

LAND INFORMATION NEW ZEALAND ANNUAL REPORT 07>08



Toitu te
Land *whenua*
Information
New Zealand



OUR PURPOSE IS TO >
PROVIDE PEOPLE
AND SYSTEMS
THAT ENSURE
CONFIDENCE
IN THE LAND RIGHTS
AND GEOGRAPHIC
INFORMATION
UNDERPINNING
NEW ZEALAND
AS A NATION.

ANNUAL REPORT 2007/2008 >

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 2008.



COLIN MACDONALD

Chief Executive

Land Information New Zealand

This information can be found at:

<http://www.linz.govt.nz/annual-report-0708>

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CHIEF EXECUTIVE'S OVERVIEW>



Kia ora koutou

New Zealanders expect public service departments to deliver services that support them in their daily lives, while ensuring there are robust laws and standards that provide confidence and stability.

For Land Information New Zealand, this translates to ensuring New Zealand has a property rights system with optimally balanced regulation and efficient delivery of services, protecting New Zealanders' security and fuelling economic growth.

Central to this approach over the past few years has been the move to 100% electronic lodgement of survey and titles transactions. This has seen a shift from a completely paper-based system to an online system called Landonline, which enables remote lodgement by conveyancers and surveyors and, in some cases, instantaneous updating of the Landonline database.

February 2009 will see that goal achieved, with conveyancers joining surveyors in lodging all their transactions electronically. In this past year LINZ, and the surveying and conveyancing professions, have met some major milestones towards that goal: full e-lodgement for survey transactions, 70% e-lodgement for title transactions, and significant functionality enhancements that have enabled users to electronically lodge complex dealings.

2007/08 saw the delivery of a substantial part of our three-year plan to ensure our regulatory interventions are optimal – as little as possible, as much as necessary, given the level of risk. At the beginning of this multi-year review, LINZ administered standards, guidelines, regulations, and frameworks recorded in more than 290 documents. When the rationalisation process is completed in 2008/09, we anticipate a total of approximately 35 documents, providing a more accessible and coherent regulatory approach.

LINZ's focus on these two aspects was recognised during the year with the World Bank ranking New Zealand first out of 178 economies for ease in registering and transacting property in their 2008 report on business regulations¹. This is an achievement we are particularly proud of.

LINZ also manages eight percent of New Zealand's land area. In 2007/08, our policy advice on, and administration of, the two million hectares of South Island high country from Marlborough to Southland that is leased or licensed saw some significant achievements. These included addressing the financial return the Crown gets on leased or licensed land, working with the Department of Conservation to identify information that will make it easier for the public to access the high country, providing greater protection to iconic landscapes, lakesides and lowland diversity, and putting in place a more proactive model for engaging with leaseholders and high country stakeholders.

¹ World Bank Report: *Doing Business 2008*, page 24.

Ten substantive Tenure Review proposals were negotiated with pastoral leaseholders in 2007/08. This has designated 53,516 hectares (72%) of pastoral lease land to be returned to full Crown ownership for conservation management, and 20,871 hectares (28%) to be freeholded to former leaseholders.

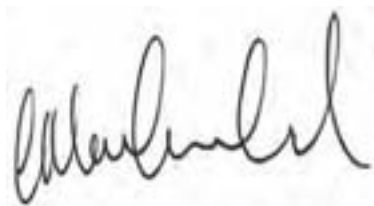
In 2007/08, LINZ made substantial progress towards delivering our two key topographic and hydrographic information projects: development of a new national 1:50,000 topographic map series and the implementation of a new hydrographic data infrastructure.

The new paper map series will be launched in September 2009, and LINZ will coincide this launch of the paper maps with the provision of corresponding electronic versions directly into the databases of New Zealand's emergency services and via our website.

The new hydrographic data infrastructure will ensure LINZ continues to meet our responsibilities for providing official hydrographic information and the increasing expectations of our customers. In 2007/08, our progress included the implementation of a new database to store and process the huge volume of survey data being produced by new technologies. The database will enable more efficient delivery of our products and services and the generation of new products such as Electronic Navigational Charts (ENCs²).

Looking to LINZ the organisation, 2007/08 has seen us continue to manage the fundamental change of re-shaping ourselves to deliver in an electronic environment. As the new Chief Executive of LINZ, I was pleased to find on my arrival in July 2008 that the organisation was both in good shape to do this, and already looking to the future beyond 100% e-lodgement.

In 2007, LINZ began assessing how much more we can contribute to New Zealand through the breadth and depth of our information and land management expertise. We revised our purpose statement, reflecting that we have a role to play in encouraging New Zealand's land information markets to develop and mature, recognising the increasing importance of geospatial information³. While we will always focus on the core business described in this report, I look forward to reporting next year on further progress in that work.



COLIN MACDONALD

Chief Executive

Land Information New Zealand

- 2 *ENCs enable improved efficiency in both distribution of charts and navigation. ENCs can be distributed electronically through a variety of channels that can be adapted to the user's needs. When used with electronic chart display and information systems, an ENC integrates with other navigational systems and gives the mariner access to a wide range of safety features. To aid safe navigation, it enables the mariner to digitally layer charting information with other information, such as GPS, radar, depth sounder, and automatic identification systems. It may also display additional navigation-related information, such as sailing directions.*
- 3 *Geospatial information relates to the location and names of features beneath, on, or above, the surface of the earth. Most human activity depends on geospatial information – on knowing where things are and understanding how they relate to one another. It is part of our daily lives, essential for making decisions on social or environmental outcomes, for running an election, responding to emergencies, or finding our way across town.*

STRATEGIC DIRECTION 2007/2008 >

OUR STRATEGIC CONTEXT >

VISION AND PURPOSE

LINZ exists because New Zealand's economy needs certainty of land-related property rights to function and grow. The foundation that supports those rights is a sound regulatory system for transacting in land, underpinned by timely, accurate and accessible land information.

The regulatory system for transacting in land defines property rights. Characteristics of this system provide, among other things, a secure investment base for New Zealanders:

- **Indefeasibility:** the property rights may not be annulled or made void.
- **Exclusivity:** the property rights may be exercised by whoever holds them and no one else.
- **Tradability:** the property rights may be traded (bought and sold). This provides, among other things, a secure investment base for New Zealanders.
- **Guarantee:** the property rights are backed up by a government guarantee, a remedy against loss.

New Zealand needs systems and processes designed to:

- maintain and deliver high-quality information on our land and sea areas, and
- manage and enforce land transactions.

In this sense, information is essential to our nationhood, legal system, economy, and communities. Everyone – from homeowners to emergency services, businesses, iwi, recreational groups and government agencies – needs robust land information to make decisions and carry out their day-to-day lives.

Our vision is that **LINZ is valued as the Government's centre of electronic land information and expertise.**

This vision reflects the importance we place on providing the regulatory framework and the trusted and legitimate land information in which the public can have confidence.

In working towards this vision, we have increasingly used electronic channels to optimise the collection, availability and utility of government-owned land information.

The key pillars that support this vision are contained in our purpose for 2007/08: **to provide people and systems that ensure confidence in the land rights and geographic information underpinning New Zealand as a nation.**

OUR VALUES

LINZ's values are the building blocks of our organisational culture and help ensure a unity of purpose and direction among staff. The values that we model throughout our work are:

Certainty – a commitment to quality outcomes that endure.

Integrity – honesty and openness, doing our best.

Adaptability – flexibility and innovation, staying ahead of the game.

Kotahitanga – everybody working together as one.

LINZ is committed to delivering high-quality policies and services. This means continually improving our capability to meet future and changing needs, for example through our ongoing commitment to the Development Goals for the State Sector (see page 27.)

We recognise the importance of the Treaty of Waitangi and the Crown's obligations as the Treaty partner. LINZ actively engages with tangata whenua and continually reviews the implications of our policies and decisions on Māori. We also work to further build our responsiveness to Māori, an integral part of improving our capability.

OUR ROLE

Government plays a key role in enabling New Zealanders to generate prosperity through the creation and maintenance of some of the institutional structures required for economic growth.

In the land market, this means providing for certainty of property rights – rights that establish clear ownership for land-related property. This includes providing part of the legal system covering land-related property. The government creates private property rights through regulation.

Over the past 150 years, New Zealand has developed a robust system for defining and protecting property

OUR STRATEGIC CONTEXT >

rights for land. This system depends on an ability to access the geographic information that gives these property rights meaning “on the ground”.

As well as supporting private property rights, LINZ regulates the management and disposal of the Crown’s interest in land and property in accordance with the Public Works Act 1981 and the Land Act 1948. We also ensure that government agencies comply with these statutory requirements when buying and selling land and property.

In short, we:

- provide an effective and efficient regulatory framework for defining and dealing in property rights in land
- maintain publicly available core geographic information that underpins property rights in land, our constitutional framework, national security, and emergency service responses, and
- efficiently manage land-related liabilities on land owned by the Crown.

OUR FUNCTIONS

LINZ is responsible for:

- developing land information policy
- developing regulatory frameworks used to define and transact land
- administering the land titles registration system under the Land Transfer Act 1952
- providing a secure environment for the buying, selling and subdividing of land through:
 - guaranteed titles for property dealings, and
 - an accurate system of land boundary definition
- administering the Crown’s interests in land through:
 - the acquisition, disposal or administration of Crown land
 - the management of Crown land liabilities, and
 - controlling pest plants and animals on Crown-owned land
- providing a nationally consistent valuation system for rating purposes

- helping government agencies address Treaty of Waitangi issues by providing information on land history and status and contributing to the policy relating to Treaty settlements
- administering the Overseas Investment Act 2005 by:
 - making decisions, under delegation, on applications by overseas people who want to buy significant business assets or certain land in New Zealand
 - advising relevant ministers (for non-delegated applications, including fishing quota applications) on how those applications should be decided, and
 - monitoring compliance with conditions of consent and enforcing breaches of the overseas investment legislation, and
- ensuring that New Zealand has high-quality databases for its survey, mapping, hydrographic and property activities.

OUTCOMES FOR LAND MANAGEMENT AND LAND INFORMATION>

MANAGING FOR OUTCOMES – HOW WE DELIVER RESULTS

To fulfil our role of ensuring trusted land information and the best use of Crown assets, LINZ has adopted effective management and governance processes.

LINZ has worked to an outcomes framework that establishes:

- what we want to achieve
- the activities and initiatives that will contribute to these results, and
- the capability required to deliver those services now and in the future.

We use performance measures to gauge progress towards our outcomes and to make informed decisions about allocating resources to areas of greatest value. We also acknowledge the value and contribution other agencies make towards these outcomes, and actively engage and work collaboratively with them to achieve these results.

Our outcomes framework as set out in our 2007/08 Statement of Intent is illustrated in the diagram on page 10.

END OUTCOMES – THE RESULTS NEW ZEALAND CAN EXPECT FROM OUR WORK

LINZ aims to ensure:

- certainty of New Zealand’s property rights and interests
- availability of land information:
 - to enable the New Zealand economy to function effectively, and
 - to provide safety and security for New Zealanders, and
- the best use of Crown assets.

We acknowledge that we are not the only contributor to these end outcomes. LINZ works in co-operation with other government agencies to improve on what each might individually be able to contribute.

Certainty of New Zealand’s property rights and interests

“Certainty” means that New Zealand property rights and interests are able to be determined practically and with an appropriate level of confidence.

Availability of land information

As well as collecting and maintaining land information, LINZ is responsible for making it available for use by other agencies such as emergency services and the New Zealand Defence Force.

In a knowledge economy, the availability of information that can be trusted, understood and aggregated improves decision-making, reduces waste, lowers risk, and provides greater certainty. Government plays a significant role because the market cannot always generate or provide the necessary information.

Best use of Crown assets

All government agencies work to ensure that Crown assets are put to their best use. For LINZ, however, this is an end outcome because of our central role in managing Crown land and property.

INTERMEDIATE OUTCOMES – KEY STEPS TOWARDS DELIVERING THESE RESULTS

LINZ has three intermediate outcomes that will help us achieve the end outcomes listed above:

- an effective system for defining and transacting land
- convenient access to integrated land information, and
- effective and efficient management of Crown land and liabilities.

An effective system for defining and transacting land

This helps provide “certainty of New Zealand’s property rights and interests”. There are three components to this.

Firstly, LINZ is responsible for the regulatory framework that is used to define land by survey, giving definition of property rights in terms of legal authority and the physical extent of rights on the ground.

Secondly, as part of the regulatory framework, LINZ maintains the land titles registry, Landonline.

OUTCOMES FOR LAND MANAGEMENT AND LAND INFORMATION>

Thirdly, LINZ provides advice to ministers, and makes decisions under delegated authority on applications from overseas people and organisations wanting to invest in land and other assets in New Zealand.

Convenient access to integrated land information

This helps New Zealanders make better decisions about such things as:

- future land use, particularly resource management
- land investments, and
- where they can go to enjoy recreational activities.

Effective and efficient management of Crown land and liabilities

This helps ensure the “best use of Crown assets”.

LINZ regulates the management and disposal of the Crown’s interest in land and property in accordance with the Public Works Act 1981 and the Land Act 1948. When government agencies buy and sell property, LINZ is responsible for the legislation that enables the transaction to take place (if and when necessary), and ensures that robust statutory decisions are made, and that statutory requirements are complied with, in a consistent manner.

We are also responsible for managing Crown land and property on the Crown’s balance sheet in accordance with the regulatory framework. We control pests, plants and animals on this land and on Crown-owned river beds and lake beds.

The land we manage ranges from large pastoral leases, to forests held in trust for Treaty of Waitangi settlements, to small plots of land. We sometimes inherit land contaminated by previous owners and occupiers.

The diversity of our land portfolio means we must manage land in a manner that is appropriate to its type. For example, through the Tenure Review process we work to:

- achieve the Government’s ten objectives for the South Island high country⁴
- promote the ecologically sustainable management of high country land
- protect land with significant inherent values by retaining it in Crown ownership

- make it easier for the public to access high country land, and
- make it easier for leaseholders to freehold high country land not retained by the Crown.

In managing Crown land effectively and efficiently, LINZ is protecting New Zealanders’ interests by ensuring that this land is put to best use. (This is the best use given the Government’s desired economic, social and environmental outcomes.)

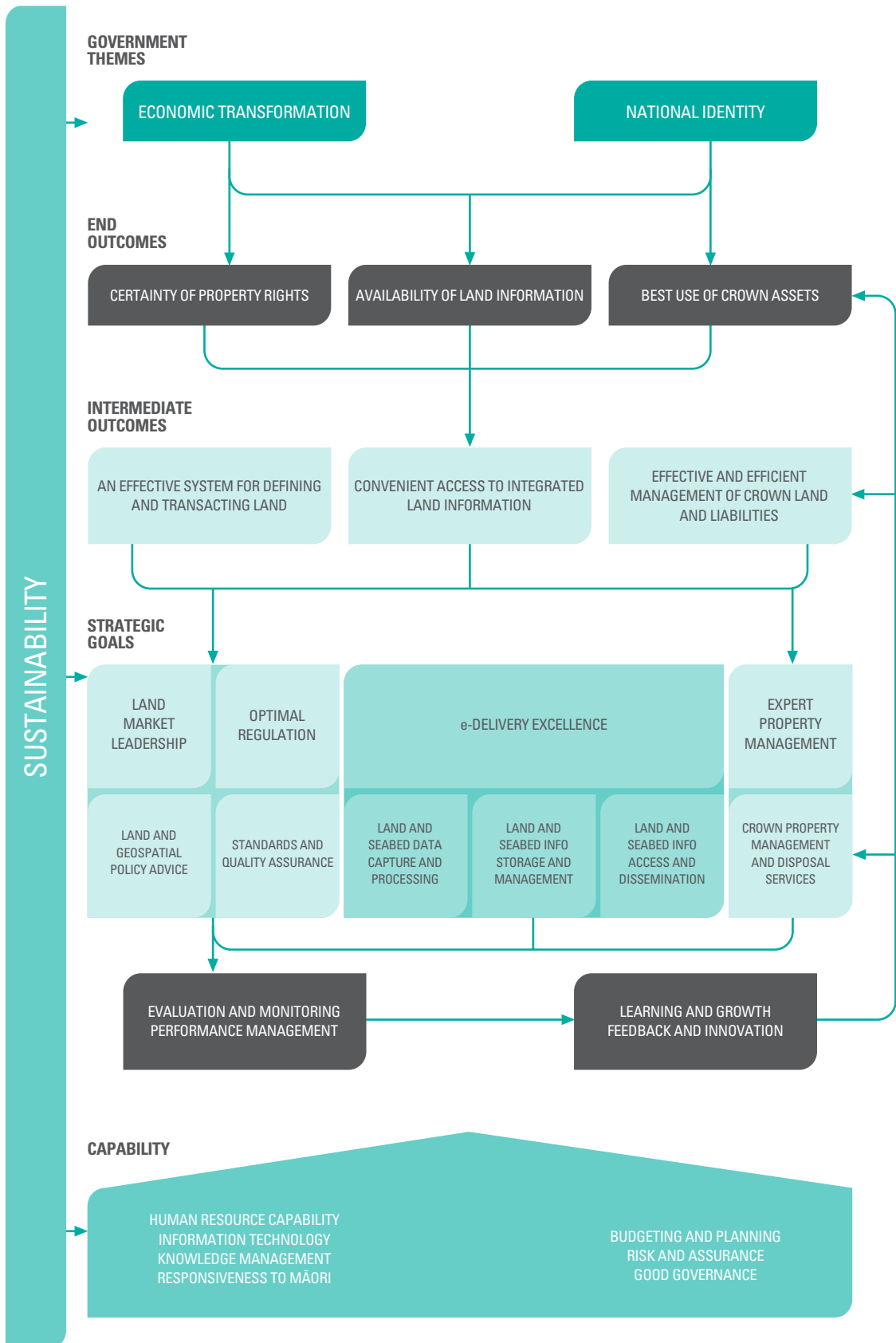
In this context, effective and efficient management means:

- protecting landowners’ rights when the Crown disposes of land
- acquiring land for the Crown for a good reason
- ensuring landowners are fully aware of their rights and have the opportunity to negotiate on a reasonable and equal footing
- keeping land management costs as low as possible
- being a responsible landowner, landlord and neighbour
- protecting the Crown’s interest by complying with laws and regulations affecting Crown land, and
- keeping accurate records of the land LINZ holds.

⁴ See <http://www.beehive.govt.nz/release/objectives+south+island+high+country>.

OUTCOMES FOR LAND MANAGEMENT AND LAND INFORMATION >

OUR OUTCOMES FRAMEWORK



OUTCOMES FOR LAND MANAGEMENT AND LAND INFORMATION>

OUR STRATEGY AND PLANNING FRAMEWORK – LINKING OUR WORK TO THE GOVERNMENT’S THEMES AND LINZ’S OUTCOMES

Our strategic direction and planning for 2007/08 began with our vision. This vision has represented our over-arching aim to create value by providing land information that uses electronic channels to optimise the collection, availability and usability of government-owned land information, and to be a centre of e-delivery excellence. To help us achieve this vision, LINZ developed strategic goals:

Land market leadership – private and public agencies understand LINZ’s role in the land market and use our expertise.

Optimal intervention – an outcome focus that moves the industry towards self-regulation as far as possible given the level of risk.

e-delivery excellence – LINZ’s primary customers exclusively use electronic channels, consistent with the e-government strategy.

Expert property management – property management that balances economic, social and environmental outcomes.

These four goals have been fundamental to LINZ acting as a strategically focused organisation and have underpinned our planning and reporting processes for 2007/08.

DEMONSTRATING OUR PROGRESS TOWARDS OUTCOMES

In the 2007/08 Statement of Intent, we signalled our intention to review and assess the environment within which LINZ operates to determine what this means for our future. During the past financial year, we have applied a framework for:

- describing the value we currently deliver, and
- identifying the value we must deliver in the future to meet the needs and expectations of New Zealanders.

This work has confirmed the importance of providing accurate and trustworthy land information and effectively managing Crown land, which remain LINZ’s core business. We aim to build on that trusted position and identify new opportunities for land information to contribute further to economic and social outcomes. In the 2008/09 Statement of Intent, we stated our amended purpose and included a new outcome.

ACHIEVEMENTS>

In the 2007/08 Statement of Intent we identified those key priorities that were critical to LINZ being able to contribute to meeting the Government's priorities of Economic Transformation and National Identity. This section sets out those priorities, our achievements and their contribution towards our outcomes.

The table below identifies those key priorities that were our areas of major focus, the strategic goal and Government priority to which they contribute, and the output class to which they relate.

