

# LAND INFORMATION NEW ZEALAND

**ANNUAL REPORT  
2006/2007**

*Toitu te*  
**Land whenua**  
**Information**  
New Zealand





**OUR PURPOSE**

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

# ANNUAL REPORT 2006/2007

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 2007.



**BRENDAN BOYLE**  
Chief Executive  
Land Information New Zealand

28 September 2007

This information can be found at:  
<http://www.linz.govt.nz/publications/annual-report-0607/>

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This Annual Report for 2006/07 shows how LINZ continues to deliver towards our purpose: providing people and systems that ensure confidence in the land rights and geographic information underpinning New Zealand as a nation.

I am proud to report on our achievements, and highlight some below. You will notice the central theme of collaboration running through the report. LINZ is a hub agency for land information and many of our achievements are made by working across government agencies involved in the geospatial sector.

Collaboration and relationship building is just as important when it comes to our stakeholders and customers. Whether they use Landonline for land transactions or our core topographic and hydrographic information for search and rescue, we know the importance of being responsive to their business needs.

### **The road to 100% electronic lodgement**

This year's report highlights our progress towards 100% electronic lodgement of land transactions and our efforts in helping customers make the transition. Once there, New Zealand will be the first country in the world to have a fully electronic system, bringing greater efficiencies and effectiveness in land transactions to New Zealanders.

Yet while our future is electronic, LINZ has also developed a strategy to manage 167 years' worth of core survey and title paper records. LINZ aims to enhance access to these valuable historic records and our strategy outlines how they can be accessed, archived and preserved.

### **Stewardship of the land**

In our Statement of Intent for 2006/07 the Minister for Land Information outlined his priorities for Crown-owned land, especially that in the South Island high country. A key focus for LINZ has been on sustainably managing the Crown land we oversee, and on securing greater public access to it through means such as Tenure Review.

By the end of June 2007, Tenure Review saw 127,000 hectares of land being made publicly accessible because that land is no longer constrained by a lease. For example LINZ and the Nature Heritage Fund purchased the 9,165 hectare Michael Peak Station in Central Otago. 6,900 hectares of this former pastoral lease will become a core part of the proposed Oteake Conservation Park.

Protecting the interests of New Zealand's assets is also at the heart of work we do around "sensitive land" and in assessing applications by overseas investors. In 2006/07, LINZ was asked to review every piece of Crown land that is put for disposal and is considered "sensitive land" under the Overseas Investment Act 2005, to ensure that key public and community values are identified and if necessary protected. Our Overseas Investment Office also works to that Act and has handled increasing numbers of applications, often of increasing complexity, as it assesses applications by overseas investors.

# CHIEF EXECUTIVE'S OVERVIEW

## Taking the lead and working across government

LINZ is the government centre of excellence for land information, but we recognise that geospatial information needs a government-wide focus. In 2006/07, the New Zealand Geospatial Office was established in LINZ. It will co-ordinate and facilitate government-wide decision making for the wider geospatial sector.

In 2006/07, LINZ continued to lead the Ocean Survey 20/20 work programme, which is increasing knowledge of our ocean territory. The programme carried out a successful survey of the Chatham Rise and Challenger Plateau.

LINZ will also administer the Census of Antarctic Marine Life (CAML) survey project, working with the Ministry of Fisheries and other agencies. This was announced by the Government as part of the International Polar Year initiatives.

## Eye on the future

This Annual Report tells you about our achievements in 2006/07, but I would like to highlight one piece of work we started on in this period – positioning ourselves for the future. LINZ is examining our Public Value Proposition – a clear expression of the value we deliver to New Zealanders, and how we can continue to deliver in the future. This work will guide many other initiatives we have already started, especially our regulatory work and our IT and human resources capability planning.



**BRENDAN BOYLE**

Chief Executive, Land Information New Zealand

↙ KEY ISSUES  
2006/2007

# STRATEGIC INTENT

## VISION AND PURPOSE

LINZ exists because New Zealand's economy needs certainty of property rights to function effectively and to grow.

The foundation that supports those rights is land information. New Zealand needs systems and processes designed to maintain and deliver quality information about our land and sea areas and to manage and enforce land transactions. In this sense, land 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.

Our vision that **LINZ is valued as the Government's centre of electronic land information and expertise** reflects the importance we place on providing trusted and legitimate land information in which the public can have confidence.

The vision also commits us to continue to successfully deliver and improve our core business functions. We will use our expertise in land information to work with other government agencies to achieve visible results for New Zealand in the areas of economic development and safety at sea and on the land.

In working towards our vision, we intend to increasingly use electronic means to optimise the collection, availability and utility of government-owned land information.

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

## OUR VALUES

Our corporate values are the building blocks of our organisational culture and they help to ensure a unity of purpose and direction among staff.

Our values 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.

## OUR ROLE

The Government plays a key role in generating prosperity for New Zealanders through creating and maintaining the institutional structures required for economic growth.

In the land market, this means providing the environment necessary for private property rights to exist and develop, including providing a legal system covering land-related property (often referred to as “real” property). At its most basic, 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 rights over land. This system depends on an ability to access the geographic information that gives these property rights meaning “on the ground”.

That is where LINZ comes in. 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.

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 make statutory decisions and ensure that government agencies comply with the statutory requirements when buying and selling land and property.



# STRATEGIC INTENT

We are responsible for managing some Crown land and property, and for controlling pest plants and animals on that land.

## OUR FUNCTIONS

LINZ is responsible for:

- developing land information policy
- regulatory frameworks used to define and transact land
- providing a secure environment for the buying, selling and subdividing of land property 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, and
  - the management of Crown land liabilities
- providing a nationally consistent valuation system for rating purposes
- helping the Government and its agencies address Treaty of Waitangi issues by providing information on land history and status and by 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) as to how those applications should be decided
  - monitoring compliance with conditions of consent and enforcing breaches of the overseas investment legislation, and
- ensuring New Zealand has high-quality databases for its survey, mapping, hydrographic and property activities.

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

LINZ aims to ensure:

- certainty of New Zealand's property rights and interests
- land information is available:
  - to enable the New Zealand economy to function effectively, and
  - for New Zealanders' safety and security, and
- Crown assets are put to their best use.

We are not the only contributor to these end outcomes. LINZ works with other government agencies to improve on what we might individually be able to contribute.

Our Outcomes Framework is shown on page 79.

## STRATEGIC GOALS

To help us to achieve our vision LINZ has four strategic goals. These goals contribute directly to our outcomes and to the Government's priorities by ensuring our resources are allocated efficiently and effectively, and are used to achieve our strategic priorities. These goals include:

- **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.

LINZ's achievements for 2006/07 have been grouped under each one of these goals.

# 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.

This goal and its activities support the following outcomes:

### END OUTCOMES

*Certainty of New Zealand's property rights and interests*

*Availability of land information*

### INTERMEDIATE OUTCOMES

*An effective system for defining and transacting land*

*Convenient access to integrated land information*

## WHAT WE ACHIEVED

### High Country Pastoral Lease Review

During 2006/07, the High Country Pastoral Lease Review was completed by a panel of three valuers. Among other things, the panel reviewed the way South Island pastoral lease rentals were being set and the Tenure Review valuation methodology. As a result of this review, LINZ provided policy advice to the Government relating to the correct setting of rents for high country pastoral leases under the Land Act 1948. This advice formed the basis of the Government's preliminary response to the review report. LINZ has since consulted with key stakeholder groups on the implications of the Government's response. This work is ongoing.

### Protecting New Zealand's landscapes (including lakesides)

During 2006/07, the protection of iconic landscapes around lakes was tightened. This is part of the Government's new approach to Tenure Review in the South Island high country.

This follows advice from LINZ and the Department of Conservation on mechanisms to better protect high country pastoral lease properties with highly significant

lakeside, landscape, biodiversity or other values that are unlikely to be protected to the Crown's satisfaction by the Tenure Review process.

The Government's changes are designed to ensure some of the most spectacular alpine lakesides in New Zealand are safe from inappropriate subdivision or development.

Going forward, LINZ and the Department of Conservation have been directed to identify properties that either should be withdrawn from Tenure Review or should not enter into Tenure Review.

Land excluded from Tenure Review will either continue to be managed as a pastoral lease or, if available for sale, may in some circumstances be purchased by the Crown and vested as public conservation land.

### Marginal strips

One of LINZ's functions is to manage and dispose of the Crown's interest in land and property (outside the conservation estate). We administer approximately 4,500 properties on behalf of the Crown.

During 2006/07, the Government asked LINZ to help identify legal rights of public access. Specifically, LINZ, in conjunction with the Department of Conservation and the Ministry of Agriculture and Forestry, was asked to develop policy for identifying and recording marginal strips.

Marginal strips are strips of land – generally 20 metres wide – that adjoin many waterways, such as streams with a bed width of three metres or more. They are created when the Crown disposes of land, for example in Tenure Review, or when pastoral leases are renewed.

Marginal strips are created for conservation and public access purposes. Their existence is currently indicated by a "Part IV A notation" on Crown records – survey and titles. Unfortunately, these notations do not make it easy to identify qualifying waterways or to map marginal strips.

The Walking Access Consultation Panel, reporting to the Minister for Rural Affairs, considered there was a need to improve information about public access along water margins. To this end, and based on the work of LINZ, the Department of Conservation and the

Ministry of Agriculture and Forestry, Cabinet directed Crown agencies to capture marginal strip information as structured datasets in Landonline, when they disposed of property. This will be done by surveyors surveying the qualifying waterways against a standard developed by the Department of Conservation and the Surveyor-General.

This information will be integrated with datasets showing other forms of access (such as esplanade strips or esplanade reserves).

LINZ has started work on a scoping study of already existing marginal strips using satellite and aerial imagery to identify qualifying waterways. This work will inform decisions about how best to capture information about existing marginal strips and how best these might be mapped.

This work is ongoing.

## **New Zealand Geospatial Office**

Geospatial information is information about 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 on understanding how they relate to one another. It is part of our daily lives and is essential for making decisions on social or environmental issues, responding to emergencies, managing hazards, planning defence and transport services, settling Treaty of Waitangi claims, and providing health services. Information about people and places is vital for informed government and for New Zealanders generally.

During 2006/07, the New Zealand Geospatial Office was established within LINZ as a result of Cabinet approving the New Zealand Geospatial Strategy. The Strategy is a national strategy and it aims to benefit all New Zealanders.

The Geospatial Office is part of a governance arrangement, which provides for the co-ordination of, and collective decision making across, the wider geospatial sector. We are developing a work programme to give effect to the Strategy, including identifying the fundamental geospatial datasets required by New Zealand in the future, and setting guidelines for managing non-fundamental datasets.

## **Ocean Survey 20/20**

In 2005, the Government approved the Ocean Survey 20/20 programme for surveying New Zealand's total ocean area. Ocean Survey 20/20 contributes to the Government priorities of economic transformation and national identity and will contribute to the sustainable management of the ocean resources in New Zealand's jurisdiction. Following the success of the Chatham/Challenger survey in 2006/07, LINZ will continue to lead the Ocean Survey 20/20 work programme. In 2006/07, the Government also agreed to the Census of Antarctic Marine Life (CAML) survey project as part of the International Polar Year initiatives. LINZ will administer the project, the Ministry of Fisheries will lead the science planning, and other agencies (Antarctic New Zealand and the Ministry of Foreign Affairs and Trade) will form part of the advisory committee overseeing this survey.

## **New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Bill**

LINZ administers the New Zealand Geographic Board Act 1946. During 2006/07, policy work was completed on the reform of this Act and the New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Bill was introduced to Parliament on 19 July 2007. Under this Bill, the New Zealand Geographic Board's place-naming role is to be widened to include the undersea features of New Zealand's continental shelf, such as submarine volcanoes and canyons.

The proposed changes to the Board's functions would formalise, in law, the Board's long involvement in the naming of places in Antarctica's Ross Dependency, which is becoming increasingly important for New Zealand given the intensive exploration and research being done there.

The Bill proposes that the assigning and altering of official names of suburbs and localities be devolved to local government in the future. Until then the Board would keep its current responsibility for these names. The Bill also proposes giving the public a new opportunity to comment on proposed names for significant conservation areas managed by the Department of Conservation.

# ACHIEVEMENTS

## Landonline 100% e-lodgement programme

In February 2006, Cabinet approved the phasing out of the paper-based lodgement of land transactions by 1 July 2008. The move to electronic lodgement is expected to bring significant benefits to New Zealanders, including 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, and reduced risk and greater confidence in identity and security when updating the titles register and cadastre.

During 2006/07, LINZ completed the policy work required to support 100% electronic lodgement, including the Orders in Council to introduce electronic lodgement in phases on 1 May, 1 August and 1 September 2007.

## Public value proposition

In line with good public management practice, we have focused on how we can better deliver against the Government's themes and how we can add further value for New Zealand in the long term. By applying the Public Value Framework, LINZ is looking at how to put in place core capabilities today, for the land information needs of tomorrow.

## Māori responsiveness

As a Crown agency, LINZ acknowledges the special relationship that Māori have with the land. Because of our administrative responsibilities for managing land and providing land information, LINZ is involved in assisting with the settlement of Treaty claims which relate to land, and where redress for claims results in the transfer of Crown-owned land to claimants. LINZ also recognises the 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).

In 2006/07, LINZ continued to liaise with, and provide policy and technical advice to, the Office of Treaty Settlements about land and property-related settlements. LINZ also worked with the Ministry of Justice on the Māori Land Registration initiative. This initiative will enable the registration of Māori freehold land to be completed.

## STRATEGIC GOAL 2 – OPTIMAL INTERVENTION

### OUR OBJECTIVE:

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

This goal and its activities support the following outcomes:

### END OUTCOMES

*Certainty of New Zealand's property rights and interests*

### 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 be generally transferred without redefinition*

### OUR ROLE

LINZ regulates, sets standards and ensures compliance for:

- the delivery of Crown property management, acquisition and disposal services
- property valuation for rating purposes
- overseas investment in New Zealand
- the land rights registration process
- the geodetic and cadastral reference systems, and
- the topographic and hydrographic systems

The focus of the regulatory framework has been on the rationalisation of existing interventions across our regulatory regime. This is a three-year work programme. During 2006/07, we expected to build on the earlier progress of documenting regulatory outcomes and objectives by reviewing and redrafting interventions based on risk. By doing so we also expected to raise, over time, the level of compliance with legislation and standards.

# ACHIEVEMENTS

To achieve these outcomes all interventions have been developed with the industry. This will ensure that all users of regulatory information understand their context and the Government's objectives in this area.

## WHY THIS IS IMPORTANT

This work is important because a high-performing economy needs regulation that is optimal (ie fit for purpose and not over or under regulating) to promote ongoing business productivity and economic growth. This is central to the Government's theme for economic transformation.

At LINZ we continually review and improve our roles and responsibilities so we can take a more strategic view in respect of achieving more effective regulatory outcomes.

