



# Annual Report 2014/15

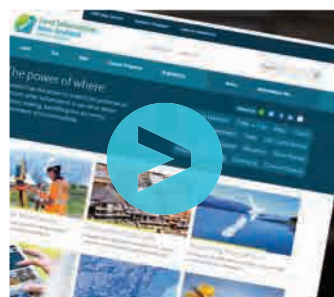


## Using this Annual Report

To help you to delve deeper into what we do and how we operate, here's an overview of the graphics used in this year's Annual Report.

### Videos

You can access video links by typing in the Youtube search words provided, or by scanning the QR code on your smartphone.



LINZ Video Channel

### Framework icons

Everything we do links back to, and supports, our Outcomes Framework. To demonstrate this, we have used icons throughout this document to communicate how our various activities tie back into our Outcomes Framework.

- G** Government Priorities
- M** Our Minister's Priorities
- O** Our Outcomes
- S** Strategic Objectives
- C** Output Classes from the Estimates

### Performance graphics

To make our performance measures easier to understand, we have used a series of graphics. Here are some examples:

- Achieved**
- 2014/15 Actual Performance**  
Note: Red indicates where our performance has exceeded 100% of our budget standard
- Budget Standard**
- 2013/14 Performance**

# Contents

Chief Executive's Introduction 2

## Section 1: Our year in review

<b>Who is LINZ, and what do we do?</b>	<b>4</b>
<b>Outcomes Framework</b>	<b>6</b>
<b>Our achievements in 2014/15:</b>	<b>8</b>
• We lead New Zealand's location system	9
• We make our location information available, accessible and usable	14
• We manage New Zealand's property rights system	23
• We manage Crown-owned and used land effectively and sustainably	27
• We administer New Zealand's overseas investment regime	30
• How we support LINZ to do what it does well	32

## Section 2: Our performance

Statement of Responsibility	36
Audit Report	37
<b>Non-financial performance (output delivery)</b>	<b>40</b>

## Section 3: Our financials

<b>Departmental Financial Statements</b>	<b>58</b>
Notes to the Departmental Financial Statements	63
Notes to the Non-Departmental Financial Statements	78
Notes to the Non-Departmental Financial Statements	85
<b>Appendices</b>	<b>95</b>
Legislation we administer	95
Statutory information	95
<b>Directory</b>	<b>96</b>

## Chief Executive's Introduction

**In the public sector, we talk a lot about making a greater contribution to New Zealand, what that means, and how we will do it.**

Land Information New Zealand (LINZ) has signed up to a vision of multiplying the value of location information by 10 within a decade.

We knew it wouldn't be easy: with location information already contributing \$1.2 billion to New Zealand – around \$774 for every household\* – a tenfold increase is a big task.

I'm pleased to report that we're making progress. We've made changes to our structure to increase our capacity and ensure we have, and develop, the right capability to achieve our vision.

What we need to do to speed up progress has become more apparent over the past year. We've focused on clarifying our strategic priorities and being clear about the culture we need inside our organisation to be successful. By the end of 2015, we will have a strategic plan in place.

No year is without challenge. We have apologised to customers for the delays we have been experiencing in our survey processing times, due to high staff turnover and changes to work practices. This has reminded us of the need to balance how we position ourselves for the future with the impact change can have on current customers.

But there is much to be proud of. The LINZ Data Service (LDS) has now reached a level of maturity where a recent customer survey found that more than half of those surveyed rely on its data.\*\* Also of significance is the work we are doing in Canterbury to help give homeowners more certainty about their property boundaries following the earthquakes.

Our Crown Property Centre of Expertise (CPCoE) will soon accept responsibility for managing – and, in some cases, demolishing – residential red zone properties as the Canterbury Earthquake Recovery Authority (CERA) winds down. The CPCoE is the part of LINZ that works with other government departments to improve the way government-owned property is managed and used.

Budget 2015 introduced new property tax compliance requirements. We will be collecting additional information from buyers and sellers of property, and passing that information on to Inland Revenue.

Improving the ease with which buyers, sellers and developers of property can get the information they need from central and local government is a priority for us, under Integrated Property Services (IPS).

Also key to progress in that area is a next generation survey and title system. We are currently finding the best way to deliver the new system we have scoped.

I am proud of all my staff and their dedication and passion. I look forward to leading LINZ in its drive to increase the use of location information, for the benefit of all New Zealanders.

*P. Mersi*

**Peter Mersi**  
Chief Executive  
Land Information New Zealand



**10 Year Vision**  
The Power of Where drives  
New Zealand's success



\* 2013 Census – Families and households in New Zealand (<http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/qstats-families-households-infographic.aspx>).

\*\* Results from the annual LINZ Data Service Survey for 2014/15.

# Our year in review

## Who is Land Information New Zealand (LINZ), and what do we do?

LINZ takes its Māori name, *Toitū te Whenua*, from the proverb *Whatungarongaro te tangata toitū te whenua* – “people pass on, but land remains”. Land is central to New Zealanders’ national identity and our country’s economic growth.

LINZ creates and manages information about where things are. Our role is to make sure New Zealand has:

- a world-class location system
- accurate location information
- robust property rights
- sustainably managed Crown property.

We work with many organisations and businesses including government and local government agencies, iwi and Māori, surveyors and conveyancers, as well as the users of our information.

While many of the services we provide are largely invisible to the public, they are a key part of New Zealand’s infrastructure. LINZ’s location information adds considerable value to New Zealanders, in areas such as precision agriculture and the siting of essential services, like schools and hospitals.

### The power of where



In 2013, we identified an opportunity to increase the significant contribution that location information already makes to New Zealand’s economic, environmental, social, and cultural prosperity.

This is the core objective of our 10 Year Vision – that ‘the power of where’ drives New Zealand’s success. Our aim is to increase the value created for New Zealand through the use of location information tenfold over the next decade. We will do this by leading the creation of a world-class location system that inspires better decisions and innovation. We want the location system to support anyone making any decision where location matters.



### We’re changing, so we can achieve our vision

The process of developing LINZ’s 10 Year Vision identified that we needed to make some key organisational shifts. We have changed our organisation to ensure we have the right structure, people, and technical expertise.

We are now building a new culture to ensure we achieve our vision. In 2014/15, we started a three-phase project to gain insights into our current culture, including what our people view as being the right culture, and how we could go about achieving this. We now have a powerful vision of the culture we want and an evidence base to drive this forward, on a LINZ-wide, team, and individual level.

### Better connecting New Zealand’s Location-based Information

Location information has revolutionised how we see the world and our place in it. It tells us where on Earth different things are, and how they relate to one another. This video explains what we mean by location, or geospatial, information and how it affects New Zealanders every day. To view it, open YouTube, and search ‘Connecting NZ SDI’.



Scan to view this video.

## Our response to the Performance Improvement Framework (PIF)

The PIF review looks at how well agencies are responding to the Government’s priorities. It is a tool to help agencies build on strengths and identify areas for improvement.

The 2013 PIF review recognised that LINZ was a ‘quiet achiever’ in the land information and property rights space. In November 2014, a follow-up PIF review of LINZ was conducted. The findings commended the work we have done so far, and set out what is needed to reach our Four Year Excellence Horizon. We have taken on the challenge to step up leadership in the location information area through our vision.

While our positive direction of travel was noted, there were three key challenges identified in reaching the Four Year Excellence Horizon:

- a need to identify the business strategy and operating model
- a need to develop a strategic plan and measurable outcomes
- a need for culture and behaviours to align with the operating model and for our Executive Leadership Team to provide collective leadership and be outward focused.

As part of our plan for achieving our 10 Year Vision, our executive leadership team is getting ‘up and out’ and becoming more externally focused. This means our newly formed horizontal management team can focus ‘in and across’ – on what it takes to drive towards the 10 Year Vision from an internal perspective.

We are committed to improving the quality and durability of our strategies and, in 2014/15, deliberately strengthened our strategic capability to support achievement of our vision.

The organisational alignment in 2014/15 provided a structure and operating model that supports our vision.

## We contribute to Government priorities

Our vision to increase by tenfold the value created for New Zealand through the use of location information over the next decade contributes directly to the four Government priorities:

G1	Responsibly managing the Government’s finances
G2	Building a more competitive and productive economy
G3	Delivering better public services
G4	Rebuilding Christchurch.

By improving the online availability and accessibility of location information, and making property transactions easier, we are contributing to the Better Public Services result areas 9<sup>1</sup> and 10<sup>2</sup>. We will continue to support the Christchurch rebuild through the future management of Canterbury red-zoned residential property.

## We are part of the Natural Resources Sector (NRS)

The NRS is a group of government agencies responsible for the management and stewardship of New Zealand’s natural resources.<sup>3</sup> The NRS came together in 2008 to build a coherent and integrated approach to sector-wide issues.

In 2014/15, the NRS work programme focused on three priority areas:

- delivering high-quality advice on cross-agency issues
- building capability
- building the sector’s systems and tools.

We are leading the NRS Information Programme which takes a sector-wide approach to managing information assets. This will improve the information base to support the decisions, activities, and priorities of the whole sector.

<sup>1</sup> Result 9 – New Zealand businesses have a one-stop online shop for all government advice and support they need to run and grow their business.

<sup>2</sup> Result 10 – New Zealanders can complete their transactions with government easily in a digital environment.

<sup>3</sup> The NRS agencies are: Ministry for Primary Industries; Department of Conservation; Department of Internal Affairs; Ministry of Business, Innovation and Employment; Te Puni Kōkiri; Ministry for the Environment; and Land Information New Zealand.

# Outcomes Framework

Our Outcomes Framework describes our work and the outcomes it contributes to.

## Our Minister's priorities in detail:

- M1 SPEEDING UP DECISIONS AROUND PROPERTY**  
LINZ works with other agencies on the Integrated Property Services programme to ensure property information is more easily available to people when they need it.
- M2 IMPROVING THE QUALITY, USABILITY, AND ACCESSIBILITY OF LOCATION INFORMATION**  
LINZ works with central and local government, private organisations, and iwi to ensure New Zealand's location information is more accurate, accessible, and used.
- M3 CONTRIBUTING TO THE REVIEW OF THE TE TURE WHENUA MĀORI ACT 1993**  
LINZ works with Te Puni Kōkiri and the Ministry of Justice to review the Te Ture Whenua Māori Act 1993. LINZ also works with them to develop a Māori Land Service that will provide better information and support services about Māori land ownership and governance.
- M4 DEVELOPING THE CROWN PROPERTY CENTRE OF EXPERTISE**  
LINZ saves the Government money and improves the way the Government manages property by providing advice, and managing property and disposals on behalf of other agencies.

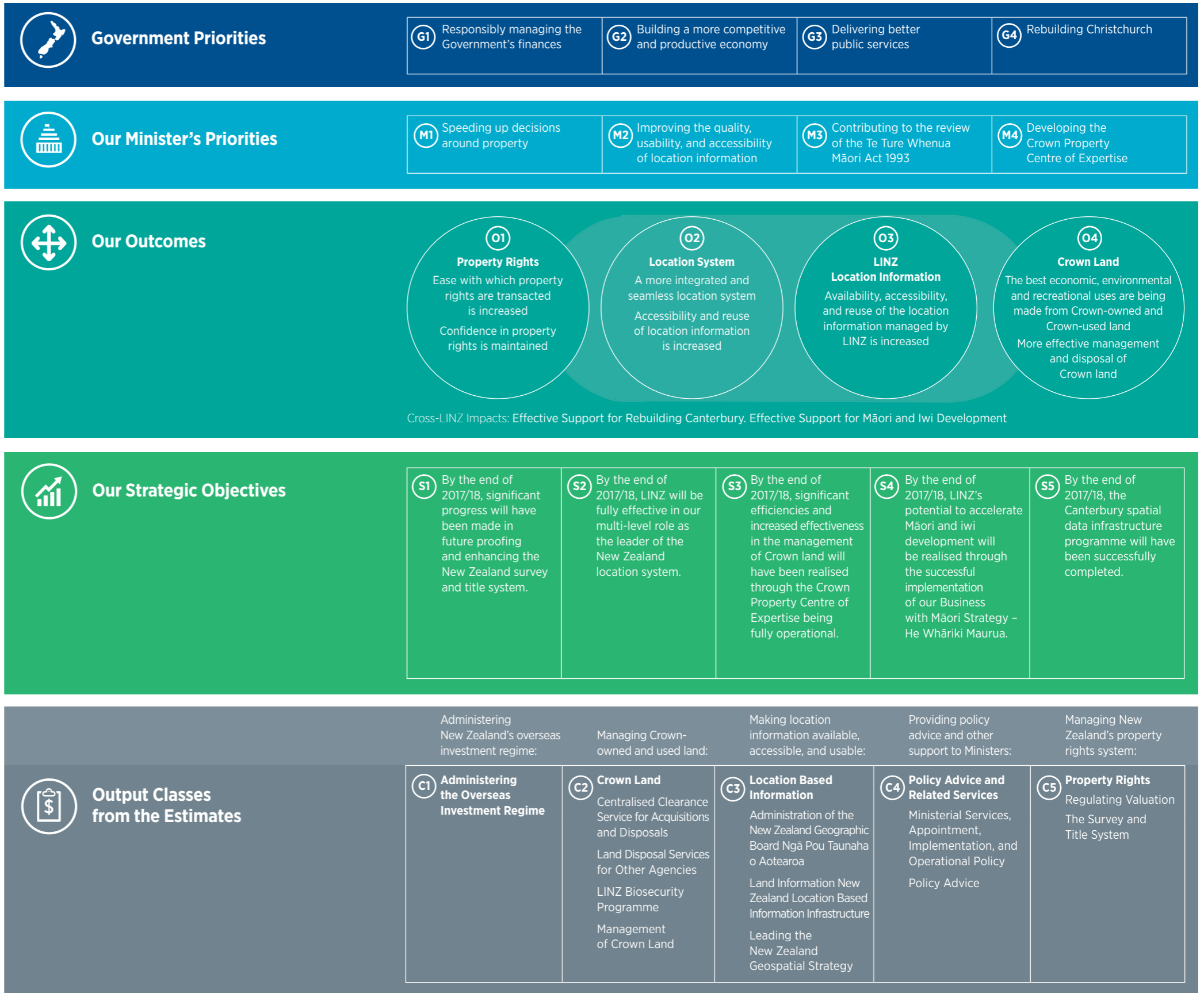
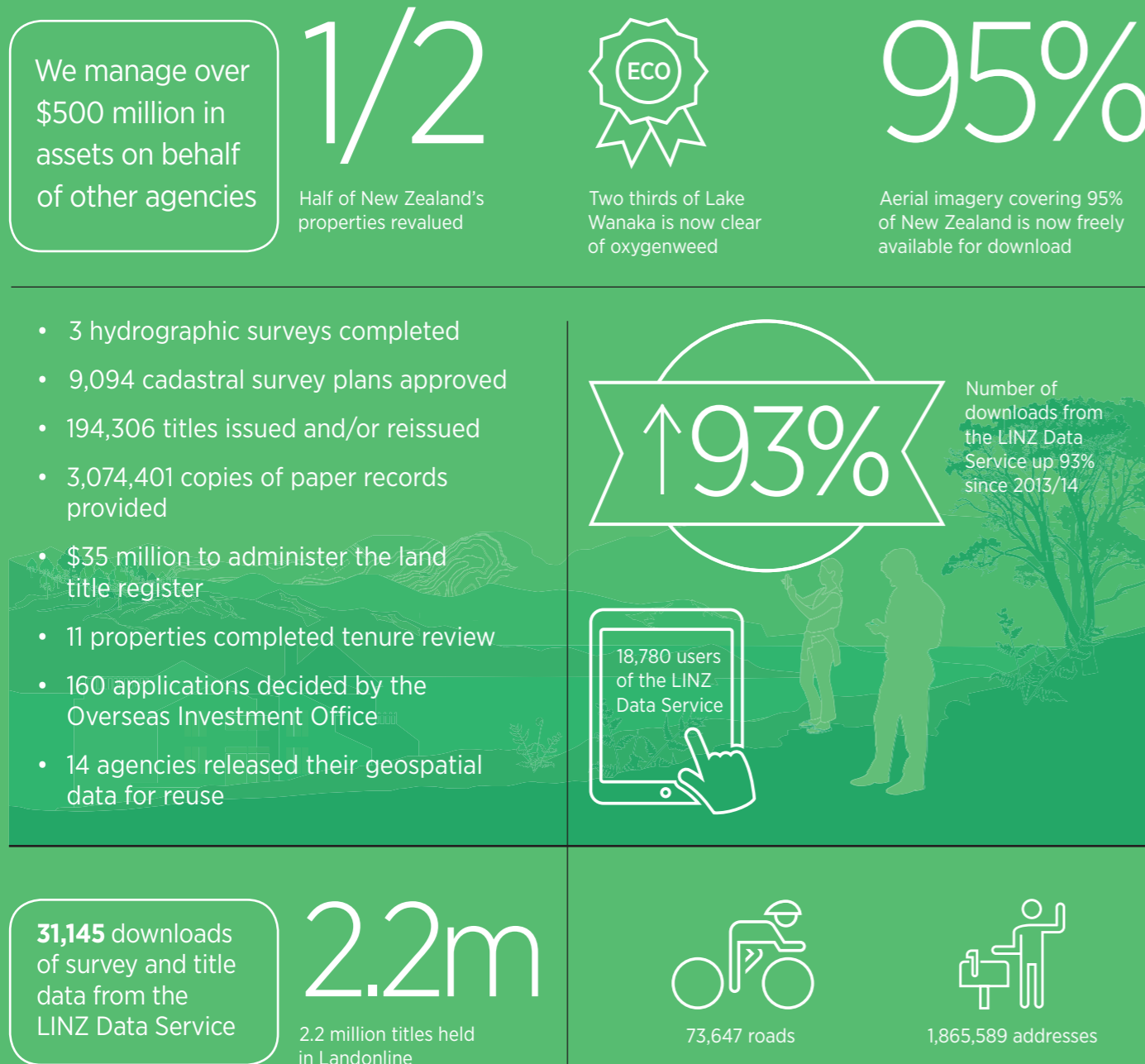


Figure 1: Our achievements in 2014/15



## We lead New Zealand's location system



**The location system creates value for New Zealanders.** Location, when linked with other information, provides insight that ensures the best decisions are made for New Zealand.

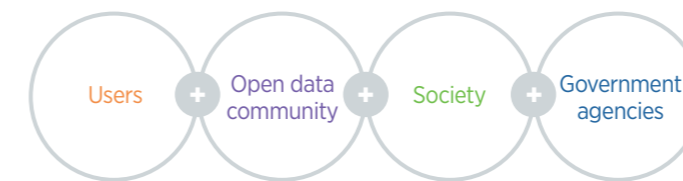
We're building a world-class location system by working with others to make sure New Zealand has the people, data, information, and technologies that work together so people can use the results to unlock benefits.

### Strategic context

LINZ leads the New Zealand Geospatial Strategy, which is aimed at better coordinating and managing the use of New Zealand's geospatial – or location – information.

We also lead the Open Government Information and Data Programme, which makes public, government-held information more available and usable. This programme helps maintain New Zealand's history of open and transparent government.

The Open Government Information and Data Programme is a collaboration involving:



We are also delivering better public services by improving how people can interact with us online and increasing access to the information and services they need.

Within this strategic context, we are working on key deliverables.

### Integrating New Zealand's property services

In 2014/15, we began work to improve the provision of building and property information with the Ministry of Business, Innovation and Employment, the Department of Internal Affairs, and the Ministry for the Environment, as well as local government and the private sector.

At the moment, building and property information can be inaccurate, incomplete, and hard to access. This is resulting in poorly informed land-related decisions, duplicated and fragmented services, poor customer experience, and considerable costs to the sector and wider economy.

Through the Integrated Property Services\* (IPS) programme, we have initiated work that will contribute to improved quality, interoperability, and accessibility of building and property information and services. This will make it cheaper and easier to get an accurate picture of land and building assets and enable better use of information and private sector innovation.

In 2014/15, initial engagement with local government and stakeholders found they were supportive of the IPS approach and they understood that standardising and unlocking the sector's data will encourage an active uptake and use of location information by the public and private sectors.

Looking forward, the initial focus is on: ensuring we have the right information available and that it can be readily shared across and between central and local government; making sure the information is organised and maintained in a way that supports publishing, use, and reuse; and enabling the information to be used more efficiently in the provision of services to customers. This will involve working with other central government agencies and local government, and engaging with other stakeholders such as the private sector.

\* Formerly the Better Property Services programme.

### Leading the creation of a national spatial data infrastructure (SDI)

Like other types of infrastructure, the role of the SDI is to provide an effective and efficient means to deliver a vital resource (location information) to many different types of customers – a bit like an electricity supply network – in a form they can easily use.

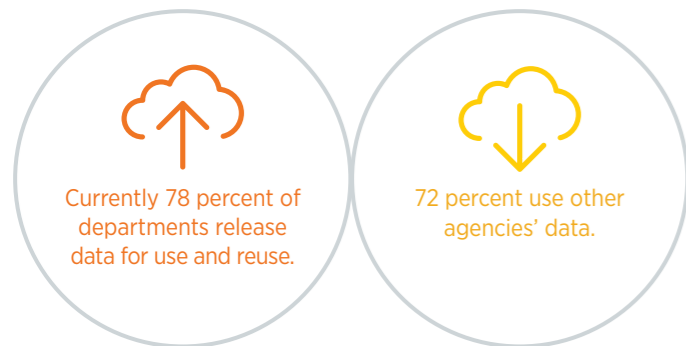
Examples of our work on various SDI projects in 2014/15 are described in the following pages.

### Increasing the amount of open data

The January 2015 Open Data Barometer Global Report ranked New Zealand fourth equal overall out of 86 countries in open data readiness, implementation, and impact. This shows that New Zealand continues to be one of the best countries in the world at allowing open access to government’s publicly funded data – a key indicator of a country’s innovation, transparency, and lack of corruption.

The release of LINZ data through its online LINZ Data Service (LDS) played a central role in this ranking, as New Zealand scored highly for the release of map and land ownership data, and LINZ leads with its fully open formats and web service delivery.

The focus of the Open Government Information and Data Programme to date has been on encouraging central government agencies to make their data and information more widely available for people, communities, and businesses to reuse.



This focus is expanding, and there are now more than 50 local government open data champions to drive the release of high-value data. Over 2015/16, the programme will expand to further the work with local government, and Crown research institutes.

We will also continue to work with the private sector to better understand its demands and drive its reuse of open data.

### Leading stewardship for New Zealand’s nationally significant data

For New Zealand’s most useful and valuable location information, LINZ and other organisations have a stewardship role. Stewards act in the national interest, working to achieve the best outcome for the whole country from this fundamental data, taking a system-level view, capturing and bringing user views to the table, coordinating activities, and championing an aspirational perspective.

We are the steward of five fundamental data themes: Positioning, Cadastre and Property, Address, Imagery, and Elevation and Depth.

During 2014/15, we actively engaged other agencies to progress stewardship of the different themes, and appointed Statistics New Zealand as steward of the Administrative Boundaries theme.

### Supporting the Canterbury rebuild

In 2014/15, we undertook eight projects designed to accelerate the earthquake recovery by increasing the ability of Canterbury agencies to share and use location-based information to plan and coordinate critical rebuild activities. The programme concluded on 30 June 2015 with the projects all either completed or being transitioned to ‘business as usual’ activity.

#### Forward Works Viewer

One of these projects was the Forward Works Viewer. The viewer combines data from the public sector, utilities, and private sector developers into a single viewer, allowing planners, developers, and other industry professionals to visualise planned construction and repairs by location and time – minimising disruption and ensuring efficient project planning and coordination. The Viewer has generated more than \$13.3 million of quantifiable benefits, with a further \$2 million forecast to the end of June 2016.

We’re now ensuring the Viewer is robust, sustainable, and effectively supported – and investigating whether we can support other regions to develop viewers of their own. Work is



also under way to gather, collate, and communicate programme-wide lessons learned.

“The role of the SDI is to provide an effective and efficient means to deliver a vital resource.”

#### Property Data Management Framework (PDMF)

Another project, the PDMF, was developed to resolve inconsistencies between building footprints, addresses, land parcels, rating units, and ownership data – a problem that extends well beyond Canterbury. The earthquakes exposed inconsistencies in property datasets held by different organisations. The PDMF was developed in response to this, combining and sharing property data between agencies.

In 2015/16, we’ll look at how the PDMF can play a key part in several LINZ-led projects, including the Advanced Survey and Title Services data-linking capability.

## Connecting data across the Natural Resources Sector (NRS)

There is a strong location element to almost all decisions made in the NRS.

The NRS Information initiative is wider than central government – it includes Crown research institutes, regional councils, and universities. We have been leading the work on the information programme on behalf of the sector.

Over 2014/15, this included work to leverage our existing data services to connect up wider NRS data and making the data more accessible, which aligns with the New Zealand Government ICT Strategy and Action Plan.

As a result of this, we worked with the Ministry for the Environment and Environment Canterbury to establish data services based on the LINZ Data Service model, setting them up to publish more data.

In 2015/16, our focus will be to target high-priority activities for improving the NRS information infrastructure. This will include considering more efficient governance arrangements for information in the sector, and overseeing action to improve the consistency of sector-wide information standards and formats.

## Making our cities smart

New sensing technologies – like cloud-based applications, smart cards, and mobile tracking – allow cities to be actively monitored and managed. Globally, investment in these technologies is regarded as an important next step in managing our urban environments.

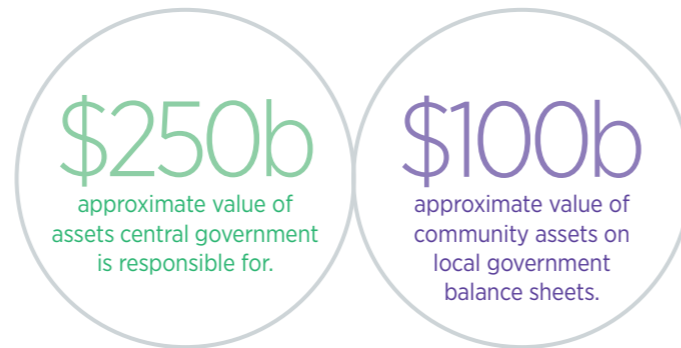
These global developments present LINZ with an opportunity to play a leadership role in assisting New Zealand's cities to become technologically savvy. We are trialling this role with local government agencies, drawing on our experience of the Christchurch rebuild. We are examining the overall effectiveness of our involvement and looking at the cost/benefit associated with rapid uptake of sensing technologies.

