



Statement of Intent

for the Year Ending 30 June 2004

*Presented to the
House of Representatives
Pursuant to section 34A
of the Public Finance Act
1989*

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CONTENTS

MINISTER'S MESSAGE	3
PART A – STRATEGIC FRAMEWORK	4
Introduction	4
Main Characteristics of the Operating Environment	5
<i>Government goals</i>	5
<i>LINZ's Vision and Purpose</i>	5
<i>Operating Environment</i>	5
LINZ's Outcomes Contribution	7
<i>End Outcomes</i>	7
<i>Intermediate Outcomes</i>	8
Achieving Our Outcomes	13
<i>Capability Improvement Initiatives</i>	13
<i>Links to Output Classes</i>	13
PART B - FORECAST FINANCIAL STATEMENTS	16
Statement of Responsibility	16
<i>Statement of Forecast Financial Performance</i>	17
<i>Statement of Forecast Financial Position as at 30 June 2004</i>	18
<i>Statement of Forecast Cash Flows</i>	19
<i>Reconciliation of Forecast Net Surplus to Net Cash Flows</i> <i>from Operating Activities</i>	20
<i>Statement of Forecast Movements in Taxpayers' Funds (equity)</i>	21
<i>Forecast Details of Fixed Assets by Category</i>	21
<i>Forecast of Memorandum Account Balance</i>	22
<i>Notes to and Forming Part of the Forecast Financial Statements</i>	23
Statement of Service Performance	27
<i>Summary of Departmental Output Classes</i>	27
<i>Statement of Objectives Specifying the Performance Forecast for</i> <i>Each Class of Outputs for the Year Ending 30 June 2004</i>	28
<i>Statement of Objectives Specifying Forecast Financial Performance</i>	43
PART C - OTHER INFORMATION	44
LINZ Non-Departmental Appropriations	44
<i>Non-Departmental Revenue and Receipts</i>	44
<i>Non-Departmental Appropriations</i>	45
<i>Non-Departmental Multi-Year Appropriation</i>	45
<i>Schedule of Forecast Non-Departmental Revenue and Receipts</i>	46
<i>Schedule of Forecast Non-Departmental Expenses</i>	46
<i>Schedule of Forecast Non-Departmental Assets and Liabilities</i>	47
Additional Information	48
<i>LINZ's Responsibilities</i>	48
<i>LINZ Management Structure</i>	50
<i>Staff Resources</i>	50
<i>Legal Responsibilities</i>	51
<i>Contact Details</i>	53
Terms and Definitions used	54
Appendix A: Policy Advice/Ministerial Servicing Standards	55

Minister's Message

Tena koutou katoa

Welcome to Land Information New Zealand's first Statement of Intent.

Land Information New Zealand (LINZ) has undergone an exciting period of change over the last three years. It has moved aggressively from a paper-based agency towards being a predominantly electronically based one. The major development has been the successful implementation of **Landonline**, a system that automates New Zealand's survey and title transactions. **Landonline** is the first system in the world that has integrated survey and title information in one database. In December 2002 LINZ also launched **NZTopoOnline**, which provides public access via the Internet to topographic information.

Looking forward, LINZ will build on technological advancements to ensure that trusted land and seabed information is collected, maintained, processed and used efficiently. In doing so, its aim is to ensure impediments to suppliers and users of its information are kept to a minimum. LINZ will make its information available not only to primary customers, but to others who can use it to contribute to the achievement of Government outcomes, and to meet their own aspirations.

The initiatives identified in this document will continue to provide LINZ management and staff with significant challenges and opportunities. I am confident of LINZ's ability to face these challenges.

Heoi ano



*Hon John Tamihere
Minister for Land Information*

PART A – STRATEGIC FRAMEWORK

Introduction

This is the first Statement of Intent for Land Information New Zealand (LINZ). It presents the department's plans for the next three years, 2003-2006. The Statement of Intent replaces the Departmental Forecast Report and LINZ's Strategic Business Plan and will be updated every year as part of the budget planning process.

The Statement of Intent is intended to provide a stronger link between the management of LINZ and the outcomes the Government wishes to achieve. LINZ has focused this year on clarifying these outcomes, their linkage to overall Government goals and how it will contribute to achieving them. This document outlines the strategy LINZ has developed to do this, including intermediate outcomes, and the capability improvement initiatives and classes of outputs the department will provide in the next three years.

More work will be undertaken in the next year to:

- determine the key indicators that LINZ will use to measure its progress towards achieving its outcomes;
- explain the risks that affect LINZ's ability to deliver its outputs and how LINZ will mitigate their potential impact; and to
- detail current and future capability issues for LINZ and how LINZ will address them.

Main Characteristics of the Operating Environment

Government Goals

The Government goals are to:

- strengthen national identity and uphold the principles of the Treaty of Waitangi
- grow an inclusive, innovative economy for the benefit of all
- maintain trust in Government and provide strong social services
- improve New Zealanders' skills
- reduce inequalities in health, education, employment and housing
- protect and enhance the environment

LINZ's Vision and Purpose

Vision: Trusted land and seabed information made easy.

Purpose: LINZ is responsible for providing New Zealand's authoritative land and seabed information. It facilitates the effective use of land and seabed information across government to improve the delivery of services that rely on such information. It also aims to continually improve access for primary customers to government held land and seabed information.

Operating Environment

The department adopts a positive approach to resolve challenging issues presented by its operating environment. The environment in which LINZ operates is one where there is:

- **increasing adoption of digital information and communication technologies** – Both business and private individuals are adopting digital technologies (in 2001, 88% of New Zealand businesses regularly used a computer while 47% of New Zealand households had a computer and 37% of households had internet access¹). The challenge for LINZ as a proactive e-organisation is to meet the increasing demand for better and more accessible services for its customers, while recognising that some will still prefer manual options;
- **a greater need for whole-of-government initiatives** – Many central and local government agencies need fundamental geospatial information to support their core missions eg Police, New Zealand Defence Force, Ministry of Fisheries, Ministry of Civil Defence and Emergency Management. As more agencies adopt digital technology pressure is growing for a whole of government approach to the provision of geospatial data. It is essential that this information is up to date and readily available, particularly given the current global environment of

¹ A Changing New Zealand, Statistics New Zealand, 2002

unpredictable terrorism and unrest. LINZ is working to progressively standardise and share well-maintained information at cost, thus avoiding unnecessary duplication and expense. More collaboration between agencies will enable potential benefits to be realised;

- **raised awareness about conservation of national resources and public access to the South Island high country** – LINZ administers 304 Crown pastoral leases that cover 2.17m hectares, (approximately 15% of the South Island) and is progressively reviewing their tenure to achieve the best mix of sustainable development, retention of conservation values and public access. There is pressure on LINZ and the Department of Conservation to streamline their processes and high public interest in the results of tenure review; and
- **a need to identify and remove barriers to the development of Maori land** – title to Maori land is mostly held in shared ownership and is not always surveyed to a standard that would enable it to be registered under the Land Transfer system. Lending institutions have been reluctant to provide development loans without security of title. Options for removing such barriers to the development of Maori land are being explored by LINZ, Te Puni Kokiri and the Maori Land Court.

With the move to a progressively more electronic working environment, the challenge for LINZ is to keep its systems, processes and infrastructure up to date, to ensure it has the capability to deliver its services in the long term. Key to its success is the need to attract and retain capable staff and ensure LINZ has the skills and competencies to deliver its outcomes aligned with changing technology. A major issue for 2003 will be the appointment of a new Chief Executive.

LINZ's Outcomes Contribution

Diagram 1 depicts the end outcomes LINZ seeks to achieve and its strategy for achieving them.

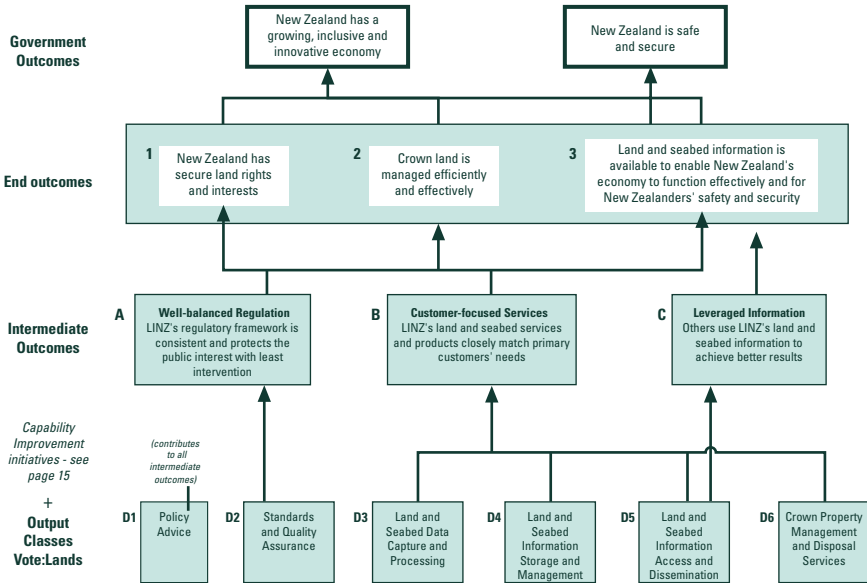


DIAGRAM 1

End Outcomes

LINZ aims to achieve the following end outcomes:

- 1 New Zealand has secure land rights and interests.
- 2 Crown land is managed efficiently and effectively.
- 3 Land and seabed information is available to enable New Zealand's economy to function effectively and for New Zealanders' safety and security.

All three outcomes contribute to the Government goal to “*Grow an inclusive, innovative economy for the benefit of all*”. The Government has a major role in facilitating a sound economic environment that enables New Zealand to prosper and grow. LINZ's land and seabed information services form part of New Zealand's economic infrastructure and, in particular enable:

- effective specification and protection of property rights;
- efficient management of Crown assets; and
- a low cost and effective regulatory environment.

Specifically, LINZ contributes to New Zealand's economic infrastructure through:

- the maintenance of the land rights registration and cadastral survey systems;

- the management, acquisition and disposal of the Crown’s interest in land and property on LINZ’s balance sheet;
- the protection of property rights in the management, acquisition and disposal of Crown-owned land by other agencies;
- the provision of a consistent rating valuation system for local government;
- enabling safe navigation at sea for shipping (export/import and tourism);
- supporting land and air-based transport infrastructure;
- supporting New Zealand’s constitution through the definition of electoral and territorial boundaries;
- supporting the safeguarding of New Zealand and enhancing the emergency services’ ability to locate incidents quickly;
- making LINZ’s information and services available through different access channels to improve the service delivery to those who rely on such information; and
- the continued improvement of LINZ regulatory mechanisms and processes to achieve least risk for least compliance cost.

