



Report of

# Land Information New Zealand

for the year ended 30 June 2002

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*Presented to the House of Representatives pursuant to  
section 39 of the Public Finance Act 1989*

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Hon John Tamihere  
Minister for Land Information,  
Wellington

I have the honour of presenting to you the annual report  
of Land Information New Zealand for the year ended  
30 June 2002.

A handwritten signature in black ink, appearing to read 'R Ballard', with a long horizontal flourish extending to the right.

Dr Russ Ballard  
Chief Executive  
Land Information New Zealand

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## **DESCRIPTION OF LAND INFORMATION NEW ZEALAND**

### **Introduction**

Land Information New Zealand was established on 1 July 1996 and is responsible for the policy, regulatory and core government service delivery functions relating to New Zealand's authoritative land and seabed information. Its core activities are:

#### **Land Titles:**

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

#### **Geodetic and Cadastral Survey System:**

The geodetic and cadastral systems work together to provide the parcel based framework for recording rights in land.

##### *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 also enables the compatible positioning of all other spatial information, such as topographical and geological mapping.

##### *Cadastral Survey System:*

The survey system consists of a framework, which includes all survey reference points, land surveys and boundary marks, and the spatial definition of cadastral records as provided by LINZ approved survey plans. This information enables the identification and definition of land parcels for registration and recording of interests under the freehold 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.

**Landonline:**

Under **Landonline** LINZ is automating its land titles and cadastral survey business functions. **Landonline** provides remote access facilities to subscribing customers. Stage one of **Landonline**, which was implemented throughout New Zealand in 2001/02, provides remote access to information in the land titles and cadastral survey databases. Stage two of **Landonline**, scheduled for national implementation later this year, will enable conveyancers and surveyors to prepare and lodge transactions from their offices.

**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 national constitutional purposes. LINZ makes its topographical maps available through retailers and its bulk digital topographical information available through re-sellers.

**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 charts are provided to users via authorised chart retailers.

**Rating Valuation System:**

LINZ ensures that that property valuations for rating purposes are provided to a fair and 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 acquisition, management and disposal 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 activities of other government agencies by certifying that the activities comply with the statutory requirements and Government policy.

**Continental Shelf:**

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

**Geographic Board:**

LINZ provides administrative support to the NZ Geographic Board. 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.

## **VISION STATEMENT**

### **WE WILL PROVIDE WORLD CLASS LAND AND SEABED INFORMATION SERVICES THAT WILL:**

- ensure the security of New Zealand land rights and interests;
- enable the people of New Zealand to fully enjoy the benefits of our land and seabed resources; and
- meet (and often exceed) the expectations of Government and our other customers.

### **TO ACHIEVE THIS, WE WILL:**

- provide a challenging and satisfying workplace for our people;
- develop an action orientated and responsive customer perspective;
- act with integrity and honesty - “walk the talk”;
- empower people and instil a strong emphasis on personal responsibility;
- encourage “team” thinking over factional interests; and
- encourage creativity and excellence by supporting initiative, and valuing differences.

*Our systems on performance, training and development, and open communication will reinforce these.*

**WE WILL DELIVER OUR SERVICES AND PRODUCTS WITH INTEGRITY AND PRIDE.**

## **GOVERNMENT OUTCOMES THAT LINZ CONTRIBUTES TO**

### **Government Outcomes for LINZ**

The core outcomes the Government has set for the department are:

#### *Outcome One*

The on-going delivery of an efficient regulatory framework that establishes;

- parameters for definition and dealing in land property rights, and
- standards and specifications for provision of core land data.

#### *Outcome Two*

The establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records to underpin economic activity in New Zealand.

#### *Outcome Three*

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.

#### *Outcome Four*

The on-going maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services responses.

### **Key Government Goals**

*The Key Government Goals that LINZ contributes to are:*

- Strengthen national identity and uphold the principles of the Treaty of Waitangi;
- Grow an inclusive, innovative economy for the benefit of all;
- Restore trust in Government and provide strong social services; and
- Protect and enhance the environment.

**Links Between Department Outputs, Government Outcomes for the Department and Government Strategic Framework**

Output Class	Outcomes (see pg 9)	Government Strategic Framework
D1: Policy Advice	Outcomes one, two, three and four.	<p>Contributes to the Government’s goals to:</p> <ul style="list-style-type: none"> <li>• strengthen national identity and uphold the principles of the Treaty of Waitangi;</li> <li>• grow an inclusive, innovative economy for the benefit of all;</li> <li>• restore trust in Government and provide strong social services; and</li> <li>• protect and enhance the environment</li> </ul> <p>through the review and amendment of legislation administered by the department and the provision of high quality policy advice on land and seabed information matters.</p>
D2: Office of the Valuer-General	Outcomes one and two.	<p>Contributes to the Government’s goals to:</p> <ul style="list-style-type: none"> <li>• grow an inclusive, innovative economy for the benefit of all; and</li> <li>• restore trust in Government and provide strong social services</li> </ul> <p>through the development of best-practice standards and the undertaking of compliance audits to ensure that the system of property valuation for rating purposes is fair and consistent.</p>
D3: Survey System	Outcomes one, two and four.	<p>Contributes to the Government’s goals to:</p> <ul style="list-style-type: none"> <li>• grow an inclusive, innovative economy for the benefit of all; and</li> <li>• restore trust in Government and provide strong social services</li> </ul> <p>by the provision of an accurate spatial definition framework for land property rights and geographic information which is continually reviewed, enhanced and maintained to a consistent standard.</p>

Output Class	Outcomes (see pg 9)	Government Strategic Framework
D4: Land Records System	Outcomes one, two and four.	<p>Contributes to the Government's goals to:</p> <ul style="list-style-type: none"> <li>• grow an inclusive, innovative economy for the benefit of all; and</li> <li>• restore trust in Government and provide strong social services</li> </ul> <p>through the provision of an accurate up-to-date record of private land property rights and ensuring public access to the data.</p>
D5: Crown Property Management and Disposal Services	Outcomes one and three.	<p>Contributes to the Government's goals to:</p> <ul style="list-style-type: none"> <li>• strengthen national identity and uphold the principles of the Treaty of Waitangi;</li> <li>• restore trust in Government and provide strong social services; and</li> <li>• protect and enhance the environment</li> </ul> <p>by providing oversight of the Crown's land related liabilities and responsibilities (outside the Conservation Estate).</p>
D6: Topographic and Hydrographic Information System	Outcomes one and four.	<p>Contributes to the Government's goals to:</p> <ul style="list-style-type: none"> <li>• grow an inclusive, innovative economy for the benefit of all;</li> <li>• restore trust in Government and provide strong social services; and</li> <li>• protect and enhance the environment</li> </ul> <p>through the provision of accurate up-to-date core land and seabed geographic information which is available to the public in the most efficient and cost-effective manner.</p>

## **CHIEF EXECUTIVE OFFICER'S OVERVIEW**

### **Introduction**

The sixth year of LINZ's operation has been one of significant transition. Based on a new Strategic Business Plan (SBP) produced at the beginning of the year LINZ has moved aggressively from a paper based agency towards being a predominantly electronic based one. In addition to the SBP this transition has been guided by the Automation Strategy (**Landonline**), the Virtual Agency Strategy (towards eLINZ) and a Capability Strategy. Major steps taken along the eLINZ road this year have included:

- completion of the roll out of stage one of **Landonline**;
- a revamping of our internet site to comply with e-Government Unit best practice guidelines;
- the completion of the *TopoOnLine* contract, which will provide internet access to the topographic database and associated maps;
- completion of metadata for 29 LINZ services to enable them to be incorporated into the e-Government portal;
- piloting an on-line shared workspace as part of the development of policy for the Public Works Act review; and
- the production of a work plan supporting the implementation of the Virtual Agency Strategy.

In addition to the progress in the move to eLINZ, we have had significant achievements in a number of other areas. These are outlined in the highlights section below.

Despite significant concerns over financial pressures at mid year, tight budget control and prudent management have resulted in an end of year outturn with all output classes within appropriation. This required careful prioritisation of resources and dispensation was sought from the Minister for Land Information to adjust some of our initial performance targets.

The year was not without issues and the unexpected:

- The passing away of Sam Brown was a severe blow to LINZ. Sam was both a senior manager with considerable knowledge and skills, and the LINZ Kaumatua. His loss impacted on some property related outputs and diminished our capacity to deal with and resolve land related issues of importance to Maori.
- An underestimation of how long it would take LINZ staff to adapt to the **Landonline** electronic environment and the number of technical performance issues we would have to deal with meant LINZ struggled to meet survey and titles processing timelines for most of the year. This generated user complaints. However by year end the transaction backlogs had been considerably reduced and few complaints were being received from users.
- Non-delivery against contractual timelines by key **Landonline** suppliers (PWC and EDS) created disruptions for LINZ and **Landonline** users, as well as disputes over liquidated damages. These disputes were resolved by year end.
- The closure of LINZ branch offices and the removal of paper records generated community concern and complaints to the Waitangi Tribunal. Finding a resolution to this issue of access to, and location of, original records has been difficult because of the costs involved, broader implications for the public service and Treaty implications.
- Obtaining decisions on policy issues which have Treaty of Waitangi implications (Public Works Act review; Land Act review; access to paper records) has been difficult in the period leading up to the election.
- Juggling of internal resources to meet the pressures placed on the organisation by the implementation of stage one of **Landonline** and the development of stage two has meant some of the planned work programme for 2001/02 had to be dropped or delayed.

### **Achievements**

The series of milestones that comprise the department's priority work programme for 2001/02 were organised under 4 key priorities derived from the Government strategic framework.

Achievement highlights by key priorities are shown below.

KP 1 *Investigate, develop and implement proposals for the removal of impediments to the effective management and development of Maori land which results from survey, valuation and title constraints.*

- The Maori Land Liaison Committee (LINZ (Chair), Department for Courts and Te Puni Kokiri) has continued its work programme to develop and assess options for resolving survey and title issues relating to multiple ownership of Maori land. This year the committee produced (and is now consulting with Maori landowners and the finance sector on) a proposal to provide for “computed diagrams” in lieu of full surveys to enable Maori land to be registered in the land titles system;
- **Landonline** terminals were introduced into Maori Land Court offices and Maori Land Court staff trained by LINZ staff in their use; and
- two scholarships were awarded to Maori university students to be exposed to the work of LINZ.

KP 2 *Develop and implement new innovative service delivery systems and legislative solutions for property rights and land and seabed administration which contribute to an adaptive economic infrastructure.*

- **Landonline** was successfully implemented in the Wellington, Hamilton and Auckland regions, completing stage 1;
- as **Landonline** rolled out, the remaining LINZ branch offices in Gisborne, Napier and New Plymouth were closed and their functions and records transferred to the Wellington and Hamilton offices;
- stage 2 of **Landonline** was constructed;
- the Cadastral Survey Act 2002 and the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 were enacted in May 2002 and provide for:

- the electronic lodgement and processing of survey and title documents and data; and
- a change to the occupational regulatory environment for cadastral surveyors;
- regulations to support the new regime were drafted for Government's consideration;
- an audit regime and conveyancer authorisation process was developed to support electronic lodgement of title transactions;
- a report was made to government on the outcome of public consultation on the review of the Public Works Act 1981 and policy proposals were developed in discussion with an ad-hoc group of ministers and a Maori reference group (Te Roopu Arataki);
- policy proposals were developed for a review of the Land Act 1948 following the analysis of submissions on a discussion document; and
- the new projection for topographic mapping was further developed for integration into *TopoOnline*.

KP 3 *Restore trust in Government by:*

- *increasing and sustaining core knowledge management capability in order to better deliver our services (internal focus); and*
- *leading opportunities and co-operating across the government sector to provide ready/easy access by communities to Government-held information (external focus).*
- An implementation plan for the *Virtual Agency Strategy - Moving to eLINZ* was completed to assist LINZ in implementing e-government initiatives and to move to become an electronic virtual agency by 2004;
- LINZ contributed to the following e-government initiatives: entered metadata for LINZ services on the eGovernment portal; implemented IT infrastructure to support the eGovernment interoperability framework (eGIF); piloted an online shared workspace during the policy development of the Public Works Act review;

- standard specifications were developed for core spatial data used by emergency services and have been adopted by Police, Fire, Transit NZ and Terralink;
- early Crown land records held by LINZ's national office that were no longer required for LINZ's business purposes were transferred to National Archives;
- a LINZ capability strategy was developed to ensure that LINZ is able to continue to deliver its services and meet Government expectations;
- the strategy for improving LINZ's responsiveness to Maori was implemented;
- options were developed and decisions made to align LINZ's governance and structural arrangements with the post- **Landonline** stage 2 environment and the virtual agency strategy;
- a national OSH plan was developed to improve LINZ's working environment and its ACC accredited employer rating; and
- options were provided to the Government for copying LINZ's paper records, following the closure of branch offices.