Our aim is to ensure the regulatory frameworks that create and protect property rights, and that 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.

## WHAT WE ACHIEVED

### Standards rationalisation

During the year we continued to rationalise our regulatory interventions to ensure they are optimal. This work is supported by independent auditors who confirmed that the frameworks and processes developed will ensure we can deliver optimal regulation.

We reviewed over 300 standards and guidelines documents and these will be replaced with approximately 43. The review has concentrated on interventions associated with survey, rating valuation and land title registration. We consulted widely and established expert committees of industry representatives to help us to review and adopt proposed standards.

During 2006/07, expert committees deliberated on survey and geodetic standards, rating valuation rules, and title registration interventions. We commenced the redrafting of topographic standards and disposal standards under the Public Works Act 1981.

### Regulatory quality assurance

LINZ has a regulatory quality assurance role. In this capacity, we provide confidence and advise the regulators/statutory officers, to ensure their customers have effective controls and processes in place to comply with the regulations (ie legislation, standards, rulings, guidelines, etc).

We have also implemented a risk-based systems and controls approach to auditing in most of the regulatory areas. This ensures LINZ can focus its quality assurance effort in those areas that require the most scrutiny.

During the past financial year we have continued to pursue and implement our assurance role from that of mainly sampling to one that is based on ensuring the sector has the right systems and controls in place to ensure the quality of their work. This approach started in 2005/06 and is now being rolled out across the various sectors.

This methodology has been accepted by the survey profession. We developed methodology enabling us to review the quality assurance processes of licensed cadastral surveyors. This means we review the systems and controls surveyors implement themselves so that we can gain a level of confidence on the quality of their field work and the data submitted to LINZ. This approach also ensures our advice provides additional value when we engage with the professions. This is because it generates an environment of self-regulation by encouraging professionals to implement quality controls. With the support of the New Zealand Law Society, a similar approach was piloted last year with conveyancers, with positive feedback to date from all those involved.

### Sensitive lands

Until a final policy is decided, LINZ is required to review any Crown land up for disposal. Under this interim process, departments and Crown agencies will notify LINZ when they are considering disposing of land that meets the definition of "sensitive land" under the Overseas Investment Act 2005, or land that has a value of \$1 million or more.

# ACHIEVEMENTS

As part of this disposal process, LINZ's assessment will take into account the wider national interest and various other factors, including the:

- conservation, recreational, ecological and biodiversity value of the land
- heritage value and historical ownership of the land
- cultural significance of the land to groups other than the Crown
- potential value to the community if the land is retained in Crown ownership
- location of the land in relation to scenery such as the coastline, and
- wider public interest considerations specific to that piece of land.

## **New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa)**

The awareness of, and importance attached to, geographic place names continue to grow, largely through the migration of information into electronic formats. The Government's theme of national identity states that all New Zealanders are able to take pride in who and what we are, through our arts, culture, film, sports and music, our appreciation of our natural environment, our understanding of our history, and our stance on international issues. The assignment of geographic names, whether in Māori or English, or both, provides a tangible means to achieve this goal.

During the 2006/07 year, the New Zealand Geographic Board continued to consider submission proposals for new and altered place names, in terms of its governing legislation. Several proposals attracted considerable local community interest, namely Hātea River (Whangarei), Mount Crusader (Nelson), and Flat Bush (Manukau), which all required the Minister's final decision. Other proposals that generated interest included those for Saint Arnaud vs Rotoiti, and for 44 North Shore City suburbs.

In addition, the Board provided views to the Office of Treaty Settlements on a significant number of place names being sought through the Treaty of Waitangi claims negotiations. The restoration of original Māori

place names has become an important component of cultural redress, and enables the Board to fulfil its statutory requirements to collect and encourage the use of original Māori place names. A refinement of the process defined in a relationship protocol was put into practice during 2006/07, whereby all future settlement names will become official by their publication in the New Zealand Gazette.

Over the past year the Board has also been working with international agencies on the following:

- a relationship protocol with the United States Board on Geographic Names, outlining the principles and processes for naming in Antarctica
- introducing a place names map for the Allan Hills and Coombs Hills in Antarctica, in collaboration with Australia, the USA and Italy, through the Scientific Committee on Antarctic Research
- interacting with the United Nations Group of Experts on Geographical Names, to support the goal of the national standardisation of geographic place names, and
- interacting with the Committee for Geographical Names in Australasia.

# ACHIEVEMENTS

## STRATEGIC GOAL 3 – e-DELIVERY EXCELLENCE

### OUR OBJECTIVE:

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

This goal and its activities support the following outcomes:

### END OUTCOMES

*Certainty of New Zealand's property rights and interests*

*Availability of land information*

### 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 the tradable rights, and*
- *systems that are easy to use, both internally and externally*

*Convenient access to integrated land information that:*

- *is discoverable – meaning it is well indexed, easy to find, and the source of data is understood*
- *is convenient to access and at reasonable cost*
- *is fit for the purpose for which it was collected*
- *is interoperable – meaning it can be combined with other land information data*
- *is collected once but able to be used many times*
- *better meets the needs of our customers*
- *ensures consistency of information, and*
- *provides users with information that is of a high definition and quality*

### OUR ROLE

LINZ collects land information data for specific public policy, operational business and legislative purposes. In this capacity, we capture and process hydrographic and topographic, land title and survey information (cadastral and geodetic). A key aspect of this role is to make sure the information held (both electronically and on paper) by LINZ is easily and widely available, and access to it is equitable.

### WHY THIS IS IMPORTANT

The major benefits to our customers and government in LINZ moving towards an electronic service delivery environment include business efficiencies, and online accessibility and convenience when retrieving information and processing electronic transactions.

Because we use electronic means to deliver our services, surveyors and conveyancers will be able to offer a higher-quality service to their customers. This means a better end-to-end process and provides a faster service, eliminating the need to use public counters.

Customers can also rely on and trust LINZ to:

- provide authoritative advice that is impartial
- safeguard the land register, and
- make sure historical information is accessible and reliable now and in the future.

To provide an effective and trustworthy electronic service LINZ has implemented Landonline. This is the first fully integrated electronic survey and land registration system in the world. It will be the only way New Zealanders can do land transactions in the future, when they want to buy, sell and access land in New Zealand. It will also have a direct impact on the economy.

Government also benefits by LINZ using an electronic service in ways that may not have been possible with paper records. For example, Landonline helped to locate marginal strips to support the Government's walking access policy, and electronic lodgement contributes to the Government's expectations about the way individuals and businesses deal with government.

**SOME FACTS  
– LANDONLINE REALTIME**



*Kelly Hinaki from  
LINZ's Customer  
Support team.*

There are now more than 2,000 firms nationwide with a Landonline *e-dealing* or *e-search* licence, allowing them to lodge and/or search titles transactions electronically.

More than 10,000 individual users nationwide now have a Landonline *e-dealing* or *e-search* licence, allowing them to lodge and/or search titles transactions electronically.

The 500,000th electronic title instrument was lodged on 29 June 2007 in Whangarei.

Over 18 million electronic titles searches have been conducted since the introduction of Landonline.

Session times can last from a few minutes (dealings – that can be worth millions of dollars) to several hours (surveys – which can be up to five years in the making).

**ACHIEVEMENTS**

**WHAT WE ACHIEVED**

**Landonline**

One of our major achievements this year has been the progress made by us and our customers towards the 1 July 2008 mandatory date for electronic lodgement of all survey and title transactions.

On 1 May 2007 we met our deadline for the compulsory electronic lodgement of all discharges of mortgages, and we continue in 2007/08 to achieve our remaining mandatory dates: those for transfers, mortgages and survey transactions.

**Technology supports 100% electronic lodgement**

Five major technology releases are supporting the transition to 100% electronic lodgement. These releases upgrade Landonline functionality to provide better usability for customers. We successfully implemented two of the five releases this year, and work progresses on schedule for the other three. By 1 October 2008, LINZ expects to have implemented all these technology releases, and all title processing will be able to be carried out electronically.

**Our survey and title customers**

A key LINZ focus throughout each Landonline release has been on building survey and title firms' capability in understanding and using the new systems. This year LINZ staff offered free training and advice to firms throughout New Zealand to help them make this significant transition. This focus has had implications for the way we view our own service delivery processes, particularly emphasising the need to keep engaging and building strong working relationships with our customers.

LINZ has put a lot of effort into building and maintaining relationships with industry groups and customers. We do this by training and ongoing communication. We know that listening to customers and using their feedback is an integral part of our continuing service design and delivery, and for training them in using these services.

A recent State Services Commission evaluation of effective service delivery across a range of government departments notes that LINZ has used focus groups and consulted with users when designing services. Involving industry groups and customers early



# ACHIEVEMENTS

in design and implementation phases has meant we capture their needs and ensure our e-delivery systems are usable. In general, we have aimed to stay responsive to customer needs and keep abreast of any issues. This is so that Landonline continues to deliver the benefits we set out to achieve.

## Continuing Landonline service improvements

Landonline is the system for delivering electronic services. Its performance and accessibility are crucial. As customers' expectations increase, LINZ has put a lot of effort into getting it right the first time and in doing things consistently well. During 2006/07, we:

- started projects to review the Landonline system and LINZ's architecture for the next ten years
- improved Landonline availability and stability
- reviewed and replaced hardware, where appropriate, to support 100% electronic lodgement
- boosted disaster recovery options to support robustness, and
- expanded access and support hours to Landonline, and improved its usability.

## The move from paper to e-delivery

As a result of moving from a paper-based to electronic delivery organisation, the volume of manual processing in LINZ's five processing centres has decreased.

This means public counters in the processing centres will close in 2008, and eventually LINZ's Auckland, Wellington and Dunedin offices will close. LINZ has put a lot of effort into managing this transition for processing centre staff. LINZ has also introduced a standardised training module for property rights analysts, titled the Structured Learning Programme. This programme condenses training that used to be delivered over five years into a 10-month programme, and is integral to building the future capacity in the processing centres.

LINZ has also developed a strategy to manage LINZ's 167 years' worth of core paper records. This strategy, approved by the Minister for Land Information in July, aims to enhance access to these valuable historic records. It takes a high-level perspective on how these records can be accessed, archived and preserved.

## Topographic and hydrographic information

LINZ's strategic goal of e-delivery excellence underpinned a number of key initiatives in the topographic and hydrographic areas over the last year. One priority was to develop a modern infrastructure to support the capture, processing and dissemination of hydrographic data. The requirements for the new system were completed and based on these requirements, a preferred system was selected. The implementation of the new system began in April 2007 and is expected to take approximately 12 months.

We continued working on the development of a new topographic 1:50,000 map series. The new series, due to be launched in 2009, will be based on new geodetic data and projection. Over the last financial year, we consulted stakeholders on the design of the new map, developed the system that underpins the map production process, and started planning for the national launch.

LINZ continued to support national tsunami preparedness initiatives by initiating work to establish a national sea level monitoring network. Following an assessment of the sources of New Zealand's tsunami hazards, consultations with experts identified general areas where sea level recorders should be placed. We contracted out a feasibility study to identify suitable locations and established a partnership with GNS Science to build and maintain the network of sea level monitoring stations. We made sure suitable equipment was available and the environmental impact of station installation was assessed. This information will be incorporated into the resource consent process and stations will be constructed once all required consents are obtained.

LINZ continued to have an active programme in the Ross Sea region of Antarctica. Our activities included the continuing maintenance and operation of tide gauges and tracking stations at Cape Roberts and Scott Base, as well as doing additional survey work in the region. We removed old survey drum beacons for environmental reasons and gave our support to other Antarctic programmes such as the monitoring of Cape Royds Shackleton Hut.

An additional priority for LINZ was to provide spatial expertise and services to the Electoral Representation

## CASE STUDY

### LINZ GAUGE DETECTS TSUNAMI

Tsunami detection gauge project team members: Glen Rowe, LINZ Sea Level Data Analyst, and Graeme Blick, LINZ Manager Geodesy.



A pilot sea level gauge set up by LINZ in Wellington Harbour successfully detected the tsunami generated by the April 2007 magnitude 8.1 earthquake off the Solomon Islands.

The Wellington pilot gauge was set up as part of an upgrade of New Zealand's tsunami detection system. It is designed to detect when an offshore earthquake or sub-marine landslide has created a tsunami and to determine the size of any such event.

Although the wave was more than three metres high on some islands near the earthquake source, when it was detected in Wellington seven hours later the wave was only 0.1 metres high. Even though it wasn't large, Glen Rowe from LINZ's Specialist Processing and Data Management team said the wavelength observed in Wellington was much longer than that of normal waves.

Together with the Institute of Geological and Nuclear Sciences (GNS Science), LINZ is working to install a network of gauges around the country. These will include early detection gauges at New Zealand's extremities and on its offshore islands.

"We're continuing to work with GNS Science to gather the information required to apply for resource consents," Glen said. "At this stage, we're expecting to have an initial six gauges installed by the end of 2007."

LINZ's role is to establish and maintain the gauges, while GNS Science receives the data. GNS Science also issues local alerts, monitors sea levels, tracks the progress of tsunamis at a local level and alerts the Ministry of Civil Defence and Emergency Management if necessary.

## ACHIEVEMENTS

Commission. Following each Census, the Commission is responsible for adjusting the General and Māori electorate boundaries to reflect changing demographics and population movements around New Zealand. LINZ developed the various maps and mapping tools to support the analysis and communication of electorate information.

The geodetic network that provides a framework for many of LINZ's functions was further extended over the year and we also finished implementing the Regional Global Positioning System network, PositioNZ.

### STRATEGIC GOAL 4 – EXPERT PROPERTY MANAGEMENT

#### OUR OBJECTIVE:

Property management that balances economic, social and environmental outcomes.

This goal and its activities support the following outcomes:

#### END OUTCOMES

*Certainty of New Zealand's property rights and interests*

*Best use of Crown assets*

#### INTERMEDIATE OUTCOMES

*An effective system for defining and transacting land*

*Effective and efficient management of Crown land and liabilities*

#### WHY THIS IS IMPORTANT

LINZ administers a diverse portfolio of Crown land, inherited through changes in the public service over the last 18 years. By managing it effectively and efficiently, we are protecting New Zealanders' interests by ensuring this land is put to best use. This contributes directly to the Government's priorities of economic transformation and national identity.

### WHAT WE ACHIEVED

#### High country outcomes

LINZ continued to work with the Department of Conservation and the Ministry of Agriculture and Forestry to achieve the Government's objectives for the South Island high country. In 2003, Cabinet agreed on 10 objectives for the South Island high country, which set out the wide range of things that the Government wants to achieve there – environmentally, socially and financially.