As well as making a contribution to growing our inclusive, innovative economy, End Outcome 3 contributes to a broader government outcome – *that New Zealand is safe and secure*. The defence of New Zealand’s territory and the safety of New Zealanders is a fundamental responsibility of government. It underpins confidence in the New Zealand economy and contributes to the wellbeing of all New Zealanders. LINZ’s information about land and seabed is used by Defence and emergency services. It is also relied on by people for enjoying recreational activities on land and sea.

Intermediate Outcomes

LINZ has three Intermediate Outcomes which contribute to its End Outcomes, as depicted in Diagram 1:

- A Well-balanced Regulation:** LINZ’s regulatory framework is consistent and protects the public interest with least intervention.
- B Customer-focused Services:** LINZ’s services and products closely match primary customers’ needs.
- C Leveraged Information:** Others use LINZ’s land and seabed information to achieve better results.

A Well-balanced Regulation

LINZ administers legislation, sets standards and ensures compliance for the following activities:

- the delivery of Crown property management, acquisition and disposal services;
- the property valuation for rating purposes system; and
- the collection, authorisation, management and dissemination of information associated with the:

- land rights registration system;
- geodetic and cadastral survey reference systems; and the
- topographic and hydrographic information systems.

LINZ's intermediate outcome A is to ensure it has a consistent regulatory framework that protects the public interest with least intervention.

The department will implement a regulatory framework that ensures consistent practices across regulatory regimes as appropriate. Emphasis will be placed on demonstrating the need for regulation by continually assessing the public interest and ensuring that the regulatory regimes remain relevant. To raise the level of first time compliance with standards (ie reduce rework), greater engagement will occur with the "targets of regulation" to ensure they understand and accept their obligations.

The challenge is to ensure the type of regulation is appropriate to the risk, the way it is designed has minimum compliance costs and that targets are treated fairly. LINZ's aim is to be less intrusive but more effective.

B Customer-focused Services

Over the last five years LINZ has moved to the forefront of creating new forms of digital information. As more businesses and private individuals adopt digital technologies, there is an increasing demand for electronic delivery of services and products. At the same time LINZ recognises that some will continue to prefer manual options. To remain relevant and efficient, an intermediate outcome for LINZ is to achieve a close match between primary customers' needs and LINZ's services and products.

Primary customers

Primary customers are those for whom LINZ has responsibilities mandated by statute or by Cabinet. They are (in alphabetical order)²:

- Conveyancers
- Crown lessees
- Defence forces
- Emergency services
- Local authorities
- Mariners
- Surveyors

Secondary customers

Secondary customers are those that routinely use and rely on LINZ's products and services to carry out their business:

- Bulk data extract purchasers
- Environmental agencies
- Search agents
- Crown Research Institutes
- Real estate agents
- Valuers
- LINZ-accredited providers

² Ref: LINZ Customer Services Strategy 2002 on www.linz.govt.nz

Landonline, a system that automates New Zealand's survey and title transactions, has been successfully implemented by LINZ over the past two years. A key initiative over the next three years is encouraging the migration of as many title and survey customers as possible from the manual system to electronic lodgement so that the benefits of **Landonline** can be fully realised. Another is for LINZ to continue to explore electronic delivery of geospatial information to meet defence and emergency services' needs. Exploring ways to future-proof the technology we use and continuing to streamline our processes is essential to retain relevant and useful systems in the long term. Our single biggest challenge is to improve the key competencies of LINZ staff in line with LINZ's *Virtual Agency Strategy – moving to eLINZ* to deliver “click & results” – to make it easy, simple and fast for our customers to find the information they need.

Crown land management

LINZ oversees the management and disposal of the Crown's interest in land and property (outside the conservation estate). The department is also responsible for managing Crown liabilities in land and property and administering Crown forest licences under the Crown Forest Assets Act 1989. LINZ controls pest plants and animals on its lands and on Crown owned river and lake beds.

Crown property comprises land and buildings owned in the name of Her Royal Majesty the Queen. LINZ administers three million hectares of Crown land - 11% of New Zealand's land area. This land is either Crown land administered under the Land Act 1948 and the Crown Pastoral Land Act 1998, or falls into the category of “lands of the Crown” (a collective term to describe land held by LINZ usually under the Public Works Act 1981, New Zealand Railways Corporation Restructuring Act 1990 and the Crown Forests Assets Act 1989).

Much of the property work LINZ undertakes is business as usual. There are, however, issues that require attention so that we can manage it more effectively and efficiently.

Disposal and management of lands of the Crown

LINZ manages approximately 4,600 properties that are “lands of the Crown” and which 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. LINZ aims to develop a risk-based methodology for the disposal of the lower value properties.

Tenure review

LINZ administers 304 Crown pastoral leases in the South Island high country that have been granted on a perpetual basis with 33 year renewals and 11 year rent reviews. The leases allow grazing of the land for pastoral farming purposes. Leaseholders are subject to a range of restrictions on other uses of the land.

To gain ownership of the land and be able to use it like any other New Zealand landowner, leaseholders can go through a voluntary process called tenure review which is set out in the Crown Pastoral Land Act 1998.

Tenure review has four broad objectives:

- to promote ecologically sustainable land use of reviewable land;
- to enable the freehold disposal of pastoral land capable of economic use;
- to protect significant inherent values in reviewable land; and
- to secure public access to and enjoyment of reviewable land.

LINZ's strategy is to work with the Department of Conservation to streamline the tenure review process and to prioritise the properties in the process to best achieve these outcomes.

C Leveraged Information

Intermediate Outcome C reflects LINZ's contribution to the "whole of government" interest by allowing others to leverage off our land and seabed information so they can achieve better results.

The types of information LINZ collects include:

- title and cadastral survey information generated through the operation of the land rights registration system (titles, survey plans, land parcel framework);
- topographic and hydrographic data for a number of purposes such as charts for navigation at sea and mapping for defence and emergency services uses;
- geodetic data (primary survey mark coordinates) to support the land rights registration, cadastral survey, topographic and hydrographic information systems; and
- electoral information (street addresses, meshblocks, place names) and territorial boundaries generated from a mixture of the above data.

This data and information is useful for other purposes, eg government agencies wanting to overlay their data on a geospatial base, or private companies looking to create tailored mapping products.

Other than government agencies, the customers that might use the information are defined in LINZ's *Customer Service Strategy* as casual or occasional users, who would otherwise use third party providers. They include (in alphabetical order):

- Developers
- Farm, forestry, horticulture industries
- Finance agents
- Genealogists
- Historians/researchers
- Landowners
- Maori
- Port companies
- Public
- Recreationalists
- Utility companies

Our strategy includes raising public awareness of the information available and its potential uses, and to make it more easily accessible where possible, encouraging more people to use the information and to develop innovative products to help the New Zealand economy to grow.

LINZ will actively promote the whole of Government interest by leading cross-Government initiatives relating to land and seabed information for the benefit of New Zealanders. We will also explore opportunities to optimise **Landonline** intellectual property and expertise. This is our contribution to enhancing New Zealand's reputation as an innovative economy.

Achieving Our Outcomes

LINZ has developed a strategy for achieving its outcomes, which includes capability improvement initiatives for the next three years.

Capability Improvement Initiatives

Diagrams 3 and 4 on pages 14 and 15 show a graphic version of the logic that links our intermediate outcomes to the capability improvement initiatives. Links to Output classes are described below.

Links to Output Classes

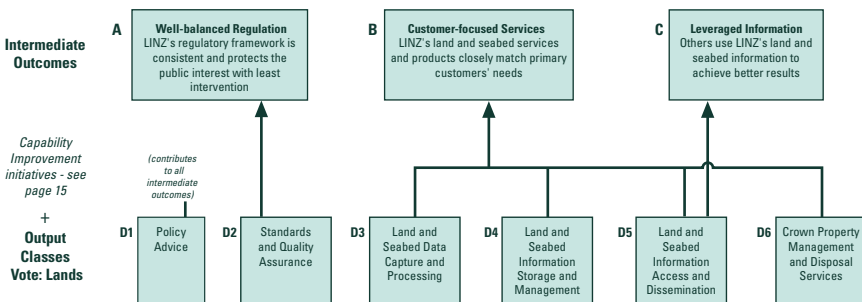


DIAGRAM 2

Diagram 2 depicts the links between the output classes for Vote:Lands and the department's intermediate outcomes. LINZ's output classes were redesigned in 2001 to recognise that the department operates in an increasingly integrated electronic environment. All data and information held and managed by LINZ, whether its nature is topographic, hydrographic or cadastral, needs to be managed in the same way in an electronic environment.

There are six classes of outputs in Vote:Lands. For a description of LINZ's outputs and performance measures for 2003-04, see pages 27 – 42.

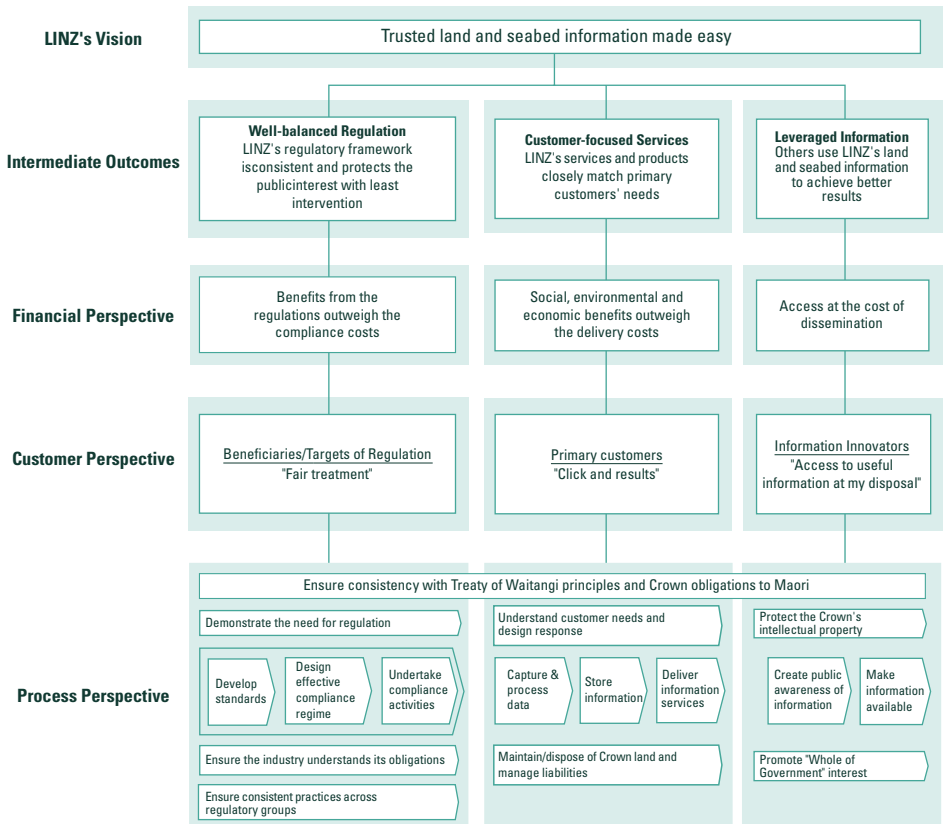
Output class D1: *Policy Advice* contributes to all outcomes because policy advice is provided across the whole of LINZ's business.

