

**BUDGET SENSITIVE**

**Four Year Plan  
2017-2021**





# Whatungarongo te tangata toitū te whenua

While people come and go, the land endures

I present the 2017 Four Year Plan for Land Information New Zealand and confirm that it is consistent with the policies and performance expectations of the Government.

Andrew Crisp  
Chief Executive / Tumuaki Matua  
Land Information New Zealand

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.

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## About our Four Year Plan

Our Four Year Plan is a key strategic planning document that provides a medium-term perspective on LINZ in terms of:

- Our role and functions – the nature and scope of our functions and core business activities
- Our customers and stakeholders – who they are and what they need from us, and how we deliver our products and services to them
- Supporting Government and Ministerial priorities – the context in which we work, including Government and sector priorities that influence our work
- Achieving our Strategic Plan – what are we trying to achieve in the long term, and how we will get there
- Being a high performing organisation – the way we organise ourselves and the way we work to ensure we are able to deliver on our core business and strategic objectives
- Our resources – the people and financial resources that we will use to deliver our work over the next four years

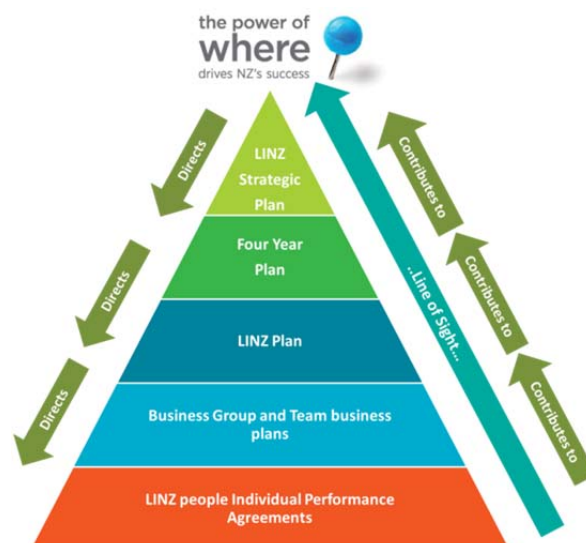
The Four Year Plan should be read in conjunction with:

- *LINZ Strategic Plan 2015* – this sets out the long-term view of our vision, goal, and strategic objectives
- *Strategic Intentions 2016-2020* - this provides a mid-term view of our operating intentions

The Four Year Plan is the basis of our annual business planning – which details the core business, business improvement, and strategic initiatives that will be delivered within the year by each team and business group in order to deliver on the Four Year Plan.

Team and group business plans include specific detail about their operating environment, including customers, operating risks, and the people and financial resources that will be used during the year.

The 2017 Four Year Plan builds and improves on our previous plan, however we recognise there is more to do as we evolve and mature as an organisation. Implementing our Being a High Performing Organisation work programme (refer to the section starting on page 14 and Appendices One and Two on pages 32 and 33) will provide detailed and robust information to further develop our 2018 Four Year Plan, making it an even stronger foundation for running our business.



## Our role and functions

*This section describes the nature and scope of LINZ's functions and core business activities.*

Land is central to New Zealand's social and cultural identity, and its economic growth and prosperity. At Land Information New Zealand (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, iwi and Māori, 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.

As a system leader, we recognise our role isn't always about leading from the front. We also work to enable others to lead, and to enable others to deliver on their goals to realise the economic, environmental, social and cultural value of geographic information.

### We make geographic information accessible and usable

We're building world-class infrastructure for geographic information in New Zealand. This infrastructure connects

different geographic data sets, and delivers this information to people who need it, in a form they can easily use and reuse. Our core business functions include topography, hydrography, geodesy, addressing, survey and title operations, aerial imagery, and data services.

Most of our data is available free, online, in readily reusable formats through the LINZ Data Service (LDS). We also support the accessibility and reuse of government data by promoting a national infrastructure for geographic information.

### We protect New Zealanders property rights

We regulate and administer the survey and title system which records land ownership and guarantees titles for New Zealand. This provides people, businesses, and lenders with confidence in property rights and facilitates the sale, purchase, and development of property.

Our operations teams in Hamilton, Wellington and Christchurch administer survey and title transactions for New Zealand.

Three statutory officers 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 on behalf of the Crown. In 2017/18, we expect this will be nearer \$1 billion. The portfolio of properties includes assets transferred to LINZ’s balance sheet from other agencies, and assets we manage on behalf of other agencies on a cost recovery basis.

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. 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. The Minister for Land Information is the Vote Minister and the Responsible Minister overseeing the Government’s ownership interest in the Department.

**Figure 2: Ministerial portfolios**

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	

## Our customers and stakeholders

*This section provides a high level description of our key customers and stakeholders and what they need from us. It also outlines how we are engaging and developing relationships with our customers.*

Our role is to enable and support others to realise the economic, environmental, social and cultural value of geographic information.