KP 4 *Protect and enhance the environment through the identification , management and registration of the Crown's ownership responsibilities for land and seabed.*

- an options paper was prepared in draft for the Minister with options for the future management of hydro lake beds; and
- the last major seabed surveys were completed and a contract to analyse the collected data commenced for the Continental Shelf Project, which contributes to the information required for NZ's submission to the United Nations Convention on the Law of the Sea.

## Future Challenges and Opportunities

The following issues will require particular attention next year:

### *Legislation*

Obtaining agreement on how to accommodate the Treaty of Waitangi in the new Public Works Act and Land Act legislation will take place in the first half of the 2002/03 year.

### *Landonline*

- Completing stage two of **Landonline** within acceptable time limits and within budget.
- The resource levels forecast in 1997 to operate under **Landonline** are inadequate for a number of reasons - assumptions on costs and savings have changed over time as contracts have been negotiated and the actual application produced. LINZ will need to seek an increase in its baseline in the vicinity of \$3M to \$4M for 03/04 and beyond.
- Meeting customer expectations in terms of the useability of **Landonline**, its continuous availability, its costs and level of support will be a challenge. Demand for enhancements is expected to be high. The first test of this will be in the pilot of stage two scheduled for October/November 2002.
- Keeping abreast of technology upgrades in the system databases and applications as well as the security area will place pressure on both LINZ's skills and financial resources.
- Building and retaining a skilled workforce to operate and maintain **Landonline** will be a challenge in the face of competition for these resources in a deregulated conveyancing industry and a growing IT sector.
- The delayed completion of the conversion of survey plans could limit the uptake of **Landonline** by surveyors, increasing the pressure on LINZ resources.

### *Access to information*

Public pressure for improved access to both existing electronic records and existing paper records is likely to increase. The improved provision of community access to paper records removed from closed offices and the location of original records are of immediate concern to LINZ. A further report on this issue is due to Government in September 2002.

### *Moving to eLINZ*

Moving LINZ services online will raise many challenges: what services should receive priority; integration and sharing of data and applications with other departments; governance arrangements and protocols around shared data, applications and infrastructure; complying with common standards and access (channel) strategies. These challenges will require close co-operation with the E-Government Unit and strong leadership on their behalf.

### *Property Management and Liabilities*

Placing legal liabilities on Crown agencies (Crown Organisations (Criminal Liability) Bill and Health and Safety in Employment Amendment Bill) will increase risk management costs. LINZ has directed Crown resources to undertake a survey of Crown properties on its books (many of which have been passed to LINZ for management and disposal with minimal information on their condition) for potential hazards. Once this survey is completed resources may be required for remedial work.

### *Tenure Review of High Country Pastoral Leases*

The tenure review process is laborious and slow with many conflicting interests involved. Now that the bulk of leases are beginning to move through the process, political pressure is likely to increase.



R Ballard  
Chief Executive, Land Information New Zealand

**STATEMENT OF RESPONSIBILITY**

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of Land Information New Zealand, for the preparation of Land Information New Zealand's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of Land Information New Zealand for the year ended 30 June 2002.



Dr R Ballard  
Chief Executive  
Land Information New Zealand  
30 September 2002

Countersigned by:



B Usherwood  
Chief Financial Officer  
Land Information New Zealand  
30 September 2002

## **Report of the Auditor-General**

### **To the Readers of Financial Statements of Land Information New Zealand For the year ended 30 June 2002**

We have audited the financial statements on pages 22 to 67 and 70. The financial statements provide information about the past financial and service performance of Land Information New Zealand and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 55 to 59.

#### **Responsibilities of the Chief Executive**

The Public Finance Act 1989 requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Land Information New Zealand as at 30 June 2002, the results of its operations and cash flows and service performance achievements for the year ended on that date.

#### **Auditor's Responsibilities**

Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Chief Executive. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Brent R Penrose, of Ernst & Young, to undertake the audit.

#### **Basis of Opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Land Information New Zealand's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing standards, published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements,

whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Ernst & Young has also conducted assurance procedures in respect to information technology security and facilitated a workshop on cost recovery methodology. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interest in Land Information New Zealand.

### **Unqualified Opinion**

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Land Information New Zealand on pages 22 to 67 and 70:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - Land Information New Zealand's financial position as at 30 June 2002;
  - the results of its operations and cash flows for the year ended on that date; and
  - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 30 September 2002 and our unqualified opinion is expressed as at that date.



---

B R Penrose  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand

## **PERFORMANCE INFORMATION**

### **Statement of Objectives and Service Performance**

#### **Output Class D1 - Policy Advice**

##### **Outcome**

The outputs produced in this class contributed to the four outcomes the Government has set for LINZ. The outcomes are:

- the on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and
  - standards and guidelines for provision of land data;
- the establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records, to underpin economic activity in New Zealand;
- 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; and
- the ongoing maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services responses.

##### **Description**

The outputs the Minister for Land Information purchased from the department were policy advice relating to land and seabed information (i.e. the property valuation for rating purposes system, survey system, land titles system, Crown property management and disposal services, topographic and hydrographic information systems), the production of accountability documents and draft replies to ministerial correspondence and parliamentary questions.

<b>Projected Performance</b>	<b>Performance Achieved</b>
<i>Quantity</i>	
<ul style="list-style-type: none"> <li>Policy advice will be delivered to the Minister according to an agreed work programme which will include any projects specified by the Minister, Cabinet and Cabinet Committees.</li> </ul>	3 of 11 projects completed. Three projects continue in accord with Cabinet decisions. Two projects remain under action. Preparatory work only has been undertaken on two projects. One project has not been completed.
<ul style="list-style-type: none"> <li>250 (est) Ministerials will be processed. (range 180 - 320)</li> </ul>	217 Ministerials were processed.
<ul style="list-style-type: none"> <li>40 (est) Written answers to parliamentary questions will be supplied. (range 20 - 60)</li> </ul>	62 Parliamentary questions were answered.

<b>Projected Performance</b>	<b>Performance Achieved</b>
<i>Quality</i>	
<ul style="list-style-type: none"> <li>All policy advice and ministerial communication will meet the departmental policy advice/ministerial communications standards, as described in Appendix A.</li> </ul>	All standards were complied with.
<ul style="list-style-type: none"> <li>95% of the department's cabinet papers will be acceptable to the Minister's office or Cabinet Office without amendment.</li> </ul>	All final Cabinet papers were accepted by the Minister's Office and the Cabinet Office without amendment.
<ul style="list-style-type: none"> <li>95% of responses to ministerial correspondence will be acceptable for the Minister's signature, without amendment.</li> </ul>	99% of responses to ministerial correspondence were accepted without amendment.
<ul style="list-style-type: none"> <li>100% of base data in answers to Parliamentary Questions will be accurate.</li> </ul>	All base data was accurate.
<ul style="list-style-type: none"> <li>Land Information New Zealand will seek a written response every six months from the Minister on its performance against those quality standards;</li> </ul>	Written responses were sought from the Minister in January and July 2002. On both occasions the Minister responded that he considered the quality of LINZ's policy advice to be "very good".

and yearly from an independent person.

A quality assurance check by an independent person (NZIER) of Cabinet papers and briefing notes prepared in 2001/02 found that LINZ provided sound, sensible and well presented advice to its Minister.

**Projected Performance**

**Performance Achieved**

*Timeliness*

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• All reports, correspondence and verbal advice will be delivered within the agreed or statutory timeframes.</li> <li>• All replies to ministerial communication will be provided to the Minister's office within 10 working days or by a date agreed with the Minister's office.</li> </ul> | <p>All agreed and statutory deadlines were met.</p> <p>All replies were provided within 10 working days or the date agreed with the Minister's office.</p> |
|---|--|

**Financial Performance**

Actual 30/6/01 \$000		Actual 30/6/02 \$000	Main Estimates 30/6/02 \$000	Supp. Estimates 30/6/02 \$000
1,857	Revenue Crown	1,986	1,741	1,986
1,857	Total Revenue	1,986	1,741	1,986
1,855	Total Expenses	1,964	1,741	1,986
2	Net Surplus/(Deficit)	22	0	0
2,087	Appropriation	2,212	1,959	2,235

**Output Class D2 - Office of the Valuer General**

**Outcome**

The outputs produced in this class contributed to the following outcomes the Government has set for LINZ:

- the on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and
  - standards and specifications for provision of core land data; and

- the establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records to underpin economic activity in New Zealand.

## Description

The outputs the Minister purchased from the department included:

- the development, review and issues of standards for rating valuations (the rating valuation rules);
- the provision of compliance audits to ensure that all work undertaken complied with those standards; and
- provision of certifications to local authorities that valuations for rating purposes met the standards.

<b>Projected Performance</b>	<b>Performance Achieved</b>
<i>Quantity</i>	
<ul style="list-style-type: none"> <li>• All projects in the agreed 2001/02 priority work programme will be completed.</li> </ul>	<p>The one project the Valuer-General was responsible for was transferred to next year with the Minister's agreement.</p>
<ul style="list-style-type: none"> <li>• All 7 categories of the Rating Valuation Rules will be reviewed and revised as appropriate as a result of new legislation and case law.</li> </ul>	<p>All rating valuation rules were reviewed when the Local Government (Rating) Act was passed on 30 March 2002. The draft Rules were gazetted for public submission on 31 May 2002.</p>
<ul style="list-style-type: none"> <li>• 136 (est) compliance audits undertaken. (range is 120 – 140)</li> </ul>	<p>135 compliance audits were completed. All 21 general revaluation audits have been completed, with draft reports sent by 22 December 2001 in accordance with the implementation programme. All maintenance (74), equalisation (12) and objection audits (28) were completed by 28 June 2002.</p>
<ul style="list-style-type: none"> <li>• An annual audit work programme for 2002/03 will be prepared.</li> </ul>	<p>The 2002/03 annual audit programme for general revaluation was completed.</p>
<ul style="list-style-type: none"> <li>• All services to the Valuers Registration Board required by legislation will be provided.</li> </ul>	<p>All required services were provided.</p>
C.14 AR (01)	25

Projected Performance	Performance Achieved
<i>Quality</i>	
<ul style="list-style-type: none"> <li>All reports for projects in the agreed 2001/02 priority work programme will meet the departmental policy advice/ministerial communications standards, as described in Appendix A.</li> </ul>	Not applicable.
<ul style="list-style-type: none"> <li>Land Information New Zealand will seek written responses from Local Authorities each year on the effectiveness of the Rating Valuation Rules.</li> </ul>	A survey was completed on 25 June 2002. Comments received will be taken into account in the annual review of the valuation rules.
<ul style="list-style-type: none"> <li>The process for reviewing and revising the Rating Valuation Rules will be assessed by Risk and Quality Assurance in accordance with the agreed programme for the achievement of:               <ul style="list-style-type: none"> <li>- reduction in risk to the Crown; and</li> <li>- minimum compliance costs.</li> </ul> </li> </ul>	Not completed in 2001/02 year because the rules were in draft stage at 30 June 2002.
<ul style="list-style-type: none"> <li>All compliance audit reports (and supporting information) will be in accordance with the valuation audit work programme such that external review will be possible.</li> </ul>	All audit reports are in a standard format and able to be reviewed externally.
<ul style="list-style-type: none"> <li>The annual audit work programme will ensure that:               <ul style="list-style-type: none"> <li>- all general revaluations and equalisations undertaken are certified; and</li> <li>- all objections and maintenance audits, deemed necessary, are undertaken.</li> </ul> </li> </ul>	The annual work programme ensures that all general revaluations and equalisations are certified and that all objections and maintenance audits deemed necessary are undertaken.
<ul style="list-style-type: none"> <li>All services to the Valuers Registration Board will be provided in accordance with the service level agreement between the Valuers Registration Board and the Valuer-General.</li> </ul>	All services provided in accordance with the SLA.

