liabilities include contaminated sites. Policies and funds are available for their management.
- Land subject to Crown Forest Licences is sought for use by third parties, however prospective Treaty claimants have objected.
- Public access to private and Crown land is an emerging issue.
- There is ongoing public discomfort with the sale of Crown pastoral leases to foreign investors.