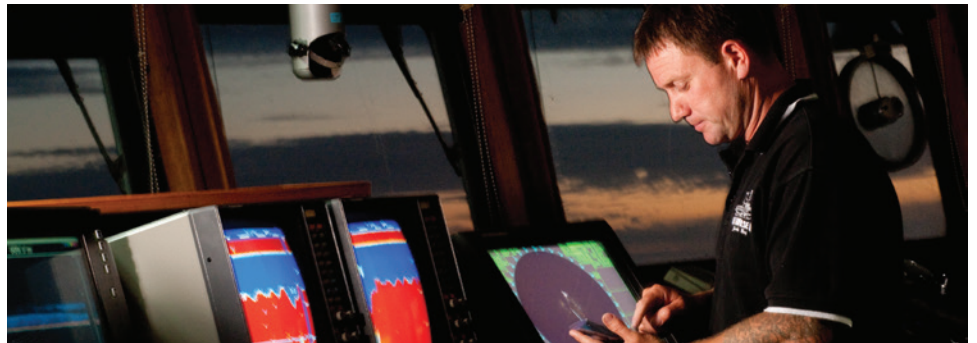




Annual Report 2015/16 Including Strategic Intentions 2016–2020



Strategic Intentions 2016–2020





Whatungarongo te tangata toitū te whenua

While people come and go, the land endures

LINZ takes its Māori name Toitū te Whenua from the proverb *Whatungarongo te tangata toitū te whenua*: “While people come and go, the land endures”. Land is central to New Zealand’s identity and to the country’s economic growth, and it will exist long after we have gone.

Chief Executive’s Statement of Responsibility In signing this statement, I acknowledge that I am responsible for the information on strategic intentions for Land Information New Zealand. This information has been prepared in accordance with sections 38 and 40 of the Public Finance Act 1989.

Andrew Crisp Acting Chief Executive / Tumuaki Matua, Land Information New Zealand



Strategic Intentions contents

01 THE BIG PICTURE

Ministerial foreword to the Strategic Intentions	2
--	---

02 WHAT WE DO

Our purpose	3
Our customers and stakeholders	5
Strategic Intentions overview	6

03 OUR WIDER CONTRIBUTION

Supporting Government and Ministerial priorities	8
Achieving our Strategic Plan	9

04 STRATEGIC OBJECTIVES

Strategic objective 1: Increase the use of geographic information	10
Strategic objective 2: Unlock the value of property	11
Strategic objective 3: Improve resilience to natural events	12

05 ORGANISATIONAL PERFORMANCE, HEALTH AND CAPABILITY

Our values	13
Our workforce	13
Leadership, structure and governance	13
Risk management – strategic risks and mitigation strategies	13
Information systems and infrastructure	13
Being better every day	14
Financial strategy, model and realisation	14
Assessing our performance and progress	14

Ministerial foreword to the Strategic Intentions

New Zealand, like many other developed countries, faces challenges such as boosting economic performance while managing environmental impact, intensifying housing in major cities and responding to climate change.

Geographic information – combined with other types of information – points to solutions to these types of economic, social, environmental and cultural challenges.

Land Information New Zealand (LINZ) is responsible for this country's core geographic and property information, making sure it is accurate and accessible, and able to be reused.

LINZ has a proud history of innovation. I am looking to the Department to continue this tradition over the next four years, working in partnership with other government agencies, local government and the private sector.

As the Minister for Land Information, I have directed LINZ to continue to deliver its core functions while increasing its contribution in my three priority areas:

- **Opening government data to create opportunities**
Making data and information open, accessible, and available for reuse enables better decision-making and inspires innovation.
- **Contributing to the Business Growth Agenda by working with regions and cities**
The Business Growth Agenda is an ambitious programme of work that will support New Zealand businesses to grow. LINZ supports this through focusing existing and new work on creating opportunities for New Zealanders, its businesses, communities and people. I expect LINZ to have work programmes focused on the real opportunities that can be delivered, and to make a difference in people's lives at the local level.
- **Leveraging LINZ's expertise across government**
As a small department with specialist expertise around land and information, LINZ can make a wider contribution to government outcomes. I expect LINZ to work in an integrated way to enable and support outcomes across agencies and government.

Like all government agencies, LINZ needs to ensure it is investing taxpayer dollars wisely and continually improving public services. At the moment, LINZ is focused on improving services to central and local government and private sector customers, chiefly through the LINZ Data Service. LINZ is also about to start a multi-year, IT-intensive project – Advanced Survey and Title Services (ASaTS) – that will improve services to property buyers, sellers and developers.

I endorse the strategic direction set out in this document. I look forward to supporting LINZ in the achievement of its objectives – knowing that what LINZ does is of immense benefit to New Zealand.

Minister's Statement of Responsibility

I am satisfied that the information on strategic intentions prepared by LINZ is consistent with the policies and performance expectations of the Government.



Hon Louise Upston
Responsible Minister for Land Information



Our purpose

Land is central to New Zealand's social and cultural identity, and its economic growth and prosperity. At LINZ, we create, manage and share information about where things are, in, on and around our land and waters.

Our strategy, goals and priorities are based on our core expertise and strengths in geographic information, and in land and property administration.

While many of the services we provide result in a physical product such as a map or chart, others are largely invisible to the public, such as the collection of core geographic information, maintenance of New Zealand's positioning framework, or management of Crown land. This work is a key part of New Zealand's infrastructure.

We work with government and local government agencies, businesses, Māori and iwi, surveyors and conveyancers, as well as the users of our products and services. We work with others to:

- make geographic information accessible and usable
- protect New Zealanders' property rights
- ensure Crown property is sustainably managed.

We make geographic information accessible and usable

We're building world-class infrastructure for geographic information in New Zealand. That infrastructure connects different geographic datasets, and delivers this information to people who need it, in a form they can easily use – and reuse. This includes topographic maps and nautical charts, property information, and aerial imagery.

Most of our data is available free, online, in readily reusable formats through the LINZ Data Service and discoverable on data.govt.nz. We champion the accessibility and reuse of government data through the Open Government Information and Data Programme and our role in promoting a national infrastructure for geospatial information.

BUILDING WORLD-CLASS INFRASTRUCTURE FOR GEOGRAPHIC INFORMATION

Fundamental Data Themes:

- Positioning
- Cadastre and Property
- Address
- Imagery
- Land Use and Land Cover
- Administrative Boundaries
- Elevation and Depth
- Geographic Names
- Transport
- Water



New Zealand Geodetic System



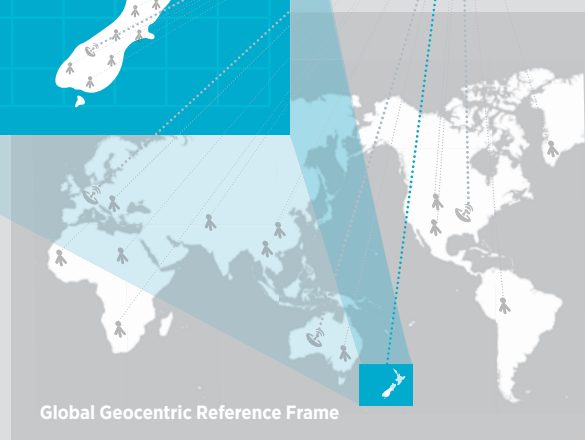
Fundamental Data Themes

Fundamental data themes provide a way of grouping together datasets with similar characteristics so that they can be more effectively managed for the purpose of developing and maintaining a national infrastructure for geographic information.

New Zealand Geodetic System

For example, LINZ is responsible for managing New Zealand's geodetic system (which sits under the Positioning data theme). The system provides the underlying spatial reference frame used to produce maps and charts. It is also an essential tool in setting and identifying the position of property boundaries.

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



Global Geocentric Reference Frame

We protect New Zealanders' property rights

We regulate and administer the survey and title system which records land ownership and guarantees registered title for New Zealand. This provides people, businesses and lenders with confidence in property rights and facilitates the sale, purchase and development of property. Our responsibilities for addressing enable people to quickly and easily identify properties.

We have three statutory officers that work to ensure the integrity of the property rights system. The Surveyor-General assesses national surveying requirements, and sets standards and policies to maintain the national survey system. The Valuer-General sets standards for rating valuations, allowing local government to develop rating policies and set rates. The Registrar-General of Land is responsible for the administration of the land registration system under the Land Transfer Act 1952. This includes setting standards and providing technical policy advice for land registration matters, administering claims under the state guarantee and undertaking statutory reviews.

Our Overseas Investment Office (OIO) administers the overseas investment regime, which regulates overseas ownership of sensitive New Zealand assets.

We ensure Crown property is sustainably managed

We are the guardians of almost two million hectares of Crown land, including some of New Zealand's most iconic land, from South Island High Country pastoral land to the beds of waterbodies such as the Waikato River and Lakes Wanaka and Dunstan.

In 2015/16 we managed almost \$500 million of property assets for other government agencies, using our expertise to deliver greater efficiency and benefit to New Zealand.

We set regulatory standards and make statutory decisions on how LINZ and other Crown agencies buy and sell land under the Public Works Act 1981 and related Acts.

One of our statutory officers, the Commissioner of Crown Lands, administers Crown land held under the Land Act 1948, including Crown pastoral leases in the South Island High Country.

Our Ministerial portfolios

We are responsible to four Ministers with portfolios that have coverage in Vote Lands (refer to the table below). The Minister for Land Information is the Vote Minister and the Responsible Minister overseeing the Government's ownership interest in the Department.

PORTFOLIO	RESPONSIBILITIES
Land Information	Vote Minister and Responsible Minister
Greater Christchurch Regeneration	For activities funded through the appropriation <i>Canterbury Earthquake Recovery Land Ownership and Management</i>
Treaty of Waitangi Negotiations	For activities funded through the appropriation <i>Purchase of Assets for Possible Use in future Treaty of Waitangi settlements</i>
Māori Development	

Relevant legislation and our statutory roles

OUR LEGISLATIVE CONTEXT

LINZ administers 15 Acts, has functions under seven other Acts, and has special responsibilities relating to land transactions under more than 50 other statutes. The legislation sets out the work we do, and the rules and regulations we enforce.

Our regulatory approach is based on an 'optimal regulation' model that balances the level of intervention (the tools chosen) against the risk of not achieving outcomes. We also look for opportunities where our regulatory levers and expertise can assist in delivering on Government priorities. In terms of LINZ's activities, this includes promoting amendments to legislation, making regulations, prescribing rules or standards by a regulator (for example, by the Surveyor-General, the Valuer-General, or the Registrar-General of Land). Further information on our regulatory approach is contained in our Four Year Plan.

Our customers and stakeholders

Our end users include: people working with surveyors and lawyers to buy a property; mariners navigating at sea; people using our maps; tenants of Crown land; data analysts and software developers using our data; and defence and emergency services who need to know the terrain of an area.

People use our data to make decisions about property

People want to know more about the land they're interested in, and the best possible options for the land's use. This information will help them more easily unlock the value of their land, whether that be economic, social, cultural or environmental.

LINZ supports better decision-making by Māori and iwi by making land information available. We have strong working relationships with Māori and iwi and intend to improve our support of Māori economic, environmental, social and cultural development.

Our Business with Māori Strategy, He Whāriki Maurua, is giving effect to this through Memoranda of Understanding signed with iwi, and initiatives to improve access to geographic information.

People use our data to innovate, invest and make decisions

Customer satisfaction surveys undertaken in 2014/15 told us that our data customers want us to increase the types of data we make available, and make the data more integrated. They are also looking to us for an increased range of services and products. They are asking LINZ to take a leadership role in establishing the infrastructure or systems that they can use to get access to more information faster in seamless and automated ways.

We want to deliver more information to an appropriate standard of quality and timeliness. Customers use our data to produce information that becomes the knowledge they use for decision-making and action. It is important that customers trust the quality and completeness of the information on which they base their decisions and actions.

We will build stronger relationships with key stakeholders and customers

We value our customers and stakeholders. We know that to achieve our vision, we must gain a deeper understanding of external groups so we can engage with them at an appropriate level, and provide support at the right time. We will work with them to shape future products and design our service delivery.

Our strategy, goals and priorities for the next 10 years focus on increasing the value we deliver to our customers and stakeholders.

Strategic Intentions overview

This provides an overview of our work, our intentions and our contribution.

Our Minister's priorities in detail:

OPENING GOVERNMENT DATA TO CREATE OPPORTUNITIES

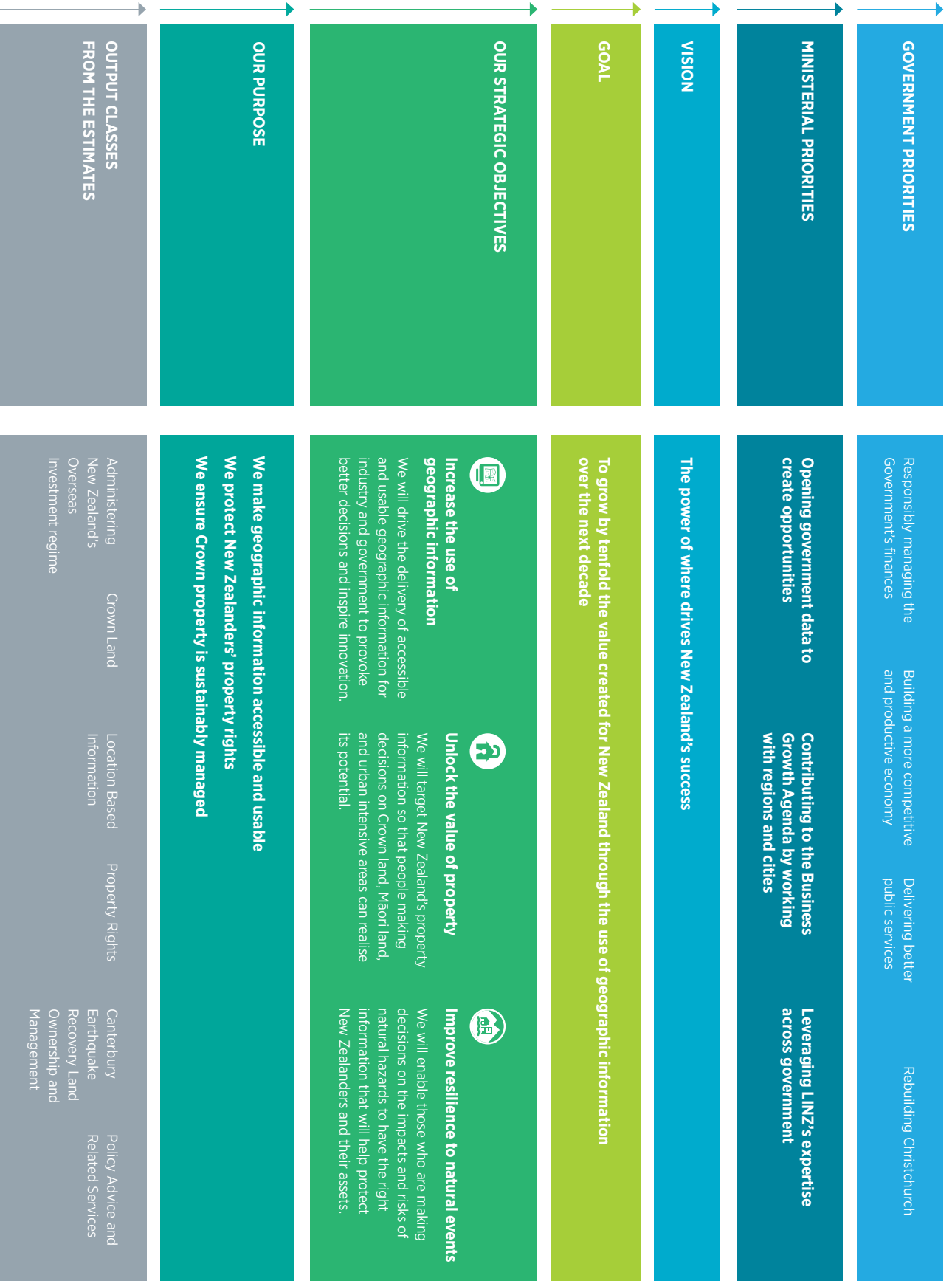
Making data and information open, accessible, and available for reuse enables better decision-making and inspires innovation.

CONTRIBUTING TO THE BUSINESS GROWTH AGENDA BY WORKING WITH REGIONS AND CITIES

The Business Growth Agenda is an ambitious programme of work that will support New Zealand businesses to grow. I want LINZ to support this through focusing existing and new work on creating opportunities for New Zealanders, its businesses, communities and people. I expect LINZ to have work programmes focused on the real opportunities that can be delivered, and to make a difference in people's lives at a local level.

LEVERAGING LINZ'S EXPERTISE ACROSS GOVERNMENT

As a small department with specialist expertise around land and information, LINZ can make a wider contribution to government outcomes. I expect LINZ to work in an integrated way to enable and support outcomes across agencies and government.



Supporting Government and Ministerial priorities

By working to achieve our vision and our strategic objectives we directly contribute to building a more competitive and productive New Zealand economy.

We support the rebuild of Canterbury through the work delivered by the Canterbury Spatial Data Infrastructure and our responsibilities for managing Crown-owned Residential Red Zone properties (having taken over this function from the Canterbury Earthquake Recovery Authority). This work involves insurance recoveries, demolition of built structures, clearance of land, and ongoing maintenance of the land for future use, including acquisition, clearance and maintenance of land earmarked for anchor projects. We will also be managing a number of Crown-owned sites earmarked for anchor projects in the CBD, and helping acquire additional sites for other such projects.

We are directly contributing to Better Public Services Results 9 and 10: improving interaction with government, by improving the online availability and accessibility of geographic information, and making property transactions easier. We are contributing to the Government's ICT Strategy, through work such as the Open Government Information and Data Programme.

Our work contributes to the Government's Business Growth Agenda (BGA) and in particular the Natural Resources workstream and the 30 Year Infrastructure Plan. We will continue to evaluate opportunities to contribute to all BGA workstreams.

Achieving our Minister's priorities

Early in 2016, the Minister for Land Information set LINZ three new priorities for the near to medium term.

OPENING GOVERNMENT DATA TO CREATE OPPORTUNITIES

Making data and information open, accessible and available for reuse enables better decision-making and inspires innovation. We will further this by accelerating the release and reuse of government data, refreshing the strategy for open data across government, and coordinating the maintenance and distribution of key datasets of national interest with a focus on geographic and property information.

CONTRIBUTING TO THE BUSINESS GROWTH AGENDA BY WORKING WITH REGIONS AND CITIES

The BGA is an ambitious programme of work that will support New Zealand businesses to grow. We support the BGA through existing and new work that creates opportunities for New Zealanders, its businesses, communities, and people.

LEVERAGING LINZ'S EXPERTISE ACROSS GOVERNMENT

As a small department with specialist expertise in land and information, we can make wider contributions to government outcomes. We will work in an integrated way to enable and support outcomes across agencies and government.

To further these priorities, LINZ has specific activities and work programmes which are described in our Four Year Plan, available on the LINZ website at www.linz.govt.nz/about-linz/publications/four-year-plan.

Contributing to the Natural Resources Sector

The Natural Resources Sector (NRS) is a grouping of the central government agencies responsible for the management and stewardship of New Zealand's natural resources. The NRS was established to ensure a strategic, integrated and aligned approach is taken to natural resources development and management across government agencies¹.

Our specific role in the NRS relates to leading the information sharing programme that will improve the information base that supports the decisions and activities of the NRS.

¹ The eight agencies in the NRS are the Ministry for the Environment; Ministry of Business, Innovation and Employment; Ministry for Primary Industries; Ministry of Transport; Land Information New Zealand; Department of Conservation; Te Puni Kōkiri; and the Department of Internal Affairs.

Achieving our Strategic Plan

In December 2015 we released our strategic plan that sets out our vision, our goal, and our three strategic objectives.

Our vision is that the power of where drives New Zealand's success

Geographic information matters. It tells us where things are and helps us plan for the future and make good decisions. It enables us to build and care for our resources and property, and recover faster from natural disasters. This information needs to be easy to find and use, alongside all the other information that New Zealanders, businesses, communities and government use every day.

We have the opportunity to increase the significant contribution that geographic information already makes to New Zealand's success – its economic, environmental, social and cultural prosperity.

Our goal is to grow by tenfold the value created for New Zealand through the use of geographic information over the next decade

We will achieve our goal by being the champion for geographic information to inspire better decisions and innovation. We want to support anyone making any decision where location matters. Better access to geographic information enables:

- lower transaction costs for finding information
- faster planning and decision-making
- more sustainable decisions
- greater resilience and faster recovery from natural events.

We have three strategic objectives to deliver on our vision and goal

Our strategic objectives are the critical things we need to do to achieve our goal. Over the next ten years, we will focus our actions and align our skills and resources with these strategic objectives.



Increase the use of geographic information

We will drive the delivery of accessible and usable geographic information for industry and government to provoke better decisions and inspire innovation.



Unlock the value of property

We will target New Zealand's property information so that people making decisions on Crown land, Māori land, and urban intensive areas can realise its potential.



Improve resilience to natural events

We will enable those who are making decisions on the impacts and risks of natural hazards to have the right information that will help protect New Zealanders and their assets.

We will review our progress regularly and if necessary adjust the strategic objectives to ensure they remain the right ones to achieve our goal.

Further information on each of the strategic objectives is provided over the following pages.

Increase the use of geographic information



Overview

We will drive the delivery of accessible and usable geographic information for industry and government to provoke better decisions and inspire innovation.

We are leading the development of a national infrastructure for geographic information (also called a spatial data infrastructure or SDI) for New Zealand. The national infrastructure for geographic information links the different geospatial datasets to make them more easily accessible and usable for all potential users.

In four years

In the next four years we will have achieved:

- ongoing development and maintenance of a national infrastructure for geographic information
- geographic information being used in the decisions and operations of the public, Māori and iwi, industry and government (for example to contribute to long term planning and evidence-based investment in infrastructure)
- widespread understanding and communication on the value of geographic information, including quantified benefits and costs.

New work to increase the use of geographic information

We are developing a suite of programmes and projects to increase the use of geographic information. Some of the outcomes of these programmes and projects will be:

- continuing to support government agencies to make their data open and accessible
- building capability in managing geographic information through the Natural Resources Sector Information Programme
- leading delivery of a national infrastructure for geographic information
- measuring the value of geographic information and regularly promoting this to decision-makers and leaders
- providing expertise, support and service for publishing geographic information: we will enable publishing of geographic information within New Zealand via the LINZ Data Service (LDS).

Core functions that support increasing the use of geographic information

Our role is to develop and lead a location system that will better inform any decision where geographic information matters.

We manage and develop existing national datasets of fundamental geographic information and release them for others to use and reuse. This includes topographic maps and nautical charts, property information and aerial imagery. Much of our data is currently available free online in readily reusable formats through the LDS. We support the New Zealand Geographic Board in its administration of place names in New Zealand.

Measuring and monitoring our success

In the short term, to drive our performance in increasing the use of geographic information, we will monitor improvements in our geographic information and better understand how we are supporting other organisations to increase the use of geographic information. In the longer term, success for each strategic objective will be measured through its contribution to achieving our overall goal to grow by tenfold the value created for New Zealand over the next decade.

Unlock the value of property



Overview

We will target New Zealand's property information so that people making decisions on Crown land, Māori land, and urban intensive areas can realise its potential.

Much of our work and responsibilities relate to property. We have a leading role to drive ease of use and speed of movement through the property system, and to improve accessibility, cost, accuracy and clarity. By working across central and local government to enable the release of comprehensive property and building information, we can make it less time-consuming and expensive for people to make decisions about property.

In four years

In the next four years, we will have:

- increased access to property data that can be linked
- improved quality and completeness of property data
- optimised LINZ's property regulatory settings to unlock the value of property data
- improved government processes around the property government manages.

New work to unlock the value of property

We are developing a suite of programmes and projects to unlock the value of property. Some of the outcomes of these programmes and projects will be:

- developing the next generation survey and title IT platform, the Advanced Survey and Title Services (ASaTS), that will improve services to property buyers, sellers and developers
- improving access to property data through an Integrated Property Services programme
- improving the way we undertake survey and land title work, for example by applying the Better Every Day approach (developed and supported by the State Services Commission)
- supporting Te Ture Whenua Māori Act reforms
- developing a register of Crown land and improving the quality of information available on Crown and Māori land
- enabling improvements to the data in the cadastre
- clearing and managing Crown-owned Residential Red Zone land in Canterbury – and contributing specialist advice to inform future use and disposal decisions
- using the skills acquired during the Residential Red Zone clearance to streamline the Landbank demolition requirements.