**Projected Performance**

**Performance Achieved**

*Timeliness*

- All 2001/02 priority work programme projects will be completed in accordance with the dates specified in that work programme.

The one project the Valuer-General was responsible for has been transferred to next year with the Minister's agreement.
- The Rating Valuation Rules will be reviewed and revised in accordance with the timeframes set in the Valuer-General's business plan.

The rules were reviewed when the Local Government (Rating) Act was passed, in accordance with the VG's business plan.
- All compliance audit reports will be finalised within the timeframes in the annual valuation audit programme.

All certificates for general revaluations were issued within 15 days of receipt of data, as specified. All other reports were finalised within the timeframes in the annual audit programme.
- The annual audit work programme for 2002/03 will be developed by 30 June 2002.

The annual audit work programme was prepared by 30 May 2002.
- All services to the Valuers Registration Board will meet the timeframes as agreed in the service level agreement.

All services met the timeframes agreed in the SLA.

**Financial Performance**

<b>Actual 30/6/01 \$000</b>		<b>Actual 30/6/02 \$000</b>	<b>Main Estimates 30/6/02 \$000</b>	<b>Supp. Estimates 30/6/02 \$000</b>
52	Revenue Crown	51	48	51
1,451	Other Revenue	1,369	1,532	1,532
1,503	Total Revenue	1,420	1,580	1,583
1,499	Total Expenses	1,420	1,576	1,579
4	Net Surplus/(Deficit)	0	4	4
1,687	Appropriation	1,598	1,774	1,777

## Output Class D3 - Survey System

### Outcome

The outputs produced in this class contributed to the following outcomes the Government has set for LINZ:

- the on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and
  - standards and specifications for provision of core land data;
- the establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records, to underpin economic activity in New Zealand; and
- the ongoing maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services responses.

### Description

The outputs the Minister purchased from the department included the development, review and implementation of standards to support the survey system infrastructure, and compliance audits to ensure the work undertaken complied with those standards.

Projected Performance	Performance Achieved
<i>Quantity</i>	
<ul style="list-style-type: none"> <li>• All projects in the 2001/02 priority work programme completed.</li> </ul>	One project was completed. One project was transferred to next year with the Minister's agreement.
<ul style="list-style-type: none"> <li>• 10 (est) compliance audits undertaken. (range is 5 - 15).</li> </ul>	8 audits were completed. <i>Note: The number and range of audits was reduced with the Minister's agreement.</i>
<ul style="list-style-type: none"> <li>• 6 (est) standards and guidelines developed, reviewed and implemented (range 4 - 8).</li> </ul>	7 existing standards were reviewed and 6 new standards prepared.

- The service delivery work programme for 2002/03 will be prepared and accepted by the General Manager Contracts.
- Programme accepted by General Manager Contracts.

**Projected Performance**

*Quality*

- All reports for projects in the agreed 2001/02 priority work programme will meet the departmental policy advice/ministerial communications standards, as described in Appendix A.
- All implementation projects in the agreed 2001/02 priority work programme will meet the quality standards as defined in the implementation work programme.
- All compliance audit reports will be in accordance with the Terms of Reference such that external review will be possible.
- The process for producing standards and guidelines will be assessed by Risk and Quality Assurance in accordance with the agreed programme for the achievement of:
  - reduction in risk to the Crown;
  - and
  - minimum compliance costs.
- The 2002/03 service delivery work programme will clearly demonstrate the characteristics of purpose, consultation, practicality and presentation.

**Performance Achieved**

*Quality*

- All standards met.
- The Surveyor-General has no implementation projects in the 2001/02 priority work programme.
- All compliance audit reports are in accordance with the terms of reference developed in conjunction with the Risk and Quality Assurance Group and are capable of external review.
- In 2001/02, the process for producing and reviewing standards and guidelines was standardised across all LINZ regulatory groups. A generic review of the operations of the new standards review committee was conducted in June 2002 and improvements will be actioned in the 2002/03 year.
- Programme provided clearly demonstrated the characteristics required.

**Projected Performance**

**Performance Achieved**

*Timeliness*

- All 2001/02 priority work programme projects will be completed in accordance with the dates specified in that work programme.

The project was completed by the specified date.
- All standards and guidelines developed, reviewed and implemented will be in accordance with the timeframes in the Surveyor-General's business plan.

All standards were completed within the timeframes in the Surveyor General's Business Plan.
- All compliance audit reports will be finalised within the timeframes set in the terms of reference for each audit.

All audits were completed within the specified timeframes.
- The 2002/03 service delivery work programme will be finalised and delivered to the General Manager Contracts by 31 December 2001.

Programme provided to General Manager Contracts on 21 December 2001.

**Financial Performance**

<b>Actual 30/6/01 \$000</b>		<b>Actual 30/6/02 \$000</b>	<b>Main Estimates 30/6/02 \$000</b>	<b>Supp. Estimates 30/6/02 \$000</b>
1,799	Revenue Crown	1,963	1,911	1,963
1,799	Total Revenue	1,963	1,911	1,963
1,728	Total Expenses	1,918	1,843	1,963
71	Net Surplus/(Deficit)	45	68	0
1,953	Appropriation	2,163	2,082	2,209

## Output Class D4 - Land Title Services

### Outcome

The outputs produced in this class contributed to the following outcomes the Government has set for LINZ:

- the on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and
  - standards and specifications for provision of core land data;
- the establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records, to underpin economic activity in New Zealand; and
- the ongoing maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services responses.

### Description

The outputs the Minister purchased from the department included the development, review and implementation of standards to support the land title systems infrastructure and compliance audits to ensure the work undertaken complied with those standards. Also included was the enhancement, extension and maintenance of the survey control and land parcel system and associated databases and the provision of public access to survey and cadastral data.

Projected Performance	Performance Achieved
<p><i>Quantity</i></p> <ul style="list-style-type: none"> <li>• All projects in the agreed 2001/02 priority work programme, which includes <b>Landonline</b> development, will be completed.</li> </ul>	<p>The one project the Registrar-General of Land was responsible for was completed as far as possible in 2001/02. All <b>Landonline</b> projects (related to titles conversion and implementation of stage 1) were completed. One project was transferred to next year with the Minister's agreement.</p>

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• 15 (est) standards and guidelines developed or reviewed and implemented as new legislation and case law requires. (range 8 - 18)</li> </ul>  | <p>5 new standards and guidelines were issued and 4 standards and guidelines were reviewed.<br/><i>Note: the range was reduced with the Minister's agreement.</i></p>   |
| <ul style="list-style-type: none"> <li>• 5 (est) compliance audits will be undertaken. (range is 3 – 7)</li> </ul>  | <p>3 audits were completed.</p>   |
| <ul style="list-style-type: none"> <li>• The service delivery work programme for 2002/03 will be prepared and accepted by the General Manager Contracts.</li> </ul>   | <p>Completed and accepted by GM Contracts.</p>  |
| <ul style="list-style-type: none"> <li>• 4 (est) service delivery contracts negotiated, signed and managed, of which the main items were:             <ul style="list-style-type: none"> <li>- 3,150 (est) geodetic marks surveyed or maintained. (range is 2500 - 4500)</li> <li>- 13,000 (est) survey plans approved. (range is 11,000 - 15,000)</li> <li>- 780,000 (est) certificates of title issued/reissued. (range is 680,000 – 880,000)</li> <li>- 35,000 (est) new parcels added to the Digital Cadastral Database or Core Records System. (range is 25,000 - 45,000)</li> <li>- 845,000 (est) certificate of title search copies provided. (range is 795,000 – 895,000)</li> <li>- 400,000 survey search copies provided. (range is 300,000 – 500,000)</li> </ul> </li> </ul> | <p>6 contracts negotiated, signed, managed and completed by 30 June 2002.</p> <p>3285 marks surveyed.</p> <p>10,792 survey plans approved.</p> <p>841,086 certificates of title issued, reissued.</p> <p>18,108 new parcels added to DCDB or <b>Landonline</b>.</p> <p>968,391 title searches provided.</p> <p>310,411 survey search copies provided.</p> |

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• 1 internal contract negotiated, signed and managed for provision of support to the Digital Cadastral Database infrastructure.</li> </ul> | <p>Current Service Level Agreement, signed on 2 April 2001 managed with no material issues.</p> |
|---|---|

**Projected Performance**

**Performance Achieved**

*Quality*

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• All reports for projects in the agreed 2001/02 priority work programme will meet the departmental policy advice/ministerial communications standards, as described in Appendix A.</li> </ul>                           | <p>All standards met.</p>  |
| <ul style="list-style-type: none"> <li>• All implementation projects in the agreed 2001/02 priority work programme will meet the quality standards as defined in the implementation work programme.</li> </ul>  | <p>The Registrar-General of Land had no implementation projects in the 2001/02 priority work programme. The <b>Landonline</b> implementation projects were signed-off by the relevant LINZ managers.</p> |
| <ul style="list-style-type: none"> <li>• All compliance audit reports will be in accordance with the Terms of Reference such that external review will be possible.</li> </ul>  | <p>All compliance audit reports are in accordance with the terms of reference developed in conjunction with the Risk and QA Group.</p>   |
| <ul style="list-style-type: none"> <li>• All standards and guidelines will comply with legislation and/or case law and are signed off by the Registrar-General of Land.</li> </ul>  | <p>All standards and guidelines complied.</p>  |
| <ul style="list-style-type: none"> <li>• The 2002/03 service delivery work programme will clearly demonstrate the characteristics of purpose, consultation, practicality and presentation.</li> </ul>   | <p>The programme provided clearly demonstrated the required characteristics.</p>   |
| <ul style="list-style-type: none"> <li>• All external contracts will demonstrate the characteristics of relevance and risk management and will use an accepted forecasting method to determine volume targets from which budgets can be established.</li> </ul> | <p>All external contracts have been let within the LINZ approved tendering process (based on competitive tenders). A forecasting model is used to determine target volumes.</p>                          |

- All contracts will be delivered in accordance with standards and guidelines issued by either the Surveyor-General or the Registrar-General of Land. Compliance with standards and specifications will be assessed through regulatory audits carried out by the Manager Risk and Quality Assurance.

Contracts delivered in terms of the standards. Audits indicate that standards and guidelines were complied with.
- The quality aspects of the main items of the contracts will be:
  - All survey control marks will be maintained and surveyed to the standards and programmes set by the Surveyor-General and contained within the work contracts;

All contracts have been let in terms of Surveyor-General approved programmes, standards and specifications.
  - All survey plans will comply with the survey regulations and guidelines specified by the Surveyor-General and will be certified as such by a LINZ plan approving officer;

All approved survey plans complied and were certified by a LINZ plan approving officer.
  - Certificates of title issued/reissued will maintain an error rating at or below 0.2% as recorded in the Corrections Register;

4/5 offices were below the error target of 0.2%. Wellington office scored 0.27%.
  - Each office shall, for 10 out of 12 months, achieve a monthly minimum average rating of 'good' in telephone and visit evaluations of the quality of in-house customer services;

Mystery customer evaluation:  
All offices achieved a minimum rating of "good" for the quality of in-house customer services.
  - Each office shall, for 10 out of 12 months, achieve a minimum rating of 'good' in the quality categories of monthly telephone surveys of regular customers; and

Title registration and survey plan approval:  
5/5 offices achieved a minimum rating of "good" for the quality of title registration and 4/5 offices achieved a minimum rating of "good" for the quality of survey plan approval.

Title search and survey plan search:  
4/5 offices achieved a minimum rating of “good” for the quality of title searches and 2/5 offices achieved a minimum rating of “good” for the quality of survey plan searches.

- All inputs into the databases will be in accordance with the quality standards set by either the Surveyor-General or the Registrar-General of Land.

All inputs are in accordance with the quality standards.

**Projected Performance**

**Performance Achieved**

*Timeliness*

- All 2001/02 priority work programme projects will be completed in accordance with the dates specified in that work programme.

The development phase of the project the Registrar-General of Land was responsible for was completed by the specified date. Most **Landonline** projects (implementation and titles conversion for Stage 1) were completed in accord with the specified dates. One project (Auckland) was delayed by 3 weeks to fix a software problem. Construction of Stage 2 of **Landonline** was 2 months late because of delays by the contractor.