They are:

- promote the management of the Crown's high country land in an ecologically sustainable way
- enable reviewable land that is capable of economic use to be freed of current management constraints
- protect significant inherent values of reviewable land by creating protective measures or preferably by restoring the land concerned to full Crown ownership and control
- secure public access to, and public enjoyment of, high country land
- take into account the principles of the Treaty of Waitangi
- take into account any particular purpose for which the Crown uses, or intends to use, the land
- ensure conservation outcomes for the high country are consistent with the New Zealand Biodiversity Strategy
- progressively establish a network of high country parks and reserves
- foster the sustainability of communities, infrastructure and economic growth and the contribution of the high country to the economy of New Zealand, and
- obtain a fair financial return to the Crown on its high country land assets.

To achieve these goals, the Government predominately uses the Tenure Review process (under the Crown Pastoral Land Act 1998) and undertakes whole property purchases. During 2006/07, LINZ improved quality assurance and reporting processes to ensure government policy objectives were met and

### LINZ BUYS LAND FOR OTEAKE CONSERVATION PARK



In June 2007, LINZ and the Nature Heritage Fund jointly purchased the 9,165 hectare Michael Peak Station in Central Otago. The 6,900 hectare tussock-covered high country portion of the farm will be the heart of the proposed Oteake Conservation Park.

Located at the top of the Manuherikia Valley, north of State Highway 85 between Alexandra and Ranfurly, the station has a rich and vibrant variety of ecosystems and plants of high conservation value. Buying the station assures the protection of these ecosystems, and at the same time it increases access to them for all New Zealanders.

The proposed park will be managed by the Department of Conservation and will be open to the public for walking, horse and bike riding, and four-wheel drive excursions. The park will make it easy to get to the highest peak in the district, Mt St Bathans, as well as to the Omarama Saddle, the gateway to the Mackenzie Country.

# ACHIEVEMENTS

decision making was robust. Eleven Tenure Review proposals were submitted to the Minister in 2006/07 for comment. The final decisions are made by the Commissioner of Crown Lands. As at 30 June 2007, 162 leases were at various stages of the process. New Zealanders have benefited to date by around 127,000 hectares of land being made publicly accessible because the land is no longer constrained by a lease.

LINZ, jointly with the Nature Heritage Fund, undertook a whole property purchase of the 9,165 hectare Michael Peak Station in Central Otago. It is intended that 6,900 hectares of the pastoral lease will become a core part of the proposed Oteake Conservation Park, to be managed by the Department of Conservation.

## **LINZ's Biodiversity Strategy**

This year LINZ continued to collaborate and co-ordinate with other central and regional government agencies, iwi and the wider community to achieve the outcomes of the New Zealand Biodiversity Strategy. As a manager of Crown-owned land, LINZ contributes to the Strategy in particular by implementing measures to reduce damage caused by harmful weeds and pests.

### *Wilding pines*

Together with Environment Southland, the Ministry for the Environment and the Department of Conservation, LINZ continued to support the Mid Dome Wilding Trees Charitable Trust. The Trust was set up to protect Mid Dome's natural landscape and the biodiversity of the tussock land by eradicating wilding pines. We hope this successful collaboration will act as a model for other areas with similar biodiversity challenges.

LINZ also signed the Wilding Conifer Research Agreement along with a number of other stakeholder agencies and public interest groups. The purpose of the agreement is to confirm funding and resourcing for research into controlling South Island wilding pines.

### *Lake Karapiro*

An intensive aquatic weed management programme to control the introduced invasive weed hornwort in Lake Karapiro began in early 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.

### *Mararoa River restoration project*

LINZ was also strongly involved in the restoration of the Lower Mararoa River, which is the most extensive Southland river management project in 20 years. A partnership between LINZ, Environment Southland, Meridan Energy, the Department of Conservation and Transit New Zealand funds this initiative. The project aims to keep a 20 kilometre stretch of the Mararoa River from abandoning its natural course and potentially threatening adjoining farm and other land.

### *Lake Wanaka*

Significant progress was made to rid Crown-owned Lake Wanaka of Lagarosiphon (oxygen weed). In 2005, a 10-year Lagarosiphon Management Plan was launched to stop the spread of the weed in the lake and to nearby lakes. The work carried out in 2006/07 was successful. The latest report from NIWA, which is contracted to do scientific monitoring in the area, showed the weed colonies have been reduced in both size and number.

## **Land management collaboration**

LINZ worked with the Historic Places Trust, the Hauraki District Council and Newmont Waihi Gold to successfully move the 103-year old Cornish Pumphouse from its original position next to the Martha Mine, to central Waihi. This recognises the significant part it plays in the town's heritage.

LINZ constructed a new \$84,000 boat ramp on the Clutha River at Alexandra, in conjunction with the Clutha Management Committee and the Central Otago District Council.

# ACHIEVEMENTS

## **Audit and compliance**

In 2006/07, LINZ commissioned a strategic review of the administrative systems and processes in place for Tenure Review, to determine whether further improvements could be made. We are working to implement the recommendations that came out of this review.

## **Overseas Investment Office**

The Overseas Investment Office (OIO) was established within LINZ in August 2005. The Office administers the Overseas Investment Act 2005, which both encourages ongoing economic growth and transformation by providing rules that recognise the importance of attracting foreign direct investment, and protects New Zealand's unique assets by ensuring the value of sensitive New Zealand assets is recognised and enhanced by the overseas owners of those assets. Under the legislation, overseas investors require consent to acquire or establish businesses or non-land assets worth more than \$100 million, and to acquire sensitive land (such as foreshore, seabed and land containing wahi tapu sites) and fishing quota.

The OIO received 272 applications during 2006/07. The number and complexity of applications received have exceeded Treasury projections. More analysis of the applications is required to address a wider range of matters – the focus has gone from being purely economic to include environmental and other factors as well. There is also an increased scrutiny of decisions made. This increased activity means the Office needs greater capability and capacity, and this was a major focus this year. LINZ employed additional staff and started developing a new business application and database that will allow overseas investment information to be more easily recorded and extracted, and key functions to be automated. The application and database will be available for use in 2007/08.

The OIO team also continued to work closely with the Treasury during the year, to develop and refine high-level policy statements and new regulations. This work will help to make the application process more user-friendly and help people to know what is required in terms of compliance.

# ORGANISATIONAL PERFORMANCE

In our 2006/07 Statement of Intent we outlined areas we need to specifically focus on to ensure we continue to manage towards outcomes and deliver value.

## WHAT WE ACHIEVED

A strong focus for the year was challenging our performance and seeking ways to continuously improve. During 2006/07 we undertook a number of activities to support our focus on better performance:

- we reprioritised resources in those areas that best met the Government's expectations and our business needs
- we used a balanced-scorecard framework to advance our strategy-focused planning process and to measure the achievement of strategic goals
- we developed a framework to help build our evaluation capability
- we communicated our vision, values and performance expectations to our staff, and
- we developed stronger governance processes to support Tenure Review decision making.

## DEVELOP EVALUATION CAPABILITY OF POLICY

We completed the framework for evaluation within LINZ in 2006/07 and we will start training for its implementation in the new financial year.

## ENVIRONMENTAL SCANNING AND SCENARIO PLANNING

LINZ continued to implement the environmental scanning processes developed in 2005/06. New staff who join the Policy team undertake scanning as a normal part of their policy role to ensure they keep abreast of new and emerging issues and trends likely to influence the policy environment.

## AUDIT AND RISK

LINZ reviewed its audit, risk and quality assurance functions and amalgamated these into one assurance team. This will ensure better co-ordination, planning, delivery, and reporting on regulatory and other assurance activities across the organisation. An independent non-executive Audit Committee, which will govern and oversee assurance activity, has also been established to provide advice to the Chief Executive.

## SUSTAINABILITY

In 2005, LINZ joined up to the Govt<sup>3</sup> initiative run by the Ministry for the Environment. As part of this initiative, LINZ agreed to move toward sustainable practices and we have developed an action plan to meet these expectations. This project will take approximately two years to complete.

## CAPABILITY

LINZ's people are enthusiastic, well trained and well equipped. The organisation's processes, systems and resources are focused on delivering outcomes and providing value for money.

As a public sector department LINZ is expected to deliver high-quality policies and services. To do this effectively we are committed to continually improving our capability to meet the future and changing needs of government. In 2006/07, we continued to develop our people through a process of feedback, learning and innovation to enable them to adapt and contribute to the ongoing strategic challenges LINZ faces.

LINZ's Statement of Intent 2006/07 identified several areas we need to focus on to achieve our vision. We need to:

- attract and retain capable staff, to ensure LINZ has the skills and competencies to deliver outputs with changing technology
- build capability to be able to work strategically with other government agencies
- take a consistent, risk-based approach to regulation

- strengthen our focus on delivering services electronically
- align our culture to ensure we deliver the strategy outlined in the Statement of Intent, and
- ensure LINZ chooses technology that gives us stability of service, and lets us continue to grow and enhance our services.

## HUMAN RESOURCES

Staff resources (as at 30 June 2007) by location and gender:

Location	Total	Female	Male
National Office	297	130	167
Auckland	75	25	50
Christchurch	58	23	35
Dunedin	22	7	15
Hamilton	40	19	21
Wellington	29	16	13
<b>TOTAL</b>	<b>521</b>	<b>220</b>	<b>301</b>

Over the past year we have been working towards better engagement with staff and strengthening front-line management with initiatives such as the First 90 Days programme. These initiatives ensure we continue to build leadership capability across the organisation.

Organisational reviews in our Geospatial, Crown Property Management and Business Assurance areas have been done with the aim of aligning and focusing skills and organisational performance in each of these areas.

As part of the organisation's overall focus on e-delivery, LINZ launched **skills online**, an e-learning and development tool for staff. In the coming year, we will focus our learning and development resources on a development gap analysis to identify organisational training requirements. This will be done alongside an evaluation of our current training programmes and a review of how we measure organisational performance against our investment in learning and development.

LINZ is still successfully recruiting in a tight labour market. In the coming year, we intend to refocus our approach to recruitment to take account of career pathways, both in the organisation and in the wider public service. This will include further work on the Technical Streaming Feasibility Study to investigate how LINZ can recruit, retain and recognise staff with technical skills. This work will be integrated into our overall human resources strategy.

## HR information management

We continue to improve the accessibility and quality of human resources information available to managers to support quality and transparent decision making throughout the organisation. This accessibility will be further enhanced by the updating of our payroll system.

## Pay equity review

A working group is being established to undertake a Pay and Employment Equity Review, as required by the Department of Labour. The working group will be representative of gender, length of service, function and geographic location. The review is primarily aimed at understanding the skills, experience and productivity contributed by women in the organisation, and at addressing pay equity issues.

## Industrial relations

We continue to be committed to a partnership approach within the industrial environment, particularly as we manage the changes around 100% electronic lodgement, and as we commence negotiations for a new collective employment agreement.

# ORGANISATIONAL PERFORMANCE

## DEVELOPMENT GOALS FOR THE STATE SERVICES

The overall goal for the State Services is:

“A system of world-class professional State Services serving the government of the day and meeting the needs of New Zealanders”.

LINZ has an ongoing commitment to the Development Goals for the State Services. In 2006/07 we continued to contribute to these Goals through the following initiatives.

DEVELOPMENT GOAL	LINZ'S CONTRIBUTION	WHAT WE DID IN 2006/07
Employer of Choice	<p>Attracting and retaining the right people with the skills we need to deliver our business strategies.</p> <p>Maintaining good relationships with unions as appropriate and reviewing staff perceptions of organisational culture through the use of climate surveys.</p>	<p>As part of our overall internet redevelopment we introduced web-based recruitment to attract a wider range of possible talent.</p> <p>We implemented a learning and development framework.</p> <p>We contributed to the State Services Commission Internship programme and introduced a graduate programme to attract top talent into LINZ.</p> <p>We ensured we had a good relationship with unions throughout the 100% electronic lodgement changes.</p> <p>We did a climate survey to assess organisational culture during 2007.</p>
Excellent State Servants	<p>Providing staff with appropriate professional development, management and leadership capability to meet the current and future needs of LINZ.</p>	<p>We applied LINZ's values for recruitment and performance management.</p> <p>We will monitor performance agreements for 2007/2008 to gauge whether feedback is reflected in the agreements and assessments.</p> <p>We are developing an HR capability strategy to support our future direction.</p>
Networked State Services	<p>Providing electronic lodgement and other online facilities in the delivery of land information.</p>	<p>This comprises all the initiatives that contribute to the 100% electronic lodgement of titles and survey transactions.</p>



# ORGANISATIONAL PERFORMANCE

DEVELOPMENT GOAL	LINZ'S CONTRIBUTION	WHAT WE DID IN 2006/07
Co-ordinated State Servants	Adopting an all-of-government approach to ensure the quality of our policy advice to government and working collaboratively with industry stakeholders.	Two projects over the year, Ocean Survey 20/20 and the Geospatial Strategy, are specifically designed to be all-of-government. We have established governance arrangements to ensure policy relating to these initiatives is truly all-of-government.
Accessible State Services	Providing transparency and certainty of our processes and decision making.	<p>We are assessing an upgrade to the Overseas Investment Office decision making application.</p> <p>We participated in the State Service Commission's study of the state of access to State Services. This is an extension to the wider research into accessible and networked State Services.</p>
Trusted State Services	Aligning our culture and business values to support the decisions we make.	<p>We participated in the Integrity Survey run by the State Services Commission with 31 other public service agencies.</p> <p>We briefed all new LINZ employees on LINZ's vision and values in the first three months of employment as part of the induction process.</p>

# ORGANISATIONAL PERFORMANCE

## INFORMATION TECHNOLOGY

Information technology, as a business enabler, contributed to a number of the key business projects during the year. These included:

- 100% electronic lodgement, where the following support was provided:
  - reviewing and addressing components that could have an impact on the stability and performance of the Landonline environment during uptake
  - putting in place monitoring tools
  - supporting Landonline releases during the year, and
  - reviewing the sustainability of Landonline architecture for the next three-year period.

In addition, key components of the environment were upgraded to improve the system's efficiency.

- **Hydrographic Data Infrastructure**  
Support was provided to specify the business requirements and to select a system to meet these. Work is now underway to help the organisation implement the preferred solution.
- **Topographic 1:50,000 Map Series**  
Support is being provided to ensure technology changes are deployed appropriately to support the production of the new map series.

- **Overseas Investment Office (OIO)**  
LINZ is working to develop a new business application to support the OIO staffs' business needs, including those arising from the recent legislation changes. This project will be completed during 2007/08.

A number of key initiatives were undertaken to ensure LINZ's IT group has the capabilities to continue supporting the business. These included:

- reviewing the structure of the IT Group to ensure it is aligned to deliver high-quality customer service, and that workflows between teams support best practice
- adopting best practice frameworks, including ITIL and COBIT, to help the Group enhance existing processes and to seek further improvements
- seeking feedback from our internal customers on how we could improve the services we provide, and
- continuing to enhance the relationship with LINZ's key vendors to improve overall service levels.