Core functions that support unlocking the value of property

We administer the survey and title system, which helps to ensure confidence in property rights through facilitating the sale, purchase and development of property at a low cost. Our administration of the property rights system includes three statutory officers (the Valuer-General, the Surveyor-General and the Registrar-General of Land), who administer the regulatory frameworks necessary to ensure the integrity of New Zealand's property rights system.

On behalf of the Crown, we manage around eight percent of New Zealand's land area. We also have responsibilities to clear and manage Crown-owned properties in the Residential Red Zone areas in greater Christchurch, and support the effective administration of Crown land across the public sector by managing the framework through which most government agencies buy and sell land.

The Overseas Investment Office (OIO) is the part of LINZ that decides or recommends to Ministers on applications from overseas investors seeking to acquire sensitive New Zealand assets. The regime requires overseas investors to demonstrate their investment will generate greater value than any probable New Zealand investment. In early 2016 the Government increased fees payable by applicants. This additional revenue will enable faster decision-making and strengthen monitoring and enforcement of compliance with consent conditions.

Measuring and monitoring our success

In the short term, to drive our performance in unlocking the value of property, we will monitor improvements in our property datasets. In the longer term, success for each strategic objective will be measured through its contribution to achieving our overall goal to grow by tenfold the value created for New Zealand over the next decade.

Improve resilience to natural events



Overview

We will enable improved information on the impacts and risks of natural hazards, to support those who make decisions that protect New Zealanders and their assets.

We can contribute to datasets and information that enable better understanding of natural hazard risks and impacts. Better quality and more consistent data at a national level can be aggregated to support evidence-based planning, investment and risk response decisions around natural hazards. Initially we will focus on providing information that will enable better determination of the impacts from flooding risk.

In four years

In the next four years, we will have achieved:

- better information to support assessment of the risks and impacts of natural hazards
- improvements in the way New Zealand assesses the impacts of flooding on property
- support to stakeholders and lead agencies with the spatial information needed to robustly assess and respond to flooding from rivers
- provision of the critical positioning, property and elevation datasets to enable the assessment and response to flooding.

New work to improve resilience to natural events

We are developing programmes and projects to improve resilience to natural events. Some of the outcomes of these programmes and projects will be:

- better understanding of the datasets required to enable good flood modelling and where LINZ can contribute to those datasets
- the provision of a programme to coordinate the capture of digital elevation data which will contribute to hazard mitigation, such as flooding
- the development of an integrated vertical datum to enable the integration of land and sea datasets which can be used for better modelling of hazards, particularly in the coastal zone
- work with the CRCSI² on a joint project to improve data supply to flood risk managers
- review of legislation that we are involved with in respect of resilience
- to assist the development of policies to enable New Zealand to assess the impact of flooding on property and land
- provision of support to the Ministry of Civil Defence and Emergency Management (MCDEM) in the establishment of their National Disaster Resilience Strategy.

Core functions that support improved resilience to natural events

Our core geospatial work (mapping, geodesy, topography, hydrography and elevation) also supports improving natural hazard data and information.

Measuring and monitoring our success

In the short term, to drive our performance to improve resilience to natural events we will monitor improvements in our geographic datasets and monitor stakeholder perceptions. In the longer term, success for each strategic objective will be measured through its contribution to achieving our overall goal to grow by tenfold the value created for New Zealand over the next decade.

² The Cooperative Research Centre for Spatial Information is an international research and development centre set up in 2003 under the Business Cooperative Research Centres Programme. For more information refer to www.crcsi.com.au/about/

Organisational performance, health and capability

Our values

Our three core values – Bold, Expert, Stronger Together (BEST) – reflect what we stand for, who we are and the way we need to work to achieve our vision and goal.

- **Bold** – We take personal responsibility to be better every day. We're courageous, agile and unafraid to fail.
- **Expert** – We're among the best in the world, but we never take that for granted. We're passionate about reaching our potential.
- **Stronger Together** – Manaaki connects us. Our diversity is our strength. We back each other, challenge and keep each other safe.

Taken together, our values represent a change in the way we work and how we see ourselves. We bring our BEST to help drive New Zealand's success.

Our workforce

The diversity of the work that we do means there are a wide range of capabilities that are critical to us being able to deliver our services and achieve our strategic objectives. To increase our influencing and enabling skills requires more deeply embedding capabilities such as strategic thinking and relationship building.

We will continue to develop our leadership abilities at all levels, to support the successful delivery of our strategic direction and the embedding of our BEST values and culture. We will continue to focus on building capability from within due to the scarcity of the technical expertise we require in the market. The depth of knowledge and technical capability we require is high, is not always readily available within the New Zealand market and is limited internationally. The additional pressure of an aging workforce means we continue to have a strong emphasis on succession and talent management.

Working closely with Māori and iwi is important to us in fulfilling our regulatory functions as well as achieving our longer term vision. We will continue to develop our capability to deliver our Business with Māori strategy – He Whāriki Maurua³. We will continue implementing our learning and development programme – Whakapakari – which supports leaders and staff to grow their awareness and understanding of te reo, tikanga (protocols) and issues facing Māori and iwi.

Leadership, structure and governance

Over the next four years we will further embed the new governance structures we introduced in 2015/16 to ensure that a strategic lens is used for important decisions. We will also take better advantage of the talent we have by evolving our key decision-making processes so that they are more inclusive. We will balance this against the need to make timely decisions and maintain a nimble approach to problem-solving.

Risk management – strategic risks and mitigation strategies

We will continue to focus on managing risks to achieving our objectives. Our risk management approach is based on AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. We use risk management practices in line with this standard.

For more information on our current identified strategic risks and mitigation strategies please refer to the 2015/16 Annual Report.

Information systems and infrastructure

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

Our ICT strategy identifies four drivers from the ICT industry that provide the greatest opportunity to support us achieving our three strategic objectives and improving the service we provide to customers.

1. Big data/analytics is the opportunity for mining new data and bigger datasets through new tools and processes. Over the next four years our work with big data/analytics will enable greater analytics capability to discover insights and provoke better decisions.
2. Cloud computing provides the opportunity to procure shared computing resources that can provide benefits in immediacy, scalability and cost. Over the next four years we will be looking towards cloud computing to provide access to cost effective solutions to store and process large datasets.

³ Available on <http://www.lin.govt.nz/about-linz/maori-and-iwi-development/our-approach-and-strategy>

3. Interoperability is the opportunity for systems being able to work better together. Over the next four years our work in the interoperability area will see us joining up systems both within LINZ and across central and local government to provide more seamless services to citizens and business.
4. Our digital workplace driver is about our staff having a flexible and modern set of tools delivered where and when they need them. Over the next four years we will be providing users with a flexible working environment to be their BEST (Bold, Expert and Stronger Together) to support delivery of our strategic objectives.

Being better every day

Continuously improving how we manage and carry out our work is critical to meeting our customers' various and changing needs. Since 2014 we have been building our continuous improvement capability using the cross-government Better Every Day method. We are committed to continuing to embed and grow our continuous improvement capability.

Financial strategy, model and realisation

- We are funded through a mix of Crown appropriation and third party fees and charges, with approximately one third of our funding being Crown and two thirds of our funding being third party.
- Third party fees and charges are based on recovering the cost of providing the service to the user.
- We have continued to absorb inflationary pressures and undertake new activities through prudent financial management, reprioritisation of funding and implementing new ways of operating. Over the next four years we expect cost pressures to present greater challenges in both Crown and third party funded operations. We will continue to develop our financial strategy and our financial model to ensure that we are directing our financial resources to those activities that will contribute the most towards achieving our strategic objectives.

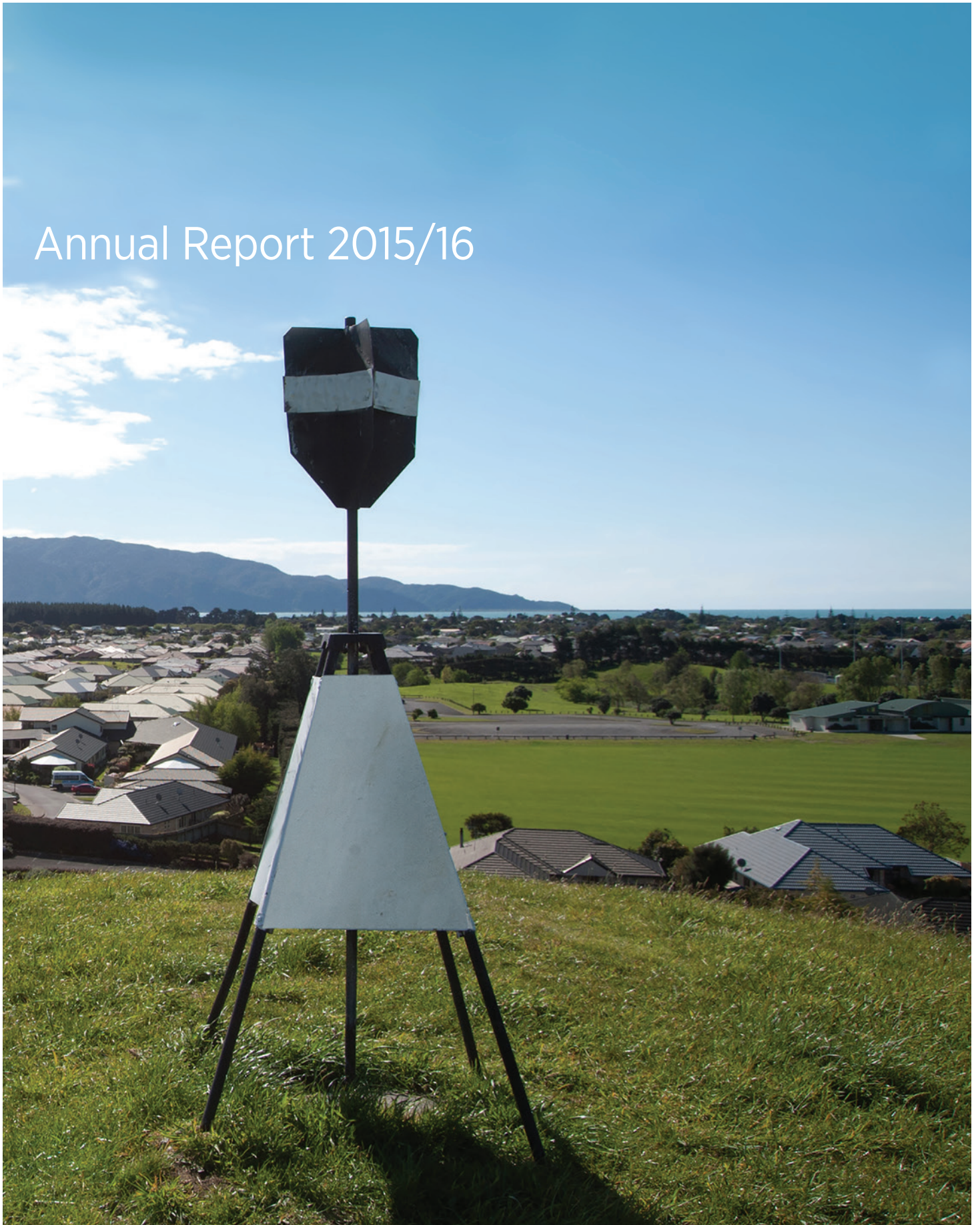
Assessing our performance and progress

Having high-quality information about how we are progressing enables us to:

- assess and improve the effectiveness and impact of our activities
- decide where to focus our efforts and resources
- help develop new and better services, products and programmes
- be transparent and accountable in our use of resources, and illustrate the value of our work.

We will continue developing performance measures that provide the incentives and insights for continuous improvement. Detailed measures and targets for our performance are included in the Information Supporting the Estimates available on the Treasury website. We will report against these specific measures and targets in our Annual Report, and supplement this with information from evaluations and case studies.

Annual Report 2015/16



Whatungarongo te tangata toitū te whenua

LINZ takes its Māori name Toitū te Whenua from the proverb *Whatungarongo te tangata toitū te whenua*; “While people come and go, the land endures”. Land is central to New Zealand’s identity and to the country’s economic growth, and it will exist long after we have gone.

Annual Report contents

01 INTRODUCTION

Chief Executive's foreword to the Annual Report	18
About LINZ	19

02 OUR ACHIEVEMENTS IN 2015/16

The 2015/16 year at a glance	20
Defining our strategic direction	22
Achieving our Strategic Objectives:	23
• Increase the use of geographic information	
• Unlock the value of property	
• Improve resilience to natural events	
Organisational performance, capability and health	35

03 OUR PERFORMANCE REPORTING

Non-financial performance (output delivery)	41
---	----

04 OUR FINANCIAL REPORTING

Departmental Financial Statements	62
Notes to the Departmental Financial Statements	68
Non-Departmental Financial Statements	86
Notes to the Non-Departmental Financial Statements	93

05 RESPONSIBILITIES AND INDEPENDENT REPORTS

Statement of Responsibility	106
Audit Report	107

06 APPENDICES

Appendix A: Overview of the New Zealand Geographic Board 2015/16 Annual Report	111
Appendix B: Overview of the Valuers Registration Board Annual Report for calendar year 2015	113
Appendix C: Land Tenure Reform Acquisitions performance report	114
Appendix D: Statutory information required under Section 181 of the Land Act 1948	114
Appendix E: Glossary	115
Directory	116

Chief Executive's foreword to the Annual Report

Land Information New Zealand's diverse functions make a significant contribution to the growth and development of our country, and the achievement of government priorities under Better Public Services and the Business Growth Agenda.

This annual report outlines what we do, why it is important, and the progress we have made in the past financial year.

Our vision – the power of where drives New Zealand's success – and goal – to grow by tenfold the value created for New Zealand through the use of geographic information – recognise that accurate geographic information and good property management are vital in a country where land and water are key to prosperity and wellbeing.

2015/16 saw the completion of a strategic plan to help us fulfil our vision and goal. Our strategic plan comprises three objectives: to increase the use of geographic information; to unlock the value of property; and to improve resilience to natural events. This annual report is structured around these objectives.

Also in 2015/16, managers and staff developed, through a series of workshops, a set of values – Bold, Expert and Stronger Together (BEST) – that guide us in how we approach our work. We also started to invest in the development of our managers through an ongoing leadership development programme.

We have made good progress on the priorities that the Minister for Land Information set at the start of 2015: improving the quality and accessibility of location information; speeding up decisions around property; developing the Crown Property Centre of Expertise; and contributing to the review of Te Ture Whenua Māori Act.

In terms of property, the Government gave us the green light in April 2016 to replace the Landonline survey and title system with a more modern and versatile system (Advanced Survey and Title Services or ASaTS). The new system will increase the services available to people buying, selling and developing property and is scheduled to be operational by 2021.

Overseas investment – part of the Government's Business Growth Agenda – is an important contribution to New Zealand's future. The Overseas Investment Office assesses overseas proposals for investments in sensitive assets. An increase in fees to investors in April 2016 has enabled us to establish a programme to increase the Overseas Investment Office's transparency, further reduce application assessment times, and increase our monitoring and enforcement role.

Also over the past year, our responsibilities grew. For example, we inherited responsibility for completing demolitions and clearances in Christchurch's Residential Red Zone and we started to release information about property transactions based on data we collect for Inland Revenue to ensure people meet their tax obligations.

Looking ahead, we are in the middle of work to strengthen the work programmes that support our strategic plan as well as support the development of our managers and staff. At the same time, we have commissioned work that will help us map out our medium to long term work programme.

Both of these initiatives will ensure that LINZ increases its contribution to New Zealand, in line with Government priorities.

Indeed, most of LINZ's work is done in conjunction with other central and local government agencies, iwi, and the private sector. I thank these groups for their cooperation and support. I also thank LINZ managers and staff for their dedication and conscientious work.

Andrew Crisp
Acting Chief Executive



About LINZ

For more information see our 2016–2020 Strategic Intentions.

OUR PURPOSE

- We make geographic information accessible and usable
- We protect New Zealanders' property rights
- We ensure Crown property is sustainably managed

OUR MINISTER'S PRIORITIES

- Opening government data to create opportunities
- Contributing to the Business Growth Agenda by working with regions and cities
- Leveraging LINZ's expertise across government

OUR STRATEGY

Our **vision** is that the power of where drives New Zealand's success

Our **goal** is to grow by tenfold the value created for New Zealand through the use of geographic information over the next decade

Our three **strategic objectives** are to:



Increase the use of geographic information Unlock the value of property Improve resilience to natural events

OUR LEGISLATION AND STATUTORY OFFICERS

We administer 15 **Acts** and have specific functions under many others

There are four **independent statutory officers** based at LINZ:

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

THE NATURAL RESOURCES SECTOR (NRS)

We are one of eight agencies in the NRS, a group of government agencies responsible for management and stewardship of New Zealand's natural resources

OUR ORGANISATION

We were established in 1996. We currently have approximately 580 staff based in Wellington, Hamilton and Christchurch, and our annual expenditure is approximately \$115 million.

We are structured into five business groups:

- Location System
- Location Information
- Property Rights
- Crown Property Centre of Expertise
- Corporate

The 2015/16 year at a glance

INCREASE THE USE OF GEOGRAPHIC INFORMATION



Made land and seabed data freely available through the LINZ Data Service (LDS)

- **27,068** users of LDS in 2015/16
- **74,021** downloads of LDS data in 2015/16
- **14.8 terabytes** of LDS data downloaded in 2015/16



of LINZ bathymetric data – data about the depth of the ocean floor – available for reuse



Smart Cities Programme

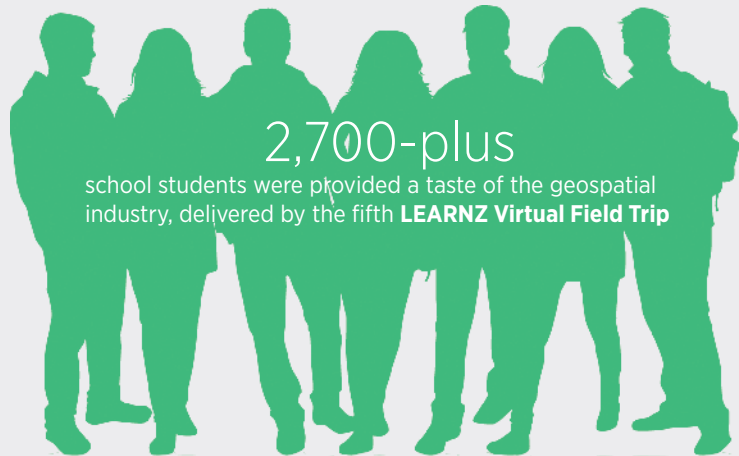
rolled out with three local councils

56,000+

addresses processed on behalf of local councils



Published **New Zealand Geospatial Research and Development Priorities & Opportunities** to inform research and development



2,700-plus

school students were provided a taste of the geospatial industry, delivered by the fifth **LEARNZ Virtual Field Trip**

IMPROVE RESILIENCE TO NATURAL EVENTS



Developed **LIDAR** specifications



FLOODING

Released a new **Vertical Datum** to help others identify flooding risk

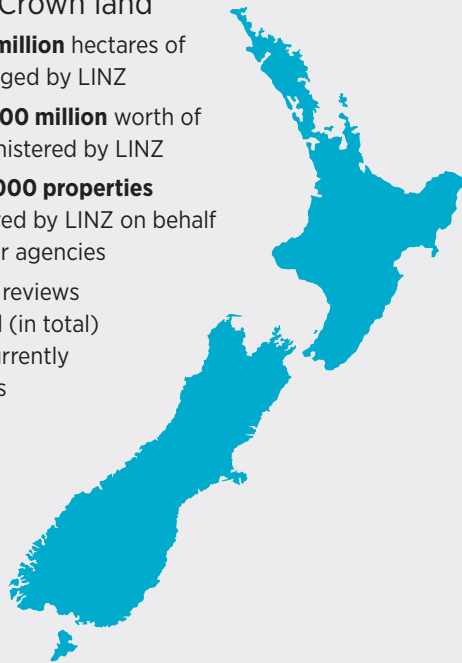
UNLOCK THE VALUE OF PROPERTY



Gained agreement from Government to the **Advanced Survey and Title Services (ASaTS)** being developed (ASaTS will update and expand the range of services offered by the Landonline system for property transactions)

Managed Crown land

- **Almost 2 million** hectares of land managed by LINZ
- Almost **\$500 million** worth of land administered by LINZ
- Almost **2,000 properties** administered by LINZ on behalf of six other agencies
- **117** tenure reviews completed (in total) with **43** currently in progress



Administered New Zealand's survey and title system, with:



- **189,398** titles issued or reissued
- **683,500** instruments⁴ lodged
- **10,432** cadastral survey plans approved
- **2.5 million** land parcels with **2.2 million** live titles held in Landonline

Over 150 Over 470

Crown properties sold for \$76 million

Crown properties are in the disposal programme

Provided Crown property management expertise across government



Introduced the **Canterbury Property Boundaries and Related Matters Bill**

Introduced the **Land Transfer Bill** to simplify, modernise and consolidate land transfer legislation

Progressed the **Māori Land Service** (with Te Puni Kōkiri and the Ministry of Justice)

Launched the **Crown Property Portal** to provide secure online access to Crown property information

Consulted on implementing **new cadastral rules** for Canterbury

DEVELOP ORGANISATIONAL PERFORMANCE AND CAPABILITY



Developed our Strategic Plan 2015 with our **vision, goal and three strategic objectives**

4,400

pieces of feedback provided by over 80% of staff who attended workshops, helped develop our **BEST Values (Bold, Expert and Stronger Together)**

Our customer support team responded to more than



84,000

Phone calls



30,000

Emails

⁴ An instrument is a legal document such as a transfer of ownership, a mortgage or an easement. Sometimes referred to simply as 'documents'.

Defining our strategic direction

We developed our *Strategic Plan*⁵ in 2015/16. It outlines where we will focus our effort over the next ten years, and describes what we will do to make the greatest difference. The development of the Strategic Plan was a significant achievement. Leaders and staff from throughout the organisation worked together to prioritise what we need to do.

Our Strategic Plan is supported by our *Strategic Intentions* and *Four Year Plan*. This Annual Report describes our progress towards achievement of the goals in the Strategic Plan and Statement of Intent.

The three key elements of our Strategic Plan are outlined below.

Our vision and goal

Our vision is that the power of where drives New Zealand's success.

Geographic information tells us where and what things are. This information helps New Zealanders plan for the future and make good decisions about resources and property, including recovery from natural disasters.

Geographic information needs to be easy to find and use, alongside all the other information that New Zealanders use every day. That way, we can increase the significant contribution that this information already makes to New Zealand's success – its economic, environmental, social and cultural prosperity.

Our goal is to grow by tenfold the value created for New Zealand through the use of geographic information over the next decade. We will achieve this goal by being the champion for geographic information to inspire better decisions and innovation.

We have three strategic objectives to deliver on our vision and goal

Our strategic objectives are the critical things we need to do and drive to achieve our goal. Over the next ten years, we will focus our actions and align our skills and resources with these strategic objectives.



Increase the use of geographic information

We will drive the delivery of accessible and usable geographic information for industry and government to provoke better decisions and inspire innovation.



Unlock the value of property

We will target New Zealand's property information so that people making decisions on Crown land, Māori land, and urban intensive areas can realise its potential.



Improve resilience to natural events

We will enable those who are making decisions on the impacts and risks of natural hazards to have the right information that will help protect New Zealanders and their assets.

We deliver our strategic objectives through core business and initiatives

Many of our functions, products and services support or contribute to more than one strategic objective.

Each section of this Annual Report includes an overview of each strategic objective, why it is important, and what we have delivered in 2015/16 through specific initiatives and in continuing to deliver our core functions.

⁵ Strategic Plan 2015, available on www.linz.govt.nz

Increase the use of geographic information



The use and reuse of geographic information contributes more than one billion dollars to New Zealand's economy, and to the Government's Business Growth Agenda goal of a more productive and competitive economy.

Our national datasets of geographic information, which are released for others to use, include topographic maps, nautical charts, property information and aerial imagery.

We have made more geographic data available

We provide free online access to New Zealand's most up-to-date land, property and seabed data through the LINZ Data Service (LDS).

We work with central and local government agencies to release data so LDS users can reuse and combine these datasets with other information to create new products and services.