- All compliance audit reports will be finalised in accordance with the timeframes set in the Terms of Reference for each audit.

The reports for two audits were finalised in accordance with the time frames set out in the terms of reference for each. The report for one audit was finalised two weeks after the completion date originally specified in the terms of reference.

- All existing standards and guidelines will be reviewed and implemented in accordance with the timeframes specified in the Registrar-General of Land’s business plan.

5 reviews were completed within this reporting period. The timing of these reviews was deferred beyond the original review programme timeframes.

- All new standards and guidelines developed to support new legislation will be produced within 4 - 6 weeks of the date the legislation comes into force.

One guideline was produced within 4 weeks of the date on which that legislation came into force.  
One standard was produced within 6 weeks of the date on which that legislation came into force.  
The other standards and guidelines issued within this reporting period have not been triggered by the enactment of new legislation so this measure is not applicable.  
*Note: The length of time was increased from 4 to 4 – 6 weeks with the Minister’s agreement.*
- The 2002/03 service delivery work programme will be finalised and delivered to the General Manager Contracts by 31 December 2001.

Completed by December 2001.
- All services will be delivered in accordance with the timeframes in the signed contracts.

Geodetic contracts delivered in accordance with the project plan.
- The timeliness aspects of the main items of the contracts were:
  - Each office shall, for 10 out of 12 months, achieve a monthly minimum average rating of ‘good’ in telephone and visit evaluations of the timeliness of in-house customer services;

Mystery customer evaluation:  
All offices achieved a minimum rating of “good” in the timeliness categories for titles and survey customers.
  - Each office shall, for 10 out of 12 months, achieve a minimum rating of ‘good’ in the timeliness categories of monthly telephone surveys of regular customers;

Title registration and plan approval:  
2/5 offices achieved a minimum rating of “good” for the timeliness of title registration and 1/5 offices achieved a minimum rating of “good” for the timeliness of survey plan approval.
  - Title and Plan Search:  
4/5 offices achieved a minimum rating of “good” for the timeliness of title searches and 2/5 offices achieved a minimum rating of “good” for the timeliness of plan searches.

*NB: The next three timeliness measures may incur a variance up to a maximum of 30% during the implementation phase of **Landonline***

- 90% of all land subdivisional survey plans received from accredited surveyors will be processed within 10 working days; 5621 of 12,039 plans (46.7%) were processed within 10 working days. Standard not achieved.
- 90% of all land subdivisional survey plans received from non-accredited surveyors will be processed within 20 working days; and 2281 of 3315 plans (68.8%) were processed within 20 working days. Standard not achieved.
- Each office shall for 10 out of 12 months issue/reissue 50%, 75%, 95% of titles (by registration amendment or by subdivision) within 10, 12, 15 working days respectively where the dealing is correct. No offices met the transition standards.

**Financial Performance**

<b>Actual 30/6/01 \$000</b>		<b>Actual 30/6/02 \$000</b>	<b>Main Estimates 30/6/02 \$000</b>	<b>Supp. Estimates 30/6/02 \$000</b>
1,663	Revenue Crown	1,930	1,887	2,157
59,975	Other Revenue	64,133	68,089	65,954
61,638	Total Revenue	66,063	69,976	68,111
64,133	Total Expenses	69,490	69,279	73,137
(2,495)	Net Surplus/(Deficit)	(3,427)	697	(5,026)
71,838	Appropriation	77,748	78,026	81,651

## Output Class D5 - Crown Property Management and Disposal Services

### Outcome

The outputs produced in this class contributed to the following outcomes the Government has set for LINZ:

- the on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and
  - standards and specifications for provision of core land data; and
- 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.

### Description

The outputs the Minister purchased from the department included the oversight of the management and disposal of the Crown's interest in land and property (outside the conservation estate) and acquisition, management and disposal of land and property administered by the department on behalf of the Crown through:

- the review, development and implementation of standards for the management, disposal and acquisition of Crown land;
- provision of compliance audits and a statutory clearance service to ensure that work undertaken complied with those standards; and
- the delivery of an annual service delivery work programme which includes the management of Crown land, the disposal of surplus Crown land, management of the tenure review programme, management of Crown land and property liabilities, and the management of the associated core databases.

### Projected Performance

### Performance Achieved

#### *Quantity*

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• All projects in the agreed 2001/02 priority work programme will be completed.</li> </ul> | <ul style="list-style-type: none"> <li>One project completed.</li> <li>One milestones awaits the outcome of policy decisions.</li> </ul> |
|---|--|

- At least one compliance audit undertaken in each of the following areas:
  - LINZ Crown property acquisition, administration and disposal work undertaken by the Crown Property Management Group; 1 audit completed.
  - Exercise of statutory decision-making by delegates; Statutory decisions made by Crown Property Management group were addressed in the audit referred to above. 1 audit completed of the exercise of statutory delegations by Crown Property Clearances staff.
  - Crown property acquisition and disposal work undertaken by accredited suppliers; and 1 audit completed.
  - Pastoral lease tenure reform and lease management. 1 audit completed.
- 10 (est) standards developed or reviewed and implemented as new legislation, case law, audit findings and risk analysis requires. (range is 7 – 12) 2 new standards were prepared and 6 existing standards revised.
- 3,300 (est) property clearances will be quality assured and a statutory decision made. (range is 2,200 – 4,200) 3,444 statutory property clearances were quality assured.
- Contracts will be negotiated, signed and managed for the annual disposal portfolio of properties (including out years) to achieve revenue sales of \$3,370,000 (± 10%). Net revenue sales achieved of \$4,908,278.  
*Note: The revenue sales baseline was increased in 2001/02 to \$6,559,000.*
- 585 (est) contingent liabilities will be managed. (range is 500 - 600) 696 contingent liabilities managed.
- 60 (est) Crown pastoral lease tenure review proposals will be made. (range is 40 – 80) A total of 56 proposals were made:
  - 1 substantive proposal
  - 24 preliminary proposals
  - 2 draft substantive proposals
  - 29 draft preliminary proposals

**Projected Performance**

**Performance Achieved**

*Quality*

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• All reports for projects in the agreed 2001/02 priority work programme will meet the departmental policy advice/ministerial communications standards, as described in Appendix A.</li> <li>• All implementation projects in the agreed 2001/02 priority work programme will meet the quality standards as defined in the implementation work programme.</li> <li>• All standards will comply with legislation and/or case law and be certified by the Manager Legal Services.</li> <li>• All compliance audits reports will be in accordance with the Terms of Reference such that external review will be possible.</li> <li>• The quality assurance service will be provided in accordance with the standards of the Chief Crown Property Officer.</li> <li>• All contracts will demonstrate the characteristics of relevance, best price and risk management.</li> </ul> | <p>All reports met the required standards.</p> <p>Project plan completed in accordance with Archives New Zealand standards as defined in the work programme.</p> <p>The Manager Legal Services (or a solicitor under his direction) certified all new standards and revisions with legal interpretation content.</p> <p>All audit reports were completed in accordance with the terms of reference and are capable of external review.</p> <p>The service was provided in accordance with the standards.</p> <p>Contracts contributed to the annual service delivery programme as negotiated with the Treasury. Competitive tendering was undertaken to achieve best price. “Best practice” procedures were followed which incorporated consideration of risk management for each contract.</p> |
|--|---|

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Contracts will be delivered, where relevant, in accordance with the standards and guidelines issued by the Chief Crown Property Officer. Compliance with standards and guidelines will be assessed through regulatory audits carried out by the Manager Risk and Quality Assurance.</li> </ul> | <p>The relevant contracts have been delivered in terms of the Chief Crown Property Officer's standards and guidelines.</p> |
| <ul style="list-style-type: none"> <li>• Contingent liabilities will be managed in accordance with the requirements in LINZ's "<i>Operating Framework for the Investigation and Management of Land Related Crown Contingent Liabilities</i>".</li> </ul>  | <p>The management of contingent liabilities has been in accordance with the requirements of the Operating Framework.</p>   |
| <ul style="list-style-type: none"> <li>• Crown pastoral lease tenure review proposals will be made in accordance with the standards and guidelines issued by the Chief Crown Property Officer.</li> </ul>   | <p>All proposals were made in accordance with the Crown Pastoral Land Act Standards.</p>                                   |

**Projected Performance**

**Performance Achieved**

*Timeliness*

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• All 2001/02 priority work programme projects will be delivered in accordance with the dates specified in that work programme.</li> </ul>                       | <p>One project was completed by the specified date.<br/>One project awaits the outcome of policy decisions.</p>  |
| <ul style="list-style-type: none"> <li>• All compliance audit reports will be finalised in accordance with the timeframes set in the Terms of Reference for each audit.</li> </ul>                      | <p>Where a timeframe was specified, the terms of reference for each audit met the agreed timeframes.</p>   |
| <ul style="list-style-type: none"> <li>• All new standards required to support new legislation will be produced within six weeks of the date the legislation comes into force.</li> </ul>               | <p>Standards not met. The Pouakanui Claim Settlement Act came into force on March 2001 and the standard was promulgated on 1 October 2001.</p>                               |
| <ul style="list-style-type: none"> <li>• All existing standards reviewed and reissued will be in accordance with the timeframes set out in the Chief Crown Property Officer's business plan.</li> </ul> | <p>The Chief Crown Property Officer's business plan does not state when existing standards and guidelines are to be reviewed. They are reviewed on an "as needed" basis.</p> |

- Contingent liabilities will be managed in accordance with the timeframes in LINZ's "*Operating Framework for the Investigation and Management of Land Related Crown Contingent Liabilities*".

The management of contingent liabilities has been in accordance with the requirements of the Operating Framework.
- Revenue targets reached by 30 June 2002.

Revenue sales achieved of \$4,908,278 by 30 June 2002.
- Crown pastoral lease tenure review proposals will be made in accordance with the timeframes in the annual programme agreed with the Commissioner of Crown Lands.

11 preliminary proposals were made significantly ahead of the annual programme timeframes. Two proposals were made behind the annual programme timeframes. The remainder were within the parameters of the timeframes agreed with the Commissioner of Crown Lands.
- 95% of statutory reports and recommendations provided to the quality assurance service will be cleared or responded to within 5 working days.

95% of statutory reports and recommendations were cleared or responded to within 5 working days.

#### Financial Performance

<b>Actual 30/6/01 \$000</b>		<b>Actual 30/6/02 \$000</b>	<b>Main Estimates 30/6/02 \$000</b>	<b>Supp. Estimates 30/6/02 \$000</b>
13,332	Revenue Crown	14,103	13,247	14,103
677	Other Revenue	464	615	532
14,009	Total Revenue	14,567	13,862	14,635
13,895	Total Expenses	14,615	13,862	14,635
114	Net Surplus/(Deficit)	(48)	0	0
15,646	Appropriation	16,436	15,594	16,464

## Output Class D6 - Topographic and Hydrographic Information System

### Outcome

The outputs produced in this class contributed to the following outcomes the Government has set for LINZ:

- the on-going delivery of an efficient regulatory framework that establishes:
  - parameters for definition and dealing in land property rights; and
  - standards and specifications for provision of core land data; and
- the ongoing maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services responses.

### Description

The outputs the Minister purchased from the department included the maintenance of the topographic and core map series and the purchase of the Crown's hydrographic requirements.

Projected Performance	Performance Achieved
<i>Quantity</i>	
<ul style="list-style-type: none"> <li>• All projects in the agreed 2001/02 priority work programme completed.</li> </ul>	<ul style="list-style-type: none"> <li>3 projects completed.</li> <li>3 projects were partly completed with their next phases deferred until the 2002/03 year.</li> </ul>
<ul style="list-style-type: none"> <li>• 4 (est) compliance audits undertaken. (range is 2 – 6)</li> </ul>	<ul style="list-style-type: none"> <li>4 audits were completed.</li> </ul>
<ul style="list-style-type: none"> <li>• 5 (est) standards and guidelines be developed or reviewed and implemented. (range 3 – 7)</li> </ul>	<ul style="list-style-type: none"> <li>7 existing standards and specifications were reviewed.</li> </ul>
<ul style="list-style-type: none"> <li>• The service delivery work programme for 2002/03 prepared and accepted by the General Manager Contracts.</li> </ul>	<ul style="list-style-type: none"> <li>The annual work programme was accepted by the Acting GM Contracts.</li> </ul>
<ul style="list-style-type: none"> <li>• 10 (est) contracts negotiated, signed and managed, of which the main items will be:</li> </ul>	

- 25 (est) topographic maps will be revised and produced. (range is 20 - 30)	27 topographic maps printed and delivered to the warehouse.
- 55 (est) hydrographic charts will be revised. (range is 50 - 60)	44 hydrographic charts printed and delivered to the warehouse.