OUR VISION – LINZ IS VALUED AS THE GOVERNMENT'S CENTRE OF ELECTRONIC LAND INFORMATION AND EXPERTISE		
TOTAL FUNDING PLANNED FOR 2007/08		
\$128,496,000		
<p>STRATEGIC GOAL 1</p> <p><i>Key priorities</i></p> <p>High country policy</p> <p>Establishing the Geospatial Office</p>	<p>LAND MARKET LEADERSHIP</p> <p><i>Contributes to Government priority</i></p> <p>Economic Transformation and National Identity</p> <p>Economic Transformation and National Identity</p>	<p>OUTPUT CLASS 1</p> <p>\$2,126,000</p>
<p>STRATEGIC GOAL 2</p> <p><i>Key priorities</i></p> <p>Regulatory interventions review</p> <p>Supporting the 2007 Electoral Representation Commission</p>	<p>OPTIMAL INTERVENTION</p> <p><i>Contributes to Government priority</i></p> <p>Economic Transformation</p> <p>National Identity</p>	<p>OUTPUT CLASS 2</p> <p>\$10,882,000</p>
<p>STRATEGIC GOAL 3</p> <p><i>Key priorities</i></p> <p>Landonline 100% e-lodgement programme and associated projects</p> <p>Hydrographic data infrastructure</p> <p>New 1:50,000 map series</p>	<p>e-DELIVERY EXCELLENCE</p> <p><i>Contributes to Government priority</i></p> <p>Economic Transformation</p> <p>Economic Transformation and National Identity</p> <p>Economic Transformation</p>	<p>OUTPUT CLASSES 3, 4 AND 5</p> <p>\$92,273,000</p>
<p>STRATEGIC GOAL 4</p> <p><i>Key priorities</i></p> <p>Building the Overseas Investment Office database</p>	<p>EXPERT PROPERTY MANAGEMENT</p> <p><i>Contributes to Government priority</i></p> <p>Economic Transformation and National Identity</p>	<p>OUTPUT CLASS 6</p> <p>\$23,215,000</p>

ACHIEVEMENTS>

STRATEGIC GOAL 1: LAND MARKET LEADERSHIP

Our objective

Private and public agencies understand LINZ's role in the land market and use our expertise.

Contribution to end outcomes

Certainty of New Zealand's property rights and interests.

Best use of Crown assets.

Contribution to intermediate outcomes

An effective system for defining and transacting land.

Convenient access to integrated land information.

Effective and efficient management of Crown land and liabilities.

High country policy

Why high country policy was a priority

The Crown owns approximately two million hectares of high country land from Marlborough to Southland which is leased or licensed. This land is in addition to all of the land in the conservation estate in the South Island. It is generally more than 600 metres above sea level and is concentrated predominately in Otago and Canterbury. Much of this land comprises pastoral leases. Pastoral leases (of which there are 243 as at 31 June 2008) were established under the Land Act 1948, although land in the South Island high country has been licensed or leased since about 1850. Much of this land is sub-alpine and environmentally fragile. Pastoral land was designated a separate category of land by the Land Act, largely because of its poor condition. This condition reflected the ravages of high rabbit numbers, overgrazing, burning, and erosion.

The Land Act was drafted with the intent of giving lessees an incentive to manage environmental values in an appropriate manner (i.e. to act as a steward of the land) and to obtain a return on improvements they undertook. This incentive took the form of secure rights to the land (i.e. a perpetual right of renewal), exclusive occupation of the land, and the right to use the land for pastoral farming.

Ministers have expressed concern about three issues regarding the South Island high country:

- The way in which land is valued for setting rents for pastoral leases. In recent years, the market value of certain land in the high country that is perceived to possess desirable characteristics (e.g. views) has appreciated substantially. This has led to increased value being derived by lessees from the sale of pastoral leases.
- Whether Tenure Review, as an intervention, adequately protects landscape values – especially around lakesides – and lowland biodiversity within the high country.
- The fact that public access to the high country is not always identifiable. In particular, the current location and extent of marginal strips⁵, and the current practice of identifying marginal strips, are particularly relevant to the Government's walking access policy.

The activities we said we would undertake in 2007/08

Policy advice, including:

- the valuation methodology for setting rents – developing policy for addressing the implications of the Government's response to the High Country Pastoral Lease Review to ensure that a fair financial return is achieved on the Crown's high country assets
- the identification of marginal strips information – information to make it easier for the public to access high country, one of the Government's high country objectives, and
- greater protection for certain lands (e.g. landscapes, lakesides and lowland diversity) and improved access to rivers, lakes and public lands.

What we have achieved

Valuation review

In late 2007, the Minister for Land Information released a final report by a panel of senior valuers on pastoral lease rental and Tenure Review valuation methodologies, and an accompanying government policy response. LINZ led the policy analysis for this response.

Because the Government recognised that its response would have an impact on some lessees, LINZ was asked to explore options for addressing the issue of

⁵ Marginal strips are strips of Crown-owned land created along certain waterways when the Crown disposes of any Crown-owned land and also when pastoral leases come up for renewal. Marginal strips comprise the borders of rivers and streams that have an average width of three metres or more and the foreshores of lakes. Marginal strips are reserved for conservation and public access purposes.

The fact that a marginal strip exists does not necessarily imply that all marginal strips have been identified, recorded or appear on maps.

ACHIEVEMENTS>

affordability, including remitting rent in return for additional sustainable management contributions – such as pest and weed control – or for improved public access.

During the year, LINZ reported back with options for rent adjustment to address the issue of affordability. As a result, Cabinet agreed to allow the Commissioner of Crown Lands to offer rent adjustment to lessees in appropriate cases and to allow all lessees, whether existing or new, to seek rent adjustment. LINZ developed guidelines for implementing this policy.

Marginal strips

During the year, LINZ developed policy proposals for the identification of marginal strips. We proposed a new process for identifying and graphically depicting marginal strips when any land is disposed of by the Crown. This proposal was accepted by Cabinet. It requires that, when Crown land is sold, waterways must be identified where marginal strips exist.

LINZ has also undertaken a study to determine whether significant existing marginal strips can be identified through satellite imagery and aerial photography. We proposed that decisions about how best to identify existing marginal strips be made in the context of the Government's walking access policy. Advice on this issue is ongoing.

Lakeside protection

Some South Island high country pastoral leases have highly significant lakeside, landscape, biodiversity or other values that the Crown wishes to protect. The Tenure Review process may not protect these values to the satisfaction of the Crown. As a result, the Government directed LINZ and the Department of Conservation (DOC) to identify those pastoral lease properties where the Crown should withdraw from the Tenure Review process (or not enter it).

LINZ and DOC developed policy proposals to give effect to the protection of lakeside properties.

Cabinet subsequently agreed that if lessees agree to specific protections, the associated leased properties could continue with Tenure Review. These protections include lakeside land being retained in Crown ownership or covenanted to restrict subdivision, and significant landscape, biodiversity and access values being protected.

Lands of potential interest

During the year, LINZ was directed by Cabinet to review existing processes for the disposal of Crown-owned land. This review was intended to ensure that wider national interests are identified and appropriately protected before Crown-owned land is disposed of.

LINZ led the development of processes that identify land of potential interest and protect it, based on historic heritage, cultural, local, and recreational values. LINZ manages these processes.

Establishing the Geospatial Office

Why establishing the Geospatial Office was a priority

Geospatial information⁶ is important for a wide range of government and private sector activities, including managing hazards and emergencies, planning defence and transport services, managing the environment, settling Treaty of Waitangi claims, and providing health services.

A co-ordinated approach to managing geospatial information increases efficiency and effectiveness and optimises the benefits of public investment in geospatial resources. It reduces duplication, increases awareness of existing information and makes information more usable by ensuring interoperability.

The activities we said we would undertake in 2007/08

- Develop an inter-agency work programme for creating a more co-ordinated approach to managing government's geospatial information resources, involving:
 - developing an all-of-government geospatial policy programme, and
 - determining the initiatives to be undertaken in relation to geospatial datasets critical to the effective running of government, and their order of priority.

What we have achieved

The New Zealand Geospatial Office was created in 2007. Since then, a Geospatial Executives Group has been established, advised by a Geospatial Advisory Group. The Geospatial Advisory Group is an inter-departmental working group tasked with the development of an all-of-government programme.

⁶ Geospatial information relates to the location and names of features beneath, on, or above, the surface of the earth. Most human activity depends on geospatial information – on knowing where things are and understanding how they relate to one another. It is part of our daily lives, essential for making decisions on social or environmental issues, for running an election, responding to emergencies, or finding our way across town.

ACHIEVEMENTS>

Following a period of consultation within New Zealand and overseas (including ANZLIC members⁷), the groundwork for the all-of-government programme is now complete, with the work programme expected to be finalised by the end of September 2008.

Oceans Survey 20/20

During 2007/08, the Oceans Survey 20/20⁸ programme supported the New Zealand International Polar Year – Census of Antarctic Marine Life (IPY CAML) project. With funding from Oceans Survey 20/20, the IPY CAML project was a major collaboration between LINZ, the Ministry of Fisheries, the Ministry of Foreign Affairs and Trade, Antarctica New Zealand, the National Institute of Water and Atmospheric Research, New Zealand universities, and the Italian Antarctic Programme.

To better understand and protect Antarctica's unique marine environment, New Zealand scientists embarked on a 50-day voyage on the research vessel *RV Tangaroa* to survey the vast marine environment and explore the variety of life forms in the Ross Sea.

The Antarctic marine environment supports large populations of animals and plants whose lives are highly dependent on the annual cycles of freezing and thawing of sea-ice. It extends in winter to cover huge oceanic areas, and shrinks in summer. This whole dynamic is expected to change with global warming, with unknown effects on the biodiversity. The voyage collected information that can be used as a baseline to monitor future effects of climate change.

With a “biodiversity” focus, the survey took samples from the sea surface to seabed, from mega-size to microscopic, across a wide range of environmental and geographic gradients. This included collecting animal and plant samples and capturing video and still images of the seafloor down to depths of 4,000 metres, in areas not explored before.

The data captured in the voyage will contribute to high-profile environmental issues, particularly climate change and its effects on the Southern Ocean.

The voyage was part of a wider global scientific programme known as International Polar Year (IPY). IPY runs from March 2008 until March 2009, and aims to better understand the land and sea environments of

the Arctic and Antarctica and the role they play in influencing climate change. The survey also formed part of the Census of Antarctic Marine Life (CAML) – a multi-national research project to survey marine ecosystems and habitats around Antarctica, involving 23 countries in 17 co-ordinated voyages.

As a leader in marine research and ecosystem monitoring of the Ross Sea, New Zealand is committed to improving sustainable management of fisheries in the region. The results of this work will support this commitment, and be a critical input to the sustainable management of the fisheries in the region under the Commission for the Conservation of Antarctic Marine Living Resources, which is part of the Antarctic Treaty System.

STRATEGIC GOAL 2: OPTIMAL INTERVENTION

Our objective

An outcome focus that moves the industries LINZ regulates⁹ towards self-regulation as far as possible given the level of risk.

Contribution to end outcomes

Certainty of New Zealand's property rights and interests.

Contribution to intermediate outcomes

An effective system for defining and transacting land through:

- readily obtainable information – directly or indirectly – at a reasonable cost
- greater reliability of information on rights on which to base investment or development decisions, and
- rights that can generally be transferred without redefinition.

Regulatory interventions review

Why reviewing regulatory interventions was a priority

2007/08 was the third year of a multi-year programme to rationalise all LINZ standards. These standards include Acts and the regulatory and rule-making powers delegated to LINZ through legislation. The goals of this rationalisation programme have been to:

- focus each regulation on the risk to be mitigated and the outcome to be achieved, rather than on *how* the outcome will be achieved

⁷ *The Australia New Zealand Land Information Council, an intergovernmental organisation that provides leadership in the collection, management and use of spatial information in Australia and New Zealand.*

⁸ *Oceans Survey 20/20 is a 15-year, LINZ-administered programme that is due to be completed in the year 2020. The programme's goal is to survey the seabed and subsurface, the water column and the atmosphere within New Zealand's marine jurisdiction.*

⁹ *For example, conveyancers, cadastral surveyors and rating valuers.*

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- develop a regulatory framework that ensures that all our interventions are optimal, meaning that each intervention is appropriate for the level and severity of the risk the intervention is intended to mitigate
- ensure that consistent practices are adopted across all the industries LINZ regulates, and
- ensure all our customers and stakeholders understand the objectives of the interventions we develop.

This programme reduces the level of regulatory prescription, allowing the targets of our regulations – such as conveyancers and surveyors – to be flexible and innovative in how they meet standards.

With the framework fully established, we continue to review all our standards to ensure alignment with the goals outlined above. Survey and title standards were the initial priority, given the 100% e-lodgement programme.

The activities we said we would undertake in 2007/08

- Complete the development of new standards for survey and titles, expanding this to the valuation and Crown property areas.
- Move our regulatory compliance approach from auditing individual activities to testing the systems and controls of those required to comply, as a means of providing a greater level of assurance to regulators and of being forward-looking and preventative.

What we have achieved

To achieve the desired goals of rationalisation, LINZ has conducted a rigorous, transparent and inclusive process. The process has been rigorous in the application of a risk-based approach to determining the optimal level of intervention – neither more nor less than required to manage the associated risk. It has been transparent and inclusive through extensive stakeholder engagement: consultation on risk and requisite intervention, accompanied by communication and explanation of the rationale behind each intervention.

At the beginning of this review of interventions, LINZ administered standards, guidelines, regulations, and frameworks recorded in more than 290 documents. When the rationalisation process is complete, LINZ anticipates a total of approximately 35 documents, providing a more accessible and coherent regulatory approach.

Rationalisation of standards for land titles registration, cadastral survey, geodetic survey, and rating valuations, is complete or very close to it. LINZ has also made significant advancement in the Crown land and Public Works Act areas, where interventions have been drafted and will be consulted on and finalised in 2008/09. A review of standards in the topographic and hydrographic sectors is also well advanced.

Each stage of the review work is fully tested to ensure understanding and agreement. Industry is involved throughout the intervention-setting process, so the focus moves from “why a standard exists” to “how best to comply”. This creates efficiencies in delivery and should raise the level of first-time compliance and lower compliance costs.

All regulatory interventions were peer-reviewed, including assessment by expert committees. These interventions were then assessed by an independent source across four dimensions:

- appropriateness of the type of intervention relative to the risk
- acceptability to the industry of the content of the intervention, which bears greatly on compliance
- fairness of the process, e.g. is the industry sufficiently involved?
- usability of the published document: is it outcome-focused, easy to read and written in plain English?

The assessment indicated that the rationalised interventions developed under the review met or exceeded the performance targets across all four dimensions.

LINZ is planning for the rationalisation process to be complete at the end of the 2008/09 year.

Supporting the 2007 Electoral Representation Commission

Why supporting the Electoral Representation Commission was a priority

The Electoral Representation Commission is responsible for periodically readjusting electoral district boundaries and for naming electorates. The boundaries must meet prescribed population quotas and the Commission is required to take into account existing electoral boundaries, communities of interest, communications and topographical features and, in the case of the Māori electorates, tribal affiliations.

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LINZ provides technical support to the Chief Electoral Office. This support includes arranging for the provision of all mapping for official and public use. Once the boundaries have been finalised, LINZ is also required to produce an updated index of all streets and places within each electoral district. This is produced from the information LINZ routinely maintains on advice from territorial authorities.

The activities we said we would undertake in 2007/08

- Produce provisional boundaries.
- Manage contracts for map production.
- Provide quality assurance that maps reflect the Commission's decisions.

What we have achieved

The provisional electoral boundaries were produced on time to meet all statutory deadlines and within budget. The contracts for the production of maps for electoral boundaries were managed, and overall quality assurance was provided to ensure the Commission's decisions were reflected correctly on maps and plans. A review of the process was carried out for future enhancements.

STRATEGIC GOAL 3: e-DELIVERY EXCELLENCE

Our objective

LINZ primary customers exclusively use electronic channels, consistent with the e-government strategy.

Contribution to end outcomes

Certainty of New Zealand's property rights and interests.

Availability of land information.

Contribution to intermediate outcomes

An effective system for defining and transacting land through:

- readily obtainable information – directly or indirectly – at a reasonable cost
- greater reliability of information on rights on which to base investment or development decisions
- quick processing of transactions
- minimised transaction costs in relation to tradable rights, and
- systems that are easy to use, both internally and externally.

Convenient access to integrated land information:

- discoverable; meaning it is well indexed, easy to find, and the source of the data is understood
- convenient to access and at a reasonable cost
- fit for the purpose for which it was collected
- interoperable; meaning it can be combined with other land information data, and
- collected once, but able to be used many times.

Landonline

Why Landonline 100% e-lodgement was a priority

In February 2006, Cabinet approved the phasing out of paper-based lodgement of land transactions by 1 July 2008. The move to 100% e-lodgement is expected to bring significant benefits to New Zealanders, including:

- electronic transaction charges that reflect the lower overall cost of electronic processing compared with manual processing
- ongoing productivity and efficiency gains for customers and their clients from an automated process that enables new titles to be issued faster when buying, selling and subdividing property, and
- reduced risk and greater confidence about identity and security when updating the titles register and cadastre, including a decreased reliance on physical document security.

The activities we said we would undertake in 2007/08

Capability and change management

- Continue the change management processes begun in 2006, including:
 - phasing out 106 processing staff positions by 2008, and
 - continuing to train staff to ensure they are able to process the complex transactions that will still need manual intervention in the future, and to ensure they can provide remote real-time support to users at the point of lodgement.

Customer uptake of e-lodgement

- Continue to train and fully support surveying and conveyancing customers as they move to 100% e-lodgement from July 2008.
- Develop and implement a strategy for managing the public's continued access to core survey and title paper records after LINZ's public counters close in line with the introduction of 100% e-lodgement.

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Technology enhancements to Landonline

- Continue the phased release of new functionality and enhancements to the Landonline system to enable all survey, and almost all title, transactions to be lodged electronically.
- Redevelop the Landonline information website to ensure it provides optimal support for 100% e-lodgement and continues to meet the need for ever-improving online information, self-help tools and assistance.

Policy and legislative changes

- Continue the policy and legislative changes needed to support 100% e-lodgement.

What we have achieved

LINZ has been phasing in the mandatory dates for titles and survey electronic lodgement using our *e-dealing*¹⁰ and *e-survey*¹¹ services. LINZ has successfully met the mandatory dates for electronic lodgement of routine transfers and mortgages (August 2007) and of all survey datasets (September 2007). In agreement with the industry and the Minister, the original target of 1 July 2008 for all transactions was moved to the end of February 2009. By 1 July 2008, all surveys and most title dealings were lodged electronically. All remaining titles transactions, such as caveats and rights of way, will be lodged electronically from the end of February 2009.

Two major releases of new functionality and enhancements enabled more complex titles instruments to be lodged through *e-dealing*. One further release is scheduled for September 2008, which will complete the technology enhancement programme and enable all titles instruments to be lodged electronically, with the exception of those where original signatures are required, e.g. court orders.

The Landonline system continues to deliver significant benefits to surveyors and conveyancers, enabling them to streamline their business processes and reduce the cost and time of processing a land transaction. We remain on track to achieve the expected benefits.

Capability and change management

The efficiency of e-lodgement has allowed LINZ to consolidate resources in our processing centres, which will lead to the eventual closure of the centres in Auckland, Wellington and Dunedin. To date, 82

positions have been phased out, with a further 19 positions scheduled to be phased out by February 2009.

LINZ developed a structured learning programme for new recruits in Hamilton and Christchurch, and completed a successful pilot for new survey and titles staff in early April 2008. Under the programme, new staff receive comprehensive training in their first six months, resulting in a much quicker transition to competence in the role than previously. Trainees from the pilot programme were transitioned into work teams after April. LINZ has begun to investigate the possibility of applying the same type of structured learning to train new recruits in other skilled positions.

Customer uptake

During the year, LINZ continued our proactive programme for supporting survey and conveyancing professionals through the phased introduction of mandatory e-lodgement. This included conducting two road shows for conveyancing professionals and a number of presentations to district law societies. The road shows and targeted training materials provided by LINZ have helped to train and support conveyancing professionals before each new release of Landonline functionality. These efforts have been key to the uptake of e-lodgement by conveyancers. By the end of June 2008, there had been significant uptake of the new functionality, and overall *e-dealing* is being used to lodge most titles dealings (by volume) with LINZ.

LINZ continues to support *e-survey* through remote, real-time telephone support and an enhanced website, including an interactive forum where surveyors can share their experiences and provide online help and tips.

The move from paper to e-delivery means that public counters in the Auckland, Wellington and Dunedin processing centres will close in early 2009 in line with the mandatory date for electronic title lodgement. The two processing centres that will remain open – Hamilton and Christchurch – will continue to offer some counter services. Internal consultation on plans to close the public counters occurred during the fourth quarter of 2007/08. External consultation on the processes required to support the public in an environment without public counters began in July 2008.

LINZ published a strategy for storage and preservation

¹⁰ *e-dealing*, accessed through Landonline, is a process that allows the electronic registration of land title transactions.

¹¹ *e-survey*, accessed through Landonline, is a process that allows the electronic lodgement of survey datasets.

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of survey and title core paper records in October 2007. Implementation of this strategy is underway.

Technology enhancements to Landonline

This work stream ensures that LINZ's technology supports the move to 100% electronic lodgement. Releases 2.10 and 3.0 of Landonline were successfully implemented during the year. Release 3.1, which introduces an additional 177 instruments to *e-dealing* – including caveats, variations of mortgages and transmissions – is currently being tested and is scheduled to be implemented in September 2008.

In addition to adding new functionality, LINZ has placed significant focus on the availability of Landonline. This effort has resulted in the system being available 99.8% of the time during extended business hours, including weekday evenings and 9am to 5pm Saturdays.

Policy and legislative changes

During the year, new regulations were implemented to support the mandatory dates for transfers and mortgages and surveys. Regulations were also implemented to support the electronic lodgement of additional title instruments. In addition, LINZ completed consultation with the industry and other government departments on regulations for Landonline Release 3.1, which is the final enhancement to Landonline before e-lodgement becomes fully mandatory in early 2009.

Hydrographic data infrastructure

Why hydrographic data infrastructure was a priority

Hydrography is the measurement and description of the seabed and adjoining coastal areas. LINZ is the government steward of core hydrographic information, produced primarily to support navigation and safety of life at sea. This information underpins the study, management and sustainable exploitation of the country's marine resources and is collected, managed and distributed in accordance with international standards.