The Landonline Architecture Review project was initiated in February 2007. This project is developing a long-term architecture vision for LINZ, which will directly link to our business drivers. When it is completed, the vision will provide direction on specific improvement initiatives and architectural standards to ensure LINZ's technical infrastructure is stable and robust, and can grow with our business needs.



↘ LINZ'S PERFORMANCE  
2006/2007

# 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.

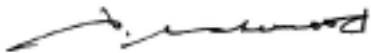
In my opinion, these financial statements fairly reflect the financial position and operations of Land Information New Zealand for the year ended 30 June 2007.



**BRENDAN BOYLE**  
Chief Executive, Land Information New Zealand

28 September 2007

*Countersigned by:*



**BRIAN USHERWOOD**  
Chief Financial Officer, Land Information New Zealand

28 September 2007

## TO THE READERS OF THE LAND INFORMATION NEW ZEALAND FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

The Auditor-General is the auditor of Land Information New Zealand (the Department). The Auditor-General has appointed me, Brent Penrose, 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 2007.

### Unqualified opinion

In our opinion:

- The financial statements of the Department on pages 46 to 63:
  - comply with generally accepted accounting practice in New Zealand, and
  - fairly reflect:
    - the Department's financial position as at 30 June 2007, 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 29 to 45:
  - 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 64 to 70 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 2007.

The audit was completed on 28 September 2007, 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 the 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 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

# AUDIT REPORT

- verifying samples of transactions and account balances
- performing analyses to identify anomalies in the reported data
- reviewing significant estimates and judgements made by the Chief Executive
- confirming year-end balances
- determining whether accounting policies are appropriate and consistently applied, and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements or statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements 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 financial statements and a 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 2007 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 2007. 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 Institute of Chartered Accountants of New Zealand.

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.



**BRENT PENROSE**  
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 Services

##### Description

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

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

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

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

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 MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p>Policy advice, briefings and support on matters relating to departmental functions will be provided to the Minister as required.</p>	210 briefings and submissions were provided to the Minister.
<p>Ministerial support services will be provided as required, including:</p> <ul style="list-style-type: none"> <li>• draft replies for letters to the Minister, including Official Information Act requests, and</li> <li>• draft responses to parliamentary questions.</li> </ul> <p>300 (est) ministerials will be processed. (range 250 – 350)</p>	<p>172 ministerial responses and 124 responses to parliamentary questions were completed.</p> <p>The number of ministerial briefings required was lower than expected as it is a demand-driven activity.</p>
<p>Accountability documents (as indicated in the description) will be completed.</p>	All accountability documents were completed (Annual Report 2005/06, Output Plan 2007/08 and Statement of Intent 2007/08).
<p><b>QUALITY</b></p> <p>All policy advice, reports and draft responses for the Minister's signature will meet the policy advice/ministerial communication quality standards in the Appendix on page 80.</p>	Standards were met.

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
The Department will achieve a minimum rating of “good” from six-monthly assessments by the Minister on its performance against the policy advice quality standard.	A rating of “good” was achieved.
95% of the Department’s Cabinet papers will be accepted by the Minister’s office without amendment.	40% of Cabinet papers were accepted by the Minister’s office without amendment. The performance measurement does not distinguish between material and non-material amendments. The process of developing Cabinet papers is generally iterative between the Minister’s Office and the Department (and between other departments). The nature of amendments would include editorial changes to personal style preferences. Changes to the policy are generally fewer in number.
95% of draft responses to ministerials will be accepted by the Minister without amendment.	76% of responses to ministerial correspondence were accepted without amendment. The performance measurement does not distinguish between material and non-material amendments. The nature of the amendments would include editorial changes to personal style preferences.
All accountability documents will meet the advised standards and specifications.	All standards and specifications were met.
<b>TIMELINESS</b>	
All policy advice will be delivered to specified deadlines agreed with the Minister.	All stated 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 replies were provided within 10 working days or the date agreed with the Minister’s office.
All draft responses to parliamentary questions will be provided to deadline.	All stated deadlines were met.

## FINANCIAL PERFORMANCE

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Voted 30/6/07 \$000
1,899	Revenue Crown	2,149	2,149
20	Revenue Other	0	25
<b>1,919</b>	<b>Total Revenue</b>	<b>2,149</b>	<b>2,174</b>
<b>1,905</b>	<b>Total Expenses</b>	<b>2,168</b>	<b>2,174</b>
<b>14</b>	<b>Net Surplus/(Deficit)</b>	<b>(19)</b>	<b>0</b>



# PERFORMANCE INFORMATION

## OUTPUT CLASS 2 – STANDARDS AND QUALITY ASSURANCE

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

- 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, and
  - topographic and hydrographic information systems.

There are two outputs in this output class.

### Output 210 – Standards

#### *Description*

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

In addition this output involves:

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

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p>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 5 – 15)</p>	<p>Two new interventions were required to support the Government directive that Crown agencies are to have marginal strips surveyed on all Crown disposals from 1 July 2007:</p> <ul style="list-style-type: none"> <li>• SG Ruling 2007/1 Representation of movable marginal strips in cadastral survey datasets</li> <li>• LINZS10001 Interim Standard for the integration of movable marginal strips into the cadastre.</li> </ul> <p>This performance measurement is an estimate of new interventions. It is driven by externalities and will fluctuate from year to year.</p>
<p>120 documents related to interventions will be reviewed (year three of a three-year review).</p>	<p>167 documents related to interventions were reviewed and either archived or technical content developed.</p>

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>QUALITY</b></p> <p>All new and reviewed regulatory interventions will be in accordance with the LINZ risk-based standards development framework.</p>	<p>All interventions are in accordance with the standard development framework.</p>
<p>All regulatory interventions will be peer reviewed (including by the Expert Committee for Standards) and signed off by the responsible regulator.</p>	<p>All interventions include peer review as per the standards development framework.</p>
<p><b>TIMELINESS</b></p> <p>All regulatory interventions will be developed, reviewed and implemented in accordance with the timeframes specified in the annual business plan.</p>	<p>All interventions were developed in accordance with the project plan, which forms part of the annual business plan.</p>

## Output 220 – Quality Assurance

### Description

This output involves the ongoing monitoring and auditing of compliance to ensure that standards are met.

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p>275 overseas investment applications will be processed and decisions or recommendations made. (range 250 – 300)</p>	<p>272 applications were received. Decisions or recommendations were made for 225 applications. 30 applications lapsed for want of further information, because applicants were unsuccessful in their bids, or because no consent was required. There were 17 more applications on hand (in the course of processing) at the end of the period than at the beginning of the period.</p>
<p>An annual quality assurance plan will be completed for each of the four regulators. Nine audit programmes will be completed in all regulatory areas.</p>	<p>Six quality assurance plans were completed for the four regulators.</p> <p>Eight audit programmes were completed for the 10 regulatory areas as follows:</p> <p><b>Registrar-General of Land</b></p> <ul style="list-style-type: none"> <li>• three audits of law firms</li> <li>• audits of Auckland and Hamilton Processing Centres, and</li> <li>• <i>e-dealing</i> reviews.</li> </ul> <p><b>Hydrographic</b></p> <ul style="list-style-type: none"> <li>• an audit of warehousing and distribution processes for charts, and</li> <li>• an audit of territorial seas and Exclusive Economic Zone limits shown correctly on charts.</li> </ul> <p><b>Cadastral survey</b></p> <ul style="list-style-type: none"> <li>• audits of Auckland and Hamilton Processing Centres, and</li> <li>• 10 survey firm audits.</li> </ul>

PERFORMANCE MEASUREMENT	PERFORMANCE
	<p><b>Geodetic survey</b></p> <ul style="list-style-type: none"> <li>validation and approval of geodetic surveys by Customer Services.</li> </ul> <p><b>Electoral</b></p> <ul style="list-style-type: none"> <li>audit of the preparation of provisional electoral boundaries.</li> </ul> <p><b>Valuation</b></p> <ul style="list-style-type: none"> <li>27 revaluation audits</li> <li>one revaluation objections audit, and</li> <li>one processes and controls audit.</li> </ul> <p><b>Commissioner of Crown Lands</b></p> <ul style="list-style-type: none"> <li>one audit of a preliminary proposal stage of a Tenure Review process.</li> </ul> <p><b>Crown property</b></p> <ul style="list-style-type: none"> <li>three audits of accredited suppliers to Transit NZ.</li> </ul>
<p><b>QUALITY</b></p> <p>95% of recommendations to Ministers will be accepted without amendment.</p>	<p>97% of recommendations were accepted by Ministers without amendment.</p>
<p>The annual quality assurance monitoring plan will include:</p> <ul style="list-style-type: none"> <li>areas identified by “high-risk area” reports</li> <li>follow-up of previous audit recommendations, and</li> <li>relevant standards to be complied with.</li> </ul>	<p>All quality assurance plans incorporated risks against the regulators achieving their objectives.</p> <p>All audit recommendations due for implementation between 1 July 2006 and 30 June 2007 were followed up. (Of the 86 recommendations, 70 were implemented, eight were withdrawn, seven are still in progress, and one has been deferred to a new date.)</p> <p>All audits were and are linked to compliance with regulators’ standards.</p>
<p>All audits conducted under these programmes will meet the criteria specified in the terms of reference for each audit.</p>	<p>All audits met the methodology and scope criteria specified in their terms of reference.</p>

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>TIMELINESS</b></p> <p>90% of correspondence from overseas investment applicants will be responded to within five working days of receipt of application or subsequent information.</p>	<p>52% were responded to within five working days. Applications are much more complex due to the increased number of factors: 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 the new legislation that had been declined under the previous legislation. Extra staff have been recruited and an updated information system (database) is being developed.</p>
<p>90% of all delegated decisions will be made within 10 working days of receipt of all information.</p>	<p>50% of delegated decisions were made within 10 working days. This performance measurement is difficult to accurately measure due to:</p> <ul style="list-style-type: none"> <li>a) analysts not recording the receipt of full information, or</li> <li>b) the inability of the current database to accurately record the time at which “receipt of full information” occurs under the new regime.</li> </ul> <p>Training has taken place to address issue (a) and the new database will rectify issue (b).</p>
<p>All timeframes specified in the annual business plan will be met.</p>	<p>All targets specified in the annual business plan were monitored monthly by the General Manager Regulatory and were achieved.</p>
<p>All audits conducted under these programmes will meet the timeframes specified in the terms of reference for each audit.</p>	<p>All audits in the audit programme were completed, although some timeframes for delivery of the draft audit report within 10 days of the audit visit were not achieved. Seventy percent of the draft audit reports were delivered within the timeframes specified in the terms of reference. This was predominantly due to the unavailability of the auditee for clarification of some points.</p>

## FINANCIAL PERFORMANCE

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Voted 30/6/07 \$000
4,872	Revenue Crown	5,121	5,121
5,165	Other Revenue	5,818	5,683
<b>10,037</b>	<b>Total Revenue</b>	<b>10,939</b>	<b>10,804</b>
<b>10,037</b>	<b>Total Expenses</b>	<b>10,939</b>	<b>11,037</b>
<b>0</b>	<b>Net Surplus/(Deficit)</b>	<b>0</b>	<b>(233)</b>

# PERFORMANCE INFORMATION

## OUTPUT CLASS 3 – LAND AND SEADBED 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 and updating) of hydrographic, topographic, land title and survey information (cadastral and geodetic). There are three outputs in this output class.

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

### Description

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

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

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

PERFORMANCE MEASUREMENT	PERFORMANCE
<b>QUANTITY</b>	
328,000 (est) titles documents (instruments) will be processed from electronic lodgement. <sup>1</sup>	364,606 documents were processed from electronic lodgement.
557,000 (est) titles documents (instruments) will be processed from paper lodgement.	545,041 documents were processed from paper lodgement.
12,750 (est) cadastral survey datasets will be processed from electronic lodgement. <sup>1</sup>	8,398 cadastral survey datasets were processed from electronic lodgement.  The volume of survey datasets lodged electronically was 56.04% against a Statement of Intent target of 85.0%. Training and support initiatives were initiated in November 2006 and uptake is increasing.
2,250 (est) cadastral survey datasets will be processed from paper lodgement.	6,588 cadastral survey datasets were processed from paper lodgement.
<b>QUALITY</b>	
A minimum rating of “good” will be achieved in the quality category of monthly independent telephone surveys of randomly selected regular customers.	The standard of “good” was met or exceeded in every month.
All titles documents will be processed according to standards set by the Registrar-General of Land.	Monitoring in processing centres confirms that title documents were processed to the Registrar-General of Land’s standards.  Regulatory Quality Assurance audits of title documents carried out in Auckland and Hamilton processing centres have substantiated that there are no significant issues relating to capture and processing quality.
The level of error ratings recorded against titles will be 0.2% or less as recorded in the Corrections Register.	The error ratings recorded were lower than 0.2% 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.	Monitoring in processing centres confirms that cadastral survey datasets were processed to the Surveyor-General’s standards.  Audits provided reasonable assurance that risks are being managed. No significant issues were identified.

1. Based on Landonline e-lodgement targets: 37% of title documents (instruments) lodged electronically from 1 July 2006 to 30 June 2007; and 85% of cadastral survey datasets lodged electronically from 1 July 2006 to 30 June 2007.

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>TIMELINESS</b></p> <p>A minimum rating of “good” will be achieved in the timeliness category of monthly independent telephone surveys of randomly selected regular customers.</p>	<p>The standard of “good” was met or exceeded in 11 of the 12 months for survey processing. Title processing met or exceeded the standard in all months.</p>
<p>The Landonline system will be available 99.5% of the time between 7am and 9pm Monday to Thursday, 7am and 7pm Friday, and 9am and 5pm Saturday.</p>	<p>The Landonline system was available 99.89% of the time for the year.</p>
<p>95% of titles documents will be processed from paper lodgement within 15 working days.<sup>2</sup></p>	<p>Performance for the year was 96.2%.</p>
<p>90% of cadastral survey datasets will be processed from electronic lodgement within 10 working days.</p>	<p>Performance for the year was 93.4%.</p>
<p>90% of cadastral survey datasets will be processed from paper lodgement within 20 working days.</p>	<p>Performance for the year was 87.8%.</p> <p>Low performance is attributed to higher than forecast volumes coupled with a focus on achieving the performance standard for electronic lodgement.</p>
<p>90% of cadastral survey datasets will be integrated into Landonline within 20 working days.</p>	<p>Performance for the year was 91.0%.</p>

2. Electronically lodged titles are processed immediately online.

## Output 320 – Generation of the National Authoritative Geospatial Record

### Description

This output involves the delivery of services necessary to meet the requirements set out in the annual work programmes of the LINZ regulatory groups for the generation of the national authoritative geospatial

record, ie the geodetic reference system, topographic and hydrographic information and the Electoral Spatial Reference Dataset.