All regulatory activities are consolidated in output class D2: *Standards and Quality Assurance* to maximise the use of skills and key competencies across regulatory groups and to encourage a cross-functional working environment. The outputs in this class contribute directly to Intermediate Outcome A: "Well-balanced Regulation".

Three of the six output classes contain information outputs – D3: *Land and Seabed Data Capture and Processing*, D4: *Land and Seabed Information Storage and Management*, and D5: *Land and Seabed Information Access and Dissemination*. Output class D6: *Crown Property Management and Disposal*

Services contains outputs related to the delivery of Crown property services. These outputs contribute to Intermediate Outcome B “Customer-focused Services” by ensuring that the way in which we collect, authorise, manage and make our information available, and how we manage Crown land, meets our primary customers’ needs as closely as possible. Output class D6: *Crown Property Management and Disposal Services* also contributes directly to End Outcome 3: “Crown land is managed efficiently and effectively”.

Output class D5: *Land and Seabed Information Access and Dissemination* contributes to Intermediate Outcome C: “Leveraged Information” by making information more widely available.



See next page for Capability Improvement Initiatives

DIAGRAM 3

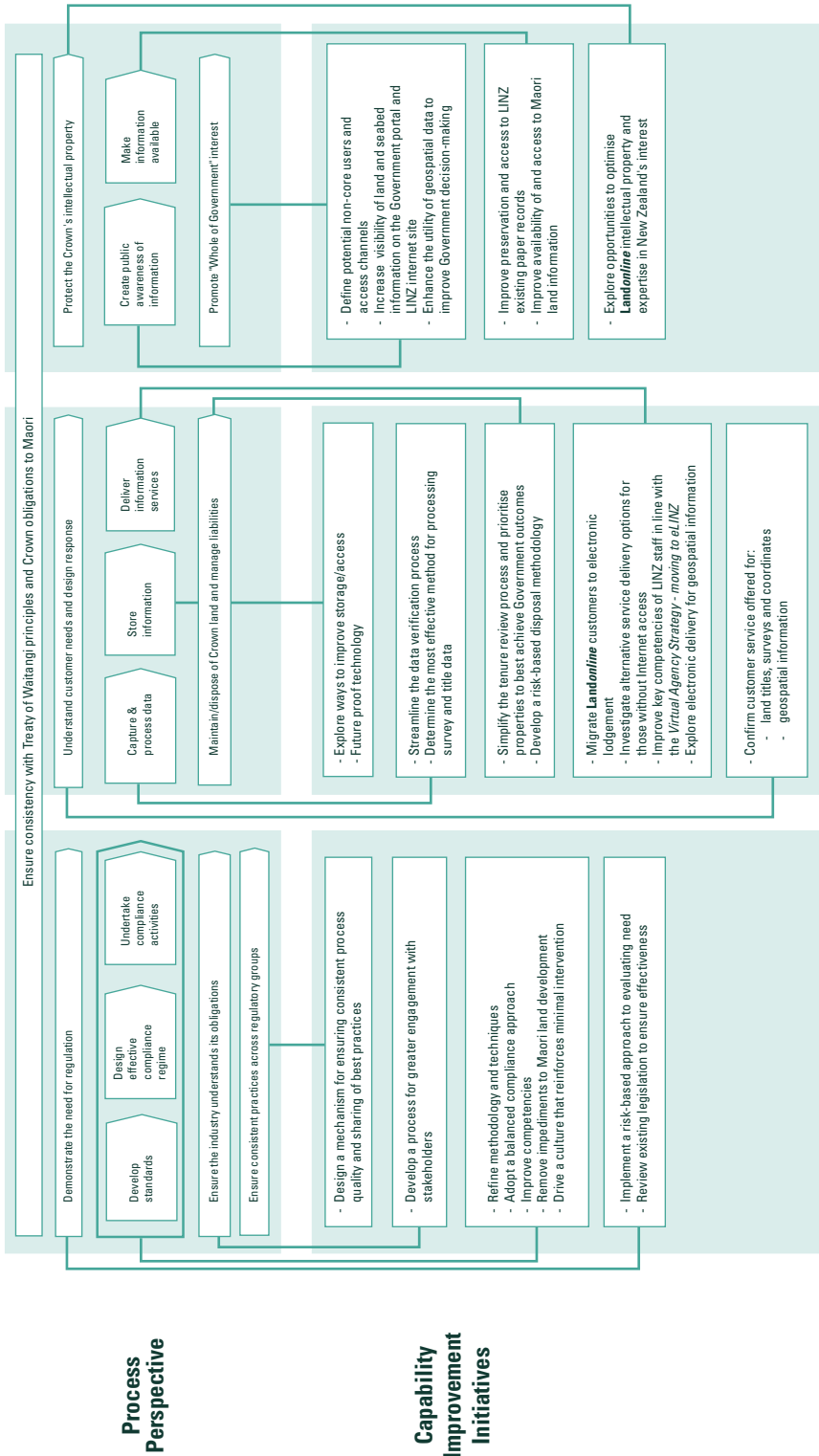


DIAGRAM 4

PART B - FORECAST FINANCIAL STATEMENTS

Statement of Responsibility

The forecast financial statements for Land Information New Zealand for the year ending 30 June 2004 contained in this report have been prepared in accordance with section 34A of the Public Finance Act 1989.

The Chief Executive of Land Information New Zealand acknowledges, in signing this statement, that he is responsible for the financial statements contained in this report.

The financial performance forecast to be achieved by the department for the year ending 30 June 2004 that is specified in the statement of objectives is as agreed with the Minister for Land Information.

The performance for each class of outputs forecast to be achieved by the department for the year ending 30 June 2004 that is specified in the statement of objectives is as agreed with the Minister who is responsible for the Vote administered by the department.

We certify that the information contained in this report is consistent with the appropriations contained in the Estimates for the year ending 30 June 2004 that are being laid before the House of Representatives under section 9 of the Public Finance Act 1989.

Signed



Russ Ballard
Chief Executive
23 April 2003

Countersigned



Brian Usherwood
Chief Financial Officer
23 April 2003

Statement of Forecast Financial Performance for the Year Ending 30 June 2004

	2002/03		2003/04
	Budgeted ³ \$000	Estimated ⁴ Actual \$000	Forecast \$000
Revenue			
Crown	41,341	38,500	49,817
Other	70,313	70,311	50,970
Total revenue	111,654	108,811	100,787
Expenses			
Personnel	34,995	34,995	33,871
Rental & leasing	5,207	5,207	3,798
Audit fees	121	121	122
Other operating	53,349	48,871	60,133
Depreciation	8,738	8,738	10,355
Debts write-off	10	10	0
Restructuring	127	127	742
Capital charge	4,188	4,188	6,263
Total expenses	106,735	102,257	115,284
Net surplus/(deficit)	4,919	6,554	(14,497)

This statement of forecast financial performance is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 23 to 26.

³ This column incorporates both Main and Supplementary Estimates appropriations (excluding GST) for 2002/03.

⁴ This column reflects actual results to 28 February 2003 and the forecast results for the remaining four months to 30 June 2003.

Statement of Forecast Financial Position as at 30 June 2004

	Actual 30/06/02 \$000	Estimated Actual 30/06/03 \$000	Forecast 30/06/04 \$000
Taxpayers' funds	47,259	51,259	62,195
Total taxpayers' funds	47,259	51,259	62,195
<i>Represented by:</i>			
Assets			
<i>Current assets</i>			
Cash and bank balances	8,315	1,932	1,132
Prepayments	390	400	400
Debtor Crown	1	0	7,000
Debtors and receivables	3,060	3,099	3,099
<i>Total current assets</i>	11,766	5,431	11,631
<i>Non-current assets</i>			
Fixed assets	59,813	79,556	76,601
Work in progress	12,896	4,000	0
<i>Total non-current assets</i>	72,709	83,556	76,601
Total assets	84,475	88,987	88,232
Less: Liabilities			
<i>Current liabilities</i>			
Creditors and payables	23,018	17,620	12,620
Provisions	3,230	3,049	2,912
Provision for payment of surplus	94	6,554	0
Employee entitlements	4,166	4,000	4,000
Deferred revenue	2,522	2,500	2,500
<i>Total current liabilities</i>	33,030	33,723	22,032
<i>Non-current liabilities</i>			
Employee entitlements	4,181	4,000	4,000
Other term liabilities	5	5	5
<i>Total non-current liabilities</i>	4,186	4,005	4,005
Total liabilities	37,216	37,728	26,037
Net assets	47,259	51,259	62,195

This statement of forecast financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 23 to 26.