Examples of innovation using LDS data include: the creation of precision guidance systems to assist farmers to map paddocks and more efficiently plan their spray or fertiliser applications; software for planning windfarms; tools for managing customary fisheries; and tramping apps.

The LDS's success is measured by registered user increases – more than 27,000 in 2015/16, up from 18,780 in the previous year.

During 2015/16 we published a number of new datasets on LDS, including:

- elevation data captured as part of our LiDAR coordination programme (refer to Resilience section) for the Auckland region
- data on Crown land that we manage
- seven new aerial imagery datasets, including previously unavailable high resolution urban imagery
- preview versions of our new addressing and roads datasets
- LINZ-held bathymetric (seafloor) data.



185 maps sheets
were updated
and released

UPDATING TOPOGRAPHIC INFORMATION

Our topographic team is continuously updating data about New Zealand's landscape and its features, giving New Zealanders an authoritative record of the country and producing maps for land management, planning and safety.

In 2015/16, **185** map sheets were updated and released to reflect changes to features like roads, tracks and buildings.

IN 2015/16 LDS HAD:

27,000+
users

74,000+
downloads

14TB+
data downloaded

We have improved the collection of geographic data

We completed an investigation⁶ in 2015/16 of how the collection of bathymetric data across organisations can be improved. Bathymetric data is used to develop nautical charts for maritime safety; and in conserving and managing New Zealand's shorelines and waters, including managing fisheries and identifying undersea resources like minerals.

We identified opportunities for agencies to work together to coordinate bathymetric data collection to prevent duplication and to save costs. In June 2016, we announced a partnership with the Marlborough District Council to survey the seabed of the Marlborough Sounds. The survey will start in October 2016 and finish in June 2017.

6 The bathymetric investigation is on our website at www.linz.govt.nz/about-linz/what-were-doing/projects/new-zealand-bathymetry-investigation

The investigation also identified significant benefit in the bathymetric data collected by government organisations being made publicly available. In May 2016, we led the way by releasing our bathymetric data (via the LDS) for reuse.

INCREASING CHART PRODUCTION



Over 200% increase in marine chart production

We commenced an 18-month initiative in 2015/16 to update charts for New Zealand waters by collaborating with third party suppliers as well as continuing to use in-house expertise.

This approach has improved the availability of up-to-date charts for mariners, by increasing our chart production from **20** in 2014/15 to **68** in 2015/16.

We have raised awareness and abilities in using geographic information

In 2015/16, we continued work to build awareness of the opportunities from effective use of geographic information.

In November 2015 and May 2016, we held briefings with private sector organisations to share our strategy and work programmes. The briefings will help organisations make more informed choices about how they service their customers so collectively we can make a bigger impact. We will continue these briefings in 2016/17.

During 2015/16, we worked to raise young people’s awareness of the importance of geographic information and spatial sciences, with more than 2,700 school students getting a taste of the geospatial industry in the fifth LINZ-sponsored, LEARNZ Virtual Field Trip. The online field trip provided the opportunity for students to explore the Wellington region to find out how location-based technology works, how it keeps communities safe, and how it helps people find their way around faster.

We have tested new technologies to make our cities smarter

New ‘sensing technologies’, such as those that monitor traffic congestion or water quality, allow cities to be better monitored, planned and managed. During 2015/16 we used Better Public Services seed funding as a catalyst to the development of these technologies across Auckland, Wellington and Christchurch in work that will continue to the end of 2016. LINZ has provided a central coordination point for the development of a suite of ‘proof of concept’ projects. The projects included the development of a sensing platform in Wellington that provides future flexibility and integration benefits, while lowering the overall cost and overheads of deployment for other towns and cities. Digital Auckland’s creation of a ‘proof of concept’ digital city and Wynyard Quarter’s smart environment has tested the development of data collection sensors that measure air and water quality.

We have helped make seas safer – here and in the Pacific

Islands within the Pacific region, including New Zealand, rely upon safe maritime trade to support their economies. We produce charts and other critical information for safety at sea.

Our world leading risk assessment approach is helping us prioritise this work for areas where they are needed most. It combines information on vessel traffic, natural hazards and cultural sites to identify where risks are highest.

In June 2016 our New Zealand Hydrography Risk Assessment programme used this approach to identify and prioritise areas in New Zealand waters. The areas we have identified will be used to direct our annual survey and charting programme.

We are also using our expertise to help improve safety in the South West Pacific – an area that relies heavily on shipping for trade and transport. 2015/16 was the second year of the five year Pacific Regional Navigation Initiative, a partnership between LINZ, the Ministry of Foreign Affairs and Trade, and the Secretariat of the Pacific Community. In 2015/16 we completed a risk assessment for Niue, using knowledge gained through the New Zealand Risk Assessment programme and risk assessments we have undertaken for the Cook Islands, Tonga and Vanuatu.

CASE STUDY

Open Data Showcase



Over 150 people attended the Open Data Showcase at Parliament hosted by the Minister for Land Information, Louise Upston on 5 May 2016. The event was a chance to hear how innovative businesses, start-ups, media and non-government organisations are tapping into open data to improve and develop new products and services.

Hearing from businesses, media and non-government organisations about their innovations with geospatial information was one of the highlights.

The Wellington-based company, ThunderMaps, came to talk about their app that provides users with two way local data collection and information on anything from traffic delays to property listings and entertainment events. The developers are now sourcing data from more than 100 different sources to build the software.

International mapping company, HERE Maps, also inspired listeners with their work mapping New Zealand's road and terrain (and that of other countries) to prepare for a long-anticipated development in transport: driverless cars.

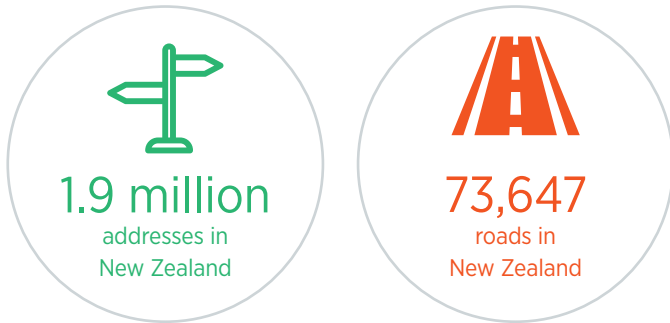
As well as demonstrating the value of open data, these new products and services reflect the growth of New Zealand's geospatial economy and an increasing demand for geospatial information.



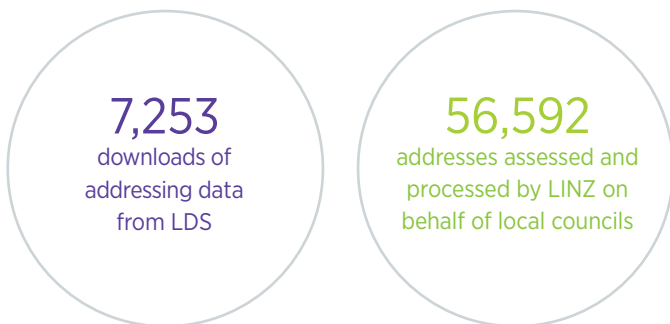
More information about our work with open data can be read on our website:
<http://www.linz.govt.nz/open-data>

We have improved New Zealand's addressing information

AS AT 30 JUNE 2016 THERE WERE:



DURING 2015/16 THERE WERE:



Accurate addressing information is vital in the provision of new utility services as well as existing functions like mail, emergency services and the electoral system.

We assess all numbering and naming proposals developed by councils to ensure they meet national standards set by the Surveyor-General. We also hold regional workshops to help councils understand and meet those standards.

In 2015/16 we achieved cross-agency support for a new international addressing standard initiative, the first time a global consensus on addressing has been achieved.

In our Strategic Plan, we have committed to working across government to lead the establishment of a national addressing dataset that both meets the needs of, and is accessible and reusable by, government, businesses and the public.

In 2015/16, we analysed the current state of address-related activities both in LINZ and across the wider addressing system which gave us visibility of the linkages and issues.

As a result, a multi-year programme will be established in 2016/17 to coordinate addressing activities across the system and progress the development of a national addressing dataset.

In 2015/16 we delivered the first stage of a new Addressing Information Management System (AIMS). AIMS will improve our address data management process, position us well for improving data quality, and support data integration with other government agencies and territorial authorities. AIMS is on track for deployment by December 2016. Future functionality enhancements will be managed as part of the Addressing Programme.

We are leading the development of a national infrastructure for geographic information

We are leading the development of a national infrastructure for geographic information that will allow people to find, share and use geospatial information.

In 2015/16 we delivered the first stage of a project to define the core capability needs of a national infrastructure for geographic information. This involved consumer focused workshops and interviews with people from public and private sector organisations to help understand what users want from the system. Having easy access to in-demand data, good security, and information about the quality and types of data available were users' main priorities.

During 2015/16 we published *New Zealand Geospatial Research and Development Priorities and Opportunities 2016–2020*⁷. The document is based on the input of more than 200 stakeholders and was developed as part of New Zealand's Geospatial Strategy, and provides, for the first time, an overview of geospatial research and development opportunities in New Zealand. The document will help inform decisions about activity and investment in geospatial research and development.

The five overarching research and development priorities for geospatial research identified were:

1. Understanding the value of geospatial information
2. Increasing the use of geospatial information
3. Increasing the collection, validation and analysis of data
4. Improving the availability and intensity of geospatial information
5. Improving the standardisation and interoperability of geospatial datasets.

7 Available at www.linz.govt.nz/about-linz/our-location-strategy/new-zealand-geospatial-research-and-development-priorities-and-opportunities

CASE STUDY

Supporting improved address information in Waihi



On 1 March 2016, 650 addresses in Waihi were changed to ensure they met the New Zealand standard for addressing. This was a Hauraki District Council led initiative with the support of LINZ, emergency services, New Zealand Post and local councillors.

Waihi had inherited unusual street names and numbering, such as properties numbered out of sequence and road name changes in the middle of a stretch of road, reflecting its unique history of being established as a mining town in the 1800s. The unusual numbering was increasingly causing problems and concerns for emergency services and business operators.



More information on our work in property addressing can be read on our website:

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

We have helped other agencies make information and data widely available

Through the Open Government Information and Data Programme, we are playing a leadership role and are collaborating with other agencies to make data more available. In the past year we demonstrated the benefits of the programme at events like the Open Data Spring Series in October 2015 and the Open Data Showcase in May 2016.

The Open Data Showcase was hosted by the Minister for Land Information, Louise Upston and was held at Parliament. More than 150 people heard how businesses are using open data to improve services.

We are supporting other government agencies to open up access to their data by establishing a syndicated contract for the LDS. Throughout 2015/16 we led the procurement process, and in 2016/17, other government agencies will be able to access this contract, making it easier for them to establish their own branded online service for releasing their data.

As part of a pilot, we worked with the Ministry for the Environment, the New Zealand Defence Force and Environment Canterbury to utilise our LDS platform to distribute data under their own branded online service.

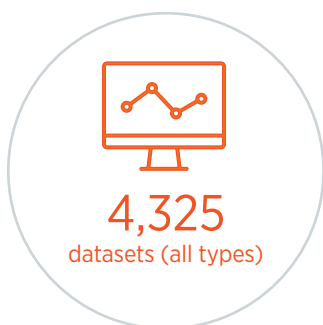
During 2014, the Open Government Information and Data Programme identified the following five central government agencies as having data-intensive functions that produce valuable data that could be reused if they were to make it accessible: the Ministry of Business, Innovation and Employment,

the Ministry of Health, the Ministry of Social Development, the Ministry for Primary Industries and the Ministry for the Environment. The Programme supported significant work within these agencies to embed the principle of open data into strategy development, planning, internal policies, systems and processes. This work is ongoing and resulted in the release of 170 new datasets by these agencies during 2014/15, with a further 647 datasets released during the 2015/16 year.

The Forward Works Viewer

The Forward Works Viewer National Approach was developed as part of the Christchurch rebuild. The tool minimises disruption by mitigating traffic impacts in advance of traffic management plan submissions, thereby ensuring efficiency in planning and cost savings. The Viewer generated benefits valued at more than \$15 million to Christchurch’s central business district to the end of June 2016. A multi-agency National Forward Works Governance Board has been established to ensure a managed and integrated approach, and investigate how the Viewer can be implemented in other local authorities.

At 30 June 2016 www.data.govt.nz held:



Unlock the value of property



Property underpins our economy. Every day New Zealanders buy and sell land, and make decisions about how to use it. There's potential to make these processes easier, and to give people the information they need to improve their decisions. This will enable them to get the greatest possible value from their land, which in turn brings wider economic benefits.

This objective is about targeting New Zealand's property information so that people making decisions on Crown land, Māori land, and urban intensive areas can realise its potential.

We take a leading role in unlocking the value of property, with many of our responsibilities relating to New Zealand's property rights system. We also manage some of New Zealand's most essential property information.

We have made property transactions easier

In 2015/16 we worked with government agencies and local government on Integrated Property Services, a programme that aims to make it easier and quicker for property owners, builders and developers to get the information they need.

We will open up and link property data through Integrated Property Services. In 2015/16 we made good progress on governance arrangements and reached agreement across government on a joint work programme. Local Government New Zealand assisted by identifying councils that will help us confirm core building and property information, including how it could be shared between the public and private sectors. In the future this work will lower costs and speed up the process for anyone involved in buying, selling, building or maintaining property.

We are transforming the delivery of property rights to New Zealanders, the focus being to create greater efficiency in processing survey and title transactions. We have expanded our survey and title operational teams in Wellington. We continued to upskill leaders and staff in the Better Every Day methodology, to improve our processes for registering land title transactions and approving survey plans.

A key component of this work is the new Advanced Survey and Title Services (ASaTS), which will modernise the services we provide for property transactions, replacing the current Landonline system.

ASaTS will be able to create a complete picture of all land in New Zealand, bringing in Crown land information and improving the quality of Māori land information held by LINZ. It will also enable us to link property information, like ratings valuation units and title information, which is held across government.

2015/16 was a milestone year for this project. We received government approval to find a vendor to deliver ASaTS through an 'as a service' delivery model⁸, and are now working to find a vendor, with the aim of ASaTS being fully implemented by 2021.

We have started modernising property legislation

We are leading a long-running project to modernise and streamline New Zealand's land transfer legislation. This saw the Land Transfer Bill receive its first reading in Parliament in 2015/16.

The Bill will simplify the law, improve certainty of property rights, and better protect property owners. It retains the fundamental concept of indefeasible, State guaranteed title for registered landowners and includes new provisions to prevent extreme cases of injustice, e.g. in the case of property fraud or transfers of Māori Freehold land in breach of Te Ture Whenua Māori Act.

We have contributed to the Christchurch recovery

We are helping with the recovery and regeneration of Christchurch's Residential Red Zones (RRZ). In December 2015 we took over clearing and managing Crown-owned properties in the flat land and Port Hills RRZs. We are responsible for carrying out similar work in the Christchurch CBD, including demolishing some of the remaining quake-damaged buildings.

We will also be managing a number of Crown-owned sites earmarked for anchor projects in the CBD, and helping acquire additional sites for other projects.

The earthquakes have affected property boundaries in the city. Survey marks and boundary pegs that usually mark these boundaries moved with the ground. We developed legislation to give surveyors and property owners clarity and certainty on how this movement affects legal property boundaries. This legislation was introduced into Parliament in October 2015.

We shared our expertise in the Christchurch recovery at the 2016 International Federation of Surveyors (FIG) Working Week. This is the first time this major international survey conference has been held in New Zealand.

8 The 'as a service' model means that instead of paying a vendor to build a system that we then own, we'll select a vendor that can deliver a suitable system that we pay to use

We are getting better value from Crown property

As the Crown’s land manager, LINZ is the guardian of almost two million hectares of land and we play a role in protecting the biosecurity of some of New Zealand’s most iconic landscapes.

We also share our expertise in the acquisition, management and disposal of Crown-owned property and have memoranda of understanding with six government agencies.

In 2015/16, highlights of our work were:

- Managing more than 470 properties through the disposal process, with \$76m earned from the sale of over 150 properties. This is an 80 per cent increase in the sales value for 2014/15.
- Achieving a marked reduction in disposal timeframes. Two thirds of properties were sold within 30 months. In 2014/15 less than 50 per cent of properties were sold within 30 months.
- Managing almost 2,000 properties on behalf of other government agencies.
- Hosting the Crown Property Forum, which brought together 150 delegates from across central government to discuss how we could work together to unlock the value of Crown property.

We have supported better property information for Māori and iwi

Whenua is of cultural, social and economic significance to Māori and iwi. We support Māori and iwi to achieve their aspirations by providing better property information.

Our Crown property disposal web portal provides Māori and iwi with detailed information about properties they may be offered under Treaty settlements. During 2015/16, Taranaki Whanui, Ngāi Tahu and Waikato Tainui gained access to the portal. The portal gives immediate notification of Crown properties being disposed of within their rohe enabling more time to determine if the property is of interest and for subsequent due diligence. Iwi feedback about the portal’s ease of use and its benefits has been positive.

A major reform of Māori land law is underway, and we are playing a key role in helping design a Māori Land Service to support new legislation.

Much of the 1.4 million hectares of land governed by Te Ture Whenua Māori Act 1993 has untapped potential. In 2015/16 we worked with the Ministry of Justice and Te Puni Kōkiri to review the Act (led by Te Puni Kōkiri) and find ways of lifting the productivity of Māori land. Te Ture Whenua Māori Bill, which is designed to enhance the ability of Māori to control and develop their lands, was introduced to Parliament during the year.

Better support for Māori freehold land owners will also be provided through a Māori Land Service (MLS) which will help give effect to changes made by the legislation now before Parliament. We will manage the technology and infrastructure

behind the Māori land register, a component of MLS, which recognises our strength in managing land information.

High level design work for the MLS took place throughout 2015/16 with the indicative business case approved by Cabinet and detailed design starting in July 2016.

We regulate overseas investment in sensitive New Zealand assets

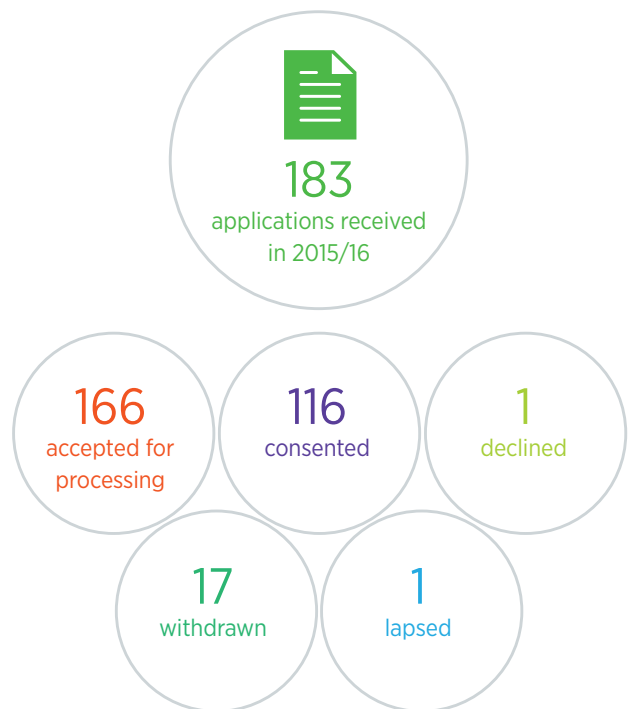
LINZ’s Overseas Investment Office (OIO) regulates purchases by overseas investors looking to buy sensitive New Zealand assets.

In 2015/16 the OIO presented the case for increasing investor fees to improve timeliness and increase monitoring and compliance. Higher fees came into force on 4 July 2016 and are enabling the OIO to take on more staff, further reduce assessment times, and step up its monitoring and enforcement activities.

The OIO also implemented the recommendations of an independent review into its processes for assessing good character undertaken in June 2016.

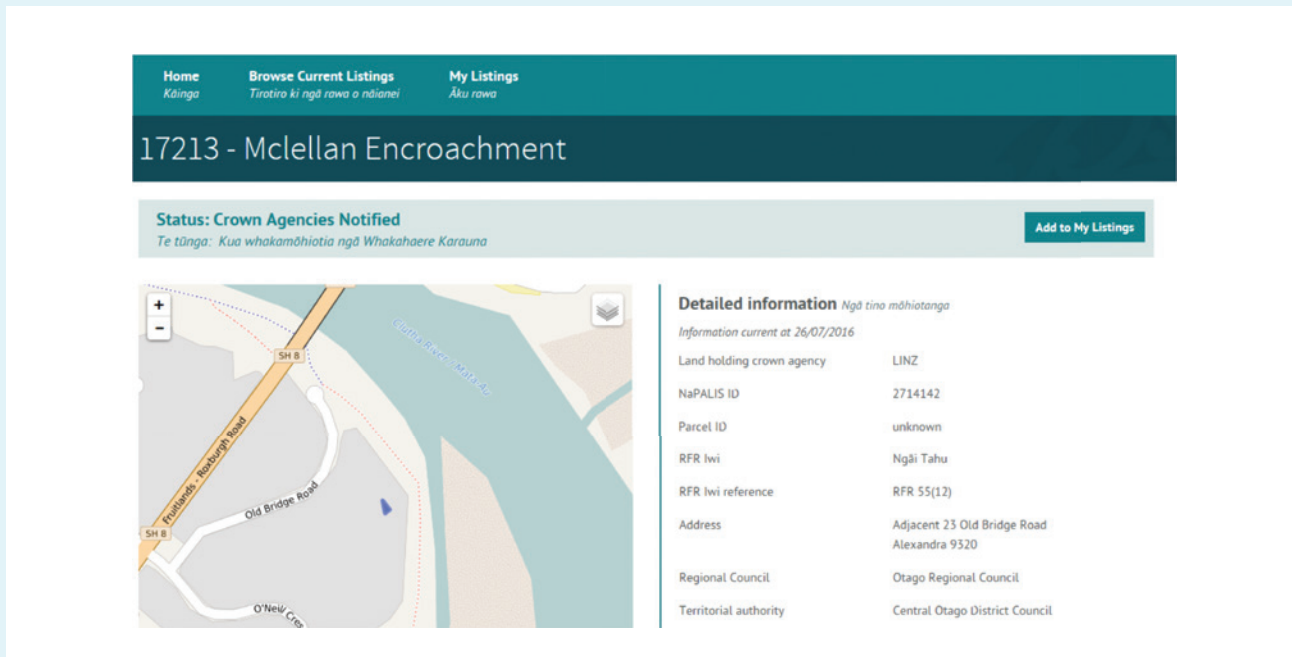
A comprehensive programme to further develop OIO services was initiated with the creation of a dedicated Deputy Chief Executive role in June 2016.

Steps have been taken to strengthen communications with stakeholders. In June 2016 over 200 stakeholders attended workshops in Christchurch, Wellington and Auckland. A regular newsletter has been established, and a further round of workshops is planned for 2016/17.



CASE STUDY

Crown Property Portal



LINZ has created an online portal to speed up and simplify the process for disposing of Crown property that is no longer needed. Agencies can sign up to the portal to receive notifications when a piece of Crown property is being disposed of, with a single source of information about the property in case they want to acquire it for their own purposes. Use of the portal has grown and there are now over 150 active user accounts.

We've partnered with the Ministry of Business, Innovation and Employment in this process, and it has since been rolled out to the New Zealand Transport Agency and Housing New Zealand. It has also been used to notify iwi of properties they may be offered under Treaty settlements.



More information about our work with Crown property can be read on our website:
<http://www.linz.govt.nz/crown-property>

Improve resilience to natural events



Earthquakes, tsunamis, floods, drought, landslides and volcanic eruptions feature in New Zealand's history. Events like these have the potential to cause great harm to people and property. A key priority for government is to create resilient communities that are able to quickly recover from disasters.

As the holder or distributor of significant amounts of data about New Zealand's landscape, LINZ is well placed to lead and contribute to datasets and information that enable a better understanding of natural hazard risks and impacts.

Since the launch of this strategic objective in December 2015, we have commenced a multi-year programme to improve resilience to natural events. Our initial focus is on flooding, which is New Zealand's most common natural hazard.

A number of our core business activities, like collecting data for the tsunami warning system and national tide predictions, also contribute to New Zealand's resilience to natural events.

We have identified datasets that will improve resilience to flooding

In early 2016 we analysed the fundamental datasets we manage (such as topography, elevation, nautical charts, aerial imagery, land parcels, ownership and addressing) to understand how they could be used in managing resilience to flooding. This analysis will help us to prioritise the improvement of these datasets – which involves working with public and private sector stakeholders.