Understanding and anticipating the needs and wants of the New Zealand public is critical for achieving our vision. We need to know who our customer are, and understand their experiences with LINZ, so that we can continue to improve the products and services we deliver.

### Who are our customers and stakeholders?

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

Some customers use our data to make decisions to grow their businesses, and ultimately increase the contribution of geographic and property information to New Zealand's economic, social, environmental, and cultural wellbeing. Examples of these key customers include software developers and data modelers who use our data to create software applications for the public, property developers unlocking the value of land, and telecommunication companies deciding where to place their assets.

LINZ supports better decision making by Māori and iwi, by making land information available that will help them to identify the best use of land. We have strong working relationships with Māori and iwi and continue to improve our support of Māori economic development.

Our Business with Māori Strategy, He Whāriki Maurua, is giving effect to this through establishing key strategic relationships with Māori and iwi organisations. Through these relationships we are working collaboratively on projects to improve their access to, and use of, geographic information.

### What do our customers want? (and how do we know?)

Our 2015/16 customer satisfaction surveys showed that, overall, our customers are satisfied with LINZ products and services. However, customers also want easier processes, data that meets their practical needs, and easy access to our products and services. Our customers want more data, with better quality and timeliness.

In 2015/16, we surveyed New Zealanders to understand what types of data they most wanted to access. We used social media channels to promote the survey, both as a more direct way of gathering feedback and to encourage more public participation in shaping our services.

### How we meet customer demand

We deliver our diverse products and services through an equally diverse range of channels, such as physical retailers, online channels, mobile applications, contact centres, and direct access to our specialist teams.



## **THE LINZ DATA SERVICE CONTINUES TO GROW**

The continued growth of the LINZ Data Service (LDS) demonstrates increasing digital uptake of our data and information.

In 2015/16, there were more than 27,000 registered users of the LDS, 40 percent more than the previous year. The number of users have grown consistently since it launched in 2011. On average, there are 180 new registrations each week. The LDS currently receives 80,000 page views a week. We expect user numbers will continue to increase over the next four years.

The LDS currently has more than 1,820 layers, and over 40 datasets on New Zealand's land and sea available to the public, free of charge. The data is available online, under New Zealand Government Open Access Licensing (NZGOAL) guidelines, and in formats that readily enable the use and reuse of the data.

Over the next four years we will continue to leverage the LDS for wider, more sustainable use to derive greater benefits for New Zealand from the use and reuse of geographic information. This is aligned with the Government Information Communications Technology (ICT) Strategy 2015, which is seeking to unlock the value of information through exploiting emerging technologies.

## **OUR FRONTLINE PRESENCE IS MAINTAINED THROUGH OUR CONTACT CENTRES**

Surveyors, lawyers, conveyancers and other professionals use our Landonline transaction centre to securely research, lodge, and update survey and title transactions – digitally, and in real time.

In 2015/16 we approved 10,432 cadastral datasets, up 15 per cent on the previous year. In 2015/16, 189,398 titles were issued or reissued, which is a similar number to the previous year.

Our customer service agents within our contact centres provide individualised support to our customers, particularly Landonline users, and increasingly to users of our data. In 2015/16 the contact centres responded to more than 30,000 emails, and 84,000 phone calls.

As customers demand for our data increases, we expect an increase in customer queries about our data through our contact centres and we will need to meet this changing customer demand.

## **FUTURE WORK TO ENGAGE WITH OUR CUSTOMERS**

We have recently established a Customer Insights, Research and Evaluation team, which is focused on understanding who our customers are, and proving insights about their interactions with us.

Deeper understanding of our customers will enable us to engage at the right level and offer products and services that best meet their needs. In the next four years, we will develop a segmentation approach that will help us to identify individual customer characteristics and needs. These customer segments will then be prioritized according to alignment with our strategic objectives, vision, and goal.

We recognise the need to analyse how we are engaging with people, groups, and organizations at different times, in order to better understand who we work with; and the details of the frequency and nature of those relationships.

We will implement a new approach to tracking staff engagement with customers. This coordination of engagement across LINZ will ensure that customers experience a joined-up approach and alignment of key messages.

We will continue to seek feedback from our customers, including refreshing our approach to measuring customer satisfaction.



## Supporting Government and Ministerial priorities

*This section describes the context in which we work, including Government and Ministerial priorities, sector strategies, stakeholders and trends shaping our future.*

A number of drivers shape our operating environment. These drivers include:

- an expectation that we will make a greater contribution to New Zealand
- Ministers have higher expectations of our performance
- we have a higher public and political profile than in the past, and
- we are stepping into the role of system leader.

### Our direction is shaped by Government priorities

By working to achieve our vision and strategic objectives, we directly contribute to the Government priority of building a more competitive and productive economy.