Statement of Forecast Cash Flows for the Year Ending 30 June 2004

	2002/03		2003/04
	Budgeted	Estimated	Forecast
	\$000	Actual \$000	\$000
<i>Cash flows from operating activities</i>			
Cash provided from:			
Supply of outputs to:			
Crown	36,342	38,501	42,817
Customers	70,252	70,250	50,970
Cash disbursed to:			
Produce outputs:			
Personnel	(35,337)	(35,337)	(33,871)
Operating	(64,409)	(59,931)	(69,932)
Capital charge	(4,188)	(4,188)	(6,263)
<i>Net cash flows from operating activities</i>	<i>2,660</i>	<i>9,295</i>	<i>(16,279)</i>
<i>Cash flows from investing activities</i>			
Cash provided from:			
Sale of fixed assets	48	48	0
Cash disbursed to:			
Purchase of fixed assets	(19,632)	(19,632)	(3,400)
<i>Net cash flows from investing activities</i>	<i>(19,584)</i>	<i>(19,584)</i>	<i>(3,400)</i>
<i>Cash flows from financing activities</i>			
Cash provided from:			
Capital contributions	10,000	4,000	32,585
Cash disbursed to:			
Repayment of surplus to the Crown	(94)	(94)	(6,554)
Capital Repayment	0	0	(7,152)
<i>Net cash flows from financing activities</i>	<i>9,906</i>	<i>3,906</i>	<i>18,879</i>
<i>Net increase/(decrease) in cash held</i>	<i>(7,018)</i>	<i>(6,383)</i>	<i>(800)</i>
Opening total cash balances at 1 July	8,315	8,315	1,932
Closing total cash balances at 30 June projected	1,297	1,932	1,132

This statement of forecast cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 23 to 26.

Reconciliation of Forecast Net Surplus to Net Cash Flows from Operating Activities for the Year Ending 30 June 2004

	2002/03		2003/04
	Budgeted \$000	Estimated Actual \$000	Forecast \$000
Net surplus/(deficit)	4,919	6,554	(14,497)
Add/(deduct) non-cash items:			
Depreciation	8,738	8,738	10,355
Total non-cash items	8,738	8,738	10,355
Add/(deduct) movements in working capital items:			
(Increase)/decrease in debtors and receivables	(39)	(39)	0
(Increase)/decrease in debtor Crown	(4,999)	1	(7,000)
(Increase)/decrease in prepayment	(10)	(10)	0
Increase/(decrease) in creditors and payables	(5,398)	(5,398)	(5,000)
Increase/(decrease) in provisions	(181)	(181)	(137)
Increase/(decrease) in current employee entitlements	(347)	(347)	0
Other items	(22)	(22)	0
Working capital movements – net	(10,996)	(5,996)	(12,137)
Add/(deduct) investing activity items:			
Net loss/(gain) on sale of fixed asset	(1)	(1)	0
Total investing activity items	(1)	(1)	0
Net cash flows from operating activities	2,660	9,295	(16,279)

Statement of Forecast Movements in Taxpayers' Funds (equity) for the Year Ending 30 June 2004

	Budget 30/06/03 \$000	Estimated Actual 30/06/03 \$000	Forecast 30/06/04 \$000
<i>Taxpayers' funds as at 1 July:</i>	47,259	47,259	51,259
<i>Movements during the year</i>			
Net surplus/(deficit)	4,919	6,554	(14,497)
<i>Total recognised revenue and expenses for the year</i>	4,919	6,554	(14,497)
Capital contributions	10,000	4,000	32,585
Provision for repayment of surplus to the Crown	(4,919)	(6,554)	0
Capital repayment	0	0	(7,152)
Taxpayers' funds as at 30 June	57,259	51,259	62,195

Forecast Details of Fixed Assets by Category as at 30 June 2004

Asset type	Estimated Actual Net Book Value 30/06/03 \$000	Forecast Cost 30/06/04 \$000	Forecast Accumulated Depreciation 30/06/04 \$000	Forecast Net Book Value 30/06/04 \$000
Leasehold improvements	2,744	5,990	3,744	2,246
Plant & equipment	76,612	106,937	32,719	74,218
Furniture & fittings	126	800	694	106
Motor vehicles	74	540	509	31
Work in progress	4,000	0	0	0
Total	83,556	114,267	37,666	76,601

Forecast of Memorandum Account Balance for the Year Ending 30 June 2004

The memorandum account is a notional account to record the accumulated balance of surpluses and deficits incurred for outputs operating on a full cost recovery basis. It is intended to provide a long-run perspective to the pricing of outputs.

Landonline (Land Titles and Survey Automation)

	\$000
Opening balance 1 July 2002	25,746
Estimated Actual during 2002/03	4,919
Projected budget movement during 2003/04	(14,497)
Forecast closing balance 30 June 2004	16,168

Action taken to address surpluses in the Memorandum Account

This account was set up to recognise the accumulated surpluses from the automation surcharge since 1998/99 to fund the **Landonline** project. Fee reductions are now being proposed from 1 July 2003 to coincide with the rollout of the e-dealing and e-survey facilities. Fees are being set at a level to under-recover costs until 2007/08, thereby drawing down balances in the account to gradually reduce it to zero.

Notes to and Forming Part of the Forecast Financial Statements

1. Statement of Significant Underlying Assumptions

- a) These forecast financial statements have been prepared in accordance with section 34A of the Public Finance Act 1989.
- b) These statements have been compiled on the basis of government policies and the Purchase Agreement between the Chief Executive of Land Information New Zealand and the Minister for Land Information at the time the statements were finalised.

2. Statement of Significant Accounting Policies

The Reporting Entity

Land Information New Zealand is a government department as defined by section 2 of the Public Finance Act 1989. In addition, the department also reports on the Crown activities that it administers.

Measurement Base

The generally accepted accounting practice recognised as appropriate for the measurement and reporting of forecast financial performance and forecast financial position on a modified historical cost basis, has been followed by the department.

Accounting Policies

Revenue

The department derives revenue through the provision of outputs to the Crown and for services to third parties. Third party revenue is recognised when earned while revenue Crown is recognised where it can be reliably measured. The revenue is reported in the financial period to which it relates. Cash receipts for incomplete services are recognised as deferred revenue.

Cost Allocation

The department determines the cost of outputs using a cost allocation system, which is outlined below:

- Costs that are directly related to an output are allocated directly to that output.
- Costs that are not directly related to a single output class are allocated to Direct Output Producing Cost Centres (DOPCC) using, as a proxy for consumption, cost drivers such as full time equivalent staff (FTEs), floor area and estimated usage.
- DOPCC costs are allocated to outputs using drivers appropriate to the source of the direct cost or allocated overhead, such as FTEs, estimated usage, and direct costs.

Debtors and Receivables

Debtors and receivables are stated at estimated realisable value after providing for doubtful and uncollectable debts. A provision for doubtful debts is raised where doubt as to collection exists and debts which are known to be uncollectable are written off.

Leases

The department leases office premises, office and computer equipment and motor vehicles. As all the risks and benefits of ownership are substantially retained by the lessor, these leases are classified as operating leases.

Payments made under operating leases are charged as period expense, in equal instalments over accounting periods covered by the lease term, except in those circumstances where an alternative basis would be more representative of the pattern of benefits to be derived from the leased property.

Surplus Leased Accommodation

The provision for surplus leased accommodation represents the department's liability under lease agreements for surplus leased space. The provision is calculated on the net present value of the rental payable. The liability created is then amortised over the term of the lease.

Statement of Cash Flows

For the purposes of the Statement of Forecast Cash Flows, cash includes cash balances on hand, held in bank accounts and deposits with NZDMO, which are readily convertible to cash on hand, and which are used in the cash management function on a day to day basis.

Operating activities include cash received from all income sources of Land Information New Zealand, and record the cash payments made for the supply of goods and services.

Investing activities are those relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of, capital to the Crown.

Work in Progress

The value of non-current work in progress is the capitalised direct costs of incomplete capital projects.

Research and Development Costs

Research cost is expensed in the period incurred. Development costs are deferred where future benefits are expected to exceed those costs, otherwise such costs are recognised in the period incurred. Deferred development costs are amortised over future periods on the same basis as those asset types being developed. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable. Any amount so identified is written off.

Fixed Assets**Acquisition**

All individual assets or groups of assets forming part of a network or which are material in aggregate, costing more than \$3,000, are capitalised and recorded at historical cost.

Depreciation

Depreciation is provided on a straight-line basis on all fixed assets other than non-current work in progress. The depreciation period reflects the expected useful economic lives of the assets and is used to allocate the assets' costs or valuation less estimated residual value. The useful lives of the major classes of assets have been estimated as follows :

Motor vehicles	5 years
EDP equipment (including network)	3 to 20 years
Plant and equipment	4 to 10 years
Furniture and fittings	4 to 10 years
Leasehold property improvements	Over term of lease

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Impairment

If the estimated recoverable amount of a fixed asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised as an expense in the Statement of Forecast Financial Performance.

Provision for Employee Entitlements**Annual leave**

The provision for annual leave represents the amount which the department has a present obligation to pay, resulting from employees' services provided up to balance date. The provision is calculated at current wage and salary rates.

Long Service Leave and Retirement Leave

The provision for long service leave and retirement leave represents the department's long term vested and unvested obligation calculated using the present value of the estimated future cash outflows (future salaries). Obligations payable within 12 months of reporting date are based on current wages and salary rates.

Foreign Currency**Transactions**

Foreign currency transactions are translated to New Zealand dollars at the exchange rates prevailing at the dates of the transactions.

Where a forward foreign exchange contract has been used to establish the price of a transaction, the forward rate specified in that foreign exchange contract is used to translate that transaction to New Zealand dollars. Consequently, no exchange gain or loss resulting from the difference between the forward rate and the spot rate on date of settlement is recognised.

Any exchange gains or losses, whether realised or unrealised, are recognised in the Statement of Financial Performance in the period to which they relate.

Financial Instruments

Revenue and expenses in relation to all financial instruments are recognised in the Statement of Forecast Financial Performance. The department enters into forward foreign exchange contracts to hedge foreign currency transactions. Any exposure to gains and losses on these contracts is generally offset by a related loss or gain on the item being hedged.

Apart from the forward foreign exchange contracts, all financial instruments are recognised in the Statement of Forecast Financial Position.

Taxation

Income Tax

Land Information New Zealand, as a government department is exempt from the payment of income tax under section CB3 (a) of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

Fringe Benefit Tax

Fringe benefit tax is paid on all liable benefits, subject to both general and specific exemptions, provided to employees.

Goods and Services Tax (GST)

The Statement of Forecast Financial Performance and Statement of Forecast Cash Flows are exclusive of GST. The Statement of Forecast Financial Position is also exclusive of GST except for creditors, payables, debtors and receivables which are GST inclusive. The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in the Statement of Forecast Financial Position.

3. Changes in Accounting Policies

There have been no changes in accounting policies, including cost allocation accounting policies since the date of the last audited financial statements. All policies have been applied on a basis consistent with other years.