There is increasing acknowledgement of the impacts of climate change on our environment from flooding, storm surges and sea-level rise. We worked with agencies such as GNS Science and NIWA to ensure our datasets best support their flood and inundation modelling.

In December 2015, a small team of expert surveyors travelled to Antarctica to measure gravity and to maintain the tide gauges in the Ross Sea region. We provide this key data to scientists who analyse changes to the ice and sea-levels over time to monitor global climate change. Our surveyors also took the opportunity to provide survey support to Antarctica New Zealand to help with their Scott Base redevelopment of roading and building infrastructure.

We are improving and opening up elevation data

In 2015/16 we worked with local government to improve New Zealand's LiDAR data – data about the height of our land and its features gathered using airborne lasers. We are leading the coordination of LiDAR data collection across the public sector to ensure it is collected and released to a consistent standard that readily enables reuse or combining with other data. We have started work on a business case for a multi-year programme to improve national elevation datasets across the country, including LiDAR data.

LiDAR data can be used to create a Digital Elevation Model (DEM) – a 3D picture of our country. We already have a DEM that is accurate to approximately 15 metres. Our aim is to improve this to one metre accuracy. This level of accuracy can improve the ability to understand, anticipate and mitigate the impacts of natural hazards such as tsunami, storm surges and flooding.

Other potential uses for LiDAR include the forestry industry, where it can be used to assess the yield of a forest, as well as agriculture where it can be a tool for targeting irrigation and fertiliser application.

CASE STUDY

Regional elevation data in Auckland, Wellington and Northland

Accurate elevation data is important to improving resilience to natural events and for identifying and managing key natural hazards such as flooding and landslides.

The current national elevation model (1) is not adequate for many applications such as flood risk modelling. The two photos below this (2 & 3) show the greater accuracy of LiDAR-based elevation data, which is far more useful for many applications.

We are working with local government to provide region-wide critical elevation datasets both for natural hazards resilience and for business applications that can benefit all New Zealanders.

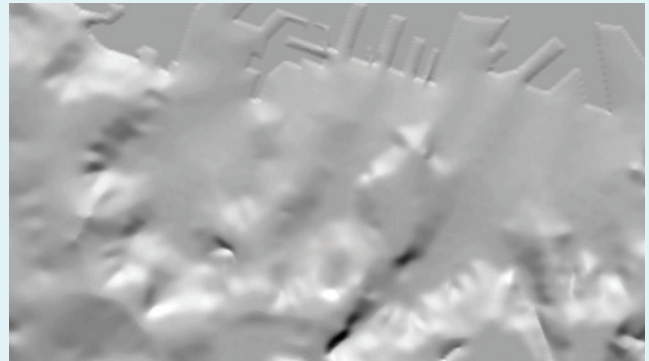
In 2015/16 we worked with the Auckland Council, Wellington Regional Council and the Northland Regional Council (NRC) to support initiatives for region-wide LiDAR-based elevation data products.

Auckland LiDAR data covering about half of the region, including Auckland City, was released via the LINZ Data Service (LDS) with solid demand from users. We are now working with Auckland Council to ensure that an upcoming project to recapture LiDAR from the entire region will be collected to national standards.

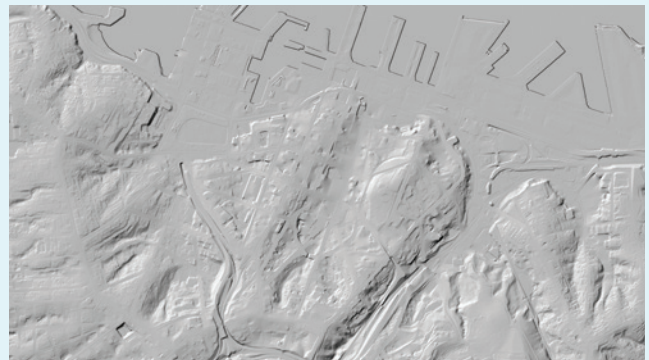
During the 2015/16 year we also started working with the Wellington Regional Council and Landcare to produce national standard elevation products based on LiDAR data captured in 2013.

We are also helping the NRC to develop a project to deliver region-wide LiDAR based elevation products. This is a key component of the Tai Tokerau Northland Economic Action Plan launched in February 2016 by Economic Development Minister Steven Joyce. We are coordinating with multiple agencies, such as the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Primary Industries, on this project.

Datasets from these initiatives will all be made openly available through the LDS.



1. Current contour-based elevation model



2. LiDAR-based ground model



3. LiDAR-based surface model

A vertical datum is a reference system to determine heights. Accurate heights are essential for assessing flooding risks and determining effective mitigations, such as the heights of stop banks.

In June 2016 we released an updated New Zealand Vertical Datum 2016 (NZVD2016), which improves New Zealand's height system and gives surveyors and engineers height coordinates that are accurate to more than 3cm in urban areas, compared to the 10cm accuracy of the previous datum.

The release of NZVD2016 marked completion of a four year project. Its success is due to collaboration between Victoria University of Wellington, GNS Science and LINZ.

The new datum was gathered by collecting gravity data and computer modelling the results. This project included the collection of a national airborne gravity dataset – over 155,000 linear km of flight tracks – it came in on time and well under budget.

An important feature of the new datum is that the data extends offshore. This enables the integration of land and sea datasets, which is essential for mapping and assessing coastal hazards.

Another component to improving the accuracy of New Zealand's heighting system was the completion, in May 2016, of a four year re-processing exercise to analyse every GPS observation that we have obtained over the past 20 years. As a result we improved the accuracy of more than 80,000 survey marks. For surveyors, this reduces the discrepancies between our survey marks and the data they gather out in the field.

We are improving data about our built environment

Improving the asset management of roads, buildings and water are objectives in the Thirty Year New Zealand Infrastructure Plan 2015. This plan is the Government's long-term vision for New Zealand's infrastructure, so that it is resilient, coordinated and contributes to a strong economy and high living standards.

We are leading work with MBIE to develop metadata standards for three waters (flood, potable and waste), and built infrastructure. Metadata provides information about the assets that make up this infrastructure, for example, pipe diameter, length, composition and expected lifespan. This information is vital to improved decision-making around asset management and replacement.

LINZ and MBIE gained Better Public Services seed funding from Treasury to work with local councils and central government agencies to develop national metadata standards for the three waters network, and for residential and light commercial buildings. A business case for further funding will be ready for consideration by the Government in the second half of 2016.

Building outline data can be used for understanding the impact of natural hazards on assets, for flood modelling and for emergency response.

In May 2016 we started a pilot with the Canterbury, Hawke's Bay and Waikato regional councils to clearly identify building outlines. The pilot identified where building assets are located, to help assess the buildings that are at risk from flooding, erosion or other natural hazards. Data from the pilot was released for reuse through LDS in July 2016.

In early 2016/17 we will talk with potential users of the data (such as MBIE and territorial authorities) to assess its value and discuss the possibility of collecting building outlines in other areas.

Organisational performance, capability and health

In 2015/16 we continued to progress activities to address the findings of the 2013 Performance Improvement Framework Review and 2014 follow-up review. Our major challenges included the need to develop a business strategy and operating model, a strategic plan with measurable outcomes, and to align our culture and behaviours with the operating model.

We've worked with our leaders and staff to understand and improve our culture, and to identify the values that we need to drive performance and achieve our vision.

We also identified three strategic objectives and have strengthened our planning, prioritising, budgeting and performance systems so we are more disciplined. We have also placed greater emphasis on engaging with our customers and stakeholders.

We use internal and external performance information, such as Treasury's Benchmarking Administrative and Support Services (BASS), to monitor our corporate investment and performance both over time and against other agencies⁹.

Our workforce

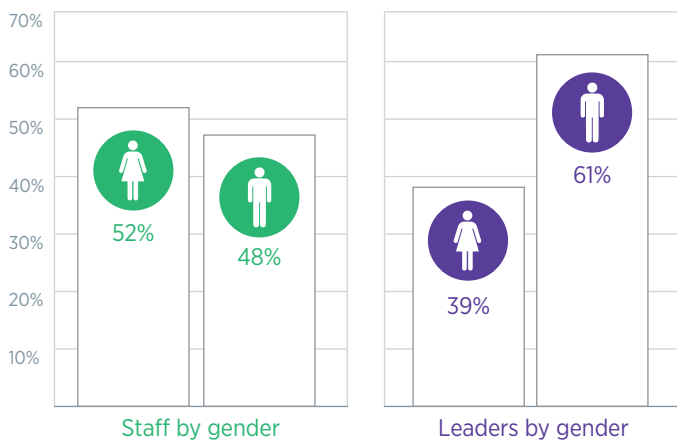


We have acted on our culture workshops and set core values to drive our future success

Our priority has been acting on findings from the culture workshops we ran in 2015/16. The workshops, attended by more than 80% of our staff, resulted in 4,400 pieces of feedback on how our leaders and staff feel about our current culture, what the right culture looks and feels like, and what actions we could take individually and as an organisation to work towards the right culture.

Ten key themes emerged from the workshops to describe our current culture. These included real strengths such as 'we love what we do' and 'I can be a parent and have a career', as well as areas we need to improve on such as 'death by meetings', 'them and us' and 'can you hear us?'.

We took immediate action on areas of concern. We also launched a policy and guidelines for 'zero-tolerance' of bullying.



⁹ BASS reports on LINZ are available at <http://www.linz.govt.nz/about-linz/publications/benchmarking-administrative-and-support-services>

Based on the information provided in the culture workshops, our staff identified our core values that underpin the way we need to work to achieve our vision, strategy and goal – **BEST: Bold, Expert and Stronger Together**. The BEST values were launched in December 2015, and are already embedded and visible. The values are now an integral part of our performance and development planning.

One of the key concerns raised in the culture workshops was the capability of our leaders. In 2015/16 we launched the BEST Leaders Programme, which provides our leaders with the opportunity to increase their self-awareness, develop skills in giving feedback and have courageous conversations. We will continue to provide our leaders with development opportunities, in line with the Leadership Development Centre’s Leadership Success Profile.



We have developed our capability for the future

In 2015/16 we focused on more robust workforce planning, built in to the annual business performance planning process. We have improved our ability to plan and prioritise for the capacity and capability needs of the future, and to focus on critical roles, skills and individuals.

While the BEST Leaders Programme in 2015/16 focused on leading culture, our future focus will be on broader leadership skills as described in the Leadership Success Profile. In particular leading strategically, influencing, and leading at the political interface.

We have managed our risks effectively

In 2015/16 we focused on lifting the risk management capability across LINZ. A number of risk workshops were held, and we now have a substantially better understanding of our risk profiles, and are better placed to monitor and manage our risks.

There are six strategic risks, which are reviewed quarterly by the Executive Leadership Team, and discussed by our external Risk and Assurance Committee. More information about these can be found in our current Four Year Plan¹⁰.

In 2015/16 we developed and implemented business continuity and incident management processes. We tested these twice during the year, and made continual improvements to the supporting tools.

We have improved our staff safety and wellbeing

The wellbeing of our staff is vital. The work to introduce a ‘zero-tolerance’ policy has addressed concerns raised by our staff about bullying.

In 2015/16 we established a national Wellness and Safety Committee, and improved reporting on accidents, incidents and near-misses. This was particularly important as we took over work to clear and maintain properties in Christchurch’s Residential Red Zone on 1 December 2015. During the transition of functions from CERA to LINZ, we have ensured consistency of policy and practice, and retained health and safety specialists in the team.

2015/16 saw the introduction of the Health and Safety at Work Act, and we prepared for this through a series of workshops for staff and leaders.

¹⁰ See www.linz.govt.nz/about-linz/publications/four-year-plan-2016-2020

We value our customers and stakeholders

Our Strategic Plan focuses on customer and stakeholder engagement, and over the year we have worked hard to build stronger relationships with identified people and organisations.

In 2015/16 we established a new customer insights and coordination team, which works across LINZ to assist in embedding a customer-centric culture. The team is also establishing a centralised view of our customers and associated engagements.

In 2015/16 we hosted workshops to hear about our customer and stakeholder interests, and to increase their understanding of our work. We held industry engagement workshops for users of the LDS in November 2015 and June 2016.

We hosted the first Crown Property Forum in April 2016, where delegates from across the public sector explored how they could 'unlock the value of Crown property'. The Overseas Investment Office held workshops for financial advisors, lawyers and business representatives in Auckland, Wellington and Christchurch in June 2016 to increase understanding of how applications to purchase sensitive land are assessed.

The Open Data Showcase at Parliament highlighted the possibilities that open data creates by bringing together business, industry and agencies to hear about what they are delivering with data that is already open and available.

Collaboration with GNS Science and Victoria University was key to the successful update of New Zealand's vertical datum, released in June 2016.

Our partnership with the Marlborough District Council to jointly survey the Marlborough Sounds will update marine charts and give the Council better information to manage marine wildlife.

We had a strong presence at the 2016 International Federation of Surveyors (FIG) Working Week in May 2016, which was hosted by the New Zealand Institute of Surveyors, one of our key stakeholders. The event was held in Christchurch and a number of our experts presented at the conference, and the tours of our offices and Residential Red Zone activities were well received.

We are adaptable and agile

We need to be adaptable and agile to meet changing needs. An example of this during 2015/16 was the need to support the development and implementation of the Taxation (Land Information and Offshore Persons Information) Bill, which amended the Land Transfer Act to help Inland Revenue enforce the tax rules around property.

This work called on many areas of LINZ. To deliver successfully on this new priority, we made changes to the IT platform that underpins the survey and title system, worked closely with our stakeholders so they were prepared for the changes, and provided support for the legislative process.

We have worked with Māori and iwi

Working with Māori and iwi is imperative to our strategic objective of unlocking the value of property. We continue to work strategically with iwi and Māori partners that we have established through our Business with Māori strategy – He Whāriki Maurua. We have developed work programmes with these partners that focus on collaboration towards mutually beneficial outcomes. Our iwi and Māori partners include: Port Nicholson Block Settlement Trust (PNBST), Taranaki Whānui ki te Upoko o Te Ika, Federation of Māori Authorities (FoMA), Te Tumu Paeroa, Te Rūnanga o Ngāi Tahu and Te Whakakitenga o Waikato Incorporated (Waikato-Tainui).

In 2015/16 we extended access to the Crown Property Web Portal to Port Nicholson Block Settlement Trust, Te Rūnanga o Ngāi Tahu and Waikato-Tainui to support their decision-making for Crown-owned property that their Treaty settlement gives them the right of first refusal to purchase.

In 2015/16, we worked with Waikato-Tainui to understand issues and opportunities in the right of first refusal process and to clarify our role in the disposal process for various types of Crown land. As a result we are now building a work programme with Waikato-Tainui that addresses operational issues we both face.

We will continue to strengthen these relationships to support working more collaboratively with Māori and iwi for mutual gain.

We have prioritised our projects and programmes

In 2015/16 we established a portfolio panel to ensure that we are choosing to do the right things and are getting the right outcomes. The panel manages demand for capability and resources across LINZ by assessing proposals, making decisions on commencement and funding, and tracking progress and benefits realisation through the governance structures agreed for each initiative.

We demonstrated being better every day

Continuously improving how we manage and carry out our work is critical to meeting our customers' various and changing needs. Since 2014 we have been building our continuous improvement capability using the cross-government Better Every Day method. In 2015/16, we continued to consolidate the method in our survey teams and introduced the method to a number of titles teams and the team dealing with Crown property clearances.

Working in a Better Every Day way continues to improve:

- our leaders' and their teams' understanding of customers' needs
- our visibility of business performance and how well we're meeting those customer needs
- how our leaders empower and support their staff to be their best
- the way we implement improvements by providing structure and data-driven decisions.

Building continuous improvement capability takes leadership, commitment, hard work and time.

We have supported our Minister and the public

In 2015/16 we improved the way we support Ministers and their offices, process information requests and manage other government relations work.

Following a review, a new team was established to perform these functions and the number of FTEs increased from one to three. These resource increases were timely. Since December 2015, we have seen an unprecedented surge in demand for these services, with a 62 per cent increase in Official Information Act requests.

We have also assisted the Minister for Land Information to respond to more than 1,000 written parliamentary questions relating to the Land Information portfolio during 2015/16 (compared to just over 100 in 2014/15).

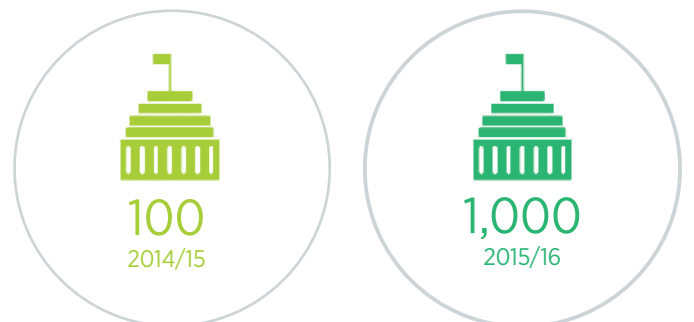
We have SMART procurement

We continue to improve our procurement and get positive feedback. Our supplier relationship programme was featured at the Chartered Institute of Procurement and Supply Conference in February 2016.

Improvements to the process for procuring hydrographic surveys in 2015/16 have resulted in more potential providers participating in the competitive tender process, halved the cost of surveying per square kilometre, and saved \$1.3m of the budget for the national hydrographic survey programme.

During 2015/16 we led a procurement process to establish a syndicated procurement agreement for the LINZ Data Service. In 2016/17 other government agencies will be able to contract their own branded data service with lower establishment and operational cost, due to the consolidated buying power of multiple agencies.

Number of written parliamentary questions relating to the Land Information portfolio



We are continuing our excellence in information management

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

In 2015/16 we continued to improve the capability of our information systems, in particular by looking increasingly to 'as a service' approaches for both our internal and external systems. For our internal systems we have signed up to and are implementing All of Government 'as a service' offerings that share ICT investment and capability among government agencies. The All of Government services we have or are implementing include desktop, email and calendaring, infrastructure, and telecommunications. During 2015/16 the focus for external system development has been on the replacement for Landonline. We have also worked on the introduction of tools, systems and processes to support the work of the Māori Land Service.

We are progressing work to implement into our systems the New Zealand Business Number (NZBN), which is an All of Government programme that provides unique identifiers to businesses to make it easier for them to deal with government agencies and each other. We are investigating the implications of the NZBN for our systems and developing a compliance plan.

Developing our financial strategy and model

We receive funding from both the Crown and third parties.

Our third party funding is based on the principle of cost recovery from the user and includes fees that cover the cost of operating the Overseas Investment Office and our survey and title operations as well as the cost of producing and distributing our maps and charts. Third party fees cannot be used for purposes other than those that they are collected for. The remainder of our funding is primarily provided by the Crown.

A significant amount of our operational activities are outsourced to third party providers such as the completion of hydrographic surveys and our biosecurity programmes.

Our funding model means that we will face ongoing fiscal pressures. We will continue to develop our financial strategy to ensure that we are directing our financial resources to those activities that will contribute the most towards achieving our strategic objectives.

The financial model that was developed in 2015/16 will be instrumental in supporting our planning and prioritisation over the coming years.

Our performance reporting

This section presents our delivery of outputs against the statement of performance expectation measures set out in the Estimates of Appropriations for **Vote Lands 2015/16**.


The Estimates of Appropriations are available from the Treasury's website at www.treasury.govt.nz/budget/2015.

Our performance reporting




Administering the Overseas Investment Regime

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

Key Performance Measures

MEASURE		
The percentage of applications screened for registration within 5 working days of receipt		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
89%* 	90%	93%




*Note: There were 183 overseas investment applications received in 2015/16 (compared to 177 in 2014/15). In 2015/16, 166 applications were accepted for processing (compared to 168 in 2014/15).

MEASURE		
The percentage of accepted applications under active consideration by the Overseas Investment Office that are processed within the timeline specified* for each of the following categories:		
- Category 1 Applications - 30 working days or less		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100% 	90%	NONE RECEIVED
- Category 2 Applications - 50 working days or less		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
60% 	90%	73%
- Category 3 Applications - 70 working days or less		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
73% 	90%	83%




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




The Overseas Investment Office categorises applications into one of three categories. More information on each of the categories is found on our website at: <http://www.linz.govt.nz/regulatory/overseas-investment/making-application/application-assessment-timeframes>.

A comprehensive Overseas Investment Office Quality Programme is underway. A key deliverable is the introduction of risk-based assessments of applications which will improve the timeliness of decisions.

MEASURE		
The satisfaction score (out of 10) given by the Minister for Land Information for the quality of advice on overseas investment matters		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
6/10* 	7 OUT OF 10 OR BETTER 	7/10 

*Note: While the Minister rated satisfaction on the quality of overseas investment advice 6 out of 10, she rated the timeliness of advice 8 out of 10, and the quality of Ministerial support on overseas investment matters 8 out of 10.

The percentage of monitoring reports assessed within 40 working days of receipt		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
98% 	90% 	99% 

The percentage of public alerts about potential breaches assessed for possible investigation within 10 working days of receipt		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100% 	90% 	100% 

The percentage of initial investigation reports completed within 60 working days of the investigation beginning		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
89% 	90% 	100% 

Our Financial Performance

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
-	Revenue Crown	-	-	-
2,845	Revenue other	2,955	3,605	2,932
2,845	Total revenue	2,955	3,605	2,932
2,752	Total expenses	2,955	3,605	3,507
93	Net surplus/(deficit)	-	-	(575)

Canterbury Earthquake Recovery Land Ownership and Management (Multi-Category Appropriation)

The overarching purpose of this appropriation is to support the recovery of Canterbury through the purchase, clearance, maintenance and management of Crown land in the Residential Red Zone affected by the Canterbury earthquakes.

These functions transferred to LINZ during the 2015/16 financial year (some on 1 December 2015 and others on 18 April 2016) so financial and performance information has not been provided for 2014/15. The performance measures differ from those used prior to the transition to LINZ. Financial and performance information relating to these functions for 2014/15 is available in the Department of the Prime Minister and Cabinet (DPMC) Annual Report 2014/15.

Financial Performance – Canterbury Earthquake Recovery Land Ownership and Management: Multi-Category Appropriation (Departmental and Non-Departmental)




Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
-	Revenue Crown	-	2,076	2,076
-	Revenue other	-	500	-
-	Total revenue	-	2,576	2,076
-	Total expenses: Departmental	-	2,576	2,843
-	Total expenses: Non-Departmental	-	48,213	22,428
-	Net surplus/(deficit)	-	(48,213)	(23,195)

The Canterbury Earthquake Recovery Land Ownership and Management MCA is a combination of department appropriation and non department appropriation. The above table provides information regarding the non-departmental expenditure and departmental expenditure. The revenue above is solely related to the department.

Acquisition and Disposal Expenses

This category is intended to achieve payment of costs incurred in acquiring and disposing of land and buildings in Canterbury.

Key Performance Measures

MEASURE		
The number of properties acquired is in accordance with the agreed plan		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved 	WITHIN 10% OF THE AGREED PLAN* 	N/A 

*Note: The agreed plan for the period 18 April to 30 June 2016 was for up to 2 properties to be acquired for use in Anchor Projects. One property was acquired.

Category Financial Performance – Acquisition and Disposal Expenses (Departmental)

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
-	Revenue Crown	-	926	926
-	Revenue other	-	-	-
-	Total revenue	-	926	926
-	Total expenses	-	926	512
-	Net surplus/(deficit)	-	-	414

Managing the Recovery

This category is intended to achieve the management of properties and associated issues relating to the Canterbury earthquakes.

Key Performance Measures

MEASURE		
Ministerial satisfaction with Land Information New Zealand's Residential Red Zone activities		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
8/10	7 OUT OF 10 OR BETTER	N/A

Category Financial Performance – Managing the Recovery (Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
- Revenue Crown	-	1,150	1,150
- Revenue other	-	500	-
- Total revenue	-	1,650	1,150
- Total expenses	-	1,650	2,331
- Net surplus/(deficit)	-	-	(1,181)

Clearance of Built Structures and Associated Works

This category is intended to achieve the clearance of built structures and other works deemed necessary on Crown-owned land affected by the Canterbury earthquakes.

Key Performance Measures

MEASURE		
Clearances completed on Crown-owned properties in the flat land Residential Red Zone		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Not achieved	WITHIN 2% OF THE AGREED PLAN*	N/A

*Note: In the period 1 December 2015 to 30 June 2016, 39 Crown-owned properties in the flat land Residential Red Zone were planned for clearance by LINZ. The actual number of properties that completed clearance in the period was 36, as three properties were found to have asbestos which delayed the time to carry out the demolition work.