The current infrastructure supporting the capture, access, management, maintenance, and distribution of this information was identified as needing improvement to ensure LINZ continues to meet our responsibilities and future requirements. LINZ initiated a project to store and process the huge volumes of survey data being

produced by new technologies. When completed, the resulting system will allow LINZ to deliver products more efficiently and meet customers' increasing expectations. In particular, LINZ will be able to create Electronic Navigational Charts (ENCs¹²) through the use of this system and the data in our database.

The activities we said we would undertake in 2007/08

- Begin implementing a new infrastructure to improve the management of hydrographic data and produce products more efficiently, including:
 - development and implementation of hydrographic database applications and processes, and
 - capture and translation of hydrographic metadata and core datasets into the new databases, ensuring all databases are updated as future data arrives into LINZ and enabling the provision of data using electronic channels.

What we have achieved

Database and applications

Following a tender and evaluation process, LINZ purchased and implemented the CARIS Hydrographic Production Database (HPD) system from Canada. The CARIS HPD system is a hydrographic database and system that CARIS customised to LINZ's specifications.

LINZ has populated the database with data initially supplied from the Royal New Zealand Navy, and has subsequently added to and improved this data.

One key goal of this project was to prove the ability to generate paper charts and ENCs, and the database has provided that capability. LINZ will now use the new infrastructure to generate additional ENCs, all paper charts and other hydrographic products and services. The database also enables LINZ to meet international obligations under International Hydrographic Office standards to provide ENCs to high-speed craft in 2008.

Topographic 1:50,000 map series

Why the topographic map series was a priority

Topographic information shows the natural and man-made features of the land represented to scale and provided on maps. It is important for emergency services, land management, defence planning, and recreational use. LINZ is New Zealand's national

¹² ENCs enable improved efficiency in both distribution of charts and navigation. ENCs can be distributed electronically through a variety of channels that can be adapted to the user's needs. When used with electronic chart display and information systems, an ENC integrates with other navigational systems and gives the mariner access to a wide range of safety features. To aid safe navigation, it enables the mariner to digitally layer charting information with other information, such as GPS, radar, depth sounder, and automatic identification systems. It may also display additional navigation-related information, such as sailing directions.

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mapping organisation, responsible for providing national mapping at 1:50,000 and broader scales. We make our topographic data available via the Internet and our printed maps available through retailers.

Topographic mapping is underpinned by the geodetic reference system, which provides the underlying spatial framework for New Zealand. Currently, there are two datums¹³ used for topographic mapping in New Zealand: New Zealand Geodetic Datum 1949 (NZGD1949) and New Zealand Geodetic Datum 2000 (NZGD2000).

There is a 200-metre difference between the two datums, a difference that is insignificant in some applications, but potentially life-threatening in others. Wider adoption of the new reference system NZGD2000 is constrained by the lack of an NZTM¹⁴ based map series.

As a result, LINZ is developing a new 1:50,000 topographic map series to update the current series. The map series is planned for release in 2009, with much of the underlying development occurring in the coming year. It is based on the New Zealand Transverse Mercator 2000 map projection and will see the redevelopment and provision of NZTM data used and relied upon by primary customers, such as emergency services. This will be followed by the printing, launch and distribution of the new paper maps.

The activities we said we would undertake in 2007/08

- Continue the current software development work during 2007/08, with the printing, launch and distribution of the new paper maps planned for 2008 and 2009.

What we have achieved

Software development has continued and is on schedule and on budget for the printing, launch and distribution of the new paper maps in September 2009. A tender for the printing of the 1:50,000 series of topographic maps has been let. LINZ has worked with emergency services and other key stakeholders throughout the project. They have been involved in the planning of the distribution and have been informed of progress throughout the process.

LINZ, along with emergency services, will undertake targeted education initiatives to encourage regular map users to migrate to the new map series once it is published. The project will also enable electronic versions of the new maps to be made available via the

LINZ website and directly into emergency services' databases, coinciding with the launch of the new paper maps. Consistency among all users should lead to improved public safety, better land management and co-ordination of resources, and other significant benefits.

The enhancements to the software also enable LINZ to reduce the time between updating the topographic database and subsequently producing a map. What used to take anywhere from three months to a year may now be accomplished in less than a week.

Other achievements

Sea-level gauges and tsunami preparedness

LINZ and GNS Science have installed five of 20 planned New Zealand-based sea-level gauges that will form part of a Pacific-wide international tsunami warning system.

LINZ continues to support national tsunami preparedness initiatives and is in the third year of a four-year project to do this. The New Zealand system of sea-level gauges increases our ability to detect tsunamis and prepare for them, protecting lives and property.

As well as detecting tsunamis (and long waves and storm surges), the New Zealand system of sea-level gauges may also be used for:

- sea-level datum determination (for geodetic and hydrographic survey purposes)
- monitoring for climate change purposes, and
- tidal prediction purposes.

KiwImage

KiwImage is an all-of-government project to acquire high-resolution satellite imagery for government agencies. Images include the New Zealand mainland, off-shore islands, the Ross Dependency, and selected South-West Pacific Islands.

LINZ worked with other interested government and local government agencies to enable the purchase of this satellite imagery. LINZ provides technical and contract expertise to this cross-government initiative.

Satellite images, once rectified¹⁵, can be added to the topographic database that will support the redevelopment and provision of New Zealand Transverse Mercator data.

¹³ A fixed reference point or a set of reference points on the earth's surface against which position measurements are made, particularly measurements of elevation. Co-ordinates are represented by latitude, longitude and height.

¹⁴ New Zealand Transverse Mercator. A Transverse Mercator is a grid-based map projected onto a cylinder that is turned on its side. It eliminates distortions caused by longitude lines getting closer together at the poles.

¹⁵ Adjusted to account for distortions.

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Imagery is now loaded straight into the database, which is updated immediately, meaning that maps can be created using the most up-to-date information.

Antarctica

LINZ continues to have an active programme in the Ross Sea region of Antarctica. Our activities include the continuing maintenance and operation of tide gauges and tracking stations at Cape Roberts and Scott Base, as well as undertaking survey work in the region and collaborating on place names.

We co-operate with the national naming authorities of other countries that have bases and operate in our area of interest, most notably the USA, but also Italy and Australia.

STRATEGIC GOAL 4: EXPERT PROPERTY MANAGEMENT

Our objective

Property management that balances economic, social and environmental outcomes.

Contribution to end outcomes

Certainty of New Zealand's property rights and interests.

Best use of Crown assets.

Contribution to intermediate outcomes

An effective system for defining and transacting land.

Effective and efficient management of Crown land and liabilities.

Overseas Investment Office database

Why the Overseas Investment Office database was a priority

The Overseas Investment Office, a team within LINZ, administers the Overseas Investment Act 2005, which both encourages ongoing economic growth through investment and protects New Zealand's unique assets and resources.

When assessing overseas applications on the basis of benefit to the whole of New Zealand, this legislation requires the Overseas Investment Office to:

- seek assurance on the accuracy of information received from applicants

- seek evidence to support the application, and verify that information with others knowledgeable about the application
- advise ministers on investment proposals, and
- monitor compliance with conditions of approval, consent or exemptions granted.

The Overseas Investment Office also compiles and keeps records on applications.

Undertaking this activity effectively requires a focus on ensuring that LINZ has the appropriate capability, processes and systems. To assist with this, LINZ instigated the development of a new database application to allow easier recording and monitoring of information.

The database will improve the accuracy of statistical reports on foreign direct investment, increase the efficiency of processing applications, enable better workflow management, and improve the ability to advise applicants of the status of their applications. It will also support effective governance of overseas investment activities.

The activities we said we would undertake in 2007/08

- Develop, test and implement a new database.

What we have achieved

By the end of June 2008, the system and database were fully developed and in the final stages of user acceptance testing. LINZ planned a go-live date of early August 2008 and has been migrating data into the new database.

Treaty of Waitangi settlements

Why Treaty settlements were a priority

The Government has set an all-of-government objective to settle all Treaty of Waitangi claims by 2020.

Treaty settlement milestones are set by the Minister of Treaty of Waitangi Negotiations on advice from the Office of Treaty Settlements. Typically, LINZ is involved in four milestones during a Treaty settlement:

- agreement in principle (non-binding)
- deed of settlement (binding)
- legislation to authorise various parts of the settlement to happen, and
- settlement date.

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Historically, each of the first three milestones has had a duration in excess of one year.

LINZ is a major contributor to the achievement of these milestones:

- as vendor agency, offering suitable LINZ properties and providing advice, disclosure, valuation, negotiation, consultation, survey and title, for Crown forest and other land as commercial and cultural redress
- as technical land transaction experts, providing policy advice and feedback on settlement documentation, Bills and draft Cabinet papers
- as a regulator, providing expert advice and regulatory decisions on rights of first refusal and removal of resumptive memorials¹⁶
- as the place name regulator through the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa, processing place name changes as cultural redress, and
- as processor and keeper of survey and title registers, recording the end result of property-related redress.

What we have achieved

To streamline and accelerate the process, the Minister of Treaty of Waitangi Negotiations directed that work to develop the deed of settlement, and work to develop the supporting legislation, be done concurrently for two major settlements. The Minister also directed that these milestones be accomplished in six months or less. As a result, LINZ has contracted timelines and managed milestones in parallel to comply with the significant increase in the pace of settlements. The Central North Island Collective Deed of Settlement and four agreements in principle were signed during the year, but no settlement date milestones were reached.¹⁷

LINZ has provided property information, policy and technical advice, disclosure, valuation, negotiation of transfer values, consultation, and survey, for up to 41 Crown forest licensed properties and up to 38 other LINZ properties offered for commercial and cultural redress (across 19 Treaty of Waitangi settlements underway at 30 June 2008).

Crown property review

LINZ reviewed and implemented a new structure for managing the Crown property we administer. A key feature of the review was that teams managing the

South Island high country Tenure Review programme and pastoral leases and licences were consolidated into a dedicated pastoral unit based in Christchurch.

Establishment of this dedicated team allows LINZ to better manage decision-making processes, outcomes, knowledge, and information and data relating to pastoral lease and licence management. The goal is to ensure that LINZ maintains direct oversight and control of activities on Crown pastoral land. The unit is taking a proactive approach to pastoral lease management: taking on a greater role in the day-to-day administration of pastoral leases and licences so that the rights of both lessor and lessee are understood and complied with. Direct relationships with lessees are being re-established, and our external service provider model has been revised to reflect our new approach in this area.

Administration of the balance of LINZ's Crown property assets under the revised structure lies with a team that focuses on:

- acquisition
- Overseas Investment Office support
- property management
- biosecurity
- process and information
- Crown forest management
- Treaty of Waitangi activities, and
- disposals and liabilities.

The review identified the need for a specialist resource to improve LINZ's overall Crown property management processes and property information system. An appointment has been made, and work on process enhancement is underway. Work has also begun on an upgrade of LINZ's property information system. This upgrade will enable easier information provision on decisions and communication to stakeholders. The upgrade is due to be implemented in 2009/10.

Biosecurity

The Biosecurity Act 1993 covers pre-border and border activity, surveillance, incursion response and eradication, and pest management. The provisions within the Biosecurity Act that are relevant to LINZ relate to regional pest management strategies. We have a number of opportunities to achieve biosecurity

¹⁶ A resumptive memorial is a notation on the title of land transferred by the Crown to a State-owned enterprise that gives the Crown the right to repurchase the land at current market value in the event that that land is required to settle a Treaty of Waitangi claim.

¹⁷ Settlement dates are not under LINZ's control.

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outcomes on the Crown-owned land that we manage and in particular to reduce damage caused by harmful weeds and pests. LINZ works with other government agencies and territorial authorities on biosecurity issues.

What we have achieved

The following initiatives contributed to our biosecurity responsibilities:

South Island wilding pines

LINZ has been working with stakeholders in the South Island to control the spread of wilding pines. At Lake Pukaki, LINZ has successfully controlled large areas of wilding pines on the eastern shoreline, and has commenced control works on the western shoreline.

In Southland, LINZ continues to support the Mid-Dome Wilding Trees Charitable Trust. The Trust was set up to prevent further spread of wilding pines onto neighbouring lands, where they threaten production and biodiversity. Mid-Dome is a major source of wilding pine seed in the region.

LINZ is also a signatory to the Wilding Conifer Research Collaboration Agreement. The purpose of the agreement is to confirm funding and resourcing for research into controlling South Island wilding pines.

Southland Interagency Group

LINZ continued our involvement in the Southland Interagency Group, which is working to clear invasive weeds such as willow, gorse and broom in some of the Southland rivers.

Lake Karapiro

An intensive aquatic weed management programme to control the introduced invasive weed hornwort in Lake Karapiro began in May 2007. The weed control is part of a co-ordinated effort between LINZ, Waipa District Council and Environment Waikato to manage Lake Karapiro, its facilities and supporting infrastructure in preparation for the World Rowing Championships, to be held at the lake in 2010. Large areas of hornwort were successfully controlled during 2007/08, and LINZ will continue this work in the build-up to the World Championships to ensure the weed does not create problems for competitors.

Lake Wanaka

Significant progress is being made in controlling the weed lagarosiphon (oxygen weed) in Lake Wanaka. In 2005, the 10-year Lagarosiphon Management Plan for Lake Wanaka was implemented to reduce the amount of weed and prevent its spreading throughout Lake Wanaka and to nearby lakes. The work carried out in 2007/08 complemented control works carried out during the previous year.

The latest report from NIWA, which is contracted to undertake independent monitoring in the lake, showed a great reduction in the weed biomass and colonies. In some areas, the weed has been completely removed.

Tenure Review

Ten substantive Tenure Review proposals were negotiated with pastoral leaseholders during 2007/08, designating 53,516 hectares (72%) of pastoral lease land to be returned to full Crown ownership for conservation management and 20,871 hectares (28%) to be freeholded to former leaseholders.

LINZ also purchased one pastoral lease for conservation purposes, Twinburn, which comprises 7,861 hectares. This land has been returned to full Crown ownership and control.

Agreed substantive proposals were implemented (survey, fencing, freehold title issued, land transferred to the Department of Conservation) for 12 pastoral leases.

ORGANISATIONAL CAPABILITY>

In our 2007/08 Statement of Intent, LINZ outlined specific areas of focus for ensuring we can continue to manage towards our outcomes and deliver value.

Sustainability

In 2005, LINZ joined the Govt³ initiative run by the Ministry for the Environment and agreed to move towards sustainable practices in four main areas:

- buildings
- transport
- office consumables, and
- equipment and recycling/minimisation of waste.

LINZ developed an action plan and carbon emissions reduction plan. During 2007/08, we:

- completed annual reporting requirements for Govt³ and the Carbon Neutral Public Service (CNPS) programme
- completed audits of all LINZ offices to establish a baseline in all areas of sustainability
- completed waste audits in all offices
- prepared a business case based on the items listed above to further develop sustainability over the next 18 months, and
- distributed paper recycling trays to all staff to encourage recycling of paper and reduction of landfill waste, of which paper is a large component.

Building our knowledge of customer needs

Proactively identifying, managing and improving relationships with customers and stakeholders remained a focus in 2007/08.

LINZ continued work started in 2006/07 on our responsiveness to customers. We improved and built on the systems and processes that support our customer relationships.

The activities we said we would undertake in 2007/08

- Research to develop a deeper understanding of the impacts of our services on our customers' businesses and to better understand customer priorities in relation to product and process development.
- Ongoing customer satisfaction research (spanning titles, survey, topographic, and hydrographic, customer segments) in 2007/08 to enhance our understanding of customers' requirements and measure their satisfaction with LINZ's services.

- Evolve our product and service development to ensure that it is driven centrally and that efforts are co-ordinated across the organisation. The first service to experience this approach will be *e-survey*.
- Use and continue to develop and improve mechanisms such as the online *e-survey* forum for more sophisticated customer interactions, providing a two-way interface. Such mechanisms help customers discuss topical matters and ask questions relating to the services we provide. They also help inform LINZ about issues requiring further explanation and about customer priorities.

What we have achieved

LINZ undertook satisfaction surveys on our customers' experiences of the timeliness and quality of our survey and title services and of their interactions with our 0800 Customer Support centre. In all surveys, customers rated their experiences in the high to very good category.

LINZ also reports on our survey and title performance and planned developments to an advisory committee. The committee comprises representatives of our main survey and title stakeholder groups: the New Zealand Law Society, the New Zealand Institute of Surveyors and the Institute of Cadastral Surveyors. This committee advises LINZ's Chief Executive on service issues and enhancements.

All customer suggestions to improve our products and services are captured and prioritised and then, if appropriate, are included in future product and service releases.

LINZ has a formal prioritisation framework for making enhancements to Landonline and to *e-dealing* and *e-survey*. In 2007/08, we undertook a research project to look at ways to improve this framework and methodology to enable both greater visibility of suggested enhancements and wider participation in the prioritisation process. A suggested approach for *e-survey* enhancements will be piloted in 2008/09.

Business and regulatory assurance

During the year, all assurance activities were consolidated under one umbrella with the integration of LINZ's regulatory quality assurance and internal audit functions. The new integrated LINZ team, Business and Regulatory Assurance, has better enabled us to co-ordinate, plan, deliver, and report on, assurance activities across the organisation.

ORGANISATIONAL CAPABILITY >

Audit committee

LINZ also established an independent non-executive audit committee. The committee provides advice to the Chief Executive to ensure effective control arrangements are in place, risks are being managed, and assurance activities are rightly focused. LINZ reviewed the set-up and operation of the committee in line with the recently released Controller and Auditor-General's Good Practice Guide to Audit Committees in the Public Sector, and as a result, some changes were made.

Regulatory compliance audits

During the year, LINZ implemented a risk-based audit/compliance strategy for conveyancing firm audits, providing additional assurance to the Registrar-General of Land. A similar strategy was implemented with the survey profession in the prior year, providing additional assurance to the Surveyor-General. The new approach has been well received within the respective professions, and LINZ is continually improving on the processes flowing from these strategies.

Information technology

To achieve our outcomes, LINZ needs modern systems and applications, and an IT infrastructure that is proactively maintained and provides us with sufficient capacity.

During 2007/08, LINZ has continued a strong focus on improving the stability, robustness and scalability of the technology we use. We completed an organisation-wide architecture review, which has established a long-term view for the ongoing enhancement and improvement to the technology environment that we operate. This will guide the continued evolution of our technology to provide a more agile and flexible environment into the future.

LINZ also reviewed some of our core infrastructure to ensure it is current and has the capacity to support our data and services. Key changes in this area have included an increase of the network bandwidth between offices to cater for increased traffic, initiating work for the migration of our email environment to Microsoft Exchange, and maintaining our PBX environment to build the foundation for future integration of voice and data.

Other key IT achievements for 2007/08, some of which have been noted elsewhere, include:

- Landonline: further development of, and improvements to, the underlying infrastructure to improve stability, provide future capacity, and increase reliability.
- Hydrographic data infrastructure: we implemented new technology that has consolidated a number of hydrographic datasets and increased functionality for electronic delivery of nautical charts.
- Topographic 1:50,000 new map series: LINZ developed new system functionality and upgraded the LAMPS topographic application to enable the creation of the new map series and the automation of more of the work associated with this process. This is an ongoing project for the coming year.
- LINZ website (www.linz.govt.nz): the LINZ website has been revised to improve access to information and ease of use, and to enhance our ongoing compliance with Government Web Guidelines.
- Overseas Investment Office: a new database and application were developed to support the Office's requirements into the future.

Responsiveness to Māori

As an agency of the Crown, LINZ has a responsibility to recognise the Treaty of Waitangi and to acknowledge the special relationship that Māori have with the land. LINZ's responsibility for providing land information and for related statutory processes also extends to administering Crown-owned land.

Both of these elements may be important to iwi Māori because most Treaty claims relate to land, and redress for claims frequently results in the transfer of Crown-owned land to claimants. There is also a cultural dimension to land and land information for iwi. Māori land is regarded as *papatuanuku* (earth mother), *tāonga tuku iho* (inherited treasures) and *whenua* (man's umbilical connection with the land).

To fulfil our responsibilities, LINZ considers it important to build and maintain capacity to meet our obligations to Māori and to deliver services that meet Māori needs and aspirations, while being consistent with our statutory and policy obligations.

ORGANISATIONAL CAPABILITY>

The activities we said we would undertake in 2007/08

- Continue to work on the Responsiveness to Māori Strategy.
- Encourage staff to attend our annual hui.

What we have achieved

LINZ is continuing to work with the Ministry of Justice on the Māori Freehold Land Registration project. At the end of June 2008, the project was approximately 50% complete and is on target to be completed by June 2010.

In line with LINZ's Responsiveness to Māori Strategy, a number of capability-building initiatives have continued, including:

- undertaking pōwhiri/whakatau for area managers
- internal initiatives to increase awareness of tikanga Māori (e.g. Matariki communications, room-naming)
- developing guidance and undertaking pōwhiri for the incoming Chief Executive, and assisting the Department of Internal Affairs with the pōwhiri for the Secretary for Internal Affairs (who came from LINZ), and
- training in te reo.

As another part of our strategy, we held the sixteenth annual LINZ National Whanau Hui at Orongomai Marae, Upper Hutt. The purpose of the hui was to learn about tikanga Māori (cultures and traditions) and gain a greater knowledge of our work with Māori.

International Financial Reporting Standards

In December 2002, the New Zealand Accounting Standards Review Board announced that all New Zealand reporting entities would be required to comply with International Financial Reporting Standards (IFRS) for periods commencing on or after 1 January 2007. LINZ adopted New Zealand International Financial Reporting Standards (NZ IFRS), moving from New Zealand Generally Agreed Accounting Practice for the 2007/08 year. Key differences include the reclassification of certain assets – including software, deposits held in trust, Crown-administered properties and forests – and certain liabilities, most notably accumulated compensated absences (sick leave).