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

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p>Data on 22 (est) topographic map sheet areas will be revised. (range 15 – 22)</p> <p>69 (est) topographic maps will be printed. (range 55 – 69)</p> <p>Data on 11 (est) hydrographic chart sheet areas will be revised. (range 9 – 13)</p> <p>8,000 (est) geodetic control marks will be surveyed and/or maintained. (range 7,000 – 9,000)</p> <p>Electoral Spatial Reference Dataset actions</p> <ul style="list-style-type: none"> <li>2,900 (est) address location requests will be processed. (range 2,400 – 3,400)</li> <li>11,700 (est) actions arising from new cadastral datasets will be processed. (range 9,700 – 13,700)</li> </ul>	<p>17 map sheet areas were revised. The number of map sheets able to be updated was limited due to delays in getting the all-of-government imagery contract signed. The contract is currently being finalised. Until this is achieved imagery will not be available to allow full map sheet updates.</p> <p>63 maps were printed. Map usage dictates the need for maps to be printed. This level of printing was sufficient to maintain all maps in stock.</p> <p>10 chart sheet areas were revised. All charts were updated where available data was provided. Much of the data is provided by third parties such as port authorities.</p> <p>7,039 control marks were updated.</p> <p>2,233 address location requests were processed.</p> <p>12,017 address actions arising from new cadastral datasets were processed.</p>
<p><b>QUALITY</b></p> <p>All topographic and hydrographic data generated will meet the required standards as assessed by quality assurance audit.</p> <p>All geodetic data generated will meet the quality standards of the Surveyor-General as assessed by quality assurance audit.</p> <p>All Electoral Spatial Reference Dataset actions will meet the quality standards in the service level agreements with Statistics NZ, the Electoral Enrolment Centre, the Chief Electoral Office and the Surveyor-General, as assessed by quality assurance audit.</p>	<p>Actions were undertaken in accordance with standards and are confirmed by quality assurance audits.</p> <p>Actions were undertaken, confirmed by audit, and in accordance with standards.</p> <p>Services were in accordance with standards defined in the service level agreements and confirmed by audit.</p>

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>TIMELINESS</b></p> <p>95% of new data, maps or charts will be available in the databases or for dissemination within 20 working days after acceptance.</p>	<p>The standard was met (100%) across all products and services.</p>
<p>95% of notified critical changes, errors or omissions in topographic data will be available on NZ TopoOnline within four working days of acceptance for individual features.</p>	<p>No critical errors, charges or omissions were notified for inclusion in NZ TopoOnline during the reporting period.</p>
<p>95% of new geodetic data will be available in the databases or for dissemination within 20 working days after receipt.</p>	<p>81% of new geodetic data was available within standard at year end. No negative impacts were experienced as the delay was minimal and did not affect critical data. All data was quality assured and within time-frame. However, some data was unable to be uploaded to Landonline due to a software problem, which was resolved in a later release.</p>
<p>90% of address location requests will be processed within 20 working days from receipt.</p>	<p>1,818 of 2,233 address location requests (81.4%) were processed within the standard. This measure is negatively impacted by factors outside of LINZ's control, such as slow, or no, response from territorial authorities.</p>
<p>90% of actions arising from new cadastral datasets will be processed within 10 working days of approval/ deposit.</p>	<p>100% were processed within the standard.</p>



# PERFORMANCE INFORMATION

## Output 330 – Delivery of the Crown Property Clearance Service

### Description

This output is the provision of a property clearance service for work undertaken by accredited providers.

This work involves ensuring that all relevant information has been researched and assessed for relevance to the specific property, that the conclusions reached are in line with the facts and the legislative provisions, and that the recommendation is consistent with those conclusions.

PERFORMANCE MEASUREMENT	PERFORMANCE
<b>QUANTITY</b> 3,000 (est) property reports will be cleared and a statutory decision made. (range 2,500 – 3,500)	2,684 statutory decisions were made.
<b>QUALITY</b> The service will be provided in accordance with the Crown Property Standards as assessed by quality assurance audit.	Decision making was audited in 2005/06 and improvements recommended then are being adopted.
<b>TIMELINESS</b> 95% of statutory reports and recommendations received will be cleared or responded to within five working days.	90% of decisions were responded to within five days.

## FINANCIAL PERFORMANCE

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Voted 30/6/07 \$000
19,305	Revenue Crown	18,038	18,933
21,900	Other Revenue	23,843	21,901
<b>41,205</b>	<b>Total Revenue</b>	<b>41,881</b>	<b>40,834</b>
<b>46,531</b>	<b>Total Expenses</b>	<b>52,884</b>	<b>57,463</b>
<b>(5,326)</b>	<b>Net Surplus/(Deficit)</b>	<b>(11,003)</b>	<b>(16,629)</b>

# PERFORMANCE INFORMATION

## 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.

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

#### *Description*

This output ensures the ongoing maintenance of an information systems infrastructure 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 MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p>IT infrastructure will be managed to ensure availability and integrity of LINZ's information systems. Systems will be managed according to LINZ's IT policies and procedures. The IT infrastructure will be maintained according to the LINZ IT architecture and principles.</p>	<p>All IT infrastructure was managed in accordance with LINZ's policies and standards and was maintained according to the IT architecture and principles.</p>
<p><b>QUALITY</b></p> <p>The standard to which the electronic facilities management service will be provided will be in accordance with the quality standards in the contract.</p>	<p>The services provided by the electronic facilities management were all provided according to the contracted quality standards.</p>
<p>The information systems infrastructure will be maintained in accordance with the code of practice and specifications for information security management systems and consistent with the New Zealand e-Government Interoperability Framework (e-GIF).</p>	<p>All information systems infrastructure was managed in accordance with the code of practice and specifications and is consistent with e-GIF.</p>
<p><b>TIMELINESS</b></p> <p>Electronic facilities management for Landonline will be available 99.5% of the time between 7am and 9pm Monday to Thursday, 7am and 7pm Friday, and 9am and 5pm Saturday.</p>	<p>The Landonline system was available 99.95% of the time.</p>

# PERFORMANCE INFORMATION

## Output 420 – Information Systems Development

### Description

This output involves the development and implementation of enhancements to the information systems infrastructure – as distinct from the routine

or programmed maintenance covered in Output 410.

Because of their one-off nature and scale in terms of time and money, these developments are prioritised and generated on a project basis.

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p>All projects will be determined by the LINZ strategic project approval process and aligned with the Government's objectives. Funding priorities will be approved in accordance with the project governance process.</p>	<p>Seven projects were submitted and approved by the LINZ Project Governance Committee.</p>
<p><b>QUALITY</b></p> <p>Projects will be managed in accordance with the LINZ Project Governance Framework, which includes:</p> <ul style="list-style-type: none"> <li>• risk management</li> <li>• robust governance arrangements, and</li> <li>• evaluation and review.</li> </ul>	<p>Seventeen projects are actively being managed through the LINZ Project Governance Framework.</p>
<p>Standards to which projects will be managed will be in accordance with the LINZ System Development Life Cycle.</p>	<p>Standards have been managed in accordance with the LINZ System Development Life Cycle.</p>
<p><b>TIMELINESS</b></p> <p>Timelines to which projects will be managed will be as set out in the project plan for each project.</p>	<p>All projects are being managed within the agreed timeframes.</p>

## FINANCIAL PERFORMANCE

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Voted 30/6/07 \$000
4,213	Revenue Crown	2,738	3,338
26,014	Other Revenue	19,605	17,923
<b>30,227</b>	<b>Total Revenue</b>	<b>22,343</b>	<b>21,261</b>
<b>27,856</b>	<b>Total Expenses</b>	<b>24,959</b>	<b>27,420</b>
<b>2,371</b>	<b>Net Surplus/(Deficit)</b>	<b>(2,616)</b>	<b>(6,159)</b>

# PERFORMANCE INFORMATION

## 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, both the electronic and paper information 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.

## Output 510 – Provision of Access to Information and Services

### Description

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

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

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>QUANTITY</b></p> <p><b>Land title, and cadastral and geodetic survey information</b></p> <p>3,230,000 electronic title records will be supplied. (range 2,826,250 – 3,633,750)</p> <p>32,000 paper title records will be supplied. (range 26,000 – 38,000)</p> <p>220,000 electronic survey records will be supplied. (range 165,000 – 275,000)</p> <p>4,500 paper survey records will be supplied. (range 3,200 – 5,800)</p>	<p>3,490,716 electronic title records were supplied.</p> <p>30,820 paper title records were supplied.</p> <p>261,778 electronic survey records were supplied.</p> <p>5,031 paper survey records were supplied.</p>
<p><b>QUALITY</b></p> <p><b>Land title, and cadastral and geodetic survey information</b></p> <p>A minimum rating of “good” will be achieved in the quality category of monthly independent telephone surveys of randomly selected regular customers.</p>	<p>The standard of “good” was met or exceeded in every month.</p>
<p><b>Topographic and hydrographic information (maps, charts and information)</b></p> <p>A full inventory of topographic and hydrographic information will be maintained.</p>	<p>Complete inventories exist for all information. The key inventories are:</p> <ul style="list-style-type: none"> <li>• all available charts and maps exist in the warehouse and distribution inventory system as confirmed by an end-of-year stock-take and monthly reports from the contractor</li> <li>• the inventory of all hydrographic digital data is contracted to NIWA</li> <li>• an inventory of all New Zealand aerial photography is updated annually on contract to New Zealand Aerial Mapping.</li> </ul>

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
<p>A minimum rating of “good” will be maintained in an annual survey of a representative sample of primary customers who use topographic and hydrographic information products and services. The survey will include the following attributes:</p> <ul style="list-style-type: none"> <li>• products and services meet customers’ core needs</li> <li>• channel delivery meets needs, and</li> <li>• consistent availability of goods and services.</li> </ul>	<p>Satisfaction research was not undertaken during the 2006/07 financial year.</p> <p>Formal research was postponed to avoid overloading the relatively small audience group with surveys.</p> <p>(A significant amount of research occurred between 2005 and 2006 and to undertake more research soon after would have risked undermining the credibility and usefulness of the research effort.)</p> <p>Instead LINZ emphasised demonstrating progress to customers and involving them directly in the design of products and services. Two examples of this are the initiatives to develop the new Topo50 map series and the 2007 edition of the NZ Nautical Almanac, both of which involved sample groups of customers to ensure their needs were understood and met.</p>
<p><b>TIMELINESS</b></p> <p><b>Land title, cadastral and geodetic survey information</b></p> <p>The Landonline system will be available: 99.5% between 7am and 9pm Monday to Thursday, 7am and 7pm Friday and 9am and 5pm Saturday.</p>	<p>The Landonline system was available 99.52% of time for the year.</p>
<p>90% of requests for copies or originals of paper records will be ready for customer collection or viewing or will be dispatched within two working days.</p>	<p>96.6% of requested copies and originals were supplied on time.</p>
<p>A minimum rating of “good” will be achieved in the timeliness category of monthly independent telephone surveys of randomly selected regular customers.</p>	<p>The standard of “good” was met or exceeded.</p>
<p><b>Topographic and hydrographic information (maps, charts and information)</b></p> <p>NZ Mariner and updates will be dispatched to the customer within two working days of order received or update due.</p>	<p>There were no known or reported issues.</p>
<p>Topographic maps and hydrographic charts will be dispatched to the retailer within two working days of order being received.</p>	<p>There were no known or reported issues.</p>

## FINANCIAL PERFORMANCE

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Voted 30/6/07 \$000
1,245	Revenue Crown	1,181	1,181
6,001	Other Revenue	4,005	3,662
<b>7,246</b>	<b>Total Revenue</b>	<b>5,186</b>	<b>4,843</b>
<b>5,403</b>	<b>Total Expenses</b>	<b>5,255</b>	<b>5,469</b>
<b>1,843</b>	<b>Net Surplus/(Deficit)</b>	<b>(69)</b>	<b>(626)</b>

# PERFORMANCE INFORMATION

## OUTPUT CLASS 6 – CROWN PROPERTY MANAGEMENT AND DISPOSAL SERVICES

This output class involves the acquisition, management and disposal of land and property administered by the Department on behalf of the Crown.

### Output 610 – Crown Property Management and Disposal Services

#### Description

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

- Crown property management (Note: LINZ administers 4,500 properties on behalf of the Crown. Of these, 2,500 properties are in two property management contracts. For a property to be included in a property management contract rates must be levied against that property.)
- Crown property disposal
- Crown property acquisition
- Crown Pastoral Lease Land Tenure Reform
- Crown forest management, and
- management of land-related liabilities.

PERFORMANCE MEASUREMENT	PERFORMANCE
<b>QUANTITY</b>	
775 properties will be leased or licensed. (range 700 – 850)	771 were licensed or leased.
The revenue sales target from properties available for disposal will be \$2.5 million ( $\pm$ 10%).	Revenue from sales of properties available for disposal was \$6,495,142. The original forecast of \$2.5 million was subsequently increased to \$5.5 million to reflect the Cabinet approval of a surplus government property disposal programme. The revised forecast was exceeded due to a treaty settlement being finalised, the timing of which was uncertain.
Properties will be purchased (undertaken on an “as required” basis).	One whole property purchase was undertaken.
16 substantive Tenure Review proposals will be put to leaseholders. (range 14 – 20)	No substantive proposals were put to lessees for the 2006/07 year while LINZ improved quality assurance and reporting processes to ensure the Government’s policy objectives were met and decision-making was robust.
71 Crown Forest Licences will be managed. (range 65 – 75)	71 Crown Forest Licences were managed.
450 land-related liabilities will be managed. (range 300 – 600)	353 land-related liabilities were managed.
<b>QUALITY</b>	
Standards for providing services will be in accordance with: <ul style="list-style-type: none"> <li>• the specifications in the property management contracts</li> <li>• statutory requirements</li> <li>• LINZ Crown Pastoral Land Standards</li> <li>• the specifications in Part 2 of the Crown Forest Licence Management Agreement, and</li> <li>• the requirements in the LINZ Operating Framework for the Investigation and Management of Land Related Crown Liabilities.</li> </ul>	<p>Services were delivered within the specifications of the property management contracts.</p> <p>All property disposals were completed in terms of the LINZ Standards and Guidelines, including statutory and government-directed requirements.</p> <p>Specifications in Part 2 of the Crown Forest Licence Management Agreement were met.</p> <p>The management of the contingent liabilities was in accordance with the requirements of the Operating Framework.</p>

# PERFORMANCE INFORMATION

PERFORMANCE MEASUREMENT	PERFORMANCE
<p><b>TIMELINESS</b></p> <p>Standards for managing services will be in accordance with:</p> <ul style="list-style-type: none"> <li>the timeframes in the property management contracts</li> <li>statutory requirements</li> <li>the timeframes in Part 2 of the Crown Forest Licence Management Agreement, and</li> <li>the timeframes in the LINZ Operating Framework for the Investigation and Management of Land Related Crown Liabilities.</li> </ul>	<p>All services were delivered within property management contract timeframes.</p> <p>All property disposal processes, including statutory requirements, were undertaken in a timely manner in terms of LINZ Standards and Guidelines and instructions to LINZ disposal contractors.</p> <p>Timeframes in Part 2 of the Crown Forest Licence Management Agreement were all met.</p> <p>The management of contingent liabilities has been in accordance with the requirements of the Operating Framework.</p>
<p>Tenure Review substantive proposals will be put to the leaseholder within 10 working days of being signed on behalf of the Crown.</p>	<p>No substantive proposals were put to the leaseholder.</p>
<p>The revenue target will be reached by year end.</p>	<p>The revenue target was met.</p>