We support the rebuild of Christchurch through our management of Crown-owned Residential Red Zone properties and properties earmarked for anchor projects. This work involves insurance recoveries, demolition of built structures, and ongoing maintenance of properties.

We contribute to improving interaction with government - Better Public Services Results 9 and 10 - by improving the online availability and accessibility of geographic information and making property transactions easier.

Our activities are also informed by *He Kai Kei Aku Ringa - The Crown-Māori Economic Growth Partnership*.

### Achieving our Minister's priorities

In early 2017, the Minister for Land Information outlined his four priority areas.

#### **Priority 1: Quality overseas investment**

Overseas investment is one of the regulatory functions within the Land Information portfolio. It is a privilege for overseas persons to own or control sensitive New Zealand assets. Our Minister expects LINZ to provide assurance that the Overseas Investment regime has fair and robust processes that facilitate investment, while ensuring the rules are vigorously applied and enforced.

Our Minister expects LINZ to provide assurance that the overseas investment regime is well functioning, through:

- ensuring the recently introduced risk-based assessment of applications is embedded and effective
- improving the timeliness of processing applications, including a focus on improving processes for 'repeat' investors
- providing assurance that consent conditions are being met, and ensuring the recently established enforcement function has taken tangible action on the investors who haven't complied
- providing a quality service to New Zealanders, investors, and Ministers.

#### **Priority 2: New Zealand's Property System**

New Zealand's property system underpins our economy. Every day, New Zealanders buy, sell, and make decisions about their properties. Property and geographic information underpins all New Zealand's infrastructure decisions. There is potential to improve property transacting, and to improve the information available to support decision-making by individuals, communities, businesses, local government, and central government.

Our Minister expects LINZ to:

- progress the Integrated Property Services programme to improve visibility and access to property information in New Zealand
- progress the Advanced Survey and Title Services project to modernise and improve the range of survey and title services provided
- conclude the Land Transfer Bill and its implementation.

### ***Priority 3: Responding to Disaster***

In recent years, New Zealand has learned a lot about how to respond when disaster strikes. The Land Information portfolio covers much of New Zealand's authoritative data and information relating to property, land, and sea – critical to the response to, and recovery from, natural events.

Our Minister expects LINZ to:

- support Christchurch Regeneration, through:
  - acquisition and management of properties for future use in anchor projects
  - prioritisation of work to clear and manage properties in the residential red zone
  - implementation of Canterbury Property Boundaries legislation
- support the response and recovery following the Kaikoura earthquakes, by ensuring quality data and information is available to inform the recovery.

### ***Priority 4: Optimising Land Use***

The Land Information portfolio is responsible for the stewardship of a range of land tenure systems. Our Minister's current focus is on Te Ture Whenua Māori reforms, which will help realise the promise of tino rangatiratanga of Māori over their land. The reforms will enable owners to use the land however they agree best suits their vision for their whanau, hapū or iwi.

Our Minister expects LINZ to:

- support Te Ture Whenua Māori reforms
- provide the agreed project leadership and delivery in relation to the ICT components of the Māori Land Service.

### **How we focus on our Minister's priorities**

Our Minister's priorities are cascaded through our strategy and planning documents, processes and reporting to ensure they are the focus of our efforts.

For example they form the basis for the Critical Few areas that we have identified in our being a High Performing Organisation work (refer to that section of this plan on page 14). They also link to the four strategic initiatives that are the focus of our portfolio and programme management processes (refer to the strategic initiatives section on page 22).

These mechanisms help ensure our Ministers priorities are resourced, managed, and monitored to ensure progress.

## Contributing to system stewardship

Our current work and strategies support and align to the *Direction and Priorities for System Stewardship* that were agreed to by state service chief executives in March 2016. We have a particular role and contribution to the "Service Innovation" workstream.

Our approach to the ASaTS programme aligns to the "Service Innovation" workstream and in particular the aspects of partnering with the private sector for digital technology that supports service transformation.

## Contributing to the Business Growth Agenda

Our work contributes to the Business Growth Agenda (BGA) across the Natural Resources, Infrastructure, and Investment work streams. As the BGA is refreshed, we will continue to evaluate opportunities to contribute.

## 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.<sup>1</sup>

LINZ is supporting NRS outcomes, and is specifically leading work across the sector to ensure everyone in the system has the information and data they need for better decisions, investment, and innovation.

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<sup>1</sup> The NRS agencies are the Ministry for the Environment; Ministry for 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.

## Contributing to the Government ICT Strategy 2015

As an information rich agency, LINZ participates in an informal information sector.<sup>2</sup> The information sector is looking to embed a whole-of-government approach to technology and information management.