The cumulative total number of Crown-owned properties in the flat land Residential Red Zone that have completed clearance as at 30 June 2016 was 7,084.

Purchase of Land and Improvements – Capital

This category is for the purchase of land and improvements relating to properties affected by the Canterbury earthquakes. No performance measures are provided for this category.

Category Financial Performance – Purchase of Land and Improvements – Capital (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
- Total expenses	-	11,384	-

MEASURE		
Clearances completed on Crown-owned properties in the Port Hills Residential Red Zone		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved	WITHIN 10% OF THE AGREED PLAN*	N/A

*Note: In the period 1 December 2015 to 30 June 2016, 117 Crown-owned properties were cleared. 'Clearance' refers to complete removal of the built structures onsite and associated works, including the bulk of the land clearance and treatment requirements.

The cumulative total number of Crown-owned properties in the Port Hills Residential Red Zone that have completed clearance as at 30 June 2016 was 313.

This achieves the agreed plan of meeting the original CERA statement of performance expectation measure relating to 'the number of built structures demolished in the Port Hills' (budget standard for 2015/16 of 270), and the original CERA target of 50% of the Crown-owned properties in the Port Hills being cleared by 30 June 2016 (50% being 310 properties).

Category Financial Performance – Clearance of Built Structures and Associated Works (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
-	-	15,803	10,781
Total expenses			

Management and Clearance of Land

This category is intended to achieve management of Crown-owned land in the Residential Red Zone.

Key Performance Measures

MEASURE		
Land clearance and treatment completed on Crown-owned properties in the flat land Residential Red Zone		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved	WITHIN 2% OF THE AGREED PLAN*	N/A

*Note: In the period 1 December 2015 to 30 June 2016, 1,927 Crown-owned properties in the flat land Residential Red Zone were planned for land treatment and clearance. The actual number of properties that completed land clearance and treatment in the period was 1,917. This brings the cumulative number of Crown-owned properties in the flat land Residential Red Zone that have completed land treatment and clearance to 7,904.

MEASURE		
Land clearance and treatment completed on Crown-owned properties in the Port Hills Residential Red Zone		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved	WITHIN 10% OF THE AGREED PLAN*	N/A

*Note: In the period 1 December 2015 to 30 June 2016, 117 Crown-owned properties in the Port Hills Residential Red Zone were cleared. 'Clearance' refers to complete removal of the built structures onsite and associated works, including the bulk of the land clearance and treatment requirements.

The cumulative total number of Crown-owned properties in the Port Hills Residential Red Zone that have completed clearance as at 30 June 2016 was 313.

This achieves the agreed plan of meeting the original CERA statement of performance expectation measure relating to 'the number of built structures demolished in the Port Hills' (budget standard for 2015/16 of 270), and the original CERA target of 50% of the Crown-owned properties in the Port Hills being cleared by 30 June 2016 (50% being 310 properties).

MEASURE		
Insurance and Earthquake Commission recoveries received from Crown-owned properties in the Residential Red Zone		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved	WITHIN 10% OF THE AGREED PLAN*	N/A

*Note: The total number of active dwelling insurance claims on Crown-owned properties in the Residential Red Zone on 1 December 2015 was 1,693.

The plan for the period 1 December 2015 to 30 June 2016 was to receive recoveries for up to 250 of these. The actual number of properties that received dwelling insurance recoveries in the period was 226. This brings the cumulative total number of insurance recoveries received to 3,240.

Category Financial Performance – Management and Clearance of Land (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
-	-	10,468	4,512
- Total expenses			

Management and Clearance of Land – Anchor Projects

This category is intended to achieve management of properties held for anchor projects.

Key Performance Measures

MEASURE			
Properties are available for use in anchor projects in accordance with the agreed plan*			
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE	
N/A	N/A	ACHIEVED	N/A

*Note: This measure refers to properties managed by LINZ that will be transferred to Otakaro for use in anchor projects. No properties were planned to be made available for anchor projects in the period 18 April to 30 June 2016. No properties have been made available to date.

Category Financial Performance – Management and Clearance of Land – Anchor Projects (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
-	-	457	-
- Total expenses			

Mass Movement of Land

This category is intended to achieve the provision of assistance to the Christchurch City Council in responding to the landslide hazards in the Port Hills exacerbated by the Canterbury earthquakes.

Key Performance Measures

MEASURE		
'Practical completion' is achieved for Christchurch City Council's mass land movement project		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Not reported	WITHIN 10% OF THE AGREED PLAN*	N/A

*Note: Practical completion refers to the point at which property clearance has been completed, such that payment can be made to the contractors providing the clearance services.

In the period 1 December 2015 to 30 June 2016, 117 properties achieved practical completion. This brings the cumulative total number of properties achieving practical completion as at 30 June 2016 to 313.

Category Financial Performance – Mass Movement of Land (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
-	-	8,380	4,963

Purchase of Land and Improvements – Operational

This category is intended to achieve the purchase of land and improvements, and other associated operating costs relating to properties affected by the Canterbury earthquakes.

Key Performance Measures

MEASURE		
Crown offers to acquire Residential Red Zone property*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
N/A	WITHIN 10% OF THE AGREED PLAN	N/A

*Note: The Crown offer to acquire Residential Red Zone properties was managed while the function and appropriation was with CERA. An offer refers to completion of a sale and purchase agreement (not settlement). No property offers were planned in the period 18 April to 30 June 2016, and no properties were acquired.

Settlement of Crown-purchased Residential Red Zone properties		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Not achieved*	WITHIN 10% OF THE AGREED PLAN	N/A

*Note: In the period 18 April to 30 June 2016, four Crown-purchased Residential Red Zone properties were planned for settlement. The actual number of properties settled in the period was one. One contract was cancelled by the vendor and two were delayed by legal impediments.

This brings the cumulative total number of Crown-purchased properties settled in the Residential Red Zone (both flat lands and Port Hills) as at 30 June 2016 to 7,719 (including 196 Housing New Zealand properties).

Category Financial Performance – Purchase of Land and Improvements – Operational (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015 \$000	2016 \$000	2016 \$000	2016 \$000
-	-	1	1,717

Vendor Legal Fees

This category is intended to achieve contributions towards vendor legal fees when buying or selling land and improvements affected by the Canterbury earthquakes.

Key Performance Measures

MEASURE		
The number of vendors who have received contributions towards legal fees		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Not achieved* ✗	WITHIN 10% OF THE AGREED PLAN	NEW MEASURE

*Note: Where a settlement has occurred, vendors are entitled to a contribution of up to \$750 towards legal fees.

In the period 18 April to 30 June 2016, four properties were planned for settlement, and the four vendors were planned to receive contributions towards legal fees. The actual number of properties settled in the period, and vendors who received the contribution to legal fees, was one. One contract was cancelled by the vendor and two were delayed by legal impediments.

The cumulative total number of vendors who have received contributions towards legal fees as at 30 June 2016 was 7,523. This differs from the 7,719 properties settled because Housing New Zealand was not paid legal fees for their 196 properties settled.

Category Financial Performance – Vendor Legal Fees (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015	2016	2016	2016
\$000	\$000	\$000	\$000
-	-	1,719	2
Total expenses			

Initial Write-down in the Value of Land

This category is for the write-down to fair value on the acquisition of land and improvements in Canterbury. No performance measures are provided for this category.

Category Financial Performance – Initial Write-down in the Value of Land (Non-Departmental)

Actual	Main Estimates	Supplementary Estimates	Actual
2015	2016	2016	2016
\$000	\$000	\$000	\$000
-	-	1	453
Total expenses			

Crown Land (Multi-Category Appropriation)

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

Key Performance Measures

MEASURE		
Stakeholder satisfaction with Land Information New Zealand's Crown land performance*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
4.6 ✓	3 OUT OF 5 OR BETTER	4.2

*Note: This measure is an average of scores across the stakeholder satisfaction surveys for each of the Crown Land Multi-Category Appropriations.

The percentage of Court decisions upheld against Land Information New Zealand's decision-making under the Crown Land MCA		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
N/A* N/A	< 10% OF THOSE LODGED	0%

*Note: There were no decisions upheld against Land Information New Zealand's decision-making under the Crown Land MCA.




Category Financial Performance – Crown Land: Multi-Category Appropriation

Actual	Main Estimates	Supplementary Estimates	Actual
2015	2016	2016	2016
\$000	\$000	\$000	\$000
17,517	Revenue Crown	20,798	18,765
3,225	Revenue other	17,555	6,575
20,742	Total revenue	38,353	22,495
20,876	Total expenses	38,353	21,376
(134)	Net surplus/(deficit)	-	1,119

Centralised Clearance Service for Acquisitions and Disposals

This category is intended to ensure the acquisition and disposal of all Crown land is compliant with regulatory and statutory requirements.

Key Performance Measures

MEASURE		
The percentage of recommendations on reports received from certified suppliers approved, declined, or responded to within 10 working days		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
92% 	95%	94%
The percentage of statutory decisions that meet regulatory and statutory requirements		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100% 	100%	100%
Stakeholder satisfaction with the timeliness of Land Information New Zealand's acquisition and disposal decisions*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
4.0 	3 OUT OF 5 OR BETTER	4.5

*Note: There is one key stakeholder in relation to the centralised clearance service – the New Zealand Transport Agency.

Category Financial Performance – Centralised Clearance Service for Acquisitions and Disposals

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
-	Revenue Crown	-	-	-
925	Revenue other	1,200	1,200	960
925	Total revenue	1,200	1,200	960
1,029	Total expenses	1,200	1,200	1,145
(104)	Net surplus/(deficit)	-	-	(185)

Land Disposal Services for Other Agencies

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

Key Performance Measures

MEASURE

The realised disposal value is at least 90% of expected realisable value for properties valued at \$750,000 or over

2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

The median disposal time is 36 months or less

2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved	90%*	NEW MEASURE

*Note: This budget standard was mis-stated, and should have been given as 100%, or achieved/not achieved. The median disposal time in 2015/16 was 25.2 months, and this measure was achieved.

The income achieved from freely tenanted properties held for disposal equals or exceeds 90% of the current market rentals

2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

Stakeholder satisfaction with the timeliness of Land Information New Zealand's acquisition and disposal decisions*

2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
5.0	3 OUT OF 5 OR BETTER	4.5

*Note: There is one key stakeholder in relation to LINZ's disposal services for other agencies – the Ministry of Education.

Category Financial Performance – Land Disposal Services for Other Agencies

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
-	Revenue Crown	-	-	-
1,927	Revenue other	7,000	5,000	2,382
1,927	Total revenue	7,000	5,000	2,382
2,112	Total expenses	7,000	5,000	2,407
(185)	Net surplus/(deficit)	-	-	(25)

LINZ Biosecurity Programme

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

Key Performance Measures

MEASURE		
Stakeholder satisfaction with the development and delivery of the Land Information New Zealand biosecurity programme for that financial year		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
4.93*	3 OUT OF 5 OR BETTER	4.2

*Note: The result is based on telephone interviews with seven stakeholders.

MEASURE		
Infestation at key sites is controlled in accordance with the agreed plan*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
Achieved	WITHIN 10% OF THE AGREED PLAN	NEW MEASURE

*Note: The key sites are Lakes Wanaka, Wakatipu and Benmore. NIWA monitors our programme to control aquatic weed at these sites, and confirmed our programme has met the agreed plan for eradication, exclusion, progressive containment, or sustained control of aquatic weed relevant to each site.

Category Financial Performance – LINZ Biosecurity Programme

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
3,098	Revenue Crown	2,898	3,373	3,373
221	Revenue other	280	300	342
3,319	Total revenue	3,178	3,673	3,715
3,240	Total expenses	3,178	3,673	3,921
79	Net surplus/(deficit)	-	-	(206)

Management of Crown Land

This category is intended to achieve the delivery of an effective and efficient Crown land management.

Key Performance Measures

MEASURE		
All disposal processes comply with the relevant statutory and government policy requirements		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

MEASURE		
The realised disposal value is at least 90% of expected realised disposal value		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

MEASURE		
The rental income from the top 50 revenue earning properties equals or exceeds 90% of the current market rentals		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
NOT MEASURED	100%	100%

*Note: This measure has been reviewed and discontinued for 2016/17.

MEASURE		
The percentage of decisions on consent applications by lessees on pastoral land that meet statutory requirements as specified by the Commissioner of Crown Lands		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

Location Based Information (Multi-Category Appropriation)

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

Key Performance Measures

MEASURE			
Agreed Canterbury Earthquake Recovery Authority Residential Red Zone activities are managed by Land Information New Zealand to service levels agreed with Canterbury Earthquake Recovery Authority			
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE	
NOT MEASURED	NOT MEASURED*	100%	NEW MEASURE

*Note: This measure has been superseded by the transfer of relevant functions from CERA to LINZ during 2015/16. Please refer to the performance measures for Canterbury Earthquake Recovery Land Ownership and Management.

MEASURE			
Customer satisfaction with LINZ's location based information products and services*			
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE	
4.6	3 OUT OF 5 OR BETTER	4.0	

*Note: This measure is an average of scores across the stakeholder satisfaction surveys for Land Information New Zealand's Location Based Information appropriation category (topography, hydrography and the LINZ Data Service).

Category Financial Performance – Management of Crown Land

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
14,419	Revenue Crown	17,900	15,392	15,392
151	Revenue other	9,075	75	46
14,570	Total revenue	26,975	15,467	15,438
14,495	Total expenses	26,975	15,467	13,903
75	Net surplus/(deficit)	-	-	1,535

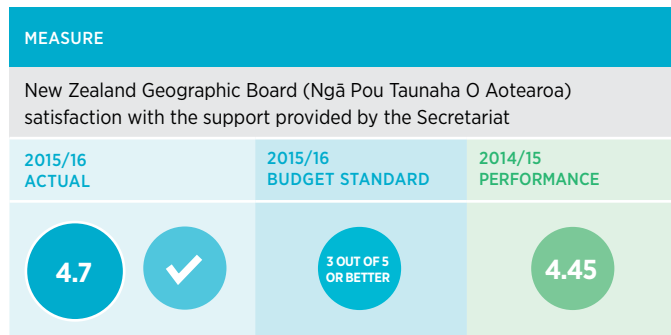
Financial Performance – Location Based Information: Multi-Category Appropriation

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
24,494	Revenue Crown	24,182	27,417	27,417
1,816	Revenue other	2,004	2,960	1,897
26,310	Total revenue	26,186	30,377	29,314
23,862	Total expenses	26,186	30,165	26,721
2,448	Net surplus/(deficit)	-	212	2,593

Administration of the New Zealand Geographic Board Ngā Pou Taunaha O Aotearoa

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

Key Performance Measures



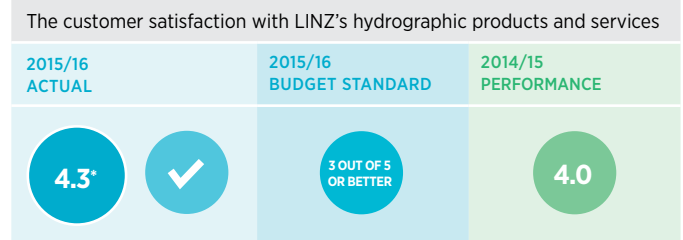
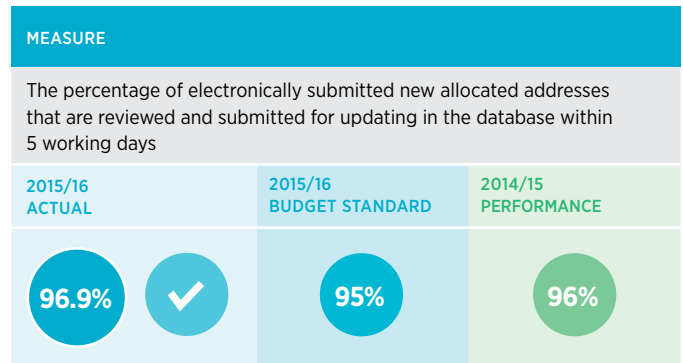
Category Financial Performance – Administration of the New Zealand Geographic Board Ngā Pou Taunaha O Aotearoa

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
875	Revenue Crown	625	795	795
-	Revenue other	-	-	-
875	Total revenue	625	795	795
760	Total expenses	625	795	779
115	Net surplus/(deficit)	-	-	16

LINZ Location Based Information Infrastructure

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

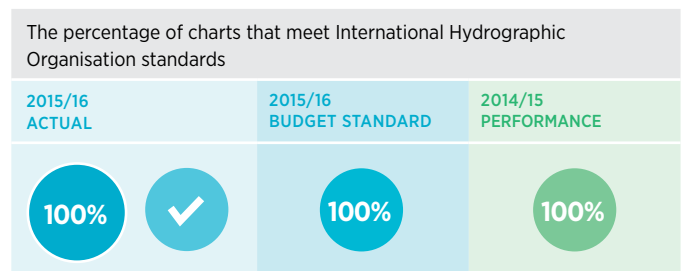
Key Performance Measures



*Note: The result is based on a sample of 2,615 customers, with a response rate of 11%.



*Note: One notified hazard was provided late to Maritime New Zealand. A review was undertaken and contingency plans put in place to ensure required resources are available to meet the standard.



MEASURE		
The number of new or updated charts published		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
68*	18-26	20

*Note: Updating charts for New Zealand waters using a third party, as well our in house expertise, has improved the availability of up-to-date charts for mariners, and increased our chart production significantly.

MEASURE		
The availability of real-time streaming Global Navigation Satellite System data from the PositioNZ network within 2 seconds		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
98.1%*	95%	97%

*Note: Three days were excluded from the calculation of this measure due to technical difficulties.

The availability of data from the tsunami monitoring network		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
98%	95%	99%

The percentage of cadastral surveys that are connected to geodetic marks		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
99%	98%	98.7%

The percentage of notification of urgent works on survey marks that are responded to within two working days		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

The percentage of LDS data that is provided through creative commons licensing (with the exception of owners' names) and that complies with Australia New Zealand Spatial Information Council standards		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
NOT MEASURED*	100%	NOT MEASURED

*Note: This measure has been reviewed and discontinued for 2016/17.

The availability of Receiver Independent Exchange format Global Navigation Satellite System data from the PositioNZ network		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
99.1%	95%	97%

Customer satisfaction with Land Information New Zealand Data Service*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
4.3	3 OUT OF 5 OR BETTER	4.07

*Note: The result is based on a sample of 9,438 customers, with a response rate of 9%.

MEASURE		
The percentage of newly captured and released regional aerial imagery purchased with the central government contribution that is released under a creative commons licence		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
100%	100%	100%

Customer satisfaction with topographic data and products*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
4.0	3 OUT OF 5 OR BETTER	4.0

*Note: This result is based on a sample of 269 customers, with a response rate of 8.6%.

The number of topographic data releases that LINZ undertakes each year		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
5	MINIMUM OF 5	5

Category Financial Performance – LINZ Location Based Information Infrastructure

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
17,825	Revenue Crown	20,205	19,601	19,601
1,325	Revenue other	1,604	2,495	1,565
19,150	Total revenue	21,809	22,096	21,166
18,016	Total expenses	21,809	21,884	19,652
1,134	Net surplus/(deficit)	-	212	1,514

Leading the New Zealand Geospatial Strategy

This category is intended to achieve the development of an integrated spatial data infrastructure¹⁰.

Key Performance Measures

MEASURE		
The number of government agencies releasing their geospatial data for reuse that complies with the recommended standards for finding, sharing and reuse		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
14	12 OR MORE	14

Category Financial Performance – Leading the New Zealand Geospatial Strategy

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
5,794	Revenue Crown	3,352	7,021	7,021
491	Revenue other	400	465	332
6,285	Total revenue	3,752	7,486	7,353
5,086	Total expenses	3,752	7,486	6,289
1,199	Net surplus/(deficit)	-	-	1,064

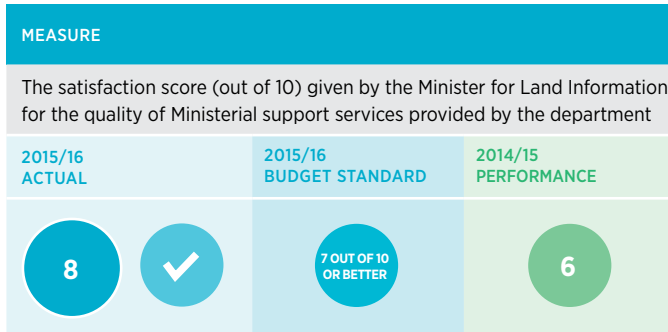
¹⁰ This is also called a national infrastructure for geographic information.

Policy Advice and Related Services

Ministerial Services, Appointments, Implementation and Operational Policy

This category is intended to achieve high-quality, timely policy advice and services to Ministers.

Key Performance Measures



*Note: In 2015/16, 6 out of 1,249 Ministerial correspondence items exceeded the timeframe, as a result of a particularly high number of Ministerials in Quarter Four (936, representing 75% of the total received for the year).

Category Financial Performance – Ministerial Services, Appointments, Implementation and Operational Policy

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
627	Revenue Crown	927	1,177	1,177
-	Revenue other	-	-	-
627	Total revenue	927	1,177	1,177
616	Total expenses	927	1,177	1,175
11	Net surplus/(deficit)	-	-	2

Policy Advice

This category is intended to achieve high-quality, timely policy advice and services to Ministers.

Key Performance Measures

MEASURE		
The average rating for policy papers as assessed by the external reviewer		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
74%	70% OR BETTER	71%*

*Note: Please note the 2014/15 actual result was incorrectly stated as 75% in the 2014/15 Annual Report.

The satisfaction score (out of 10) given by the Minister for Land Information for the quality of LINZ policy advice		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
8	7 OUT OF 10 OR BETTER	8

The total cost per output hour of producing policy advice*		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
\$123	UP TO \$120 PER OUTPUT HOUR	\$125.21

*Note: Our cost per output hour for producing policy advice compares favourably with other agencies (with an average of \$152 per hour reported in the 2014/15 Policy Measurement Report undertaken by Treasury).

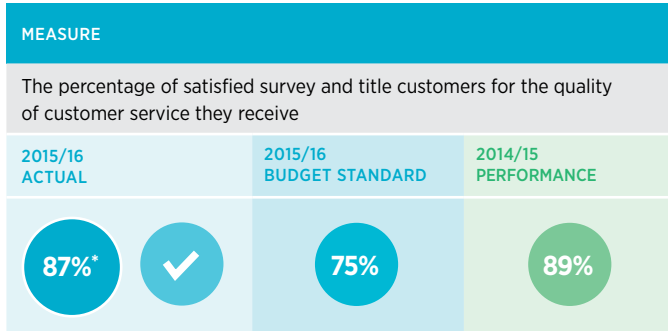
Category Financial Performance – Policy Advice

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
2,657	Revenue Crown	1,707	3,052	3,052
218	Revenue other	-	-	-
2,875	Total revenue	1,707	3,052	3,052
2,864	Total expenses	1,707	3,052	2,941
11	Net surplus/(deficit)	-	-	111

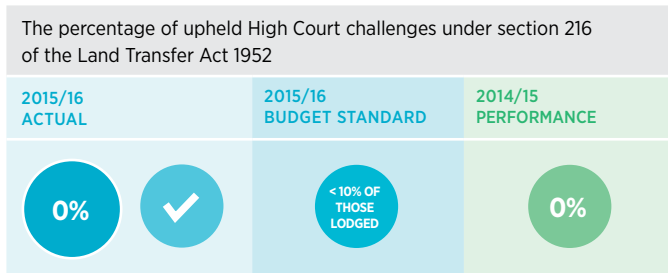
Property Rights (Multi-Category Appropriation)

The overarching purpose is to ensure that property rights and information are clear, certain, easily tradeable and accessible.

Key Performance Measures



*Note: This result is based on a sample of 5,629 customers, with a response rate of 14.6%.