## FINANCIAL PERFORMANCE

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Voted 30/6/07 \$000
13,978	Revenue Crown	13,119	16,042
34	Other Revenue	7	58
<b>14,012</b>	<b>Total Revenue</b>	<b>13,126</b>	<b>16,100</b>
<b>13,076</b>	<b>Total Expenses</b>	<b>13,177</b>	<b>16,100</b>
<b>936</b>	<b>Net Surplus/(Deficit)</b>	<b>(51)</b>	<b>0</b>

# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2007

Actual 30/6/06 \$000	Notes	Actual 30/6/07 \$000	Budget (Note 1) 30/6/07 \$000
<b>Revenue</b>			
45,512	Crown	42,346	46,764
59,134	Other 2	53,278	49,252
<b>104,646</b>	<b>Total operating revenue</b>	<b>95,624</b>	<b>96,016</b>
<b>Expenditure</b>			
38,923	Personnel costs 3	48,197	48,965
52,296	Operating costs 4	48,728	57,732
9,488	Depreciation 5	9,453	9,359
4,101	Capital charge 6	3,004	3,607
<b>104,808</b>	<b>Total expenditure</b>	<b>109,382</b>	<b>119,663</b>
<b>(162)</b>	<b>Net surplus/(deficit)</b>	<b>(13,758)</b>	<b>(23,647)</b>

## STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS

for the year ended 30 June 2007

Actual 30/6/06 \$000	Notes	Actual 30/6/07 \$000	Budget (Note 1) 30/6/07 \$000
51,259	Taxpayers' funds as at 1 July	48,097	48,097
(162)	Net surplus/(deficit)	(13,758)	(23,647)
<b>(162)</b>	<b>Total recognised revenue and expense for the year</b>		
–	Capital contribution	5,072	14,961
(3,000)	Capital withdrawal	0	0
<b>48,097</b>	<b>Taxpayers' funds as at 30 June</b>	<b>39,411</b>	<b>39,411</b>

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



# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2007

Actual 30/6/06 \$000		Notes	Actual 30/6/07 \$000	Budget 30/6/07 \$000
48,097	Taxpayers' funds		39,411	39,411
<b>48,097</b>	<b>Total taxpayers' funds</b>		<b>39,411</b>	<b>39,411</b>
	<i>Represented by:</i>			
	<b>Current assets</b>			
2,858	Cash and bank		5,946	5,635
860	Prepayments		967	1,245
5,751	Debtors and receivables	7	3,816	4,635
<b>9,469</b>	<b>Total current assets</b>		<b>10,729</b>	<b>11,515</b>
	<b>Non-current assets</b>			
58,765	Property, plant and equipment	8, 9	54,807	56,673
419	Work in progress		1,046	–
<b>59,184</b>	<b>Total non-current assets</b>		<b>55,853</b>	<b>56,673</b>
<b>68,653</b>	<b>Total assets</b>		<b>66,582</b>	<b>68,188</b>
	<b>Less current liabilities</b>			
9,402	Creditors and payables	10	16,264	17,759
281	Provisions	11	637	218
4,132	Employee entitlements	12	4,475	4,000
1,937	Deferred revenue		1,127	1,500
<b>15,752</b>	<b>Total current liabilities</b>		<b>22,503</b>	<b>23,477</b>
	<b>Non-current liabilities</b>			
4,804	Employee entitlements	12	4,668	5,300
<b>4,804</b>	<b>Total non-current liabilities</b>		<b>4,668</b>	<b>5,300</b>
<b>20,556</b>	<b>Total liabilities</b>		<b>27,171</b>	<b>28,777</b>
<b>48,097</b>	<b>Net assets</b>		<b>39,411</b>	<b>39,411</b>

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

# FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2007

Actual 30/6/06 \$000	Notes	Actual 30/6/07 \$000	Budget 30/6/07 \$000
<b>Cash flows from operating activities</b>			
<b>Cash provided from:</b>			
Supply of outputs to:			
50,588	Crown	48,085	47,211
58,898	Other	52,339	49,484
<b>109,486</b>		<b>100,424</b>	<b>96,695</b>
<b>Cash disbursed to:</b>			
Produce outputs:			
(38,607)	Personnel	(42,256)	(37,852)
(53,488)	Operating	(51,034)	(60,572)
(4,101)	Capital charge	(3,004)	(3,607)
(96,196)	Cash disbursed to cost of producing outputs	(96,294)	(102,031)
<b>13,290</b>	<b>Net cash flows from operating activities</b>	<b>4,130</b>	<b>(5,336)</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from:</b>			
–	Sale of plant, property and equipment	40	–
<b>Cash disbursed to:</b>			
(2,222)	Purchase of plant, property and equipment	(6,154)	(6,848)
<b>(2,222)</b>	<b>Net cash flows from investing activities</b>	<b>(6,114)</b>	<b>(6,848)</b>
<b>Cash flows from financing activities</b>			
–	Capital contribution	5,072	14,961
(3,000)	Capital withdrawal	–	–
(9,640)	Repayment of surplus	–	–
<b>(12,640)</b>	<b>Net cash flows from financing activities</b>	<b>5,072</b>	<b>14,961</b>
<b>(1,572)</b>	<b>Net increase/(decrease) in cash held</b>	<b>3,088</b>	<b>2,777</b>
4,430	Add opening cash balance	2,858	2,858
<b>2,858</b>	<b>Closing cash balance at 30 June</b>	<b>5,946</b>	<b>5,635</b>

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

## STATEMENT OF COMMITMENTS

as at 30 June 2007

Land Information New Zealand has long-term leases on its premises throughout New Zealand. The annual lease payments are subject to regular reviews. The amounts disclosed below as future commitments are based on current rental rates. Operating lease commitments include lease payments for premises, office equipment and motor vehicles.

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

Actual 30/6/06 \$000		Actual 30/6/07 \$000
	<b>Operating commitments</b>	
	<i>Operating lease commitments</i>	
3,710	Less than one year	3,703
3,655	One to two years	7,165
10,695	Two to five years	4,577
588	More than five years	0
<b>18,648</b>	<b>Total operating lease commitments</b>	<b>15,445</b>
	<i>Non-cancellable contracts for supply of goods and services</i>	
15,531	Less than one year	15,134
6,113	One to two years	19,533
–	Two to five years	17,257
<b>21,644</b>	<b>Total non-cancellable contracts for supply of goods and services</b>	<b>51,924</b>
<b>40,292</b>	<b>Total operating commitments</b>	<b>67,369</b>
<b>40,292</b>	<b>Total commitments</b>	<b>67,369</b>

There are no capital commitments in the current or prior year.

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

# FINANCIAL STATEMENTS

## STATEMENT OF MEMORANDUM ACCOUNT

for the year ended 30 June 2007

Actual 30/6/06		Actual 30/6/07
\$000	Landonline (Land Titles and Survey Automation)	\$000
48,448	Balance as at 1 July	45,462
	<b>Revenue</b>	
55,502	Operating revenue	49,084
<b>55,502</b>	<b>Total revenue</b>	<b>49,084</b>
	<b>Expenses</b>	
58,488	Operating costs	65,802
<b>58,488</b>	<b>Total expenses</b>	<b>65,802</b>
(2,986)	Net surplus for year	(16,718)
<b>45,462</b>	<b>Balance as at 30 June</b>	<b>28,744</b>

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 2007

Actual 30/6/06		Actual 30/6/07
\$000		\$000
(686)	Opening balance	(254)
1,153	Revenue from OIO applications	1,409
<b>1,153</b>	<b>Total revenue</b>	<b>1,409</b>
721	Expenses from OIO operations	1,038
<b>721</b>	<b>Total expenses</b>	<b>1,038</b>
432	Net surplus for year	371
<b>(254)</b>	<b>Balance as at 30 June</b>	<b>117</b>

The opening balance for the year ended 30 June 2006 is the accumulated deficit from Overseas Investment Commission operations transferred from the Reserve Bank on 25 August, 2005.

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

## STATEMENT OF CONTINGENT LIABILITIES

as at 30 June 2007

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

Quantifiable contingent liabilities are as follows:

Actual 30/6/06 \$000		Actual 30/6/07 \$000
–	Potential work on Crown lands	–
–	<b>Total contingent liabilities</b>	–

## STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

for the year ended 30 June 2007

(Figures are GST exclusive)		Expenditure	Appropriations	Variance
		Actual 30/6/07 \$000	Voted* 30/6/07 \$000	Favourable/ (Unfavourable) \$000
<b>Appropriations for classes of outputs</b>				
D1	Policy Advice	2,168	2,174	6
D2	Standards and Quality Assurance	10,939	11,037	98
D3	Land and Seabed Data Capture and Processing	52,884	57,463	4,579
D4	Land and Seabed Information Storage and Management	24,959	27,420	2,461
D5	Land and Seabed Information Access and Dissemination	5,255	5,469	214
D6	Crown Property Management and Disposal Services	13,177	16,100	2,923
<b>Total</b>		<b>109,382</b>	<b>119,663</b>	<b>10,281</b>

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

# FINANCIAL STATEMENTS

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 30 June 2007

### THE REPORTING ENTITY

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

These financial statements have been prepared pursuant to section 35 of the Public Finance Act 1989 (as if that section had not been amended by the Public Finance Amendment Act 2004 (PFAA)), in accordance with section 33 of the PFAA.

In addition, the Department also reports on the Crown activities and trust monies that it administers.

### MEASUREMENT BASE

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

### ACCOUNTING POLICIES

#### *Budget figures*

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

#### *Revenue*

The Department derives revenue through the provision of outputs to the Crown and for services to third parties.

Third party revenue is recognised when earned while Crown revenue is recognised where it can be reliably measured. The revenue is reported in the financial period to which it relates. Cash receipts for incomplete services are recognised as deferred revenue.

#### *Cost allocation*

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

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

Costs that are not directly related to a single output class are allocated to Direct Output Producing Cost Centres (DOPCC) using, as a proxy for consumption, cost drivers such as full time equivalent staff (FTEs), floor area and estimated usage.

DOPCC costs are allocated to outputs using drivers appropriate to the source of the cost such as FTEs, estimated usage, and direct costs.

### DEBTORS AND RECEIVABLES

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

### INVENTORIES

Inventories are valued at the lower of cost or net realisable value on a weighted average basis.

### LEASES

The Department 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 the 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.

### STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows, cash includes cash balances on hand, held in bank accounts.

# FINANCIAL STATEMENTS

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

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

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

## WORK IN PROGRESS

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

## RESEARCH COSTS

Research cost is expensed in the period incurred.

## PLANT, PROPERTY AND EQUIPMENT

### *Acquisition*

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

### *Depreciation*

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

Motor vehicles	Five to seven years
EDP equipment (including network and software)	Three to 20 years
Plant and equipment	Four to 10 years
Furniture and fittings	Four to 10 years
Leasehold property improvements	Over term of lease

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

## IMPAIRMENT

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

## PROVISION FOR EMPLOYEE ENTITLEMENTS

### *Annual leave*

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

### *Long service leave and retirement leave*

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

## FOREIGN CURRENCY

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

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

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

## FINANCIAL INSTRUMENTS

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

# FINANCIAL STATEMENTS

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

## TAXATION

### *Income tax*

Land Information New Zealand as a government department is exempt from the payment of income tax under section CW31 of the Income Tax Act 2004. Accordingly no charge for income tax has been provided for.

### *Fringe benefit tax*

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

### *Goods and services tax (GST)*

The Statement of Financial Performance and Statement of Cash Flows are exclusive of GST. The Statement of Financial Position is also exclusive of GST except for creditors and payables and debtors and receivables, which are GST inclusive.

The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST, is included in the Statement of Financial Position.

## COMMITMENTS

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

## CONTINGENT LIABILITIES

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

## TAXPAYERS' FUNDS

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

## CHANGES IN ACCOUNTING POLICIES

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

All policies have been applied on a basis consistent with other years.



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

### 1. BUDGET COMPOSITION

	30/6/07 Main Estimates \$000	30/6/07 Supp. Estimates Changes \$000	30/6/07 Budget Total \$000
<b>Revenue</b>			
Crown	49,407	(2,643)	46,764
Other	53,422	(4,170)	49,252
<b>Total revenue</b>	<b>102,829</b>	<b>(6,813)</b>	<b>96,016</b>
<b>Expenditure</b>			
Personnel costs	33,078	15,887	48,965
Operating costs	67,073	(9,341)	57,732
Depreciation	12,637	(3,278)	9,359
Capital charge	5,002	(1,395)	3,607
<b>Total expenditure</b>	<b>117,790</b>	<b>1,873</b>	<b>119,663</b>
<b>Net surplus/(deficit)</b>	<b>(14,961)</b>	<b>(8,686)</b>	<b>(23,647)</b>

### EXPLANATION OF MAJOR CHANGES IN SUPPLEMENTARY ESTIMATES

#### *Revenue Crown*

The decrease in Revenue Crown was mainly from transfers of funding to later years for the Land Tenure Reform programme, partly offset by the carryforward of expense transfers from 2004/05 of funding for strategic projects.

#### *Revenue other*

The decrease was due to a re-forecast based on the latest forecast of volumes and assumed take-up of electronic lodgements.

#### *Personnel and operating costs*

The increase in personnel costs reflects a re-allocation from operating costs which previously included budget for restructuring costs associated with the Department's 100% e-lodgement programme. In addition, staff were

retained longer than expected in the processing centres, resulting in funding being moved from operating budgets within the 100% e-lodgement programme.

#### *Depreciation*

The decrease reflects the revised timeline for the rollout of the 100% e-lodgement application.

#### *Capital charge*

The decrease in capital charge resulted from deferred capital draw-downs resulting from the use of cash operating surpluses.

# FINANCIAL STATEMENTS

## 2. OTHER REVENUE

<b>Actual</b>		<b>Actual</b>
<b>30/6/06</b>		<b>30/6/07</b>
<b>\$000</b>		<b>\$000</b>
5,935	Plan processing	3,933
65	Print and microfilm sales	58
361	Crown property sale fees	334
31,886	Land registration fees	21,373
16,598	Land title searches and services	22,970
125	Electoral support services	72
1,153	OIO applications	1,409
1,205	Rating valuation audit charge	1,191
1,806	Miscellaneous	1,938
<b>59,134</b>	<b>Total other revenue</b>	<b>53,278</b>

## 3. PERSONNEL COSTS

<b>Actual</b>		<b>Actual</b>
<b>30/6/06</b>		<b>30/6/07</b>
<b>\$000</b>		<b>\$000</b>
36,340	Salaries and wages	38,698
1,036	Staff-related expenses	752
199	ACC levies	168
984	Superannuation subsidies	1,066
–	Restructuring costs	5,909
364	Other	1,604
<b>38,923</b>	<b>Total personnel costs</b>	<b>48,197</b>

Restructuring costs are primarily those associated with the Department's 100% e-lodgement programme.