The Government ICT Strategy 2015 has identified opportunities to:

- Exploit emerging technologies
- Unlock the value of information
- Leverage agency transformation
- Partner with the private sector

To act on these opportunities, the strategy sets a range of focus areas, and desired outcomes.<sup>3</sup>

Our information technology activities are informed by, and contribute to achieving, the Government ICT Strategy.<sup>4</sup>

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<sup>2</sup> The information sector is an informal grouping of four agencies: Department of Internal Affairs; Land Information New Zealand; the Ministry for Justice; and Statistics New Zealand.

<sup>3</sup> More information on the Government ICT Strategy 2015 can be found at: <https://www.ict.govt.nz/strategy-and-action-plan/strategy/>

<sup>4</sup> More information on LINZ's Information Strategy and Delivery can be found in the How We Operate section of this Four Year Plan.

## Setting out our strategy

*This section describes our strategy*

### Our Strategic Plan 2015

Our Strategic Plan 2015 sets out our vision and long term intent through our strategic objectives.

### Our vision and goal

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.

### 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 the strategic objectives.

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

Over the next four years, we will continue to refine our performance measurement, and report on our progress towards our vision, goal, and 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.

### Our Strategic Intentions

Our Strategic Intentions provide additional information about our purpose, vision, goal, strategic objectives, customers and stakeholders, supporting Government and Ministerial proprieties, and a high level overview of how we will achieve our Strategic Plan.

Our Strategic Intentions direct activities described in our Four Year Plan.

### Our Four Year Excellence Horizon

We continue to progress towards the Four Year Excellence Horizon described in our 2013 Performance Improvement Framework (PIF) Review and 2014 Follow-up review. The key challenges identified at the time were to:

- Identify the business strategy and operating model
- Develop a strategic plan and measurable outcomes
- Aligning culture and behaviours with the operating model and for the executive leadership team (ELT) to provide collective leadership and be outwardly focused.

Significant progress has been made towards addressing these challenges:

- Developed the strategy, and strategic objectives
- Established ELT sub-committees, including a Portfolio Panel and Wellness and Safety Committee
- Worked with our people to understand our culture and improve it



- Developed and embedded our BEST values
- Strengthened our planning, prioritisation, and performance systems
- Became more customer centric by establishing a Customer Insights and Coordination team, reviewing customer and stakeholder engagement
- Strengthened research and evaluation capability
- Developed a financial strategy
- Begun to refine our performance framework
- Commenced our Better Every Day journey.

We expect to undergo another comprehensive PIF review in 2017.

## Evolving our strategy

Our strategy is evolving to provide clarity about the outcomes we are seeking to achieve, and to identify measures of success. The process for evolving our strategy is described in the Being a High Performing Organisation section.

# Being a High Performing Organisation

This section describes how we are working to be a high performing organisation.

## What being a high performing organisation means

We have identified what we need to do to ensure LINZ is a future-focused high performing organisation that is maximising its contribution to New Zealand's future. We already have some excellent foundations for this including our vision, goal and strategic objectives, and our BEST values.

We express our aspirations through the *Being a High Performing Organisation (HPO)* document which contains the following core elements:

- Strategy
- Operating Environment
- Focus.

The document is provided in Appendix One, with an overview of progress to date in Appendix Two.

## Strategy

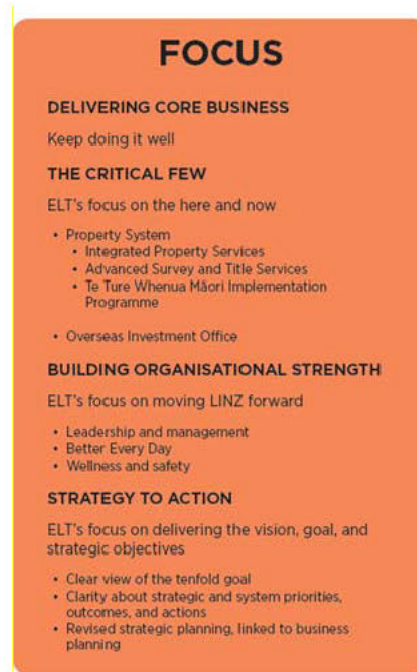
Our existing strategy is reflected in the HPO document, including our vision, goal and our three strategic objectives.

## Operating Environment

We have identified key internal and external drivers in our operating environment. These are dynamic and refreshed as required.

## Our Focus areas

The diagram below shows the current focus areas with each of the elements further expanded below.



## Delivering Core Business

Our core role and functions in relation to land and land information are critical to New Zealand's economy and we need to keep doing these well.

## The Critical Few

The Critical Few are how our Executive Leadership Team (ELT) express priorities at a particular point in time. These activities and initiatives receive particular ELT focus and collective ELT responsibility for the period of time necessary to ensure effective delivery.

We determine the critical few based on an assessment of risk and reputation; Government and Ministerial priorities; contribution to our strategy; and cross functional focus to deliver better results. The critical few change over time, as our operating environment changes, and we deliver on expectations.