LINZ has finalised all NZ IFRS adjustments for 30 June 2007 comparatives in the current financial statements. The auditors have completed their review of these adjustments at materiality levels and are satisfied that all adjustments have been appropriately captured.

Pay and employment equity review

The activities we said we would undertake in 2007/08

- Complete a pay and employment equity review with the PSA.
- Produce a response plan to identify any LINZ pay and employment equity issues and provide the foundation for subsequent investigation and change.

What we have achieved

LINZ completed a pay and employment equity review in 2007/8. The review has shown that LINZ is performing well in many areas investigated, but that there is still work to be done to ensure gender equality.

Recent data shows more women are moving into senior management roles, but there is still room for improvement. We want to make sure there are no barriers to progression for women within LINZ, and so work continues to be done on the review's response plan to ensure this issue is addressed.

The review also showed an increasing number of men taking parental leave – evidence that LINZ continues to support individual desires for work-life balance.

ORGANISATIONAL CAPABILITY >

Human resources

Staff resources (as at 30 June 2008) by location and gender:

Region	As at 30/06/2008				30/06/2007	
	Total	Females	Males	%	Total	%
National Office	305	126	179	58.6%	297	57%
Auckland	62	22	40	11.9%	75	14%
Christchurch	69	30	39	13.2%	58	11%
Dunedin	17	6	11	3.3%	22	4%
Hamilton	47	23	24	9.0%	40	8%
Wellington	21	10	11	4.0%	29	6%
TOTAL	521	217	304	100.0%	521	100%

Human resource capability

Over 2007/08, LINZ developed a human resources strategy with a focus on capability. Key themes from the strategy are:

- excellent managers
- attracting and keeping the right people
- developing our people
- managing technical skills and knowledge, and
- enhancing change agility.

Implementation has focused particularly on the themes of “attracting and keeping the right people” (e.g. through providing a people focus on the LINZ website and enhancing our recruitment processes) and “excellent managers” (e.g. through developing a consistent approach to coaching in LINZ and implementing an effective coaching programme).

Industrial relations

A new LINZ Collective Employment Agreement was ratified in June 2008. As a result, two LINZ/PSA working groups will shortly commence: one to look at pay and the other to review management of change provisions.

LINZ is also engaging with the PSA to refresh Partnership for Quality arrangements and is planning to introduce the first set of common employment provisions.

Development Goals for the State Sector

The Development Goals are designed to transform the State Services to ensure they are aligned with the Government’s priorities. LINZ has used the goals as the basis for developing our own capabilities, and we continue to measure our contribution against them. During the year, the following progress was made:

Employer of choice

Ensure the State Services is an employer of choice, attractive to high achievers

LINZ objective: To have practices and policies in place that attract and retain the right people with the skills needed to deliver our business strategies.

What we have achieved

LINZ enhanced our recruitment processes in preparation for investigating an online, web-based recruitment model. This includes establishment of a recruitment provider panel to improve the quality and consistency of recruitment for LINZ.

LINZ will have four internships available as part of the State Services Commission Summer Internship Programme in 2008.

ORGANISATIONAL CAPABILITY >

We have enhanced the LINZ website, adding a “Get to Know LINZ” area for potential employees. This area explains who we are, what we do, and describes our vision and values. It also includes a series of profiles of some current employees to give potential employees a better sense of LINZ’s people and what working here is like. The purpose of this area is to attract the best possible applicants for available positions.

We also introduced a coaching programme for managers to develop competence as effective coaches and developers of people, and we have implemented the First 90 Days programme to help new managers make a successful transition into LINZ. Through this programme, new managers build strong internal relationships and develop an understanding of the capabilities and gaps in their respective areas.

Excellent State Servants

Develop a strong culture of constant learning in the pursuit of excellence

LINZ objective: To have a positive workplace and develop for excellence.

What we have achieved

We focused greater effort on using the LINZ competencies in recruitment to assess candidates more rigorously for roles. We include key competencies in job descriptions and have incorporated questions about the key competencies required for the relevant role into interviews to ensure the best possible match between candidates and roles.

We have enhanced our induction framework and tools to engage new staff more fully, ensuring a better introduction to LINZ and a smooth transition into their new roles, as well as building their confidence about working here. The First 90 Days programme for managers mentioned above is part of this induction framework.

LINZ is also working on a succession planning capability that incorporates a learning and development framework and a career framework.

Networked State Services

Use technology to transform the provision of services for New Zealanders

LINZ objective: Seamless access to information.

What we have achieved

LINZ continued the phased process for enabling all survey and titles transactions to be lodged through our Landonline system. Landonline is globally recognised as a world-leading system for collecting, validating, storing, and making available, survey and titles information, and for providing the legal and economic framework within which land may be transacted with a high degree of confidence.

Co-ordinated State Servants

Ensure the total contribution of government agencies is greater than the sum of its parts

LINZ objective: Adopting an all-of-government approach.

What we have achieved

LINZ continues to work collaboratively across government on key initiatives such as:

- the Geospatial Strategy, an all-of-government effort involving a number of agencies
- Tenure Review with the Department of Conservation
- a review of the Unit Titles Act 1972 with the Department of Building and Housing
- a review of the Land Transfer Act 1952 with the Ministry of Justice and the Law Commission
- housing affordability initiatives with the Department of Prime Minister and Cabinet, the Department of Building and Housing and other agencies
- Treaty Settlement work with the Office of Treaty Settlements
- the Māori Freehold Land Registration Project with the Ministry of Justice
- topographic and hydrographic areas with the Royal New Zealand Navy, New Zealand Defence Force, emergency services agencies, and Maritime New Zealand, and
- Oceans Survey 20/20, an all-of-government effort involving a number of agencies.

ORGANISATIONAL CAPABILITY >

Accessible State Services

Enhance access, responsiveness and effectiveness and improve New Zealanders' experiences of State Services

LINZ objective: Providing transparency and certainty of our processes and decisions.

What we have achieved

In 2007/08 LINZ:

- implemented the Overseas Investment Office decision and application-making database and information system
- established relationship management capability and systems to proactively meet customer needs
- worked on a customer research programme to inform e-channel strategies and the development of products and services that are fit for purpose, and
- applied and refined the transparent regulatory outcome framework and intervention logic.

Trusted State Services

Strengthen trust in the State Service and reinforce the spirit of service

LINZ objective: Aligning our values to support our business activities.

What we have achieved

LINZ conducted a review of our code of conduct to ensure alignment with the new State Services Code of Conduct. Our code was found to be consistent with, and to meet the requirements of, the State Services Code of Conduct. LINZ continues to ensure we have appropriate policies in place to support our code of conduct and to ensure staff are provided with clear guidance in relevant areas.

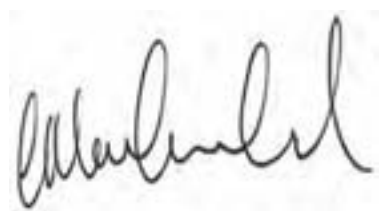
LINZ'S PERFORMANCE 2007/2008 >

STATEMENT OF RESPONSIBILITY>

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

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

In my opinion, these financial statements fairly reflect the financial position and operations of Land Information New Zealand for the year ended 30 June 2008.



COLIN MACDONALD

Chief Executive, Land Information New Zealand

30 September 2008

Countersigned by:



BRIAN USHERWOOD

Chief Financial Officer, Land Information New Zealand

30 September 2008

AUDIT REPORT>

TO THE READERS OF LAND INFORMATION NEW ZEALAND'S FINANCIAL STATEMENTS, SCHEDULES OF NON-DEPARTMENTAL ACTIVITY AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of Land Information New Zealand (the Department). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit on his behalf. The audit covers the financial statements, Statement of Service Performance and schedules of non-departmental activities included in the annual report of the Department for the year ended 30 June 2008.

Unqualified opinion

In our opinion:

- The financial statements of the Department on pages 57 to 89:
 - comply with generally accepted accounting practice in New Zealand, and
 - fairly reflect:
 - the Department's financial position as at 30 June 2008, and
 - the results of its operations and cash flows for the year ended on that date.
- The Statement of Service Performance of the Department on pages 34 to 56:
 - complies with generally accepted accounting practice in New Zealand, and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the Statement of Forecast Service Performance adopted at the start of the financial year, and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the Statement of Forecast Service Performance adopted at the start of the financial year.

The schedules of non-departmental activities on pages 90 to 111 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2008.

The audit was completed on 30 September 2008, and 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 the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and Statement of Service Performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and Statement of Service Performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, schedules of non-departmental activity, and Statement of Service Performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data
- verifying samples of transactions and account balances

AUDIT REPORT>

- performing analyses to identify anomalies in the reported data
- reviewing significant estimates and judgements made by the Chief Executive
- determining whether accounting policies are appropriate and consistently applied, and
- determining whether all financial statement, schedules of non-departmental activity, and Statement of Service Performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, schedules of non-departmental activity, and Statement of Service Performance.

We evaluated the overall adequacy of the presentation of information in the financial statements, schedules of non-departmental activity, and Statement of Service Performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Chief Executive and the Auditor

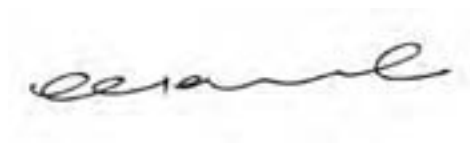
The Chief Executive is responsible for preparing the financial statements and Statement of Service Performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The Statement of Service Performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. In addition, the schedules of non-departmental activities must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2008. The Chief Executive's responsibilities arise from sections 45A, 45B, and 45(1)(f) of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and Statement of Service Performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the area of other assurance services related to NZ IFRS conversion, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Department.



GRANT TAYLOR

Ernst & Young

On behalf of the Auditor-General
Wellington, New Zealand

PERFORMANCE INFORMATION > STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 1 – POLICY ADVICE

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

Output 110 – Policy Development and Ministerial Servicing

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

- draft replies to ministerial correspondence
- answers to Parliamentary questions

- draft speech notes
- draft communication releases
- briefing notes, and
- the production of the Department’s accountability documents (i.e. Estimates, Statement of Intent, Annual Report, and Output Plan).

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

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
Policy advice, briefings and support on matters relating to departmental functions will be provided to the Minister as required.	279 briefings and submissions were provided to the Minister.
Ministerial support services will be provided as required, including: <ul style="list-style-type: none"> • draft replies for letters to the Minister, including Official Information Act requests, and • draft responses to Parliamentary questions. 	28 Parliamentary questions were received and responded to within appropriate timeframes. Two oral questions were received and responded to within appropriate timeframes.
300 ministerials will be processed (range is 250-350).	113 ministerials were processed.
Accountability documents (as indicated in the description) will be completed.	The 2006/07 Annual Report and 2008/09 Statement of Intent were completed on time and to legislative requirements.
QUALITY	
All policy advice, reports and draft responses for the Minister’s signature will meet the policy advice/ministerial communication quality standards.	Standards were met.

PERFORMANCE INFORMATION>

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
The Department will achieve a minimum rating of “good” from six-monthly assessments by the Minister on our performance against the policy advice quality standard.	The rating of “very good” was achieved.
95% of the Department’s Cabinet papers will be accepted by the Minister’s office without amendment.	95% of Cabinet papers were accepted without amendment. One out of 20 Cabinet papers was returned with amendments.
95% of draft responses to ministerials will be accepted by the Minister without amendment.	95% of draft responses to ministerial correspondence were accepted without amendment. Five out of 113 ministerials were returned with amendments.
All accountability documents will meet the advised standards and specifications.	All accountability documents met the advised standards and specifications.

TIMELINESS

All policy advice will be delivered to specified deadlines agreed with the Minister.	All agreed deadlines were met.
All draft responses to ministerial correspondence will be provided within 10 working days or by a date agreed with the Minister’s office.	All draft responses were provided within 10 working days of the date agreed with the Minister’s office.
All draft responses to Parliamentary questions will be provided to deadline.	All agreed deadlines were met.

Financial performance

	Actual 30/6/07 \$000		Actual 30/6/08 \$000	Voted 30/6/08 \$000
	2,149	Revenue Crown	2,496	2,496
	–	Revenue other	–	25
	2,149	Total revenue	2,496	2,521
	2,168	Total expenses	2,517	2,521
	(19)	Net surplus/(deficit)	(21)	0

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 2 – STANDARDS AND QUALITY ASSURANCE

This output class includes the regulatory activities for which the Department is responsible. The outputs aim to ensure the regulatory frameworks that create and protect property rights, and protect the public interest in Crown property management, rating valuations and the land information for which LINZ is responsible, are managed effectively, and that delivery against the frameworks is quality assured. Specifically, it encompasses regulatory intervention and quality assurance for:

- the delivery of Crown property management, acquisition and disposal services
- property valuation for rating purposes, and
- the collection, authorisation, management, and dissemination of information associated with the:
 - land rights registration system
 - geodetic and cadastral survey reference systems
 - topographic and hydrographic information systems, and
 - applications from overseas persons to acquire assets in New Zealand.

There are two outputs in this output class:

- 210 Standards, and
- 220 Quality Assurance.

Output 210 – Standards

Part third-party funded

This output includes the development, review and implementation of the regulatory interventions that protect the public interest in the national systems for which LINZ is responsible. In addition, this output involves:

- providing technical advice to the government and stakeholders
- statutory delegations for registration and survey functions
- support to the Valuers Registration Board and the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa
- support to the electoral system
- dealing with claims for compensation made under the Land Transfer Act
- appeals from decisions of delegated staff, and
- liaison and exchanges of information on standards internationally and with national advisory groups.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
Ten new regulatory interventions or amendments to existing interventions will be required to reflect new government policy, legislation, case law, audit findings, risk analysis, and technology changes (range for year 5-15).	<p>Three new intervention or amendments were developed:</p> <p><i>New</i></p> <ol style="list-style-type: none"> 1. LINZR203000: Interim ruling for registration requirements for determination of life estates and leases for life v2. <p><i>Amendments</i></p> <ol style="list-style-type: none"> 2. LINZS20007: Amendment to LINZs20004: Standard for memorials. 3. LINZS45001: Amendment to accredited supplier Standard 16 – Legislation (Ngāti Tama settlement and Ngāti Mutunga settlement). <p>Only three interventions were required through the year.</p>
120 documents related to interventions will be reviewed (year three of a multi-year review).	All regulatory intervention documents have been reviewed and are either archived, published or are at varying stages of development.
QUALITY	
All new and reviewed regulatory interventions will be in accordance with the LINZ-based standards development framework.	All interventions are developed in accordance with the regulatory standards development framework.
All regulatory interventions will be peer reviewed (including by the Expert Committee for Standards) and signed off by the responsible regulator.	All interventions included peer review as per the standards development framework.
TIMELINESS	
All regulatory interventions will be developed, reviewed and implemented in accordance with the timeframes specified in the annual business plan.	<p>Intervention project plans, task lists and status report plans were continually updated.</p> <p>This is a multi-year programme which is 80% complete.</p> <p>Some projects were behind original targets due to the impact of business-as-usual activities and some interventions have taken longer to finalise due to the number of expert committees needed.</p>

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

Output 220 – Quality Assurance

Part third-party funded

This output involves making statutory decisions and recommendations regarding overseas investment in New Zealand, and the ongoing monitoring and auditing of compliance to ensure standards are met.

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
275 overseas investment applications will be processed and decisions or recommendations made.	230 applications were processed. The number of applications received for the year was lower than expected.
An annual quality assurance plan will be completed for each of the four regulators.	Six quality assurance audit plans were completed for the four regulators.
Nine audit programmes will be completed for all regulatory areas.	<p>Seven audit programmes were completed for the 10 regulatory areas as follows:</p> <p>Registrar-General of Land</p> <ul style="list-style-type: none"> • <i>e-dealing</i> reviews • audits of law firms • audits of processing centres • Landonline maintenance and security. <p>Hydrographic</p> <ul style="list-style-type: none"> • Electronic Navigational Charts • hydrographic surveys • hydrographic data from port authorities. <p>Cadastral survey</p> <ul style="list-style-type: none"> • survey firm audits • audits of processing centres. <p>Geodetic survey</p> <ul style="list-style-type: none"> • provision of data (Landonline). <p>Commissioner of Crown Lands</p> <ul style="list-style-type: none"> • pastoral lease management. <p>Crown property</p> <ul style="list-style-type: none"> • monitoring of accredited suppliers. <p>Valuation</p> <ul style="list-style-type: none"> • revaluation and objection audits • process and control audits. <p>Three audit programmes for three regulatory areas (Geographic Board, Topographic and Electoral) were not required based on the level of risk, past programmes, etc.</p> <p>All audits within the seven programmes are completed or in progress.</p>

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
QUALITY	
95% of recommendations to ministers will be accepted without amendment.	96% of recommendations were accepted by the Minister without amendment. Two out of 51 recommendations were amended.
The annual quality assurance plans will include: <ul style="list-style-type: none"> • areas identified by “high-risk area” reports • follow-up of previous audit recommendations, and • relevant standards to be complied with. 	All quality assurance plans incorporate the regulators’ risks to the achievement of their objectives. All recommendations from audits completed between 1 July 2007 and 30 June 2008 were accepted: 99 were addressed and 25 are being progressed by the auditees. All audits are linked to compliance with regulator standards.
All audits conducted under these programmes will meet the criteria specified in the terms of reference for each audit.	All audits followed the scope and methodology specified in the terms of reference.
TIMELINESS	
90% of all correspondence from overseas investment applicants will be responded to within five working days of the receipt of an application or subsequent information.	This activity was not achieved: 49% of all correspondence was responded to within five working days. 49% equates to 92 out of 188 pieces of correspondence. Applications are much more complex due to the increased number of factors that have to be considered. These include the requirement to deal with “special land”, changes in the commercial environment (transactions funded by private equity), an increase in securitisation transactions, and applications for exemptions under new legislation that had been declined under the previous legislation. A joint Treasury/LINZ report, “Overseas Investment Screening Regime: Update on Forward Work Plan”, was provided to ministers and accepted by them. The report set out the future capability requirements for the Office.
90% of all delegated decisions will be made within 10 working days of the receipt of all information.	This activity was not achieved: 72% of delegated decisions were made within 10 working days. 72% equates to 100 out of 138 delegated decisions being made within 10 working days. This performance measure is difficult to accurately measure due to the inability of the Office’s current database to accurately record the time at which “receipt of full information” occurs under the new regime. The new database will rectify these issues in early 2008/09.
All timeframes specified in the annual business plan will be met.	All targets specified in the annual business plan were monitored monthly by LINZ’s General Manager Regulatory and have been achieved.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
All audits conducted under the audit programmes will meet the timeframes specified in the terms of reference for each audit.	<p>All audits in the audit programme were completed, although some timeframes for the delivery of the draft report within 10 days of the audit visit were not achieved.</p> <p>51% of draft reports were delivered within the timeframes specified in the terms of reference.</p> <p>However, the timeframe to send the draft report within 10 days of the audit visit was not achieved in all cases (49% not achieved).</p> <p>The significant variation relates to the revaluation audits. However, given the nature of the revaluation audits it is not possible to have reports within 10 days of a visit, and a revised measure is required.</p>

Financial performance

	Actual 30/6/07 \$000		Actual 30/6/08 \$000	Voted 30/6/08 \$000
	5,121	Revenue Crown	4,488	4,488
	5,818	Revenue other	5,397	5,994
	10,939	Total revenue	9,885	10,482
	10,939	Total expenses	9,885	10,247
	0	Net surplus/(deficit)	0	235

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 3 – LAND AND SEABED DATA CAPTURE AND PROCESSING

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

There are two outputs in this output class:

- 310 Delivery of the Land Rights Registration and Cadastral Survey Systems, and
- 320 Generation of the National Authoritative Geospatial Record.

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

Mostly third-party funded

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

- registration of land title transactions
- issue of new land titles
- authorisation of cadastral survey datasets, and
- updating of the cadastral survey reference system.