Statement of Service Performance

Summary of Departmental Output Classes

Departmental output classes to be delivered by Land Information New Zealand, and their associated revenue, expenses and surplus or deficit are summarised below:

FORECAST OUTPUT OPERATING STATEMENTS: 2003/2004

Departmental Output Classes	Description
D1 - Policy Advice	Policy advice to the Government and Minister, relating to land, property and seabed information and providing support to the Minister.
D2 - Standards and Quality Assurance	Ensuring that the standards that regulate Crown property management, the rating valuation system and the land and seabed information LINZ is responsible for are maintained and that delivery against the standards is quality assured.
D3 - Land and Seabed Data Capture and Processing	The collection and authorisation of land and seabed data and information.
D4 - Land and Seabed Information Storage and Management	Ensuring that the security and management of LINZ's databases and systems for land and seabed information are managed effectively and efficiently.
D5 - Land and Seabed Information Access and Dissemination	The provision of access to and dissemination of information held by LINZ.
D6 - Crown Property Management and Disposal Services	The management and disposal of the Crown's interest in land and property (outside of the conservation estate) and management, acquisition and disposal of land and property administered by the department on behalf of the Crown

Output Classes	Revenue: Crown \$000	Revenue: Depts \$000	Revenue: Other \$000	Total Exp \$000	Surplus/ (deficit) \$000	Total GST \$000	Appropriation \$000
D1	2,000	0	0	2,000	0	251	2,251
D2	4,706	0	5,154	9,677	183	1,232	10,909
D3	22,695	0	10,951	47,180	(13,534)	4,206	51,386
D4	4,760	0	32,097	38,706	(1,849)	4,607	43,313
D5	1,526	0	2,768	3,591	703	536	4,127
D6	14,130	0	0	14,130	0	1,766	15,896
Total	49,817	0	50,970	115,284	(14,497)	12,598	127,882

Statement of Objectives Specifying the Performance Forecast for Each Class of Outputs for the Year Ending 30 June 2004

Performance Objectives

Output Class D1 - Policy Advice

This class of outputs includes the provision of policy advice to the Government and to the Minister relating to land, property and seabed information as well as the provision of ministerial support.

Output 110 - Policy Development and Ministerial Services

Description

This output involves the provision of policy advice, briefings and support on matters relating to the following departmental functions:

- land rights register;
- property valuation for rating purposes;
- geodetic and cadastral survey reference systems;
- topographic and hydrographic information systems; and
- management, acquisition and disposal of Crown land and Crown land-related liabilities and responsibilities (outside the conservation estate);

and the provision of support to the Minister, which includes:

- draft replies to ministerial correspondence (including Official Information Act and Ombudsmen requests);
- answers to Parliamentary questions;
- draft speech notes;
- draft communication releases;
- briefing notes; and
- the production of the department's accountability documents (ie *Estimates, Statement of Intent, Annual Report, Output Plan*).

The policy advice function encompasses new policy proposals, reviews of legislation, proposed new legislation, reports to Cabinet, Cabinet committees and Parliamentary select committees, and consultation with and advice to other departments on policy matters relating to departmental functions.

Quantity	Quality	Timeliness
200 (est) ministerials processed. (Range is 180 – 220)	<p>95% of responses to ministerial correspondence will be acceptable for the Minister's signature, without amendment.</p> <p>All correspondence and answers will be to the ministerial communication quality standard attached at Appendix A.</p> <p>The department will achieve a rating of "good" from six-monthly assessments by the Minister on its performance against the ministerial communication quality standard.</p>	All replies to ministerial correspondence will be provided to the Minister's office within 10 working days or by a date agreed with the Minister's office.
40 (est) parliamentary questions answered. (Range is 30 – 50).	<p>100% of base data in parliamentary questions will be accurate.</p> <p>All correspondence and answers will be to the ministerial quality standards attached as Appendix A.</p>	All replies to questions will be provided by the date specified by the Minister's office.
Accountability documents (as indicated in the description) completed.	Accountability documents will meet the advised standards and specifications.	All accountability documents will be completed by the specified deadlines.

Cost					
Year	Cost GST incl	Cost GST excl	Total Revenue GST excl	Revenue Crown GST excl	Revenue Other GST excl
	\$000	\$000	\$000	\$000	\$000
2003/04	2,251	2,000	2,000	2,000	0

Output Class D2 – Standards and Quality Assurance

Description

This output class includes the regulatory activities that the department is responsible for. It encompasses standard-setting and quality assurance for the following activities:

- the delivery of Crown property management, acquisition and disposal services;
- the property valuation for rating purposes system; and
- the collection, authorisation, management and dissemination of information associated with the:
 - land rights registration system;
 - geodetic and cadastral survey reference systems; and the
 - topographic and hydrographic information systems.

There are two outputs in this output class:

Output 210 - Standards

Description

This output includes the development, review and implementation of standards for the quality and functionality of the national systems that LINZ is responsible for.

In addition this output involves the provision of technical advice to the Government and stakeholders; statutory delegations for registration and survey functions; support to the Valuers Registration Board and the New Zealand Geographic Board; support to the electoral system; dealing with claims for compensation made under the Land Transfer Act; appeals from decisions of delegated staff; and liaison and exchanges of information internationally and with national advisory groups on standards.

Performance Measures		
Quantity	Quality	Timeliness
All milestones in the Output Plan completed.	<p>All reports for milestones in the Output Plan will meet the policy advice quality standard attached as Appendix A.</p> <p>All implementation projects in the Output Plan will meet the quality standards as defined in the project work programme.</p>	All milestones in the Output Plan will be completed by the dates specified in the programme or as negotiated with the Minister.
<p>51 (est) standards developed or reviewed and implemented as new government policy, legislation, case law, audit findings, risk analysis and technology changes require in the following regulatory areas:</p> <ul style="list-style-type: none"> • land rights register • survey system • valuation for rating purposes • topographic/hydrographic information • Crown property (range 42 - 63) 	<p>All standards will be consistent with the LINZ regulatory standard setting process and standard for standards as assessed by the Standards Review Committee.</p> <p>All standards will be signed off by the responsible regulatory chief.</p>	All standards will be developed, reviewed and implemented in accordance with the timeframes specified in each business group's annual business plan.

Output 220 - Quality Assurance

Description

This output involves the ongoing monitoring and auditing of compliance (including the accreditation of service providers) to ensure that standards are met.

Performance Measures		
Quantity	Quality	Timeliness
An annual QA monitoring plan will be completed.	The annual QA monitoring plan will include: <ul style="list-style-type: none"> • areas identified by “high risk area” reports • follow-up of previous audit recommendations • relevant standards to be complied with. 	All timeframes specified in the annual business plan will be met.
15 audit programmes will be completed in the following regulatory areas: <ul style="list-style-type: none"> • land rights register • survey system • valuation for rating purposes • topographic/hydrographic information • Crown property 	All audits conducted under these programmes will meet the criteria specified in the terms of reference for each audit.	All audits conducted under these programmes will meet the timeframes specified in the terms of reference for each audit.

Cost					
Year	Cost GST incl	Cost GST excl	Total Revenue GST excl	Revenue Crown GST excl	Revenue Other GST excl
	\$000	\$000	\$000	\$000	\$000
2003/04	10,909	9,677	9,860	4,706	5,154

Output Class D3 – Land and Seabed Data Capture and Processing

Output Class 3 involves the collection of data for specific public policy, operational business, or legislative purposes. It includes the capture and processing (receipt, validation, authorisation, manipulation, updating) of hydrographic, topographic, land title and survey information (cadastral and geodetic). There are four outputs in this output class:

Output 310 - Delivery of the Land Rights Registration and Cadastral Survey Systems

Description

The delivery of accurate and timely services in relation to the land rights registration and cadastral survey systems including:

- registration of land title transactions;

- issue of new land titles;
- authorisation of cadastral survey datasets; and
- updating of the cadastral survey reference system.

Work in this output is defined in the annual service delivery work programmes of the Registrar-General of Land and the Surveyor-General in LINZ.

Performance Measures		
Quantity	Quality	Timeliness
150,000 (est) ⁵ titles documents processed from electronic lodgement. (range 100,000 – 200,000)	A minimum rating of “good” is achieved in the quality category of monthly independent telephone surveys of randomly selected regular customers.	A minimum rating of “good” is achieved in the timeliness category of monthly independent telephone surveys of randomly selected regular customers. Landonline system available 98.75% of the time between 7am and 7pm on working days ⁶ .
580,000 (est) titles documents processed from paper lodgement or return from requisition. (range 480,000 – 680,000)	All titles documents processed according to standards set by the Registrar-General of Land.	90% of titles documents processed from paper lodgement or return from requisition within 15 working days ⁷ .
800 (est) ⁵ cadastral survey datasets processed from electronic lodgement. (range 500 – 1,500)	Error ratings recorded against titles will be 0.2% or less as recorded in the Corrections Register.	90% of cadastral survey datasets processed from electronic lodgement or return from requisition within 10 working days.
15,200 (est) cadastral survey datasets processed from paper lodgement or return from requisition. (range 13,000 – 17,000)	All cadastral survey datasets processed and integrated into Landonline according to standards set by the Surveyor-General.	90% of cadastral survey datasets processed from paper lodgement or return from requisition processed within 25 working days. 90% of cadastral survey datasets integrated into Landonline within 20 working days from approval/ deposit ⁸ .

⁵ Based on the current **Landonline** stage two roll-out strategy - 21% of routine title documents lodged and processed electronically from 1 July 2003 - 30 June 2004 (range 16% - 27%); & 5% of cadastral survey datasets lodged electronically from 1 July 2003 - 30 June 2004 (range 0% - 10%)

⁶ Note that documents can be lodged between 9am and 4pm on working days.

⁷ Electronically lodged titles documents are processed immediately online.

⁸ 20 working days from deposit of Land Transfer cadastral datasets, or from approval of Maori Land or Survey Office cadastral datasets.

Output 320 - Generation of the national authoritative geospatial record

Description

This output involves the delivery of those services necessary to meet the requirements set out in the annual work programmes of the LINZ regulatory groups for the generation of the national authoritative geospatial record, ie the geodetic reference system, topographic and hydrographic information and the electoral spatial reference dataset.

The work programmes aim to ensure that the data generated is relevant and necessary for the customer and meets the required quality standards.