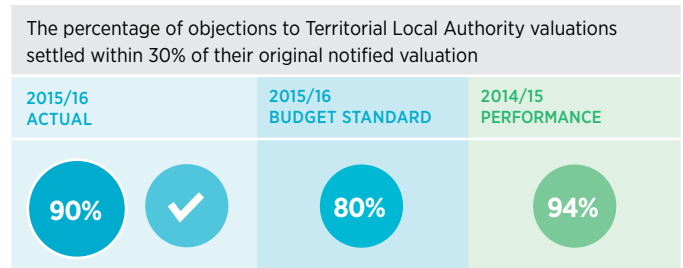
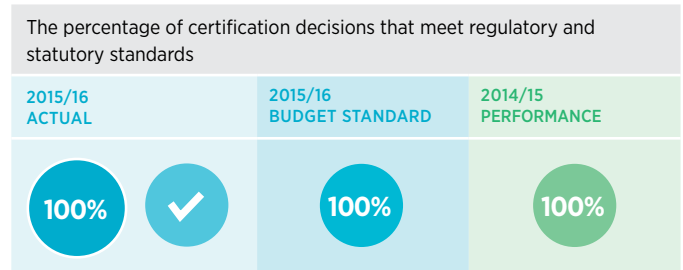
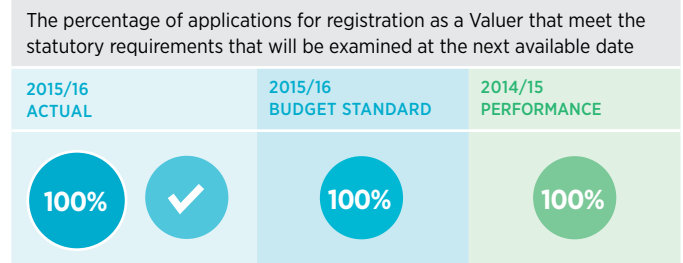
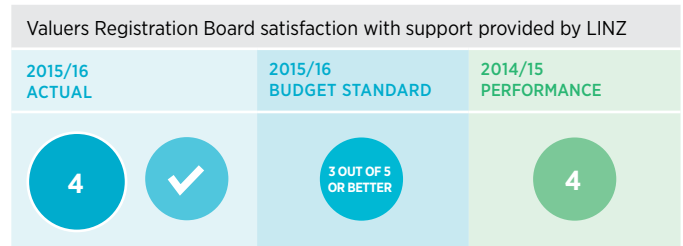
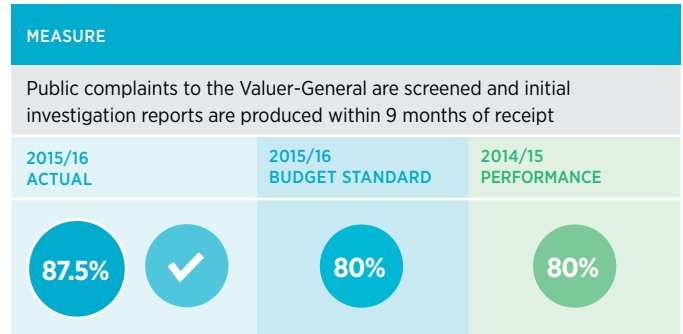
Financial Performance – Property Rights Multi-Category Appropriation

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
45,250	Revenue Crown	-	350	350
69,248	Revenue other	72,607	75,357	75,713
114,498	Total revenue	72,607	75,707	76,063
53,325	Total expenses	72,607	72,957	59,553
61,173	Net surplus/(deficit)	-	2,750	16,510

Regulating Valuation

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

Key Performance Measures



Category Financial Performance – Regulating Valuation

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
-	Revenue Crown	-	-	-
1,457	Revenue other	2,518	2,518	1,400
1,457	Total revenue	2,518	2,518	1,400
1,189	Total expenses	2,518	2,518	1,281
268	Net surplus/(deficit)	-	-	119

The Survey and Title System

This category is intended to achieve delivery of a world-class transaction service for New Zealand's survey and title system¹¹.

Key Performance Measures

MEASURE		
The number of working days to process 90% of cadastral survey datasets		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
23 WORKING DAYS	10 WORKING DAYS	16 WORKING DAYS

*Note: In 2015/16 we processed 10,322 cadastral datasets (compared to 9,094 in 2014/15).

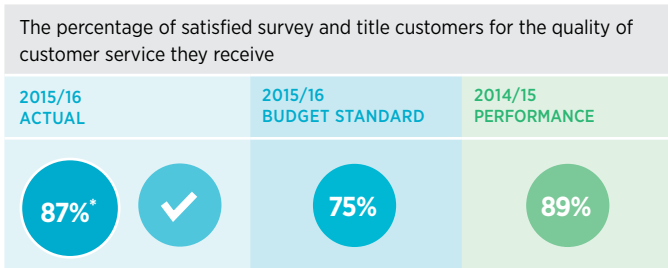
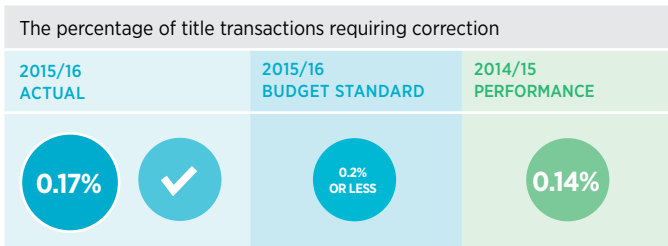
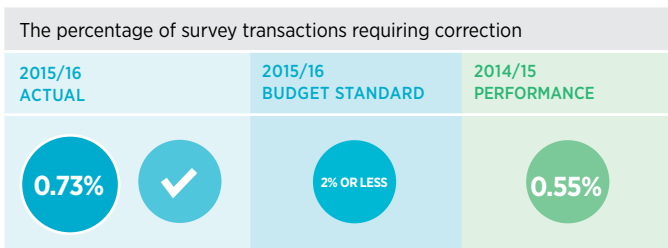
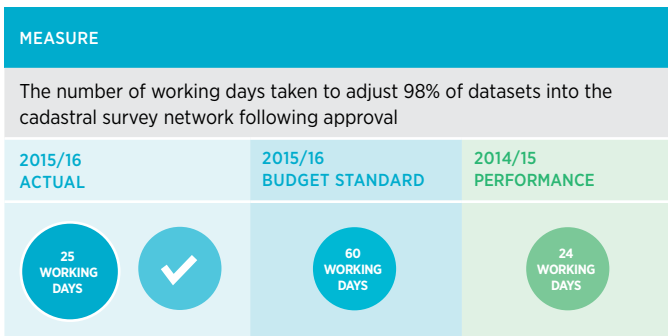
MEASURE		
The number of working days to process 90% of manually processed title transactions		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
10 WORKING DAYS	10 WORKING DAYS	8 WORKING DAYS

MEASURE		
The number of working days to process 95% of all title dealings		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
7 WORKING DAYS	10 WORKING DAYS	10 WORKING DAYS

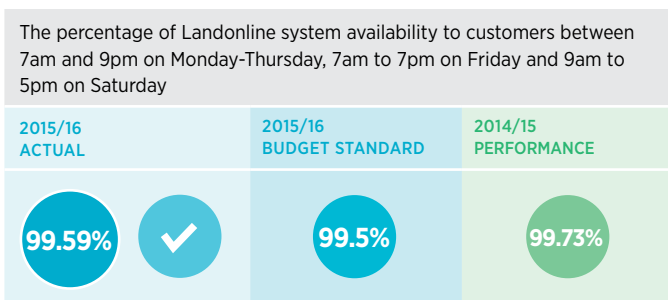
MEASURE		
The number of working days to satisfy 90% of customer requests for survey and title records		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
2 WORKING DAYS	2 WORKING DAYS	3 WORKING DAYS

MEASURE		
The number of working days taken to adjust 90% of datasets into the cadastral survey network following approval		
2015/16 ACTUAL	2015/16 BUDGET STANDARD	2014/15 PERFORMANCE
14 WORKING DAYS	20 WORKING DAYS	10 WORKING DAYS

11. This statement is that used in the Estimate of Appropriations 2014/15, as the Intentions Statement was incorrectly recorded in the Estimates of Appropriations 2015/16.



*Note: This result is based on a sample of 5,629 customers, with a response rate of 14.6%.



Category Financial Performance – Survey and Title System

Actual		Main Estimates	Supplementary Estimates	Actual
2015 \$000		2016 \$000	2016 \$000	2016 \$000
45,250	Revenue Crown	-	350	350
67,791	Revenue other	70,089	72,839	74,314
113,041	Total revenue	70,089	73,189	74,664
52,138	Total expenses	70,089	70,439	58,272
60,903	Net surplus/(deficit)	-	2,750	16,392

Our financial reporting

This section presents financial statements for 2015/16 and notes to the statements



Our financial reporting

Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
INCOME						
Crown		45,250	47,614	53,208	52,836	44,379
Other income	3	77,362	80,141	82,901	84,273	82,937
Total income		122,612	127,755	136,109	137,109	127,316
EXPENDITURE						
Personnel costs	4	43,735	47,953	49,996	49,486	49,996
Depreciation and amortisation	9, 10	3,660	3,752	7,068	6,877	7,068
Capital charge		3,773	3,548	3,790	3,790	3,790
Restructuring costs		247	200	18	53	18
Other operating expenses	6	52,882	61,724	57,945	57,909	57,915
Total expenditure		104,297	117,177	118,817	118,115	118,787
Net surplus/(deficit) and total comprehensive income		18,315	10,578	17,292	18,994	8,529

We have not noted any significant variances against budget for 2015/16.

***Budget** – refers to the original budget for 2016 completed in May 2015

***Revised Budget** – refers to the revised budget for 2016 completed in May 2016

***Actual** – refers to actual figures

***Forecast** – refers to the original budget for 2017 completed in May 2016

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

Statement of Financial Position

As at 30 June 2016

	Note	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
ASSETS						
Current assets						
Cash and cash equivalents		9,353	5,964	9,622	7,517	9,628
Trade and other receivables	7	44,757	55,028	63,775	70,875	78,625
Prepayments		1,062	995	1,045	913	1,045
Inventory	8	309	300	280	357	280
Total current assets		55,481	62,287	74,722	79,662	89,578
Non-current assets						
Intangibles-software	10	30,710	30,317	25,397	27,078	19,818
Capital work in progress	11	1,903	2,411	2,411	759	2,411
Total intangibles-software		32,613	32,728	27,808	27,837	22,229
Property, plant and equipment	9	2,904	3,287	3,103	3,391	2,364
Total non-current assets		35,517	36,015	30,911	31,228	24,593
Total assets		90,998	98,302	105,633	110,890	114,171
LIABILITIES						
Current liabilities						
Trade and other payables	12	6,761	4,156	6,658	6,880	6,667
Provisions	13	2,302	-	-	3,525	-
Employee entitlements	14	3,032	3,862	2,824	3,980	2,824
Deferred revenue		1,402	1,387	1,187	2,579	1,187
Total current liabilities		13,497	9,405	10,669	16,964	10,678
Non-current liabilities						
Employee entitlements	14	2,951	2,972	2,472	3,257	2,472
Total non-current liabilities		2,951	2,972	2,472	3,257	2,472
Total liabilities		16,448	12,377	13,141	20,221	13,150
Net assets		74,550	85,925	92,492	90,669	101,021
TAXPAYERS' FUNDS						
General funds	15	47,508	85,925	92,492	48,132	101,021
Memorandum accounts	15, 22	27,042	-	-	42,537	-
Total taxpayers' funds		74,550	85,925	92,492	90,669	101,021

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

Statement of Changes in Taxpayers' Funds

For the year ended 30 June 2016

	Note	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
Balance as at 1 July		58,178	75,347	74,550	74,550	92,492
Total comprehensive income/(expense)		18,315	10,578	17,292	18,994	8,529
Capital injections		357	-	650	650	-
Capital repayment		-	-	-	-	-
Other movements		2	-	-	-	-
Repayment of operating surplus to the Crown		(2,302)	-	-	(3,525)	-
Balance as at 30 June	15	74,550	85,925	92,492	90,669	101,021

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

Statement of Cash Flows

For the year ended 30 June 2016

	Note	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Supply of outputs to the Crown		27,827	30,614	31,993	33,999	29,529
Supply of outputs to other Departments		3,068	17,325	3,491	1,686	9,250
Supply of outputs to third parties		73,056	62,816	79,404	80,391	73,685
Payments to operating suppliers		(54,442)	(47,959)	(58,146)	(59,054)	(57,898)
Payments to employees		(44,039)	(61,912)	(50,710)	(50,241)	(50,023)
Payments for capital charge		(3,571)	(3,548)	(3,992)	(3,992)	(3,790)
Goods and services tax (net)		(2,470)	6,995	100	(2,629)	3
Net cash flows from operating activities	16	(571)	4,331	2,140	160	756
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from sale of property, plant and equipment		-	-	(60)	-	-
Purchase of property, plant and equipment		(100)	-	(938)	(1,106)	-
Purchase of intangible assets		(1,297)	(1,800)	(1,523)	(1,541)	(750)
Net cash flows from investing activities		(1,397)	(1,800)	(2,521)	(2,647)	(750)
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital contribution		357	-	650	650	-
Capital repayment		-	-	-	-	-
Net cash flows from financing activities		357	-	650	650	-
Net increase/(decrease) in cash and cash equivalents		(1,611)	2,531	269	(1,836)	6
Cash and cash equivalents at the beginning of the year		10,964	3,433	9,353	9,353	9,622
Cash at end of year		9,353	5,964	9,622	7,517	9,628

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

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

Statement of Commitments

As at 30 June 2016

NON-CANCELLABLE OPERATING LEASE COMMITMENTS

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

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

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

During the year ended 30 June 2016, \$3.139 million was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases (2015: \$2.979 million). There was no income recognised in the Statement of Comprehensive Income in the year ended 30 June 2016 in respect of sub-leases (2015: nil).

	Actual 2015 \$000	Actual 2016 \$000
NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
Not later than 1 year	2,770	3,079
Later than 1 year and not later than 5 years	11,081	12,318
Later than 5 years	2,424	690
Total non-cancellable operating lease commitments	16,275	16,087

Statement of Contingent Liabilities

As at 30 June 2016

CONTINGENT LIABILITIES

The Department has no contingent liabilities (2015: nil). Contingent liabilities are disclosed at the point at which the contingency is evident.

CONTINGENT ASSETS

The Department has no contingent assets (2015: nil).

LEGAL PROCEEDINGS AND DISPUTES

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

Statement of Departmental Expenditure and Capital Expenditure against Appropriations

For the year ended 30 June 2016

	Actual	Estimates*	Supp. Estimates*	Actual	Forecast*
	2015 \$000	2016 \$000	2016 \$000	2016 \$000	2017 \$000
APPROPRIATIONS FOR OUTPUT EXPENSES					
Administration of the Overseas Investment Office Regime	2,752	2,955	3,605	3,507	3,355
Policy Advice	2,864	1,707	3,052	2,941	2,307
Ministerial Services, Appointments, Implementation	616	927	1,177	1,175	1,177
Management of Crown Land	14,495	26,975	15,467	13,903	27,878
LINZ Biosecurity Programme	3,240	3,178	3,673	3,921	2,738
Centralised Clearance Service Acquisitions and Disposals	1,029	1,200	1,200	1,145	1,200
Land Disposal Services for Other Agencies	2,112	7,000	5,000	2,407	7,621
LINZ Location Based Information Infrastructure	18,016	21,809	21,884	19,652	21,275
Administration of the NZ Geographic Board	760	625	795	779	785
Leading the NZ Geospatial Strategy	5,086	3,752	7,486	6,289	3,499
The Survey and Title System	52,138	70,089	70,439	58,272	72,089
Regulating Valuation	1,189	2,518	2,518	1,281	2,518
Managing the Recovery	-	-	1,650	2,331	2,400
Acquisition and Disposal Expenses	-	-	926	512	-
Total appropriations for output expenses	104,297	142,735	138,872	118,115	148,842
APPROPRIATIONS FOR CAPITAL EXPENDITURE					
Capital expenditure	2,270	1,800	2,461	2,647	750
Total appropriations for capital expenditure	2,270	1,800	2,461	2,647	750

***Actual** – refers to actual figures

***Estimates** – refers to the Estimates of Appropriations

***Supp. Estimates** – refers to the Supplementary Estimates of Appropriations

***Forecast** – refers to the original budget for 2017 completed in May 2016

Statement of Departmental Unappropriated Expenditure and Capital Expenditure

For the year ended 30 June 2016

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

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

Notes to the Departmental Financial Statements

1. Statement Of Accounting Policies

Reporting Entity

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

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

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

These financial statements of LINZ are for the year ended 30 June 2016. The financial statements were authorised for issue by the Chief Executive on 30 September 2016.

Basis of Preparation

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

STATEMENT OF COMPLIANCE

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

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

PRESENTATION CURRENCY AND ROUNDING

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

Summary of Significant Accounting Policies

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

REVENUE

Revenue Crown

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

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

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

The total amount of Crown revenue is non-exchange.

Other revenue

Revenues from the supply of outputs to government agencies and third parties are derived from exchange transactions.

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

NON-EXCHANGE REVENUE

Revenue from non-exchange transactions is recognised when the Department obtains control of the transferred asset (cash, goods, services or property).

EXCHANGE REVENUE

Revenue from exchange transactions is recognised when the goods are supplied or services performed, and when the amount of revenue can be measured reliably and it is probable that the economic benefits will flow to the Department.

CAPITAL CHARGE

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

OPERATING LEASES

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

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

FINANCIAL INSTRUMENTS

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

CASH AND CASH EQUIVALENTS

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

RECEIVABLES

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

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

FOREIGN CURRENCY TRANSACTIONS

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

INVENTORIES

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

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

PROPERTY, PLANT AND EQUIPMENT

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

Additions

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

Disposals

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

Subsequent costs

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

Depreciation

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

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

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

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

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

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use by the Department are recognised as an intangible asset.

Subsequent to recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Capital work in progress

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

Amortisation

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

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

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

PAYABLES

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

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

SUPERANNUATION SCHEMES

Defined contribution schemes

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

PROVISIONS

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

TAXPAYERS' FUNDS

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

COMMITMENTS

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

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

INCOME TAX

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

GOODS AND SERVICES TAX (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

STATEMENT OF COST ACCOUNTING POLICIES

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

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

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

The Department revised its cost allocation calculations during the 2015/16 financial year.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Retirement, sick and long-service leave

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

Severance provision

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

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

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

- physical inspection of property, plant and equipment
- asset replacement programmes
- review of future business plans
- technological changes, and
- performance against operating budget.

The Department reassessed the useful life of the conversion costs capitalised as a component of Landonline in the 2012/13 year. It was determined at that time that these components have an indefinite useful life. In the 2015/16 year new information came to light as part of the Advanced Survey and Title System (ASATS) project. The useful life was reassessed and due to the change in accounting estimate it was determined that these components now have a finite life tied to the life of Landonline. As such, the useful life was updated and amortisation recommenced.

BUDGET AND FORECAST FIGURES

Basis of the budget and forecast figures

The 2016 Estimates figures are for the year ended 30 June 2016 and were published in the 2014/15 Annual Report (forecast figures). They are consistent with the Department's best estimate financial forecast information submitted to Treasury for the Budget 2015 Economic and Fiscal Update (BEFU) for the year ending 2015/16.

The 2016 Supp. Estimates budget figures are for the year ended 30 June 2016 and are consistent with the Department's best estimate financial forecast information submitted to Treasury for the 2016 Supplementary Estimates of Appropriations (SUPPS) for the year ending 2015/16.

The 2017 Estimates figures are for the year ending 30 June 2017 and are consistent with the best estimate financial forecast information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2016/17.

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

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

The 30 June 2017 forecast figures have been prepared in accordance with, and comply with, PBE FRS 42 Prospective Financial Statements.

SIGNIFICANT ASSUMPTIONS USED IN PREPARING THE FORECAST FINANCIALS

The forecast figures contained in these financial statements reflect the Department's purpose and activities and are based on a number of assumptions on what may occur during the 2016/17 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 21 April 2016, were as follows:

- The Department's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Department's best estimate of future costs that will be incurred.
- Revised budget information for 2015/16 was used as the opening position for the 2016/17 forecasts.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

2. Budget Composition

	Budget*	Budget Changes	Revised Budget*
	2016 \$000	2016 \$000	2016 \$000
INCOME			
Crown	47,614	5,594	53,208
Other income	80,141	2,760	82,901
Total income	127,755	8,354	136,109
EXPENDITURE			
Depreciation and amortisation	3,752	3,316	7,068
Capital charge	3,548	242	3,790
Other operating expenses	109,877	(1,918)	107,959
Total expenditure	117,177	1,640	118,817
Net surplus/(deficit)	10,578	6,714	17,292

Explanations of major changes in the revised budget:

CROWN INCOME

Crown income has increased in the revised budget due to new funding received in relation to IRD property compliance, \$2.0m and funding transferred from the Christchurch Earthquake Recovery Authority (CERA) on transition of functions, \$2.0m.

OTHER INCOME

Other income has increased in the revised budget due to updated volume forecasts of survey and title transactions.

OTHER OPERATING EXPENSES

Other operating expenses decreased in the revised budget due to a transfer of Crown expenses from the 2015/16 year to the 2016/17 year totalling \$1.2m.

3. Other Revenue

	Actual 2015 \$000	Actual 2016 \$000
OTHER INCOME		
Crown property clearances fees	925	960
Licence and sign-up fees	795	839
Miscellaneous	500	401
Overseas Investment Office applications	2,845	2,932
Rating valuation audit charge	5,322	5,666
Search fees	14,386	15,390
Survey fees	6,939	7,388
Titles fees	45,650	50,679
Total other revenue	77,362	84,273

All other revenue is derived from exchange revenue.

4. Personnel costs

	Actual 2015 \$000	Actual 2016 \$000
Salaries and wages	40,748	46,318
Contract employees	1,158	423
ACC levies	(102)	164
Contributions to defined contribution and benefit schemes	1,464	1,666
Increase/(decrease) in employee entitlements	467	915
Total personnel costs	43,735	49,486

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

Note: the revised budget above is not equal to the total appropriations for output expenses. Appropriations represent the maximum spend allowable, the above figures were the Department's forecast spend as submitted in the 2016 SUPPS.

5. Capital Charge

The Department pays a capital charge to the Crown based on its taxpayers' funds excluding memorandum accounts as at 30 June of the previous financial year and 31 December of the current financial year. The capital charge rate for the year ended 30 June 2016 was 8.0% (PY: 8.0%). Changes to taxpayers' funds are mainly affected by capital contributions required for specific outputs and movements in the memorandum accounts. Where the capital charge can be directly attributed to an output, that amount is charged to that output. The remainder is allocated based on the percentage of net plant, property and equipment attributed to outputs, as a proxy for allocating capital charge.

6. Other Operating Expenses

	Actual 2015 \$000	Actual 2016 \$000
Fees to Ernst & Young:		
– Audit fees for the financial statement audit	218	237
Leasing and renting costs	2,979	3,139
Other operating costs	6,115	7,093
Net loss on disposal of property, plant and equipment	40	60
Provision for doubtful debts	2	4
Professional services	13,509	17,390
Contracts for topography/hydrography	6,629	6,630
Computer operating costs	12,712	13,557
Crown property services	10,678	9,799
Total other operating expenses	52,882	57,909

7. Receivables

	Actual 2015 \$000	Actual 2016 \$000
Receivables to non-related parties (exchange revenue)	9,524	11,718
Less: provision for doubtful debts	(12)	(16)
Net receivables	9,512	11,702
Monies receivable from the Crown (non-exchange revenue)	35,245	59,173
Total trade and other receivables	44,757	70,875

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

Those specific debtors that are insolvent are fully provided for. As at 30 June 2016, the Department has identified no debtors (PY: nil) that are insolvent.

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

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

	Note	Actual 2015 \$000	Actual 2016 \$000
Balance as at 1 July		10	12
Additional provisions made during the year	6	2	4
Balance as at 30 June		12	16

As at 30 June 2015 and 2016, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	2015			2016		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	8,563	-	8,563	10,183	-	10,183
Past due 1-30 days	712	-	712	953	-	953
Past due 31-60 days	107	-	107	352	-	352
Past due 61-90 days	142	(12)	130	230	(16)	214
Total	9,524	(12)	9,512	11,718	(16)	11,702

8. Inventory

	Actual 2015 \$000	Actual 2016 \$000
Stock held for distribution	309	357
Total inventory	309	357

In the current year there were no write-downs of inventories (PY: nil) and there were no reversals of write-downs (PY: nil).