# FINANCIAL STATEMENTS

## 4. OPERATING COSTS

<b>Actual</b>		<b>Actual</b>
<b>30/6/06</b>		<b>30/6/07</b>
<b>\$000</b>		<b>\$000</b>
3,896	Leasing and renting costs	4,101
9,401	Other operating costs	10,305
1	Provision for doubtful debts	–
147	Audit fee	154
15,798	Professional services	10,934
5,696	Contracts for topography/hydrography	5,929
9,166	Computer operating costs	9,819
8,009	Crown property services	7,495
182	Loss/(gain) on sale of plant, property and equipment	(9)
<b>52,296</b>	<b>Total operating costs</b>	<b>48,728</b>

## 5. DEPRECIATION

<b>Actual</b>		<b>Actual</b>
<b>30/6/06</b>		<b>30/6/07</b>
<b>\$000</b>		<b>\$000</b>
409	Leasehold property improvements	188
15	Motor vehicles	18
8,978	EDP equipment (including network and software)	9,174
26	Plant and equipment	24
60	Furniture and fittings	49
<b>9,488</b>	<b>Total depreciation charge</b>	<b>9,453</b>

## 6. CAPITAL CHARGE

The Department pays a capital charge to the Crown based on its taxpayers' funds as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ended 30 June 2007 is 7.5% (2006: 8.0%). 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. The capital charge paid by LINZ in 2006/07 was under budget due to a capital withdrawal being made prior to December 2006, which affected taxpayers' funds at 31 December 2006.

# FINANCIAL STATEMENTS

## 7. DEBTORS AND RECEIVABLES

<b>Actual</b>		<b>Actual</b>
<b>30/6/06</b>		<b>30/6/07</b>
<b>\$000</b>		<b>\$000</b>
3,511	Trade debtors	3,818
(3)	Less provision for doubtful debts	(2)
3,508	Net trade debtors	3,816
2,064	Debtor Crown	–
179	Other receivables	–
<b>5,751</b>	<b>Total debtors and receivables</b>	<b>3,816</b>

## 8. PLANT, PROPERTY AND EQUIPMENT

	<b>Cost</b>	<b>Accumulated</b>	<b>Net Book</b>
	<b>as at</b>	<b>Depreciation</b>	<b>Value</b>
	<b>30/6/07</b>	<b>as at</b>	<b>as at</b>
	<b>\$000</b>	<b>30/6/07</b>	<b>30/6/07</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Leasehold improvements	1,576	(975)	601
Motor vehicles	147	(37)	110
EDP equipment	99,955	(46,081)	53,874
Plant and equipment	226	(170)	56
Furniture and fittings	452	(286)	166
<b>Total plant, property and equipment</b>	<b>102,356</b>	<b>(47,549)</b>	<b>54,807</b>

	Cost as at 30/6/06 \$000	Accumulated Depreciation as at 30/6/06 \$000	Net Book Value as at 30/6/06 \$000
Leasehold improvements	5,028	(4,269)	759
Motor vehicles	361	(323)	38
EDP equipment	97,560	(39,867)	57,693
Plant and equipment	1,013	(933)	80
Furniture and fittings	1,108	(913)	195
<b>Total plant, property and equipment</b>	<b>105,070</b>	<b>(46,305)</b>	<b>58,765</b>

## 9. DATABASES

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

- Digital Topographical Database, and
- Geodetic Database.

## 10. CREDITORS AND PAYABLES

Actual 30/6/06 \$000		Actual 30/6/07 \$000
2,821	Trade creditors	1,856
6,581	Other payables	10,733
–	Creditor Crown	3,675
<b>9,402</b>	<b>Total creditors and payables</b>	<b>16,264</b>

The Department recorded a creditor Crown in its books as at 30 June 2007. This was as a result of a lower than predicted deficit being recorded, yet the Department drew down capital for this deficit. This funding has been returned to the Crown.

# FINANCIAL STATEMENTS

## 11. PROVISIONS

Actual 30/6/06		Surplus Leased Accom. \$000	Reinstatement provision \$000	Actual 30/6/07 \$000
1,115	Balance as at 1 July	281	–	281
–	Additional provisions made during the year	–	419	419
(28)	Charge against provision for the year	(63)	–	(63)
(960)	Unused amounts reversed during the year	–	–	
154	Discounting changes	–	–	
<b>281</b>	<b>Total provisions</b>	<b>218</b>	<b>419</b>	<b>637</b>

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 less any revenue expected to be collected. The liability created is then amortised over the term of the lease, which will expire in 2010.

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.

## 12. EMPLOYEE ENTITLEMENTS

Actual 30/6/06 \$000		Actual 30/6/07 \$000
	<b>Current liabilities</b>	
209	Vested long service leave	167
2,385	Vested annual leave	2,594
1,538	Accrued salaries and wages	1,714
<b>4,132</b>	<b>Total current portion</b>	<b>4,475</b>
	<b>Non-current liabilities</b>	
3,142	Vested retirement leave	3,074
1,662	Unvested long service and retirement leave	1,594
<b>4,804</b>	<b>Total non-current portion</b>	<b>4,668</b>
<b>8,936</b>	<b>Total employee entitlements</b>	<b>9,143</b>

# FINANCIAL STATEMENTS

## 13. RECONCILIATION OF NET DEFICIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

Actual 30/6/06 \$000		Actual 30/6/07 \$000
(162)	<b>Net surplus/deficit</b>	(13,758)
	<b>Add/(deduct) non-cash items:</b>	
9,488	Depreciation	9,453
<b>9,488</b>	<b>Total non-cash items</b>	
	<b>Add/(deduct) movements in working capital items:</b>	
4,541	(Incr)/decr in debtors and receivables	1,935
(282)	(Incr)/decr in prepayments	(107)
(174)	Incr/(decr) in creditors and payables	6,052
(834)	Incr/(decr) in provisions	356
487	Incr/(decr) in current employee entitlements	207
<b>3,738</b>	<b>Working capital movements – net</b>	<b>8,443</b>
	<b>Add/(deduct) investing activity items:</b>	
226	Net loss/(gain) on sale of plant, property and equipment	(8)
<b>226</b>	<b>Total investing activity items</b>	<b>(8)</b>
<b>13,290</b>	<b>Net cash flow from operating activities</b>	<b>4,130</b>

## 14. FINANCIAL INSTRUMENTS

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

### CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to the Department, causing the Department to incur a loss. In the normal course of its business, LINZ incurs credit risk from trade debtors and transactions with financial institutions.

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

Department does not have significant concentrations of credit risk.

### FAIR VALUE

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

### CURRENCY RISK

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

The Department uses forward foreign exchange contracts to manage foreign currency exposures. There were no transactions during the year (30 June 2006: nil).

## INTEREST RATE RISK

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

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

## 15. CONTINGENT ASSETS

The Department had no contingent assets as at 30 June 2007 (30 June 2006: nil).

## 16. RELATED PARTY INFORMATION

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

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

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

## 17. SEGMENT INFORMATION

Land Information New Zealand is responsible for providing New Zealand's authoritative land and seabed information.

## 18. POST BALANCE DATE EVENTS

There were no significant events subsequent to balance date.

## 19. INTERNATIONAL FINANCIAL REPORTING STANDARDS

In December 2002 the New Zealand Accounting Standards Review Board announced that all New Zealand reporting entities will be required to comply with International Financial Reporting Standards (IFRS) for periods commencing on or after 1 January 2007.

LINZ will be adopting New Zealand International Financial Reporting Standards (NZ IFRS) from the financial year ending 30 June 2008, which is also the Crown's transition date. Compliance with NZ IFRS ensures that the financial statements comply with International Financial Reporting Standards. For the purposes of financial reporting, the Government of New Zealand is a public benefit entity, as defined under the new standards.

Transition from existing NZ GAAP to NZ IFRS will be made in accordance with NZ IFRS 1 "First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards".

The Department's preliminary NZ IFRS opening balance sheet, as at 1 July 2006, has been completed. The material areas of difference identified to date between existing NZ GAAP and NZ IFRS are detailed below. This list is intended to be a summary of the potential significant impacts resulting from transition to NZ IFRS. The differences below should not be taken as an exhaustive list of all differences between existing NZ GAAP and NZ IFRS.

- The reclassification of software of \$55.625 million from Property, Plant and Equipment to Intangibles.
- The accrual of \$ 0.507 million to reflect accumulated compensated absences (sick leave).

The adjustments required for LINZ as an agent of the Crown are as follows:

- The reclassification of deposits held in trust of \$2.254 million from Debtors to Cash and Bank.



# FINANCIAL STATEMENTS

- The reclassification and revaluation of 'Properties held for sale - term'. Under NZ GAAP, the Department had considered all its Crown-administered assets of \$399,502 million as 'Properties held for sale - term'. The stricter definition in NZ IFRS 5 around what is held for sale has required the Department to value its Crown-administered properties at either (i) fair value under NZ IAS 16 as Property, Plant and Equipment or (ii) at the lower of carrying amount or net realisable value under NZ IFRS 5 as 'Properties held for sale - term'. This has resulted in Property, Plant and Equipment being valued at \$715,129 million and 'Properties held for sale - term' being valued at \$15,056 million. These values were determined by a combination of independent valuation and internal valuation reviewed by an independent valuer.
- Forests of \$0.763 million not previously recognised under NZ GAAP included in the NZ IFRS Balance Sheet in accordance with NZ IAS 41.

The compilation of the Department's 30 June 2007 NZ IFRS balance sheet is currently in progress.

We note the NZ IFRS standards are subject to ongoing review by the Department. Furthermore NZ IFRS, and interpretations of NZ IFRS, continue to be reviewed and new standards issued. As a result the effect of the actual impact of adopting NZ IFRS may vary from the calculations below, and the differences may be material.

## 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 and therefore readers of these statements and schedules should also refer to the Crown Financial Statements for 2006/07.

## STATEMENT OF ACCOUNTING POLICIES

The measurement and recognition rules consistent with generally accepted accounting practice in New Zealand and Crown accounting policies are applied in the preparation of these Non-Departmental Statements and Schedules.

## STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

for the year ended 30 June 2007

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 30/6/06	(Figures are GST exclusive)	Actual 30/6/07	Appropriations Voted* 30/6/07	Variance Favourable/ (Unfavourable)	Notes
\$000		\$000	\$000	\$000	
<b>Appropriations for output classes to be supplied by other parties</b>					
152	Contaminated sites	158	200	42	
–	Lakes	102	300	198	
<b>152</b>		<b>260</b>	<b>500</b>	<b>240</b>	
<b>Appropriations for other expenses to be incurred by the Crown</b>					
10	Bad and doubtful debts	4	25	21	
469	Crown forest management	1,238	1,380	142	
49	Crown obligations – loss on disposal	23	300	277	
926	Crown rates	1,006	1,107	101	
162	Depreciation and amortisation	163	172	9	
41	Inventory write-offs	59	70	11	
(880)	Land liabilities	1,985	2,304	319	
(95)	Residual Crown leasehold rents	(2,286)	226	2,512	1
13,139	Proceeds from sale of Transit New Zealand properties	15,200	17,111	1,911	
<b>13,821</b>		<b>17,392</b>	<b>22,695</b>	<b>5,303</b>	
<b>Appropriations for purchase of capital assets of the Crown</b>					
–	Crown acquisitions – Huntly East	0	450	450	
–	Crown purchases – land exchanges	7	50	43	
62	Crown obligatory acquisitions	596	267	(329)	2
<b>62</b>		<b>603</b>	<b>767</b>	<b>164</b>	
<b>14,035</b>	<b>Total</b>	<b>17,995</b>	<b>23,962</b>	<b>5,707</b>	

\* This includes adjustments made in the Supplementary Estimates.

1. The Residual Crown Leasehold Rents appropriation recorded a negative spend as a provision was reduced for a loss on rental at No. 3 The Terrace. Rental has now begun to be received at this site, with a resulting decrease in provision for losses being required.
2. Cabinet agreed in 2000 (CAB (00) M28/15 refers) to fund the purchase of three Southland farms alleged to be contaminated by the toxic chemical dieldrin. Two farms were purchased in 2001, and an accrual to recognise the cost for the remaining one was made in June 2002. This accrual was to be carried forward until a settlement with the farmer could be agreed. However in June 2003 the accounting entries to carry this forward were incorrectly posted. This should have been identified and corrected in the 2005/06 year when the settlement occurred, but the accounting error remained undiscovered until the preparation of the 2006/07 accounts. The net result of the transaction required to fix the error was to charge \$0.572m against the Crown Obligatory Acquisitions appropriation in 2006/07. This places the appropriation \$0.329m over budget.

# LINZ AS AN AGENT OF THE CROWN

## STATEMENT OF NON-DEPARTMENTAL MULTI-YEAR APPROPRIATION

for the year ended 30 June 2007

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)

	\$000
Land tenure reform acquisitions	
Multi-year appropriation	42,090
Actual expenditure to 30 June 2007	(15,054)
<b>Balance of appropriation</b>	<b>27,036</b>
Budgeted expenditure to 30 June 2007	22,222
Actual expenditure to 30 June 2007	15,054
<b>Variance</b>	<b>7,168</b>

## SCHEDULE OF NON-DEPARTMENTAL REVENUE AND RECEIPTS

for the year ended 30 June 2007

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

Actual 30/6/06 \$000	(Figures are GST exclusive)	Actual 30/6/07 \$000	Budget 30/6/07 \$000
	<b>Operating revenue</b>		
18,478	Sale of goods and services	20,493	23,314
105	Other operational revenue	498	150
<b>18,583</b>	<b>Total non-departmental operating revenue</b>	<b>20,991</b>	<b>23,464</b>
	<b>Capital receipts</b>		
4,938	Properties sales	6,495	5,500
2,597	Land tenure reform sales	519	1,000
<b>7,535</b>	<b>Total non-departmental capital receipts</b>	<b>7,014</b>	<b>6,500</b>

## SCHEDULE OF NON-DEPARTMENTAL EXPENSES

for the year ended 30 June 2007

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 Non-Departmental Expenditure and Appropriations on page 65.