In 2014/15, we received Better Public Services (BPS) seed funding to invest in projects that will give us a better understanding of how cities operate and the social outcomes they provide to their communities. The availability of accurate data, and how this informs investment decisions, has been critical to determining how smart cities might improve social outcomes.

In 2015/16, we will focus on selecting projects that show the potential to create significant social benefits, are collaboratively developed, and produce high-quality information to inform future investment decisions across Auckland, Wellington, and Christchurch.

We have also received BPS seed funding to work with a consortium of councils on a business case to support data standards for national infrastructure and, more specifically, for water infrastructure and built assets.

There's a lot at stake – central government is responsible for approximately \$250 billion of assets, and local government has a further \$100 billion of community assets on its balance sheets.



Maintaining and improving these assets requires billions of dollars of investment each year. However, across New Zealand, different infrastructure providers currently collect data in different ways, or do not collect the right data to make informed decisions. In some cases, important infrastructure data isn't captured at all. By developing shared data standards, it will be possible to benchmark infrastructure condition and performance, establish best practice, and develop joined-up procurement and shared services arrangements.

As well as leading the location system, we are key contributors to the system through the location information we create.

## Driving New Zealand's world-leading open data ranking

We lead New Zealand's Open Government Information and Data Programme, which advocates across government for agencies to release their high value data for reuse.

This year, the first GovHack event took place in New Zealand, where the user community came together and used open government data to create useful and innovative solutions for helping people navigate life events, like moving cities, or helping students chart a course through further education. GovHack was run in six locations across New Zealand, as well as 14 locations across Australia.

Government, as a supplier of open data, has to know what users want – and events like GovHack are vital in identifying barriers and gaps.

There were 3,426 open government datasets available through data.govt.nz for use during GovHack – including all of LINZ's data through the LINZ Data Service. The high level of community engagement resulted in six more datasets being released.

Wellington's GovHack 2015, the full video

Summary of the Wellington GovHack projects: <https://www.youtube.com/watch?v=RLsTIIGmzOU>

Link to all the GovHack projects: <https://hackerspace.govhack.org/projects> (includes Australian and NZ projects)

“Government, as a supplier of open data, has to know what users want.”

The event has given the Open Government Information and Data Programme compelling stories to take back to government agencies to show them why releasing their data is so important. There was a frustration desk at the event, which collected stories of where innovation could have happened – if only the data was available.



Scan to watch this video.



## We make our location information accessible and usable



**What is location information?** Location information tells us where features and places are, how they're related, and how they change over time. It ranges from physical features on, above, or below the Earth's surface to information about property boundaries, traffic, people, weather, and hazards.

Most human activity depends on location information. For instance, we use it to help decide where to build important services such as new hospitals or schools. Emergency services need it to locate addresses quickly in a crisis situation.

LINZ manages and maintains many of New Zealand's core location datasets (see Figure 2). We're improving them, making them more accessible, and providing them in formats that encourage reuse. We also work across government and with the private sector to open up the data other organisations hold.

### We provide the positioning system that underpins location information

Positioning enables us to determine the location of points and features, and supports maps, surveys, and other types of location information. Today this is often achieved through the use of satellite navigation systems such as GPS.

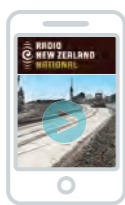
LINZ provides New Zealand with an accurate positioning system used in property and land development, and mapping land and sea.

Internationally, there is greater recognition of the importance of positioning infrastructure. The United Nations recently passed a resolution for nations to work together to develop a Global Geodetic Reference Frame. A Global Geodetic Reference Frame will monitor changes to the Earth including the continents, ice caps, oceans, and the atmosphere. This is especially important for monitoring and recovering from natural disasters. It is also fundamental for mapping, navigation, and universal timing.

LINZ has developed a new positioning strategy that will guide its approach to positioning over the next 10 years. This strategy pushes us to support the latest satellite positioning technologies, making sure New Zealanders see the benefits of precision agriculture, autonomous vehicles and intelligent transport, and more efficient surveying.

### Geodesy – the Science of Knowing Where You Are

This 20 minute audio clip about Geodesy is available online at [www.radionz.co.nz](http://www.radionz.co.nz) (search 'The science of knowing where you are').



### IMPROVING THE ACCURACY OF THE NATIONAL VERTICAL DATUM

We are measuring and modelling the changes in Earth's gravity across New Zealand to provide an accurate vertical reference frame. When used with other data (such as elevation and depth), the overall accuracy and consistency of location information is improved. Accuracy is important, because it's used in GPS technology, and in planning, designing, and building infrastructure – such as ensuring our sewerage systems flow in the right direction, or knowing what land is more likely to be flood prone before building on it.

We are working with Victoria University of Wellington and GNS Science to fly the length and breadth of the country to collect gravity data, which will be analysed and integrated with existing data. In 2016, we will release a new vertical datum that has an accuracy of 2–3 centimetres in developed areas, an improvement on the current 6–8 centimetre accuracy.

### We are improving elevation and depth information

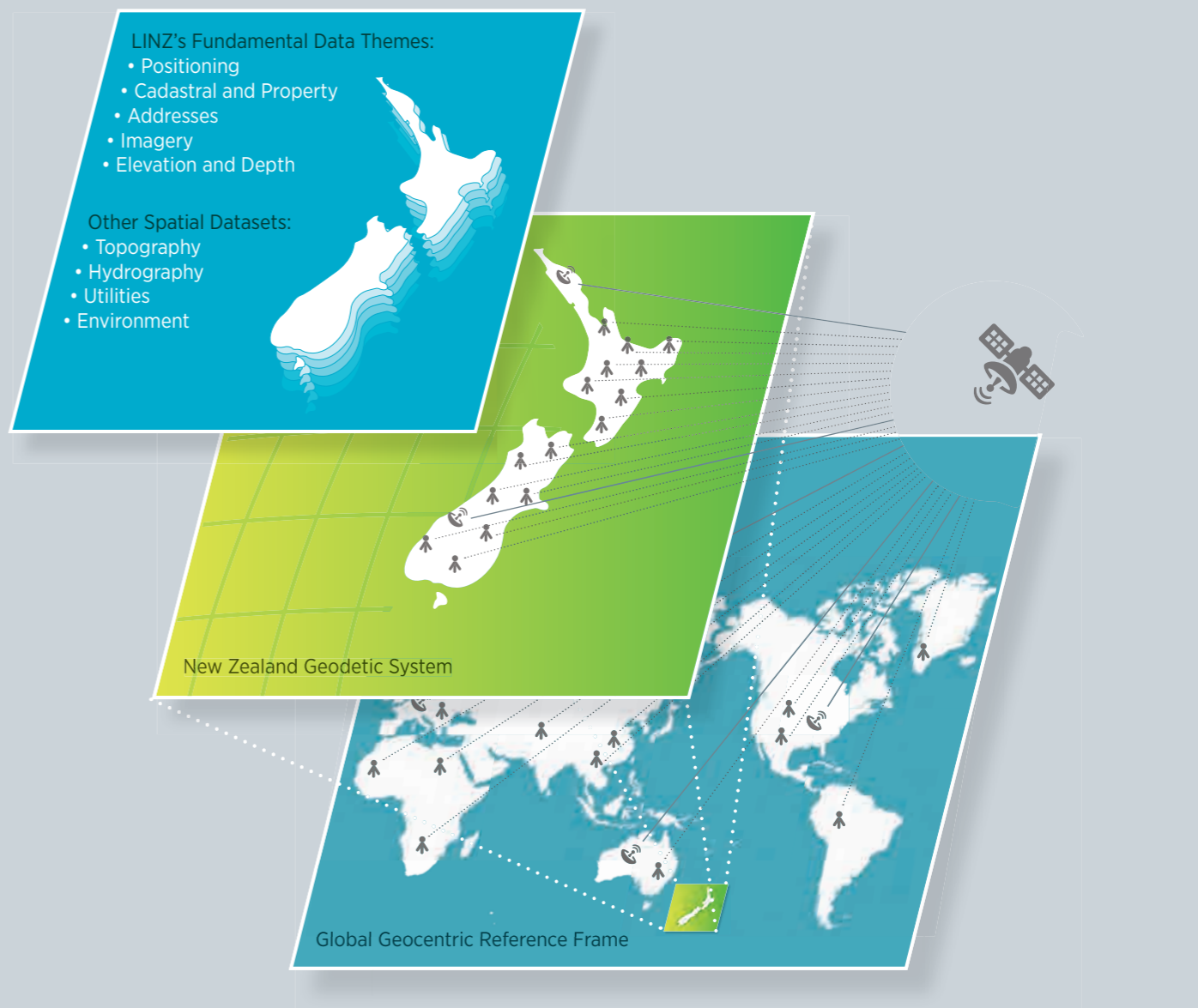
Elevation is the height of our land and its features. LINZ and others have collected this data for decades, but there is opportunity to improve its value for New Zealand through greater coordination, increased accuracy, and common standards. This will give our farmers the tools to irrigate and fertilise their land without waste from runoff, while our forestry industries can monitor tree growth. By showing building heights, elevation information also creates a picture of the changing face of our cities.

There is an emerging demand for better elevation data in managing flood risks, aviation hazards, precision agriculture, and more. In 2014/15, we investigated the current state of elevation data availability and presented options for new datasets. We have identified a potential cost-benefit ratio of 1:5 from investment in a national elevation programme.

Bathymetry is information about the depth of the ocean floor. This year, we also completed an investigation, and are developing recommendations, for increasing the value New Zealand gets from bathymetry. International studies show that the return on investment in good bathymetry data is between 1:2 and 1:6. This data can be used to find safe passage for ships, identify areas that are likely to hold fish stocks, and plan mining and oil exploration – industries that contribute billions to the New Zealand economy.

The investigation included a stocktake of New Zealand's bathymetry data and a review of its economic benefits. We surveyed stakeholders to understand how we could improve how we provide this data and identified that up to 70 percent of New Zealand's waters are not mapped to a high resolution.

Figure 2:



LINZ is responsible for managing New Zealand's geodetic system. The system provides the underlying spatial reference frame used to produce maps and charts. It is also an essential tool in setting and identifying the position of property boundaries.

The geodetic system is a network of trig station, geodetic marks and Global Navigation Satellite System reference stations that serve as physical reference points.

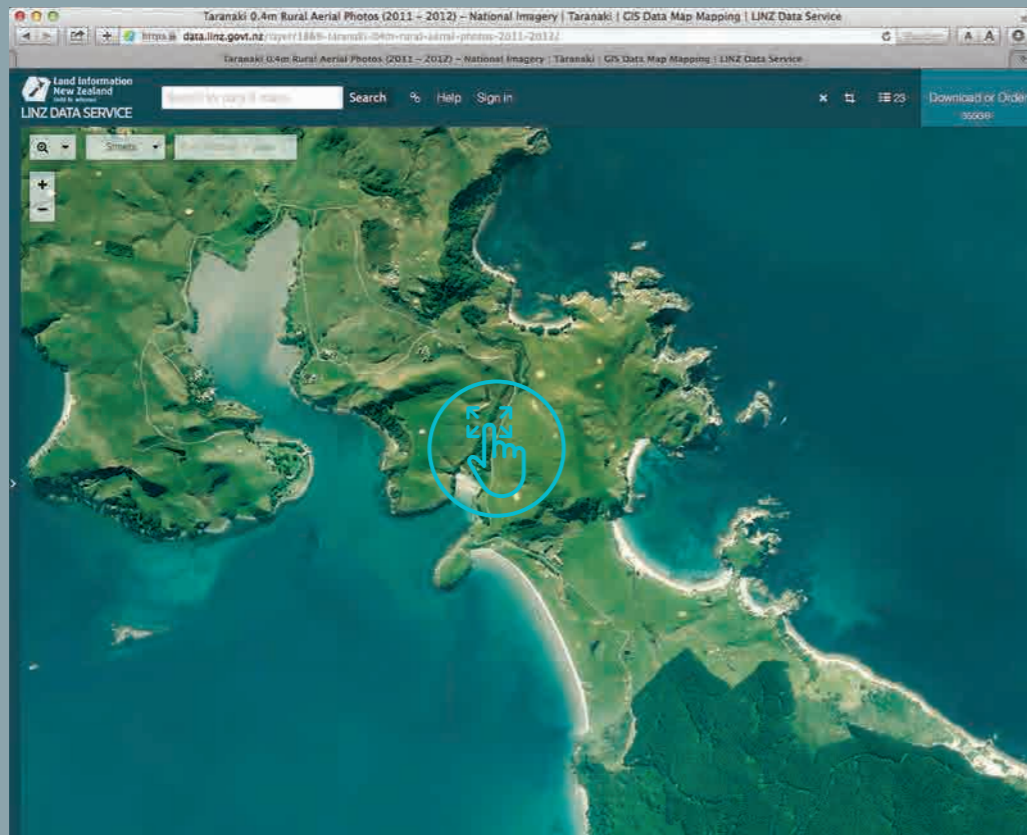
To find out more, check out the QR code for Geodesy – the Science of Knowing Where You Are

## Unlocking New Zealand's aerial imagery

For decades, government, industry, and others have collected aerial imagery – specialist photography taken from planes and used for mapping, planning and recording land use. Until recently, almost all of this imagery was unavailable beyond the organisations that procured it.

LINZ has worked with government and industry to ensure imagery is collected to common standards and released on open licences. Our LINZ Data Service provides the means to make it accessible. As a result, imagery covering 95 percent of the country is now free to download.

We're building on this success to improve access to historic imagery. We oversee the Crown Aerial Photo Archive, which contains 650,000 photos captured between 1936 and 2005. Historic imagery can be used to show changes in land use, identify where dangerous chemicals were once used, show coastline changes, and for archaeology and cultural research.



95%

aerial imagery covering 95 percent of the country is now freely available for download.

In partnership with local government, we're digitally scanning these images from the original film negatives and making them openly available.



Scan to link to the LINZ Data Service.

### JOINING LAND AND SEA

In the past decade, New Zealand spent \$44 million confirming the extent of its continental shelf, an area of 1.7 million km<sup>2</sup>. LINZ is now looking at how it can enable seamless mapping of New Zealand's territory above and below the waterline, from Aoraki/Mt Cook to the edges of the continental shelf. Seamless mapping would involve joining bathymetry, elevation, and other data via an integrated vertical datum across the land and sea.

With this in place, New Zealand would have an enhanced data resource for addressing the many issues and activities (sea level rise, flooding, tsunami, coastal development, marine farming) arising in the areas where the coast meets the sea.

We have also improved our hydrographic data which underpins sea transport, industries, and recreation in New Zealand. We now produce our charts both in traditional paper and electronic formats.

In partnership with the New Zealand Aid Programme, LINZ has taken an innovative approach to providing expertise to help Pacific nations improve their maritime safety. Over 2014/15, we combined location information and other data to create maps highlighting areas of risk to shipping for the Cook Islands, Vanuatu, and Tonga. This aids these countries in making decisions on where chart updates and other safety improvements are most needed. This initiative is improving navigational charts and building capability in the region through providing technical expertise and training.

LINZ is now introducing a risk-mapping approach to prioritise chart updates for New Zealand waters.



\$44m was spent confirming the extent of New Zealand's continental shelf.



New Zealand's continental shelf is an area of 1.7 million km<sup>2</sup>.

Topography is the mapping of the physical features of our natural and built environment. Hydrography is the mapping of undersea features.

We use this information to create the maps and charts New Zealanders use for planning, understanding our environment, and safe navigation. We're taking a new direction in both areas, with a shift of focus from physical products, such as maps and charts, to a greater emphasis on the data used to create them.

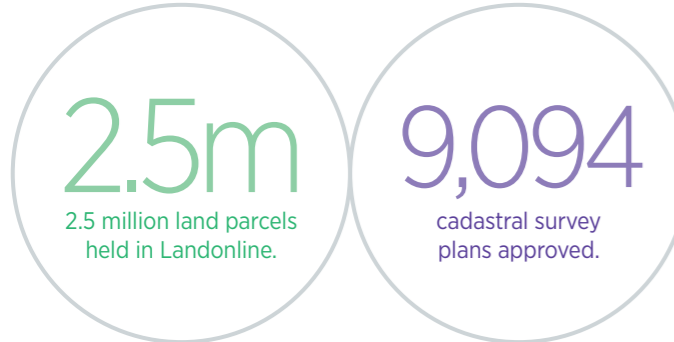
In 2014/15, we published a new five-year Topographic Strategy. Under this strategy, we will continue to prioritise the changing needs of our customers, gather data from a wider range of sources, and look at the potential to develop new digital products and services that enable this data to be adapted and reused.

## We are improving the cadastre

### CADASTRAL SURVEY

The cadastre is the official record of cadastral surveys. Cadastral surveys are where the location, shape, and size of a parcel of land is measured and recorded by a licensed cadastral surveyor, and marked out on the ground by boundary pegs. Surveyors can then submit their surveys to LINZ, to be included in the cadastre.

New Zealand's cadastre is world class. It gives New Zealanders certainty about exactly where their boundaries are when they buy, sell, and make use of land. The cadastre provides a robust foundation for government and private individuals to grow New Zealand's economy, safeguarding over \$700 billion in residential property wealth.

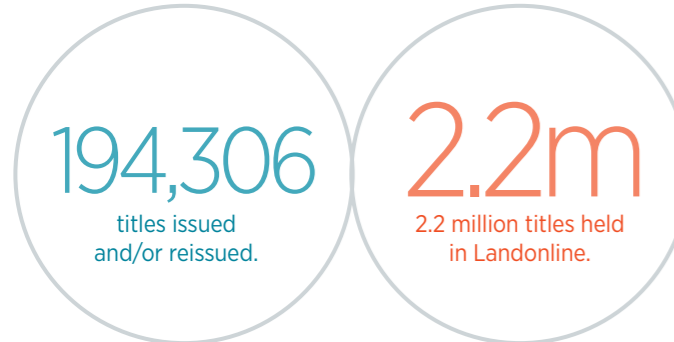


### OWNERSHIP INFORMATION

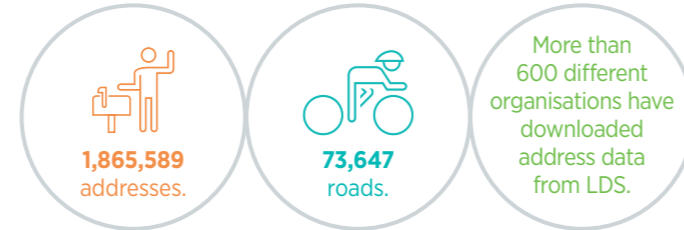
We also look after the Land Transfer Register, which is the official record of interests in land. It provides up-to-date information on legal ownership of land in New Zealand.

The title register and cadastre are held and maintained in Landonline, and the information is freely available to the public through the LINZ Data Service.

In 2014/15, we started a review to understand how we can increase the value derived from the use and reuse of this information. The review will be completed in 2015/16.



## We are improving our addressing information



Address number, road name, and suburb provide a common understanding of where places and people are. Addresses are fundamental to emergency services and are used for the supply of utilities like power and water. They are also the basis of New Zealand's voting system.

Local councils allocate or change road names or property numbers and are required to advise LINZ. Our role is to ensure that the address number and road name meet the standards set by the Surveyor-General. Where a property number does not meet the standard, we may require a council to change it.

We make the allocated address information that we hold available through the LINZ Data Service.

We are working to improve the system we use to manage this data so that we can collect richer addressing data, which is more useful for the Government, postal services, utilities, emergency response, and others. Already, over 600 organisations use the address information managed by LINZ and improvements to this can create economic benefits and help emergency response.

### A new system for managing addressing information

In 2014/15, we began developing a new Address Information Management System (AIMS) that will enable us to improve the quality and coverage of national addressing data to better meet the needs of those who rely on accurate address information.

The new system will have the ability to hold address information in a more meaningful way. For example, multiple address points can be used to identify the location of a dwelling or a road frontage, the relationship between primary and sub-addresses can be recorded for apartment buildings, and alternative addresses can be recorded where a property has two street frontages. The system will store addresses in a way that encourages consistency and completeness, including keeping track of any changes made to an address. A future stage of the project is planned to improve the process of submitting address data to LINZ.

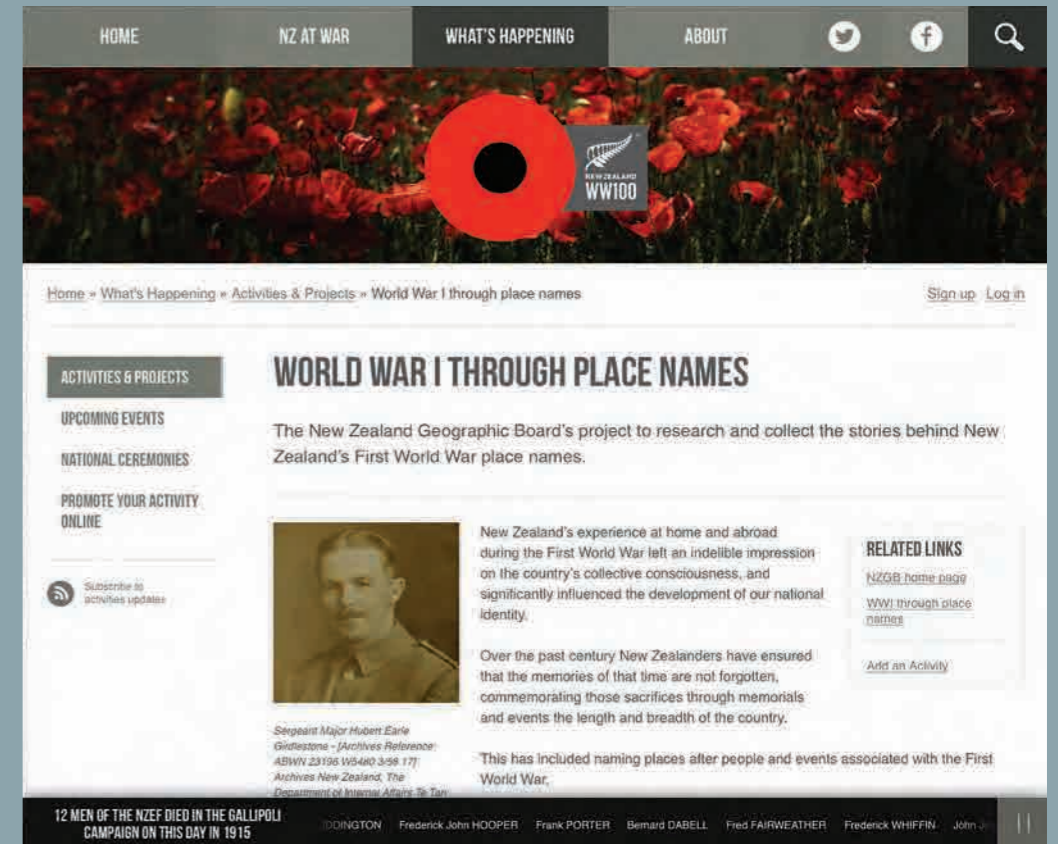
## WWI through place names

Our New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa (NZGB) launched a special initiative to commemorate the centenary of the First World War.

Names of places and features reflect New Zealand's culture and heritage. As the national place naming authority, the NZGB is responsible for official place names in New Zealand, its offshore islands and continental shelf, and the Ross Dependency of Antarctica.

As part of the Government's WW100 initiative – which marks the centenary of WWI – the NZGB this year publicly launched the 'WWI Through Place Names' project to research and collect the stories behind place names that have a link to the war.

This contributes to the Government's WW100 initiative – and helps ensure that memories of New Zealand's wartime experiences and people are not forgotten. This aligns with one of the NZGB's goals to encourage people to use official place names by contributing to such national commemorations.



### PROGRESS TO DATE

In 2014/15, the NZGB published the stories behind 30 WWI official place names, 17 of which were newly approved or altered as official – from Jellicoe Cave in Northland to Mount Joffre in the Southern Alps/Kā Tiritiri o te Moana.

More information about the WWI Place Names project, place naming in general, and WW100 is available at:

- [www.linz.govt.nz/regulatory/place-names/ww1-through-place-names](http://www.linz.govt.nz/regulatory/place-names/ww1-through-place-names)
- [www.linz.govt.nz/regulatory/place-names](http://www.linz.govt.nz/regulatory/place-names)
- [ww100.govt.nz/world-war-i-through-place-names](http://ww100.govt.nz/world-war-i-through-place-names)



Scan to link to the WW100 website.

### Growing the skills we need for the future

To ensure we have people with the skills needed to support the location system, we have worked across primary, secondary, and tertiary education and in industry to grow New Zealand's geospatial capability.

One of these initiatives is our sponsorship of Virtual Field Trips.

Virtual Field Trips use multimedia and web technologies to allow primary school students to 'visit' inaccessible places and chat with experts, all from their classroom. The latest Virtual Field Trip – 'High Country, Hi-Tech' – took place in May, and saw students from around New Zealand learn how geospatial technology is supporting conservation and farming work in the Mackenzie Basin.

During the trip, students learned about LINZ's biosecurity work and saw its new drone in action, which is used to monitor and map wilding conifer infestations in the region.

As well as profiling our work, the trip allowed students to try out geocaching (high-tech treasure hunting using GPS), showed them how Department of Conservation staff use mobile mapping, and demonstrated



LINZ's biosecurity drone 'Manu' near Aoraki/Mt Cook

GPS being used for farming and outdoor recreation. As well as educating students about the work of LINZ and other agencies, Virtual Field trips showcase the possibilities of geospatial technology, publish related curriculum resources, and highlight future career opportunities in the geospatial profession.

**SPONSORSHIP**

We have been sponsoring the field trips – produced by educational consultancy CORE Education – since 2012, and we won the People and Community Award at the inaugural New Zealand Spatial Excellence Awards in 2014 for this work.

“This work won the People and Community Award at the inaugural New Zealand Spatial Excellence Awards.”

### We provide free access to location information

The LINZ Data Service (LDS) is an online service that makes LINZ's data freely available for download for reuse under a Creative Commons licence. For more information on Creative Commons licences, visit [creativecommons.org.nz](http://creativecommons.org.nz).

% change in the past year	2014/15	2013/14
Total number of users	18,780	11,333
Number of downloads	59,753	30,908
Volume of downloads (gigabytes)	12,700	7,598

The LDS makes available more than 1,800 datasets on New Zealand's land and sea. In 2014/15, we began releasing data in a new open file format for improved accessibility and interoperability. We added the full Landonline dataset to the LDS, which had previously only been available on DVD to subscribing customers. This makes it easier for customers to access large volumes of survey and title information on a regular basis.