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
614,000 (est) titles documents (instruments) will be processed from electronic lodgement (range for year 552,600-675,400).	<p>514,006 documents were processed from electronic lodgement for the full year.</p> <p>The total number of titles processed during the year from all sources dropped significantly due to the downturn in the housing market.</p> <p>The proportion of titles documents processed electronically was higher than expected – 73.4% of all titles documents against a target of 68.0%.</p>
286,000 (est) titles documents will be processed from paper lodgement (range for year 257,400-314,600).	<p>186,150 documents were processed from paper lodgement for the full year.</p> <p>The total number of titles processed during the year from all sources dropped significantly due to the downturn in the housing market.</p> <p>The proportion of titles documents processed from paper records was lower than expected – 26.6% of all titles documents against a target of 32.0% – due to the higher than expected uptake of <i>e-dealing</i>.</p>
14,000 (est) cadastral survey datasets will be processed from electronic lodgement (range for year 12,600-15,400).	<p>13,414 cadastral survey datasets were processed from electronic lodgement for the full year.</p>
1,000 (est) cadastral survey datasets will be processed from paper lodgement (range for year 900-1,100).	<p>2,553 cadastral survey datasets were processed from paper lodgement for the full year.</p> <p>Paper lodgement of cadastral survey datasets ceased in September 2007, when electronic lodgement of survey plans became mandatory.</p> <p>Actual paper lodgements far exceeded the forecasted figure due to a large influx of paper lodgements in late August 2007, prior to the mandatory date.</p>

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
QUALITY	
A minimum “good” rating will be achieved in the quality category of quarterly independent telephone surveys of randomly selected regular customers.	The standard of “good” has been met or exceeded in every month.
All titles documents will be processed according to standards set by the Registrar-General of Land.	<p>Monitoring in the processing centres confirms that titles documents were processed to the Registrar-General of Land’s standards.</p> <p>Audits of title documents carried out in the Auckland, Hamilton and Christchurch processing centres have substantiated that there are no significant issues relating to capture and processing quality.</p> <p>Recommendations were made to strengthen the titles quality assurance processes relating to the processing of S145s and departmental dealings, and for a more consistent approach to the processing of S145s and departmental dealings across all centres. These recommendations are in the process of being implemented.</p>
The level of error ratings recorded against titles as recorded in the Corrections Register will be 0.2% or less.	The error ratings recorded were lower than 0.21% of titles issued or re-issued in each processing centre.
All cadastral survey datasets will be processed and integrated into Landonline according to standards set by the Surveyor-General.	<p>Monitoring in the processing centres confirms that cadastral survey datasets were processed to the Surveyor-General’s standards.</p> <p>An audit of the Hamilton Processing Centre was undertaken in February. No significant issues were identified.</p>
TIMELINESS	
A minimum “good” rating will be achieved in the timeliness category of quarterly independent telephone surveys of randomly selected customers.	<p>The standard of “good” has been met or exceeded in every month for electronically processed surveys and titles.</p> <p>Paper surveys achieved the “good rating” for two out of the three months reported.</p> <p>Since October 2007, the timeliness rating for paper survey plan processing has not been included in the survey. This is due to the mandatory electronic lodgement of survey datasets.</p>
The Landonline system will be available 99.5% of the time between 7am and 9pm on Monday to Thursday, 7am to 7pm on Friday, and 9am and 5pm on Saturday.	The Landonline system was available 99.8% of time for the year.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
95% of titles documents will be processed from paper lodgement within 15 working days.	96% of title documents were processed from paper lodgement within 15 working days.
90% of cadastral survey datasets will be processed from electronic lodgement within 10 working days.	95.7% of cadastral survey datasets were processed from electronic lodgement within 10 working days.
90% of cadastral survey datasets will be processed from paper lodgement within 20 working days.	<p>65.5% of cadastral survey datasets were processed from paper lodgement within 20 working days.</p> <p>With the introduction of mandatory electronic lodgement of <i>e-survey</i> on 1 September 2007, low performance is attributed to higher than forecast volumes. The processing focus was given to achieving the performance standard for electronic lodgement.</p> <p>The majority of paper plans lodged in the lead-up to the September mandatory date had been sitting with survey firms for lengthy periods, and accordingly, there was no externally driven demand to have these processed within the 20-day timeframe.</p> <p>LINZ maintained contact with lodging firms to ensure that, where required, paper plans were processed in a timely manner.</p>

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

Output 320 – Generation of the National Authoritative Geospatial Record

Part third-party funded

This output involves the delivery of those services necessary for the generation of the national authoritative geospatial record, i.e. the geodetic reference system, topographic and hydrographic information, and the electoral spatial reference dataset.

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
60 (est) topographic maps will be printed (range for year 55-65).	73 maps were printed. Sales of some sheets were higher than expected. This occurs periodically due to major events such as the Coast to Coast competition.
56 (est) hydrographic charts will be printed (range for year 51-61).	70 charts were printed. To maintain stock levels and availability of all charts, a few additional charts required reprinting due to higher than estimated usage.
1,000 (est) geodetic control marks will be surveyed and/or maintained (range for year 800-1,200).	1,285 marks were surveyed or maintained for the full year.
Electoral spatial reference dataset actions: 2,900 (est) electoral agency addressing queries will be processed (range for year 2,400-3,400).	2,179 address locations were processed for the full year. Resources were used to meet Statistics New Zealand's focus on updating meshblocks. The last six months were on target, with 1,207 queries processed.
QUALITY	
All topographic and hydrographic data generated will meet the required standards as assessed by quality assurance audits.	Actions were undertaken in accordance with standards and confirmed by quality assurance audits. Two hydrographic audits were undertaken during the reporting period. One looked at the acceptance process for digital chart data and the other at the receipt of hydrographic survey data.
All geodetic data generated will meet the quality standards of the Surveyor-General as assessed by quality assurance audits.	Actions were undertaken in accordance with standards and confirmed by quality assurance audits. An audit of the provision and availability of geodetic data was completed. All actions as the result of the audit have been completed to ensure quality standards are met.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
All electoral spatial reference dataset actions will meet the quality standards in the service level agreements with Statistics New Zealand, the Electoral Enrolment Centre, the Chief Electoral Office, and the Surveyor-General, as assessed by quality assurance audits.	Actions were undertaken in accordance with standards and confirmed by quality assurance audits.

TIMELINESS

95% of new data, maps or charts will be available in the databases or for dissemination within 20 working days after acceptance.	<p>The standard was met 100% for new maps.</p> <p>No new data was produced in the year.</p> <p>No new charts were produced in the year.</p>
95% of notified critical changes, errors or omissions to topographic data will be available on NZTopoOnline within four working days of acceptance for individual features.	No critical errors, charges or omissions were notified for inclusion in NZTopoOnline during the reporting period.
95% of new geodetic data will be available in the databases or for dissemination within 20 working days of receipt.	95.7% of new geodetic data was available in the reporting period.
90% of address location requests will be processed within 10 working days of receipt.	91.9% of address location requests were processed to the standard.
Outstanding addressing queries will be followed up with territorial authorities every 20 working days.	<p>37.7 % of outstanding queries were followed up within standard timeframes.</p> <p>The electoral work is carried out in the processing centres. Due to the mandatory date for electronic lodgement of survey datasets in September, electoral resources were diverted to clear the higher than forecast number of paper plans lodged. This work is now back on track.</p>
90% of Statistics New Zealand meshblock edits will be completed within 10 working days.	98.3% edits were completed within the standard timeframe.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
90% of territorial authority data supplies (roads or addresses) will be completed:	
<ul style="list-style-type: none"> within 10 working days for 1-50 edits within 20 working days for 50-500 edits by negotiation for 500 or more edits. 	<p>88.0% of edits were completed within the standard.</p> <p>81.3% of edits were completed within the standard.</p> <p>100% of edits were completed within the standard.</p> <p>Due to the mandatory date for electronic lodgement of survey datasets in September, electoral resources were diverted to clear the higher than forecast number of paper plans lodged. This work is now back on track.</p>

Financial performance

Actual 30/6/07 \$000		Actual 30/6/08 \$000	Voted 30/6/08 \$000
18,038	Revenue Crown	17,726	18,550
23,843	Revenue other	21,848	23,579
41,881	Total revenue	39,574	42,129
52,884	Total expenses	46,365	48,790
(11,003)	Net surplus/(deficit)	(6,791)	(6,661)

For an explanation of this planned deficit, refer to note 20 in the Notes to the Financial Statements.

PERFORMANCE INFORMATION > STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 4 – LAND AND SEABED INFORMATION STORAGE AND MANAGEMENT

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

There are two outputs in this output class:

- 410 Ongoing Maintenance of an Information System Infrastructure that Protects the Integrity and Security of Authoritative Databases, and
- 420 Information Systems Development.

Output 410 – Ongoing Maintenance of an Information System Infrastructure that Protects the Integrity and Security of Authoritative Databases

Third-party funded

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

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
IT infrastructure will be future-proofed to maintain system availability and sustainability.	System availability and sustainability is maintained through the following activities.
Architectural principles will be maintained and communicated at least annually.	Architectural principles have been refreshed through the Landonline enterprise architecture review project. The updated enterprise architectural principles and standards were published internally on LINZ's Intranet.
IT capacity planning processes will be in place by December 2007.	A new capacity manager was appointed in June 2008. The IT Capacity Strategy has been signed off. Capacity planning reporting was established with the first report published in April 2008. Work is progressing on the capacity plan implementation. The delay around capacity management was due to resourcing issues.
The Landonline architecture review will be completed by June 2008 with the delivery of a roadmap to ensure ongoing sustainability of the infrastructure.	A Landonline architecture review transition plan (a 10-year roadmap) was approved by the review's steering committee in June 2008.
QUALITY	
The IT architecture standards will be maintained in line with government and international standards.	IT architecture standards have been reviewed through the Landonline enterprise architecture review, which reconfirmed that LINZ should continue to maintain the technology standards in line with government and international standards.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
The IT architecture standards will be reviewed at least annually to ensure alignment with the e-government Interoperability Framework (eGIF) and other international standards.	LINZ IT architecture standards are aligned with eGIF and are regularly reviewed with the Landonline enterprise architecture review and when projects are undertaken. The review reconfirmed the alignment to government and international standards going forward.
TIMELINESS	
The IT infrastructure will be maintained to ensure that it is available to the business systems that utilise it.	All IT infrastructure has been managed in accordance with LINZ policies and standards and has been maintained according to our architecture principles.
The service level agreements for business systems will be met each month.	All service levels were met for business systems.

Output 420 – Information Systems Development

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

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
All projects, as determined by the LINZ strategic project approval process and aligned with government objectives and funding priorities, will be approved in accordance with the project governance process.	Two projects were submitted to and approved by the LINZ Project Governance Committee.
QUALITY	
Standards to which projects will be managed will be in accordance with the LINZ project framework, which includes: risk management, robust governance arrangements, and evaluation and review to the quality standards defined in the relevant project plan.	Eighteen projects are actively being managed through the LINZ project governance process.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
TIMELINESS	
Timelines to which projects will be managed will be as set out in the project plan for each project.	Sixteen projects are currently being managed within agreed timeframes. Two projects are currently behind approved schedule, and approvals in line with LINZ's governance processes are being sought.

Financial performance

Actual 30/6/07 \$000		Actual 30/6/08 \$000	Voted 30/6/08 \$000
2,738	Revenue Crown	5,436	5,471
19,605	Revenue other	17,901	19,320
22,343	Total revenue	23,337	24,791
24,959	Total expenses	31,367	34,217
(2,616)	Net surplus/(deficit)	(8,030)	(9,426)

For an explanation of this planned deficit, refer to note 20 of the Notes to the Financial Statements.

PERFORMANCE INFORMATION > STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 5: LAND AND SEABED INFORMATION ACCESS AND DISSEMINATION

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

There is one output in this output class:

510 Provision of Access to Information and Services.

Output 510 – Provision of Access to Information and Services

Part third-party funded

This output involves providing access and a dissemination service for the public to:

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

PERFORMANCE MEASURE	PERFORMANCE
Land title, and cadastral and geodetic survey information	
QUANTITY	
3,290,000 electronic title records will be supplied (range for year 2,878,750-3,701,250).	3,437,595 electronic title records were supplied for the full year.
32,000 paper title records will be supplied (range for year 26,000-38,000).	24,530 paper title records were supplied for the full year. Supply of paper titles records is demand-driven. The forecast was higher than demand. All paper title records that could be supplied were supplied.
260,000 electronic survey records will be supplied (range for year 185,000-335,000).	235,740 electronic survey records were supplied for the full year.
5,000 paper survey records will be supplied (range for year 3,800-6,200).	4,484 paper survey records were supplied for the full year.
QUALITY	
A minimum “good” rating will be achieved in the quality category of quarterly independent telephone surveys of randomly selected regular customers.	The standard of “good” was met or exceeded.
TIMELINESS	
The Landonline system will be available 99.5% of the time between 7am and 9pm on Monday to Thursday, 7am to 7pm on Friday, and 9am and 5pm on Saturday.	The Landonline system was available 99.8% of the time for the year.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
Topographic and hydrographic information (maps, charts and information)	
QUALITY	
A full inventory of topographic and hydrographic information will be maintained.	<p>Complete inventories exist for all information.</p> <p>The key inventories are:</p> <ul style="list-style-type: none"> • All available charts and maps existing in the warehouse and distribution inventory system. This was confirmed by an end-of-year stock-take and monthly reports from the contractor. • The inventory of all hydrographic digital data is contracted to the National Institute of Water and Atmospheric (NIWA). • An inventory of all New Zealand aerial photography is updated annually on contract to NZ Aerial Mapping.
A minimum “good” rating will be maintained in an annual survey of a representative sample of primary customers who use topographic and hydrographic information products and services.	The latest annual customer survey of customers gave a result of “good” or above from more than 70% of customers.
TIMELINESS	
The New Zealand Mariner and updates will be dispatched to the customer within two working days of an order being received or an update being due.	<p>There were no known or reported issues.</p> <p>Performance specifications are set out as part of a contractual requirement and were verified through the annual audit of our supplier’s warehouse. This service moved to a web-based downloadable service from 30 June 2008, giving instant access to mariners.</p>
Topographic maps and hydrographic charts will be dispatched to the retailer within two working days of an order being received.	<p>There were no known or reported issues.</p> <p>Performance is a contract requirement and was verified through the annual audit of our supplier’s warehouse.</p>

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

Financial performance

	Actual 30/6/07 \$000		Actual 30/6/08 \$000	Voted 30/6/08 \$000
	1,181	Revenue Crown	1,185	1,185
	4,005	Revenue other	3,682	3,974
	5,186	Total revenue	4,867	5,159
	5,255	Total expenses	4,976	5,208
	(69)	Net surplus/(deficit)	(109)	(49)

For an explanation of this planned deficit, refer to note 20 in the Notes to the Financial Statements.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 6 – CROWN PROPERTY MANAGEMENT AND DISPOSAL SERVICES

The acquisition, management and disposal of land and property administered by the Department on behalf of the Crown.

There are two outputs in this output class:

- 610 Crown Property Management and Disposal Services, and
- 620 Delivery of the Crown Property Clearance Sale.

Output 610 – Crown Property Management and Disposal Services

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

- Crown property management (Note: LINZ administers approximately 4,500 properties on behalf of the Crown. Of these, 2,500 properties are in two property management contracts. The minimum criterion for a property to be included in a property management contract is that rates are levied against the property.)
- Crown property disposal
- Crown property acquisition
- Crown pastoral land tenure reform
- Crown forest management, and
- management of land-related liabilities.

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
775 properties will be leased or licensed (range for year is 700-850).	760 properties are leased or licensed.
Revenue sales for the year will total \$6 million (10%) from the properties available for disposal.	Revenue sales totaled \$6.150 million.
Property purchases will be undertaken on an “as required” basis.	There have been no acquisitions.
Six substantive Tenure Review proposals will be put to leaseholders (range for year is 4-10).	Ten substantive proposals have been put to leaseholders.
71 Crown Forest Licences will be managed (range for year is 65-75).	72 Crown Forest Licences were managed.
450 land-related liabilities will be managed (range for year is 300-600).	350 land-related liabilities were managed.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

PERFORMANCE MEASURE	PERFORMANCE
QUALITY	
Standards to which services will be provided will be in accordance with: <ul style="list-style-type: none"> the specifications in the property management contracts statutory requirements LINZ Crown pastoral land standards the specifications in Part 2 of the Crown Forest Licence Management Agreement, and the requirements in the LINZ “Operating Framework for the Investigation and Management of Land Related Crown Liabilities”. 	<p>Services have been delivered within the specifications of the property management contracts.</p> <p>All property disposals were completed in accordance with LINZ standards and guidelines, including statutory and government-directed requirements.</p> <p>All Tenure Review substantive proposals were reviewed and approved by the Tenure Review Quality Assurance Board to ensure they fully complied with the relevant standards and legislation, and were consistent with Government policy.</p> <p>All specifications in Part 2 of the Crown Forest Licence Management Agreement have been complied with.</p> <p>The requirements of LINZ’s Operating Framework have been complied with.</p>
TIMELINESS	
Standards to which services will be managed will be in accordance with: <ul style="list-style-type: none"> the timeframes in the property management contracts statutory requirements (2&3) LINZ pastoral land standards (4) the timeframes in Part 2 of the Crown Forest Licence Management Agreement, and the timeframes in the LINZ “Operating Framework for the Investigation and Management of Land Related Crown Liabilities”. 	<p>All services have been delivered within property management contract timeframes.</p> <p>All property disposal processes, including statutory requirements, were undertaken in a timely manner in accordance with LINZ standards and guidelines and instructions to LINZ disposal contractors.</p> <p>All LINZ pastoral land standards were met.</p> <p>The timeframes within Part 2 of the Crown Forest Licence Management Agreement have been met.</p> <p>The timeframes for the management of contingent liabilities have been met in accordance with the requirements of the Operating Framework.</p>
Tenure Review substantive proposals will be put to the leaseholder within 10 working days of being signed on behalf of the Crown.	All Tenure Review substantive proposals were put to the leaseholder within 10 working days of being signed on behalf of the Crown.
The revenue target will be reached by year end.	There is no longer a revenue target for Tenure Review.

PERFORMANCE INFORMATION >

STATEMENT OF FORECAST SERVICE PERFORMANCE

Output 620 – Delivery of the Crown Property Clearance Sale

Third-party funded

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

PERFORMANCE MEASURE	PERFORMANCE
QUANTITY	
3,000 (est) property reports will be cleared and a statutory decision made (range for year is 2,500-3,500).	2,363 decisions were made. This was the number received for the year.
QUALITY	
The standard to which the service is provided will be in accordance with the Crown property standards as assessed by quality assurance audit.	The required standard has been met.
TIMELINESS	
95% of statutory reports and recommendations will be cleared or responded to within five working days.	85% of reports and recommendations were responded to within five working days. 97% were responded to within 20 working days. Of those decisions not meeting the standard, most are related to section 40 (S40) of the Public Works Act or compulsory acquisition. S40 reports are high risk and have a peer review process imposed, making the five-day target rarely obtainable. Compulsory acquisitions require considerable care in checking.

Financial performance

Actual 30/6/07 \$000		Actual 30/6/08 \$000	Voted 30/6/08 \$000
13,119	Revenue Crown	16,546	19,565
7	Revenue other	558	924
13,126	Total revenue	17,104	20,489
13,177	Total expenses	17,470	20,489
(51)	Net surplus/(deficit)	(366)	0

PERFORMANCE INFORMATION > STATEMENT OF FORECAST SERVICE PERFORMANCE

OUTPUT CLASS 7 – OCEANS SURVEY 20/20 PROGRAMME

This appropriation is limited to the initiatives within the Oceans Survey 20/20 (OS20/20) Programme.

The increased appropriation in 2007/08 reflects one-off funding for the Census of Antarctic Marine Life (CAML).

PERFORMANCE MEASURE	PERFORMANCE
QUALITY	
All survey projects will be carried out with specific performance measures and standards to be specified in a contract between LINZ, as the co-ordinating agency, and the lead agency for each project.	A contract for CAML was agreed with all agencies prior to a survey being undertaken.
The chartering of the <i>RV Tangaroa</i> each year until 30 June 2012 for the purposes of OS 20/20 will be completed in accordance with the timeframes, standards and specifications set out in the contract between LINZ and NIWA Vessel Management Ltd.	A contract with NIWA Vessel Management Ltd for chartering the <i>RV Tangaroa</i> for the CAML voyage was completed prior to the voyage.

Financial performance

	Actual 30/6/07 \$000	Actual 30/6/08 \$000	Voted 30/6/08 \$000
–	Revenue Crown	6,671	6,671
–	Revenue other	–	–
–	Total revenue	6,671	6,671
–	Total expenses	6,671	6,671
0	Net surplus/(deficit)	0	0

FINANCIAL STATEMENTS >

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2008

Actual 30/6/07 \$000		Notes	Actual 30/6/08 \$000	Main Estimates (note 2) 30/6/08 \$000	Supp. Estimates (note 2) 30/6/08 \$000
Income					
42,346	Revenue Crown	3	54,548	62,793	58,426
53,278	Revenue other	3	49,386	52,140	53,816
95,624	Total income		103,934	114,933	112,242
Expenditure					
41,953	Personnel costs	4	43,581	42,347	45,799
9,453	Depreciation and amortisation	8, 9	9,703	13,086	10,503
3,004	Capital charge	5	2,937	2,956	2,956
5,909	Restructuring costs		125	–	–
48,727	Other operating expenses	6	62,905	70,107	68,885
109,046	Total expenditure		119,251	128,496	128,143
(13,422)	Net surplus/(deficit)		(15,317)	(13,563)	(15,901)

Explanations of significant variances against budget are detailed in note 21.