Performance Measures		
Quantity	Quality	Timeliness
Data on 41 (est) topographic mapsheet areas revised. (range 29-41)	All data generated will meet the standards of the Chief Topographer /Hydrographer as assessed by QA audit.	95% of new data, maps or charts available in the databases or for dissemination and inclusion in NZTopoOnline within 20 working days after acceptance.
54 (est) topographic maps printed. (range 45 – 54)		95% of notified critical changes, errors or omissions to topographic data available on NZTopoOnline within 4 working days of acceptance for individual features.
Data on 14 (est) hydrographic chartsheet areas revised. (range 11 – 14)	All data generated will meet the quality standards of the Surveyor-General as assessed by QA audit.	
1,000 (est) surveyed and/or maintained geodetic control marks. (range 800 – 1,200)		95% of new geodetic data available in the databases or for dissemination within 20 working days after receipt.

Quantity	Quality	Timeliness
<p><i>Electoral Spatial Reference Dataset actions</i></p> <ul style="list-style-type: none"> • 2,500 (est) address location requests processed. (range 2,000 – 3,000) • 13,500 (est) actions arising from new cadastral datasets processed. (range 11,500 – 15,500) 	<p>All actions will meet the quality standards in the SLAs with Statistics New Zealand, the Electoral Enrolment Centre, the Chief Electoral Office and the Surveyor-General, as assessed by QA audit.</p>	<p>90% of address location requests processed in 20 working days from receipt.</p> <p>90% of actions arising from new cadastral datasets processed within 10 working days of approval/deposit⁹.</p>

Output 330 – Generation of data to support New Zealand’s legal Continental Shelf definition

Description

This output involves the delivery of data collection and analysis services necessary to meet the requirements of the work programme for the definition of New Zealand’s Continental Shelf. The Ministry of Foreign Affairs and Trade (MFAT) is the agency responsible for the submission to the United Nations Commission on the Continental Shelf.

Performance Measures		
Quantity	Quality	Timeliness
The Three Kings Ridge/Colville Ridge submission report.	Report will be completed in terms of the contract specifications and standards.	Report accepted by MFAT by 30 June 2004.

Output 340 – Delivery of the Crown Property Clearance Service

Description

This output is the provision of a property clearance service for work undertaken by accredited agents. This work involves ensuring that all relevant information has been researched and assessed for relevance to the specific property, that the conclusions reached are in line with the facts and the legislative provisions, and that the recommendation is consistent with those conclusions.

⁹ 20 working days from deposit of Land Transfer cadastral datasets, or from approval of Maori Land or Survey Office cadastral datasets.

Performance Measures		
Quantity	Quality	Timeliness
3,000 (est) property reports will be cleared and a statutory decision made. (range 2,500 – 3,500)	The service will be provided in accordance with the standards of the General Manager Property Regulatory Group as assessed by QA audit.	95% of statutory reports and recommendations received will be cleared or responded to within five working days.

Cost					
Year	Cost GST incl	Cost GST excl	Total Revenue GST excl	Revenue Crown GST excl	Revenue Other GST excl
	\$000	\$000	\$000	\$000	\$000
2003/04	51,386	47,180	33,646	22,695	10,951

Output Class D4 - Land And Seabed Information Storage and Management

This output class includes the efficient and secure management of LINZ's databases and systems for storing and managing data, including enhancements to relevant processes and systems. Protection of the Government's ownership interest in terms of maintaining capability and future proofing is an important aspect of this output class.

There are two outputs in this output class:

Output 410 - Ongoing maintenance of an information systems infrastructure that protects the integrity and security of authoritative databases.

Description

This output ensures the ongoing maintenance of an information systems infrastructure that protects the integrity and security of LINZ's authoritative databases (including the land rights register, the geodetic and cadastral survey reference system, topographic, hydrographic and Crown land databases and the electoral spatial reference dataset). It includes database management, disaster recovery systems, protection of intellectual property rights, protection against physical damage, corruption, illegal alteration, deterioration, and obsolescence.

This output also includes routine replacement of software and hardware. Because of probable magnitude, this work will be performed on a project basis. The LINZ prioritisation and project management processes will apply.

Performance Measures		
Main Items	Quality	Timeliness
Paper records storage	LINZ paper records held off-site will be stored in a secure facility and managed in accordance with the standards in the contract as agreed in consultation with National Archives.	95% of paper records requests received by midday will be available to LINZ by 5pm next working day.
Electronic facilities management for Landonline	Managed in accordance with the quality standards in the contract.	Landonline available 98.75% of the time between 7am and 7pm on working days.
Maintenance of information systems infrastructure	Managed in accordance with the code of practice and specifications for Information Security Management systems and consistent with the New Zealand e-Government interoperability framework. ¹⁰	All LINZ network systems available 98.75% of the time between 7am and 7pm on working days.

Output 420 - Information Systems Development

Description

This output involves the development and implementation of enhancements to the information systems infrastructure – as distinct from the routine or programmed maintenance covered in Output 410. Because of their one-off nature and probable scale in terms of time and money, these developments will be prioritised and generated on a project basis.

Performance Measures		
Quantity	Quality	Timeliness
12 projects as determined by the LINZ strategic budget process and aligned with the Government's objectives and funding priorities. (range 10 - 15)	<p>Managed in accordance with the LINZ project framework which includes:</p> <ul style="list-style-type: none"> • risk management • robust governance arrangements • evaluation and review. <p>Project deliverables will meet the quality standards defined in the relevant project plan.</p>	To timelines set in the project plans for each development project.

¹⁰ The NZ e-Government interoperability framework enhances the capability of agencies to integrate information/services across agency boundaries and provide easy electronic access to government information/services for individuals and businesses.

Cost					
Year	Cost GST incl	Cost GST excl	Total Revenue GST excl	Revenue Crown GST excl	Revenue Other GST excl
	\$000	\$000	\$000	\$000	\$000
2003/04	43,313	38,706	36,857	4,760	32,097

Output Class D5 – Land and Seabed Information Access and Dissemination

Description

This output class involves the provision of easy, widely available and equitable access to and dissemination of information (both electronic and paper) held by LINZ. Access means, amongst other things: choice of means of service delivery (paper or electronic), accessibility to Maori, affordability, and the ability of deaf, blind and English second language speakers to access the information they need in its most usable form.

Output 510 - Provision of access to information and services

Description

This output involves the provision of access and a dissemination service for the public to the following:

- land title, and cadastral and geodetic survey information;
- topographic information; and
- hydrographic information.

Performance Measures		
Quantity	Quality	Timeliness
<p><i>Land title, and cadastral and geodetic survey information</i></p> <p>1,600,000 electronic title records supplied. (range 1,400,000 – 1,800,000)</p> <p>55,000 paper title records supplied. (range 45,000 – 65,000)</p> <p>175,000 electronic survey records supplied. (range 125,000 – 225,000)</p> <p>6,500 paper survey records supplied. (range 5,000 – 8,000)</p>	<p>Achieve a minimum rating of “good” in the quality category of monthly independent telephone surveys of randomly selected regular customers.</p> <p>Maintain a full inventory of topographic and hydrographic information.</p> <p>Achieve in an annual survey a minimum rating of “good” from 90% of regular customers who use topographic and hydrographic information products and services. The survey will include the following attributes:</p> <ul style="list-style-type: none"> • fitness-for-purpose • accessibility • availability of goods and services. 	<p>Landonline system available 98.75% of the time between 7am – 7pm on working days.</p> <p>90% of requests for copies or originals of paper records ready for customer collection, viewing or dispatched in 2 working days¹¹.</p> <p>Achieve a minimum rating of “good” in the timeliness category of monthly independent telephone surveys of randomly selected regular customers.</p> <p>NZTopoOnline information available 95% of the time via the internet.</p> <p>NZMariner and updates dispatched to the customer within two working days of order received or update due.</p> <p>Topographic maps/hydrographic charts dispatched to the retailer within two working days of order received.</p>

Cost					
Year	Cost GST incl	Cost GST excl	Total Revenue GST excl	Revenue Crown GST excl	Revenue Other GST excl
	\$000	\$000	\$000	\$000	\$000
2003/04	4,127	3,591	4,294	1,526	2,768

¹¹ LINZ public counters are open 9am – 4pm on standard working days. Copies will be dispatched when payment is received by LINZ.

Output Class D6 - Crown Property Management and Disposal Services

Description

The management and disposal of the Crown's interest in land and property (outside of the Conservation estate) and acquisition, management and disposal of land and property administered by the department of behalf of the Crown.

Output 610 - Crown Property Management and Disposal Services

This output involves the provision of services necessary for the efficient management of Crown land and land related liabilities. The services include:

- Crown property management; (*Note: LINZ administers 4,500 properties on behalf of the Crown, of these 2,500 properties are in two property management contracts. The minimum criterion for a property to be included in a property management contract is that rates are levied against that property*)
- Crown property disposal;
- Crown property acquisition;
- Crown Pastoral Lease Land Tenure Reform;
- Crown Forest Management; and
- Management of Land Related Liabilities.

Performance Measures		
Quantity	Quality	Timeliness
780 properties are leased or licensed. (Range is 750 – 900)	Services delivered will meet the specifications in the contract.	Services will be delivered in accordance with the timeframes in the contract.
Revenue sales of \$4,400,000 (± 10%) from the properties available for disposal.	All properties disposed of will have the necessary statutory clearances.	Revenue target reached by year end.
Properties purchased (undertaken on an “as required” basis).	Purchased in accordance with statutory requirements.	Purchases will be completed within timeframes agreed with stakeholders.
12 substantive proposals put to leaseholders (range 6 – 18)	Substantive proposals will meet the LINZ Crown Pastoral Land Standards.	Substantive proposals will be put to the leaseholder within 15 working days of being signed on behalf of the Crown.
73 Crown Forest Licences managed. (range is 70 – 80).	Managed in accordance with the specifications in Part 2 of the Crown Forest Licence Management Agreement.	Timeframes in Part 2 of the Crown Forest Licence Management Agreement will be met.
640 land related liabilities managed. (Range is 600 – 700).	Managed in accordance with the requirements in the LINZ “Operating framework for the Investigation and Management of Land Related Crown Liabilities”.	Timeframes in the LINZ “Operating framework for the Investigation and Management of Land Related Crown Liabilities” will be met.