During 2014/15, under the New Zealand Government's ICT Strategy and Action Plan, we have looked to leverage LDS for wider, more sustainable use to give New Zealand benefits from data reuse. This work has seen 'proofs of concept' that established data publishing services for the New Zealand Defence Force and Environment Canterbury.

The result of this work is that data publishing capability will be available so other government agencies wishing to establish a data service can do so easily. This approach will also deliver economies of scale across government, including LINZ, and we can reinvest our savings into publishing more LINZ data.



In 2014/15 the LDS was a finalist in the 'improving public value through business transformation' category at the Institute of Public Administration New Zealand Public Sector Excellence Awards, and in the 'excellence in public sector IT' category of the Institute of IT Professionals Excellence in IT Awards.

Figure 3: New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa – 2014/15 Overview



The 2014/15 New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa Annual Report can be found at [www.linz.govt.nz/regulatory/about-linz/publications/annual-report-new-zealand-geographic-board](http://www.linz.govt.nz/regulatory/about-linz/publications/annual-report-new-zealand-geographic-board)

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### Cultural and heritage benefits

The restoration of original Māori place names plays an important part in the New Zealand Geographic Board's contribution to Treaty of Waitangi settlement redress. Recognition of claimants' traditional and ancestral place names in official documents (maps, charts, road signs, databases etc) provides important acknowledgement, helping ensure that histories are retained, are discoverable, and allow for identity and connection to the land.

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### Sense of place – what matters most

The New Zealand Geographic Board's notable contributions for 2014/15 include:

- researching the stories behind place names linked to the war through the 'WWI Through Place Names' project
- adding geographical names in New Zealand Sign Language Online Dictionary
- signing the Te Puni Kōkiri–New Zealand Geographic Board relationship protocol, ensuring that Māori interests remain a key part of the decision-making process
- signing a relationship protocol with the Office of Treaty Settlements, guiding how we will work together on settlement name proposals.

### What it does

The New Zealand Geographic Board:

- assigns new names for geographic features and places
- alters or discontinues existing names
- approves or adopts recorded names already in common use
- validates past name decisions
- defines the position or extent of geographic names or places
- maintains a publicly available Gazetteer of place names.

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### Place names published in the *New Zealand Gazette*

Proposals	31
Decisions – assign, alter	8
Decisions – discontinue	2
Decisions – approve recorded	299
Decisions – Antarctica	2
Decisions – Undersea	26
Minister's decision	1
Treaty settlement legislation	148
<b>TOTAL</b>	<b>517</b>

### Place names processed at New Zealand Geographic Board meetings

	16 July 2014	1 October 2014	29 April 2015
Treaty	17	2	23
Deferred	1	1	7
Deferred to Māori Names Committee	13		15
Declined	1		2
Minimum requirements not met		2	2
Proposed	13	1	12
Crown Protected Area altered	4		
Discontinued	3		2
Approved recorded	66	84	150
Antarctic		2	
Undersea			5
Adopted undersea			18
Reports to the Minister		6	15
Delegated decision by Chairperson		2	3
Request LINZ to update maps and charts	28	1	4
Gazetteer updates			3
No action			1
<b>TOTAL (509)</b>	<b>146</b>	<b>101</b>	<b>262</b>

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### Financial performance

	Actual 2014	Actual 2015	Main Estimates 2015	Supplementary Estimates 2015
\$000	\$000	\$000	\$000	\$000
803 Revenue Crown	875	625		875
0 Revenue Other	-	-		-
<b>803 Total Revenue</b>	<b>875</b>	<b>625</b>		<b>875</b>
<b>803 Total Expenses</b>	<b>760</b>	<b>625</b>		<b>875</b>
<b>0 Net surplus/(deficit)</b>	<b>115</b>	<b>-</b>		<b>-</b>

## We manage New Zealand's property rights system



Over the past year, we have begun our journey to transform the delivery of New Zealand's property rights system to ensure it remains one of the most efficient and robust property rights systems in the world. The system maintains the official record of land boundaries and land registration.

### Integrated Property Services (IPS)

Through the IPS programme, we are renewing and transforming New Zealand's property rights system. In addition to adding value to location information by addressing problems described earlier, IPS will make processes of buying, selling, and developing property easier. For example, it will speed up land identification for property developers and reduce the hoops homeowners have to jump through to make changes to their building or property.

IPS is consistent with government expectations to deliver customer-focused, integrated online services. It also contributes to Better Public Services result areas 9 and 10.

### Property system regulators

In New Zealand, we can be confident of our property rights because of our strong survey and legal framework which supports land ownership and values. This reflects the work of our statutory officers who are leaders in their professions and work to ensure the integrity of the system.

#### SURVEYOR-GENERAL

The Surveyor-General is responsible for defining the 'where' in land regulation. The Surveyor-General assesses national surveying requirements, and sets standards and policies to maintain the national survey system. The national survey system ensures people have confidence in the security and integrity of land boundaries, and in the reliability of land information. The Surveyor-General is Chair of the New Zealand Geographic Board, which is responsible for place naming, and also provides support to electoral boundary determinations. A summary of the New Zealand Geographic Board's Annual Report 2014/15 can be found at Figure 3.



In 2014/15, half of the almost 2 million properties in the country were revalued.

The national average objection rate to property valuations was 2.4 percent, although in Auckland it was less than 2 percent. Rural valuations were increasingly complex, with significant land use changes driven by new irrigation technology and tighter controls on nutrient loadings for farms.

#### VALUER-GENERAL

The Valuer-General is responsible for defining the 'value of the land' in land regulation. The Valuer-General sets standards for rating valuations, which allows local government to develop rating policies and set rates. The capital value of property is used to guide the price of properties when buying and selling. Every property in New Zealand has a rating value. Valuations occur at least every three years, and are undertaken by 67 councils nationwide. Before new values are implemented, the Valuer-General provides independent quality assurance of rating valuations.

The Valuer-General also provides the framework for assessing carrying capacities, and calculates the rate per stock unit. These activities, in a similar way to rating valuations, guide rent prices during tenure review.


The Valuer-General is also the Chair of the Valuers Registration Board. This statutory body monitors Registered Valuers' compliance with valuation standards. This ensures public protection and confidence in the profession. A summary of the Valuers Registration Board's Annual Report for 2014 can be found at Figure 4.

#### REGISTRAR-GENERAL OF LAND

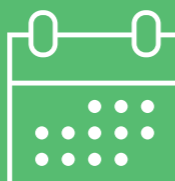

The Registrar-General of Land is responsible for defining the 'what' in land regulation, by developing standards for the land registration system. They also provide technical policy advice for land registration matters and administer claims and reviews under the Land Transfer Act 1952.

New Zealand's land title registration system means that, subject to a few exceptions, the register provides conclusive evidence of land ownership and the title of a registered owner has a government guarantee. Our system saves around \$2.266 billion every year, compared with having a Deeds system such as in the United States of America.<sup>4</sup> These savings come from avoiding title insurance costs, reduced time for registration of property, and lower fees for registering.

Figure 4: Valuers Registration Board – 2014 Overview



The Valuers Registration Board Annual Report for the period 1 January 2014 to 31 December 2014 can be found at [www.linz.govt.nz/regulatory/valuation/valuers-registration-board](http://www.linz.govt.nz/regulatory/valuation/valuers-registration-board)

The Board is appointed by the Minister for Land Information. The Valuer-General is the Chair of the Valuers Registration Board.

The Board met for 20 days during 2014, and conducted additional teleconference calls.

The Board's primary function is to protect the public through the registration of valuers of land. The Board sets standards of education and practical experience for registration, maintains the register of those valuers who meet the standard, and issues annual practising certificates.

2013	2014
1,200 registered valuers	1,200 registered valuers
867 practising certificates (the remaining registered valuers are retired, overseas, or do not make valuations for the public)	893 practising certificates (the remaining registered valuers are retired, overseas, or do not make valuations for the public)
27 applications received	32 applications received
50 valuers removed from the register (15 resignations, 13 retirements, 22 for non-payment of fees)	40 valuers removed from the register (19 resignations, 15 retirements, 6 for non-payment of fees)

The Board hears complaints against registered valuers.

2013	2014
25 complaints	19 complaints
5 hearings	9 hearings
\$14,500 fines imposed	\$41,500 fines imposed
\$128,500 costs awarded	\$102,772 costs awarded
1 removal from the register	0 removals from the register

**Statement of Financial Performance**

For the year ended 31 December	2013	2014
Income	849,595	913,451
Less Expenditure	731,969	830,386
Net Surplus for the Year	117,626	83,065

**Statement of Movements in Members' Funds**

For the year ended 31 December	2013	2014
Members' Funds as at 1 January	102,935	220,561
Net Surplus for the Year	117,626	83,065
Total Recognised Revenue and Expenses for the Year	117,626	83,065
Members' Funds as at 31 December	220,561	303,626

**Statement of Financial Position**

As at 31 December	2013	2014
Members' Funds	220,561	303,626
Represented by:		
Current Assets	1,173,528	1,313,480
Non-Current Assets	29,285	28,841
Current Liabilities	982,252	1,038,695
Net Assets	220,561	303,626


**Processing of survey and title transactions**

To deliver cost-effective and secure transactions, LINZ maintains an electronic database for land ownership administration – Landonline. Land professionals can securely access the system, allowing them to conduct land transactions with efficiency and ease. Our land registration system contributes \$94 million a year to GDP and the state guarantee of title saves property buyers more than \$246 million a year, which they would otherwise acquire in title insurance costs.<sup>5</sup>


Land survey and title transactions can be conducted online, and nearly 87 percent of title transactions in New Zealand are processed automatically. The World Bank has ranked New Zealand as number two out of 189 economies on the ease of registering property.<sup>6</sup>

In 2014/15, there was high turnover of survey staff. The need for senior survey staff to train new replacements, coupled with increasing volumes of surveys, affected how quickly we were able to process survey datasets. Across 2014/15, we took 16 working days to process electronically submitted survey datasets, reaching 22 days in the last quarter. We realised this wasn't sustainable and put measures in place to address this. Our current processing times have since decreased, and we are now processing 90 percent of electronically submitted survey datasets within eight days.<sup>7</sup>

While we kept our customers informed about the delays and our overall customer satisfaction for survey and title services remained high during 2014/15, we have a number of activities under way to ensure we continue to meet our customer expectations in the future.



Over 31,000 downloads of survey and title data from the LINZ Data Service in 2014/15.



Survey and title data made up 22.4% of all data downloaded from the LINZ Data Service.

IN 2014/15:

 3,074,401 copies of paper records provided

**Positioning us for the future**

**BETTER EVERY DAY**

Demand is increasing and predicted to keep doing so. We needed to sustain the knowledge and skill of our staff as people retire. We also needed to radically improve the way we work to meet customer needs.

We are part of a cross-government initiative using the continuous improvement methodology to implement the Better Every Day approach supported by the State Services Commission. Better Every Day is a way of thinking and a process for continuously improving our work. The approach was developed to drive transformational change in the state sector, contributing to better public services by putting the customer at the centre of everything we do.

In 2014/15, we progressively rolled this approach out through our survey processing area with an initial focus on increasing the capability of our staff to allow us to meet our customer demand.

The Better Every Day approach has reduced the time it takes to train our staff and improved workflow for approving plans by removing waste and barriers from the system. We expected some short-term disruption due to the change in processes and approach. This had a larger impact than anticipated.

We are also working to support the immediate skill set shortages in our survey and title operations teams, through recruitment and training. By developing a Foundation Programme for new recruits, we will teach the fundamental aspects of survey and title processing. Built off this programme will be streams of technical learning that will be offered to internal and external stakeholders to increase capability in the wider sector.

**IMPROVING OUR TECHNICAL CAPABILITY**

We need to improve our technical capability. Our approach is focused on attracting, training, and retaining the people who will support the transformation of property rights.

During 2014/15, we began development of a high level technical capability strategy. This involved discussions with educational and sector groups, as well as collecting feedback from other organisations. We also began to determine qualifications that can be offered to staff as they develop in LINZ or the sector.

<sup>4</sup> Valuing New Zealand's survey and title system report, March 2014 – Berl Economics.  
<sup>5</sup> Valuing New Zealand's survey and title system report, March 2014 – Berl Economics.  
<sup>6</sup> Doing Business report, 2015 – World Bank.  
<sup>7</sup> As at 11 September 2015.

MODERNISING AND ENHANCING THE SURVEY AND TITLE SYSTEM



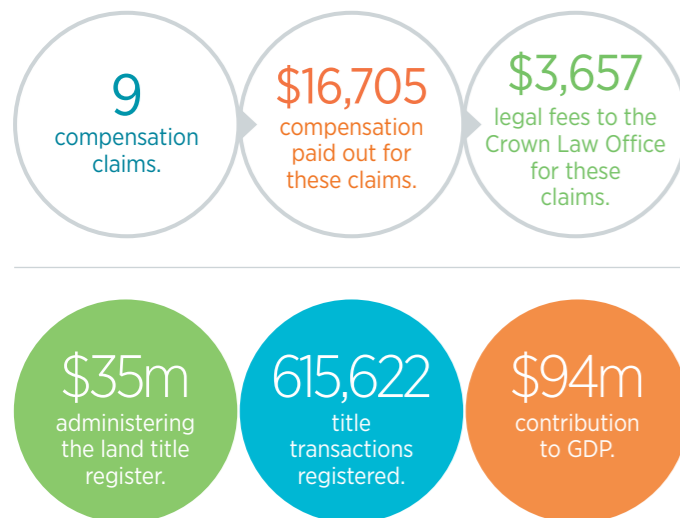
Our survey and title services enable the sale, purchase, and development of property, and are crucial to the smooth running of the property market, which underpins the economy.

We are looking to develop a new way of delivering our Landonline services through the Advanced Survey and Title Services (ASaTS) project. ASaTS will modernise Landonline to enhance the range of services it offers. The ASaTS business case is based on three drivers for customers, business, and information. This will improve timeliness, quality, and cost-effectiveness for our customers, and also ensure we meet their current and future needs.

It is intended that ASaTS will deliver the property data linking capability identified as part of our Integrated Property Services work. This will support greater interoperability, and accessibility, of building and property information. ASaTS is also intended to deliver new datasets, such as a register of Crown administered land, collect and distribute notice of sale information, and offer direct web access to the public for information held in Landonline.

Following Cabinet approval of the indicative business case in 2013, LINZ has been working through government approval processes for the Detailed Business Case.

2014/15 facts and stats



Canterbury property boundaries

In parts of Canterbury, the shallow ground movement caused by the 2010 and 2011 earthquakes resulted in many houses, fences, and other physical features shifting from their original positions. The position of many boundary pegs and other marks, used to identify property boundaries, also moved, making it difficult for surveyors to accurately determine the legal boundaries of properties.

During 2014/15, we worked with interested parties, such as surveyors, councils, insurers, and property lawyers, to assess potential options for addressing property boundary issues for property owners in Canterbury. Our discussions focused on how best to minimise barriers to the rebuild associated with boundary uncertainty, and to continue to provide current and future property owners with confidence in their legal property titles.

Te Ture Whenua Māori Act 1993

There are over 27,000 blocks of Māori land under the Te Ture Whenua Māori Act 1993 comprising 1.4 million hectares, or approximately 5 percent of the total land in Aotearoa New Zealand. Much of this land is under performing. In 2014/15, we worked with the Ministry of Justice and Te Puni Kōkiri to review the Act, with a view to improving the performance and productivity of Māori land, and ensuring better guardianship of the whenua.

The cross-agency and multi-year programme will set up the Māori Land Service, which will support the retention, management, and utilisation of Māori freehold land. It will provide important administrative services, make information available, and deliver support to Māori land owners. LINZ will manage the technology and infrastructure behind the Māori Land Register, which will hold land ownership and governance information. These services recognise LINZ's strength in managing land information.

Supporting Māori Land Court decisions

Under the Te Ture Whenua Māori Act 1993, Māori Land Court orders are required to be lodged with LINZ. Electronic lodgement of Māori Land Court orders commenced in July 2014. Being lodged electronically enables Māori Land Court staff to lodge orders directly into Landonline. This halved the overall lodgement transaction time and means Landonline reflects Māori Land Court decisions in a more timely manner.

We manage Crown-owned and used land effectively and sustainably



We are the guardians of eight percent of New Zealand's land area – that's two million hectares. We have the second largest landholding of any Crown agency. We have been working to manage Crown land more efficiently, to deliver the greatest benefits to New Zealanders – both today and in the future.

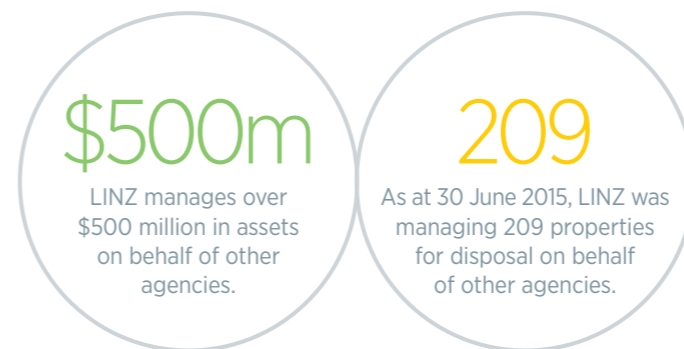
The Crown land that we manage includes some of New Zealand's most iconic land, including South Island high country pastoral land, Crown forest land, the beds of water bodies such as Lake Wanaka and the Waikato River, and urban and rural properties located throughout the country.

This land is of national significance, both in terms of the environment and the economy. We have a responsibility to preserve the value of the land under our stewardship. In some cases, it's about protecting and maintaining the land as it exists. In others, it's about maximising the land's productive potential.

We also support the effective administration of Crown land across the public sector by managing the framework through which most government agencies buy and sell land. We ensure that these transactions comply with legislation and standards. We also advise other government agencies on Crown property issues as part of our Crown Property Centre of Expertise.

Our Crown Property Centre of Expertise (CPCoE) continues to deliver cost savings for government agencies

CPCoE facts and stats



The CPCoE provides leadership across government in the management and disposal of property. Services provided by the CPCoE include property portfolio management, financial management, asset management, and property maintenance. Crown agencies are able to use the CPCoE's expertise to assist them in selling their surplus Crown property.

Since its inception in 2013, LINZ's CPCoE has signed Memoranda of Understanding with seven Crown agencies, including the Ministry of Education, New Zealand Police, and the Ministry of Justice.

The CPCoE is delivering cost savings and efficiencies for a number of government agencies whose core business is not property management and disposal. During 2014/15, 90 surplus properties with a combined value of \$35.8 million were sold. We have also improved the pace of disposals and management of portfolios.

We support the Treaty settlement process

The Treaty of Waitangi settlement process is led by the Ministry of Justice's Office of Treaty Settlements. We contribute to the settlement process in several ways – such as through provision of land transaction advice, regulatory decisions on documents for registration, and place name changes through the New Zealand Geographic Board.

LINZ contributes policy advice on Treaty settlement redress. This ensures land-related redress mechanisms are correctly documented and can be effectively implemented once settlement has been agreed.

We also provide a regulatory role in the settlement process. This includes ensuring the management and transfer of land is in accordance with legislation and standards.

As part of our Treaty settlement obligations, we have accords or deeds of recognition that require us to have relationships, or consult on specific matters, with a range of iwi. These arrangements help build further relationships, identify new opportunities to address Māori and iwi needs, and help to inform the management of the land we look after for the Crown.

## We work with the Canterbury Earthquake Recovery Authority (CERA)

During 2014/15, we provided advice and management support to CERA assisting them with the administration of 1,119 cleared red zone properties.

By April 2016, LINZ will take on management of around 8,000 residential properties in Canterbury's red zones. Our responsibilities will involve managing the land, day-to-day maintenance, and dealing with requests for use of the land.

We will also be responsible for the demolition and clearance of remaining damaged and dangerous buildings in the Port Hills residential red zone area. This transfer recognises LINZ's expertise in managing Crown property.

## We manage pastoral leases

There are approximately 1.6 million hectares of Crown-owned pastoral land contained within the South Island high country. The pastoral leases that govern these blocks are managed by LINZ. The Crown has provided for the grazing of stock on the high country pastoral land it has owned since the 1850s, a practice that continues today.

We protect the land by applying a range of conditions that leaseholders must meet while using the land. For example, activities like recreation permits, clearing scrub, or cleaning tracks requires the Commissioner of Crown Lands' consent. During 2014/15, 75 consent applications were processed, which included 17 for recreational activity.

During 2014/15, we implemented an online consenting tool. This enables lease holders to submit their consent applications online to LINZ.

Leases run for 33 years, with leaseholders having an ongoing right of renewal. We determine the rents based on a combination of the carrying capacity of individual blocks, and on farm returns. A new system for calculating rent was introduced in 2013, and has resulted in fewer disputes, faster rent reviews, and a more cost-effective process for the Crown and leaseholder.

## We manage the tenure review process

To gain ownership of the land, pastoral leaseholders must go through a process called tenure review.

Tenure review is a voluntary process managed by LINZ. It enables high country Crown pastoral land with conservation values to be freed from the lease and retained in full Crown ownership as public conservation land. It also allows the productive land to be freehold to the leaseholder in order to unlock greater economic benefits. Tenure review improves high country public access and recreation, as well as enabling land with significant inherent value to be protected.

During 2014/15, 11 properties completed tenure review. Tenure review has continued to deliver important gains for conservation, public access, and recreation, through establishing high country parks, and protecting distinctive and rare ecosystems. Land is increasingly being diversified, including being used for recreation activity and tourism, which provides more benefits for local communities and the wider economy.

## We manage the biosecurity of Crown land

A little known part of what we do is the management of biosecurity as part of our administration of Crown land. This involves working with landowners, regional councils, and other agencies to mitigate the threats to New Zealand's unique biodiversity values posed by plant and animal pests.

Over the past year, LINZ has undertaken major control programmes targeting aquatic and terrestrial weeds, wilding trees, and rabbits. We've learned that effective biosecurity depends on collaboration. A good example of what can be achieved when people come together is the progress we've made controlling aquatic weed at Lake Wanaka.

Lagarosiphon (or oxygenweed) had become a major problem, spreading throughout the shallower areas, smothering native aquatic plants, and severely limiting recreational and commercial use of the lake. We established the Lake Wanaka Lagarosiphon Management Committee in 2005, which is made up of representatives from LINZ, the Department of Conservation, Queenstown Lakes District Council, Otago Regional Council, and the Guardians of Lake Wanaka. The committee developed a 10-year plan to tackle the infestation, which has led to a dramatic reduction in the weed – two-thirds of the lake is now clear. A new 10-year plan covering 2015-2025 is being developed, with the goal of removing even more weed from the lake.



Two-thirds of Lake Wanaka is now clear of oxygenweed.

We're now applying this collaborative model at Lake Dunstan. The first meeting of the new Lake Dunstan Management Group took place in early September 2015, and work has begun on developing a long-term plan.

## The Commissioner of Crown Lands regulates Crown Land

The Commissioner of Crown Lands has administrative responsibilities for around 2 million hectares of Crown land under the Land Act 1948. This includes being the landlord for Crown pastoral land, and consenting to activities on this land.

The Commissioner also oversees the tenure review process, which allows the freeholding of land to lessees while also protecting land values in the South Island high country.

Over the past year, the Commissioner has strengthened stakeholder relationships. This includes working with iwi groups, such as Waikato Tainui and Ngai Tahu, as part of the Treaty settlement process.

## Fighting back against wilding conifers

Wilding conifers are a major problem for New Zealand. They spread quickly, reducing the land's productivity, crowding out native plant species, and spoiling iconic landscapes. It's estimated that wilding conifers will cost the New Zealand economy up to \$2.1 billion over the next 20 years.

We play an important role in controlling wildings given the size of our land holdings in the South Island, which is where some of the worst infestations are found. Careful planning is an important part of controlling wildings, with detailed mapping of the trees' location, density, and age a crucial step in the process. We're taking an innovative approach to this work, supplementing traditional methods with mapping carried out by a drone bought in late 2014 with our biosecurity partner Boffa Miskell. The drone provides similar information to that obtained by commercial aerial photography or satellite imagery at a fraction of the cost.



The National Wilding Management Strategy 2015-2030 is available at: [www.wildingconifers.org.nz/images/stories/wilding/Articles/2014\\_new\\_zealand\\_wilding\\_conifer\\_management\\_strategy\\_2.pdf](http://www.wildingconifers.org.nz/images/stories/wilding/Articles/2014_new_zealand_wilding_conifer_management_strategy_2.pdf)

# \$2.1b

"Wilding conifers will cost the New Zealand economy up to \$2.1 billion over the next 20 years."

We will be one of the key agencies in implementing the strategy, taking the lead on mapping major infestations, which will help plan and prioritise control work and allow us to track long-term progress.



Scan to link to the PDF of the strategy.



## We administer New Zealand's overseas investment regime

The Overseas Investment Act 2005 recognises that it is a privilege for overseas persons to own or control sensitive New Zealand assets. It requires overseas persons to meet certain criteria before they can invest in these sensitive assets.