FINANCIAL STATEMENTS >

STATEMENT OF FINANCIAL POSITION

As at 30 June 2008

Actual 30/6/07 \$000		Notes	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Assets					
Current assets					
5,946	Cash and cash equivalents		299	3,865	3,537
3,816	Trade and other receivables	7	9,770	4,635	4,235
967	Prepayments		1,196	1,245	1,245
10,729	Total current assets		11,265	9,745	9,017
Non-current assets					
4,852	Property, plant and equipment	8	4,363	5,955	6,591
1,046	Work in progress	8	2,668	–	–
5,898	Total property, plant and equipment		7,031	5,955	6,591
49,955	Intangibles	9	47,222	50,425	51,954
55,853	Total non-current assets		54,253	56,380	58,545
66,582	Total assets		65,518	66,125	67,562
Liabilities					
Current liabilities					
16,264	Trade and other payables	10	16,126	15,166	16,421
637	Provisions	11	562	1,255	637
4,647	Employee entitlements	12	4,804	4,000	4,000
1,127	Deferred revenue		80	1,500	1,000
22,675	Total current liabilities		21,572	21,921	22,058
Non-current liabilities					
–	Provisions	11	–	–	–
4,668	Employee entitlements	12	4,708	5,300	6,600
4,668	Total non-current liabilities		4,708	5,300	6,600
27,343	Total liabilities		26,280	27,221	28,658
39,239	Net assets		39,238	38,904	38,904
Tax payers' funds					
39,239	General funds	13	39,238	38,904	38,904
39,239	Total taxpayers' funds		39,238	38,904	38,904

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

FINANCIAL STATEMENTS >

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS

For the year ended 30 June 2008

Actual 30/6/07 \$000		Notes	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
47,590	Taxpayers' funds as at 1 July		39,239	38,904	38,904
(13,422)	Surplus/(deficit) for the year		(15,317)	(13,563)	(15,901)
(13,422)	Total recognised income and expense		(15,317)	(13,563)	(15,901)
5,071	Capital contribution		15,316	13,563	15,901
–	Repayment of capital		–	–	–
39,239	Taxpayers' funds as at 30 June	13	39,238	38,904	38,904

STATEMENT OF CASH FLOWS

As at 30 June 2008

Actual 30/6/07 \$000		Notes	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
	Cash flows from operating activities				
	Cash provided from:				
	Supply of outputs to:				
48,085	Receipts from the Crown		45,121	62,793	63,127
52,339	Receipts from revenue other		48,167	52,140	52,469
100,424	Total cash receipts		93,288	114,933	115,596
	Cash distributed to:				
	Produce outputs:				
(51,034)	Payments to operating suppliers		(59,753)	(114,517)	(110,282)
(42,256)	Payments to employees		(43,509)	–	–
(3,004)	Payments for capital charge		(2,937)	(2,956)	(3,559)
–	Goods and services tax (net)		–	–	(65)
(96,294)	Total cash disbursed to cost of producing outputs		(106,199)	(117,473)	(113,906)
4,130	Net cash flows from operating activities	14	(12,911)	(2,540)	1,690

Table continued on following page.

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

FINANCIAL STATEMENTS >

STATEMENT OF CASH FLOWS (CONTINUED)

As at 30 June 2008

Actual 30/6/07 \$000	Notes	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Cash flows from investing activities				
Cash provided from:				
40	Receipts from sale of property, plant and equipment	–	–	–
–	Receipts from sale of investments	–	–	–
Cash distributed to:				
(3,789)	Purchase of property, plant and equipment	(8,052)	(12,793)	(20,000)
(2,365)	Purchase of intangible assets	–	–	–
(6,114)	Net cash flows from investing activities	(8,052)	(12,793)	(20,000)
Cash flows from financing activities				
5,072	Capital contribution	15,316	13,563	15,901
–	Capital withdrawal	–	–	–
–	Repayment of surplus	–	–	–
5,072	Net cash flows from financing activities	15,316	13,563	15,901
3,088	Net increase/(decrease) in cash and cash equivalents	(5,647)	(1,770)	(2,409)
2,858	Cash and cash equivalents at the beginning of the year	5,946	5,635	5,946
5,946	Cash at end of year	299	3,865	3,537

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.

FINANCIAL STATEMENTS>

STATEMENT OF COMMITMENTS

As at 30 June 2008

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or recognised as a liability at the balance sheet date.

Non-cancellable operating lease commitments

LINZ has long-term leases on our 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 non-cancellable operating leases have varying terms, escalation clauses and renewal rights.

There are no restrictions placed on the Department by any of our leasing arrangements.

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 buildings) and three years (for office equipment), with an option to renew the lease after that date. In the case of leased buildings, lease payments are increased every five years to reflect market rentals. None of the leases includes contingent rentals.

During the year ended 30 June 2008, \$5.949 million was recognised as an expense in the Statement of Financial Performance in respect of operating leases (2007: \$4.101 million). \$0.951 million was recognised as income in the Statement of Financial Performance in respect of subleases (2007: \$0.673 million).

Other non-cancellable commitments

Non-cancellable contracts for supply of goods and services are mainly from Crown property management and Landonline system maintenance.

FINANCIAL STATEMENTS >

STATEMENT OF COMMITMENTS (CONTINUED)

As at 30 June 2008

Actual 30/6/07 \$000		Actual 30/6/08 \$000
	Capital commitments	
	Cash provided from:	
	– Property, plant and equipment	–
	– Intangible assets	–
0	Total capital commitments	0
	Non-cancellable operating lease commitments	
3,703	Not later than one year	4,418
11,742	Later than one year and not later than five years	10,182
	– Later than five years	–
15,445	Total non-cancellable operating lease commitments	14,600
	Other non-cancellable commitments	
15,134	Not later than one year	19,001
36,790	Later than one year and not later than five years	24,881
	– Later than five years	8,599
51,924	Total other non-cancellable lease commitments	52,481
67,369	Total commitments	67,081

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

FINANCIAL STATEMENTS >

STATEMENT OF CONTINGENT LIABILITIES

As at 30 June 2008

Quantifiable contingent liabilities

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

Actual 30/6/07 \$000		Actual 30/6/08 \$000
–	Potential work on Crown lands	–
–	Legal proceedings and disputes	1,400
–	Personal grievances	–
–	Contingent assets	–
0	Total contingent liabilities	1,400

Potential work on Crown land

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

Legal proceedings and disputes

Legal proceedings and disputes would represent the amounts claimed by plaintiffs in relation to the performance of the Department's statutory role. The Department has no such legal proceedings or disputes.

Personal grievances

Personal grievances represent amounts claimed by employees for personal grievances cases, all of which relate to breach of contract with employees relating to restructure.

Contingent assets

The Department has no contingent assets (2007: nil).

FINANCIAL STATEMENTS >

STATEMENT OF DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE AGAINST APPROPRIATIONS

For the year ended 30 June 2008

Expenditure actual 30/6/07 \$000	Appropriations for output expenses (Figures are GST-exclusive)	Expenditure actual 30/6/08 \$00	Appropriations voted* 30/6/08 \$000	Variance favourable/ (unfavourable) \$000
2,168	Policy Advice	2,518	2,521	3
10,939	Standards and Quality Assurance	9,885	10,247	362
52,558	Land and Seabed Data Capture and Processing	46,365	48,790	2,425
24,949	Land and Seabed Information Storage and Management	31,367	34,217	2,850
5,255	Land and Seabed Information Access and Dissemination	4,976	5,208	232
13,177	Crown Property Management and Disposal Services	17,470	20,489	3,019
–	Oceans Survey 20/20	6,671	6,671	–
109,046	Total appropriations for output expenses	119,251	128,143	8,892

* This includes adjustments made in the Supplementary Estimates.

NOTES TO THE FINANCIAL STATEMENTS>

1 STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2008

Reporting entity

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

In addition, the Department also reports on the Crown activities and trust monies that we administer.

The primary objective of LINZ is to provide services to the public. Accordingly, we have designated ourselves as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

These financial statements of LINZ are for the year ended 30 June 2008. The financial statements were authorised for issue by the Chief Executive on 30 September 2008.

Basis of preparation

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).

These financial statements have been prepared in accordance with, and comply with, NZ IFRS as appropriate for public benefit entities.

This is the first set of financial statements prepared using NZ IFRS. The comparatives for the year ended 30 June 2007 have been restated accordingly. Reconciliations of equity and net surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 22.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Statement of Financial Position at 1 July 2006 for the purposes of the transition to NZ IFRS.

The financial statements have been prepared on an historical costs basis, modified by the revaluation of certain financial instruments (including derivative instruments).

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

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to LINZ, include:

- NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in equity resulting from transactions with the Crown in its capacity as “owner” separately from “non-owner” changes. The revised standard gives LINZ the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). LINZ expects we will apply the revised standard for the first time for the year ended 2010, and are yet to decide whether we will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

Revenue

Revenue is measured at the fair value of consideration received.

Revenue from the supply of outputs to the Crown, or from third parties, is recognised when earned.

Capital charge

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

NOTES TO THE FINANCIAL STATEMENTS>

Operating leases

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

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

Surplus leased accommodation

The provision for surplus leased accommodation represents the Department's liability under lease agreements for surplus leased space. The provision is calculated on a net present value of the rental payable less any revenue expected to be collected. The liability created is then amortised over the term of the lease.

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 Financial Performance.

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable.

Foreign currency transactions

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

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.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$3,000. The value of an individual asset that is less than \$3,000, and is part of a similar group of assets, is capitalised.

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 Financial Performance.

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 provided on a straight-line basis on all property, plant and equipment, other than non-current work in progress, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

<i>Type of asset</i>	<i>Estimated life</i>
Leasehold property improvements	Over term of lease
Motor vehicles	5 to 7 years
Computer hardware	3 to 20 years
Plant and equipment	4 to 10 years
Furniture and fittings	4 to 10 years

NOTES TO THE FINANCIAL STATEMENTS>

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

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

Work in progress

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

Intangible assets

Software acquisition and development

Acquired computer software licenses 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.

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 Financial Performance.

The useful lives and associated amortisation rates of intangible assets have been estimated as three to five years.

Impairment of non-financial assets

Intangible assets that are not yet available for use at the balance sheet date are tested for impairment annually.

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.

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. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Department expects to be settled within 12 months of balance date are measured at nominal values 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, retiring 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 bonuses where we are contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

NOTES TO THE FINANCIAL STATEMENTS>

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long-service leave and retiring 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 cashflows. A weighted average discount rate of 5.75% and a salary inflation factor of 3% were used. The discount rate is based on the capital charge rate. The inflation factor is based on the expected long-term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, Kiwisaver and the Government Superannuation Funds are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Financial Performance 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 that 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.

Budget figures

The budget figures are consistent with the financial information in the Main Estimates. In addition, these financial statements also present the updated budget information from the Supplementary Estimates.

Income tax

Government departments are exempt from income tax as local authorities. 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 cashflow in the Statement of Cashflows.

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.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output.

- Costs that are directly related to an output are allocated directly to that output.

NOTES TO THE FINANCIAL STATEMENTS>

(2) Costs that are not directly related to a single output fall into two categories:

- Costs that are not related to the production of outputs are defined as overhead costs. These are allocated to direct output producing cost-centres (DOPCCs) using, as a proxy for consumption, cost drivers such as full-time equivalent staff (FTE), floor area and estimated useage.
- Costs that are partially related to the production of outputs are those incurred within DOPCCs that are not sufficiently direct to allocate directly.

All costs that fall into either category under (2) above are allocated from DOPCCs to outputs using a proxy for estimated resource useage, such as FTE staff time.

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

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 judgements 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.

NOTES TO THE FINANCIAL STATEMENTS>

2 BUDGET COMPOSITION

	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000	Budget Total 30/6/08 \$000
Income			
Revenue Crown	62,793	(4,367)	58,426
Revenue other	52,140	1,676	53,816
Total income	114,933	(2,691)	112,242
Expenditure			
Personnel costs	42,347	3,452	45,799
Depreciation and amortisation	13,086	(2,583)	10,503
Capital charge	2,956	–	2,956
Restructuring costs	–	–	–
Other operating expenses	70,107	(1,222)	68,885
Total expenditure	128,496	(353)	128,143
Net surplus/(deficit)	(13,563)	(2,338)	(15,901)

Explanations of major changes in the Supplementary Estimates:

Revenue Crown

The decrease in revenue Crown was mainly from transfers of funding to later years, partly off-set by the carry-forward of expense transfers of funding for strategic projects from 2006/07.

Revenue other

The increase in revenue other was due to an upward revision of third-party revenue from survey and title transactions.

Personnel costs

The increase reflects funding for the 100% electronic lodgement Cabinet decision.

Depreciation and amortisation

The decrease reflects capital expenditure occurring later than originally expected.

Other operating costs

The decrease reflects funding for projects carried forward to 2008/09.

NOTES TO THE FINANCIAL STATEMENTS>

3 REVENUE

Actual 30/6/07 \$000		Actual 30/6/08 \$000
	Crown revenue	
2,149	Crown – Policy Advice	2,496
5,121	Crown – Standards and Quality Assurance	4,488
18,038	Crown – Land and Seabed Data Capture and Processing	17,726
2,738	Crown – Land and Seabed Information Storage and Management	5,436
1,181	Crown – Land and Seabed Information Access and Dissemination	1,185
13,119	Crown – Property Management and Disposal Services	16,546
–	Crown – Oceans Survey 20/20 Programme	6,671
42,346	Total Crown revenue	54,548
	Other revenue	
334	Crown property sale fees	306
72	Electoral support services	69
1,588	Licence and sign-up fees	1,282
2,042	Miscellaneous	1,487
1,409	Overseas Investment Office applications	1,466
1,191	Rating valuation audit charges	2,093
8,328	Search	9,991
673	Sub-leased revenue	951
5,630	Survey	5,700
32,010	Titles	26,041
53,278	Total other revenue	49,386

NOTES TO THE FINANCIAL STATEMENTS>

4 PERSONNEL COSTS

Actual 30/6/07 \$000		Actual 30/6/08 \$000
38,081	Salaries and wages	38,538
752	Staff-related expenses	1,201
1,604	Contract employees	2,184
168	ACC levies	241
1,066	Contributions to defined contribution plans	1,063
282	Increase/(decrease) in employee entitlements	354
41,953	Total personnel costs	43,581

5 CAPITAL CHARGE

The Department pays a capital charge to the Crown based on our taxpayers' funds as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ended 30 June 2008 is 7.5% (2007: 7.5%). Changes to taxpayers' funds are mainly affected by capital contribution required for specific outputs. 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.

NOTES TO THE FINANCIAL STATEMENTS>

6 OTHER OPERATING EXPENSES

Actual 30/6/07 \$000		Actual 30/6/08 \$000
	Fees to auditor:	
154	Audit fees for the financial statement audit	249
36	Audit fees for NZ IFRS transition	–
–	Audit-related fees for assurance and related services	–
4,101	Leasing and renting costs	5,949
10,357	Other operating costs	7,598
–	Provision for doubtful debts	24
10,836	Professional services	21,088
5,929	Contracts for topography/hydrography	6,668
9,819	Computer operating costs	11,294
7,495	Crown property services	10,035
48,727	Total other operating expenses	62,905

7 TRADE AND OTHER RECEIVABLES

Actual 30/6/07 \$000		Actual 30/6/08 \$000
3,818	Debtors to non-related parties	4,044
(2)	Less: provision for doubtful debts	(26)
3,816	Net debtors	4,018
–	Monies receivable from the Crown	5,752
–	Other receivables	–
–	Lease and other deposits	–
3,816	Total trade and other receivables	9,770

Trade receivables are shown net of provision for doubtful debts amounting to \$26,000 (2007: \$2,000) recognised in the current year.

The carrying value of trade and other receivables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS>

7 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 30 June 2008 and 2007, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2007			2008		
	Gross	Impairment	Net	Gross	Impairment	Net
Not pass due	3,418	–	3,418	3,570	–	3,570
Past due 1-30 days	358	–	358	267	–	267
Past due 31-60 days	32	–	32	149	–	149
Past due 61-90 days	10	(2)	8	28	–	28
Past due > 91 days	–	–	–	30	(26)	4
Total	3,818	(2)	3,816	4,044	(26)	4,018

The provision for doubtful debts has been calculated based on expected losses for the Department's pool of debtors. Expected losses have been determined based on an analysis of the Department's losses in previous periods and a review of specific debtors.

Those specific debtors that are insolvent are fully provided for. As at 30 June 2008, the Department has identified no debtors (2007: nil) totalling \$0.00 (2007: \$0.00) that are insolvent.

Movements in the provision for doubtful debts are as follows:

	Actual 30/6/07 \$000	Actual 30/6/08 \$000
3 Balance at 1 July		2
– Additional provisions made during the year		24
(1) Receivables written off during the period		–
2 Balance as at 30 June		26

NOTES TO THE FINANCIAL STATEMENTS>

8 PROPERTY, PLANT AND EQUIPMENT

	Lease-hold improvements \$000	Motor vehicles \$000	Computer hardware \$000	Plant & equipment \$000	Furniture & fittings \$000	Work in progress \$000	Total \$000
Cost or valuation							
Balance at 1 July 2006	5,028	361	4,098	1,013	1,108	419	12,027
Revaluation increase	–	–	–	–	–	–	–
Additions	54	90	3,513	–	21	627	4,305
Disposals	(3,506)	(304)	(1,176)	(788)	(677)	–	(6,457)
Balance at 30 June 2007	1,576	147	6,435	225	452	1,046	9,881
Balance at 1 July 2007	1,576	147	6,435	225	452	1,046	9,881
Revaluation increase	–	–	–	–	–	–	–
Additions	3,576	139	1,532	470	693	1,622	8,032
Disposals	–	(34)	–	(40)	(67)	–	(141)
Balance at 30 June 2008	5,152	252	7,967	655	1,078	2,668	17,772
Accumulated depreciation and impairment losses							
Balance at 1 July 2006	(4,269)	(323)	(2,031)	(933)	(913)	–	(8,469)
Depreciation charge for the year	(213)	(18)	(1,190)	(24)	(49)	–	(1,494)
Impairment losses	–	–	–	–	–	–	–
Reversal of impairment losses	–	–	–	–	–	–	–
Disposals	3,507	304	705	788	676	–	5,980
Balance at 30 June 2007	(975)	(37)	(2,516)	(169)	(286)	–	(3,983)
Balance at 1 July 2007	(975)	(37)	(2,516)	(169)	(286)	–	(3,983)
Depreciation charge for the year	(206)	(25)	(1,022)	(21)	(49)	–	(1,323)
Impairment losses	–	–	–	–	–	–	–
Reversal of impairment losses	–	–	–	–	–	–	–
Additions	(3,487)	(129)	(779)	(430)	(610)	–	(5,435)
Balance at 30 June 2008	(4,668)	(191)	(4,317)	(620)	(945)	0	(10,741)
Carrying amounts							
At 1 July 2006	759	38	2,067	80	195	419	3,558
At 30 June 2007	601	110	3,919	56	166	1,046	5,898
At 1 July 2007	601	110	3,919	56	166	1,046	5,898
At 30 June 2008	485	61	3,650	35	133	2,668	7,031

Impairment

There has been no impairment to property, plant and equipment during the financial year (2007: nil).

NOTES TO THE FINANCIAL STATEMENTS>

9 INTANGIBLE – SOFTWARE ASSETS

	Acquired Software \$000	Internally generated software \$000	Total \$000
Cost			
Balance at 1 July 2006	93,462	–	93,462
Additions	3,483	–	3,483
Disposals	(2,212)	–	(2,212)
Balance at 30 June 2007	94,733	0	94,733
Balance at 1 July 2007	94,733	–	94,733
Additions	6,281	–	6,281
Disposals	–	–	–
Balance at 30 June 2008	101,014	0	101,014
Amortisation and impairment losses			
Balance at 1 July 2006	(37,837)	–	(37,837)
Amortisation expense	(7,959)	–	(7,959)
Impairment losses	–	–	–
Reversal of impairment losses	–	–	–
Disposals	2,231	–	2,231
Balance at 30 June 2007	(43,565)	0	(43,565)
Balance at 1 July 2007	(43,565)	–	(43,565)
Amortisation expense	(8,380)	–	(8,380)
Impairment losses	–	–	–
Reversal of impairment losses	–	–	–
Disposals	(1,847)	–	(1,847)
Balance at 30 June 2008	(53,792)	0	(53,792)
Carrying amounts			
At 1 July 2006	55,625	–	55,625
At 30 June and 1 July 2007	51,168	–	51,168
At 30 June 2008	47,222	–	47,222

Databases

The Department has the following land information databases to which no value has been attached:

- digital topographical database, and
- geodetic database.

NOTES TO THE FINANCIAL STATEMENTS>

10 TRADE AND OTHER PAYABLES

Actual 30/6/07 \$000		Actual 30/6/08 \$000
1,810	Creditors payable	5,847
181	ACC levy payable	227
581	GST, FBT and PAYE payable	129
10,017	Accrued expenses	9,924
3,675	Creditor Crown	–
16,264	Total trade and other payables	16,126

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.

11 PROVISIONS

Actual 30/6/07 \$000		Actual 30/6/08 \$000
	Current provisions are represented by:	
218	Surplus leased accomodation	108
–	Potential work on Crown lands	–
419	Reinstatement provision	454
–	Other	–
637	Total current portion	562
	Non-current provisions are represented by:	
–	Surplus leased accomodation	–
–	Potential work on Crown lands	–
–	Reinstatement provision	–
–	Other	–
0	Total non-current portion	0
637	Total provisions	562

NOTES TO THE FINANCIAL STATEMENTS>

11 PROVISIONS (CONTINUED)

2007	Surplus leased accom. \$000	Potential work on Crown lands \$000	Reinstatement provision \$000	Other \$000	Total \$000
Balance at 1 July 2006	281	–	–	–	281
Additional provisions made during the year	–	–	419	–	419
Charge against provision for the year	(63)	–	–	–	(63)
Unused amounts reversed during the year	–	–	–	–	–
Discounting changes	–	–	–	–	–
Provision for repayment of surplus to the Crown	–	–	–	–	–
Balance at 30 June 2007	218	0	419	0	637
2008					
Balance at 1 July 2007	218	–	419	–	637
Additional provisions made during the year	–	–	34	–	34
Charge against provision for the year	(109)	–	–	–	(109)
Unused amounts reversed during the year	–	–	–	–	–
Provision for repayment of surplus to the Crown	–	–	–	–	–
Balance at 30 June 2008	(109)	0	453	0	562

Surplus leased accommodation

The provision for surplus leased accommodation represents the Department's liability under lease agreements for surplus leased space. The provision is calculated on the net present value of the rental payable. The liability created is then amortised over the term of the lease, which will expire in 2010.

Reinstatement provision

The reinstatement provision represents the Department's estimated liability to reinstate leased accommodation to its original state at the expiry of the lease term. The provision is calculated on the net present value of the estimated liability at lease expiry.