**Projected Performance**

**Performance Achieved**

*Quality*

<ul style="list-style-type: none"> <li>• All reports for projects in the agreed 2001/02 priority work programme will meet the departmental policy advice/ministerial communications standards, as described in Appendix A.</li> </ul>	<p>All reports were submitted to an approving person or team and accepted as meeting the standard.</p>
<ul style="list-style-type: none"> <li>• All implementation projects in the agreed 2001/02 priority work programme will meet the quality standards as defined in the implementation work programme.</li> </ul>	<p>There were no implementation projects in the priority work programme.</p>
<ul style="list-style-type: none"> <li>• The process for producing standards and guidelines will be assessed by Risk and Quality Assurance in accordance with the agreed programme for achievement of:               <ul style="list-style-type: none"> <li>- reduction in risk to the Crown; and</li> <li>- minimum compliance costs.</li> </ul> </li> </ul>	<p>In 2001/02, the process for producing and reviewing standards and guidelines was standardised across all LINZ regulatory groups. A generic review of the operations of the new standards review committee was conducted in June 2002.</p>
<ul style="list-style-type: none"> <li>• All compliance audit reports will be in accordance with the Terms of Reference such that external review will be possible.</li> </ul>	<p>All compliance audit reports are in accordance with the term of reference developed in conjunction with the Risk and Quality Assurance Group, such that external review will be possible.</p>
<ul style="list-style-type: none"> <li>• The 2002/03 service delivery work programme will demonstrate the characteristics of purpose, consultation, practicality and presentation.</li> </ul>	<p>The programme demonstrated the required characteristics.</p>

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• All contracts will demonstrate the characteristics of relevance, best price and risk management.</li> </ul>   | <p>Contract contributes to the annual service delivery programme. External contracts have been let within a competitive tendering process to provide the optimum outcome. All contracts have risk evaluation and management plans negotiated and managed with the provider.</p> |
| <ul style="list-style-type: none"> <li>• Contracts will be delivered in accordance with the standards and guidelines issued by the Chief Topographer/Hydrographer. Compliance with standards and specifications will be assessed through regulatory audits carried out by the Manager Risk and Quality Assurance.</li> </ul> | <p>All contracts let in terms of the CTH approved programme, standards and specifications.</p>  |

**Projected Performance**

**Performance Achieved**

*Timeliness*

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• All projects in the agreed 2001/02 priority work programme will be delivered in accordance with the dates specified in that work programme.</li> </ul>                           | <p>3 projects were completed by the specified dates.<br/>3 projects were partly completed with their next phases deferred until the 2002/03 year.<br/>One project was completed to consultation stage by the specified date.</p> |
| <ul style="list-style-type: none"> <li>• All compliance audit reports will be finalised in accordance with the timeframes set in the Terms of Reference for each audit.</li> </ul>  | <p>All compliance audits were finalised in accordance with the timeframes set out in the terms of reference for each.</p>  |
| <ul style="list-style-type: none"> <li>• All standards and guidelines developed, reviewed and implemented will be in accordance with the timeframes within the Chief Topographer/Hydrographer's business plan.</li> </ul> | <p>The standards completed met the timeframes in the CTH Business Plan and Operational Plan.</p>   |

- The 2002/03 service delivery work programme will be finalised and delivered to the General Manager Contracts by 31 December 2001. The programme was delivered to the General Manager Contracts on 24 December 2001.
- Services will be delivered in accordance with the timeframes in the signed contracts. Contracts progressing to time in accordance with agreed programmes.

**Financial Performance**

<b>Actual 30/6/01 \$000</b>		<b>Actual 30/6/02 \$000</b>	<b>Main Estimates 30/6/02 \$000</b>	<b>Supp. Estimates 30/6/02 \$000</b>
34,769	Revenue Crown	17,206	27,828	23,844
3	Other Revenue	162	0	150
34,772	Total Revenue	17,368	27,828	23,994
34,690	Total Expenses	17,319	27,828	23,994
82	Net Surplus/(Deficit)	49	0	0
39,037	Appropriation	19,490	31,306	26,993

**FINANCIAL STATEMENTS****Statement of Financial Performance  
for the year ended 30 June 2002**

<i>Actual 30/6/01 \$000</i>		<i>Notes</i>	<i>Actual 30/6/02 \$000</i>	<i>Main Estimates 30/6/02 \$000</i>	<i>Supp. Estimates 30/6/02 \$000</i>
	<b>Revenue</b>				
53,472	Crown		37,239	46,662	44,104
62,106	Other	2	66,128	70,236	68,168
95	Interest	3	1	50	0
<u>115,673</u>	<b>Total operating revenue</b>		<u>103,368</u>	<u>116,948</u>	<u>112,272</u>
	<b>Expenditure</b>				
34,404	Personnel costs	4	35,878	32,265	35,940
75,474	Operating costs	5	59,752	68,630	67,369
4,257	Depreciation	6	6,138	8,426	9,253
1,389	Capital charge	7	2,919	3,456	2,919
2,276	Restructuring costs		2,039	3,352	1,813
<u>117,800</u>	<b>Total expenditure</b>		<u>106,726</u>	<u>116,129</u>	<u>117,294</u>
<u>(2,127)</u>	<b>Net surplus/(deficit)</b>		<u>(3,358)</u>	<u>819</u>	<u>(5,022)</u>

The accompanying accounting policies and notes form part of these financial statements.

**Statement of Movements in Taxpayers' Funds  
for the year ended 30 June 2002**

<i>Actual 30/6/01 \$000</i>		<i>Notes</i>	<i>Actual 30/6/02 \$000</i>	<i>Main Estimates 30/6/02 \$000</i>	<i>Supp. Estimates 30/6/02 \$000</i>
13,891	Taxpayers' funds as at 1 July		21,602	30,506	21,602
0	Adjustment for adoption of FRS 15		(2,891)	0	(856)
13,891	Adjusted opening taxpayers' funds		18,711	30,506	20,746
(2,127)	Net surplus/(deficit)		(3,358)	819	(5,022)
(2,127)	<b>Total recognised revenue and expense for the year</b>		(3,358)	819	(5,022)
10,000	Capital contribution	17	32,000	23,000	38,651
(136)	Provision for repayment of surplus to the Crown	8	(94)	(819)	(8)
(26)	Department/Crown asset transfer		0	0	0
<u>21,602</u>	<b>Taxpayers' funds as at 30 June</b>		<u>47,259</u>	<u>53,506</u>	<u>54,367</u>

*The accompanying accounting policies and notes form part of these financial statements.*

**Statement of Financial Position  
as at 30 June 2002**

<i>Actual</i> <i>30/6/01</i> <i>\$000</i>		<i>Notes</i>	<i>Actual</i> <i>30/6/02</i> <i>\$000</i>	<i>Main</i> <i>Estimates</i> <i>30/6/02</i> <i>\$000</i>	<i>Supp.</i> <i>Estimates</i> <i>30/6/02</i> <i>\$000</i>
21,602	Taxpayers' funds		47,259	53,506	54,367
<u>21,602</u>	<b>Total taxpayers' funds</b>		<u>47,259</u>	<u>53,506</u>	<u>54,367</u>
	<i>Represented by:</i>				
	Current assets				
752	Cash and bank		8,315	1,421	3,261
0	Short term deposits	9	0	5,000	0
406	Prepayments		390	400	400
2,290	Debtors and receivables	10	3,061	1,792	2,380
<u>3,448</u>	<b>Total current assets</b>		<u>11,766</u>	<u>8,613</u>	<u>6,041</u>
	Non-current assets				
38,846	Fixed assets	11, 12	59,813	68,263	65,161
10,895	Work in progress		12,896	7,553	7,293
<u>49,741</u>	<b>Total non-current assets</b>		<u>72,709</u>	<u>75,816</u>	<u>72,454</u>
<u>53,189</u>	<b>Total assets</b>		<u>84,475</u>	<u>84,429</u>	<u>78,495</u>
	<i>Less current liabilities</i>				
21,452	Creditors and payables	13	23,018	23,122	15,120
636	Provisions	14	3,230	477	1,195
136	Provision for repayment of surplus to Crown	8	94	819	8
3,067	Employee entitlements	15	4,166	2,500	2,000
1,810	Deferred revenue		2,522	2,000	1,800
<u>27,101</u>	<b>Total current liabilities</b>		<u>33,030</u>	<u>28,918</u>	<u>20,123</u>
	Non-current liabilities				
4,481	Employee entitlements	15	4,181	2,000	4,000
5	Other term liabilities		5	5	5
<u>4,486</u>	<b>Total non-current liabilities</b>		<u>4,186</u>	<u>2,005</u>	<u>4,005</u>
<u>31,587</u>	<b>Total liabilities</b>		<u>37,216</u>	<u>30,923</u>	<u>24,128</u>
<u>21,602</u>	<b>Net assets</b>		<u>47,259</u>	<u>53,506</u>	<u>54,367</u>



Dr R Ballard  
Chief Executive  
30 September 2002



B Usherwood  
Chief Financial Officer  
30 September 2002

*The accompanying accounting policies and notes form part of these financial statements.*



**Statement of Commitments  
as at 30 June 2002**

Land Information New Zealand has long-term leases on its premises throughout New Zealand. The annual lease payments are subject to regular reviews. The amounts disclosed below as future commitments are based on current rental rates. Included in these leases are surplus accommodation premises that have been sublet at rentals, which are less than the rental payable. Operating lease commitments include lease payments for premises, office and computer equipment and motor vehicles.

Commitments for non-cancellable contracts for supply of goods and services, and capital purchases are mainly from the Land Titles and Survey Automation (**Landonline**) project.

<i>Actual 30/6/01 \$000</i>		<i>Actual 30/6/02 \$000</i>
	<b>Operating commitments</b>	
	<b>Operating lease commitments</b>	
4,948	Less than one year	4,478
3,176	One to two years	4,291
8,821	Two to five years	10,080
5,444	More than five years	7,411
22,389	<b>Total operating lease commitments</b>	26,260
	<b>Non-cancellable contracts for supply of goods and services</b>	
13,408	Less than one year	17,398
10,141	One to two years	10,866
12,240	Two to five years	4,629
35,789	<b>Total non-cancellable contracts for supply of Goods and services</b>	32,893
58,178	<b>Total operating commitments</b>	59,153
	<b>Capital commitments</b>	
	<b>Plant and equipment</b>	
29,000	Less than one year	15,519
7,254	One to two years	0
36,254	<b>Total capital commitments</b>	15,519
94,432	<b>Total commitments</b>	74,672

The accompanying accounting policies and notes form part of these financial statements.

**Statement of Memorandum Account  
for the year ended 30 June 2002**

<b>Landonline</b> (Land Titles and Survey Automation)	<b>\$000</b>
<i>Balance as at 1 July 2001</i>	29,173
Revenue	
Operating revenue	50,127
<b>Landonline</b> fees	<u>14,006</u>
<b>Total revenue</b>	<u>64,133</u>
Expenses	
Operating costs	48,660
<b>Landonline</b> expenses	<u>18,900</u>
<b>Total expenses</b>	<u>67,560</u>
Net surplus/(deficit) for year	<u>(3,427)</u>
<b>Balance as at 30 June 2002</b>	<u><u>25,746</u></u>

This account summarises financial information relating to surpluses and deficits from Survey System and Land Titles System operations, including any **Landonline** fees collected, and **Landonline** expenses incurred.

*The accompanying accounting policies and notes form part of these financial statements.*

**Statement of Contingent Liabilities  
as at 30 June 2002**

To comply with the financial reporting standard, FRS-15, the department has recognised as a provision, potential work on Crown land, liabilities that were previously noted as contingent liabilities.

The contingent liability for potential work on Crown lands represents the department's best estimate of the cost of mitigating potential liabilities within its Crown property portfolio.