At the time of developing the Four Year Plan our critical few are:

- Property System

- Integrated Property Services (IPS)
- Advanced Survey and Title Services (ASaTS)
- Te Ture Whenua Māori Implementation Programme (TTWMIP)
- Overseas Investment Office

A description of our progress and next steps for the Critical Few is provided below and also outlined in Appendix Four.

The critical few areas link directly to our Minister's priorities as set out in the *Supporting Government and Ministerial Priorities* section of this plan, to ensure we progress the priorities. There is also a strong link to our four strategic initiatives.

### **INTEGRATED PROPERTY SERVICES**

Integrated Property Services is a programme that aims to improve the quality, accessibility and linking of property information to support well informed decision making on property and land use.

We have been working to understand how land records and data are managed across the property system, and in particular working with local authorities as many of the important property records and data sets (including building consents, LIM reports etc) are administered and maintained at a local government level. The next stage of our work is essentially a 'proof of concept' to be completed early in 2017/18 which if successful would then lead to prototype and pilot phases for work with local authorities towards better integration of property information.

### **ADVANCED SURVEY AND TITLE SERVICES (ASaTS)**

ASaTS will modernise and secure the future of the survey and title system by introducing a flexible, readily adaptable technology platform that delivers greatly enhanced services to our customers. It

will allow us to seamlessly deliver property services and information across organisational boundaries and systems.

ASaTS is currently in discovery and definition phases with the preferred supplier, meaning we are fully exploring and validating the current state and working towards a high level understanding of the future state and the solution design and pricing required to inform the Implementation Business Case.

In 2017/18 ASaTS will decide upon the confidence level in the 'as a service' delivery model, and if high, complete the Implementation Business Case and Cabinet approval; and finally agree contractual terms with the preferred supplier. In out years ASaTS will build, test, and deploy the solution in a phased roll-out of functionality.

### **TE TURE WHENUA MĀORI IMPLEMENTATION PROGRAMME (TTWMIP)**

The reform of Te Ture Whenua Māori legislation will make it easier for Māori landowners to make decisions about how they use and develop their land, while also protecting their cultural interests. The Bill is anticipated to be enacted in 2017 with provisions commencing 18 months later. The Bill also establishes a Māori Land Service to help Māori land owners. This service will be the first port of call for land owners looking for support, tools and resources to help them deal with their land.

Te Puni Kōkiri is leading the programme to design and implement the Māori Land Service, with the support of LINZ and Ministry of Justice. LINZ role is to provide ICT project leadership and delivery.

During 2016/17 the joint agency programme progressed the detailed service design in consultation with Māori land owners to deliver an investment proposal for Cabinet consideration.

The focus for 2017/18 for the ICT workstream will be to procure providers to commence design and

implementation for day one of the Māori Land Service.

## **OVERSEAS INVESTMENT OFFICE**

The Overseas Investment Office (OIO) is responsible for making decisions or giving advice to Ministers about investments in sensitive New Zealand assets by overseas people and enforcing breaches of the legislation. In 2016 we initiated a quality programme to: improve our application process (including developing a risk based approach); engage better with stakeholders; manage the bulge of applications resulting from the fee increase; strengthen our enforcement function; improve our capability and capacity (increasing staff numbers from 18 to around 30) and align our culture with the LINZ values; and assist Treasury to develop and implement the new targeted exemptions. We have achieved our aims of the quality programme, with work still on-going in certain areas, such as effective engagement with stakeholders.

Key to the work of the OIO over the next four years will be ensuring that our regulatory role is conducted in accordance with the Minister of Finance's new directive letter, which is expected to be finalised in the final quarter of 2016/17.

Phase 2 of our quality programme, to be completed in 17/18, supports the direction of the new directive letter and focusses on:

- improving our conditions of consent
- updating the section 37 list of land sensitivity
- expanding the focus of our stakeholder engagement
- delivering on the new performance measures for the Office which were recently agreed with the Minister
- focusing particularly on our performance with repeat investors

- assisting The Treasury on the new round of targeted exemptions, and
- continuing to develop the capacity and capability of the Office.

Over the next four years we will be working to enhance the transparency and visibility of the Office's work and to improve understanding of the Overseas Investment Act. This will include strengthened communication about what is required and strengthened enforcement where rules are breached.

## **Building Organisational Strength**

ELT have identified three key areas for building strength to move us forward. The three areas are:

- Leadership and Management,
- Wellness and Safety, and
- Better Every Day.

## **LEADERSHIP AND MANAGEMENT**

Growing leadership and management capability is essential to us being a high performing organisation.