Cost					
Year	Cost GST incl \$000	Cost GST excl \$000	Total Revenue GST excl \$000	Revenue Crown GST excl \$000	Revenue Other GST excl \$000
2003/04	15,896	14,130	14,130	14,130	0

Statement of Objectives specifying Forecast Financial Performance for the Year Ending 30 June 2004

FINANCIAL PERFORMANCE INDICATORS

	Unit	Budget 30/06/03	Estimated Actual 30/06/03	Forecast 30/06/04
Operating results				
Revenue - other	\$000	70,313	70,311	50,970
Net surplus/(deficit)	\$000	4,919	6,554	(14,497)
Cash disbursed to producing outputs	\$000	(103,934)	(99,456)	(110,066)
Working capital				
Liquid ratio	%	30.5	16.1	52.8
Current ratio	%	36.1	20.0	52.8
Working capital to total taxpayers funds	%	(30.3)	(42.4)	(16.7)
Average trade debtors outstanding	days	28	32	30
Average trade creditors outstanding	days	35	30	35
Resource utilisation				
Fixed assets:				
Addition as % of fixed assets	%	23.5	23.5	4.4
Fixed assets as % of total assets	%	89.5	93.9	86.8
Current assets as % of total assets	%	10.5	6.1	13.2
Taxpayers' funds at year end	\$000	57,259	51,259	62,195
Forecast net cash flows				
Net increase/(decrease) in cash held	\$000	(7,018)	(6,383)	(800)

PART C - OTHER INFORMATION

LINZ Non-Departmental Appropriations

NON-DEPARTMENTAL REVENUE AND RECEIPTS¹²

	2002/03		2003/04
	Budgeted \$000	Estimated Actual \$000	Forecast \$000
<i>Current non-tax revenue</i>			
Database fees	1,340	1,186	1,305
Pastoral lease rentals	1,460	1,460	1,460
Properties - rents	3,072	3,072	3,038
Sundry operating revenue	1,107	1,107	651
Transit sales	18,000	18,000	8,000
<i>Total non-tax current revenue</i>	<i>24,979</i>	<i>24,825</i>	<i>14,454</i>
<i>Capital receipts</i>			
Property mortgages –principal	8	8	4
Properties sales	16,340	22,244	4,370
Land tenure reform sales	80	170	7,544
<i>Total capital receipts</i>	<i>16,428</i>	<i>22,422</i>	<i>11,918</i>
Total non-Departmental revenue and receipts	41,407	47,247	26,372

¹² The descriptions for these revenues and receipts are available in the Main Estimates 2003/04. The figures quoted are GST exclusive.

NON-DEPARTMENTAL APPROPRIATIONS ¹³

	2002/03		2003/04
	Budgeted \$000	Estimated Actual \$000	Forecast \$000
<i>For Output Classes:</i>			
01 : Contaminated sites	196	136	563
02 : Lakes	367	367	0
<i>Total</i>	<i>563</i>	<i>503</i>	<i>563</i>
<i>For Crown Financial Expenses</i>			
Coalcorp House mortgage interest	550	550	474
<i>Total</i>	<i>550</i>	<i>550</i>	<i>474</i>
<i>For Other Expenses</i>			
Crown rates	1,245	1,245	1,245
Crown obligations – loss on disposal	643	643	300
Huntly East subsidence	65	0	165
Land liabilities	3,859	2,966	1,391
Residual Crown leasehold rents	969	969	383
Crown forest management	2,519	2,219	1,602
<i>Total</i>	<i>9,300</i>	<i>8,042</i>	<i>5,086</i>
<i>For Purchase of Crown Capital Assets</i>			
Crown acquisitions – Huntly East	300	219	500
Crown obligatory acquisitions	1,906	1,906	300
Land tenure reform acquisitions	200	200	0
<i>Total</i>	<i>2,406</i>	<i>2,325</i>	<i>800</i>
<i>For Repayment of Loans</i>			
Coalcorp House mortgage principal	1,054	1,054	1,129
<i>Total</i>	<i>1,054</i>	<i>1,054</i>	<i>1,129</i>
Total non-Departmental expenditure	13,873	12,474	8,052

NON-DEPARTMENTAL MULTI-YEAR APPROPRIATION (MYA)

	Budget 30/06/03 \$000	Estimated Actual 30/06/03 \$000	Forecast 30/06/04 \$000
<i>For purchase of Crown capital assets</i>			
Land tenure reform acquisitions (the total for the MYA ¹⁴ is \$10.621m for the period 2002/03 to 2004/05)	1,102	1,102	3,415
Total non-Departmental multi-year expenditure	1,102	1,102	3,415

¹³ These appropriations are GST inclusive. The descriptions and explanations for these appropriations are available from the Main Estimates 2003/04

¹⁴ These appropriations are GST inclusive. The descriptions and explanations for these appropriations are available from the Main Estimates 2003/04

SCHEDULE OF FORECAST NON-DEPARTMENTAL REVENUE AND RECEIPTS
FOR THE YEAR ENDING 30 JUNE 2004

	Budget 30/06/03 \$000	Estimated Actual 30/06/03 \$000	Forecast 30/06/04 \$000
<i>Operating Revenue</i>			
Sales of goods and services	23,872	23,718	13,803
Other operational revenue	1,107	1,107	651
<i>Total non-Departmental operating revenue</i>	<i>24,979</i>	<i>24,825</i>	<i>14,454</i>
<i>Capital receipts</i>			
Mortgages principal repayments	8	8	4
Properties sales	16,340	22,244	4,370
Land tenure reform sales	80	170	7,544
<i>Total non-Departmental capital receipts</i>	<i>16,428</i>	<i>22,422</i>	<i>11,918</i>
Total non-Departmental capital and operating revenue and receipts	41,407	47,247	26,372

The measurement and recognition rules consistent with generally accepted accounting practice are applied in the preparation of the forecast schedule of revenue and receipts.

SCHEDULE OF FORECAST NON-DEPARTMENTAL EXPENSES
FOR THE YEAR ENDING 30 JUNE 2004

	Budget 30/06/03 \$000	Estimated Actual 30/06/03 \$000	Forecast 30/06/04 \$000
<i>Operating expenses</i>			
Depreciation	248	248	248
Amortisation	1,046	1,046	1,125
Rental & leasing costs	934	934	369
Other operating expenses	8,929	7,611	5,280
Finance expenses	550	550	474
<i>Total non-Departmental operating expenses</i>	<i>11,707</i>	<i>10,389</i>	<i>7,496</i>
<i>Capital expenses</i>			
Properties purchases	2,206	2,125	800
Land tenure reform purchases	200	200	0
Loans repayment	1,054	1,054	1,129
<i>Total non-Departmental capital expenses</i>	<i>3,460</i>	<i>3,379</i>	<i>1,929</i>
Total non-Departmental expenses	15,167	13,768	9,425

The measurement and recognition rules consistent with generally accepted accounting practice are applied in the preparation of the forecast schedule of expenses.

SCHEDULE OF FORECAST NON-DEPARTMENTAL ASSETS AND LIABILITIES
AS AT 30 JUNE 2004

	Actual 30/06/02 \$000	Estimated Actual 30/06/03 \$000	Forecast 30/06/04 \$000
Assets			
<i>Current assets</i>			
Cash and bank balances	4,870	4,111	3,051
Debtors and receivables	4,794	5,350	5,350
Inventory	1,269	1,269	1,269
<i>Total current assets</i>	<i>10,933</i>	<i>10,730</i>	<i>9,670</i>
Non-current assets			
Debtors and receivables	6,566	6,566	6,566
Properties held for sale	435,319	414,982	403,620
<i>Total non-current assets</i>	<i>441,885</i>	<i>421,548</i>	<i>410,186</i>
Total assets	452,818	432,278	419,856
Liabilities			
<i>Current liabilities</i>			
Creditors and payables	6,259	10,100	10,100
Creditors and payables –govt depts	3,775	400	400
Provisions	27,458	26,666	25,606
Deferred revenue	388	400	400
<i>Total current liabilities</i>	<i>37,880</i>	<i>37,566</i>	<i>36,506</i>
<i>Non-current liabilities</i>			
Creditors and payables	7,170	7,170	7,170
Provisions	7,872	7,872	7,872
Deferred revenue	10,524	10,524	10,524
<i>Total non-current liabilities</i>	<i>25,566</i>	<i>25,566</i>	<i>25,566</i>
Total liabilities	63,446	63,132	62,072
Operating balance			
Accumulated operating balance	389,372	369,146	357,784
Total accumulated operating balance	389,372	369,146	357,784

The measurement and recognition rules consistent with generally accepted accounting practice are applied in the preparation of the forecast schedule of assets and liabilities.

Additional Information

LINZ's Responsibilities

Land Titles

LINZ authorises and records changes in rights to land. This includes creating new titles, recording changes of ownership and interests in land (eg mortgages) and providing public access to these records. The system LINZ maintains provides an accurate and up-to-date picture of legal ownership of land in New Zealand. Titles products and services are provided via the Internet (for **Landonline** subscribers) and through LINZ's five Processing Centres. Bulk digital title data is also made available through resellers.

Geodetic and Cadastral Survey Systems

LINZ maintains the geodetic and cadastral systems which work together to provide the parcel based framework for recording rights in land. Electoral information (eg street addresses and meshblocks) is generated from this framework.

Geodetic Reference System

The geodetic reference 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 positioning system.

The geodetic reference system provides the spatial referencing framework for the cadastral survey system. It enables the compatible positioning of all other spatial information, such as topographic and geological mapping. Geodetic information is available via the Internet.

Cadastral Survey System

The cadastral survey system consists of a framework which includes all survey reference points, land surveys and boundary marks, and the spatial definition of cadastral records provided by LINZ-approved survey plans. This information enables the identification and definition of land parcels for registration and recording of interests under the Torrens land title, Maori land and Crown land systems. It also provides the national property framework for use in geographic information systems operated by local authorities and utility companies.

Cadastral survey products and services are provided via the Internet (for **Landonline** subscribers) and through LINZ's five Processing Centres. Bulk digital survey data is also made available through resellers.

Topographic Information

LINZ is responsible for national topographic mapping at 1:50,000 and broader scales. It undertakes this mapping for defence and emergency services and

national constitutional purposes. LINZ makes its topographic data and mapping available via the Internet and in printed form through retailers. It also makes its bulk digital topographic data available directly from LINZ or through resellers.

Hydrographic Information

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

Rating Valuation System

LINZ ensures that that property valuations for rating purposes are provided to a consistent standard. It sets standards for rating valuations and undertakes compliance audits of local authorities.

Crown Property

LINZ oversees the management and disposal of the Crown's interest in land and property (outside the conservation estate). It undertakes the management and disposal (and acquisition where requested by Government) of land and property administered by the department on behalf of the Crown. It is also responsible for managing Crown liabilities in land and property and administering Crown forest licences under the Crown Forest Assets Act 1989.