Quantifiable contingent liabilities are as follows:

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000
378	Legal proceedings	0
277	Other	0
0	Potential work on Crown lands	4601
0	Possible personal grievances	5
<u>655</u>	<b>Total contingent liabilities</b>	<u>4,606</u>

*The accompanying accounting policies and notes form part of these financial statements.*

**Statement of Departmental Expenditure  
and Appropriations  
for the year ended 30 June 2002**

(Figures are GST inclusive where applicable)

	<i>Expenditure Actual 30/6/02 \$000</i>	<i>Appropriation Voted * 30/6/02 \$000</i>	<i>Variance** Favourable/ (Unfavourable) \$000</i>
<i>Appropriations for classes of outputs</i>			
D1 Policy Advice	2,212	2,235	23
D2 Office of the Valuer-General	1,598	1,777	179
D3 Survey System	2,163	2,209	46
D4 Land Records System	77,748	81,651	3,903
D5 Crown Property Mgmt & Disposal Services	16,436	16,464	28
D6 Topo/Hydrographic Information System	19,490	26,993	7,503
<b>Sub-total</b>	<b>119,647</b>	<b>131,329</b>	<b>11,682</b>
<i>Appropriations for capital contributions</i>			
Capital Investment	32,000	38,651	6,651
<b>Sub-total</b>	<b>32,000</b>	<b>38,651</b>	<b>6,651</b>
<b>Total</b>	<b>151,647</b>	<b>169,980</b>	<b>18,333</b>

\* This includes adjustments made in the Supplementary Estimates (See Note 1).

\*\* There were no unappropriated expenditure, expenses or liabilities in relation to the activities of, or appropriations administered by, the department in 2001/02.

The accompanying accounting policies and notes form part of these financial statements.

## **Statement of Significant Accounting Policies for the year ended 30 June 2002**

### **The Reporting Entity**

Land Information New Zealand is a government department as defined by section 2 of the Public Finance Act 1989.

These financial statements have been prepared pursuant to section 35 of the Public Finance Act 1989.

In addition, the department also reports on the Crown activities and Trust monies that it administers.

### **Measurement Base**

The generally accepted accounting practice recognised as appropriate for the measurement and reporting of financial performance and financial position on a modified historical cost basis, has been followed by the department, as well as Part IV of the Public Finance Act 1989 and Treasury instructions.

### **Accounting Policies**

#### ***Budget Figures***

The budget figures are those presented in the Budget Night Estimates (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates) and any transfer made by Order in Council under section 5 of the Public Finance Act 1989.

#### ***Revenue***

The department derives revenue through the provision of outputs to the Crown, for services to third parties and interest on its deposits with the New Zealand Debt Management Office (NZDMO) branch of the Treasury.

Third party revenue is recognised when earned while Crown revenue 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 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 overheads, 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.

### **Accounting for 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 cash flows, cash includes 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 & 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 statement of financial performance 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 and any amount so identified is written off.

## **Fixed Assets**

### *Acquisition*

All individual assets or groups of assets forming part of a network which are material in aggregate, costing more than \$3,000, are capitalised and recorded at 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 or remaining useful lives, whichever is shorter

## **Impairment**

If the estimated recoverable amount of an 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 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 has been 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 the 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 in which they relate.

### **Financial Instruments**

Revenue and expenses in relation to all financial instruments are recognised in the statement of financial performance. The department enters into forward foreign exchange contracts to hedge foreign currency transactions. Any exposure to gains and losses on these contracts are 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 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 financial performance and statement of cash flows are exclusive of GST. The statement of financial position is also exclusive of GST except for creditors and payables and 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 financial position.

### **Commitments**

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

### **Contingent Liabilities**

Contingent Liabilities are disclosed at the point at which the contingency is evident.

### **Taxpayers' Funds**

This is the Crown's net investment in Land Information New Zealand.

### **Changes in Accounting Policies**

#### *Application of Financial Reporting Standard No. 15 (FRS-15): Provisions, Contingent Liabilities and Contingent Assets*

The department has changed its accounting policies to comply with this new standard which applies to general purpose financial reports covering periods ending on or after 31 October 2001. The impact of this change is a provision for potential work on Crown lands (\$2.360 million) and for personal grievances (\$0.003 million) that has been created in the current financial year with a corresponding decrease in taxpayers' funds.

The department has also changed the recognition basis of the surplus leased accommodation liability. Previously, the net amount was recognised after offsetting the expected recovery from sub-leases against the gross liability. This liability is now recognised on a gross basis to comply with the new standard. The impact of this change is to increase the provision by \$0.528 million with a corresponding decrease in taxpayers' funds.

There have been no other changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies, other than those noted above, have been applied on a basis consistent with other years.

**Notes to the Financial Statements  
for the year ended 30 June 2002**

**1. Budget Composition**

	30/6/02 Main Estimates \$000	30/6/02 Supplementary Estimates Changes \$000	30/6/02 Budget Total \$000
<b>Revenue</b>			
Crown	46,662	(2,558)	44,104
Other	70,236	(2,068)	68,168
Interest	50	(50)	0
<b>Total revenue</b>	116,948	(4,676)	112,272
<b>Expenditure</b>			
Personnel costs	32,265	3,675	35,940
Operating costs	68,630	(1,261)	67,369
Depreciation	8,426	827	9,253
Restructuring expenses	3,352	(1,539)	1,813
Capital charge	3,456	(537)	2,919
<b>Total expenditure</b>	116,129	1,165	117,294
<b>Net surplus/(deficit)</b>	819	(5,841)	(5,022)

**Explanation of major changes in Supplementary Estimates****Revenue Crown**

The decrease in revenue Crown is mainly due to the return of savings from the hydrographic survey programme and the transfer of statutory land management costs to the Department of Conservation. This is partly off-set by the transfer of funding from the previous year for the Maori consultation programme on the review of the Public Work Act 1981, the completion of the aerial photography flying programme, the continental shelf delimitation project and distribution costs for maps and charts. In addition, funding was brought forward to complete all preliminary proposal work for Crown pastoral lease tenure reform.

**Revenue Other**

The decrease in revenue other is due to the reduction of third party revenue in Output Class D4 Land Records System. This activity is demand driven, and the reduction was due to a downturn in the property market during the year.

**Personnel Costs**

The increase in personnel costs is the result of re-aligning budgets to reflect the cost of leave, transition support team for **Landonline** and the delay in severances associated with **Landonline**.

### Operating Costs

The decrease in the operating costs budget resulted mainly from re-phased expenses for the **Landonline** project, which resulted in funding being carried forward to 2002/03.

### Depreciation

The increase in depreciation charges is the result of re-phased capital expenditure for the **Landonline** project.

### Restructuring Expenses

The decrease in restructuring expenses is a technical change to align the budget with the expected actual cost of restructuring expenses over the life of the **Landonline** project.

### Capital Charge

The decrease in capital charge resulted mainly from delays to the **Landonline** project, which deferred planned capital contributions to future years. It was also due to the active management of working capital.

## 2. Other Revenue

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000
6,065	Plan processing	5,444
3,237	Digital data services and sales	2,610
1,019	Print and microfilm sales	606
538	Crown property sale fees	423
12,661	Land registration fees	13,519
22,504	Land title searches and services	26,938
270	Electoral support services	424
13,783	<b>Landonline</b> fees	14,006
2,029	Miscellaneous	2,158
<u>62,106</u>	<i>Total other revenue</i>	<u>66,128</u>

## 3. Interest Revenue

The department invests surplus cash with the New Zealand Debt Management Office (NZDMO) and earns interest on those deposits.

## 4. Personnel Costs

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000	<i>Main</i> <i>Estimates</i> 30/6/02 \$000	<i>Supp.</i> <i>Estimates</i> 30/6/02 \$000
32,678	Salaries and wages	33,979	30,454	33,841
325	Staff related expenses	609	389	318
349	ACC levies	261	347	268
661	Superannuation subsidies	610	507	678
391	Other	419	568	835
<u>34,404</u>	<i>Total personnel costs</i>	<u>35,878</u>	<u>32,265</u>	<u>35,940</u>

## 5. Operating Costs

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000	<i>Main</i> <i>Estimates</i> 30/6/02 \$000	<i>Supp.</i> <i>Estimates</i> 30/6/02 \$000
6,207	Leasing and renting costs	5,110	4,128	5,833
9,447	Other operating costs	10,363	10,672	10,635
541	Debts write-off/recovered	2	0	10
(54)	Provision for doubtful debts	0	0	0
331	Write-down of fixed assets	23	0	0
122	Audit fee	120	122	122
168	Fees to auditors for other services	158	16	0
31,593	Professional services	13,650	22,720	20,065
7,249	Contracts for topography/hydrography	6,868	7,095	7,095
13,055	Computer operating costs	16,300	17,032	16,599
6,856	Crown property services	7,251	6,845	7,018
(41)	Loss/(gain) on sale of fixed assets	(93)	0	(8)
<b>75,474</b>	<b>Total operating costs</b>	<b>59,752</b>	<b>68,630</b>	<b>67,369</b>

## 6. Depreciation

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000	<i>Main</i> <i>Estimates</i> 30/6/02 \$000	<i>Supp.</i> <i>Estimates</i> 30/6/02 \$000
719	Leasehold property improvements	632	668	637
138	Motor vehicles	114	109	107
3,070	EDP equipment (including network)	5,136	7,359	8,240
248	Plant & equipment	200	235	214
82	Furniture & fittings	56	55	55
<b>4,257</b>	<b>Total depreciation charge</b>	<b>6,138</b>	<b>8,426</b>	<b>9,253</b>

### Changes to depreciation

The depreciation charge for data converted into **Landonline** has been changed this year from 8 years to 20 years to reflect its true useful life. The financial effect of this change has been to decrease the depreciation charge for the year by \$2.8m.

## 7. Capital Charge

The department pays a capital charge to the Crown based on its taxpayers' funds as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ended 30 June 2002 is 9.0% (2001, 10.0%). Changes to Taxpayers' Funds are mainly affected by capital contribution required for specific outputs. Where capital charge can be directly attributed to an output, that amount is charged to that output. The remainder is allocated based on the percentage of net fixed assets attributed to outputs, as a proxy for allocating capital charge.

## 8. Provision for Repayment of Surplus to the Crown

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000
(2,127)	Net operating surplus/(deficit)	(3,358)
	Amount of surplus to be paid to the Crown when running an output deficit:	
95	Interest income	1
41	Add: Net gain on sale of fixed assets	93
<u>136</u>	<b>Total provision for repayment of surplus to the Crown</b>	<u>94</u>

When running an output deficit for the financial year, Treasury Instructions require the return of interest income and net gain on sale of fixed assets to the Crown.

## 9. Short-Term Deposits

The department invests surplus cash with the New Zealand Debt Management Office (NZDMO) on various terms.

The NZDMO term deposit facility was withdrawn for new deposits from 1 November 2001.

## 10. Debtors and Receivables

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000
1,108	Trade debtors	2,559
(1)	Less provision for doubtful debts	(1)
<u>1,107</u>	Net trade debtors	<u>2,558</u>
(69)	Debtor Crown	1
1,252	Other receivables	502
<u>2,290</u>	<b>Total debtors and receivables</b>	<u>3,061</u>

## 11. Fixed Assets

<i>Net Book Value as at 30/6/01 \$000</i>		<i>Historical Cost/Valuation \$000</i>	<i>Accumulated Depreciation as at 30/6/02 \$000</i>	<i>Net Book Value as at 30/6/02 \$000</i>
2,619	Leasehold improvements	6,481	3,454	3,027
297	Motor vehicles	642	478	164
34,929	EDP equipment	69,793	13,880	55,913
818	Plant and equipment	2,162	1,581	581
183	Furniture and fittings	841	713	128
<u>38,846</u>	<b>Total fixed assets</b>	<u>79,919</u>	<u>20,106</u>	<u>59,813</u>

## 12. Databases

The department has the following Land Information Databases to which no value has been attached:

- Land Information System
- Digital Topographical Database
- Titles Register
- Geodetic Database

## 13. Creditors and Payables

<i>Actual 30/6/01 \$000</i>		<i>Actual 30/6/02 \$000</i>
2,319	Trade creditors	2,585
6,821	<b>Landonline</b> project	10,053
12,312	Other payables	10,380
<u>21,452</u>	<i>Total creditors and payables</i>	<u>23,018</u>

## 14. Provisions

	<i>Surplus Leased Accom \$000</i>	<i>Potential Work on Crown Lands \$000</i>	<i>Others \$000</i>	<i>Actual 30/6/02 \$000</i>
Balance as at 1 July	636	0	0	636
Additional provisions made during the year	528	2,360	3	2,891
Charge against provision for the year	(297)	0	0	(297)
Unused amounts reversed during the year	0	0	0	0
Discounting changes	0	0	0	0
<i>Total provisions</i>	<u>867</u>	<u>2,360</u>	<u>3</u>	<u>3,230</u>

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 which will expire in 2010.