We have made some significant gains, as well as put in significant effort, to grow leadership and management capability. We have put in place dedicated resources to support the development of our leadership management capability. We have introduced SSC's Leadership Success Profile to help us describe the capabilities needed throughout LINZ – for leaders and individual contributors. We have rolled out a new survey, *Urupounamu*<sup>5</sup> using the AskYourTeam tool, to benchmark our culture, leadership and organisational capabilities and performance. The insights gained

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<sup>5</sup> *Urupounamu meaning: to question, especially important issues and topics, not frivolous matters*



will be used to reprioritise our existing plan, areas of focus and the supporting initiatives and interventions.

We are taking a focused and deliberate approach to how we recruit and develop leadership and management capabilities to ensure we are well placed to deliver results and work effectively across the wider public service.

We will continue to implement the tools, resources, training and support to develop our leaders and managers. Over the coming year we will be putting in place a People Strategy that covers both Leadership and Management and Wellness and Safety, as well as other areas. We will use the results of our Urupounamu survey to inform future targeted actions to strengthen capability around critical areas such as strategic leadership, technical leadership, and people management.

## **WELLNESS AND SAFETY**

Our recently realigned Wellness and Safety programme ensures that LINZ continues to be a safe and healthy place to work for all of our people through ownership of safety throughout the organisation.

This is particularly important as a number of our teams work out in the field, such as in rural High Country areas, at sea, or in the Christchurch residential red zones. This increases our risk and the potential of serious harm injuries. We engage third party contractors to carry out some of this work, and are liable for their health and safety.

We are establishing a health and safety accreditation programme for our suppliers. The supplier accreditation programme ensures that our suppliers have the systems in place to manage health and safety issues appropriate for the service they provide. In the next four years, we will increase the capability of our people, particularly people leaders and those working in the field, through focused programmes and

appropriate tools, systems, and information.

We will implement a planned approach to ongoing hazard and risk identification, assessment, and management, as well as a greater level of governance and oversight of our Wellness and Safety programme and high risk areas.

We are also developing tools and activities to improve the wellbeing of our people. The Employee Assistance Programme (EAP) continues to be well supported and used, with an even balance between personal and work related issues being resolved through the programme.

Our wellbeing focus is on mental health (anxiety / depression), fatigue/stress prevention initiatives and assisting our people who are transitioning from work to retirement in a planned and supportive manner.

## **Being Better Every Day**

Better Every Day (BED) is the State Services Commission's method of continuous improvement, drawing on other methods and concepts including Deming, Argyris, Egan, and Vanguard Systems Thinking.

Following the use of Better Every Day (BED) in our Survey and Title Operations, and in our Crown property Clearances function, LINZ is now embedding BED across the organisation.

Over the next four years, we will take stock and act on the lessons learned from our current BED programmes. We will develop BED resources that can be easily understood and applied by our people.

## Strategy to Action

The Strategy to Action element is ELT's focus on delivering the vision, goal and strategic objectives.

Our strategy is evolving to provide clarity about the outcomes we are seeking to achieve, and to identify measures of success.

We are developing a broad systems view of the New Zealand property system, to better understand the key aspects of the system (e.g. optimisation of land use), and key organisations operating in the system (e.g. local government).

This will help us decide where LINZ might focus effort to unlock the value of property and/or who we can collaborate with or influence to do the same.

We are taking a longer term view of the issues facing New Zealand to better understand how geographic information could contribute to addressing these issues.

Issues we are considering include sustainable land use, climate change adaptations, predator-free New Zealand, and long-term infrastructure planning.

We are reviewing our current work and core geographic datasets in the context of New Zealand's integrated approach to civil defence and emergency management – the 4Rs (reduction, readiness, response, and recovery). We are working with key organisations such as the Earthquake Commission to find out how geographic data can assist them in the 4Rs.

We are developing a framework for assessing where LINZ *could* focus and where we *will* focus our limited resources to best effect. An important part of the framework is identifying key collaborators and partner organisations.

When looking at our partner organisations, we recognised that Statistics New Zealand would be better placed to drive forward with the Open Government Information and Data Programme given its lead in data,

information and analytics. So, in agreement with Statistics New Zealand and our Ministers, leadership of the programme transferred from LINZ to Statistics New Zealand during 2016/17.

In the next year we will:

- Develop a clear view of the tenfold goal
- Develop a clear view of the property system
- Refresh our Outcomes Framework
- Continue to refine our performance framework
- Ongoing and targeted communications that build awareness, share stories, tools and insights with our people and people leaders.

## How we operate

*This section describes our operating model, including our culture and values, our structure and governance, our use of information technology and our approaches to prioritisation, programme and project management and regulation*

### Our culture and BEST values

Over the last two years, we have deliberately worked to develop our BEST culture. We have strengthened the leadership and management capabilities needed to achieve our vision and the shift to being a more system and externally focused agency.

Our BEST values were launched in December 2015, and are described in Figure 6 below. The values were quickly embedded and are highly visible across LINZ.