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

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

9. Property, Plant and Equipment

	Leasehold Improvements \$000	Computer Hardware \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Total \$000
COST					
Balance as at 1 July 2014	4,138	870	388	585	5,981
Additions	58	-	-	42	100
Disposals	-	(563)	-	(167)	(730)
Balance as at 30 June 2015	4,196	307	388	460	5,351
Balance as at 1 July 2015	4,196	307	388	460	5,351
Additions	688	-	-	418	1,106
Disposals	-	-	-	-	-
Balance as at 30 June 2016	4,884	307	388	878	6,457
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
Balance as at 1 July 2014	1,269	796	126	357	2,548
Depreciation charge for the year	524	25	42	38	629
Eliminate on disposal	-	(563)	-	(167)	(730)
Balance as at 30 June 2015	1,793	258	168	228	2,447
Balance as at 1 July 2015	1,793	258	168	228	2,447
Depreciation charge for the year	462	17	42	98	619
Eliminate on disposal	-	-	-	-	-
Balance as at 30 June 2016	2,255	275	210	326	3,066
CARRYING AMOUNTS					
As at 1 July 2014	2,869	74	262	228	3,433
As at 30 June 2015 and 1 July 2015	2,403	49	220	232	2,904
As at 30 June 2016	2,629	32	178	552	3,391

IMPAIRMENT

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

10. Intangible – Acquired Assets

	Actual 2015 \$000	Actual 2016 \$000
COST		
Balance as at 1 July	80,109	81,778
Additions	2,170	2,685
Disposals	(501)	(113)
Balance as at 30 June	81,778	84,350
AMORTISATION AND IMPAIRMENT LOSSES		
Balance as at 1 July	48,498	51,068
Amortisation expense	3,031	6,257
Eliminate on disposal	(461)	(53)
Balance as at 30 June	51,068	57,272
Total acquired software	30,710	27,078
CARRYING AMOUNTS		
As at 1 July 2014		31,611
As at 30 June 2015 and 1 July 2015		30,710
As at 30 June 2016		27,078

DATABASES

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

Details of material intangible assets are as follows:

	Carrying Amount 2015 \$000	Remaining Amortisation Period	Carrying Amount 2016 \$000	Remaining Amortisation Period
Landonline	25,051	Between 1 and 4 years*	20,606	Between 1 and 5 years**

* Landonline is made up of multiple components, therefore the remaining useful lives of the components are varied.

** The remaining useful lives of the components have been reviewed bearing in mind the need to upgrade or replace the system in the near future.

11. Capital Work in Progress

	Actual 2015 \$000	Actual 2016 \$000
Balance as at 1 July	2,776	1,903
Additions	1,400	2,657
Work in progress capitalised to property, plant and equipment	(2,273)	(3,801)
Transfers/disposals	-	-
Balance as at 30 June	1,903	759

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

12. Payables

	Actual 2015 \$000	Actual 2016 \$000
Trade and accrued expenses	5,791	5,738
ACC levy payable	132	166
GST, FBT and PAYE payable	636	976
Creditor Crown	202	-
Total trade and other payables	6,761	6,880

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

13. Provisions

	Actual 2015 \$000	Actual 2016 \$000
Return of operating surplus	2,302	3,525
Total provisions	2,302	3,525

RETURN OF OPERATING SURPLUS

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

difference between Crown appropriations spent and revenue Crown recognised. However, as the Department has a debtor Crown balance no cash repayment will be made as revenue Crown was not fully drawn down. The amount that will be received from the Crown will be the Crown receivable net the return of operating surplus.

14. Employee Entitlements

	Actual 2015 \$000	Actual 2016 \$000
CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:		
Retirement and long-service leave	110	104
Annual leave	2,635	2,957
Sick leave	83	101
Salaries and wages	204	818
Total current employee benefits	3,032	3,980
NON-CURRENT EMPLOYEE ENTITLEMENTS ARE REPRESENTED BY:		
Retirement and long-service leave	2,951	3,257
Total non-current employee benefits	2,951	3,257
Total employee entitlements	5,983	7,237

Sensitivity analysis has been performed on the provision for long-service and retirement leave and the impact of changing a single variable is shown below, any changes in this assumption will not have a material affect on the financial statements.

Variable	Change \$000
Retirement age increased to 70	63
Discount rates increased by 1%	163
Discount rates decreased by 1%	(183)
Salary inflation decreased by 1%	176

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

	2015	2016
Long term discount rate	5.50%	4.75%
Salary inflation rate	3.00%	3.00%

15. Equity

	Actual 2015 \$000	Actual 2016 \$000
TAXPAYERS' FUNDS		
Balance as at 1 July	58,178	74,550
Net surplus/(deficit)	18,315	18,994
Capital contribution from the Crown	357	650
Memorandum account balance	(27,042)	(42,537)
Capital repayment to the Crown	-	-
Return of operating surplus to the Crown	(2,302)	(3,525)
Other movements	2	-
Balance as at 30 June	47,508	48,132
MEMORANDUM ACCOUNTS*		
Opening balance 1 July	11,397	27,042
Net memorandum account surpluses/(deficits) for the year	15,645	15,495
Balance at 30 June	27,042	42,537
Total equity	74,550	90,669

There were no capital repayments made in 2016 (PY: nil).

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

	Actual 2015 \$000	Actual 2016 \$000
Net surplus/(deficit)	18,315	18,994
ADD BACK NON-CASH ITEMS:		
Depreciation and assets written off	629	619
Amortisation of intangibles	3,031	6,257
Movement in non-current employee entitlements	593	306
Total non-cash items	4,253	7,182
ADD BACK ITEMS CLASSIFIED AS INVESTING ACTIVITY		
Net loss/(gain) on sale of property, plant and equipment	40	60
MOVEMENTS IN WORKING CAPITAL		
(Increase)/decrease in inventory	(9)	(48)
(Increase)/decrease in receivables	(22,610)	(27,903)
(Increase)/decrease in prepayments	(67)	149
Increase/(decrease) in payables	(1,443)	(445)
Increase/(decrease) in provisions	2,302	1,223
Increase/(decrease) in employee entitlements	(1,444)	948
Net movements in working capital	(23,271)	(26,076)
Net cash inflow/(outflow) from operating activities	(663)	160

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

17. Related Party Information

IDENTITY OF RELATED PARTIES

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

The Department enters into numerous transactions with other government departments, Crown agencies and State-owned enterprises on an arm’s length basis. These related party transactions are not disclosed, as they occur in a normal client/supplier relationship on an arm’s length basis.

Apart from the transactions described, the Department has not entered into any other related party transactions. In addition to their salaries, the Department also provides non-cash benefits to staff, and contributes to a post-employment defined contribution plan on their behalf.

Key management personnel remuneration

Key management personnel are the members of the Executive Leadership Team. The Executive Leadership Team consists of 5 Deputy Chief Executives and 1 Chief Executive (2016: 5 Deputy Chief Executives and 1 Chief Executive).

	Actual 2015 \$000	Actual 2016 \$000
Salaries and other short-term employee benefits	1,692	1,834
Total key management personnel compensation	1,692	1,834

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

18. Events after Balance Date

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

19. Financial Instrument Risks

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

CREDIT RISK

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

The Department does not require any collateral or security to support financial instruments with financial institutions that we deal with, as these entities have high credit ratings. For its other financial instruments, the Department has a concentration of credit with the Crown and therefore is exposed to minimal credit risk.

At balance sheet date, there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. Refer to Note 7 for a breakdown of the receivables balance.

FAIR VALUE

The fair value of financial instruments with a remaining life of less than one year is equivalent to the carrying amount disclosed in the Statement of Financial Position.

INTEREST RATE RISK

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

LIQUIDITY RISK

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

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

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

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

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years
2015				
Payables (see note 12)	5,791	-	-	-
2016				
Payables (see note 12)	5,738	-	-	-

20. Categories of Financial Instruments

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

	Note	Carrying Amount 2015 Actual \$000	Fair Value 2015 Actual \$000	Carrying Amount 2016 Actual \$000	Fair Value 2016 Actual \$000
LOANS AND RECEIVABLES					
Cash and cash equivalents		9,353	9,353	7,517	7,517
Receivables		9,512	9,512	11,702	11,702
Total loans and receivables	7	18,865	18,865	19,219	19,219
Financial liabilities measured at amortised cost					
Payables	12	5,791	5,971	5,738	5,738

ESTIMATION OF FAIR VALUES ANALYSIS

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

TRADE AND OTHER RECEIVABLES/PAYABLES

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

21. Capital Management

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

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

of managing income, expenses, assets, liabilities, and compliance with government budget processes and with Treasury Instructions.

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

22. Memorandum Accounts

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

Landonline – Statement of Memorandum Account

For the year ended 30 June 2016

	Actual 2015 \$000	Actual 2016 \$000
Balance as at 1 July	12,139	27,794
INCOME		
Operating revenue	67,791	74,314
EXPENSES		
Operating expenses	52,136	58,059
Net surplus/(deficit)	15,655	16,255
Balance as at 30 June	27,794	44,049

Overseas Investment Office (OIO) – Statement of Memorandum Account

For the year ended 30 June 2016

	Actual 2015 \$000	Actual 2016 \$000
Balance as at 1 July	(1,029)	(936)
INCOME		
Income from OIO applications	2,845	2,932
EXPENSES		
Expenses from OIO operations	2,752	3,507
Surplus/(deficit) for the period	93	(575)
Balance as at 30 June	(936)	(1,511)

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

Crown Property Clearances – Statement of Memorandum Account

For the year ended 30 June 2016

	Actual 2015 \$000	Actual 2016 \$000
Balance as at 1 July	287	184
INCOME		
Operating revenue	926	960
EXPENSES		
Operating expenses	1,029	1,145
Surplus/(deficit) for the period	(103)	(185)
Balance as at 30 June	184	(1)

Non-Departmental Statements and Schedules

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

Summary of Non-Departmental Statements and Schedules

For the year ended 30 June 2016

	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
Operating revenue and receipts	82,860	107,144	70,066	52,848	63,213
Capital revenue and receipts	87,398	91,547	144,547	43,525	105,547
Operating expenses	78,307	108,588	83,354	71,681	55,119
Capital expenses	33,435	96,959	62,747	21,439	142,591
Assets	458,566	467,578	926,027	932,457	1,249,980
Liabilities	88,693	96,028	81,863	80,338	81,677

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

These non-departmental balances are consolidated into the Financial Statements of the Government. Therefore, readers of these statements and schedules should also refer to the Financial Statements of the Government for the year ended 30 June 2016.

***Budget** – refers to the original budget for 2016 completed in May 2015

***Revised Budget** – refers to the revised budget for 2016 completed in May 2016

***Actual** – refers to actual figures

***Forecast** – refers to the original budget for 2017 completed in May 2016

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2016

Statement of Non-Departmental Expenditure and Capital Expenditure Against Appropriations

For the year ended 30 June 2016

The Statement of Non-Departmental Expenditure and Capital Expenditure Against Appropriations details expenditure and capital payments incurred against appropriations.

The Department administers these appropriations on behalf of the Crown.

	Actual	Estimates*	Supp. Estimates*	Actual	Forecast*
	2015 \$000	2016 \$000	2016 \$000	2016 \$000	2017 \$000
APPROPRIATIONS FOR OUTPUT CLASSES TO BE SUPPLIED BY OTHER PARTIES					
Contaminated Sites	135	500	350	90	400
Forest Plantation Activity	1,249	905	905	530	1,326
Total	1,384	1,405	1,255	620	1,726
APPROPRIATIONS FOR OTHER EXPENSES TO BE INCURRED BY THE CROWN					
Bad and doubtful debts	1	25	25	-	145
Crown forest management	189	500	450	171	400
Crown rates	1,105	1,157	1,307	1,065	1,157
Depreciation and amortisation	358	393	393	343	3,993
Land liabilities	441	843	1,033	215	843
Residual Crown leasehold rents	685	700	700	685	700
Proceeds from sale of NZTA properties	73,413	100,000	100,000	47,807	100,000
Soil Conservation Reserve Management	418	500	380	215	380
Impairment of the Value of Crown Property	-	445	445	445	-
Tangoio Catchment Management Fund	-	-	120	100	120
Clearance of Built Structures	-	-	15,803	10,781	9,391
Management and Clearance of Land	-	-	10,468	4,512	47,214
Mass Movement of Land	-	-	8,380	4,963	-
Purchase of Land and Improvements - Operational	-	-	1	1,717	-
Initial Write-down in the Value of Land	-	-	1	453	-
Vendor Legal Fees	-	-	1,719	2	-
Management Clearance of Land Anchor Projects	-	-	457	-	-
Total	76,610	104,563	141,682	73,474	164,343
APPROPRIATIONS FOR PURCHASE OF CAPITAL ASSETS OF THE CROWN					
Crown acquisitions - Huntly East	255	745	-	-	1,245
Crown Purchases: Land Exchanges	-	100	100	-	100
Purchase of Land and Improvements - Capital	-	-	11,384	2,915	-
Purchase of Assets for Treaty Settlement	-	-	-	-	10,000
Total	255	845	11,484	2,915	11,345
Total appropriations for the year	78,249	106,813	154,421	77,009	177,414

*Actual - refers to actual figures

*Estimates - refers to the Estimates appropriations

*Supp. Estimates - refers to the Supplementary Estimates of appropriations

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2016

Statement of Non-Departmental Multi-Year Appropriation

For the year ended 30 June 2016

The Statement of Non-Departmental Multi-Year Appropriation (MYA) details capital expenditure for the periods 2014/15 to 2015/16 against appropriations. The MYA has been approved for the period 1 July 2014 to 30 June 2019. The Department administers these appropriations on behalf of the Crown.

PURCHASE OR DEVELOPMENT OF CAPITAL ASSETS BY THE CROWN

	Actual 2015 \$000	Actual 2016 \$000
LAND TENURE REFORM ACQUISITIONS		
Original appropriation	480,570	480,570
Cumulative adjustments	-	-
Total adjusted appropriation	480,570	480,570
Cumulative actual expenditure 1 July	-	35,569
Current year actual expenditure	35,569	18,524
Cumulative actual expenditure 30 June	35,569	54,093
Appropriation remaining 30 June	445,001	426,477

Schedule of Non-Departmental Revenue

For the year ended 30 June 2016

	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
OPERATING REVENUE					
Sale of goods and services	80,759	105,223	68,522	46,413	61,669
Other operating revenue	2,101	1,921	1,544	6,435	1,544
Total non-departmental operating revenue	82,860	107,144	70,066	52,848	63,213

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2016

Schedule of Non-Departmental Capital Receipts

For the year ended 30 June 2016

	Actual	Budget*	Revised Budget*	Actual	Forecast*
	2015 \$000	2016 \$000	2016 \$000	\$000	2017 \$000
CAPITAL RECEIPTS					
Property sales	58,673	6,100	59,100	26,624	6,100
Land tenure reform sales	28,725	85,447	85,447	16,901	85,447
Sale of Landbank properties	-	-	-	-	14,000
Total non-departmental capital receipts	87,398	91,547	144,547	43,525	105,547

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

Schedule of Non-Departmental Expenses

For the year ended 30 June 2016

	Actual	Budget*	Revised Budget*	Actual	Forecast*
	2015 \$000	2016 \$000	2016 \$000	2016 \$000	2017 \$000
OPERATING EXPENSES					
Non-departmental output classes	1,384	1,405	1,255	620	1,726
OTHER EXPENSES TO BE INCURRED BY THE CROWN					
Depreciation and amortisation	358	393	247	343	247
Impairment of Properties	-	445	445	445	-
Rental and leasing costs	685	857	692	685	692
Debts write-off/(recovered)	1	25	19	-	19
(Gain)/loss on revaluation of agricultural assets	(1,451)	-	-	(2,175)	-
(Gain)/loss on sale of properties	(1,286)	123	2,576	(3,289)	-
Remeasurements	1,223	-	-	11,540	-
GST input expense	1,826	2,340	739	3,847	739
Other operating expenses	75,567	103,000	77,381	59,665	51,696
Total non-departmental operating expenses	78,307	108,588	83,354	71,681	55,119
CAPITAL EXPENSES					
Property purchases	255	745	11,384	2,915	11,245
Land tenure reform purchases	33,180	96,114	51,263	18,524	131,246
Land exchanges	-	100	100	-	100
Total non-departmental capital expenses	33,435	96,959	62,747	21,439	142,591

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2016

Schedule of Non-Departmental Assets

For the year ended 30 June 2016

	Note	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
ASSETS						
Current assets						
Cash and cash equivalents		23,169	16,758	34,877	35,848	40,497
Prepayments		-	-	20,806	20,159	20,806
Trade and other receivables	4	47,686	71,003	381,728	401,462	376,082
Properties held for sale	6	147,505	108,512	147,505	133,864	162,941
Forests	7	316	-	-	-	-
Work in progress		762	215	762	244	762
Total current assets		219,438	196,488	585,678	591,577	601,088
Non-current assets						
Physical assets	8	224,425	257,688	325,489	323,846	627,733
Forests	7	10,637	9,496	10,954	13,128	17,119
Intangible assets	9	4,066	3,906	3,906	3,906	3,746
Share investment at AVS		-	-	-	-	294
Total non-current assets		239,128	271,090	340,349	340,880	648,892
Total assets		458,566	467,578	926,027	932,457	1,249,980

Schedule of Non-Departmental Liabilities

For the year ended 30 June 2016

	Note	Actual 2015 \$000	Budget* 2016 \$000	Revised Budget* 2016 \$000	Actual 2016 \$000	Forecast* 2017 \$000
CURRENT LIABILITIES						
Trade and other payables	5	58,908	65,095	48,057	39,339	48,058
Provisions	10	2,148	-	4,048	1,721	2,357
Total current liabilities		61,056	65,095	52,105	41,060	50,415
Non-current liabilities						
Deferred income		8,095	8,282	7,909	7,909	7,722
Provisions	10	19,542	22,651	23,540	31,369	25,231
Total non-current liabilities		27,637	30,933	31,449	39,278	32,953
Total liabilities		88,693	96,028	83,554	80,338	83,368

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2016

Schedule of Non-Departmental Commitments

For the year ended 30 June 2016

OTHER NON-CANCELLABLE COMMITMENTS

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

Schedule of Non-Departmental Contingent Liabilities

For the year ended 30 June 2016

QUANTIFIABLE CONTINGENT LIABILITIES ARE AS FOLLOWS:

	Actual 2015 \$000	Actual 2016 \$000
Legal proceedings and disputes	-	-
Other contingent liabilities	18,757	23,761
Total contingent liabilities	18,757	23,761

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

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

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

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

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

The accompanying policies and notes form part of these financial statements. For full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2016

Statement of Trust Monies

For the year ended 30 June 2016

ACCOUNT	As at 1 July 2015 \$000	Contribution \$000	Distribution \$000	As at 30 June 2016 \$000
Endowment Rentals Trust	1	186	(186)	1
Hunter Soldiers Assistance Trust	56	1	-	57
Crown Forestry Licences Trust	422	6,739	(7,089)	72
Total	479	6,926	(7,275)	130

ENDOWMENT RENTALS TRUST

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

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

Source of funds: rentals.

HUNTER SOLDIERS ASSISTANCE TRUST

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

Source of funds: interest on funds held in trust.

CROWN FORESTRY LICENCES TRUST

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

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

Notes to the Non-Departmental Financial Statements

1. Statement of Accounting Policies

Reporting Entity

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

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2016. For a complete understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

Basis of Preparation

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

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

PRESENTATION CURRENCY AND ROUNDING

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

Summary of Significant Accounting Policies

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

REVENUE

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

GOODS AND SERVICES TAX (GST)

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

RECEIVABLES

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

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

ASSETS HELD FOR SALE

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

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

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

Assets held for sale have been reclassified this financial year.

PHYSICAL ASSETS

Physical assets are categorised as:

- Crown forest land
- Crown pastoral land
- Canterbury regeneration land
- other

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

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

Revaluations

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

Revaluation methods

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

For Crown pastoral land, the fair value of tenure review properties is deemed to be market value. For all other pastoral land the fair value is deemed to be the discounted cash flows of future rental income expected to be received.

For Canterbury regeneration land in the CBD, the fair value is deemed to be market value.

For Canterbury regeneration land in the Residential Red Zone, values are calculated using dairy run-off rates by suburb multiplied by the property area. At this point in time dairy run-off rates are considered to best reflect the current value of the properties.

Non-rated properties are held at fair value. If these do not have a market valuation to support the fair value they are held at the acquisition cost.

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

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

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

Valuers

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

Valuer	Date of valuation	Fair value of properties revalued \$000
Curnow Tizard Limited	Jun-16	870
Colliers	Jun-16	4,257
KohntroI Forest Services Limited	Jun-16	436
Alan Bell and Associates	Jun-16	9,576
Morice-Property Valuers & Advisors	Jun-16	3,116
CBRE	April-16	88,495

Accounting for revaluations

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

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

Additions

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

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

Disposals

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

Subsequent costs

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

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

Depreciation

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

Type of asset	Estimated life
Improvements	50 years

INTANGIBLE ASSETS

Easements

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

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

Amortisation

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

FORESTS

The Crown's interests in forests are valued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of future cash flows after tax. The valuations as at 30 June 2016 were carried out by Alan Bell and Associates, Morice and Kohntrol Forest Services Ltd; all are registered Forestry Consultants (NZIF).

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

PROVISIONS

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

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

COMMITMENTS

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

BUDGET AND FORECAST FIGURES

Basis of the budget and forecast figures

The 2016 forecast figures are for the year ended 30 June 2016 and were published in the 2014/15 Annual Report (forecast figures). They are consistent with the Department's best estimate financial forecast information submitted to Treasury for the Budget 2015 Economic and Fiscal Update (BEFU) for the year ending 2015/16.

The 2016 Supp. Estimates budget figures are for the year ended 30 June 2016 and are consistent with the Department's best estimate financial forecast information submitted to Treasury for the 2016 Supplementary Estimates of Appropriations (SUPPS) for the year ending 2015/16.

The 2017 Estimates figures are for the year ending 30 June 2017 and are consistent with the best estimate financial forecast information submitted to Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2016/17.

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

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

The 30 June 2017 forecast figures have been prepared in accordance with, and comply with, PBE FRS 42 Prospective Financial Statements.

2. Summary of Appropriations Changes

	Budget	Budget changes	Revised Budget 2016
	\$000	\$000	\$000
NON-DEPARTMENTAL OUTPUT EXPENSES			
Contaminated Sites	500	(150)	350
Forestry Plantation Activity	905	-	905
Total non-departmental output classes	1,405	(150)	1,255
NON-DEPARTMENTAL OTHER EXPENSES			
Bad and doubtful debts	25	-	25
Crown forest management	500	(50)	450
Crown rates	1,157	150	1,307
Depreciation and amortisation	393	-	393
Land liabilities	843	190	1,033
Proceeds from sale of NZTA properties	100,000	-	100,000
Residual Crown leasehold rents	700	-	700
Soil Conservation Reserve Management	500	(120)	380
Impairment of the value of Crown Property	445	-	445
Tangoio Catchment Management Fund	-	120	120
Clearance of Built Structures and Associated Works	-	15,803	15,803
Initial Write-down in the Value of Land	-	1	1
Management and Clearance of Land	-	10,468	10,468
Management and Clearance of Land - Anchor Projects	-	457	457
Mass Movement of Land	-	8,380	8,380
Purchase of Land and Improvements - Operational	-	1	1
Vendor Legal Fees	-	1,719	1,719
Total non-departmental other expenses	104,563	37,119	141,682
NON-DEPARTMENTAL CAPITAL EXPENDITURE			
Crown acquisitions - Huntly East	745	(745)	-
Crown purchases - Land exchanges	100	-	100
Soil Conservation Reserve Management	-	-	-
Purchase of Land and Improvements - Capital	-	11,384	11,384
Total non-departmental capital expenditure	845	10,639	11,484
Total appropriations	106,813	47,608	154,421

3. Financial Overview and Performance Variations

NON-DEPARTMENTAL OUTPUT EXPENSES

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

OTHER OPERATING EXPENSES AND SALE OF GOODS AND SERVICES

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

CAPITAL RECEIPTS

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

CAPITAL EXPENSES

These relate mainly to the purchase of lessees' interests as part of high country tenure review. The expense is lower than the revised budget due to uncertainty surrounding the timing of tenure review settlements. These expenses are managed by a Multi-Year Appropriation. The MYA has been approved for the period 1 July 2014 to 30 June 2019. The Department administers these appropriations on behalf of the Crown.