In addition, LINZ provides oversight of the surplus property disposal and property purchase activities of other government agencies by certifying that the activities comply with statutory requirements and Government policy.

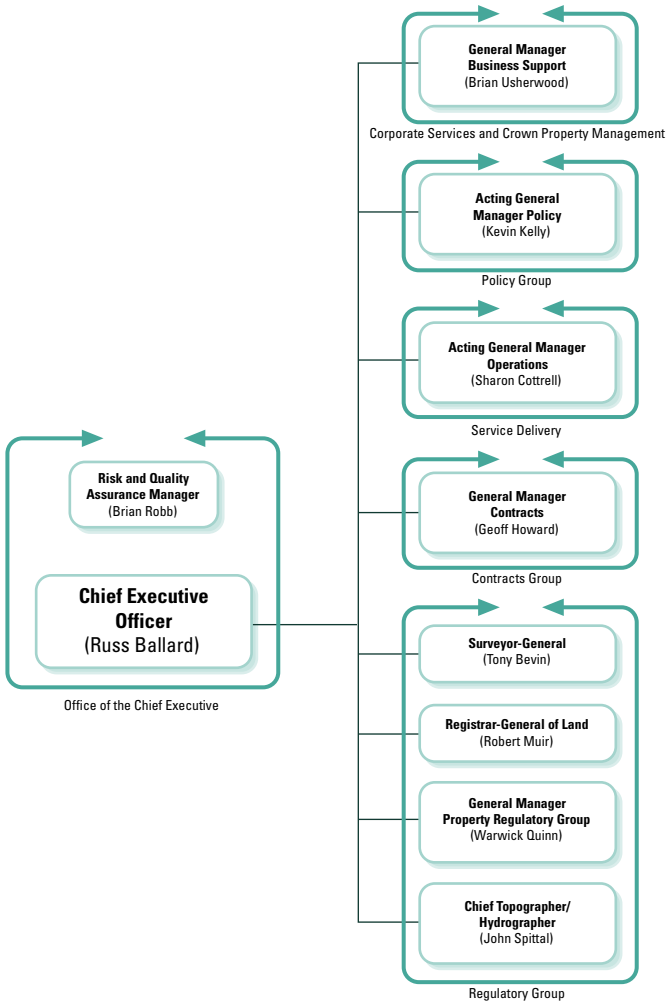
Continental Shelf

LINZ is responsible for obtaining seabed data, determining the furthest extent of the legal continental shelf and assisting with developing New Zealand's submission to the United Nations' Commission on the Continental Shelf. Marine survey work is scheduled for completion by 2004. This will enable the Government to lodge New Zealand's submission by 2009.

Geographic Board

LINZ provides administrative support to the New Zealand Geographic Board. The 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.

LINZ Management Structure as at 31 March 2003



Staff Resources

By Area:	Number of People:
Chief Executive/Business Support	135
Policy	15
Operations	373
Contracts	13
Regulatory	70
TOTAL	606

Legal Responsibilities

Legislation administered by Land Information New Zealand as at 31 March 2003

- Cadastral Survey Act 2002
 - Crown Grants Act 1908
 - Crown Pastoral Land Act 1998
 - Deeds Registration Act 1908 *
 - Hunter Gift for the Settlement of Discharged Soldiers Act 1921
 - Land Act 1948
 - Land Transfer Act 1952 *
 - Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002
 - New Zealand Geographic Board Act 1946
 - Public Works Act 1981, Part II – VI, and Part VIII
 - Rating Valuations Act 1998
 - Reserves and Other Lands Disposal Acts
 - Unit Titles Act 1972 *
 - Valuation Department (Restructuring) Act 1998
 - Valuers Act 1948
- (* Administered jointly with Ministry of Justice)

source: www.dPMC.govt.nz/cabinet

The Chief Executive has statutory functions under the Public Works Act relating to the disposal of surplus land.

Land Information New Zealand also has functions under a number of other Acts including:

- Airport Authorities Act 1966 (relating to disposal of land)
- Crown Research Institutes Act 1992 (relating to disposal of land)
- Electoral Act 1993 (relating to electoral boundaries)
- Geographical Indications Act 1994 (relating to geographical names)
- Health Reforms (Transitional Provisions) Act 1993 (relating to disposal of land)
- New Zealand Railways Corporation Act 1981 (relating to disposal of land)
- Ngai Tahu Claims Settlement Act 1998
- Ngati Turangitukua Claims Settlement Act 1999
- Pouakani Claims Settlement Act 2000
- Resource Management Act 1991 (relating to network utility operators and acquisition of land)
- State Owned Enterprises Act 1986 (relating to disposal of land)

- Te Ture Whenua Maori Act 1993 (relating to Maori land)
- Te Uri o Hau Claims Settlement Act 2002
- Treaty of Waitangi (State Enterprises) Act 1988 (relating to disposal of land)
- Treaty of Waitangi Act 1975 (relating to disposal of land)
- Waikato Raupatu Claims Settlement Act 1995 (relating to disposal of land)

Land Information New Zealand has a number of statutory officers with functions under the Acts administered by the department:

- Commissioner of Crown Lands
- Registrar-General of Land
- Surveyor-General
- Valuer-General

In addition, the Registrar-General of Land and the Surveyor-General have special responsibilities relating to land transactions under more than fifty other statutes.

The department acts in a secretarial and administrative support capacity for the New Zealand Geographic Board and the Valuers Registration Board. The Surveyor-General is the Chairperson of the Geographic Board and the Valuer-General is Chairperson of the Valuers Registration Board.

The department is required to comply with the following general Acts:

- Crown Organisations (Criminal Liability) Act 2002
- Employment Relations Act 2000
- Fiscal responsibility Act 1994
- Health and Safety in Employment Act 1992
- Holidays Act 1981
- Human Rights Act 1993
- Minimum Wage Act 1983
- Official Information Act 1982
- Ombudsmen Act 1975
- Privacy Act 1993
- Protected Disclosures Act 2000
- Public Finance Act 1989
- Smoke-free Environments Act 1990
- State Sector Act 1988

Contact Details

National Office

Lambton House
160 Lambton Quay
WELLINGTON

Postal Address

Private Box 5501
WELLINGTON
NEW ZEALAND
Tel 64-4-460 0110
Fax 64-4-472 2244
Email: info@linz.govt.nz
Internet: <http://www.linz.govt.nz>

Chief Executive
GM Policy
GM Business Support
GM Operations
GM Contracts
GM Property Regulatory Group
(includes Valuer-General and
Commissioner of Crown Lands)
Chief Topographer/Hydrographer
Registrar-General of Land
Surveyor-General

Processing Centres

Auckland Processing Centre

Private Bag 92016
Auckland 1
Oracle Tower
56 Wakefield Street, Auckland
Ph 0800 Online (0800 665 463)
Fax 0-9-358-5072
DX CP22017

Hamilton Processing Centre

Cnr Victoria & Rostrevor Streets
Private Bag 3028
Hamilton
Ph 0800 Online (0800 665 463)
Fax 0-7-834-6788
DX GX10069

Wellington Processing Centre

Mayfair House
44-52 The Terrace
PO Box 5014
Wellington
Ph 0800 Online (0800 665 463)
Fax 0-4-496-9420

Christchurch Processing Centre

Torrens House
195 Hereford Street
Private Bag 4721
Christchurch
Ph 0800 Online (0800 665 463)
Fax 0-3-366-6422
DX WP20033

Dunedin Processing Centre

John Wickliffe House
Princes Street
Private Bag 1929
Dunedin
Ph 0800 Online (0800 665 463)
Fax 0-3-477-3547
DX YP 80001

Terms and Definitions Used

Output Plan	Contains the milestones and outputs agreed with the Minister for Land Information for the 2003/04 financial year
Cadastral survey	Determines and describes the spatial extent (including boundaries) of interests under a land tenure system
Geodetic reference system	A system that describes the position of points on the Earth by reference to a mathematical model of the Earth.
Hydrography	Refers to the science of surveying and charting seas, lakes, rivers etc
Landonline	An automated survey and title system that enables more efficient processing of dealings in land ownership and provides improved nationwide access to land information.
LINZ	Land Information New Zealand
NZDMO	New Zealand Debt Management Office
NZ Mariner	NZ hydrographic information available on CD-ROM
NZTopoOnline	NZ topographic information available via the internet
QA	Quality Assurance
SLA	Service Level Agreement
Topography	A two-dimensional representation of the natural features of land.

Appendix A: Policy Advice/Ministerial Servicing Standards

Quantity

Completion or advancement of policy projects/ministerial communication estimated targets as agreed between the Minister and the Chief Executive in the course of the year. Assessed by comparison against agreed milestones and agreed timelines.

Coverage

Provision of a comprehensive service: the capacity to react urgently, the regular evaluation of government policy impacts on outcomes and timely and relevant briefings on significant issues; support for the Minister as required in cabinet committees, select committees, in the House and in the execution of his duties. Assessed by the Minister's satisfaction as reported in the half yearly response sheet.

Quality

All policy advice/ministerial communications must be in accordance with the following quality standards:

- The aims of the papers have been clearly stated and they answer the questions that have been set.
- Assumptions behind the advice will be clear, and the argument logical and supported by accurate facts.
- Expenditure forecasts will be based on logical and clear assumptions.
- Sales forecast will be based on the mid-point of known market demands and best projections.
- All material facts will be included.
- An adequate range of options will be presented and assessed for benefits, costs and consequences to the economy.
- Evidence will exist of adequate consultation with interested parties, where applicable, and possible objections to proposals will be identified.
- Problems of implementation, technical feasibility, timing and consistency with other policies will be considered.
- Material presented will be effectively summarised, concise, in plain English, and free of spelling and grammatical error and will meet ministerial and Cabinet Office requirements.

Where appropriate, written and verbal advice tendered to the Minister will accurately reflect:

- economic implications;
- revenue and expense implications (quantified where possible); and
- administrative implications and costs (quantified where possible).

Quality Management

Product quality will be supported by a quality management process including:

- external review of scope and methodology for major analytical work;
- internal peer review and quality assurance (QA) procedures;
- circulation of drafts for comment by other government agencies and other parties as appropriate;
- sign-offs by senior managers; and
- a six monthly assessment being sought from the Minister.

Timeliness

Specified reporting deadlines will be met. Assessed by comparison against deadlines set, agreed and modified in the course of the year.

Cost

The outturn is within budget. Assessed by comparison of outturn with the Estimates of Appropriations.