The provision for potential remedial work on Crown lands represents the department's best estimate of the cost of mitigating potential liabilities within its Crown property portfolio.

**15. Employee Entitlements**

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000
	<b>Current liabilities</b>	
326	Vested long service leave	273
1,904	Vested annual leave	1923
837	Accrued salaries and wages	1970
<u>3,067</u>	<b>Total current portion</b>	<u>4,166</u>
	<b>Non-current liabilities</b>	
2,468	Vested retirement leave	2,233
2,013	Unvested long service and retirement leave	1,948
<u>4,481</u>	<b>Total non-current portion</b>	<u>4,181</u>
<u>7,548</u>	<b>Total employee entitlements</b>	<u>8,347</u>

**16. Reconciliation of Net Deficit to Net Cash Flow from Operating Activities**

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000	<i>Main</i> <i>Estimates</i> 30/6/02 \$000	<i>Supp.</i> <i>Estimates</i> 30/6/02 \$000
(2,127)	<b>Net surplus/deficit</b>	(3,358)	819	(5,022)
	Add/(deduct) non cash items:			
4,266	Depreciation	6,138	8,426	9,253
<u>4,266</u>	<b>Total non-cash items</b>	<u>6,138</u>	<u>8,426</u>	<u>9,253</u>
	Add/(deduct) movements in working capital items:			
12,520	(Incr)/decr in debtors and receivables	(771)	290	(90)
8	(Incr)/decr in prepayments	16	0	6
(1,031)	Incr/(decr) in creditors and payables	1,642	100	(7,834)
0	Incr/(decr) in provisions	3,230	0	1,195
(166)	Incr/(decr) in current employee entitlements	799	(2,400)	(1,548)
<u>11,331</u>	<b>Working capital movements – net</b>	<u>4,916</u>	<u>(2,010)</u>	<u>(8,271)</u>
	Add/(deduct) investing activity items:			
(41)	Net loss/(gain) on sale of fixed assets	(93)	0	(8)
<u>(41)</u>	<b>Total investing activity items</b>	<u>(93)</u>	<u>0</u>	<u>(8)</u>
<u>13,429</u>	<b>Net cash flow from operating activities</b>	<u>7,603</u>	<u>7,235</u>	<u>(4,048)</u>

**17. Capital Contribution to the Department**

<i>Actual</i> 30/6/01 \$000		<i>Actual</i> 30/6/02 \$000	<i>Main</i> <i>Estimates</i> 30/6/02 \$000	<i>Supp.</i> <i>Estimates</i> 30/6/02 \$000
10,000	<b>Capital contribution</b>	32,000	23,000	38,651

## 18. Financial Instruments

The department is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, short-term deposits, accounts receivable, accounts payable and forward foreign exchange contracts.

### *Credit risk*

Credit risk is the risk that a third party will default on its obligations to the department, causing the department to incur a loss. In the normal course of its business, LINZ incurs credit risk from trade debtors, and transactions with financial institutions and the New Zealand Debt Management Office (NZDMO).

The department does not require any collateral or security to support financial instruments with financial institutions that it deals with, or with the NZDMO, as these entities have high credit ratings. For its other financial instruments, the department does not have significant concentrations of credit risk.

### *Fair Value*

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

### *Currency risk*

Currency risk is the risk that receivables and payables due in foreign currency will fluctuate in value because of changes in foreign exchange rates.

The department uses forward foreign exchange contracts to manage foreign currency exposures. During the year, cover was purchased for the Continental Shelf deep seismic survey expense. As at 30 June 2002, there were no outstanding forward contracts. (30 June 2001: US\$1.266m).

### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could impact on the return on investments or the cost of borrowing. Under section 46 of the Public Finance Act the department cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure on funds borrowed.

The department has no significant exposure to interest rate risk on its financial instruments.

## 19. Contingent Assets

The department had no contingent assets as at 30 June 2002 (30 June 2001: nil).

## **20. Related Party Information**

The department is a wholly owned entity of the Crown. The government significantly influences the role of the department as well as being its major source of revenue.

The department enters into numerous transactions with other government departments, Crown agencies and state-owned enterprises on an arm's length basis. These transactions are not considered to be related party transactions.

Apart from these transactions described above, the department has not entered into any related party transactions.

## **21. Post Balance Date Events**

On 1 July 2002 Output Class D2 to D6 will be reconstituted and renamed.

The renamed output classes are:

- D2 Standards and Quality Assurance
- D3 Land and Seabed Data Capture and Processing
- D4 Land and Seabed Information Storage and Management
- D5 Land and Seabed Information Access and Dissemination
- D6 Crown Property Management and Disposal Services

**LINZ AS AN AGENT OF THE CROWN****Statement of Non-Departmental Appropriations  
for the year ended 30 June 2002**

(Figures are GST inclusive where applicable)

	<i>Actual</i> 30/6/02 \$000	<i>Appropriation</i> <i>Voted *</i> 30/6/02 \$000	<i>Variance**</i> <i>Favourable/</i> <i>(Unfavourable)</i> \$000
<b><i>Appropriations for output classes to be supplied by other parties</i></b>			
O1 Contaminated Sites	266	273	7
O2 Lakes	410	410	0
	676	683	7
<b><i>Appropriation for borrowing expense</i></b>			
Coalcorp House Mortgage	620	621	1
<b><i>Appropriations for other expenses to be incurred by the Crown</i></b>			
Crown Forest Management	3,008	4,008	1,000
Crown Obligations - Loss on Disposal	930	1,273	343
Crown Rates	1,163	1,245	82
Huntly East Subsidence	2	30	28
Land Liabilities	2,447	3,754	1,307
Residual Crown Leasehold Rents	582	839	257
	8,132	11,149	3,017
<b><i>Appropriations for purchase of capital assets of the Crown</i></b>			
Crown Acquisitions - Huntly East	742	1,000	258
Crown Obligatory Acquisitions	2,238	2,500	262
Land Tenure Reform Acquisitions	0	130	130
	2,980	3,630	650
<b><i>Appropriations for repayment of debt</i></b>			
Coalcorp House Mortgage	982	983	1
<b>Total</b>	13,390	17,066	3,676

\* This includes adjustments made in the Supplementary Estimates.

\*\* There were no unappropriated expenditure, expenses or liabilities.

*The accompanying accounting policies and notes form part of these financial statements.*

**Statement of Non-Departmental Revenue and Receipts  
for the year ended 30 June 2002**

(Figures are GST exclusive)

	<i>Actual</i> 30/6/02 \$000	<i>Budget</i> 30/6/02 \$000	<i>Variance</i> <i>Favourable/</i> <i>(Unfavourable)</i> \$000
<b><i>Current non-tax revenue</i></b>			
Database Licence Fees and Royalties	1,677	1,865	(188)
Pastoral Lease Rentals	1,467	1,460	7
Sundry Operating Revenue	4,657	4,043	614
Surplus Government Properties - Rents	3,195	3,940	(745)
Transit Sales	9,349	10,300	(951)
<b><i>Total non-tax current revenue</i></b>	<b>20,345</b>	<b>21,608</b>	<b>(1,263)</b>
<b><i>Capital receipts</i></b>			
Surplus Government Properties Mortgages – Principal	22	11	11
Surplus Government Properties -Sales	4,908	6,559	(1,651)
Land Tenure Reform Sales	0	169	(169)
<b><i>Total capital receipts</i></b>	<b>4,930</b>	<b>6,739</b>	<b>(1,809)</b>
<b>Total Crown revenue and receipts</b>	<b>25,275</b>	<b>28,347</b>	<b>(3,072)</b>

Note: Costs incurred to administer and dispose of Crown properties within Land Information New Zealand's portfolio are borne as departmental expenditure funded by Revenue Crown.

*The accompanying accounting policies and notes form part of these financial statements.*

**Statement of Trust Monies  
for the year ended 30 June 2002**

<i>Account</i>	<i>As at 1/7/01 \$000</i>	<i>Contri- bution \$000</i>	<i>Distri- bution \$000</i>	<i>Revenue \$000</i>	<i>Expenses \$000</i>	<i>As at 30/6/02 \$000</i>
<i>Land Deposit Trust</i>	3,726	444	(3,607)	0	0	563
<i>Endowment Rentals</i>	5	119	(124)	0	0	0
<i>Hunters Soldiers Assistance</i>	44	0	0	3	0	47
<i>Crown Forestry Licences Trust</i>	50,935	39,029	(78,933)	9,672	0	20,703
<b><i>Total</i></b>	<b>54,710</b>	<b>39,592</b>	<b>(82,664)</b>	<b>9,675</b>	<b>0</b>	<b>21,313</b>

*The accompanying accounting policies and notes form part of these financial statements.*

**ADDITIONAL INFORMATION****Financial Performance Indicators**

<i>Actual 30/6/01</i>		<i>Unit</i>	<i>Actual 30/6/02</i>	<i>Supp. Estimates 30/6/02</i>
	<b>Operating results</b>			
62,106	Revenue – other	\$000	66,128	68,168
95	Revenue – interest	\$000	1	0
(2,127)	Net surplus/(deficit)	\$000	(3,358)	(5,022)
	Cash disbursed to producing			
(113,338)	Outputs	\$000	95,706	116,220
	<b>Working capital<sup>1</sup></b>			
12.7	Liquid ratio	%	35.6	30.0
12.8	Current ratio	%	35.7	30.0
	Working capital to total taxpayers'			
(108.9)	Funds	%	(44.8)	(25.9)
25	Average trade debtors outstanding	Days	26	23
18	Average trade creditors outstanding	Days	30	26
	<b>Resource utilisation<sup>2</sup></b>			
	Fixed assets additions as % of fixed			
25.4	Assets	%	40.3	44.2
93.5	Fixed assets as a % of total assets	%	86.1	92.3
6.5	Current assets as a % of total assets	%	13.9	7.7
21,602	Taxpayers' funds at year end	\$000	47,259	54,367
	<b>Net cash flows</b>			
(2,651)	Net increase/(decrease) in cash held	\$000	7,563	2,509

Footnote:

- Working capital ratios have improved from the previous year as a result of increased cash contribution from the Crown to fund the **Landonline** project.
- The bulk of the fixed assets addition is from the capitalisation of the **Landonline** project.

## Financial overview and Performance variations

### *Net Deficit*

The Statement of Financial Performance reports a net deficit of \$3.358m, which is \$1.664m below the budgeted \$5.022m deficit.

The lower than expected deficit is mainly caused by reduced depreciation expenses as a result of the reassessment of the useful life of data converted into **Landonline**. This was offset in part by a reduction in demand for land titles and survey transactions during the period. Other reductions in Revenue Crown and expenditure are the result of funding transfers into the 2002/03 financial year.

The deficit was anticipated in the financial planning for the **Landonline** project and is compensated by the operation of a memorandum of account.

### *Capital spending*

Capital expenditure from the Statement of Cash Flows shows an under-expenditure of \$2.8m. The decrease in capital costs was caused by delays in **Landonline** phase 2 build and survey conversion projects. These projects will now continue into 2002/03, with corresponding capital funding from the Crown.

All of Land Information New Zealand's output classes shown in the Statement of Departmental Expenditure and Appropriations are within appropriation.

The department has initiatives that span across financial years. Notional accounts and project-based reports are used to monitor effectiveness over the life of these initiatives. Project based budgets managed by the department include the memorandum account for survey and title automation project (**Landonline**), Continental Shelf delimitation project and the Land Tenure Reform Account. The ability to call on unspent project budget in subsequent years and having integrated project reporting systems (project progress, risk and financial expenditure) has improved project management, information flow, planning and the culture of managers.

The department is actively managing the issue surrounding pricing of its products. Fees and charges associated with land titles and survey transactions are to be reviewed for the 2003/04 financial year to take into account final costing of the **Landonline** project, and the expected ongoing costs of operating the system.

### *Non-departmental Accounts*

There is no unappropriated expenditure for any non-departmental items.