4. Receivables

	Actual 2015 \$000	Actual 2016 \$000
Debtors from non-related parties	39,990	25,084
Debtors – EQC Insurance Recoveries Land	–	335,851
Debtors – Rockfall/roll – Christchurch City Council	–	40,239
Less: provision for doubtful debts	–	(4,207)
Net debtors	39,990	396,967
Accounts receivables – Departments	300	540
Accounts receivables – Crown entities	7,141	3,955
Accounts receivables – State owned enterprises	255	–
Total trade and other receivables	47,686	401,462
Represented by:		
Current	47,686	401,462
Non-current	–	–

Debtors are shown net of provision for doubtful debts, which was 4.207m in the current year (PY: nil). The carrying value of debtors and other receivables approximates their fair value.

CHRISTCHURCH EARTHQUAKE RECOVERY INSURANCE RECOVERIES

Insurance recoveries of \$336.387 million relate to the Residential Red Zone. The Government's offer for insured Residential Red Zone properties includes the acquisition of the property title along with a beneficial interest in the property owner's insurance policy. The insurance recoveries receivable is determined by an actuarial valuation prepared by Melville Jessup Weaver, a firm of consulting actuaries. The valuation relies on information provided by LINZ and EQC. The balance of the receivable represents the value of the insurance and EQC recoveries due to the Crown for the Residential Red Zone properties. There is inherent uncertainty in any estimation of future events. Estimates are based on assumptions derived from analyses of past experience and reliance is placed on information relating to past recoveries as a base from which to estimate future recoveries. Deviations from estimates are normal and are to be expected. In particular, there are significant uncertainties in the valuation of recoveries from EQC for land damage, which makes up the majority (\$335.851 million) of the receivable amount*. No recoveries have been received for land damage, which means there is no historic data on which to place reliance. This element of the receivable is based on historic assumptions that require a significant level of judgement. It is acknowledged that the eventual recovery received may ultimately be based on a negotiated settlement. The actuarial valuation of the insurance recoveries is based on assumptions that, if different, could alter the receivable significantly. The valuation as at 30 June 2016 includes the impact of four key assumptions:

- land damage claims
- future land damage recoveries
- discount rates
- global discounting
- options available for settlement

Melville Jessup Weaver has included the impact of changes in these assumptions in their sensitivity analysis. The maximum impact of changing a single variable on the actual insurance recovery receivable could range from \$112 million lower to \$112 million higher, as shown in the table below.

- All land recoveries will be 20% higher
- All land recoveries will be 20% lower
- Land Damage – visible flat land claim \$15,000 (instead of \$10,000), 'discount' for both Increased Liquefaction Vulnerability and Increased Flooding Vulnerability damage 10% (rather than 20%), Port Hills recovery \$40,000 (rather than \$30,000).
- Land Damage – visible flat land claim \$5,000 (instead of \$10,000), 'discount' for both Increased Liquefaction Vulnerability and Increased Flooding Vulnerability damage 30% (rather than 20%), Port Hills recovery \$20,000 (rather than \$30,000).

Variable	Difference \$m
Land recoveries + 20%	(69)
Land recoveries – 20%	69
Land damage (as above)	(43)
Land damage (as above)	43

ROCKFALL/ROLL RECEIVABLE

The amount receivable from the Christchurch City Council (the Council) for Residential Red Zone properties in the Port Hills, subject to rock-fall or rock-roll is \$40.239m.

The cost sharing agreement signed in June 2013 provides that the Crown and the Council will share the costs of these properties equally between them. The quantum of this receivable is subject to uncertainty as:

- the total number of properties subject to rock-fall/rock-roll has not been agreed between the Crown and the Council, and
- determining the net cost of these properties utilises considerable judgement, particularly around the recovery of land damage, as EQC is yet to formally assess the land damage for these properties.

* The remaining \$0.536m relates to insurance recoveries due from non-related parties.

As at 30 June 2016 and 2015, all overdue receivables were assessed for impairment and appropriate provisions applied, as detailed below.

PROVISION FOR DOUBTFUL DEBT

The provision for doubtful debts has been calculated based on expected losses for the Crown's pool of debtors. Expected losses have been determined based on an analysis of the Crown's losses in previous periods and a review of specific debtors. Those specific debtors that are insolvent are fully provided for.

MOVEMENTS IN THE PROVISION FOR DOUBTFUL DEBTS ARE AS FOLLOWS:

	Actual 2015 \$000	Actual 2016 \$000
Balance as at 1 July	-	-
Additional provisions made during the year	-	(4,207)
Receivables written off during the period	-	-
Balance as at 30 June	-	(4,207)

5. Payables

	Actual 2015 \$000	Actual 2016 \$000
Trade payables and accrued expenses	58,575	38,996
GST payable	333	343
Total payables	58,908	39,339

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

6. Non-current assets held for sale

	Actual 2015 \$000	Actual 2016 \$000
Crown forest land	66,154	54,138
Pastoral land	-	90
Other	81,351	79,636
Total non-current assets held for sale	147,505	133,864

The \$133.864 million (2015: \$147.505 million) includes forest land, pastoral land and other land classified as held for sale. They are expected to be disposed of in the near future.

7. Forests

	Actual 2015 \$000	Actual 2016 \$000
COST		
Carrying amount as at 1 July	9,502	10,953
Additions	-	-
Disposals	-	-
Gain/(loss) from changes to fair value	1,451	2,175
Carrying amount as at 30 June	10,953	13,128
Represented by:		
Current	316	-
Non-current	10,637	13,128

The forestry asset value consists of the following forests.

McLaren Gully Forest consists of a Radiata Pine forest. The forest was planted in 1978 (1.0ha) and 1986 (16.6ha) as part of the Otago Coast Forest. The forest value is based on potential future earnings using log prices based on current wharf gate prices.

Waerenga O Kuri, Wharekuri and Tangoio Forests were transferred to Land Information New Zealand (LINZ) in March 2010 from the Ministry for the Environment.

Tangoio Forest consists of a Radiata Pine forest covering 293.7ha and was established from 1985 to 2008. The forest value is based on potential future earnings. Log grades have been multiplied by average twelve quarter rolling log price for un-pruned and average six quarter rolling log price for pruned.

Wharekuri Forest was established with Radiata Pine seedlings in 1977, the current net stocked area is 4.9ha. The forest value is based on potential future earnings. Future revenue is based on the estimated recoverable yields by log grade at the time of harvest and export log prices available.

Waerenga O Kuri forest was established with Pinus Radiata/ Acacia Melanoxydon between 1978 and 2014 over 170.8ha. An additional 7.9ha was planted in 2015. The forest value is based on potential future earnings of the current Pinus Radiata crop only because the Acacia Melanoxydon planting will be of questionable commercial value.

Wairakei Forest was transferred to LINZ in October 2010 from the Ministry for the Environment. Wairakei Forest's tree species are predominantly Radiata Pine, Douglas Fir and Eucalyptus covering 636.6ha. The forest value is based on potential future earnings using the latest stock book listing from NZ Forest Managers.

Assumptions made in the valuations include discount rates and rotation ages.

The valuations do not cover the land beneath the trees; this is separately disclosed within the other category of physical assets.

As at 30 June 2016, LINZ held trees planted over 1,131.5ha.

8. Physical Assets

	Crown forest land \$000	Crown pastoral land \$000	Canterbury regeneration land \$000	Other \$000	Total \$000
COST OR VALUATION					
Balance as at 1 July 2014	174,604	49,826	-	30,529	254,959
Revaluation increase/(decrease)	(1,555)	2,807	-	2,811	4,063
Additions	-	33,017	-	3,480	36,497
Disposals and transfers to assets held for sale	(114,154)	(27,167)	-	70,789	(70,533)
Balance as at 30 June 2015	58,895	58,483	-	107,609	224,986
Balance as at 1 July 2015	58,895	58,483	-	107,609	224,986
Revaluation increase/(decrease)	10,189	648	3,938	2,142	16,917
Additions	-	17,595	112,916	2,379	132,890
Disposals and transfers to assets held for sale	(3,712)	(34,113)	(6,010)	(6,759)	(50,593)
Balance as at 30 June 2016	65,372	42,613	110,844	105,371	324,200
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
Balance as at 1 July 2014	-	-	-	(519)	(519)
Depreciation charge for the year	-	-	-	(198)	(198)
Impairment losses	-	-	-	-	-
Reversal on revaluation	-	-	-	139	139
Disposals	-	-	-	17	17
Balance as at 30 June 2015	-	-	-	(561)	(561)
Balance as at 1 July 2015	-	-	-	(561)	(561)
Depreciation charge for the year	-	-	-	(183)	(183)
Impairment losses	-	-	-	-	-
Reversal on revaluation	-	-	-	370	370
Disposals	-	-	-	20	20
Balance as at 30 June 2016	-	-	-	(354)	(354)
CARRYING AMOUNTS					
As at 1 July 2014	174,604	49,826	-	30,010	254,440
As at 30 June 2015 and 1 July 2015	58,895	58,483	-	107,048	224,426
As at 30 June 2016	65,372	42,613	110,844	105,017	323,846

9. Intangible Assets

	Actual 2015 \$000	Actual 2016 \$000
COST		
Carrying amount as at 1 July	5,026	5,026
Additions	-	-
Gain/(loss) from changes to fair value	-	-
Carrying amount as at 30 June	5,026	5,026
AMORTISATION AND IMPAIRMENT LOSSES		
Balance as at 1 July	800	960
Amortisation expense	160	160
Disposals	-	-
Balance as at 30 June	960	1,120
Total intangible assets	4,066	3,906
CARRYING AMOUNTS		
As at 1 July 2014		4,226
As at 30 June 2015 and 1 July 2015		4,066
As at 30 June 2016		3,906

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

10. Provisions

	Actual 2015 \$000	Actual 2016 \$000
Provision for onerous leases	487	479
Huntly East provision	665	387
Other	996	855
Total current	2,148	1,721
Provision for onerous leases	6,838	10,156
Huntly East provision	12,704	21,213
Other	-	-
Total non-current	19,542	31,369
Total provisions	21,690	33,090

	Onerous lease provision \$000	Huntly East provision \$000	Other provisions \$000	Total \$000
2014				
Balance as at 1 July 2014	6,750	12,721	3,180	22,651
Additional provisions made during the year	906	358	199	1,463
Charge against provision for the year	(685)	(255)	(2,383)	(3,323)
Discounting changes	354	875	-	1,229
Unused amounts reversed during the year	-	(330)	-	(330)
Balance as at 30 June 2015	7,325	13,369	996	21,690
2015				
Balance as at 1 July 2015	7,325	13,369	996	21,690
Additional provisions made during the year	3,044	5,928	53	9,025
Charge against provision for the year	(685)	-	(194)	(879)
Discounting changes	951	2,968	-	3,919
Unused amounts reversed during the year	-	(665)	-	(665)
Balance as at 30 June 2016	10,635	21,600	855	33,090

PROVISION FOR ONEROUS LEASES

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

Sensitivity analysis has been performed and the maximum impact of increasing or decreasing the discount rate by 1% each year could range from \$1.227m lower to \$1.680m higher.

HUNTLY EAST SUBSIDENCE

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

Sensitivity analysis has been performed and the maximum impact of increasing or decreasing the discount rate by 1% each year could range from \$3.535m lower to \$4.823m higher.

The discount rate used for the provision is the forward rate as provided by the treasury.

11. Financial Instruments

	Actual 2015 \$000	Actual 2016 \$000
LOANS AND RECEIVABLES		
Cash and cash equivalents	23,169	35,848
Receivables	47,686	401,462
Total loans and receivables	70,855	437,310
PAYABLES		
Financial liabilities measured at amortised cost	58,908	38,996
Total Payables	58,908	38,996

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

CREDIT RISK

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

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

12. Post Balance Date Events

On 1 July 2016 LINZ acquired \$382.245m of properties from Ministry of Justice. These are Landbank properties that will be predominately used for disposal in relation to Treaty of Waitangi Settlements.

This does not impact on LINZ's financial statements for the 2015/16 financial year.

Responsibilities and independent reports

This section provides the Chief Executive's Statement of Responsibility and the Independent Auditor's Report.



Statement of Responsibility

Land Information New Zealand's diverse functions make a significant contribution to the growth and development of our country, and the achievement of government priorities under Better Public Services and the Business Growth Agenda.

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

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

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

In my opinion, these financial statements and performance measures fairly reflect the financial position and operations of Land Information New Zealand for the year ended 30 June 2016.



Andrew Crisp

Acting Chief Executive,
Land Information New Zealand
30 September 2016

Independent Auditor's Report



To the readers of Land Information New Zealand's Annual Report for the year ended 30 June 2016

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

- the financial statements of the Department on pages 62 to 85, that comprise the statement of financial position, statement of commitments and statement of contingent liabilities as at 30 June 2016, the statement of comprehensive income, statement of changes in taxpayers equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Department for the year ended 30 June 2016 on pages 19 to 34 and 41 to 60;
- the statement of Departmental expenditure and capital expenditure against appropriations of the Department for the year ended 30 June 2016 on page 67; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 86 to 104 that comprise:
 - the schedules of assets, liabilities, commitments and contingent liabilities as at 30 June 2016;
 - the schedules of expenses and revenue for the year ended 30 June 2016;
 - the statement of trust monies for the year ended 30 June 2016; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Department:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year ended on that date;
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards
- the performance information of the Department:
 - presents fairly, in all material respects, for the year ended 30 June 2016:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure;
 - complies with generally accepted accounting practice in New Zealand.
- the statements of Departmental expenditure and capital expenditure against appropriations of the Department on page 67 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 86 to 104 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets, liabilities, commitments and contingent liabilities as at 30 June 2016;
 - expenses; and revenue for the year ended 30 June 2016; and
 - the statement of trust monies for the year ended 30 June 2016.

Our audit was completed on 30 September 2016. This is the date at which our opinion is expressed.

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

Uncertainty associated with valuing the residential red zone insurance recoveries from the Earthquake Commission

Without modifying our opinion, we draw your attention to note 4 of the non-departmental schedules on page 98 which describes the uncertainties associated with valuing insurance recoveries receivable from the Earthquake Commission (the EQC) for land damage arising from the Canterbury earthquakes. These insurance recoveries relate to properties the Government offered to purchase in the Canterbury residential red zone. The rights to the insurance recoveries were transferred from the Department of the Prime Minister and Cabinet to the Department to manage on behalf of the Crown. The note explains that no recoveries have been received from the EQC for land damage, so there is no historical data available to assist in determining the valuation. There are also uncertainties in the assumptions used in the actuarial valuation of the insurance recoveries. We consider these disclosures to be adequate.

Basis of opinion

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

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

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

An audit also involves evaluating:

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

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

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

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

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

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

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

Responsibilities of the Auditor

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

Independence

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

In addition to the audit, we have carried out an assignment in the area of reviewing the valuation of a claim by a tenant for lost earnings, which is compatible with those independence requirements.

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



Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

Appendices



Appendix A

New Zealand Geographic Board – overview of performance in 2015/16

The 2015/16 New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa Annual Report can be found at <http://www.linz.govt.nz/regulatory/place-names/about-new-zealand-geographic-board>

What it does

The New Zealand Geographic Board is an independent statutory body of government, operating under the New Zealand Geographic Board (Ngā Pou Taunaha O Aotearoa) Act 2008.

The Board:

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

Through a Secretariat, LINZ provides support for the Board to perform its role.

Treaty of Waitangi cultural redress

The Board considers name proposals as part of the Treaty of Waitangi settlement process. The expertise of the Board supports the process of cultural redress. Restoration of mana and identity are intrinsically linked to geography and the story of place.

Sense of place – what matters most

The Board's notable contributions in 2015/16 include:

- making 42 recommendations on place names for possible inclusion as part of Treaty of Waitangi settlement redress
- researching and recommending to the Minister for Land Information the agreed change of the 'Wanganui District' to 'Whanganui District'
- Progressing proposals to change 'Nigger' place names in north Canterbury
- approving 388 recorded names becoming official names
- gazetting 58 names of undersea features
- gazetting over 580 names through the *New Zealand Gazette*.

Place names published in the *New Zealand Gazette*

Proposals	16
NZGB decisions – assign, alter	5
NZGB decisions – discontinue	27
NZGB decisions – approve recorded	388
NZGB decisions – Antarctica	3
NZGB decisions – Undersea	58
Minister's decision	25
Treaty settlement legislation	50
DOC final decisions on Crown protected areas	5
Crown protected area validations	10
TOTAL	587

Place name decisions from Board meetings

	September 2015	April 2016	Total
Treaty	9	32	41
Deferred	1	49	50
Referred to the Māori Names Committee	14	2	16
Declined	30	39	69
Minimum requirements not met	-	-	-
Proposed (refer to s.16 of the NZGB Act - <i>Proposal - Notification of proposal</i>)	8	7	15
Report to the Minister for Land Information (refer to s.20 of the NZGB Act - <i>Proposal - Determination by Minister</i>)	6	7	13
Approved recorded (refer to s.24(a) of the NZGB Act - <i>Discretion not to give public notice - approve a recorded name as the official name - no known alternatives</i>)	210	179	389
Discontinued (refer to s.24(b) of the NZGB Act - <i>without giving public notice - discontinue the use of an official name</i>)	4	24	28
Antarctic (refer to s.25 of the NZGB Act - <i>Geographic features outside territorial limits</i>)	2	-	2
Undersea (refer to s.25 of the NZGB Act - <i>outside of territorial limits</i>)	-	45	45
Adopted undersea (refer to s.26 of the NZGB Act - <i>Adoption of existing names for undersea features</i>)	-	13	13
Crown protected area altered (refer to s.28 of the NZGB Act - <i>CPA - Process if Board concurs for a Crown protected area</i>)	-	-	-
Referral to the Minister of Conservation (refer to s.29 of the NZGB Act - <i>CPA - Process if Board does not concur</i>)	-	1	1
Validated (refer to s.35 of the NZGB Act - <i>Validation of certain names</i>)	-	10	10
Chairperson delegation	5	1	6
LINZ agreement	24	-	24
Noted	1	-	1
No action	1	5	6
Totals	315	414	729

Appendix B

Valuers Registration Board – overview of achievements in calendar year 2015

The Valuers Registration Board Annual Report for the period 1 January 2015 to 31 December 2015 can be found at www.linz.govt.nz/regulatory/valuation/valuers-registration-board

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

The Board met for 23 days during 2015, and conducted additional teleconference calls.

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

2014	2015
1,200 registered valuers	1,142 registered valuers
893 practising certificates (the remaining registered valuers are retired, overseas, or do not make valuations for the public)	857 practising certificates (the remaining registered valuers are retired, overseas, or do not make valuations for the public)
32 applications received	33 applications received
40 valuers removed from the register (19 resignations, 15 retirements, 6 for non-payment of fees)	100 valuers removed from the register (25 resignations, 20 retirements, 55 for non-payment of fees)

The Board hears complaints against registered valuers.

2014	2015
19 complaints	19 complaints
9 hearings	7 hearings
\$41,500 fines imposed	\$19,000 fines imposed
\$102,772 costs awarded	\$21,525 costs awarded
0 removals from the register	1 removal from the register

Statement of Financial Performance

For the year ended 31 December	2014	2015
Income	913,451	947,876
Less Expenditure	830,386	782,167
Net Surplus for the Year	83,065	165,709

Statement of Movements in Members' Funds

For the year ended 31 December	2014	2015
Members' Funds as at 1 January	220,561	303,626
Net Surplus for the Year	83,065	165,709
Total Recognised Revenue and Expenses for the Year	83,065	165,709
Members' Funds as at 31 December	303,626	469,335

Statement of Financial Position*

For the year ended 31 December	2014	2015
Members' Funds	303,626	469,335
Represented by:		
Current Assets	866,523	1,041,100
Non-Current Assets	28,841	22,056
Current Liabilities	591,738	593,821
Net Assets	303,626	469,335

* There have been changes to accounting policies during the 2015 year due to the Board's transition from Old NZ GAAP to the PBE SFR-Accrual standard. All policies have been changed to reflect the new standard and retrospectively applied into the 2014 comparative financial year. As a result, the 2014 figures for Current Assets and Current Liabilities vary from those reported in the previous year's annual report.

Appendix C

Land tenure reform acquisitions

This appropriation is a non-departmental capital expenditure with one performance measure that is required to be reported in an appendix to the 2015/16 Annual Report.

Key Performance Measures

	Budget Standard 2015/16	2015/16 performance	2014/15 performance
The percentage of pastoral lease acquisitions that comply with the Crown Pastoral Land Act 1998	100%	100%	Not reported

Appendix D

Statutory information

This table details information required under section 181 of the Land Act 1948 for the year ended 30 June 2016.

Details	Number	Total area (hectares)	Price paid (\$)	Total yearly rent payable (\$)
Areas of private land or lessees' interest in Crown land purchased during the year	n/a	n/a	n/a	n/a
Areas of land purchased by the Office of Treaty Settlements under section 40 of the Land Act 1948	1	45.3 hectares	\$8.5 M	n/a
Leases and licences granted during the year	35	689	n/a	\$22,209
Leases and licences current at the end of the year	1,484	1,440,833	n/a	\$1,977,855

Appendix E

Glossary

ASaTS	Advanced Survey and Title System
Bathymetric data	Data about the depth of the ocean floor
BGA	Business Growth Agenda
Better Every Day	A State Services Commission led approach to Continuous Improvement (CI) that supports agencies to build operating models that put customers at the front and centre. The approach draws on a range of methods and influences, including the work of John Seddon, W. Edwards Deming, Chris Argyris and Gerard Egan.
BPS	Better Public Services
Datum	Datums define how coordinates, longitudes and latitudes or heights, relate to physical locations
Geospatial information	Information describing the location and names of features beneath, on or above the earth's surface. The terms "geospatial information", "spatial information" and "location information" are often used interchangeably
Hydrography	The science of surveying and mapping the sea floor and coastline
Cadastre	The cadastre is the system used to record and locate boundaries of land
Landbank	We manage and maintain properties in the Treaty Settlements Landbank. This land can be used as cultural or commercial redress in a settlement
Landonline	Electronic database for land ownership administration
LDS	LINZ Data Service
MLS	Māori Land Service
LIDAR	Light Detection and Ranging or Light Imaging Detection and Radar is a surveying technology that measures distances by illuminating a target with a laser light
MCDEM	Ministry of Civil Defence and Emergency Management is a unit of the Department of the Prime Minister and Cabinet with responsibilities in civil defence and emergency management policy, planning and operations
Open Government Information and Data Programme	Initiated in 2008, the programme aims to: <ul style="list-style-type: none"> • make non-personal government-held data and information more widely available and discoverable, easily usable and compliant with open government data principles within the NZ legal context; and • facilitate agencies' release of the non-personal government-held data and information that people, communities, and businesses want to use and reuse
Vertical datum	A reference system to determine heights

Directory

Offices

Wellington	<p>Level 7, Radio New Zealand House 155 The Terrace PO Box 5501 Wellington 6145 Ph: +64 4 460 0110 or 0800 665 463 (New Zealand callfree only) Fax: +64 4 472 2244 Email: customersupport@linz.govt.nz</p>	
Hamilton	<p>Corner of Victoria and Rostrevor Streets Private Bag 3028 Hamilton 3240 DX GX 10069 Ph: 0800 665 463 (New Zealand callfree only) Fax (main): +64 7 858 5488 Fax (secondary): +64 7 858 5491</p>	<p>Public Services Provided: Manual lodgements of land transfer documents Reading room for viewing land records by appointment</p>
Christchurch	<p>CBRE House 112 Tuam Street Private Bag 4721 Christchurch 8140 Ph: 0800 665 463 (New Zealand callfree only) Fax: +64 3 366 6422</p> <p>Ferrymead office Unit E, 1063 Ferry Road Ferrymead Christchurch 8023</p>	<p>Public Services Provided: Manual lodgements of land transfer documents Reading room for viewing land records by appointment</p>



Creative Commons

This work is licensed under the Creative Commons Attribution 4.0 New Zealand licence. In essence, you are free to copy, distribute, and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/nz/>. Please note that no departmental or governmental emblem, logo, or Coat of Arms may be used in any way that infringes any provision of the Flags, Emblems, and Names Protection Act 1981. Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo, or Coat of Arms.

Image credit

P27: Image from Hauraki District Council



WELLINGTON OFFICE

Level 7, Radio New Zealand House
155 The Terrace
PO Box 5501
Wellington 6145
Ph: +64 4 460 0110 or
0800 665 463 (New Zealand callfree only)
Fax: +64 4 472 2244

DOCUMENT INFORMATION

ISSN 1177-1119 print
ISSN 1177-8717 web

This document can be found at:
www.linz.govt.nz/linz-annual-report-20152016