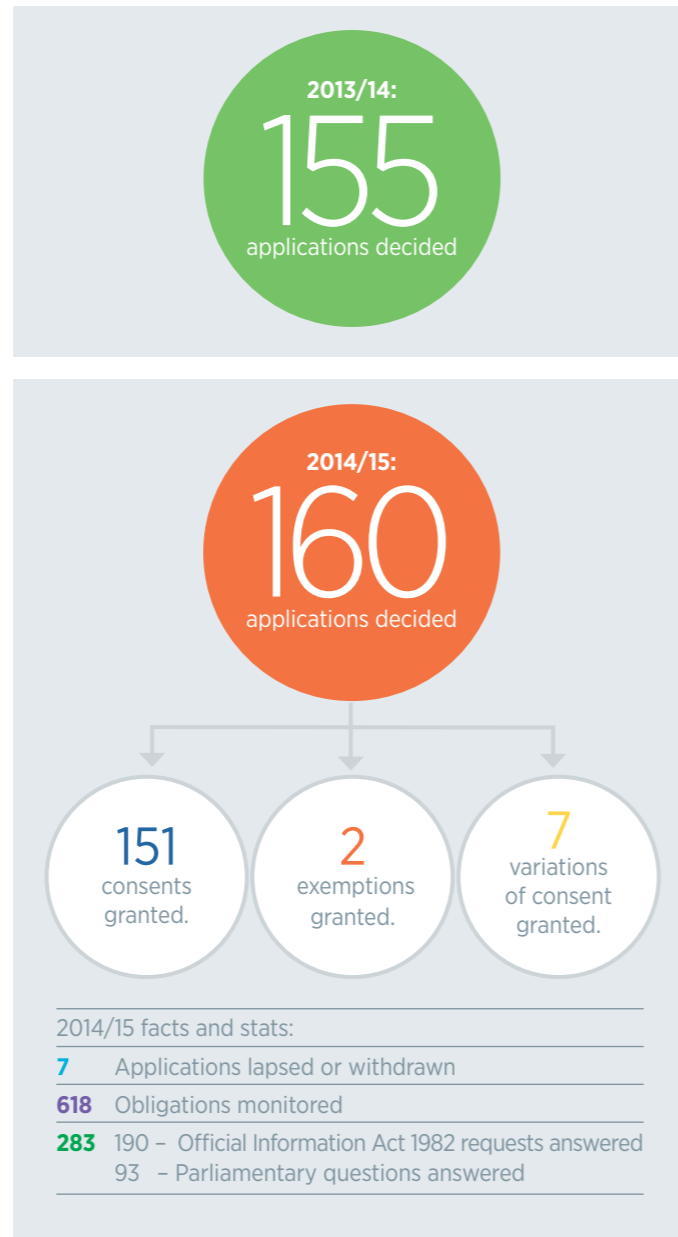
The Overseas Investment Office's (OIO's) primary function is to provide analysis and make recommendations to the relevant decision-making Ministers on applications from overseas investors to acquire sensitive New Zealand assets. Sometimes, the OIO makes decisions about applications under delegation from Ministers. There is no statutory timeframe in which applications must be decided.

The OIO considers applications for acquisition of sensitive assets set out in the Overseas Investment Act 2005 and the Fisheries Act 1996 – sensitive land, business assets worth more than \$100 million, and fishing quota. In making recommendations and decisions, the OIO may consult with other government agencies to verify information provided by applicants in support of their applications.

The OIO doesn't screen purchases of most residential properties by overseas persons because the Overseas Investment Act 2005 generally doesn't categorise residential land as 'sensitive land'. Land is sensitive if it comes within the types of land and area thresholds detailed in Schedule 1 of the Overseas Investment Act 2005.

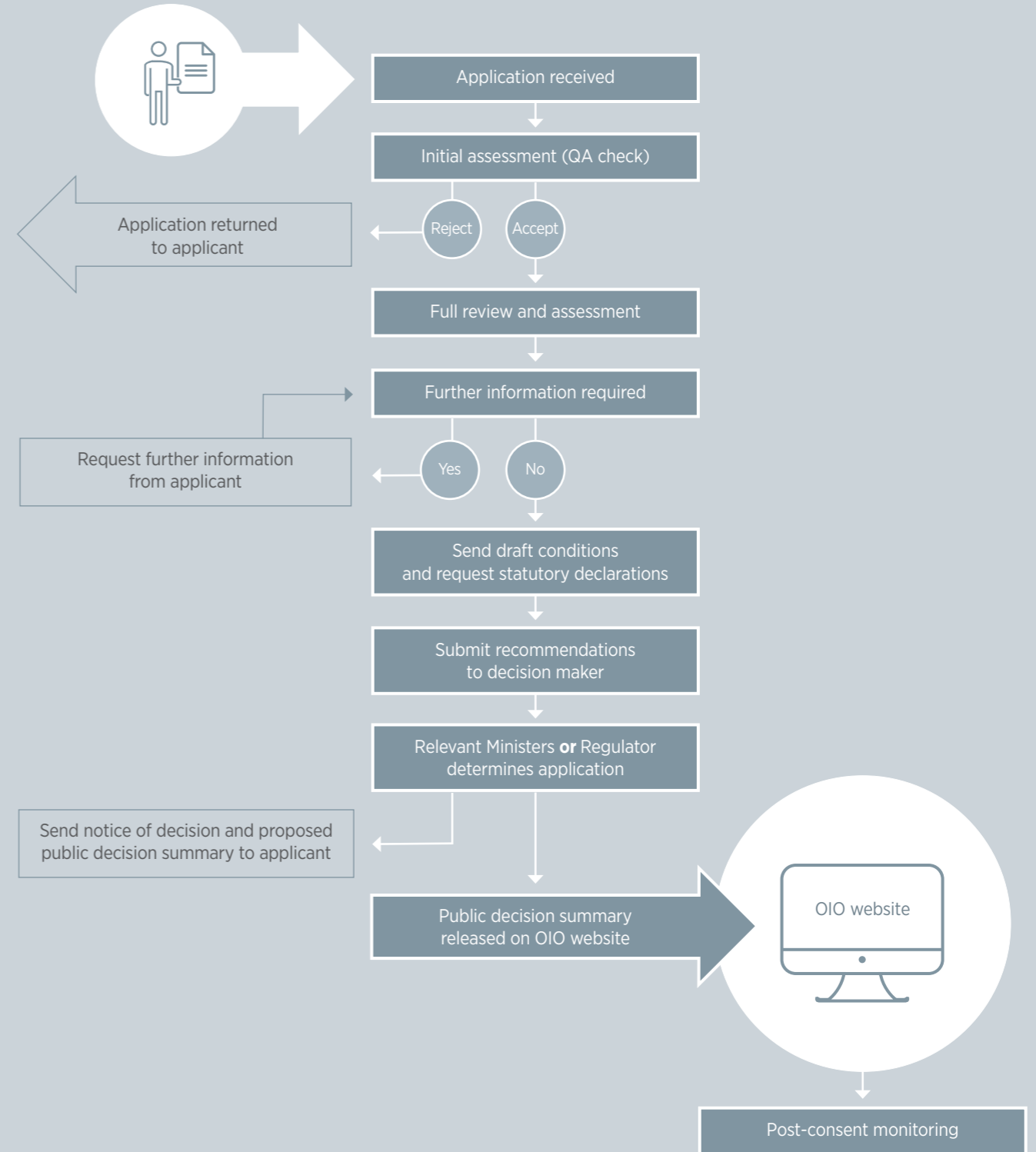
When consent to acquire sensitive New Zealand assets is granted, it is always subject to conditions. The OIO monitors those conditions, to ensure investors are complying with them. If the OIO becomes aware of suspected breaches of the legislation, including breaches of conditions of consent, the OIO will launch an investigation. A range of enforcement options are available – from prosecution for more serious breaches, to the imposition by the OIO of administrative penalties in less serious cases.

The OIO also provides information about consented and declined applications in New Zealand in its monthly decision summary releases. These are published on LINZ's website, along with year-to-date key statistical information about overseas investment in New Zealand.



[www.linz.govt.nz/regulatory/overseas-investment](http://www.linz.govt.nz/regulatory/overseas-investment)

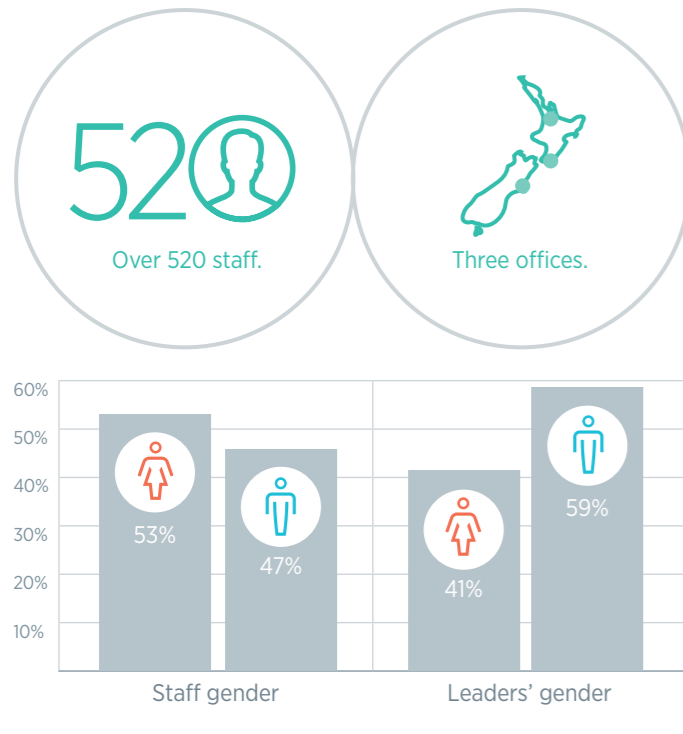
Figure 5: Overseas investment process



## How we support LINZ to do what it does well

We are focused on improving the way we work, and building our capability, systems, and technology to support our work.

### Our workforce



### CULTURE

The priority during 2014/15 has been on understanding our culture and defining the 'right' culture needed to enable our 10 Year Vision.

Over 400 people contributed to the conversation, through a series of collaborative workshops across all three locations with our executive leadership team, leaders, and staff. The workshops helped to highlight what staff love about working at LINZ, such as the people, the work that we do and our flexible working opportunities. They also highlighted that we have things that need to improve, such as career opportunities, our ability to provide objective feedback, and the number of meetings we have.

We are working on an action plan that all staff can get involved with. We are also developing a values framework to define the key behaviours that will collectively drive our culture in the right direction.

### CAPABILITY

Developing capable, outward-looking leaders has been another key priority in the past 12 months. Implemented in 2014/15, our Leadership Success Framework describes the skills and behaviours that are important to our success.

We will continue to evolve the framework to align with the refreshed State Sector Leadership Success Profile and use it as the basis for all of our assessment and development activities from emerging leaders through to technical and general leadership.

Ensuring we have the right people in the right place at the right time is an important driver behind our talent and succession planning initiatives. With deep technical expertise comes succession risk and, in 2014/15, we worked to identify our critical roles, capabilities, and successors in these areas. This will continue to be a focus for the future, in particular, the development of a long-term succession pipeline in critical areas, recognising that skills needed for the future are also changing.

### HEALTH AND SAFETY

The health and safety of our people remains our priority.

In 2014/15, we began developing our Health and Safety Strategy 2015–2020. This will set out the work plan for the coming five years. It will also ensure we meet our goals of keeping our people safe, being compliant with current legislation, and prepared to meet the requirements of the proposed new health and safety legislation.

We have worked to gain a better understanding of risks and hazards, especially those considered 'high risk'. We have also ensured we understand the work our staff and contractors undertake. This ensures we know the potential risks and hazards, and the mitigations we can put in place to prevent them.

In 2014/15, we reviewed our health and safety governance and established two committees to enable a more direct flow of health and safety information from local offices through to our leadership teams.

### We value our customers and stakeholders

LINZ has continued to focus on building stronger relationships with its key stakeholders and customers throughout 2014/15.

We know that, to achieve our vision, we must gain a deeper understanding of external groups so we understand how we can help, engage with them at an appropriate level, and provide the appropriate support at the right time.

Surveys to measure customer satisfaction with LINZ's location-based information products and services are regularly undertaken. Customers surveyed during 2014/15 have told us they would like us to grow the types of data we make available and make the data more integrated. They are also looking to us for an increased range of services and products.

During 2014/15, LINZ's leaders have proactively worked to build stronger relationships with key stakeholders and customers. This includes working with Statistics New Zealand, the New Zealand Institute of Surveyors, Landcare Research, iwi and Māori, and local government. Many of these groups are both producers and users of location information.

During 2014/15, LINZ's leadership team commenced a programme of regional visits to meet with local government and regional organisations working with location information. This will continue over the next year.

### We support Māori and iwi development

The Business with Māori Strategy He Whāriki Maurua provides LINZ with a clear direction when doing business with Māori and iwi. Our approach is to support Māori and iwi development by better understanding the value and power of location information in a Māori context. This will create opportunities for improved economic, environmental, social, and cultural outcomes for New Zealand as a whole.

Our Business with Māori function was reviewed in 2014/15 and the function was made permanent. Everybody in LINZ has an opportunity to work better with Māori for improved economic and strategic development of land and resources, and this function will work to ensure we do this every day.

We are supported to create better outcomes through an external advisory group, which meets quarterly with our executive leadership team. This ensures we remain on track as we engage with Māori and progress the strategy.

As land managers, owners, guardians, and governors of significant natural resources, Māori and iwi require authoritative location information to support decision-making around land use.

We have now established five strategic relationships with Māori and iwi, which are based around improving and protecting land for future generations. This includes Waikato Tainui, Te Tumu Paeroa, Federation of Māori Authorities, Port Nicholson Block Settlement Trust (Taranaki Whanui), and Ngai Tahu.



LINZ signed a Memorandum of Understanding with Te Tumu Paeroa in 2014/15. Te Tumu Paeroa administers 100,000 hectares of Māori freehold land for 95,000 owners across New Zealand. The organisation manages 2,000 trusts, companies, and joint ventures, as well as \$88 million in client funds. This is a huge undertaking, made significantly easier with the use of LINZ data.

During 2014/15, we worked with Te Tumu Paeroa on two collaborative projects, which are now completed. The first project added our historic imagery to Te Tumu Paeroa's 'My Whenua' website. This allows the opportunity for Māori and iwi to build emotional connections to land, roots, and history for landowners, especially those who live a long distance from their land. The second project examined how changes in the use of location information could improve analysis and decision-making for better utilisation of Māori land.



As part of this, we committed to work with Ngai Tahu, signing a Memorandum of Understanding in March. This relationship will help Ngai Tahu grow the potential of their land for future generations – by protecting the environment, mapping their land, and capturing their history. Following the signing, we commenced planning our joint work programme together. This includes an evaluation of tenure review protocol, which began with a hui in April.

These opportunities to strengthen relationships enable us to work more constructively and collaboratively with Māori and iwi. They also give us a better understanding of their specific and unique location information needs. This understanding gives us the opportunity to work on providing Māori and iwi with a fit-for-purpose and authoritative source of location information in the future.

## Our funding model

We have a funding structure comprising both Crown and third party funding. Our third party funding is made up of fees that come from areas such as the Overseas Investment Office, our survey and title operations, and the maps and charts we produce. To supplement this, the remainder of our money is provided to us by the Crown.

Our funding model, combined with the current tight fiscal environment, means we need more robust financial management. In 2014/15, we began work on a financial strategy and model. This will create a clearer picture of how we will operate over the coming years. The strategy will support changes to the State Sector Act 1988, which requires us to think and work more collaboratively across the sector when making financial decisions.

## We have SMART procurement

We procure a number of highly specialised products and services. We are committed to delivering procurement excellence to all stakeholders, customers, and suppliers. Our SMART (specific, measurable, achievable, realistic, and time-bound) procurement philosophies underpin everything we do.

The SMART procurement project focused on making procurement smarter, simpler, and more accessible for everyone at LINZ. The first focus was on getting the tools and processes right, which meant updating our procurement policy and strategy, alongside straightforward procurement guidelines and templates that fit with the Government Rules of Sourcing.

We participate in 10 out of 14 all-of-government contracts, which allows a focus on the strategic procurement activity crucial to delivering our core business.

Our partnership with Boffa Miskell during 2014/15 was shortlisted for two international awards – with the partnership taking out the Best Supplier Relationship Management award at the Chartered Institute of Procurement and Supply Awards. These nominations put us alongside the best in the world.

## We are an information management agency

We rely heavily, and increasingly, on technology to deliver our services. We need strong information technology to support our work programme, for the collection, storage, and processing of data, as well as for our own business needs.



Since 2010, government information technology costs have increased by 15 percent. Over this time, our information technology costs have decreased by 5 percent.

This is largely due to our use of all-of-government contracts and the fact that we have the highest degree of outsourcing in government. This means we can focus on developing and enhancing our services, rather than on day-to-day maintenance. Landonline reflects this investment, with 99.9 percent reliability.

Over the past year, we have worked to ensure our IT systems and practices are robust. We have also started negotiations for our expiring contracts, and we are working to adopt the few all-of-government contracts we don't already have.

## We manage our risks effectively

We are focused on maximising our strategic opportunities and managing any risks to achieving our objectives.

We manage our risks by identifying, mitigating, and monitoring risks in our strategic business planning and reporting. Our executive leadership team reviews risks and treatment strategies every six months, and we have a Risk and Assurance Committee that provides strategic advice and guidance to our Chief Executive. We also have a risk framework, including guidelines and tools, which supports consistent and risk intelligent practices across all levels of our organisation.

In 2014/15, we identified five strategic risks. We will use a range of strategies to treat these risks, including a programme of customer engagement, increasing our capability, and maximising our involvement in the Natural Resources Sector. We will also implement a portfolio governance and prioritisation process to support our decision-making, and a culture and leadership development programme to support our people.

# Our Performance

The following sections present our delivery of outputs against the statement of performance expectation measures set out in the Estimates of Appropriations for Vote Lands 2014/15.



[Click here to view the Estimates of Appropriations](#)

## Statement of Responsibility

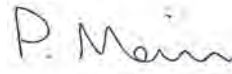
In terms of sections 45 and 45c of the Public Finance Act 1989 I am responsible, as Chief Executive of Land Information New Zealand, for the preparation of Land Information New Zealand's financial statements and statements of expenses and capital expenditure and the judgements made in the process of 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.

I have the responsibility for ensuring that end-of-year performance information on each appropriation administered by the department is provided in accordance with sections 19A to 19C, whether or not that information is included in this Annual Report.

I also have responsibility for the accuracy of any end-of-year performance information prepared by the department, whether or not that information is included in the Annual Report.

In my opinion, these financial statements and performance measures fairly reflect the financial position and operations of Land Information New Zealand for the year ended 30 June 2015.



**Peter Mersi**

Chief Executive, Land Information New Zealand  
29 September 2015

## Independent Auditor's Report

To the readers of Land Information New Zealand's Annual Report for the year ended 30 June 2015

The Auditor-General is the auditor of Land Information New Zealand (the Department). The Auditor-General has appointed me, David Morrow, using the staff and resources of Ernst & Young, to carry out the audit on her behalf of:

- the financial statements of the Department on pages 58 to 61 and 63 to 77, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2015, the statement of comprehensive income, statement of changes in taxpayers' equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information prepared by the Department for the year ended 30 June 2015 on pages 6 to 34 and 40 to 56; and
- the statement of Department expenditure and capital expenditure, and the statement of unappropriated expenditure and capital expenditure for the year ended 30 June 2015 on page 62; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 78 to 94 that comprise:
  - the schedules of: multi-year appropriation; capital receipts; assets; liabilities; commitments; contingent liabilities; expenses; and revenue for the year ended 30 June 2015;
  - the statement of trust monies for the year ended 30 June 2015; and
  - the notes to the schedules that include accounting policies and other explanatory information.

### Opinion

In our opinion:

- the financial statements of the Department:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015; and
    - its financial performance and cash flows for the year ended on that date;
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Department:
  - presents fairly, in all material respects, for the year ended 30 June 2015:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure;
  - complies with generally accepted accounting practice in New Zealand.
- the statement of Department expenditure and capital expenditure, and the statement of unappropriated expenditure and capital expenditure for the year ended 30 June 2015 on page 62 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.



- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 78 to 94 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the multi-year appropriation; capital receipts; assets; liabilities; commitments; contingent liabilities; expenses; and revenue for the year ended 30 June 2015; and
  - the statement of trust monies for the year ended 30 June 2015.

Our audit was completed on 29 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

#### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the information we audited. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Department's preparation of the information we audited in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- the appropriateness of the reported performance information within the Department's framework for reporting performance;
- the adequacy of the disclosures in the information we audited; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited. Also, we did not evaluate the security and controls over the electronic publication of the information we audited.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

- financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- Department expenditure and capital expenditure, are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

The Chief Executive is responsible for such internal control as is determined is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the annual report, whether in printed or electronic form.

#### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

#### Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Department.

David Morrow

**Ernst & Young**

On behalf of the Auditor-General  
Wellington, New Zealand

## Non-financial performance (output delivery)

### Administering the Overseas Investment Regime

This appropriation is intended to achieve effective administration of New Zealand's overseas investment regime.

#### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C1	
The percentage of applications screened for registration within 5 working days of receipt <sup>8</sup>	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 99.5%
The percentage of accepted applications under active consideration by the Overseas Investment Office that are processed within the timeline specified for each of the following categories:		
Category 1 Applications – 30 working days or less	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 100%
Category 2 Applications – 50 working days or less	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 96%
Category 3 Applications – 70 working days or less	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 96%

The satisfaction score (out of 10) given by the Minister for Land Information for the quality of advice on overseas investment matters	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STD: (7 OUT OF 10 OR BETTER)</b> ≥7  <b>2013/14 PERFORMANCE:</b> 8
The percentage of monitoring reports assessed within 40 working days of receipt	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 99%
The percentage of public alerts about potential breaches assessed for possible investigation within 10 working days of receipt	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 94%
The percentage of initial investigation reports completed within 60 working days of the investigation beginning	<b>2014/15 ACTUAL PERFORMANCE:</b> 	<b>BUDGET STANDARD:</b> 90%  <b>2013/14 PERFORMANCE:</b> 100%

The volume of applications received is largely driven by global demand to invest in New Zealand. The volume and complexity of applications has been steadily increasing in recent years, and in 2014/15 the Overseas Investment Office took longer to process applications than the specified times. To speed up processing times, the Overseas Investment Office has now employed more staff.

Category 1 applications include:

- applications to vary a condition of an existing significant business asset or sensitive land consent to extend the time for compliance.

Category 2 applications include:

- applications for consent to purchase significant business assets;
- applications for consent to purchase sensitive land;
- applications for consent to purchase significant business assets and sensitive land;
- applications for an exemption for significant business assets or sensitive land;
- applications where the overseas person is intending to reside in New Zealand indefinitely;
- applications to vary a consent or exemption, or a condition of a consent (other than to extend the time for compliance) or exemption for significant business assets or sensitive land.

Category 3 applications include:

- applications to acquire an interest in fishing quota;
- applications for an exemption for an interest in fishing quota;
- applications to vary a consent or exemption, or a condition of a consent or exemption, for an interest in fishing quota;
- applications where the vendor is required to offer special land (being land that includes foreshore or the bed of a river or lake);
- applications in respect of which a third party submission has been received by the Ministers or the OIO;
- applications where the Ministers or the OIO have decided that consultation with third parties is appropriate in considering whether or not to grant consent;
- applications in respect of which an Official Information Act request has been received.

### Our Financial Performance – Administering the Overseas Investment Regime

Actual	Main Estimates	Supplementary Estimates	Actual
2014 \$000	2015 \$000	2015 \$000	2015 \$000
-	-	-	-
3,373	2,955	2,955	2,845
<b>3,373</b>	<b>2,955</b>	<b>2,955</b>	<b>2,845</b>
2,647	2,955	2,955	2,752
<b>726</b>	<b>-</b>	<b>-</b>	<b>93</b>

<sup>8</sup> In all timeliness measures for the Overseas Investment Office (OIO), the reference to 'working days' means those working days where the relevant matter is under active consideration by the OIO. It excludes any time that the matter is under active consideration by a third party (for example, with Ministers pending a decision, or pending receipt of further information from the applicant).

## Crown Land: Multi-Category Appropriation

The overarching purpose of this appropriation is to enable the best economic, environmental, and recreational uses of Crown-owned and Crown-used land.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C2
The satisfaction of Key Crown lands stakeholders with LINZ's performance (the individual surveys are listed in the Crown Land MCA categories) <sup>9</sup>	<p><b>2014/15 ACTUAL PERFORMANCE:</b> 4.2/5 <b>ACHIEVED</b></p> <p><b>BUDGET STANDARD:</b> (3 OUT OF 5 OR BETTER) ≥3</p> <p><b>2013/14 PERFORMANCE:</b> NEW</p>
The level of court decisions upheld against LINZ's decision making under the Crown Land MCA <sup>10</sup>	<p><b>2014/15 ACTUAL PERFORMANCE:</b> 0% <b>ACHIEVED</b></p> <p><b>BUDGET STANDARD:</b> (&lt;10% OF THOSE LODGED) &lt;10%</p> <p><b>2013/14 PERFORMANCE:</b> NEW</p>

### Our Financial Performance – Crown Land: Multi-Category Appropriation

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
18,649	Revenue Crown	20,329	17,517	17,517
2,061	Revenue other	13,255	7,980	3,225
<b>20,710</b>	<b>Total revenue</b>	<b>33,584</b>	<b>25,497</b>	<b>20,742</b>
<b>20,899</b>	<b>Total expenses</b>	<b>33,584</b>	<b>25,497</b>	<b>20,876</b>
<b>(189)</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>(134)</b>

<sup>9</sup> The satisfaction score is an average of the scores across the stakeholder satisfaction surveys for the 'Centralised Clearance Service for Acquisitions and Disposals' and 'LINZ Biosecurity Programme' categories.

<sup>10</sup> The scope of this measure is limited to clearance and disposal decisions.

## Crown Land: Centralised Clearance Service for Acquisitions and Disposals

This category is intended to achieve compliance with regulatory and statutory requirements for the acquisition and disposal of all Crown land.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C2
The percentage of recommendations on reports received from certified suppliers approved, declined or responded to within 10 working days <sup>11</sup>	<p><b>2014/15 ACTUAL PERFORMANCE:</b> 94% <b>NOT MET</b></p> <p><b>BUDGET STANDARD:</b> 95%</p> <p><b>2013/14 PERFORMANCE:</b> 94%</p>
The percentage of statutory decisions that meet regulatory and statutory requirements	<p><b>2014/15 ACTUAL PERFORMANCE:</b> 100% <b>ACHIEVED</b></p> <p><b>BUDGET STANDARD:</b> 100%</p> <p><b>2013/14 PERFORMANCE:</b> 100%</p>
The rating LINZ receives from key stakeholders for its timeliness on decisions for acquisitions and disposals	<p><b>2014/15 ACTUAL PERFORMANCE:</b> 4.5/5 <b>ACHIEVED</b></p> <p><b>BUDGET STANDARD:</b> (3 OUT OF 5 OR BETTER) ≥3</p> <p><b>2013/14 PERFORMANCE:</b> 4.75</p>

Staff vacancies resulted in slower processing times in 2014/15. We have now addressed this. There were 2,870 decisions made in 2014/15, of which 2,692 were made within agreed timeframes. The bulk of these decisions related to the NZ Transport Agency, and we worked with them to ensure their highest priority reports were identified and received priority processing.

<sup>11</sup> This measures the percentage of reports cleared or responded to within 10 working days of acceptance, not upon receipt.