**Figure 6: BEST values**



In the next four years we will continue to integrate the values into how we work and support our people to bring their BEST to drive New Zealand's success. This will include:

- Rolling out a new survey, Urupounamu<sup>6</sup> using the AskYourTeam tool, to benchmark our culture, leadership and organisational capabilities and performance. The insights gained will be used to reprioritise our existing plan, areas of focus and the supporting initiatives and interventions.
- Developing our Employee Value Proposition, employer brand and supporting processes (i.e. recruitment) to ensure we attract and retain the BEST people for LINZ.
- Continue to develop and support our people leaders to grow leadership and managerial capability through formal programmes such as BEST leadership programme and the implementation of the BEST Corporate operating model work.
- Ongoing and targeted communications that build awareness, share stories, tools and insights with our people and people leaders.

### Organisation structure

In December 2016 the Chief Executive announced his final decisions for changes to Deputy Chief Executive roles to ensure the right combination of skills, capability and perspective in the Executive Leadership Team.

On 3 April 2017 the new organization structure was implemented and LINZ is now made up of the following six business groups:

- Strategy and Stewardship

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<sup>6</sup> *Urupounamu meaning: to question, especially important issues and topics, not frivolous matters*

- Location Information
- Property Rights
- Crown Property
- Policy and Overseas Investment
- Corporate.

Appendix Three summarises our business group structure, purpose and roles.

We have deliberately placed some key pan-LINZ roles in each business group to drive cross-LINZ collaboration.

### ELT sub-committees

We have established ELT sub-committees, who oversee the day to day operations, freeing up ELT to focus on wider system and strategic issues.

### PORTFOLIO PANEL

The Portfolio Panel oversees selection and delivery of LINZ's investments, with a particular focus on our investments to 'change the business'. The panel approves commencement of projects and programmes to advance LINZ's strategy, within the budget agreed by ELT. For projects and programmes exceeding the delegation, the panel makes recommendations to ELT.

The panel ensures capability and capacity resource needs are balanced across the portfolio of projects and programmes (for example, draw on policy or project management resource).

The panel ensures appropriate governance is in place for projects and programmes, and has authority to slow down or stop a project if it is underperforming, is no longer a viable investment, or is competing for similar resources with a higher priority project.

The panel oversees benefits realisation, and acts as the governance body for fee and charges reviews.

### STRATEGIC WELLNESS AND SAFETY COMMITTEE

A Strategic Wellness and Safety Committee was established to proactively oversee the health, safety and wellbeing of our people – to keep our people safe at work.

Local wellness and safety representatives have a more operational role, and report through to the strategic wellness and safety committee.

### STRATEGIC OBJECTIVE OVERSIGHT TEAMS (SOOTS)

Our SOOTs are advisory groups providing support to ELT and ELT sub-committees to ensure delivery of the strategic objectives. They provide the thinking and drive to ensure we achieve our objectives. They work closely with those leading strategic initiatives and ensure the right collaboration and information sharing happens within LINZ and externally.

There is a SOOT for each of the three strategic objectives. Each SOOT is led by a Deputy Chief Executive, and other members are tier three managers from across LINZ. SOOTs are supported by the Strategy and Performance, Enterprise Programme Management Office, Customer Insights and Coordination and Strategic Communications teams.

### External advisory groups

In addition to growing our own capability, LINZ draws on the expertise of two external advisory groups:

### BUSINESS WITH MĀORI ADVISORY GROUP

The Business with Māori Advisory Group provides strategic advice and guidance to ELT on how LINZ delivers on He Whāriki Maurua, our Business with Māori Strategy. The group includes experienced and influential individuals who provide a perspective on critical Māori issues and trends.



## RISK AND ASSURANCE COMMITTEE

The Risk and Assurance Committee assists the Chief Executive to fulfill his governance duties, including risk management, maintaining internal control systems, and responsible resource management.

### Portfolio management and prioritisation

We established a Portfolio Panel in 2015/16 to support ELT in executing its governance responsibilities. The panel is an extension of ELT itself, with discrete mandate and delegation, a mechanism by which ELT can extend its reach and impact of its oversight.

The panel is chaired by a Deputy Chief Executive, and members include Tier 2 and 3 managers from across all business groups. It is supported by the Enterprise Project Management Office, Strategy and Performance, and Information Strategy and Delivery teams.

The panel oversees the selection and delivery of LINZ's investment portfolio (projects, programmes, and initiatives), selecting investments to be progressed, providing governance oversight, and providing assurance of delivery.

We have adopted Treasury's Think-Plan-Do-Review model to the LINZ environment, and aligned key P3M activities and artefacts.

An investment proposal is submitted to the Portfolio Panel for all new initiatives. The panel assesses the proposal against AAA criteria – the attractiveness, achievability, and affordability of the initiative.

Typically, an approved investment proposal enables the initiative to enter a project / programme life cycle. However, sometimes sufficient information has been provided to the panel to allow an initiative to proceed directly from Thinking to Doing.