NOTES TO THE FINANCIAL STATEMENTS>

12 EMPLOYEE BENEFITS

Actual 30/6/07 \$000		Actual 30/6/08 \$000
Current employee entitlements are represented by:		
167	Vested long-service leave	152
2,594	Vested annual leave	2,835
172	Accrued sick leave	126
1,714	Accrued salaries and wages	1,691
4,647	Total current employee benefits	4,804
Non-current employee entitlements are represented by:		
3,074	Vested retirement leave	3,240
1,594	Unvested long-service and retirement leave	1,468
4,668	Total non-current employee benefits	4,708
9,315	Total employee entitlements	9,512

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 (7.5%) and the salary inflation factor (3%). Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate, LINZ considered the interest rates on New Zealand government bonds which have terms to maturity that match, as closely to possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

NOTES TO THE FINANCIAL STATEMENTS>

13 TAXPAYERS' FUNDS

Actual 30/6/07 \$000		Actual 30/6/08 \$000
General funds		
47,590	Balance at 1 July	39,239
(13,422)	Net surplus/(deficit)	(15,317)
–	Transfers from revaluation reserve on disposal of property	–
5,071	Capital contribution from the Crown	15,316
–	Provision for repayment of surplus to the Crown	–
39,239	General funds at 30 June	39,238
Revaluation reserves		
–	As at 1 July	–
–	Revaluation gains/(losses)	–
0	Transfer to general funds on disposal	0
39,239	Total taxpayer funds	39,238

NOTES TO THE FINANCIAL STATEMENTS>

14 RECONCILIATION OF NET SURPLUS/(DEFICIT) FOR THE PERIOD WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

Actual 30/6/07 \$000		Actual 30/6/08 \$000
(13,422)	Net surplus/(deficit)	(15,317)
	Add back non-cash items:	
1,494	Depreciation and assets written off	1,323
7,959	Amortisation of intangibles	8,380
–	Impairment of intangibles	–
9,453	Total non-cash items	9,703
	Add back items classified as investing activity:	
(9)	Net loss/(gain) on sale of plant, property and equipment	(51)
–	Other	–
(9)	Total investing activity items	(51)
	Movements in working capital:	
1,935	(Increase)/decrease in debtors and receivables	(9,629)
(107)	(Increase)/decrease in prepayments	(229)
6,052	Increase/(decrease) in creditors and payables	2,490
356	Increase/(decrease) in provisions	(75)
(127)	Increase/(decrease) in current employee entitlements	197
8,109	Net movements in working capital	(7,246)
4,131	Net cash inflow/(outflow) from operating activities	(12,911)

NOTES TO THE FINANCIAL STATEMENTS>

15 RELATED PARTY INFORMATION

Identity of related parties

The Department is a wholly owned entity of the Crown. The Government significantly influences the role of the Department as well as being our major source of revenue.

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

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

In addition to their salaries, the Department also provides non-cash benefits to LINZ staff, and contributes to post-employment defined contribution plans on their behalf.

Key management personnel are those members of the Executive Committee.

Remuneration

Total remuneration of key management personnel (which is included in personnel expenses in note 4) is:

2007 Actual \$000		2008 Actual \$000
1,164	Executive Committee	1,227

16 EVENTS AFTER THE BALANCE SHEET DATE

In February 2006, LINZ announced the phasing out of paper-based lodgement for survey and title transactions by July 2008. LINZ has successfully met the mandatory dates for electronic lodgement of routine transfers and mortgages (August 2007) and of all survey datasets (September 2007). In agreement with the industry and the Minister, all remaining titles transactions, such as caveats and rights of way, will be lodged electronically from the end of February 2009.

With 100% electronic lodgement, the volume of manual processing work has reduced, requiring a smaller workforce and a reduction in the number of our five regional processing centres. LINZ will retain two processing centres, in Hamilton and Christchurch, and close the centres in Dunedin, Wellington and Auckland.

In July 2008, LINZ announced the timetable for closing the Dunedin, Wellington and Auckland processing centres – Dunedin and Wellington will close in 2010 and Auckland in 2012. This announcement was made to give staff more certainty over their future. All affected staff have been given the opportunity to relocate to either of the remaining centres. LINZ has estimated that the cost of relocation and redundancies will be approximately \$4 million over the next three years.

NOTES TO THE FINANCIAL STATEMENTS>

17 FINANCIAL INSTRUMENT RISKS

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

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss. In the normal course of 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 our 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.

Fair value

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

Foreign currency risk

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

Interest rate risk

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

The Department has no significant exposure to interest rate risk on our financial instruments.

Liquidity risk

Liquidity risk arises from situations in which a party interested in trading an asset cannot do so because nobody in the market wants to trade that asset. Liquidity risk becomes particularly important to parties who are about to hold or currently hold an asset, since it affects their ability to trade.

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

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000
2007				
Creditors and other payables (note 10)	6,247	10,017	–	–
2008				
Creditors and other payables (note 10)	6,202	9,924	–	–

NOTES TO THE FINANCIAL STATEMENTS>

18 CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

Carrying amount 2007 Actual \$000	Fair value 2007 Actual \$000		Note	Carrying amount 2008 Actual \$000	Fair value 2008 Actual \$000
Loans and receivables					
5,946	5,946	Cash and cash equivalents		299	299
3,816	3,816	Trade and other receivables	7	9,770	9,770
9,762	9,762	Total loans and receivables		10,069	10,069
Financial liabilities measured at amortised cost					
16,264	16,264	Trade and other payables	10	16,126	16,126

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.

19 CAPITAL MANAGEMENT

The Department's capital is our taxpayers' funds (or equity), which comprise general funds and any revaluation reserves.

Equity is represented by net assets.

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 our goals and objectives for which we were established, whilst remaining a going concern.

NOTES TO THE FINANCIAL STATEMENTS>

20 MEMORANDUM ACCOUNTS

LANDONLINE
STATEMENT OF MEMORANDUM ACCOUNT*For the year ended 30 June 2008*

Actual 30/6/07 \$000		Actual 30/6/08 \$000
45,462	Balance as at 1 July	28,744
	Income	
49,084	Operating revenue	45,154
	Expenses	
65,802	Operating expenses	62,093
(16,718)	Net surplus/(deficit)	(16,939)
28,744	Balance as at 30 June	11,805

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

OVERSEAS INVESTMENT OFFICE (OIO)
STATEMENT OF MEMORANDUM ACCOUNT*For the year ended 30 June 2008*

Actual 30/6/07 \$000		Actual 30/6/08 \$000
(254)	Balance as at 1 July	117
	Income	
1,409	Income from OIO applications	1,466
	Expenses	
1,038	Expenses from OIO operations	1,538
371	Surplus/(deficit) for the period	(72)
117	Balance as at 30 June	45

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

NOTES TO THE FINANCIAL STATEMENTS>

21 EXPLANATION OF FINANCIAL VARIANCES FROM BUDGET

Revenue Crown

Revenue Crown is under budget by \$8.245 million. The variance is the result of a number of approved Crown funded expenditure carry-forwards to 2008/09. There is a corresponding reduction in revenue Crown for the expenditure carry-forwards.

Revenue other

Revenue other is under budget by \$2.754 million. The variance is the result of the property market downturn negatively affecting revenue to a greater extent than LINZ's economic models had forecast.

Depreciation and amortisation

Depreciation and amortisation is under budget by \$3.383 million. This is due to capital projects being finished later than expected and, therefore, depreciation expense not being incurred until the projects were finalised.

Other operating expenses

Other operating expenses is underspent by \$7.202 million. This is due to unspent funds for projects and programmes for which expenditure has been approved to be carried forward to 2008/09. The most significant of the underspends is in the land tenure reform programme and the 100% e-lodgement programme, which contribute to 70% of the underspend.

NOTES TO THE FINANCIAL STATEMENTS>

22 EXPLANATION OF TRANSITION TO NZ IFRS

The Department's financial statements for the year ended 30 June 2008 are the first financial statements that comply with NZ IFRS. LINZ has applied NZ IFRS 1 First-time Adoption of NZ IFRS (NZ IFRS 1) in preparing these financial statements.

The Department's NZ IFRS adoption date is 1 July 2007.

The accounting policies set out in the Notes to the Financial Statements have been applied in preparing financial statements for the year ended 30 June 2008, the comparative information presented for the year ended 30 June 2007 and in the preparation of an opening NZ IFRS Balance Sheet at 1 July 2006 (the Department's date of transition).

In preparing our opening NZ IFRS Balance Sheet and restating the 2007 financial statements, the Department has adjusted amounts reported previously in financial statements prepared in accordance with our old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZ IFRS has affected the Department's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2006 and 30 June 2007.

	Transition balance sheet 1/7/06			Comparative balance sheet 30/6/07		
	Previous GAAP \$000	Effect of transition to NZ IFRS \$000	NZ IFRS \$000	Previous GAAP \$000	Effect of transition to NZ IFRS \$000	NZ IFRS \$000
Assets						
Prepayments	860	–	860	967	–	967
Debtors and other receivables	5,751	–	5,751	3,816	–	3,816
Cash and cash equivalents	2,858	–	2,858	5,946	–	5,946
Total current assets	9,469	0	9,469	10,729	0	10,729
Property, plant and equipment	58,765	(55,625)	3,140	54,807	(49,955)	4,852
Intangible assets	–	55,625	55,625	–	49,955	49,955
Work in progress	419	–	419	1,046	–	1,046
Total non-current assets	59,184	0	59,184	55,853	0	55,853
Total assets	68,653	0	68,653	66,582	0	66,582

Table continued on following page.

NOTES TO THE FINANCIAL STATEMENTS>

22 EXPLANATION OF TRANSITION TO NZ IFRS (CONTINUED)

	Transition balance sheet 1/7/06			Comparative balance sheet 30/6/07		
	Previous GAAP \$000	Effect of transition to NZ IFRS \$000	NZ IFRS \$000	Previous GAAP \$000	Effect of transition to NZ IFRS \$000	NZ IFRS \$000
Liabilities						
Deferred revenue	(1,937)	–	(1,937)	(1,127)	–	(1,127)
Finance lease liabilities	–	–	–	–	–	–
Creditors and other payables	(9,402)	–	(9,402)	(16,264)	–	(16,264)
Provision for repayment of surplus to Crown	–	–	–	–	–	–
Employee entitlements	(4,132)	(507)	(4,639)	(4,475)	(172)	(4,647)
Provisions	(281)	–	(281)	(637)	–	(637)
Total current liabilities	(15,752)	(507)	(16,259)	(22,503)	(172)	(22,675)
Finance lease liabilities	–	–	–	–	–	–
Employee entitlements	(4,804)	–	(4,804)	(4,668)	–	(4,668)
Creditors and payables	–	–	–	–	–	–
Provisions	–	–	–	–	–	–
Total non-current liabilities	(4,804)	0	(4,804)	(4,668)	0	(4,688)
Total liabilities	(20,556)	(507)	(21,063)	(27,171)	(172)	(27,343)
Equity						
Taxpayer funds	(48,097)	507	(47,590)	(39,411)	172	(39,239)
Total funds employed	(48,097)	507	(47,590)	(39,411)	172	(39,239)
Total equity and liabilities	(68,653)	0	(68,653)	(66,582)	0	(66,582)

NOTES TO THE FINANCIAL STATEMENTS>

Reconciliation of the profit for the year ended 30 June 2007

	Previous GAAP	Effect of transition to NZ IFRS	NZ IFRS
Revenue Crown	42,346	–	42,346
Revenue other	53,278	–	53,278
Gains	–	–	–
Total income	95,624	0	95,624
Personnel costs	42,288	(335)	41,953
Depreciation and amortisation expense	9,453	–	9,453
Capital charge	3,004	–	3,004
Restructuring costs	5,909	–	5,909
Other operating expenses	48,728	–	48,728
Total expenditure	109,382	(335)	109,047
Net surplus/(deficit) for the period	(13,758)	335	(13,423)

Notes to the reconciliation of previous GAAP

(a) Long-service leave and sick leave

Under previous GAAP, long-service leave was recognised when the employee's long-service leave days had vested. In accordance with NZ IAS 19, the provision for long-service leave is calculated as the present value of the future benefit that employees have earned in return for their services in past periods.

Under previous GAAP, sick leave was not provided for. Since sick leave granted by the Department to our employees is an accumulating compensating absence, the Department has the obligation to provide for accumulated sick leave expected to be taken in future periods (over and above the entitlement to be earned by employees in those future periods). Under NZ IAS 19, the Department now recognises the expected cost of accumulated compensated absences which the Department expects to be used in the future years. This provision was based on our historical payroll information.

(b) Intangible assets

Under previous GAAP, software was included within property, plant and equipment. NZ IFRS 38 includes computer software as an example of an intangible asset. Consequently EDP software has been reclassified to intangible assets.

1 July 2006 adjustments

The effect of recognising the above employee entitlements resulted in an increase in current provisions by \$507,000 as at 1 July 2006, and a reduction in public equity by \$507,000.

30 June 2007 adjustments

Similarly, the effect of recognising the above employee entitlements resulted in a decrease in current provisions of \$335,000 for the year ending 30 June 2007.

(c) Public equity

The effect of the above adjustments on public equity is as follows:

	Public equity \$000
Total adjustments to equity at 1 July 2006	507
Total adjustments to equity at 30 June 2007	172

LINZ AS AN AGENT OF THE CROWN >

STATEMENTS AND SCHEDULES: NON-DEPARTMENTAL

The following non-departmental statements and schedules record the expenses, revenue and receipts, assets and liabilities, that the Department manages on behalf of the Crown. Further details of the Department's management of these Crown assets and liabilities are provided in the Performance Information section of this report.

These non-departmental balances are consolidated into the Crown Financial Statements. Therefore, readers of these statements and schedules should also refer to the Crown Financial Statements for 2007/08.

LINZ AS AN AGENT OF THE CROWN >

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE
AND APPROPRIATIONS*As at 30 June 2008*

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

Actual 30/6/07 \$000	(Figures are GST-exclusive)	Expenditure before remeasurements 30/6/08 \$000	Remeasurements 30/6/08 \$000	Expenditure after remeasurements 30/6/08 \$000	Appropriation voted* 30/6/08 \$000	Variance favourable/ (unfavourable) \$000
Appropriations for output classes to be supplied by other parties						
158	Contaminated sites	184	–	184	450	(266)
102	Lakes	5	–	5	248	(243)
260	Total	189	0	189	698	(509)
Appropriations for other expenses to be incurred by the Crown						
4	Bad and doubtful debts	10	–	10	25	(15)
1,238	Crown forest management	299	–	299	600	(301)
23	Crown obligations – loss on disposal	226	–	226	544	(318)
1,006	Crown rates	959	–	959	1,107	(148)
163	Depreciation and amortisation	116	–	116	172	(56)
59	Inventory write-offs	18	–	18	44	(26)
1,985	Land liabilities	1,784	–	1,784	1,859	(75)
(2,286)	Residual Crown leasehold rents	237	–	237	337	(100)
15,200	Proceeds from sale of Transit NZ properties	8,443	–	8,443	12,000	(3,557)
–	Covenant on value of land	–	–	–	85,000	(85,000)
17,392	Total	12,094	0	12,094	101,688	(89,594)

Table continues on following page.

LINZ AS AN AGENT OF THE CROWN >

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE
AND APPROPRIATIONS (CONTINUED)

Actual 30/6/07 \$000	(Figures are GST-exclusive)	Expenditure before remeasurements 30/6/08 \$000	Remeasurements 30/6/08 \$000	Expenditure after remeasurements 30/6/08 \$000	Appropriation voted* 30/6/08 \$000	Variance favourable/ (unfavourable) \$000
Appropriations for purchase of capital assets of the Crown						
–	Access to Crown forest land	–	–	–	5,000	(5,000)
–	Crown acquisitions – Huntly East	–	–	–	263	(263)
7	Crown purchases – land exchanges	–	–	–	26	(26)
596	Crown obligatory acquisitions	220	–	220	504	(284)
603	Total	220	0	220	5,793	(5,573)
18,255	Total appropriations for the year	12,503	0	12,503	108,179	(95,676)

* This includes adjustments made in the Supplementary Estimates.

For a 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 2008.

LINZ AS AN AGENT OF THE CROWN>

STATEMENT OF NON-DEPARTMENTAL MULTI-YEAR APPROPRIATION

For the year ended 30 June 2008

The Statement of Non-Departmental Multi-Year Appropriation details capital expenditure for the period 2005/06 to 2007/08 against appropriations. The Department administers these appropriations on behalf of the Crown.

Purchase or development of capital assets by the Crown (Figures are GST-exclusive)	2005/06 \$000	2006/07 \$000	2007/08 \$000
Land tenure reform acquisitions			
Original appropriation	13,333	8,889	17,778
Appropriation adjustments	–	2,090	–
Total appropriation	13,333	10,979	17,778
Cumulative appropriation	40,000	42,090	42,090
Opening spend	–	5,772	15,054
Current year spend	5,772	9,282	21,331
Total spend	5,772	15,054	36,385
Appropriation remaining	34,228	27,036	5,705

For a 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 2008.

LINZ AS AN AGENT OF THE CROWN>

SCHEDULE OF NON-DEPARTMENTAL REVENUE AND RECEIPTS

For the year ended 30 June 2008

The Schedule of Non-Departmental Revenue and Receipts summarises the revenue and receipts that the Department administers on behalf of the Crown.

Actual 30/6/07 \$000	(Figures are GST-exclusive)	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Operating revenue				
20,493	Sale of goods and services	13,777	14,313	18,678
498	Other operational revenue	418	67	100
20,991	Total non-departmental operating revenue	14,195	14,380	18,778

SCHEDULE OF NON-DEPARTMENTAL CAPITAL RECEIPTS

For the year ended 30 June 2008

Actual 30/6/07 \$000	(Figures are GST-exclusive)	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Capital receipts				
6,495	Properties sales	6,043	6,000	6,000
519	Land tenure reform sales	1,021	5,000	1,000
7,014	Total non-departmental capital receipts	7,064	11,000	7,000

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

For a 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 2008.

LINZ AS AN AGENT OF THE CROWN >

SCHEDULE OF NON-DEPARTMENTAL EXPENSES

For the year ended 30 June 2008

The Schedule of Non-Departmental Expenses summarises the expenses that the Department administers on behalf of the Crown. Further details are provided in the Statement of Expenditure and Appropriations.

Actual 30/6/07 \$000	(Figures are GST-exclusive)	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Operating expenses				
260	Non-departmental output classes	189	698	698
Other expenses to be incurred by the Crown:				
163	Depreciation and amortisation	116	172	172
(2,286)	Rental and leasing costs	237	512	526
–	Provision for doubtful debts	–	–	–
4	Debts write-off/(recovered)	10	–	–
1,463	Write-down/(up) of assets	–	–	–
(6,048)	Loss/(gain) on sale of properties	(1,642)	–	–
–	Property disposals costs provisions	–	–	–
23,099	Other operating expenses	15,321	97,219	89,614
16,655	Total non-departmental operating expenses	(14,232)	98,601	91,010
Capital expenses				
603	Properties purchases	220	767	5,793
9,282	Land tenure reform purchases	21,331	27,429	27,429
9,885	Total non-departmental capital expenses	21,551	28,196	33,222

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

For a 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 2008.

LINZ AS AN AGENT OF THE CROWN >

SCHEDULE OF NON-DEPARTMENTAL ASSETS

As at 30 June 2008

The Schedule of Non-Departmental Assets summarises the assets that the Department administers on behalf of the Crown.

Actual 30/6/07 \$000	(Figures are GST-inclusive where applicable)	Notes	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Assets					
Current assets					
2,222	Trade and other receivables	4	2,039	7,800	7,800
–	Accounts receivables – State-owned enterprises	4	–	–	–
2,056	Accounts receivables – Crown entities	4	368	–	–
690	Inventory		672	749	749
6,204	Cash and bank balances		6,330	300	4,899
11,172	Total current assets		9,409	8,849	13,448
Non-current assets					
703,859	Physical assets	6	778,570	698,432	704,578
7,568	Properties held for sale	6	12,240	15,995	15,995
763	Forests	6	314	763	763
7	Trade and other receivables	4	7	7	7
712,197	Total non-current assets		791,131	715,197	721,343
723,369	Total assets		800,540	724,046	734,791

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

LINZ AS AN AGENT OF THE CROWN >

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

As at 30 June 2008

The Schedule of Non-Departmental Liabilities summarises the liabilities that the Department administers on behalf of the Crown.

Actual 30/6/07 \$000	(Figures are GST-inclusive where applicable)	Notes	Actual 30/6/08 \$000	Main Estimates 30/6/08 \$000	Supp. Estimates 30/6/08 \$000
Liabilities					
Current liabilities					
6,118	Trade and other payables	5	13,365	32,729	25,442
11,926	Provisions		–	–	–
18,044	Total current liabilities		13,365	32,729	25,442
Non-current liabilities					
12	Trade and other payables		8,652	11,134	11,134
9,590	Deferred income		9,441	9,777	9,777
14,121	Provisions		14,119	–	–
23,723	Total non-current liabilities		32,211	20,911	20,911
41,767	Total liabilities		45,576	53,640	46,353

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

For a 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 2008.

LINZ AS AN AGENT OF THE CROWN >

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

As at 30 June 2008

Other non-cancellable commitments

The Schedule sets out the level of commitment made against out-year appropriations and funding baselines for non-department expenditure.