### Our Financial Performance – Crown Land: Centralised Clearance Service for Acquisitions and Disposals

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
-	Revenue Crown	-	-	-
958	Revenue other	1,200	1,200	925
<b>958</b>	<b>Total revenue</b>	<b>1,200</b>	<b>1,200</b>	<b>925</b>
<b>1,155</b>	<b>Total expenses</b>	<b>1,200</b>	<b>1,200</b>	<b>1,029</b>
<b>(197)</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>(104)</b>

## Crown Land: Land Disposal Services for Other Agencies

This category is intended to achieve maximum value for the Crown from land that has been assigned to LINZ for disposal.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C2	
The realised disposal value is at least 90% of expected realisable value for properties value over \$750,000	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: NEW
The median disposal time is the same or less than the expected disposal time	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: 95% 2013/14 PERFORMANCE: 100%
The income achieved from freely tenanted properties held for disposal equals or exceeds 90% of the current market rentals <sup>12</sup>	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%
The satisfaction of key stakeholders with LINZ's management and disposal or Crown land transferred to LINZ for disposal under this category	2014/15 ACTUAL PERFORMANCE:  4.5/5 <b>ACHIEVED</b>	BUDGET STANDARD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: NEW

### Our Financial Performance – Crown Land: Land Disposal Services for Other Agencies

Actual	Main Estimates	Supplementary Estimates	Actual
2014 \$000	2015 \$000	2015 \$000	2015 \$000
- Revenue Crown	-	-	-
715 Revenue other	2,700	5,000	1,927
<b>715 Total revenue</b>	<b>2,700</b>	<b>5,000</b>	<b>1,927</b>
<b>711 Total expenses</b>	<b>2,700</b>	<b>5,000</b>	<b>2,112</b>
<b>4 Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>(185)</b>

The deficit in the output Land Disposal Services for Other Agencies was due to the allocation of costs based on an assumed level of staff activity, and incorporated in the cost allocation model. This has effectively transferred cost from Crown funded operations to third party.

<sup>12</sup> The calculation of this measure includes only freely tenanted properties held by the Crown Property Centre of Expertise.

## Crown Land: LINZ Biosecurity Programme

This category is intended to achieve the delivery of an effective LINZ biosecurity programme.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C2	
The rating LINZ receives from its survey of key biosecurity stakeholders on their satisfaction with the LINZ Biosecurity Programme developed for that financial year	2014/15 ACTUAL PERFORMANCE:  4.2/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: 4
The rating LINZ receives from its survey of key biosecurity stakeholders on their satisfaction with the delivery of the biosecurity programme for that financial year	2014/15 ACTUAL PERFORMANCE:  4.2/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: 4
The achievement of defined success criteria in the delivery of each of the key projects identified in the annual biosecurity programme <sup>13</sup>	2014/15 ACTUAL PERFORMANCE:  93% <b>ACHIEVED</b>	BUDGET STANDARD: 90% 2013/14 PERFORMANCE: 100%

### Our Financial Performance – Crown Land: LINZ Biosecurity Programme

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
3,176	Revenue Crown	2,948	3,098	3,098
295	Revenue other	280	280	221
<b>3,471</b>	<b>Total revenue</b>	<b>3,228</b>	<b>3,378</b>	<b>3,319</b>
<b>3,471</b>	<b>Total expenses</b>	<b>3,228</b>	<b>3,378</b>	<b>3,240</b>
<b>-</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>(79)</b>

<sup>13</sup> Key projects have been identified by LINZ.



## Crown Land: Management of Crown Land

This category is intended to achieve effective and efficient Crown land management.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C2
All disposal processes comply with the relevant statutory and government policy requirements	<p>2014/15 ACTUAL PERFORMANCE: <b>100%</b> ACHIEVED</p> <p>BUDGET STANDARD: 100%</p> <p>2013/14 PERFORMANCE: 100%</p>
The realised disposal value is at least 90% of expected realisable value	<p>2014/15 ACTUAL PERFORMANCE: <b>100%</b> ACHIEVED</p> <p>BUDGET STANDARD: 100%</p> <p>2013/14 PERFORMANCE: NEW</p>
The rental income achieved from the top 50 revenue earning properties equals or exceeds 90% of the current market rentals	<p>2014/15 ACTUAL PERFORMANCE: <b>100%</b> ACHIEVED</p> <p>BUDGET STANDARD: 100%</p> <p>2013/14 PERFORMANCE: 100%</p>
The percentage of the non-active properties in the LINZ administered portfolio reviewed to determine a best-use strategy <sup>14</sup>	<p>2014/15 ACTUAL PERFORMANCE: <b>52 PROPERTIES</b> ACHIEVED</p> <p>BUDGET STD: (AT LEAST 2%, 51 PROPERTIES) 51</p> <p>2013/14 PERFORMANCE: 61</p>
New land liabilities to the Crown included on the register are resolved within two years	<p>2014/15 ACTUAL PERFORMANCE: <b>100%</b> ACHIEVED</p> <p>BUDGET STANDARD: 65%</p> <p>2013/14 PERFORMANCE: NEW</p>
The percentage of consent applications made by lessees on pastoral land that are processed within 40 working days <sup>15</sup>	<p>2014/15 ACTUAL PERFORMANCE: <b>94%</b> NOT MET</p> <p>BUDGET STANDARD: 95%</p> <p>2013/14 PERFORMANCE: 97%</p>

The percentage of decisions on consent applications by lessees on pastoral land that meet statutory requirements as specified by the Commissioner of Crown Lands	<p>2014/15 ACTUAL PERFORMANCE: <b>100%</b> ACHIEVED</p> <p>BUDGET STANDARD: 100%</p> <p>2013/14 PERFORMANCE: 100%</p>
The satisfaction of key user groups with regulatory frameworks and standards for Crown land	<p>2014/15 ACTUAL PERFORMANCE: <b>4.5/5</b> ACHIEVED</p> <p>BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3</p> <p>2013/14 PERFORMANCE: 3</p>
The percentage of criteria for managing the residential red zone parcels as outlined in the MOU with CERA met by LINZ	<p>2014/15 ACTUAL PERFORMANCE: <b>—</b> NOT* MEASURED</p> <p>BUDGET STANDARD: 100%</p> <p>2013/14 PERFORMANCE: NEW</p>

87 out of 94 consent applications were processed within 40 working days. Delays by a third party in providing information to us meant three consent applications exceeded timeframes and the budget standard was missed.

### Our Financial Performance – Crown Land: Management of Crown Land

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
15,473	Revenue Crown	17,381	14,419	14,419
93	Revenue other	9,075	1,500	151
<b>15,566</b>	<b>Total revenue</b>	<b>26,456</b>	<b>15,919</b>	<b>14,570</b>
<b>15,562</b>	<b>Total expenses</b>	<b>26,456</b>	<b>15,919</b>	<b>14,495</b>
<b>4</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>75</b>

<sup>14</sup> The percentage measure is no longer appropriate as properties are all in management contracts. This means it is difficult to identify the finite number of inactive properties at the beginning of the year. This measure has been discontinued.  
<sup>15</sup> This measure has been calculated using inconsistent methodology. We are working to ensure consistent application for future reporting.  
<sup>16</sup> This measure was not measured in full for 2014/15 and has been discontinued.

## Location Based Information: Multi-Category Appropriation

The overarching purpose of this appropriation is to enable location information to be widely available, easily accessible, and readily used.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C3
The number of government agencies releasing their geospatial data for reuse in compliance with the recommended standards for finding, sharing and reuse	<p>2014/15 ACTUAL PERFORMANCE: <b>14</b> ACHIEVED</p> <p>BUDGET STANDARD: (12 OR MORE) ≥12</p> <p>2013/14 PERFORMANCE: NEW</p>
The number of fundamental data themes for which agencies formally accept Stewardship responsibilities for	<p>2014/15 ACTUAL PERFORMANCE: <b>6</b> NOT MET</p> <p>BUDGET STANDARD: 7</p> <p>2013/14 PERFORMANCE: NEW</p>
Customer satisfaction with LINZ's location based information products and services	<p>2014/15 ACTUAL PERFORMANCE: <b>4.04/5</b> ACHIEVED</p> <p>BUDGET STANDARD: (3 OUT OF 5 OR BETTER) ≥3</p> <p>2013/14 PERFORMANCE: NEW</p>

There are six Stewards in place for the ten fundamental data themes. Discussions will continue around stewardship of the remaining fundamental data themes in 2015/16.

### Our Financial Performance – Location Based Information: Multi-Category Appropriation

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
25,335	Revenue Crown	23,382	24,494	24,494
1,137	Revenue other	1,254	2,464	1,816
<b>26,472</b>	<b>Total revenue</b>	<b>24,636</b>	<b>26,958</b>	<b>26,310</b>
<b>25,017</b>	<b>Total expenses</b>	<b>24,636</b>	<b>26,958</b>	<b>23,862</b>
<b>1,455</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>2,448</b>

### Location Based Information:

#### Administration of the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa

This category is intended to achieve high quality advice and decision-making on official place names in accordance with the New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Act 2008.

#### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C3	
The percentage of place name proposals processed in accordance with legislation protocols and policy	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: (12 OR MORE) ≥12 2013/14 PERFORMANCE: NEW
The percentage of Treaty name proposals considered within timeframes agreed with the Office of Treaty Settlements	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: ON TRACK 2013/14 PERFORMANCE: NEW
The percentage of responses from the public on proposed non-Treaty names considered at the next scheduled Board meeting <sup>17</sup>	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: 7 2013/14 PERFORMANCE: NEW
The rating given for the support provided by the Secretariat in the annual satisfaction survey of New Zealand Geographic Board members	2014/15 ACTUAL PERFORMANCE:  4.45/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: 4

Our Financial Performance – Location Based Information: Administration of the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa

Actual	Main Estimates	Supplementary Estimates	Actual
2014 \$000	2015 \$000	2015 \$000	2015 \$000
803	Revenue Crown	625	875
-	Revenue other	-	-
<b>803</b>	<b>Total revenue</b>	<b>625</b>	<b>875</b>
<b>803</b>	<b>Total expenses</b>	<b>625</b>	<b>875</b>
<b>-</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>115</b>

### Location Based Information:

#### Leading the New Zealand Geospatial Strategy

This category is intended to achieve the development of an integrated spatial data infrastructure.

#### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C3	
The number of government agencies releasing their geospatial data for reuse in compliance with the recommended standards for finding, sharing and reuse	2014/15 ACTUAL PERFORMANCE:  14 <b>ACHIEVED</b>	BUDGET STD: (12 OR MORE) ≥12 2013/14 PERFORMANCE: NEW
The independently assessed delivery rating for the Canterbury Spatial Data Infrastructure projects	2014/15 ACTUAL PERFORMANCE:  ON TRACK <b>ACHIEVED</b>	BUDGET STANDARD: ON TRACK 2013/14 PERFORMANCE: NEW
The number of fundamental data themes for which agencies formally accept Stewardship responsibilities for	2014/15 ACTUAL PERFORMANCE:  6 <b>NOT MET</b>	BUDGET STANDARD: 7 2013/14 PERFORMANCE: NEW

Six Stewards are signed up. Conversations regarding stewardship of the Geographic Name data theme have been delayed due to other priorities for the Surveyor-General. The Natural Resources Sector Information strategy continues to raise discussion around stewardship of the Water and Land Cover themes.

Our Financial Performance – Location Based Information: Leading the New Zealand Geospatial Strategy

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
4,580	Revenue Crown	3,492	5,794	5,794
669	Revenue other	150	800	491
<b>5,249</b>	<b>Total revenue</b>	<b>3,642</b>	<b>6,594</b>	<b>6,285</b>
<b>4,706</b>	<b>Total expenses</b>	<b>3,642</b>	<b>6,594</b>	<b>5,086</b>
<b>543</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>(1,199)</b>

<sup>17</sup> The 100% target for this measure includes all public responses submitted within consultation timeframes and before the close-off date for papers to be considered at the next Board meeting.

## Location Based Information: Land Information New Zealand Location Based Information Infrastructure

This category is intended to achieve high-quality, fit-for-purpose, location-based information and associated products and services.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C3	
The percentage of electronically submitted new allocated addresses that are reviewed and submitted for updating in the database within 5 working days	2014/15 ACTUAL PERFORMANCE: 96% <b>NOT MET</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%
The number of level 1 (cost more than \$3.5 million), 2 (cost \$1.0 – \$3.5 million) and 3 (cost less than \$1 million) hydrographic surveys undertaken that comply with the IHO S44 Standard	2014/15 ACTUAL PERFORMANCE: 3 SURVEYS <b>ACHIEVED</b>	BUDGET STD: (SURVEYS) 1 – 4 2013/14 PERFORMANCE: SEE FOOTNOTE 18
The customer satisfaction with LINZ's hydrographic products and services	2014/15 ACTUAL PERFORMANCE: 4/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: NEW
The percentage of notified hazards that require urgent communication (as they pose a direct threat to the safe use of New Zealand waters) that are provided to Maritime New Zealand for radio communication within 2 business hours	2014/15 ACTUAL PERFORMANCE: 94% <b>NOT MET</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%

The percentage of charts that meet IHO standards <sup>19</sup>	2014/15 ACTUAL PERFORMANCE: 100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%
The number of new or updated charts published	2014/15 ACTUAL PERFORMANCE: 20 CHARTS <b>ACHIEVED</b>	BUDGET STD: (18-26 CHARTS) 18-26 2013/14 PERFORMANCE: NEW
The availability of data from the tsunami monitoring network	2014/15 ACTUAL PERFORMANCE: 99% <b>ACHIEVED</b>	BUDGET STANDARD: 95% 2013/14 PERFORMANCE: 95%
The percentage of notifications of urgent works on survey marks that are responded to within two working days	2014/15 ACTUAL PERFORMANCE: 100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 91%
The availability of RINEX format GNSS data from the PositionNZ network <sup>20</sup>	2014/15 ACTUAL PERFORMANCE: 97% <b>ACHIEVED</b>	BUDGET STANDARD: 95% 2013/14 PERFORMANCE: 96%

The availability of real-time streaming GNSS data from the PositionNZ network within 2 seconds	2014/15 ACTUAL PERFORMANCE: 97% <b>ACHIEVED</b>	BUDGET STANDARD: 95% 2013/14 PERFORMANCE: NEW
The percentage of cadastral surveys that are connected to geodetic marks	2014/15 ACTUAL PERFORMANCE: 98.7% <b>ACHIEVED</b>	BUDGET STANDARD: 98% 2013/14 PERFORMANCE: 98%
The percentage of LDS data that is provided through creative commons licensing (with the exception of owners' names) and that complies with ANZLIC standards	2014/15 ACTUAL PERFORMANCE: - <b>NOT<sup>21</sup> MEASURED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%
Customer satisfaction with the ease of use and accessibility of LDS	2014/15 ACTUAL PERFORMANCE: 4.07/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: SATISFIED
The percentage of newly captured and released regional aerial imagery purchased with the central government contribution that is released under a creative commons licence	2014/15 ACTUAL PERFORMANCE: 100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: NEW

Customer satisfaction with topographic data and products	2014/15 ACTUAL PERFORMANCE: 4/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: NEW
The number of topographic data releases that LINZ undertakes each year	2014/15 ACTUAL PERFORMANCE: 5 RELEASES <b>ACHIEVED</b>	BUDGET STD: (MINIMUM OF 5) ≥5 2013/14 PERFORMANCE: 5

We narrowly missed the standard for the percentage of electronically submitted new allocated addresses that are reviewed and submitted for updating the database within five working days. However, 16,593 addresses were updated in the database, with 16,538 completed within the 5 day timeframe. In addition, 19,754 addresses were manually updated and over 83,000 automatically updated as part of the data improvement project. A further 6,305 addresses submitted by local authorities did not contain sufficient information to be progressed. The budget standard for this measure is being reduced to 95% for 2015/16.

We received 18 notified hazards requiring urgent communication to Maritime New Zealand within two business hours. One was not provided to Maritime New Zealand. We have improved our internal processes to ensure the risk of this reoccurring is minimised.

### Our Financial Performance – Location Based Information: Land Information New Zealand Location Based Information Infrastructure

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
19,952	Revenue Crown	19,265	17,825	17,825
468	Revenue other	1,104	1,664	1,325
<b>20,420</b>	<b>Total revenue</b>	<b>20,369</b>	<b>19,489</b>	<b>19,150</b>
<b>19,508</b>	<b>Total expenses</b>	<b>20,369</b>	<b>19,489</b>	<b>18,016</b>
<b>912</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>1,134</b>

<sup>18</sup> This measure was unintentionally omitted from reporting in 2013/14. As reported in the Estimates of Appropriations 2014/15, the Budget Standard for 2013/14 was 1-4 surveys, and the Estimated Actual was 3 surveys.

<sup>19</sup> The International Hydrographic Organization's standards for electronic navigational charts are S57 and for paper charts S4.

<sup>20</sup> The availability of the PositionNZ network excludes the accessibility of the network through LINZ websites.

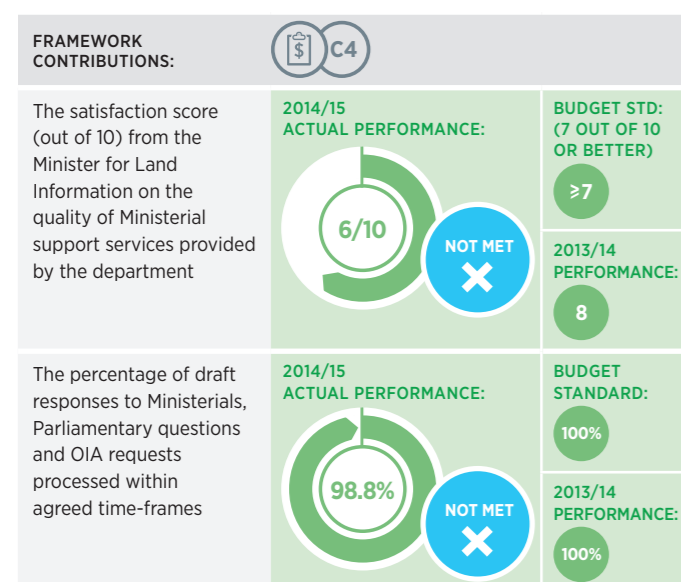
<sup>21</sup> This measure was not measured in full for 2014/15.

## Policy Advice and Related Services: Ministerial Services, Appointments, Implementation, and Operational Policy

The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio responsibilities, including appointments to boards, the implementation of policy decisions and development of operational policy.

### Key Performance Measures



The Minister was asked in our annual survey “How satisfied are you with the quality of Ministerial Support Services provided by LINZ?” and “How satisfied are you with the timeliness of Ministerial support services provided by LINZ?”. The Minister gave LINZ a 6 out of 10 rating for both of these questions, which is consistent with the findings of an independent review. The independent review of how LINZ supports the Minister has been completed and a new operating model is being implemented from 1 July 2015 to address the issues identified.

82 out of 83 drafts were processed within agreed timeframes, with one draft Official Information Act request provided to the Minister’s Office a day late due to administrative error. The new operating model for how LINZ supports the Minister and manages official correspondence will address this.

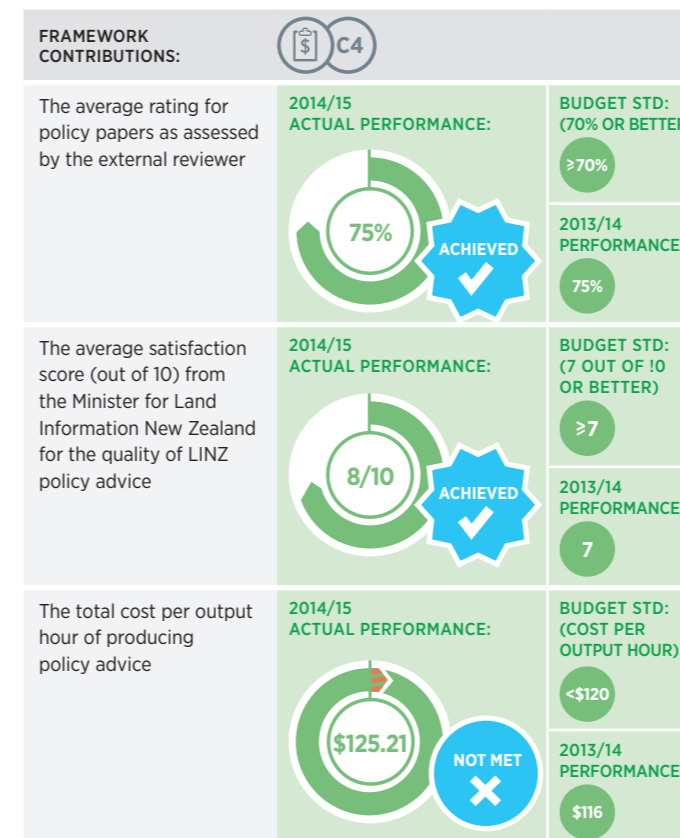
### Our Financial Performance – Policy Advice and Related Services: Ministerial Services, Appointments, Implementation, and Operational Policy

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
795	Revenue Crown	927	627	627
-	Revenue other	-	-	-
<b>795</b>	<b>Total revenue</b>	<b>927</b>	<b>627</b>	<b>627</b>
<b>795</b>	<b>Total expenses</b>	<b>927</b>	<b>627</b>	<b>616</b>
-	<b>Net surplus/(deficit)</b>	-	-	<b>11</b>

## Policy Advice and Related Services: Policy Advice

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to land, property and geospatial information.

### Key Performance Measures



This higher than anticipated cost reflects unexpected demand on the policy team due to high volumes of work, annual leave paid to exiting staff, recruitment costs and the higher than normal use of contractors to cover for unfilled permanent positions, and work such as the review of ministerial servicing in LINZ.

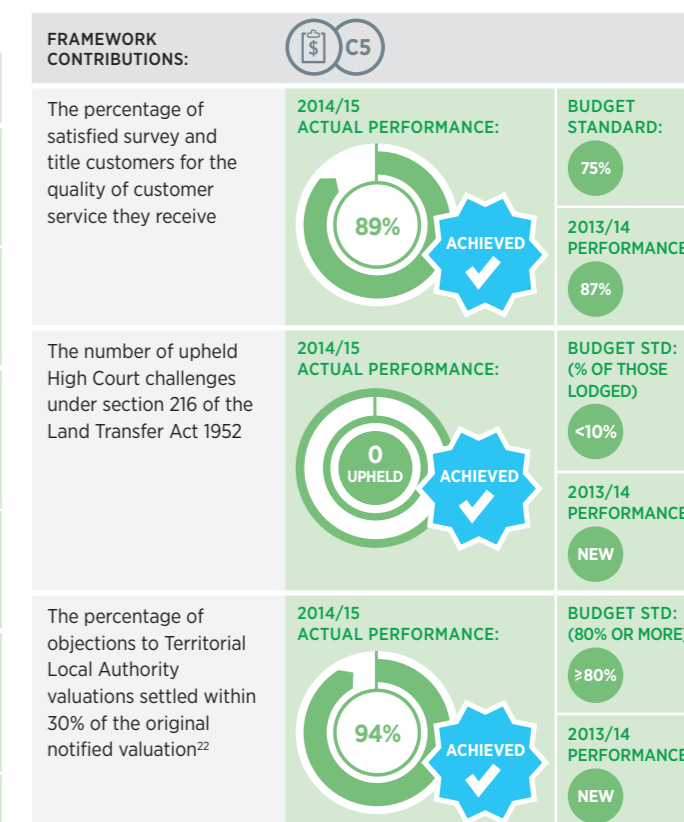
### Our Financial Performance – Policy Advice and Related Services: Policy Advice

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
1,960	Revenue Crown	1,707	2,657	2,657
-	Revenue other	-	300	218
<b>1,960</b>	<b>Total revenue</b>	<b>1,707</b>	<b>2,957</b>	<b>2,875</b>
<b>1,960</b>	<b>Total expenses</b>	<b>1,707</b>	<b>2,957</b>	<b>2,864</b>
-	<b>Net surplus/(deficit)</b>	-	-	<b>11</b>

## Property Rights: Multi-Category Appropriation

The overarching purpose of this appropriation is to ensure that property rights and information are clear, certain, easily tradable, and accessible.

### Key Performance Measures



LINZ continues to maintain a cost-effective, accurate property rights system. Indicators of this are the low percentage of survey and title transactions that require correction (performance measures for this are in the Survey and Title System category) and the low compensation pay-outs for errors.

### Our Financial Performance – Property Rights: Multi-Category Appropriation

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
-	Revenue Crown	-	-	-
65,604	Revenue other	72,607	57,607	69,248
<b>65,604</b>	<b>Total revenue</b>	<b>72,607</b>	<b>57,607</b>	<b>69,248</b>
<b>49,262</b>	<b>Total expenses</b>	<b>72,607</b>	<b>57,607</b>	<b>53,325</b>
<b>16,342</b>	<b>Net surplus/(deficit)</b>	-	-	<b>15,923</b>

<sup>22</sup> The measure only includes objections from the last objection cycle.

## Property Rights: Regulating Valuation

This category is intended to achieve the effective and efficient regulation of registered property valuers and valuation activities.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C5	
Public complaints to the Valuer-General are screened and initial investigation reports are produced within 9 months of receipt	2014/15 ACTUAL PERFORMANCE:  80% <b>ACHIEVED</b>	BUDGET STANDARD: 80% 2013/14 PERFORMANCE: 90%
The overall satisfaction score for support provided by LINZ to the Valuers Registration Board	2014/15 ACTUAL PERFORMANCE:  4/5 <b>ACHIEVED</b>	BUDGET STD: (3 OUT OF 5 OR BETTER) ≥3 2013/14 PERFORMANCE: 4
The percentage of applications for registration as a Valuer that meet the statutory requirements that will be examined at the next available date	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%
The percentage of certification decisions that meet regulatory and statutory standards	2014/15 ACTUAL PERFORMANCE:  100% <b>ACHIEVED</b>	BUDGET STANDARD: 100% 2013/14 PERFORMANCE: 100%
The percentage of objections to Territorial Local Authority valuations settled within 30% of the original notified valuation <sup>23</sup>	2014/15 ACTUAL PERFORMANCE:  94% <b>ACHIEVED</b>	BUDGET STANDARD: 80% 2013/14 PERFORMANCE: NEW

### Our Financial Performance – Property Rights: Regulating Valuation

Actual		Main Estimates	Supplementary Estimates	Actual
2014 \$000		2015 \$000	2015 \$000	2015 \$000
-	Revenue Crown	-	-	-
1,419	Revenue other	2,518	2,518	1,457
<b>1,419</b>	<b>Total revenue</b>	<b>2,518</b>	<b>2,518</b>	<b>1,457</b>
<b>1,384</b>	<b>Total expenses</b>	<b>2,518</b>	<b>2,518</b>	<b>1,189</b>
<b>35</b>	<b>Net surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>268</b>

## Property Rights: The Survey and Title System

This category is intended to achieve delivery of a world-class transaction service for New Zealand's survey and title system.