Underspends in Crown Forest Management and Land Liabilities are caused by anticipated delays to work programmes. These under-spends were managed by expense transfers in principle to carry forward this expenditure to the 02/03 year.

Variances in Crown acquisitions were caused by purchases rolling into the next financial year, and open market sales obviating some Crown obligations to purchase properties in Huntly East.

### Summary of Appropriations Changes

<b>Appropriation</b>	<b>Main Estimates \$000</b>	<b>Supplementary Estimates \$000</b>	<b>Total Appropriated 2001/02 \$000</b>	<b>Notes</b>
<b>Departmental Appropriations</b>				
D1 Policy Advice	1,959	276	2,235	<b>1</b>
D2 Office of the Valuer-General	1,774	3	1,777	<b>2</b>
D3 Survey System	2,082	127	2,209	<b>3</b>
D4 Land Records System	78,026	3,625	81,651	<b>4</b>
D5 Crown Property Management and Disposal Services	15,594	870	16,464	<b>5</b>
D6 Topographic and Hydrographic Information System	31,306	(4,313)	26,993	<b>6</b>
<b>Total</b>	<b>130,741</b>	<b>588</b>	<b>131,329</b>	
<b>Capital Contribution to the Department</b>				
Capital Investment	23,000	15,651	38,651	<b>7</b>
<b>Total</b>	<b>23,000</b>	<b>15,651</b>	<b>38,651</b>	
<b>Non-Departmental Output Classes</b>				
O1 Contaminated Sites	563	(290)	273	<b>8</b>
O2 Lakes	120	290	410	<b>9</b>
<b>Total</b>	<b>683</b>	<b>0</b>	<b>683</b>	
<b>Borrowing Expenses</b>				
Coalcorp House Mortgage	621	0	621	
<b>Total</b>	<b>621</b>	<b>0</b>	<b>621</b>	
<b>Other Expenses to be incurred by the Crown</b>				
Crown Forest Management	3,211	797	4,008	<b>10</b>
Crown Obligations – Loss on Disposal	300	973	1,273	<b>11</b>
Crown Rates	1,468	(223)	1,245	<b>12</b>
Huntly East Subsidence	165	(135)	30	<b>13</b>
Land Liabilities	3,115	639	3,754	<b>14</b>
Residual Crown Leasehold Rents	644	195	839	<b>15</b>
<b>Total</b>	<b>8,903</b>	<b>2,246</b>	<b>11,149</b>	

<u>Appropriation</u>	<u>Main Estimates \$000</u>	<u>Supplementary Estimates \$000</u>	<u>Total Appropriated 2001/02 \$000</u>	<u>Notes</u>
<b>Purchase or Development of Capital Assets by the Crown</b>				
Crown Acquisitions – Huntly East	500	500	1,000	<b>16</b>
Crown Obligatory Acquisitions	300	2,200	2,500	<b>17</b>
Land Tenure Reform Acquisitions	3,545	(3,415)	130	<b>18</b>
<b>Total</b>	<b>4,345</b>	<b>(715)</b>	<b>3,630</b>	
<b>Repayment of Debt</b>				
Coalcorp House Mortgage	983	0	983	
<b>Total</b>	<b>983</b>	<b>0</b>	<b>983</b>	
<b>Total Appropriations</b>	<b>169,276</b>	<b>17,770</b>	<b>187,046</b>	

*Notes:*

1. The increase reflects the reprioritisation of the department's activities and the transfer of funding from the previous year for the Maori consultation programme on the review of the Public Work Act 1981.
2. The increase reflects the reprioritisation of the department's activities.
3. The increase reflects the reprioritisation of the department's activities.
4. The increase reflects the transfer of funding from the previous year for the **Landonline** project and the Geodetic network – Global Positioning System continuous base station project. In addition, funding was received for the maintenance and update of the electoral database for the Representation Commission and the resetting of external user licence costs and operational costs for **Landonline**. This was offset by the decrease in capital charge due to delays in the **Landonline** conversion project, decrease in GST due to a downward revision of forecast revenue from survey and titles transactions and the carry forward of funding to complete transition support for **Landonline**.
5. The increase reflects the reprioritisation of the department's activities, as well as the realignment of the Land Tenure Reform Account budget with its revised programme. This was offset in part by the transfer of statutory land management costs to the Department of Conservation and the reduction in forecast of client funded set fee revenue.

6. The decrease reflects the reprioritisation of the department's activities, as well as the return of funding resulting from efficiency savings. This has been offset by the transfer of funding from the previous year to complete the aerial photography flying programme and risk-based funding for the Continental Shelf delimitation project.
7. The increase reflects the transfer of capital for the **Landonline** project and the replenishment of capital reserves to fund the expected operating deficit.
8. The decrease reflects the transfer of funding to O2 Lakes.
9. The increase reflects the transfer of funding from O1 Contaminated Sites to upgrade camping facilities on the Waitaki hydro lakes.
10. The increase reflects the interim Crown forest licence periodic review settlement offset by the transfer of funding to Land Liabilities.
11. The increase reflects the return of gifted land to beneficiary owners at no cost.
12. The decrease reflects the transfer of funding to Land Liabilities and Residual Leasehold Rents.
13. The decrease reflects the transfer of funding to Residual Leasehold Rents.
14. The increase reflects the transfer of funding from Crown Forest Management and Crown Rates to resolve claims against the state guarantee of title provided under the Land Transfer Act 1952 and other liabilities.
15. The increase reflects the transfer of funding from Crown Rates and legal and brokerage fees to fund rating objections and investigate options for No.3 The Terrace.
16. The increase reflects new funding to purchase additional properties.
17. The increase reflects the transfer of funding from the previous year to purchase three dieldrin contaminated Southland properties; savings from the purchase of the properties and additional funding to purchase properties for disposal.
18. The increase reflects the transfer of funding to 2003/04 to align with the current work programme for land tenure reform.

**Statutory Information**

**Land Act 1948**

The following table details information required under section 181 of the Land Act 1948 for the year ended 30 June 2002.

	<b>Details</b>	<b>No</b>	<b>Total Area (ha)</b>	<b>Price Paid (\$)</b>	<b>Total Yearly Rent Payable</b>
1(a)	Areas of private land or lessees' interest in Crown land purchased during the year	<b>7</b>	<b>26.3313</b>	<b>1,218,759</b>	<b>N/A</b>
1(b)	Areas of land purchased by Office of Treaty Settlements under Section 40 of the Land Act 1948*	<b>7</b>	<b>493.5923</b>	<b>2,208,855</b>	<b>N/A</b>
2	Leases and Licences granted during the year	<b>100</b>	<b>196,297</b>	<b>N/A</b>	<b>313,989</b>
3	Leases and Licences current at the end of the year	<b>778</b>	<b>4,163,947</b>	<b>N/A</b>	<b>2,826,596</b>

\* These purchases were funded from Vote: Treaty Negotiations.

## Legal Responsibilities

### Legislation administered by Land Information New Zealand as at 30 June 2002

- 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](http://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).
- 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

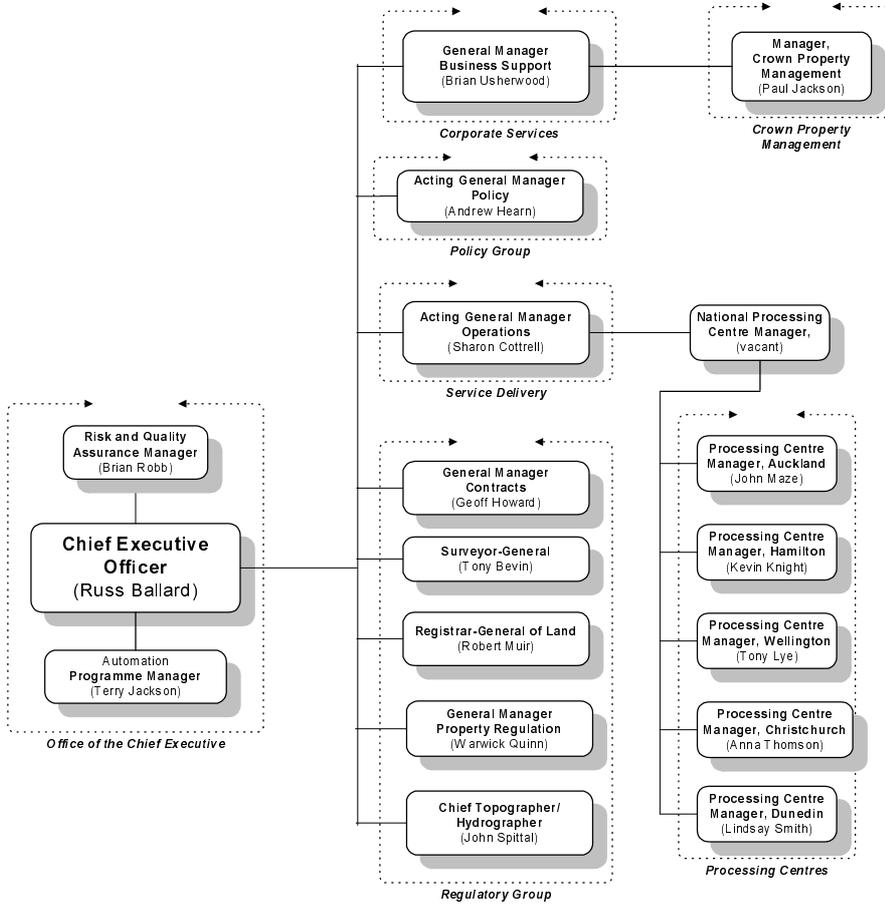
In addition, the Registrar-General of Land and the Surveyor-General have special responsibilities relating to land transactions under more than fifty other statutes.

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:

- 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.

## LINZ Management Structure as at 1 July 2002



## Contact details

### National Office

Lambton House  
160 Lambton Quay  
WELLINGTON

### Postal Address

PO Box 5501  
WELLINGTON  
NEW ZEALAND

Tel 64-4-460 0110

Fax 64-4-472 2244

Internet <http://www.linz.govt.nz>

Chief Executive  
GM Policy  
GM Business Support  
GM Operations  
GM Contracts  
GM Property Regulation (includes Valuer-  
General and Commissioner of Crown  
Lands)  
Chief Topographer/Hydrographer  
Registrar-General of Land  
Surveyor-General  
Risk and Quality Assurance Manager  
Automation Programme Manager  
National Processing Centre Manager

### Processing Centres

#### Auckland Processing Centre

Private Bag 92016  
Auckland 1  
Oracle Tower  
56 Wakefield Street, Auckland  
Ph 0-9-377-1499  
Fax 0-9-358-5072  
DX CP22017

#### Hamilton Processing Centre

Cnr Victoria & Rostrevor Streets  
Private Bag 3028  
Hamilton  
Ph 0-7-838-2489  
Fax 0-7-834-6788  
DX GX10069

#### Wellington Processing Centre

Mayfair House  
44-52 The Terrace  
PO Box 5014  
Wellington  
Ph 0-4-496-9450  
Fax 0-4-496-9490

#### Christchurch Processing Centre

Torrens House  
195 Hereford Street  
Private Bag 4721  
Christchurch  
Ph 0-3-379-9793  
Fax 0-3-366-6422  
DX WP20033

#### Dunedin Processing Centre

John Wickliffe House  
Princes Street  
Private Bag 1929  
Dunedin  
Ph 0-3-477-0650  
Fax 0-3-477-3547  
DX YP 80001

**Staff Resources**  
(as at 30 June 2002)

**By Area:**

<i>Area:</i>	<i>Number of People:</i>
CEO/Audit/Legal/Business Support/ Operations Support	171
Policy	10
Operations	371
Regulatory	84
<b>TOTAL</b>	<b>636</b>

**By Location and Gender:**

<i>Location</i>	<i>Total</i>	<i>Female</i>	<i>Male</i>
National Office	265	99	166
Auckland	116	46	70
Christchurch	74	34	40
Dunedin	44	18	26
Hamilton	72	35	37
Wellington	65	39	26
<b>TOTAL</b>	<b>636</b>	<b>271</b>	<b>365</b>

**GLOSSARY**

CTH	Chief Topographer/Hydrographer
DCDB	Digital Cadastral Database
RGL	Registrar-General of Land
SG	Surveyor-General
SLA	Service Level Agreement
VG	Valuer-General

## 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.