Actual 30/6/06 \$000	(Figures are GST exclusive)	Actual 30/6/07 \$000	Budget 30/6/07 \$000
	<b>Operating expenses</b>		
152	Non-departmental output classes	260	500
	<b>Other expenses to be incurred by the Crown:</b>		
162	Depreciation and amortisation	163	172
(95)	Rental and leasing costs	51	526
(86)	Provision for doubtful debts	–	–
10	Debts write-off/recovered	4	25
(1,058)	Write-down/(up) of assets	1,807	2,493
(10,003)	Loss/(gain) on sale of properties	(6,048)	–
15,883	Other operating expenses	19,853	21,247
<b>4,965</b>	<b>Total non-departmental operating expenses</b>	<b>16,090</b>	<b>24,963</b>
	<b>Capital expenses</b>		
1,628	Property purchases	603	767
5,772	Land tenure reform purchases	9,282	8,889
<b>7,400</b>	<b>Total non-departmental capital expenses</b>	<b>9,885</b>	<b>9,656</b>

# LINZ AS AN AGENT OF THE CROWN

## SCHEDULE OF NON-DEPARTMENTAL ASSETS AND LIABILITIES

as at 30 June 2007

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

Actual 30/6/06 \$000		Actual 30/6/07 \$000	Budget 30/6/07 \$000
<b>Assets</b>			
<b>Current assets</b>			
4,414	Cash and bank balances	3,941	411
8,060	Debtors and receivables	4,485	5,800
16	Accounts receivables – State-owned enterprises	–	–
430	Accounts receivables – Crown entities	2,056	2,000
749	Inventory	690	749
<b>13,669</b>	<b>Total current assets</b>	<b>11,172</b>	<b>8,960</b>
<b>Non-current assets</b>			
7	Debtors and receivables	7	7
399,502	Properties held for sale – term	397,457	392,486
<b>399,509</b>	<b>Total non-current assets</b>	<b>397,464</b>	<b>392,493</b>
<b>413,178</b>	<b>Total assets</b>	<b>408,636</b>	<b>401,453</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
12,129	Creditors and payables	6,118	19,900
14,119	Provisions	11,926	15,319
<b>26,248</b>	<b>Total current liabilities</b>	<b>18,044</b>	<b>35,219</b>
<b>Non-current liabilities</b>			
9,777	Creditors and payables	9,602	5,150
12,991	Provisions	14,121	5,984
<b>22,768</b>	<b>Total non-current liabilities</b>	<b>23,723</b>	<b>11,134</b>
<b>49,016</b>	<b>Total liabilities</b>	<b>41,767</b>	<b>46,353</b>

## SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

as at 30 June 2007

Actual 30/6/06 \$000		Actual 30/6/07 \$000
	<b>Operating commitments</b>	
	<b>Non-cancellable contracts for supply of goods and services</b>	
102	Less than one year	987
–	One to two years	398
<b>102</b>	<b>Total non-cancellable contracts for supply of goods and services</b>	<b>1,385</b>
<b>102</b>	<b>Total operating commitments</b>	<b>1,385</b>

## SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES

as at 30 June 2007

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), or
- fulfilment of obligations conferred on the Crown by the previous land owners, which are now the responsibility of LINZ to rectify.

The following table 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 30/6/06 \$000		Actual 30/6/07 \$000
–	Legal proceedings and disputes	–
18,751	Other contingent liabilities	18,751
<b>18,751</b>	<b>Total contingent liabilities</b>	<b>18,751</b>

# LINZ AS AN AGENT OF THE CROWN

## STATEMENT OF TRUST MONIES

for the year ended 30 June 2007

Account	As at 1/7/06	Contribution	Distribution	Revenue	Expenses	As at 30/6/07
	\$000	\$000	\$000	\$000	\$000	\$000
Land Deposit Trust	2,254	13	(3)	–	–	2,264
Endowment Rentals	1	139	(132)	–	(7)	1
Hunters Soldiers Assistance	51	–	–	–	–	51
Crown Forestry Licences Trust	972	32,511	(32,619)	15	–	879
<b>Total</b>	<b>3,278</b>	<b>32,663</b>	<b>(32,754)</b>	<b>15</b>	<b>(7)</b>	<b>3,195</b>



## ADDITIONAL INFORMATION

### SUMMARY OF APPROPRIATION CHANGES

Appropriation	Notes	Main Estimates	Supplementary Estimates	Total Appropriated 2006/07
		\$000	\$000	\$000
<b>Departmental appropriations</b>				
D1 Policy Advice	1	2,115	59	2,174
D2 Standards and Quality Assurance	2	11,700	(663)	11,037
D3 Land and Seabed Data Capture and Processing	3	50,182	7,281	57,463
D4 Land and Seabed Information Storage and Management	4	32,388	(4,968)	27,420
D5 Land and Seabed Information Access and Dissemination	5	5,435	34	5,469
D6 Crown Property Management and Disposal Services	6	15,970	130	16,100
<b>Total</b>		<b>117,790</b>	<b>1,873</b>	<b>119,663</b>
<b>Capital contribution to the Department</b>				
Capital investment		14,961	–	14,961
<b>Non-Departmental output expenses</b>				
Contaminated sites	7	500	(300)	200
Lakes	7	–	300	300
<b>Total non-departmental output expenses</b>		<b>500</b>	<b>–</b>	<b>500</b>
<b>Other expenses to be incurred by the Crown</b>				
Bad and doubtful debts		25	–	25
Crown forest management		1,380	–	1,380
Crown obligations – loss on disposal		300	–	300
Crown rates		1,107	–	1,107
Depreciation and amortisation		172	–	172
Inventory write-offs		44	26	70
Land liabilities	8	843	1,461	2,304
Residual Crown leasehold rents	8	728	(502)	226
Proceeds from sale of Transit New Zealand properties	9	7,111	10,000	17,111
<b>Total</b>		<b>11,710</b>	<b>10,985</b>	<b>22,695</b>
<b>Purchase or development of capital assets by the Crown</b>				
Crown acquisitions – Huntly East	10	500	(50)	450
Crown obligatory acquisitions		267	–	267
Crown purchases – land exchanges	11	–	50	50
<b>Total</b>		<b>767</b>	<b>–</b>	<b>767</b>
<b>Total appropriations</b>		<b>130,767</b>	<b>12,858</b>	<b>143,625</b>

## NOTES:

1. The change reflects the re-allocation of costs to reflect revision of cost allocations to output classes.
2. The change reflects the re-allocation of costs to reflect revision of cost allocations to output classes.
3. The change reflects carryforwards for the 100% e-lodgement programme, funding for the Representation Commission and a revision of cost allocations to output classes.
4. The change reflects carryforward of strategic project funding and a revision of cost allocations to output classes.
5. The change reflects the re-allocation of costs to reflect revision of cost allocations to output classes.
6. The change reflects the re-allocation of costs to reflect revision of cost allocations to output classes.
7. The change reflects funding transferred to Lakes for upgrading facilities at Lake Waitaki.
8. The change reflects a carryforward of funding from 2005/06 and a transfer from Residual Crown Leasehold Rents.
9. The change reflects a re-forecast by Transit New Zealand.
10. The change reflects a transfer of funding to Land Exchanges.
11. The change reflects a transfer of funding from Crown acquisitions – Huntly East.

## FINANCIAL OVERVIEW AND PERFORMANCE VARIATIONS

### NET SURPLUS

The Statement of Financial Performance reports a net deficit of \$13.758 million, \$9.889 million lower than the budgeted deficit of \$23.647 million. This favourable result has predominantly resulted from revised schedules for the 100% e-lodgement programme and Land Tenure reform programme. The majority of the underspend will carry forward to 2007/08.

All of LINZ's output classes shown in the Statement of Departmental Expenditure and Appropriations are within appropriation.

The Department has initiatives that span financial years. The Continental Shelf delimitation project, which began in 1998/99, has appropriation through to the 2006/07 year. The current multi-year appropriation (MYA) for Tenure Review for the purchase of lessees'

interest in the Tenure Review properties began in 2005/06 and will end in 2007/08. The Department also manages separate notional Memorandum Accounts for Survey and Titles operations, and the Overseas Investment Office, which carry forward net operating surpluses of deficits to future years.

### NON-DEPARTMENTAL ACCOUNTS

Residual Crown Leasehold Rents is underspent because of reductions in provisions that were reviewed during the year.

An aerial photograph of a coastal city and harbor. The city is built on a peninsula and extends into the water. The harbor is large and dark, with a few boats visible. The surrounding land is green and hilly. The text 'LINZ INFORMATION' is overlaid on the image, with a white arrow pointing to the left.

# ↙ 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 (eg 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 SYSTEMS

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

### Geodetic reference system

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

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

### Cadastral survey system

The cadastral survey system consists of a framework which includes all survey reference points, land surveys and boundary marks, and the spatial definition of cadastral records provided by LINZ-approved survey plans. This information enables the identification and definition of land parcels for registration and recording of interests under the Torrens land title, 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. It undertakes this mapping for defence and emergency services and national constitutional purposes. LINZ makes its topographic data and mapping available via the Internet and in printed form through retailers. It also makes its bulk digital topographic data available directly from LINZ or through resellers.

## HYDROGRAPHIC INFORMATION

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

## RATING VALUATION

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

## CROWN PROPERTY

LINZ 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

## LINZ'S RESPONSIBILITIES

government agencies comply with the statutory requirements in a consistent manner.

LINZ is also responsible for managing Crown land and property on its balance sheet in accordance with the regulatory framework, including the control of pest plants and animals on its 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.

### CONTINENTAL SHELF

LINZ is responsible for obtaining seabed data, determining the furthest extent of the legal continental shelf and assisting with developing New Zealand's submission to the United Nations Commission on the Limits of the Continental Shelf. The Government lodged New Zealand's submission in 2006.

### GEOGRAPHIC BOARD

LINZ provides administrative support, research assistance and advice to the New Zealand Geographic Board. 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.

### VALUERS REGISTRATION BOARD

The Valuers Registration Board 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

Cabinet agreed to disestablish the Overseas Investment Commission and the functions of the regulator are now 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 Land Information New Zealand as at 30 June 2007:

- 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](http://www.dPMC.govt.nz/cabinet)

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

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

- Airport Authorities Act 1966 (relating to disposal of land)
- Crown Research Institutes Act 1992 (relating to disposal of land)
- Electoral Act 1993 (relating to electoral boundaries)
- 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).

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

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

In addition, LINZ, particularly the Registrar-General of Land and the Surveyor-General, has special responsibilities relating to land transactions under more than 50 other statutes.

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

# 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 2007.

Details	Number	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 Office of Treaty Settlements under section 40 of the Land Act 1948*				N/A
2 Leases and licences granted during the year	199	140,786	N/A	146,807
3 Leases and licences current at the end of the year	719	2,063,895	N/A	3,702,366

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

# 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.

## **Geographic Information System (GIS)**

A computer programme that stores spatial information concerning objects or phenomena that are directly or indirectly associated with a location relative to the earth and allows the information to be analysed and displayed as computer-generated maps. These maps can be created to an end user's specification and may either be viewed on a computer screen or printed on paper.

## **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.

## **NZ Mariner**

New Zealand hydrographic information available on CD-ROM.

## **NZ TopoOnline**

New Zealand topographic information available via the Internet.

## **Topography**

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



## THE GOVERNMENT'S PRIORITIES FOR THE NEXT DECADE THAT LINZ CONTRIBUTES TO:

- Economic transformation: progressing our economic transformation to a high income, knowledge-based market economy, which is both innovative and creative and provides a unique quality of life to all New Zealanders.
- National identity: all New Zealanders to be able to take pride in who and what we are, through our arts, culture, film, sports and music, our appreciation of our natural environment, our understanding of our history and our stance on international issues.

## THIS WILL BE ACHIEVED BY:

- growing globally competitive firms
- world class infrastructure
- innovative and productive workplaces, underpinned by high standards in education, skills and research
- environmental sustainability, and
- an internationally competitive city – Auckland.

## END OUTCOMES: (WHAT LINZ AND OTHERS CONTRIBUTE TO)

Certainty of New Zealand property rights and interests.

Land Information is available:

- to enable New Zealand's economy to function effectively, and
- for New Zealanders' safety and security.

Crown assets are put to best use.

## INTERMEDIATE OUTCOMES (LINZ IS THE MAIN CONTRIBUTOR)

An effective system for defining and transacting land.

Convenient access to integrated land information.

Effective and efficient management of Crown land and liabilities.

**OUTPUT CLASS 1**  
**Policy Advice**  
**OUTPUT 110**  
 Policy Development and Ministerial Services

**OUTPUT CLASS 2**  
**Standards and Quality Assurance**  
**OUTPUT 210**  
 Standards  
**OUTPUT 220**  
 Quality Assurance

**OUTPUT CLASS 3**  
**Land and Seabed Data Capture and Processing**  
**OUTPUT 310**  
 Delivery of the Land Rights and Registration and Cadastral Survey Systems  
**OUTPUT 320**  
 Generation of the National Authoritative Geospatial Record  
**OUTPUT 330**  
 Delivery of the Crown Property Clearance Service

**OUTPUT CLASS 4**  
**Land and Seabed Information Storage and Management**  
**OUTPUT 410**  
 Ongoing Maintenance of an Information Systems Infrastructure that Protects the Integrity and Security of Authoritative Databases  
**OUTPUT 420**  
 Information Systems Development

**OUTPUT CLASS 5**  
**Land and Seabed Information Access and Dissemination**  
**OUTPUT 510**  
 Provision of Access to Information and Services

**OUTPUT CLASS 6**  
**Crown Property Management and Disposal Services**  
**OUTPUT 610**  
 Crown Property Management and Disposal Services

### WHAT LINZ IS FUNDED TO DELIVER

**Output Class: Policy Advice**

Policy advice contributes to all intermediate outcomes.

**Output Class: Standards and Quality Assurance**

The outputs in this class contribute to all intermediate outcomes by ensuring regulatory frameworks protect the public interest, necessary land information is available and statutory decisions are properly made.

**Output Classes: Land and Seabed Data Capture and Processing, Land and Seabed Information Storage and Management, and Land and Seabed Information Access and Dissemination**

These contribute to the first two intermediate outcomes. Output Class 3 contains outputs for defining and transacting land, and Output Class 5 contains outputs about the provision of access to, and dissemination of, land information. Output Class 4 (storage and management) enables the delivery of Output Classes 3 and 5.

**Output Class: Crown Property Management and Disposal**

These outputs relate to the delivery of Crown property services for the land on LINZ's Crown balance sheet. It contributes directly to the third intermediate outcome.

# POLICY ADVICE/MINISTERIAL SERVICING STANDARDS

## Quantity

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

## Coverage

Provision of a comprehensive service: the capacity to react urgently, the regular evaluation of government policy impacts on outcomes and timely and relevant briefings on significant issues; support for the Minister as required in Cabinet committees, select committees, in the House and in the execution of the Minister's duties.

## Quality

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

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

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

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

## Quality management

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

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

## Timeliness

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

## Cost

The outturn will be within budget. This will be assessed by comparison of outturn with the Estimates of Appropriations.

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