### Key Performance Measures

FRAMEWORK CONTRIBUTIONS:	C5	
The number of working days to process 90% of cadastral survey datasets	2014/15 ACTUAL PERFORMANCE:  16 DAYS <b>NOT MET</b>	BUDGET STD: (WORKING DAYS) 10 2013/14 PERFORMANCE: 15
The number of working days to process 90% of manually processed title transactions	2014/15 ACTUAL PERFORMANCE:  8 DAYS <b>ACHIEVED</b>	BUDGET STD: (WORKING DAYS) 10 2013/14 PERFORMANCE: NEW
The number of working days to process 95% of all title dealings	2014/15 ACTUAL PERFORMANCE:  10 DAYS <b>ACHIEVED</b>	BUDGET STD: (WORKING DAYS) 10 2013/14 PERFORMANCE: 12
The number of working days to satisfy 90% of customer requests for survey and title records	2014/15 ACTUAL PERFORMANCE:  3 DAYS <b>NOT MET</b>	BUDGET STD: (WORKING DAYS) 2 2013/14 PERFORMANCE: 3
The number of working days taken to adjust 90% of datasets into the cadastral survey network following approval	2014/15 ACTUAL PERFORMANCE:  10 DAYS <b>ACHIEVED</b>	BUDGET STD: (WORKING DAYS) 20 2013/14 PERFORMANCE: 35

The number of working days taken to adjust 98% of datasets into the cadastral survey network following approval	2014/15 ACTUAL PERFORMANCE:  24 DAYS <b>ACHIEVED</b>	BUDGET STD: (WORKING DAYS) 60 2013/14 PERFORMANCE: 49
The percentage of survey transactions requiring correction	2014/15 ACTUAL PERFORMANCE:  0.55% CORRECTED <b>ACHIEVED</b>	BUDGET STD: (2% OR LESS) ≤2% 2013/14 PERFORMANCE: 0.4%
The percentage of title transactions requiring correction	2014/15 ACTUAL PERFORMANCE:  0.14% CORRECTED <b>ACHIEVED</b>	BUDGET STD: (0.2% OR LESS) ≤0.2% 2013/14 PERFORMANCE: 0.1%
The percentage of satisfied survey and title customers for the quality of customer service they receive	2014/15 ACTUAL PERFORMANCE:  89% <b>ACHIEVED</b>	BUDGET STANDARD: 75% 2013/14 PERFORMANCE: 87%
The percentage of Landonline system availability to customers between 7am and 9pm on Monday-Thursday, 7am to 7pm on Friday and 9am to 5pm on Saturday <sup>24</sup>	2014/15 ACTUAL PERFORMANCE:  99.73% <b>ACHIEVED</b>	BUDGET STANDARD: 99% 2013/14 PERFORMANCE: 99%

<sup>23</sup> The measure only includes objections from the last objection cycle.

<sup>24</sup> The calculation for this measure excludes public holidays.

Survey and Title Operations has been for the past 16 months involved in taking operations through the State Services Commission led Continuous Improvement initiative, Better Every Day. Better Every Day is a fundamental part of LINZ's long-term plan to transform the processes, systems, and people that make up our capability.

In 2014/15, we progressively rolled this approach out through our survey processing area with an initial focus on increasing the capability of our staff to allow us to meet customer demand.

The Better Every Day approach has reduced the time it takes to train our staff and improved workflow for approving plans. We expected some short-term disruption due to the change in processes and approach, but this had a larger impact than anticipated.

Across 2014/15, we took 16 working days to process electronically submitted survey datasets, reaching 22 days in the last quarter. We realised this wasn't sustainable and put some measures in place to address this. Our current processing times have since decreased, and we are now processing 90% of electronically submitted survey datasets within 8 days.<sup>25</sup>

While we kept our customers informed about the delays and our overall customer satisfaction for survey and title services remained high during 2014/15, we have a number of activities underway to ensure we continue to meet our customer expectations in the future.

The timeframes for accessing records using Recall (our offsite management storage) mean that it can be difficult to meet the two day target timeframes. This is not causing issues with our customers. This measure will be reviewed for 2016/17.

### Our Financial Performance – Property Rights: The Survey and Title System

Actual 2014 \$000		Main Estimates 2015 \$000	Supplementary Estimates 2015 \$000	Actual 2015 \$000
-	Revenue Crown	-	-	45,250
65,602	Revenue other	70,089	67,089	67,791
<b>65,602</b>	<b>Total revenue</b>	<b>70,089</b>	<b>55,089</b>	<b>67,791</b>
<b>47,878</b>	<b>Total expenses</b>	<b>70,089</b>	<b>55,089</b>	<b>52,136</b>
17,724	<b>Net surplus/(deficit)</b>	-	12,000	15,655

# Our Financials



<sup>25</sup> As at 11 September 2015.

# Departmental Financial Statements

## Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	Actual	Budget*	Revised Budget*	Actual	Forecast*
		2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
<b>REVENUE</b>						
Crown		48,810	46,345	45,250	45,250	47,614
Other revenue	3	73,594	80,156	75,977	77,362	80,141
<b>Total revenue</b>		<b>122,404</b>	<b>126,501</b>	<b>121,227</b>	<b>122,612</b>	<b>127,755</b>
<b>EXPENDITURE</b>						
Personnel costs	4	42,455	43,035	45,207	43,735	47,953
Depreciation and amortisation	9, 10	3,391	3,440	3,749	3,660	3,752
Capital charge	5	3,702	3,702	3,557	3,773	3,548
Restructuring costs		235	200	224	247	200
Other operating expenses	6	52,868	55,572	51,678	52,882	61,724
<b>Total expenditure</b>		<b>102,651</b>	<b>105,949</b>	<b>104,415</b>	<b>104,297</b>	<b>117,177</b>
<b>Net surplus/(deficit) and total comprehensive income</b>		<b>19,753</b>	<b>20,552</b>	<b>16,812</b>	<b>18,315</b>	<b>10,578</b>

Explanations of significant variances against budget are detailed in note 23.

**Budget** – refers to the original budget in Budget 2014 Main Estimates.

**Revised Budget** – refers to the revised budget included in the Supplementary Estimates in Budget 2015.

**Actual** – refers to actual expenses.

**Forecast** – refers to the first year of the Main Estimates included in Budget 2015.

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Statement of Financial Position

As At 30 June 2015

	Note	Actual	Budget*	Revised Budget*	Actual	Forecast*
		2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		10,964	8,180	3,433	9,353	5,964
Receivables	7	24,476	46,310	44,185	44,757	55,028
Prepayments		995	1,255	995	1,062	995
Inventory	8	300	520	300	309	300
<b>Total current assets</b>		<b>36,735</b>	<b>56,265</b>	<b>48,913</b>	<b>55,481</b>	<b>62,287</b>
<b>Non-current assets</b>						
Intangibles – software	10	31,611	33,572	31,644	30,710	30,317
Capital work in progress	11	2,776	121	2,411	1,903	2,411
<b>Total intangibles – software</b>		<b>34,387</b>	<b>33,693</b>	<b>34,055</b>	<b>32,613</b>	<b>32,728</b>
Property, plant and equipment	9	3,433	2,565	3,913	2,904	3,287
<b>Total non-current assets</b>		<b>37,820</b>	<b>36,258</b>	<b>37,968</b>	<b>35,517</b>	<b>36,015</b>
<b>Total assets</b>		<b>74,555</b>	<b>92,523</b>	<b>86,881</b>	<b>90,998</b>	<b>98,302</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables	12	8,156	7,219	3,313	6,761	4,156
Provisions	13	-	170	-	2,302	-
Employee entitlements	14	4,476	3,365	3,862	3,032	3,862
Deferred revenue		1,387	364	1,387	1,402	1,387
<b>Total current liabilities</b>		<b>14,019</b>	<b>11,118</b>	<b>8,562</b>	<b>13,497</b>	<b>9,405</b>
<b>Non-current liabilities</b>						
Employee entitlements	14	2,358	2,859	2,972	2,951	2,972
<b>Total non-current liabilities</b>		<b>2,358</b>	<b>2,859</b>	<b>2,972</b>	<b>2,951</b>	<b>2,972</b>
<b>Total liabilities</b>		<b>16,377</b>	<b>13,977</b>	<b>11,534</b>	<b>16,448</b>	<b>12,377</b>
<b>Net assets</b>		<b>58,178</b>	<b>78,546</b>	<b>75,347</b>	<b>74,550</b>	<b>85,925</b>
<b>TAXPAYERS' FUNDS</b>						
General funds	15	46,781	78,546	75,347	47,508	85,925
Memorandum accounts	15, 22	11,397	-	-	27,042	-
<b>Total taxpayers' funds</b>		<b>58,178</b>	<b>78,546</b>	<b>75,347</b>	<b>74,550</b>	<b>85,925</b>

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Statement of Changes in Taxpayers' Funds

For the year ended 30 June 2015

	Note	Actual	Budget*	Revised Budget*	Actual	Forecast*
		2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
Balance as at 1 July		41,174	57,637	58,178	58,178	75,347
Total comprehensive income/(expense)		19,753	20,552	16,812	18,315	10,578
Capital injections		1,162	357	357	357	-
Capital repayment		(3,910)	-	-	-	-
Other movements		(1)	-	-	2	-
Repayment of operating surplus to the Crown		-	-	-	(2,302)	-
<b>Balance as at 30 June</b>	<b>15</b>	<b>58,178</b>	<b>78,546</b>	<b>75,347</b>	<b>74,550</b>	<b>85,925</b>

## Statement of Cash Flows

For the year ended 30 June 2015

	Note	Actual	Budget*	Revised Budget*	Actual	Forecast*
		2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Supply of outputs to the Crown		30,769	24,193	31,698	27,827	30,614
Supply of outputs to other Departments		1,695	12,275	8,010	3,068	17,325
Supply of outputs to third parties		71,851	67,881	67,967	73,056	62,816
Payments to operating suppliers		(50,673)	(49,391)	(46,854)	(54,442)	(47,959)
Payments to employees		(42,481)	(49,416)	(53,889)	(44,039)	(61,912)
Payments for capital charge		(3,702)	(3,702)	(3,557)	(3,571)	(3,548)
Goods and services tax (net)		(216)	-	(7,001)	(2,470)	6,995
<b>Net cash flows from operating activities</b>	<b>16</b>	<b>7,243</b>	<b>1,840</b>	<b>(3,626)</b>	<b>(571)</b>	<b>4,331</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Receipts from sale of property, plant and equipment		17	-	-	-	-
Purchase of property, plant and equipment		(276)	-	(1,103)	(100)	-
Purchase of intangible assets		(2,668)	(2,196)	(3,159)	(1,297)	(1,800)
<b>Net cash flows from investing activities</b>		<b>(2,927)</b>	<b>(2,196)</b>	<b>(4,262)</b>	<b>(1,397)</b>	<b>(1,800)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Capital contribution		1,162	357	357	357	-
Capital repayment		(3,910)	-	-	-	-
<b>Net cash flows from financing activities</b>		<b>(2,748)</b>	<b>357</b>	<b>357</b>	<b>357</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		1,568	1	(7,531)	(1,611)	2,531
Cash and cash equivalents at the beginning of the year		9,396	8,179	10,964	10,964	3,433
<b>Cash at end of year</b>		<b>10,964</b>	<b>8,180</b>	<b>3,433</b>	<b>9,353</b>	<b>5,964</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department.

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Statement of Commitments

As at 30 June 2015

### NON-CANCELLABLE OPERATING LEASE COMMITMENTS

LINZ 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. Operating lease commitments include lease payments for premises, office equipment and motor vehicles.

LINZ's non-cancellable operating leases have varying terms, escalation clauses and renewal rights. The Department leases a number of building premises and office equipment under operating leases.

The leases typically run for a period of three years for office equipment and 9-12 years for buildings, with an option to renew the lease after that date. In the case of leased buildings, lease payments are increased on renewal to reflect market rentals. None of the leases include contingent rentals.

During the year ended 30 June 2015, \$2.979 million was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases (2014: \$2.768 million). There was no income recognised in the Statement of Comprehensive Income in the year ended 30 June 2015 in respect of sub-leases (2014: nil).

	Actual 2014 \$000	Actual 2015 \$000
<b>NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b>		
Not later than 1 year	2,770	2,770
Later than 1 year and not later than 5 years	11,081	11,081
Later than five years	4,558	2,424
<b>Total non-cancellable operating lease commitments</b>	<b>18,409</b>	<b>16,275</b>

## Statement of Contingent Liabilities

As at 30 June 2015

### THE DEPARTMENT HAS NO CONTINGENT LIABILITIES (2014: NIL).

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

### LEGAL PROCEEDINGS AND DISPUTES

Legal proceedings and disputes represents the amounts claimed by plaintiffs in relation to the performance of the Department's statutory role. There is an inherent uncertainty as to the amount and timing of settlement, if any, the Department would ultimately be required to make.

### CONTINGENT ASSETS

The Department has no contingent assets (2014: nil).



## Statement of Departmental Expenditure and Capital Expenditure against Appropriations

For the year ended 30 June 2015

	Actual	Budget*	Revised Budget*	Actual	Forecast*
	2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
<b>APPROPRIATIONS FOR OUTPUT EXPENSES</b>					
Administering Ocean Survey 20/20	2,071	-	-	-	-
Administration of the Overseas Investment Office Regime	2,647	2,955	2,955	2,752	2,955
Policy Advice	1,960	1,707	2,957	2,864	1,707
Ministerial Services, Appointments, Implementation and Operational Policy	795	927	627	616	927
Management of Crown Land	15,562	26,456	15,919	14,495	26,975
LINZ Biosecurity Programme	3,471	3,228	3,378	3,240	3,178
Centralised Clearance Service Acquisitions and Disposals	1,155	1,200	1,200	1,029	1,200
Land Disposal Services for Other Agencies	711	2,700	5,000	2,112	7,000
Land Information New Zealand Location Based Information Infrastructure	19,508	20,369	19,489	18,016	21,809
Administration of the New Zealand Geographic Board	803	625	875	760	625
Leading the New Zealand Geospatial Strategy	4,706	3,642	6,594	5,086	3,752
The Survey and Title System	47,878	70,089	55,089	52,138	70,089
Regulating Valuation	1,384	2,518	2,518	1,189	2,518
<b>Total appropriations for output expenses</b>	<b>102,651</b>	<b>136,416</b>	<b>116,601</b>	<b>104,297</b>	<b>142,735</b>
<b>APPROPRIATIONS FOR CAPITAL EXPENDITURE</b>					
Capital expenditure	2,944	2,196	4,262	2,270	1,800
<b>Total appropriations for capital expenditure</b>	<b>2,944</b>	<b>2,196</b>	<b>4,262</b>	<b>2,270</b>	<b>1,800</b>

The Department realigned its output expenses effective 1 July 2014 creating new output classes. The old outputs have been moved into the new output classes.

## Statement of Departmental Unappropriated Expenditure and Capital Expenditure

For the year ended 30 June 2015

Expenses and capital expenditure approved under section 26B of the Public Finance Act 1989	Nil
Expenses and capital expenditure incurred in excess of appropriation	Nil
Expenses and capital expenditure incurred without appropriation or other authority, or outside scope of appropriation	Nil
Breaches of projected net asset schedules	Nil

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

# Notes To The Departmental Financial Statements

## 1 Statement of Accounting Policies

### Reporting Entity

Land Information New Zealand (LINZ or the Department) is a government department as defined by section 2 of the Public Finance Act 1989 and is domiciled and operates in New Zealand.

The Department reports on the Crown activities and Trust monies it administers.

The primary objective of LINZ is to provide services such as transaction, information and land management to the public. Accordingly, we are designated as a public benefit entity for the purposes of Public Benefit Entity (PBE) accounting standards.

These financial statements of LINZ are for the year ended 30 June 2015. The financial statements were authorised for issue by the Chief Executive on 29 September 2015.

### BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

### STATEMENT OF COMPLIANCE

The financial statements of LINZ have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and Treasury Instructions.

These financial statements, including the comparatives, have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. Previously published financial statements were prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). There were no material adjustments arising on transition to the new PBE standards.

### PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of LINZ is New Zealand dollars.

### STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET ADOPTED

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Department has applied these standards in preparing the 30 June 2015 financial statements.

### Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### REVENUE

#### Revenue Crown

Revenue from the Crown is measured based on the Department's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriations Act for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limit of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

#### Other revenue

Revenues from the supply of outputs to government agencies and third parties are derived from both exchange and non-exchange transactions. Revenue is recognised at the time goods are supplied, services are performed, or when the Department has control of the transferred asset (cash, goods, services or property).

Revenue is measured at the fair value of consideration received or receivable.

### CAPITAL CHARGE

The capital charge is recognised as an expense in the period to which the charge relates.

### OPERATING LEASES

The Department leases office premises, office equipment and motor vehicles. As all the risks and benefits of the 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 the 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.

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through the profit or loss, in which case the transaction costs are recognised in the Statement of Comprehensive Income.

### CASH AND CASH EQUIVALENTS

Cash includes cash on hand and funds in the current accounts on deposit with banks.

### RECEIVABLES

Receivables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest

rate method. Receivables are not discounted due to the short-term nature of the balance.

A receivable is considered impaired where there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amount to be collected. Impairment losses are recognised in the Statement of Comprehensive Income.

#### FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the date of the transactions.

#### INVENTORIES

Inventory held for distribution or use in the provision of services that are not supplied on a commercial basis are measured at cost (calculated using the weighted average method), adjusted, when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for sale or use in the provision of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of leasehold improvements, furniture and office equipment, computer hardware, and motor vehicles. Property, plant and equipment is shown at cost less accumulated depreciation and impairment losses.

##### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

##### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income.

##### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

##### Depreciation

Depreciation is calculated on a straight-line basis on all property, plant and equipment, other than work in progress, at rates that will write down the cost of the asset to its estimated residual values over its useful life.

The estimated useful lives of major classes of assets are as follows:

Type of asset	Estimated life
Leasehold property improvements	Over term of lease
Motor vehicles	5 to 7 years
Computer hardware	2 to 20 years
Plant and equipment	3 to 11 years
Furniture and fittings	4 to 11 years

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

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

#### INTANGIBLE ASSETS

##### Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Department are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

##### Capital work in progress

The value of work in progress is the total of direct costs incurred that are attributed to incomplete capital projects.

##### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful lives of intangible assets have been estimated at between 3 and 20 years.

#### IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets subsequently measured at cost that have an indefinite useful life or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Income.

#### PAYABLES

Payables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Payables are not discounted due to the short-term nature of the balance.

#### EMPLOYEE ENTITLEMENTS

##### Short-term employee entitlements

Employee entitlements that the Department expects to be settled within 12 months of balance date are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retirement and long-service leave entitlements expected to be settled within 12 months, and sick leave.

The Department recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Department anticipates it will be used by staff to cover those future absences.

The Department recognises a liability and an expense for pay for performance where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

##### Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and
- the present value of the estimated future cash flows.

The discount rate is based on rates supplied by the Treasury. The inflation factor is based on the expected long-term increase in remuneration for employees.

	2014	2015
Long-term discount rate	5.50%	5.50%
Salary inflation rate	3.50%	3.00%

##### Presentation of employee entitlements

Sick leave, annual leave, vested long service leave and non-vested long service leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### SUPERANNUATION SCHEMES

##### Defined contribution schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Income as incurred.

#### PROVISIONS

A provision is recognised when the Department has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

#### TAXPAYERS' FUNDS

Taxpayers' funds is the Crown's investment in the Department and is measured as the difference between total assets and liabilities.

#### COMMITMENTS

Expenses yet to be incurred on non-cancellable contracts that have been entered into on, or before, balance date are disclosed as commitments to the extent there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the Statement of Commitments at the value of that penalty or exit cost.

#### INCOME TAX

Government departments are exempt from income tax. Accordingly, no charge for income tax has been provided for.

#### GOODS AND SERVICES TAX (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

**STATEMENT OF COST ACCOUNTING POLICIES**

The Department has determined the cost of outputs using the cost allocation system outlined below.

- Costs that are directly related to an output are coded directly to that output.
- Costs that are not directly related to a single output fall into two categories.
  - 1) Overhead costs, which cannot be directly attributed to the production of outputs are allocated to Direct Cost Producing Cost Centres (DCPCC).
  - 2) Costs incurred by DCPCC that partially relate to the production of outputs but are not sufficiently direct to code directly.

Cost drivers such as number of Full Time Equivalent (FTE) staff time spent on the production of outputs and floor usage were used when allocating costs in both of the above instances.

The Department revised its cost allocation calculations during the 2014/15 financial year.

**CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements the Department has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Retirement, sick and long-service leave*

Note 14 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement, sick and long-service leave liabilities. Assumptions made include discount rates, salary inflation, final retirement age and employee numbers.

*Severance provision*

Any severance provision reflects LINZ's estimated liability for severance payments to employees. Assumptions are made on the timing of employee departures, average payment to employees and variation in staff numbers.

*Intangible assets, and property, plant and equipment useful lives and residual values*

At each balance date, the Department reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Department to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Department, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the Statement of Comprehensive Income, and carrying amount of the asset in the Statement of Financial Position. The Department minimises the risk of this estimation uncertainty by:

- physical inspection of property, plant and equipment
- asset replacement programmes
- review of future business plans

- technological changes, and
- performance against operating budget.

The Department reassessed the useful life of the conversion costs capitalised as a component of Landonline in the 2012/13 year. It was determined that these components have an indefinite useful life. The treatment of the components will be reviewed annually to assess whether the indefinite useful life assumption remains appropriate.

**BUDGET AND FORECAST FIGURES***Basis of the budget and forecast figures*

The 2015 budget figures are for the year ended 30 June 2015 and were published in the 2013/14 annual report. They are consistent with the Department's best estimate financial forecast information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2014/15.

The 2015 revised budget figures are for the year ended 30 June 2015 and are consistent with the Department's best estimate financial forecast information submitted to Treasury for the Supplementary Estimates of Appropriations (SUPPS) for the year ending 2014/15.

The 2016 forecast figures are for the year ending 30 June 2016, these are consistent with the best estimate financial forecast information submitted to Treasury for the BEFU for the year ending 2015/16.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2016 forecast figures have been prepared in accordance with, and comply with, PBE FRS 42 Prospective Financial Statements.

**SIGNIFICANT ASSUMPTIONS USED IN PREPARING THE FORECAST FINANCIALS**

The forecast figures contained in these financial statements reflect the Department's purpose and activities and are based on a number of assumptions on what may occur during the 2015/16 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 21 April 2015, were as follows:

- The Department's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Department's best estimate of future costs that will be incurred.
- Estimated year-end information for 2014/15 was used as the opening position for the 2015/16 forecasts.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the

financial year other than the transition to the new PBE standards. This transition has been discussed in the Statement of Compliance.

**② Budget Composition**

	Budget*	Budget changes	Revised Budget*
	2015	2015	2015
	\$000	\$000	\$000
<b>INCOME</b>			
Crown	46,345	(1,095)	45,250
Other income	80,156	(4,179)	75,977
<b>Total income</b>	<b>126,501</b>	<b>(5,274)</b>	<b>121,227</b>
<b>EXPENDITURE</b>			
Depreciation and amortisation	3,440	309	3,749
Capital charge	3,702	(145)	3,557
Other operating expenses	98,807	(1,698)	97,109
<b>Total expenditure</b>	<b>105,949</b>	<b>(1,534)</b>	<b>104,415</b>
<b>Net surplus/(deficit)</b>	<b>20,552</b>	<b>(3,740)</b>	<b>16,812</b>

Note: the revised budget above is not equal to the total appropriations for output expenses. Appropriations represent the maximum spend allowable, the above figures were the Department's forecast spend as submitted in the 2015 SUPPS.

Explanations of major changes in the revised budget:

**OTHER INCOME**

Other income has decreased in the revised budget due to updated volume forecasts of Survey and Title transactions.

**OTHER OPERATING EXPENSES**

Other operating expenses decreased in the revised budget due to a transfer of Crown expenses from the 2014/15 year to the 2015/16 year totalling \$1.7 million.

**③ Other Revenue**

	Actual 2014	Actual 2015
	\$000	\$000
<b>OTHER REVENUE</b>		
Crown property clearances fees	954	925
Electoral support services	7	-
Licence and sign-up fees	752	795
Miscellaneous	1,095	500
Overseas Investment Office applications	3,373	2,845
Rating valuation audit charge	2,593	5,322
Search fees	14,192	14,386
Survey fees	6,380	6,939
Titles fees	44,248	45,650
<b>Total other revenue</b>	<b>73,594</b>	<b>77,362</b>

\* The statement of accounting policies provides explanations of these figures which are not subject to audit

#### ④ Personnel Costs

	Actual 2014 \$000	Actual 2015 \$000
Salaries and wages	39,475	40,748
Contract employees	994	1,158
ACC levies	198	(102)
Employer contributions to defined contribution plans	1,489	1,464
Increase/(decrease) in employee entitlements	299	467
<b>Total personnel costs</b>	<b>42,455</b>	<b>43,735</b>

Employer contributions to defined contribution plans include contributions to the State Sector Retirement Savings Scheme, Kiwisaver, the Government Superannuation Fund.

#### ⑤ Capital Charge

The Department pays a capital charge to the Crown based on its taxpayers' funds excluding memorandum accounts 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 2015 was 8.0% (2014: 8.0%). Changes to taxpayers' funds are mainly affected by capital contributions required

for specific outputs and movements in the memorandum accounts. Where the 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 plant, property and equipment attributed to outputs, as a proxy for allocating capital charge.