Actual 30/6/07 \$000		Actual 30/6/08 \$000
Operating commitments		
Non-cancellable contracts for supply of goods and services		
987	Not later than one year	1,074
398	Later than one year and not later than five years	84
–	Later than five years	–
1,385	Total non-cancellable contracts for supply of goods and services	1,158
1,385	Total operating commitments	1,158

LINZ AS AN AGENT OF THE CROWN>

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES

As at 30 June 2008

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 below highlights those Crown contingent liabilities that can be quantified. There are numerous other obligations that 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. There may be other unquantifiable claims or contingent liabilities not yet quantified.

The contingent liability for legal proceeding 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.

Quantifiable contingent liabilities are as follows:

Actual 30/6/07 \$000		Actual 30/6/08 \$000
–	Legal proceedings and disputes	555
18,751	Other contingent liabilities	18,751
18,751	Total contingent liabilities	19,306

LINZ AS AN AGENT OF THE CROWN >

STATEMENT OF TRUST MONIES

For the year ended 30 June 2008

Account	As at 1/7/07 \$000	Contribution \$000	Revenue \$000	Distribution \$000	Expenses \$000	As at 30/6/08 \$000
Land Deposit Trust	2,264	26	–	(157)	–	2,133
Endowment Rentals	1	352	–	(352)	–	1
Hunters Soldiers Assistance	51	4	–	–	–	55
Crown Forestry Licences Trust	879	37,093	–	(34,244)	–	3,728
Total	3,195	37,475	0	(34,753)	0	5,917

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

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

1 STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2008

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 a complete understanding of the Crown's financial position, and results of operations and cashflows for the year, reference should also be made to the Financial Statements of the Government.

Accounting policies

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 schedules statements are consistent with New Zealand generally accepted accounting practice as appropriate for public benefit entities.

This is the first set of non-departmental schedules and statements prepared using New Zealand International Financial Reporting Standards (NZ IFRS). The comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of income and expenses and assets and liabilities for the year ended 30 June 2007 under IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 7.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and in preparing an opening NZ IFRS Statement of Financial Position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

The financial statements are presented in New Zealand dollars (NZD) and all values are rounded to the nearest one thousand dollars (\$000) unless otherwise stated.

The following particular accounting policies have been applied:

Budget figures

The budget figures are consistent with the financial information in the Main Estimates. In addition, these financial statements also present the updated budget information from the Supplementary Estimates.

Revenue

Revenue is measured at the fair value of consideration received.

Goods and services tax

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.

Debtors and other receivables

Debtors and other receivables are measured at fair value less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Department 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 bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount 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 accounts, and the amount of the loss is recognised in the Schedule of Non-Departmental Expenses. When a debtor is uncollectible, it is written off against the provision for doubtful debts. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

Inventories

Inventories are held for distribution on a cost-recovery or non-commercial basis. Inventories are valued at the lower of cost (calculated using the weighted average method) and current replacement cost.

Current replacement cost reflects any obsolescence or impairment.

Non-current assets held for sale

An item of physical assets is classified as held for sale when the sale and purchase agreement has been signed.

Non-current 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. Non-current 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:

1. Crown forest land
2. Crown pastoral land
3. Crown leases
4. surplus government properties
5. unalienated Crown land, and
6. railway properties.

The physical assets value is predominately land. However, the value also includes buildings, plant and equipment.

For Crown forest land, the fair value is deemed to be either (i) the discounted cashflows 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 rating valuation where the properties value is derived from its rating valuation.

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

For surplus government properties, unalienated Crown land and railway properties, the valuations are conducted in accordance with the Rating Valuation Act 1998.

Buildings, plant and equipment are shown at cost or valuation, less accumulated depreciation and any impairment losses.

An independent valuer has confirmed that this valuation approach is appropriate for determining fair value in accordance with NZ IFRS.

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 Department 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 Statement of Financial Performance. When revalued assets are sold, the amounts included in the property, plant and equipment revaluation reserves in respect of those assets are transferred to general funds.

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.

All other costs are recognised in the Statement of Financial Performance as an expense as incurred.

Depreciation

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

Type of asset	Estimated life
Buildings	50 years
Plant and equipment	10 years

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

Revaluation

Land, buildings and plant and equipment are revalued every year to ensure that the carrying amount does not differ materially from fair value. Fair value is determined on a class of asset basis as detailed in the physical assets section of these policies. The carrying value of revalued items is reviewed at each balance date to ensure that those values are not materially different to fair value. Additions between revaluations are recorded at cost.

Accounting for revaluations

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

The results of revaluing 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 Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Impairment of non-financial assets

Land, buildings and plant and equipment 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 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 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 that there are equally unperformed obligations.

NOTES TO THE NON-DEPARTMENTAL SCHEDULES >

2 ADDITIONAL INFORMATION

Summary of appropriations changes

Appropriation	Main Estimates \$000	Supp. Estimates \$000	Total appropriated 2007/08 \$000
Non-departmental output classes			
Contaminated sites	500	(50)	450
Lakes	–	248	248
Total non-departmental output classes	500	198	698
Other expenses to be incurred by the Crown			
Bad and doubtful debts	25	–	25
Crown forest management	500	100	600
Crown obligations – loss on disposal	300	244	544
Crown rates	1,107	–	1,107
Deprecation and amortisation	172	–	172
Inventory write-offs	44	–	44
Land liabilities	843	1,016	1,859
Residual Crown leasehold rents	312	25	337
Proceeds from sale of Transit NZ properties	7,111	4,889	12,000
Covenant on value of land	85,000	–	85,000
Total other Crown expenses	95,414	6,274	101,688
Purchase or development of capital assets by the Crown			
Access to Crown forest land	–	5,000	5,000
Crown acquisitions – Huntly East	500	–	500
Crown obligatory acquisitions	267	–	267
Crown purchases – land exchanges	–	26	26
Total Crown capital assets	767	5,026	5,793
Total appropriations	96,681	11,498	108,179

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

3 FINANCIAL OVERVIEW AND PERFORMANCE VARIATIONS

Non-departmental accounts

Non-departmental output expenses

Non-departmental output expenses includes expenditure for contaminated site management and the maintenance of facilities on Crown land around hydro lakes.

Contaminated sites is a demand driven appropriation and the spending in 2007/08 reflects the demand for remedial action during the financial year ending 30 June 2008.

Funding for the maintenance of facilities on Crown land around hydro lakes was spent, in the 2007/08 financial year, on upgrading facilities around Lake Wanaka. Funding has been carried forward to 2008/09 to enable this project to be completed.

Other operating expenses

Other operating expenses is underspent due largely to funding of \$85.000 million for the impact of a covenant on the value of land prior to sale not being utilised during the financial year.

Capital expenses

The underspend on capital expenditure is due to a delay in expenditure associated with the land tenure reform programme.

The funding has been carried forward to the 2008/09 financial year to reflect revised expectations on when capital expenditure associated with this programme will now be incurred.

NOTES TO THE NON-DEPARTMENTAL SCHEDULES >

4 TRADE AND OTHER RECEIVABLES

Actual 30/6/07 \$000		Actual 30/6/08 \$000
2,237	Debtors from non-related parties	2,073
(27)	Less: provision for doubtful debts	(27)
2,210	Net debtors	2,046
–	Accounts receivables – State-owned enterprises	–
2,056	Accounts receivables – Crown entities	368
4,266	Total trade and other receivables	2,414
	Represented by:	
4,259	Current	2,407
7	Non-current	7

Debtors are shown net of provision for doubtful debts amounting to \$27,000 (2007: \$27,000) recognised in the current year.

The carrying value of debtors and other receivables approximates their fair value.

As at 30 June 2008 and 2007, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2007			2008		
	Gross	Impairment	Net	Gross	Impairment	Net
Not pass due	1,853	–	1,853	1,052	–	1,052
Past due 1-30 days	22	–	22	206	–	206
Past due 31-60 days	4	–	4	–	–	–
Past due 61-90 days	138	–	138	6	–	6
Past due > 91 days	2,276	(27)	2,249	1,177	(27)	1,150
Total	4,293	(27)	4,266	2,441	(27)	2,414

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 2008, the Department has identified no debtors (2007: nil) totalling \$0.00 (2007: \$0.00) that are insolvent.

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

4 TRADE AND OTHER RECEIVABLES (CONTINUED)

Movements in the provision for doubtful debts are as follows:

Actual 30/6/07 \$000		Actual 30/6/08 \$000
27	Balance at 1 July	27
–	Additional provisions made during the year	–
–	Receivables written off during the period	–
27	Balance at 30 June	27

5 TRADE AND OTHER PAYABLES

Actual 30/6/07 \$000		Actual 30/6/08 \$000
6,118	Creditors payable	13,365
–	Accrued expenses	–
6,118	Total trade and other payables	13,365

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.

NOTES TO THE NON-DEPARTMENTAL SCHEDULES >

6 PHYSICAL ASSETS

	Crown forest land \$000	Crown pastoral land \$000	Crown leases \$000	Railway properties \$000	Surplus Government properties \$000	Unalienated Crown land \$000	Total \$000
Cost or valuation							
Balance at 1 July 2006	422,852	142,382	756	66,751	14,716	82,729	730,186
Revaluation increase	(877)	(31,239)	–	4,951	4,137	4,442	(18,596)
Additions	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–
Balance at 30 June 2007	421,965	111,143	756	71,702	18,853	87,171	711,590
Balance at 1 July 2007	421,965	111,143	756	71,702	18,853	87,171	711,590
Revaluation increase	26,156	30,703	–	5,524	7,782	21,851	92,016
Additions	–	18,901	–	–	–	–	–
Disposals	–	(13,082)	–	(13,947)	(2,444)	(2,947)	(32,420)
Balance at 30 June 2008	448,121	147,665	756	63,279	24,191	107,076	791,088
Accumulated depreciation and impairment losses							
Balance at 1 July 2006	–	–	–	–	–	–	–
Depreciation charge for the year	–	–	–	–	–	(163)	(163)
Impairment losses	–	–	–	–	–	–	–
Reversal of impairment losses	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–
Balance at 30 June 2007	0	0	0	0	0	(163)	(163)
Balance at 1 July 2007	–	–	–	–	–	(163)	(163)
Depreciation charge for the year	–	–	–	–	–	(116)	(116)
Impairment losses	–	–	–	–	–	–	–
Reversal of impairment losses	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–
Balance at 30 June 2008	0	0	0	0	0	(279)	(279)
Carrying amounts							
At 1 July 2006	422,852	142,382	756	66,751	14,716	82,729	730,186
At 30 June 2007	421,965	111,143	756	71,702	18,853	87,008	711,427
At 1 July 2007	421,965	111,143	756	71,702	18,853	87,008	711,427
At 30 June 2008	448,121	147,665	756	63,279	24,191	106,797	790,809

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

7 EXPLANATION OF TRANSITION TO NZ IFRS

The Crown's financial statements for the year ended 30 June 2008 are the first financial statements that comply with NZ IFRS. LINZ has applied NZ IFRS 1 First-time Adoption of NZ IFRS (NZ IFRS 1) in preparing these financial statements.

The Crown's NZ IFRS adoption date is 1 July 2007.

The accounting policies set out in the Notes to the Financial Statements have been applied in preparing financial statements for the year ended 30 June 2008, the comparative information presented for the year ended 30 June 2007.

In preparing its opening NZ IFRS Balance Sheet and restating the 2007 financial statements, the Crown

has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZ IFRS has affected the Department's financial position, financial performance and cash flows are set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 30 June 2007.

NOTES TO THE NON-DEPARTMENTAL SCHEDULES >

	Transition balance sheet 30/6/06			Comparative balance sheet 30/6/07		
	Previous GAAP \$000	Effect of transition to NZ IFRS \$000	NZ IFRS \$000	Previous GAAP \$000	Effect of transition to NZ IFRS \$000	NZ IFRS \$000
Assets						
Inventories	749		749	690		690
Trade and other receivables	8,060	(2,254)	5,806	4,485	(2,263)	2,222
Accounts Receivables – State-owned enterprises	16	–	16	–	–	–
Accounts Receivables – Crown entities	430	–	430	2,056	–	2,056
Cash and cash equivalents	4,414	2,254	6,668	3,941	2,263	6,204
Total current assets	13,669	0	13,669	11,172	0	11,172
Physical Assets	–	315,627	315,627	–	703,859	703,859
Properties Held for Sale - Term	399,502	15,056	414,558	397,457	(389,889)	7,568
Forests	–	763	763	–	763	763
Debtors and other receivables	7	–	7	7	–	7
Total non-current assets	399,509	331,446	730,955	397,464	314,733	712,197
Total assets	413,178	331,446	744,624	406,636	314,733	723,369
Liabilities						
Trade and other payables	(12,129)	–	(12,129)	(6,118)	–	(6,118)
Provisions	(14,119)	–	(14,119)	(11,926)	–	(11,926)
Total current liabilities	(26,248)	0	(26,248)	(18,044)	0	(18,044)
Deferred income	–	(9,777)	(9,777)	–	(9,590)	(9,590)
Trade and other payables	(9,777)	9,777	–	(9,602)	9,590	(12)
Provisions	(12,991)	–	(12,991)	(14,121)	–	(14,121)
Total non-current liabilities	(22,768)	0	(22,768)	(23,723)	0	(23,723)
Total liabilities	(49,016)	0	(49,016)	(41,767)	0	(41,767)
Equity						
Tax payer funds	(364,162)	(763)	(364,925)	(366,869)	(763)	(367,632)
Revaluation Reserve	–	(330,683)	(330,683)	(366,869)	(313,970)	(313,970)
Total funds employed	(364,162)	(331,446)	(695,608)	(368,749)	(314,733)	(681,602)
Total equity and liabilities	(413,178)	(331,446)	(744,624)	(408,636)	(314,733)	(723,369)

NOTES TO THE NON-DEPARTMENTAL SCHEDULES>

Reconciliation of the profit

For the year ended 30 June 2007

	Previous GAAP	Effect of transition to NZ IFRS	NZ IFRS
Revenue			
Sale of goods and services	20,493	–	20,493
Other operational revenue	498	–	498
Total income	20,991	0	20,991
Operating expenses			
Non-departmental output classes	(260)	–	(260)
Depreciation and amortisation expense	(163)	–	(163)
Rental and leases costs	(51)	–	(51)
Provision for doubtful debts	–	–	–
Debts write-off/(recovered)	(4)	–	(4)
Write-down/(up) of assets	(1,807)	–	(1,807)
Loss/(gain) on sale of properties	6,048	–	6,048
Property disposals costs provisions	–	–	–
Other operating expenses	(19,853)	–	(19,853)
Total expenditure	(16,090)	0	(16,090)
Net surplus/(deficit) for the period	(4,901)	0	(4,901)

Notes to the reconciliation of Previous GAAP

- (1) LINZ has had to reclassify part of the fixed assets from held for sale to physical assets due to the held for sale recognition criteria not being met under NZ IFRS.
- (2) The Crown received rent in advance for premises rented up to year end 2059. This is deferred income and has to be released to rental and interest income.
- (3) The forestry assets are required to be stated at fair value and separated from other assets. LINZ uses insurance company valuation as the fair value of these assets.
- (4) The Crown discloses the deposits held in trusts within the debtors section under NZ GAAP. This has now been disclosed within the cash section in accordance with NZ IAS 39.

8 SUBSEQUENT EVENTS

On 25 September 2008, legislation was passed in the House of Representatives that transferred a parcel of Crown land managed by LINZ to Te Arawa iwi/hapu as part of a Treaty of Waitangi settlement. As this parcel

of land was not held for sale at 30 June 2008, it has been accounted for as property, plant and equipment in accordance with NZ IAS 16.

LINZ INFORMATION >

LINZ'S RESPONSIBILITIES>

Land titles

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

Geodetic and cadastral survey system

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

Geodetic reference system

The geodetic reference system provides the underlying spatial reference system for New Zealand. It involves a network of primary survey marks in the ground. The positions of these marks are recorded in terms of a New Zealand datum, which is compatible with the international global positioning system.

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

Cadastral survey system

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

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

Topographic information

LINZ is responsible for national topographic mapping at 1:50,000 and broader scales. We undertake this mapping for defence and emergency services and national constitutional purposes. LINZ makes our topographic data and mapping available via the Internet and in printed form through retailers. We also make our bulk digital topographic data available directly from LINZ or through resellers.

Hydrographic information

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

Rating valuation

LINZ ensures that property valuations for rating purposes are provided to a consistent standard. We set standards for rating valuations and undertake compliance audits of local authorities.

Crown property

LINZ regulates the management and disposal of the Crown's interest in land and property in accordance with the Public Works Act 1981 and the Land Act 1948. Government agencies undertake acquisitions and disposals for their own purposes. LINZ ensures that correct statutory decisions are made and that government agencies comply with the statutory requirements in a consistent manner.

LINZ is also responsible for managing Crown land and property on the Crown's balance sheet in accordance with the regulatory framework, including the control of pest plants and animals on our lands and on Crown-owned river and lake beds. Two of the major areas are the administration of the Tenure Review process under the Crown Pastoral Land Act 1998 for South Island high country pastoral leases, and Crown forestry licences under the Crown Forest Assets Act 1989.

LINZ'S RESPONSIBILITIES>

Continental shelf

LINZ was responsible for obtaining seabed data to determine the furthest extent of the legal continental shelf, and for assisting with developing New Zealand's submission to the United Nations Commission on the Limits of the Continental Shelf. The Commission accepted New Zealand's submission in September 2008.

New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa

LINZ provides administrative support, research assistance and advice to the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa. The Board is responsible for place-naming in New Zealand (including the Kermadec, Chatham, Auckland, Bounty, Snares, Antipodes, and Campbell Islands) and within the territorial waters of New Zealand. The Board's jurisdiction also extends to the Ross Sea region of Antarctica and to the undersea features of New Zealand's continental shelf area.

Valuers Registration Board

The Valuers Registration Board registers valuers and monitors education standards for the industry. It has a wide-ranging portfolio of responsibilities all aimed at ensuring the public receives a competent and ethical service from New Zealand's 1,300 registered valuers.

It accredits valuation courses offered at Lincoln, Auckland and Massey Universities and has oversight of the registration examinations for new graduates, which are designed to ensure candidates for registration have the required core competencies. The Board can also take disciplinary proceedings against registered valuers for improper, unethical or incompetent conduct.

Members of the Board, which has been serviced from within LINZ since 1998, are all appointed by the Minister for Land Information. Care is taken to ensure a good geographical and rural-urban spread, as well as representation from a cross-section of the industry.

Electoral support

LINZ provides technical support to the Representation Commission (which determines electoral boundaries), the Chief Electoral Office, the Electoral Enrolment Centre, and Statistics New Zealand. LINZ's primary functions are the provision of an Index to Places and Streets for use on polling day, mapping support, the collation of street addresses for enrolment purposes, and the spatial definition of meshblocks.

Overseas Investment Office

The functions of the regulator under the Overseas Investment Act 2005 are carried out within LINZ as the Overseas Investment Office. These include receiving and processing applications, consultation with relevant government departments and other agencies as appropriate, and providing information to applicants and the public generally.

LEGISLATION LINZ ADMINISTERS>

Legislation administered by LINZ:

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

(* Administered jointly with Ministry of Justice.)

Source: www.dPMC.govt.nz/cabinet

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

LINZ also has functions under a number of other Acts including:

- Airport Authorities Act 1966 (relating to disposal of land)
- Crown Research Institutes Act 1992 (relating to disposal of land)
- Electoral Act 1993 (relating to electoral boundaries)
- Geographical Indications Act 1994 (relating to geographical names)
- Health Reforms (Transitional Provisions) Act 1993 (relating to disposal of land)
- New Zealand Railways Corporation Act 1981 (relating to disposal of land)
- Overseas Investment Act 2005
- 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).

LINZ has a number of statutory officers with functions under the Acts administered by the Department:

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

In addition, LINZ, particularly the Registrar-General of Land and the Surveyor-General, has 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. The Surveyor-General is the Chairperson of the Geographic Board and the Valuer-General is the Chairperson of the Valuers Registration Board.

TERMS AND DEFINITIONS>

Cadastral survey

Creates the official record of the various legal divisions and descriptions of land and forms the basis for land ownership. Cadastral surveyors undertake surveys that define the spatial extent of interests in land.

Conveyancers

People who are qualified to undertake transactions in land. At present these are lawyers and landbrokers. Under the Lawyers and Conveyancers Act, once in force, conveyancers will be those registered with the New Zealand Society of Conveyancers.

Geodetic survey

Defines the shape and area of all or parts of the earth and enables positions on the earth's surface to be determined.

Geospatial information

The location and name of features on, above, or beneath the surface of the earth.

Hydrographic survey

Records the shape and features of the seabed (unlike a bathymetric survey, which measures depth).

Landonline

An automated survey and title system that enables more efficient processing of dealings in land ownership and provides improved nationwide access to land information.

Meshblock

A population-based land area that represents the smallest area from which statistical information is collected. Meshblocks are also used to determine electoral boundaries.

NZTopoOnline

New Zealand topographic information available online.

Topography

A two-dimensional representation of the natural features of land.

STATUTORY INFORMATION>

LAND ACT 1948

The following table details information required under section 181 of the Land Act 1948 for the year ended 30 June 2008.

	Details	No.	Total area (ha)	Price paid (\$)	Total yearly rent payable (\$)
1(a)	Areas of private land or lessees' interest in Crown land purchased during the year	0	N/A	N/A	N/A
1(b)	Areas of land purchased by the Office of Treaty Settlements under Section 40, Land Act 1948*	2	10.5729	101,000	N/A
2	Leases and Licences granted during the year	89	187,424	N/A	605,308
3	Leases and Licences current at the end of the year	868	1,941,342	N/A	4,704,432

* These purchases were funded from Vote: Treaty Negotiations.

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