#### ⑥ Other Operating Expenses

	Actual 2014 \$000	Actual 2015 \$000
Fees to Ernst & Young:		
• Audit fees for the financial statement audit	246	218
• Consultancy fees	-	-
Leasing and renting costs	2,769	2,979
Other operating costs	6,524	6,115
Net loss on disposal of property, plant and equipment	63	40
Provision for doubtful debts	(43)	2
Professional services	10,910	13,509
Contracts for topography/hydrography	8,619	6,629
Computer operating costs	12,336	12,712
Crown property services	11,444	10,678
<b>Total other operating expenses</b>	<b>52,868</b>	<b>52,882</b>

#### ⑦ Receivables

	Actual 2014 \$000	Actual 2015 \$000
Receivables to non-related parties	8,936	9,524
Less: provision for doubtful debts	(10)	(12)
<b>Net receivables</b>	<b>8,926</b>	<b>9,512</b>
Monies receivable from the Crown	15,550	35,245
<b>Total trade and other receivables</b>	<b>24,476</b>	<b>44,757</b>

All debtors are non-interest bearing and are normally settled on the 20<sup>th</sup> of the month following the date of invoice unless specific legislative terms apply; therefore, the carrying value of trade and other receivables approximates their fair value due to their short-term nature.

Those specific debtors that are insolvent are fully provided for. As at 30 June 2015, the Department has identified no debtors (2014: nil) that are insolvent.

The Department has no significant exposure to credit risk, as it has a policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Risk limits are set for each individual customer; these risk limits are regularly monitored. In addition, receivable balances are monitored on an ongoing basis, with the result that the Department's exposure to bad debts is not significant.

All overdue receivables have been assessed for impairment and appropriate provisions applied, as follows:

	Note	Actual 2014 \$000	Actual 2015 \$000
Balance as at 1 July		53	10
Additional provisions made during the year	6	(43)	2
<b>Balance as at 30 June</b>		<b>10</b>	<b>12</b>

As at 30 June 2015 and 2014, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2014			2015		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	7,430	-	7,430	9,524	-	9,524
Past due 1-30 days	1,144	-	1,144	-	-	-
Past due 31-60 days	184	-	184	-	-	-
Past due 61-90 days	178	(10)	168	-	(12)	(12)
<b>Total</b>	<b>8,936</b>	<b>(10)</b>	<b>8,926</b>	<b>9,524</b>	<b>(12)</b>	<b>9,512</b>

## 8 Inventory

	Actual 2014 \$000	Actual 2015 \$000
Stock held for sale	300	309
Work in progress	-	-
<b>Total Inventory</b>	<b>300</b>	<b>309</b>

The amount of inventory held for distribution carried at current replacement costs as at 30 June 2015 is nil (2014: nil).

There were no write-downs of inventories (2014: \$190,000) and there were no reversals of write-downs (2014: nil).

The loss of service potential of inventory held for distribution is determined on the basis of obsolescence.

No inventory has been pledged as security for liabilities (2014: nil).

## 9 Property, Plant and Equipment

	Leasehold improvements \$000	Motor vehicles \$000	Computer hardware \$000	Plant and equipment \$000	Furniture and fittings \$000	Total \$000
<b>COST</b>						
Balance as at 1 July 2013	4,138	35	1,145	132	586	6,036
Additions	-	-	-	276	-	276
Disposals	-	(35)	(275)	(20)	(1)	(331)
<b>Balance as at 30 June 2014</b>	<b>4,138</b>	<b>-</b>	<b>870</b>	<b>388</b>	<b>585</b>	<b>5,981</b>
Balance as at 1 July 2014	4,138	-	870	388	585	5,981
Additions	58	-	-	-	42	100
Disposals	-	-	(563)	-	(167)	(730)
<b>Balance as at 30 June 2015</b>	<b>4,196</b>	<b>-</b>	<b>307</b>	<b>388</b>	<b>460</b>	<b>5,351</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>						
Balance as at 1 July 2013	747	35	1,008	130	323	2,243
Depreciation charge for the year	522	-	47	17	34	620
Eliminate on disposal	-	(35)	(259)	(21)	-	(315)
<b>Balance as at 30 June 2014</b>	<b>1,269</b>	<b>-</b>	<b>796</b>	<b>126</b>	<b>357</b>	<b>2,548</b>
Balance as at 1 July 2014	1,269	-	796	126	357	2,548
Depreciation charge for the year	524	-	25	42	38	629
Eliminate on disposal	-	-	(563)	-	(167)	(730)
<b>Balance as at 30 June 2015</b>	<b>1,793</b>	<b>-</b>	<b>258</b>	<b>168</b>	<b>228</b>	<b>2,447</b>
<b>CARRYING AMOUNTS</b>						
As at 1 July 2013	3,391	-	137	2	263	3,793
As at 30 June 2014 and 1 July 2014	2,869	-	74	262	228	3,433
<b>As at 30 June 2015</b>	<b>2,403</b>	<b>-</b>	<b>49</b>	<b>220</b>	<b>232</b>	<b>2,904</b>

### IMPAIRMENT

There has been no impairment to property, plant and equipment during the financial year (2014: nil).

## 10 Intangible – Acquired Software Assets

	Actual 2014 \$000	Actual 2015 \$000
<b>COST</b>		
Balance as at 1 July	80,327	80,109
Additions	341	2,170
Disposals	(559)	(501)
<b>Balance as at 30 June</b>	<b>80,109</b>	<b>81,778</b>
<b>AMORTISATION AND IMPAIRMENT LOSSES</b>		
Balance as at 1 July	46,223	48,498
Amortisation expense	2,771	3,031
Eliminate on disposal	(496)	(461)
<b>Balance as at 30 June</b>	<b>48,498</b>	<b>51,068</b>
<b>Total acquired software</b>	<b>31,611</b>	<b>30,710</b>
<b>CARRYING AMOUNTS</b>		
As at 1 July 2013		34,104
As at 30 June 2014 and 1 July 2014		31,611
<b>As at 30 June 2015</b>		<b>30,710</b>

### DATABASES

The Department has two land information databases to which no value has been attached: the digital topographical database and the geodetic database.

Details of material intangible assets are as follows:

	Carrying amount 2014 \$000	Remaining amortisation period	Carrying amount 2015 \$000	Remaining amortisation period
Landonline	26,684	Between 1 and 10 years*	25,051	Between 1 and 4 years*

## 11 Capital Work in Progress

	Actual 2014 \$000	Actual 2015 \$000
Balance as at 1 July	449	2,776
Additions	3,175	1,400
Work in progress capitalised to property, plant and equipment	(520)	(2,273)
Transfers/disposals	(328)	-
<b>Balance as at 30 June</b>	<b>2,776</b>	<b>1,903</b>

The value of work in progress is the total of direct costs incurred that are attributed to incomplete capital projects.

\* Landonline is made up of multiple components, therefore the remaining useful lives of the components are varied. The remaining useful lives of the components have been reviewed bearing in mind the need to upgrade or replace the system in the near future. Conversion cost components have an indefinite useful life.

**12 Payables**

	Actual 2014 \$000	Actual 2015 \$000
Trade and accrued expenses	6,957	5,791
ACC levy payable	354	132
GST, FBT and PAYE payable	845	636
Creditor Crown	-	202
<b>Total trade and other payables</b>	<b>8,156</b>	<b>6,761</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

**13 Provisions**

	Actual 2014 \$000	Actual 2015 \$000
Return of operating surplus	-	2,302
<b>Total provisions</b>	<b>-</b>	<b>2,302</b>

**RETURN OF OPERATING SURPLUS**

The return of operating surplus provision has arisen out of the treatment of revenue Crown. The Office of the Auditor-General (OAG) has recommended that revenue Crown be accounted for based on the funding being non-exchange in nature with no use or return conditions attached. As such, revenue Crown

is recognised up to the level of appropriations funded by the Crown. The return of operating surplus recorded is the difference between Crown appropriations spent and revenue Crown recognised. However, as the Department has a debtor Crown balance no cash repayment will be made as revenue Crown was not fully drawn down.

**14 Employee Entitlements**

	Actual 2014 \$000	Actual 2015 \$000
<b>CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:</b>		
Retirement and long-service leave	614	110
Annual leave	2,588	2,635
Sick leave	86	83
Salaries and wages	1,188	204
<b>Total current employee benefits</b>	<b>4,476</b>	<b>3,032</b>
<b>NON-CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:</b>		
Long-service and retirement leave	2,358	2,951
<b>Total non-current employee benefits</b>	<b>2,358</b>	<b>2,951</b>
<b>Total employee entitlements</b>	<b>6,834</b>	<b>5,983</b>

The present value of the retirement and long-service leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate (5.50% for 3+ years) and the salary inflation

factor (3.0% long term). Any changes in these assumptions will impact on the carrying amount of the liability.

Discount rates and the salary inflation factors were based on rates supplied by the Treasury.

**15 Equity**

	Actual 2014 \$000	Actual 2015 \$000
<b>TAXPAYERS' FUNDS</b>		
Balance as at 1 July	41,174	58,178
Net surplus/(deficit)	19,753	18,315
Capital contribution from the Crown	1,162	357
Memorandum account balance	(11,397)	(27,042)
Capital repayment to the Crown	(3,582)	-
Return of operating surplus to the Crown	-	(2,302)
Other movements	(329)	2
<b>Balance as at 30 June</b>	<b>46,781</b>	<b>47,508</b>
<b>MEMORANDUM ACCOUNTS</b>		
Opening balance 1 July	(6,856)	11,397
Capital injection for memorandum account opening balances	-	-
Net memorandum account surpluses/(deficits) for the year	18,253	15,645
<b>Balance as at 30 June</b>	<b>11,397</b>	<b>27,042</b>
<b>REVALUATION RESERVES</b>		
As at 1 July	-	-
Revaluation gains/(losses)	-	-
Transfer to general funds on disposal	-	-
<b>Total equity</b>	<b>58,178</b>	<b>74,550</b>

There were no capital repayments made in 2015 (2014: \$3.582 million). LINZ made final capital repayments in 2013/14 to repay prior capital contributions received in the past to fund third party activities (to fund LINZ's memorandum account deficit).

Memorandum accounts form part of the equity balance as they reflect the net assets held by LINZ which are attributable to third parties.

## 16 Reconciliation of Net Surplus/(Deficit) for the period with Net Cash Flows from Operating Activities

	Actual 2014 \$000	Actual 2015 \$000
<b>Net surplus/(deficit)</b>	<b>19,753</b>	<b>18,315</b>
<b>ADD BACK NON-CASH ITEMS:</b>		
Depreciation and assets written off	620	629
Amortisation of intangibles	2,771	3,031
Non current employee entitlements	244	593
Impairment of intangibles	-	-
<b>Total non-cash items</b>	<b>3,635</b>	<b>4,253</b>
<b>ADD BACK ITEMS CLASSIFIED AS INVESTING ACTIVITY</b>		
Net loss/(gain) on sale of property, plant and equipment	63	40
<b>MOVEMENTS IN WORKING CAPITAL</b>		
(Increase)/decrease in inventory	220	(9)
(Increase)/decrease in receivables	(16,356)	(22,610)
(Increase)/decrease in prepayments	260	(67)
Increase/(decrease) in payables	(528)	(1,443)
Increase/(decrease) in provisions	(170)	2,302
Increase/(decrease) in employee entitlements	366	(1,444)
<b>Net movements in working capital</b>	<b>(16,208)</b>	<b>(23,271)</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7,243</b>	<b>(571)</b>

## 17 Related Party Information

### IDENTITY OF RELATED PARTIES

The Department is a wholly owned entity of the Crown. The Government significantly influences the role of LINZ, as well as being a 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 the transactions described, the Department has not entered into any other related party transactions. In addition to their salaries, the Department also provides non-cash benefits to staff, and contributes to a post-employment defined contribution plan on their behalf.

#### Key management personnel remuneration

Key management personnel are the members of the Executive Leadership Team. The Executive Leadership Team consists of 5 Deputy Chief Executives and 1 Chief Executive (2014: 5 Deputy Chief Executives and 1 Chief Executive).

	Actual 2014 \$000	Actual 2015 \$000
Salaries and other short-term employee benefits	1,640	1,692
<b>Total key management personnel compensation</b>	<b>1,640</b>	<b>1,692</b>

The above key management personnel disclosure excludes the Minister for Land Information. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979. They are paid under Permanent Legislative Authority, and not by the Department.

## 18 Events After Balance Date

There were no events occurring between year end and the signing of the financial statements that would have a significant effect on these financial statements.

## 19 Financial Instrument Risks

The Department is party to financial instrument arrangements (and exposure to credit, interest rate and currency risks) as part of its everyday operations. These include instruments such as bank balances, short-term deposits, accounts receivable and accounts payable.

### 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 our business, the Department incurs credit risk from trade debtors and transactions with financial institutions.

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

At balance sheet date, there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Refer to Note 7 for a breakdown of the receivables balance.

### FAIR VALUE

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

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
<b>2014</b>				
Payables	8,156	-	-	-
<b>2015</b>				
Payables	6,761	-	-	-

### INTEREST RATE RISK

Interest rate risk is the risk the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. The Department has no interest-bearing financial instruments and, accordingly, has no exposure to interest rate risk.

### LIQUIDITY RISK

Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

The Department has no significant exposure to liquidity risk on its financial instruments.

In meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected cash draw downs from the New Zealand Debt Management Office.

The Department maintains a target level of available cash to meet liquidity requirements. The table below analyses the Department's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

## 20 Categories of Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

	Note	Carrying amount 2014 Actual \$000	Fair value 2014 Actual \$000	Carrying amount 2015 Actual \$000	Fair value 2015 Actual \$000
<b>LOANS AND RECEIVABLES</b>					
Cash and cash equivalents		10,964	10,964	9,353	9,353
Receivables	7	24,476	24,476	44,757	44,757
<b>Total loans and receivables</b>		<b>35,440</b>	<b>35,440</b>	<b>54,110</b>	<b>54,110</b>
<b>Financial liabilities measured at amortised cost</b>					
<b>Payables</b>	<b>12</b>	<b>6,957</b>	<b>6,957</b>	<b>5,791</b>	<b>5,791</b>

### ESTIMATION OF FAIR VALUES ANALYSIS

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

### TRADE AND OTHER RECEIVABLES/PAYABLES

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

## 21 Capital Management

The Department's capital is our taxpayers' funds (or equity), which comprises general funds. Equity is represented by net assets.

The Department manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The Department's equity is largely managed as a by-product of managing income,

expenses, assets, liabilities, and compliance with government budget processes and with Treasury instructions.

The objective of managing the Department's equity is to ensure the Department effectively achieves the goals and objectives for which it has established, whilst remaining a going concern.

## 22 Memorandum Accounts

These memorandum accounts are notional accounts to record the accumulated balance of surpluses and deficits incurred for

outputs operating on a full cost recovery basis. It is intended to provide a long-run perspective to the pricing of outputs.

### Landonline – Statement of Memorandum Account

For the year ended 30 June 2015

	Actual 2014 \$000	Actual 2015 \$000
Balance as at 1 July	(5,585)	12,139
<b>INCOME</b>		
Operating revenue	65,602	67,791
<b>EXPENSES</b>		
Operating expenses	47,878	52,136
<b>Net surplus/(deficit)</b>	<b>17,724</b>	<b>15,655</b>
<b>Balance as at 30 June</b>	<b>12,139</b>	<b>27,794</b>

### Overseas Investment Office (OIO) – Statement of Memorandum Account

For the year ended 30 June 2015

	Actual 2014 \$000	Actual 2015 \$000
Balance as at 1 July	(1,755)	(1,029)
<b>INCOME</b>		
Income from OIO applications	3,373	2,845
<b>EXPENSES</b>		
Expenses from OIO operations	2,647	2,752
<b>Surplus/(deficit) for the period</b>	<b>726</b>	<b>93</b>
<b>Balance as at 30 June</b>	<b>(1,029)</b>	<b>(936)</b>

The opening balance is the accumulated deficit from Overseas Investment Commission operations transferred from the Reserve Bank in August 2005.

### Crown Property Clearances – Statement of Memorandum Account

For the year ended 30 June 2015

	Actual 2014 \$000	Actual 2015 \$000
Balance as at 1 July	484	287
<b>INCOME</b>		
Operating revenue	958	926
<b>EXPENSES</b>		
Operating expenses	1,155	1,029
<b>Surplus/(deficit) for the period</b>	<b>(197)</b>	<b>(103)</b>
<b>Balance as at 30 June</b>	<b>287</b>	<b>184</b>

## 23 Explanation of Financial Variances from Budget

### PERSONNEL COSTS

Following the realignment in October 2014, delays in recruiting permanent staff resulted in lower than anticipated personnel costs.



## Non-Departmental Financial Statements

The following non-departmental statements and schedules record the income, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that the Department manages on behalf of the Crown.

### Summary of Non-Departmental Statements and Schedules

For the year ended 30 June 2015

	Actual	Budget*	Revised Budget*	Actual	Forecast*
	2014	2015	2015	2015	2016
	\$000	\$000	\$000	\$000	\$000
Operating revenue and receipts	100,816	106,409	107,252	82,860	107,144
Capital revenue and receipts	76,723	91,547	155,447	87,398	91,547
Operating expenses	93,580	107,268	108,018	78,307	108,588
Capital expenses	71,694	96,794	96,469	33,435	96,959
Assets	536,639	490,335	467,707	458,566	467,578
Liabilities	96,028	68,222	96,028	88,693	96,028

Further details of the Department's management of these Crown assets and liabilities are provided in the Service Performance Section of the Annual Report.

These non-departmental balances are consolidated into the Financial Statements of the Government. Therefore, readers of these statements and schedules should also refer to the Financial Statements of the Government for the year ended 30 June 2015.

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Statement of Non-Departmental Expenditure and Capital Expenditure Against Appropriations

For the year ended 30 June 2015

The Statement of Non-Departmental Expenditure and Capital Expenditure Against Appropriations details expenditure and capital payments incurred against appropriations. The department administers these appropriations on behalf of the Crown.

	Actual	Budget*	Revised Budget*	Actual	Forecast*
	2014	2015	2015	2015	2016
	\$000	\$000	\$000	\$000	\$000
<b>APPROPRIATIONS FOR OUTPUT CLASSES TO BE SUPPLIED BY OTHER PARTIES</b>					
Contaminated Sites	89	200	150	135	500
Forest Plantation Activity	-	610	1,280	1,249	905
<b>Total</b>	<b>89</b>	<b>810</b>	<b>1,430</b>	<b>1,384</b>	<b>1,405</b>
<b>APPROPRIATIONS FOR OTHER EXPENSES TO BE INCURRED BY THE CROWN</b>					
Bad and doubtful debts	10	25	25	1	25
Crown forest management	60	500	500	189	500
Crown rates	1,085	1,157	1,157	1,105	1,157
Depreciation and amortisation	359	393	393	358	393
Land liabilities	3,232	643	693	441	843
Residual Crown leasehold rents	685	700	700	685	700
Proceeds from sale of NZTA properties	85,631	100,000	100,000	73,413	100,000
Soil Conservation Reserve Management	186	420	500	418	500
Impairment of the value of Crown Property	-	-	-	-	445
<b>Total</b>	<b>91,248</b>	<b>103,838</b>	<b>103,968</b>	<b>76,610</b>	<b>104,563</b>
<b>APPROPRIATIONS FOR CAPITAL INVESTMENT RELATING TO LOANS ISSUED BY THE CROWN</b>					
Loans for Crown pastoral lease holders	278	-	-	-	-
<b>Total</b>	<b>278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPROPRIATIONS FOR PURCHASE OF CAPITAL ASSETS BY THE CROWN</b>					
Access rights over private land	26	-	-	-	-
Crown acquisitions – Huntly East	490	500	255	255	745
Soil Conservation Reserve Management	96	80	-	-	-
Crown Obligatory Acquisitions	48	-	-	-	-
Crown purchases: Land exchanges	-	100	100	-	100
<b>Total</b>	<b>660</b>	<b>680</b>	<b>355</b>	<b>255</b>	<b>845</b>
<b>Total appropriations for the year</b>	<b>92,275</b>	<b>105,328</b>	<b>105,753</b>	<b>78,249</b>	<b>106,813</b>

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Statement of Non-Departmental Multi-Year Appropriation

For the year ended 30 June 2015

The Statement of Non-Departmental Multi-Year Appropriation (MYA) details capital expenditure for the periods 2013/14 to 2014/15 against appropriations. The last MYA was for the period 1 July 2011 to 30 June 2014, a new MYA has been approved for the period 1 July 2014 to 30 June 2019. The Department administers these appropriations on behalf of the Crown.

### PURCHASE OR DEVELOPMENT OF CAPITAL ASSETS BY THE CROWN

	Actual 2014 \$000	Actual 2015 \$000
<b>LAND TENURE REFORM ACQUISITIONS</b>		
Original appropriation	326,706	480,570
Cumulative adjustments	-	-
<b>Total adjusted appropriation</b>	<b>326,706</b>	<b>480,570</b>
Cumulative actual expenditure 1 July	28,721	-
Current year actual expenditure	70,756	33,180
<b>Cumulative actual expenditure 30 June</b>	<b>99,477</b>	<b>33,180</b>
<b>Appropriation remaining 30 June</b>	<b>227,229</b>	<b>447,390</b>

## Schedule of Non-Departmental Revenue

For the year ended 30 June 2015

	Actual 2014 \$000	Budget* 2015 \$000	Revised Budget* 2015 \$000	Actual 2015 \$000	Forecast* 2016 \$000
<b>OPERATING REVENUE</b>					
Sale of goods and services	99,224	105,222	105,223	80,759	105,223
Other operational revenue	1,592	1,187	2,029	2,101	1,921
<b>Total non-departmental operating revenue</b>	<b>100,816</b>	<b>106,409</b>	<b>107,252</b>	<b>82,860</b>	<b>107,144</b>

Explanations of significant variances against budget are detailed in note 3.

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2015

	Actual 2014 \$000	Budget* 2015 \$000	Revised Budget* 2015 \$000	Actual 2015 \$000	Forecast* 2016 \$000
<b>CAPITAL RECEIPTS</b>					
Property sales	13,520	6,100	70,000	58,673	6,100
Land tenure reform sales	63,203	85,447	85,447	28,725	85,447
<b>Total non-departmental capital receipts</b>	<b>76,723</b>	<b>91,547</b>	<b>155,447</b>	<b>87,398</b>	<b>91,547</b>

Explanations of significant variances against budget are detailed in note 3.

## Schedule of Non-Departmental Expenses

For the year ended 30 June 2015

	Actual 2014 \$000	Budget* 2015 \$000	Revised Budget* 2015 \$000	Actual 2015 \$000	Forecast* 2016 \$000
<b>OPERATING EXPENSES</b>					
Non-departmental output classes	89	810	1,430	1,384	1,405
<b>OTHER EXPENSES TO BE INCURRED BY THE CROWN</b>					
Depreciation and amortisation	359	393	393	358	393
Rental and leasing costs	685	857	857	685	857
Debts write-off/(recovered)	10	25	25	1	25
(Gain)/loss on revaluation of agricultural assets	187	-	-	(1,451)	445
Loss/(gain) on sale of properties	(970)	123	123	(1,286)	123
Remeasurements	(2,121)	-	-	1,223	-
GST input expense	3,903	2,340	2,340	1,826	2,340
Other operating expenses	91,438	102,720	102,850	75,567	103,000
<b>Total non-departmental operating expenses</b>	<b>93,580</b>	<b>107,268</b>	<b>108,018</b>	<b>78,307</b>	<b>108,588</b>
<b>CAPITAL EXPENSES</b>					
Property purchases	660	580	255	255	745
Land tenure reform purchases	70,756	96,114	96,114	33,180	96,114
Loans for Crown pastoral lease holders	278	-	-	-	-
Land exchanges	-	100	100	-	100
<b>Total non-departmental capital expenses</b>	<b>71,694</b>	<b>96,794</b>	<b>96,469</b>	<b>33,435</b>	<b>96,959</b>

Explanations of significant variances against budget are detailed in note 3.

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

## Schedule of Non-Departmental Assets

As at 30 June 2015

	Note	Actual	Budget*	Revised Budget*	Actual	Forecast*
		2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		33,208	18,337	16,893	23,169	16,758
Receivables	4	71,003	43,618	71,003	47,686	71,003
Properties held for sale	6	163,512	146,355	108,512	147,505	108,512
Forests	7	316	-	-	316	-
Work in progress		748	215	215	762	215
<b>Total current assets</b>		<b>268,787</b>	<b>208,525</b>	<b>196,623</b>	<b>219,438</b>	<b>196,488</b>
<b>Non-current assets</b>						
Physical assets	8	254,440	268,274	257,522	224,425	257,688
Forests	7	9,186	9,496	9,496	10,637	9,496
Intangible assets	9	4,226	4,040	4,066	4,066	3,906
<b>Total non-current assets</b>		<b>267,852</b>	<b>281,810</b>	<b>271,084</b>	<b>239,128</b>	<b>271,090</b>
<b>Total assets</b>		<b>536,639</b>	<b>490,335</b>	<b>467,707</b>	<b>458,566</b>	<b>467,578</b>

## Schedule of Non-Departmental Liabilities

As at 30 June 2015

	Note	Actual	Budget*	Revised Budget*	Actual	Forecast*
		2014 \$000	2015 \$000	2015 \$000	2015 \$000	2016 \$000
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables	5	65,095	39,996	65,095	58,908	65,095
Provisions	10	4,238	-	-	2,148	-
<b>Total current liabilities</b>		<b>69,333</b>	<b>39,996</b>	<b>65,095</b>	<b>61,056</b>	<b>65,095</b>
<b>Non-current liabilities</b>						
Deferred income		8,282	8,282	8,282	8,095	8,282
Provisions	10	18,413	19,944	22,651	19,542	22,651
<b>Total non-current liabilities</b>		<b>26,695</b>	<b>28,226</b>	<b>30,933</b>	<b>27,637</b>	<b>30,933</b>
<b>Total liabilities</b>		<b>96,028</b>	<b>68,222</b>	<b>96,028</b>	<b>88,693</b>	<b>96,028</b>

\* The statement of accounting policies provides explanations of these figures which are not subject to audit, these figures reflect forecasts submitted by the Department to Treasury at various stages throughout the year.

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2015  
Land Information New Zealand, Annual Report 2014/15

## Schedule of Non-Departmental Commitments

As at 30 June 2015

### OTHER NON-CANCELLABLE COMMITMENTS

There were no commitments made against out-year appropriations and funding baselines for non-departmental expenditure. The Department on behalf of the Crown has entered into no non-cancellable contracts (2014: nil).

## Schedule of Non-Departmental Contingent Liabilities

As at 30 June 2015

### QUANTIFIABLE CONTINGENT LIABILITIES ARE AS FOLLOWS:

	Actual 2014 \$000	Actual 2015 \$000
Legal proceedings and disputes	-	-
Other contingent liabilities	18,887	18,757
<b>Total contingent liabilities</b>	<b>18,887</b>	<b>18,757</b>

LINZ manages a portfolio of land across New Zealand on behalf of the Crown. The Crown portfolio is a consolidation of land parcels, and includes land surplus to requirements of other government agencies, and other parcels of land that have been discovered and where no owner can be located.

Liabilities in relation to Crown land can arise from a variety of circumstances:

- The requirement to clean up contamination on land that was previously owned by the Crown.
- Land that has been previously obtained by the Crown without following due process. In these cases, legal claims over the land may be made, or offers of compensation may be agreed.
- Fulfilment of obligations conferred on the Crown by the previous land owners, which are now the responsibility of LINZ to rectify.

The table above highlights those Crown contingent liabilities that can be quantified. Numerous other obligations cannot yet be quantified. With regard to potential claims, it is not possible to determine potential reimbursements because their circumstances are too remote or unknown.

The contingent liability for legal proceedings disputes represents outstanding claims against the Crown. Other contingent liabilities represent the best estimate of the cost of mitigating potential liabilities within the Crown property portfolio.

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2015  
Land Information New Zealand, Annual Report 2014/15

## Statement of Trust Monies

For the year ended 30 June 2015

	As at 1 July 2014	Contribution	Distribution	As at 30 June 2015
	\$000	\$000	\$000	\$000
<b>ACCOUNT</b>				
Endowment Rentals Trust	1	248	(248)	1
Hunter Soldiers Assistance Trust	55	1	-	56
Crown Forestry Licences Trust	108	7,242	(6,928)	422
<b>Total</b>	<b>164</b>	<b>7,491</b>	<b>(7,176)</b>	<b>479</b>

### ENDOWMENT RENTALS TRUST

LINZ administers the Endowment Rentals Trust in relation to lands vested in the Crown as an endowment. There are three endowment leases currently operating: for Victoria University of Wellington, Taranaki Scholarship Board and Dunedin Endowment Leases (University of Otago).

All rentals over the lands are received by Land Information New Zealand and forwarded to the appropriate party (per above), less a 5% commission charge paid to the Department.

Source of funds: rentals.

### HUNTER SOLDIERS ASSISTANCE TRUST

The Trust was set up to administer monies derived from the sale or lease of certain lands conveyed as gifts to the Crown by Sir George Hunter for settlement to discharged soldiers.

Source of funds: interest on funds held in trust.

### CROWN FORESTRY LICENCES TRUST

The purpose of this Trust is to receive Crown forestry licence fee monies on behalf of the Crown Forestry Rental Trust (CFRT). The licence fees are forwarded to CFRT once the licence fees have been agreed. CFRT holds these monies on Trust until the forests have been settled under Treaty settlements.

Source of funds: Crown forestry licence fees and interest on funds held in trust.

## Departmental Capital Expenditure and Capital Injections: Land Information New Zealand – Capital Expenditure

This appropriation is intended to achieve the renewal, upgrade and redesign of life-expired assets, and purchase of new assets in support of the delivery of LINZ's services.

PERFORMANCE MEASURE	Actual Performance 2013/14	Budget Standard 2014/15	Actual Performance 2014/15
Expenditure is in accordance with the Department's intention to invest in assets to support its strategic direction	100%	100%	<b>100%</b>

## Non-Departmental Capital Expenditure: Land Tenure Reform Acquisitions

This appropriation is intended to achieve acquisition of the lessee's interest in pastoral lease land and purchase of any land and/or assets required to complete the acquisition of lessees'

interest in order to achieve Tenure Review outcomes under the Crown Pastoral Land Act 1998, or achieve Government high country objectives.

PERFORMANCE MEASURE	Actual Performance 2013/14	Budget Standard 2014/15	Actual Performance 2014/15
The percentage of pastoral lease acquisitions that comply with the Crown Pastoral Land Act 1998	new	100%	<b>100%</b>

# Notes to the Non-Departmental Financial Statements

## ① Statement of Accounting Policies

### Reporting Entity

These non-departmental schedules and statements present financial information on public funds managed by the Department on behalf of the Crown.

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2015. For a complete understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

### Basis of Preparation

The non-departmental schedules and statements have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Benefit Entity (PBE) Accounting Standards) as appropriate for public benefit entities.

These non-departmental statements and schedules are the first prepared in accordance with the new PBE accounting standards. There were no material adjustments arising on transition to the new PBE accounting standards.

### PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of LINZ is New Zealand dollars.

### Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these schedules.

### REVENUE

Income is measured at the fair value of consideration received and receivable.

### GOODS AND SERVICES TAX (GST)

All items in the Financial Statements, including Appropriation Statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Government Financial Statements.

### RECEIVABLES

Receivables are measured at fair value, less any provision for impairment.

Impairment of a receivable is established where there is objective evidence that the Crown will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into insolvency, bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted using the capital charge rate. The carrying amount is reduced through the use of a provision for doubtful debts account, and the amount of the loss is recognised in the Schedule of Non-Departmental Expenses. When a debt is uncollectable, it is written off against the provision for doubtful debts. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

### ASSETS HELD FOR SALE

An item of physical assets is classified as held for sale when the sale and purchase agreement has been signed or when an asset has been included in the property disposal programme. Assets in this category are expected to be disposed of in the near future and are designated current if they are expected to be disposed of in the next 12 months.

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## PHYSICAL ASSETS

Physical assets are categorised as:

- Crown forest land
- Crown pastoral land
- other.

The physical assets' value is predominately land. However, the value also includes improvements.

Improvements are shown at cost or valuation, less accumulated depreciation and any impairment costs.

### Revaluations

Land, buildings and plant and equipment and improvements are revalued at least every five years to ensure the carrying amount does not differ materially from fair value. Fair value is determined on a class of asset basis as detailed below. The carrying value of revalued items is reviewed at each balance date to ensure those values are not materially different to fair value. Additions between revaluations are initially recorded at cost.

### Revaluation methods

For Crown forest land, the fair value is deemed to be either (i) the discounted cash flows of future licence fees expected to be received or (ii) market valuation where the land has been market valued for sale purposes or (iii) at adjusted rating valuation where the property's value is derived from its rating valuation. The adjusted rated value is the rated value multiplied by the Property Index, which takes into account current rating valuations and sales by land type or region. This brings the rated value to a more realistic fair value.

For Crown pastoral land, the fair value is deemed to be the discounted cash flows of future rental income expected to be received.

For other properties less than \$1 million, the valuations are conducted in accordance with the Rating Valuation Act 1998 (where available) then adjusted to better reflect market values. The adjusted rating value is the rated value multiplied by the Property Index, which takes into account current rating valuations and sales by land type and region.

For other properties over \$1 million, values are based on market values determined by external valuers. Those properties are valued at least every five years on a rolling cycle.

Improvements are shown at cost or valuation, less accumulated depreciation and any impairment costs.

### Valuers

Multiple valuers are engaged by the entity. Valuers engaged in the last 12 months in order to determine the fair value of properties were TelferYoung, Colliers, Lewis Wright and Nathan Stokes, all are accredited independent valuers. The fair value is the amount for which assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on an arm's length basis for land and buildings comparable in size and location to those held by LINZ, and to market based yields for comparable properties.

Valuer	Date of valuation	Fair value of properties revalued \$000
TelferYoung	June 2015	900
Colliers	May 2015	840
Lewis Wright	June 2015	1,100
Nathan Stokes	June 2015	1,920

### Accounting for revaluations

The Crown accounts for revaluations on a class of assets basis.

Revaluation movements are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation, this balance is expensed in the Schedule of Non-Departmental Expenses. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Schedule of Non-Departmental Expenses will be recognised first in the Schedule of Non-Departmental Expenses up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### Additions

The cost of a physical asset is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Crown and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Schedule of Non-Departmental Expenses.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic or service potential associated with the item will flow to the Crown and the cost of the item can be measured reliably.

All other costs are recognised in the Schedule of Non-Departmental Expenses as an expense in the period they are incurred.

### Depreciation

Depreciation is calculated on a straight-line basis on all improvements, other than non-current work in progress, at rates that will write down the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Type of asset	Estimated Life
Improvements	50 years

## INTANGIBLE ASSETS

### Easements

Intangible assets consist of rights to access land. These rights are capitalised on the basis of the costs incurred to acquire that right.

Intangible assets are shown at cost less accumulated amortisation and impairment losses.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Schedule of Non-Departmental Expenses.

## FORESTS

The Crown's interests in forests are valued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of future cash flows after tax. The valuations as at 30 June 2015 were carried out by Alan Bell and Associates, Morice and Kohntrol Forest Services Ltd; all are registered Forestry Consultants (NZIF).

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Schedule of Non-Departmental Expenses. The costs to maintain the forestry assets are included in the Schedule of Non-Departmental Expenses.

## IMPAIRMENT OF NON-FINANCIAL ASSETS

Land, buildings and plant and equipment and improvements are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

### PROVISIONS

A provision is recognised when the Crown has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not recognised for future operating losses.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market rates and, where appropriate, the risks specific to the liability.

### COMMITMENTS

Future expenses and liabilities to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments to the extent there are equally unperformed obligations.

## BUDGET AND FORECAST FIGURES

### Basis of the budget and forecast figures

The 2015 budget figures are for the year ended 30 June 2015 and were published in the 2013/14 annual report (forecast figures). They are consistent with the Department's best estimate financial forecast information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2014/15.

The 2015 revised budget figures are for the year ended 30 June 2015 and are consistent with the Department's best estimate financial forecast information submitted to Treasury for the Supplementary Estimates of Appropriations (SUPPS) for the year ending 2014/15.

The 2016 forecast figures are for the year ending 30 June 2016, these are consistent with the best estimate financial forecast information submitted to Treasury for the BEFU for the year ending 2015/16.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

## ② Summary of Appropriations Changes

	Budget	Budget changes	Total appropriated 2015
	\$000	\$000	\$000
<b>NON-DEPARTMENTAL OUTPUT EXPENSES</b>			
Contaminated Sites	200	(50)	150
Forestry Plantation Activity	610	670	1,280
<b>Total non-departmental output classes</b>	<b>810</b>	<b>620</b>	<b>1,430</b>
<b>NON-DEPARTMENTAL OTHER EXPENSES</b>			
Bad and doubtful debts	25	-	25
Crown forest management	500	-	500
Crown rates	1,157	-	1,157
Depreciation and amortisation	393	-	393
Land liabilities	643	50	693
Proceeds from sale of NZTA properties	100,000	-	100,000
Residual Crown leasehold rents	700	-	700
Soil Conservation Reserve Management	420	80	500
<b>Total non-departmental other expenses</b>	<b>103,838</b>	<b>130</b>	<b>103,968</b>
<b>NON-DEPARTMENTAL CAPITAL EXPENDITURE</b>			
Crown acquisitions – Huntly East	500	(245)	255
Crown purchases – Land exchanges	100	-	100
Soil Conservation Reserve Management	80	(80)	-
<b>Total non-departmental capital expenditure</b>	<b>680</b>	<b>(325)</b>	<b>355</b>
<b>Total appropriations</b>	<b>105,328</b>	<b>425</b>	<b>105,753</b>

## ③ Financial Overview and Performance Variations

### NON-DEPARTMENTAL OUTPUT EXPENSES

Non-departmental output expenses include expenditure for Contaminated Sites and Forestry Plantation Activity. Contaminated Sites is a demand-driven appropriation, and expenditure during the year reflects the level of demand for remedial action. The Forestry Plantation Activity appropriation is dependent on a number of factors in relation to the harvesting of forests, such as age of the tree stock, market conditions and weather.

### OTHER OPERATING EXPENSES AND SALE OF GOODS AND SERVICES

Other operating expenses are underspent; this is largely due to lower than expected sales of NZ Transport Agency (NZTA) land. LINZ acts as a banker for the NZTA, receiving income from land sales and refunding the proceeds back to the NZTA. These refunds require an appropriation.

### CAPITAL RECEIPTS

Land tenure reform sales relate to a leasees' purchase of land as part of high country tenure review. This revenue is lower than the revised budget due to uncertainty surrounding the timing of tenure review settlements.

### CAPITAL EXPENSES

These relate mainly to the purchase of leasees' interests as part of high country tenure review. The expense is lower than the revised budget due to uncertainty surrounding the timing of tenure review settlements. These expenses are managed by a Multi-Year Appropriation. The prior Multi-Year Appropriation expired on 30 June 2014, and a new Multi-Year Appropriation began on 1 July 2014.

## ④ Receivables

	Actual 2014	Actual 2015
	\$000	\$000
Debtors to non-related parties	58,985	39,990
Less: provision for doubtful debts	-	-
<b>Net debtors</b>	<b>58,985</b>	<b>39,990</b>
Receivables – Departments	357	300
Receivables – Crown entities	11,661	7,141
Receivables – State-owned enterprises	-	255
<b>Total receivables</b>	<b>71,003</b>	<b>47,686</b>
<b>REPRESENTED BY:</b>		
Current	71,003	47,686
Non-current	-	-

Debtors are shown net of provision for doubtful debts, which was nil in the current year (2014: nil). The carrying value of debtors and other receivables approximates their fair value.

As at 30 June 2015 and 2014, all overdue receivables were assessed for impairment and appropriate provisions applied, as detailed below.

The provision for doubtful debts has been calculated based on expected losses for the Crown's pool of debtors. Expected losses have been determined based on an analysis of the Crown's losses in previous periods and review of specific debtors. Those specific debtors that are insolvent are fully provided for. As at 30 June 2015, there were no debtors identified as insolvent (2014: nil).

### MOVEMENTS IN THE PROVISION FOR DOUBTFUL DEBTS ARE AS FOLLOWS:

	Actual 2014	Actual 2015
	\$000	\$000
Balance as at 1 July	-	-
Additional provisions made during the year	-	-
Receivables written off during the period	-	-
<b>Balance as at 30 June</b>	<b>-</b>	<b>-</b>

## ⑤ Payables

	Actual 2014	Actual 2015
	\$000	\$000
Payables	65,044	58,575
GST payable	51	333
<b>Total trade and other payables</b>	<b>65,095</b>	<b>58,908</b>

Payables are non-interest bearing and are normally settled on 30-day terms. Therefore the carrying value of creditors and other payables approximates their fair value.

## ⑥ Non-Current Assets Held for Sale

	Actual 2014 \$000	Actual 2015 \$000
Crown Forest land	114,156	66,154
Other	49,356	81,351
<b>Total non-current assets held for sale</b>	<b>163,512</b>	<b>147,505</b>

The \$147.505 million (2014: \$163.512 million) includes forest land and other land classified as held for sale. They are expected to be disposed of in the near future.

## ⑦ Forests

	Actual 2014 \$000	Actual 2015 \$000
<b>COST</b>		
Carrying amount as at 1 July	9,496	9,502
Additions	193	-
Disposals	-	-
Gain/(loss) from changes to fair value	(187)	1,451
<b>Carrying amount as at 30 June</b>	<b>9,502</b>	<b>10,953</b>
<b>REPRESENTED BY:</b>		
Current	316	316
Non-current	9,186	10,637

### THE FORESTRY ASSET VALUE CONSISTS OF THE FOLLOWING FORESTS

McLaren Gully Forest consists of a Radiata Pine forest and is classified as current as it is expected to be disposed of in the near future. The forest was planted in 1978 (1.0ha) and 1986 (16.6ha) as part of the Otago Coast Forest. The valuation does not cover the land beneath the trees; this is separately valued and disclosed within the Crown forest land category of physical assets.

Waerenga O Kuri, Wharekuri and Tangoio Forests were transferred to Land Information New Zealand (LINZ) in March 2010 from the Ministry for the Environment. Tangoio Forest consists of a Radiata Pine forest covering 293.7ha (2014: 293.3ha) and was established from 1985 to 2008. Wharekuri Forest was established with Radiata Pine seedlings in 1977. The current net stocked area is 4.9ha (2014: 5.0ha). Waerenga O Kuri forest was established with Pinus Radiata/Acacia Melanoxylon between 1978 and 2014 over 170.8ha. The valuations do not cover the land beneath the trees; this is separately disclosed within the other category of physical assets.

Wairakei Forest was transferred to LINZ in October 2010 from the Ministry for the Environment. Wairakei Forest's tree species are predominantly Radiata Pine, Douglas Fir and Eucalyptus covering 658.5ha (2014: 671.5ha) The valuation does not cover the land beneath the trees; this is separately valued and disclosed within the other category of physical assets.

As at 30 June 2015, LINZ held trees planted over 1,145.5ha (2014: 987.4ha)

## ⑧ Physical Assets

	Crown forest land \$000	Crown pastoral land \$000	Other \$000	Total \$000
<b>COST OR VALUATION</b>				
Balance as at 1 July 2013	61,863	61,791	140,044	263,698
Revaluation increase/(decrease)	11,222	(5,874)	438	5,786
Additions	-	69,589	19,319	88,908
Disposals and transfers to assets held for sale	(4,511)	(70,765)	(28,157)	(103,433)
<b>Balance as at 30 June 2014</b>	<b>68,574</b>	<b>54,741</b>	<b>131,644</b>	<b>254,959</b>
Balance as at 1 July 2014	68,574	54,741	131,644	254,959
Revaluation increase/(decrease)	(954)	989	4,028	4,063
Additions	-	24,830	3,317	28,147
Disposals and transfers to assets held for sale	(48,000)	(27,167)	12,984	(62,183)
<b>Balance as at 30 June 2015</b>	<b>19,620</b>	<b>53,393</b>	<b>151,973</b>	<b>224,986</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>				
Balance as at 1 July 2013	-	-	(424)	(424)
Depreciation charge for the year	-	-	(199)	(199)
Impairment losses	-	-	-	-
Reversal on revaluation	-	-	104	104
Disposals	-	-	-	-
<b>Balance as at 30 June 2014</b>	<b>-</b>	<b>-</b>	<b>(519)</b>	<b>(519)</b>
Balance as at 1 July 2014	-	-	(519)	(519)
Depreciation charge for the year	-	-	(198)	(198)
Impairment losses	-	-	-	-
Reversal on revaluation	-	-	139	139
Disposals	-	-	17	17
<b>Balance as at 30 June 2015</b>	<b>-</b>	<b>-</b>	<b>(561)</b>	<b>(561)</b>
<b>CARRYING AMOUNTS</b>				
As at 1 July 2013	61,863	61,791	139,620	263,274
As at 30 June 2014 and 1 July 2014	68,574	54,741	131,125	254,440
<b>As at 30 June 2015</b>	<b>19,620</b>	<b>53,393</b>	<b>151,412</b>	<b>224,425</b>

## 9 Intangible Assets

	Actual 2014 \$000	Actual 2015 \$000
<b>COST</b>		
Carrying amount as at 1 July	5,000	5,026
Additions	26	-
Gain/(loss) from changes to fair value	-	-
<b>Carrying amount at 30 June</b>	<b>5,026</b>	<b>5,026</b>
<b>AMORTISATION AND IMPAIRMENT LOSSES</b>		
Balance as at 1 July	640	800
Amortisation expense	160	160
Disposals	-	-
<b>Balance as at 30 June</b>	<b>800</b>	<b>960</b>
<b>Total intangible assets</b>	<b>4,226</b>	<b>4,066</b>
<b>CARRYING AMOUNTS</b>		
As at 1 July 2013		4,360
As at 30 June 2014 and 1 July 2014		4,226
<b>As at 30 June 2015</b>		<b>4,066</b>

Intangible assets consist of two easements – being a right to access land. The useful life of one of those rights is 35 years, which is equivalent to the contractual length of the right. The useful life of the other right is indefinite.

## 10 Provisions

	Actual 2014 \$000	Actual 2015 \$000
Provision for onerous leases	475	487
Huntly East provision	583	665
Other	3,180	996
<b>Total current portion</b>	<b>4,238</b>	<b>2,148</b>
Provision for onerous leases	6,275	6,838
Huntly East provision	12,138	12,704
Other	-	-
<b>Total non-current portion</b>	<b>18,413</b>	<b>19,542</b>
<b>Total provisions</b>	<b>22,651</b>	<b>21,690</b>

	Provision for onerous leases \$000	Huntly East provision \$000	Other provisions \$000	Total \$000
<b>2013</b>				
<b>Balance as at 1 July 2013</b>	7,644	11,494	806	19,944
Additional provisions made during the year	-	1,227	2,374	3,601
Charge against provision for the year	(685)	-	-	(685)
Discounting changes	(209)	-	-	(209)
Unused amounts reversed during the year	-	-	-	-
<b>Balance as at 30 June 2014</b>	<b>6,750</b>	<b>12,721</b>	<b>3,180</b>	<b>22,651</b>
<b>2014</b>				
<b>Balance as at 1 July 2014</b>	6,750	12,721	3,180	22,651
Additional provisions made during the year	-	648	199	847
Charge against provision for the year	(685)	-	(2,383)	(3,068)
Discounting changes	1,260	-	-	1,260
Unused amounts reversed during the year	-	-	-	-
<b>Balance as at 30 June 2015</b>	<b>7,325</b>	<b>13,369</b>	<b>996</b>	<b>21,690</b>

### PROVISION FOR ONEROUS LEASES

LINZ has onerous contract obligations where the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from them. The provision relates to the lease on 1 The Terrace and 3 The Terrace, Wellington, which expires in 2060. The discount rate used for the provision is the forward rate as provided by the Treasury.

### HUNTLY EAST SUBSIDENCE

The Crown has an obligation to purchase properties affected by mining in the Huntly East area (CAB (97) M 33/7A refers). The Huntly East Subsidence Policy states that if a property is not sold on the open market within six months, the Crown will buy the property from the vendor at current market value. Until all properties have been purchased by the Crown, this policy will continue. Properties purchased by the Crown are covenanted to protect the Crown from future liability then on-sold (generally at a lower value as a result of the covenant on the title).



## 11 Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the PBE IPSAS 29 categories are as follows:

	Actual 2014 \$000	Actual 2015 \$000
<b>LOANS AND RECEIVABLES</b>		
Cash and cash equivalents	33,208	23,169
Receivables	71,003	47,686
<b>Total loans and receivables</b>	<b>104,211</b>	<b>70,855</b>
<b>PAYABLES</b>		
Financial liabilities measured at amortised cost	65,095	58,908
<b>Total payables</b>	<b>65,095</b>	<b>58,908</b>

### CREDIT RISK

Credit risk is the risk that a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from debtors and deposits with banks. Funds must be deposited with Westpac, a registered bank.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac bank, there are no significant concentrations of credit risk.

## 12 Post Balance Date Events

There were no post balance date events that required adjustment to the financial statements.

# Appendices

## Legislation we administer

Legislation administered by LINZ:

Cadastral Survey Act 2002
Crown Grants Act 2008
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 (Ngā Pou Taunaha o Aotearoa) Act 2008
Public Works Act 1981
Rating Valuations Act 1998
Reserves and Other Lands Disposal Acts
Valuers Act 1948.

### LINZ ALSO HAS A NUMBER OF STATUTORY OFFICERS WITH SPECIFIC FUNCTIONS UNDER THE VARIOUS ACTS WE ADMINISTER:

- The Commissioner of Crown Lands exercises rights of ownership and has statutory responsibility for all Crown land.
- The Registrar-General of Land is responsible for the regulatory aspects of the land titles system.
- The Surveyor-General oversees and regulates New Zealand's surveying industry and is Chairperson of the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa.
- The Valuer-General ensures district valuation rolls, which are used by territorial authorities for rating purposes, are maintained to appropriate standards. The Valuer-General is also the Chairperson of the Valuers Registration Board.

The Registrar-General of Land and the Surveyor-General, in particular, have special responsibilities relating to land transactions under more than 50 other statutes.

LINZ acts in a secretarial and administrative support capacity for the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa and the Valuers Registration Board.

## Statutory information

This table details information required under section 181 of the Land Act 1948 for the year ended 30 June 2015.

Details	Number	Total area (hectares)	Price paid (\$)	Total yearly rent payable (\$)
Areas of private land or lessees' interest in Crown land purchased during the year	1	0.1	255,000	N/A
Areas of land purchased by the Office of Treaty Settlements under section 40 of the Land Act 1948	2	11	1,100,000	N/A
Leases and licences granted during the year	26	238	N/A	8,467
Leases and licences current at the end of the year	1,533	1,468,305	N/A	2,714,293

### LINZ ALSO HAS FUNCTIONS UNDER A NUMBER OF OTHER ACTS, INCLUDING:

Airport Authorities Act 1966 (relating to disposal of land)
Crown Forest Assets Act 1989 (relating to Crown Forestry Licences)
Crown Minerals Act 1991 (relating to access arrangements to 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)
Local Government Act 1974 (relating to road stopping)
Mining Tenures Registration Act 1962 (relating to residence site licences)
Marine and Coastal Area (Takutai Moana) Act 2011 (relating to reclaimed land interests and customary marine title areas)
New Zealand Railways Corporation Act 1981 (relating to disposal of land)
Overseas Investment Act 2005 (relating to overseas investment applications)
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 Māori Act 1993 (relating to Māori land)
Treaty of Waitangi (State Enterprises) Act 1988 (relating to disposal of land)
Treaty of Waitangi Act 1975 (relating to disposal of land)
Treaty of Waitangi claims settlement acts (various)
Unit Titles Act 2010

## Directory

Office	Contact details	Public Services Provided
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<b>HAMILTON</b>	Corner of Victoria and Rostrevor Streets Private Bag 3028 Hamilton 3240 DX GX 10069 Ph: 0800 665 463 (New Zealand callfree only) Fax (main): +64 7 858 5488 Fax (secondary): +64 7 858 5491	Manual lodgements of land transfer documents  Reading room for viewing land records by appointment
<b>CHRISTCHURCH</b>	CBRE House 112 Tuam Street Private Bag 4721 Christchurch 8140 Ph: 0800 665 463 (New Zealand callfree only) Fax: +64 3 366 6422	Manual lodgements of land transfer documents  Reading room for viewing land records by appointment

### Chief Executive's Statement

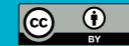
Pursuant to section 44(1) of the Public Finance Act 1989, I am pleased to present the Annual Report of Land Information New Zealand for the year ended 30 June 2015.

*P. Mersi*

**Peter Mersi**, Chief Executive,  
Land Information New Zealand

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P29: Image courtesy of the New Zealand Wilding Conifer Management Group.

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#### DOCUMENT INFORMATION

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