We use an enterprise portfolio management tool called Psoda to

manage and track portfolio health and performance, as well as monitor underlying management activities.

The panel reviews and prioritises the portfolio regularly, assessing the relative value of initiatives, and balancing resources across the organisation to ensure delivery of the right things at the right time.

### Our initiative portfolio

Our initiative portfolio covers our 'run the business' and 'change the business' initiatives.

Our initiative portfolio is prioritised by our Portfolio Panel.

Our "Keeping the Lights On" portfolio ('run the business') covers specific business improvement initiatives being managed as projects or programmes of work. Examples include fees and charges reviews, and IT initiatives that improve / enable delivery of core business functions.

Our strategic initiative portfolio ('change the business') are specific projects or programmes or work to progress our strategic objectives. The four Strategic Initiatives are:

- the Mapping New Zealand 2025 Programme
- Advanced Survey and Title Services (ASaTS)
- the Integrated Property Services Programme (including the Addressing Programme)
- the Māori Land Service Programme.

These initiatives are detailed overleaf.

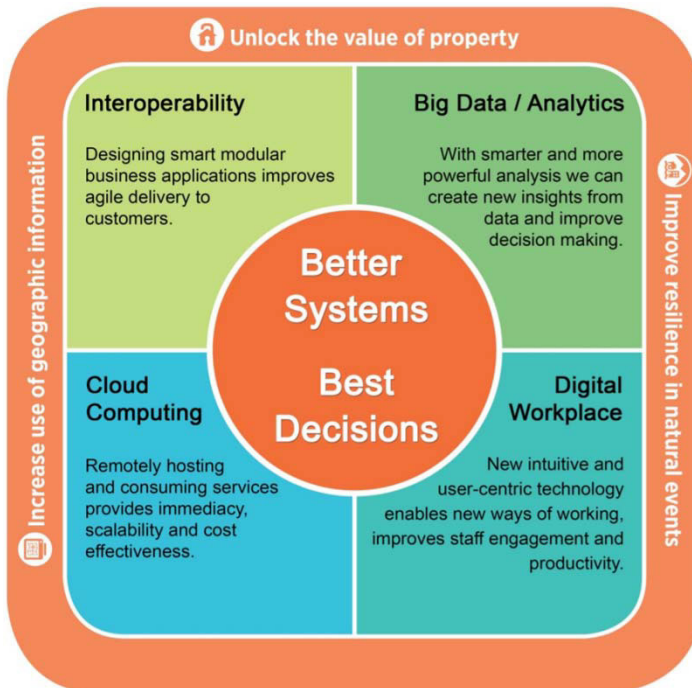
## Strategic Initiative Portfolio

Programme / Initiative	Description
Mapping New Zealand 2025 Programme	<p>Mapping New Zealand 2025 is a programme of initiatives that will improve the accuracy and currency of New Zealand's topographic and bathymetric datasets (including data management, storage and dissemination).</p> <p>The programme includes Historic Imagery Scanning, Integrated Vertical Datum, and National Elevation Initiatives.</p>
Advanced Survey and Title Services (ASaTS)	<p>Advanced Survey and Title Services (ASaTS) will modernise and secure the future of the survey and title system by introducing a flexible, readily adaptable technology platform that delivers greatly enhanced services to our customers. It will allow us to seamlessly deliver property services and information across organisational boundaries and systems.</p>
Integrated Property Services Programme (including the Addressing Programme)	<p>The Integrated Property Services (IPS) programme will improve the quality and accessibility of property information to support well informed decision making on property and land use. Access to quality property information is necessary for an optimally functioning property system that provides the best economic, environmental, social and cultural value for New Zealanders. The immediate focus of IPS will be on the core property data held by LINZ and Territorial Authorities (TAs).</p>
	<p>Addressing Programme - We have committed to working across government to lead the establishment of a national addressing dataset that meets the needs of, and is accessible and reusable by government, business, and the public.</p> <p>An addressing programme has been identified, and over the next four years focuses on improving addressing data and data management practice across the system (with an initial focus on government). The Programme includes implementation of an Addressing Information Management System (AIMS) which will improve our address data management, improve data quality, and support data integration across agencies and Territorial Authorities.</p>
Te Ture Whenua Māori Implementation Programme (TTWMIP)	<p>A cross-agency multi-year programme will establish the Māori Land Service – the 'front door' of a suite of services to support the retention, management, and utilisation of Māori freehold land. It will provide important administrative services, make information available and deliver support to Māori landowners.</p> <p>LINZ will manage the technology and infrastructure behind the Māori Land Register.</p> <p>Before the Māori Land Service launches, the LINZ TTWMIP will:</p> <ul style="list-style-type: none"> <li>• ensure the Māori Land Service has all necessary ICT implemented and the capability in place to manage this ICT</li> <li>• ensure all relevant data and information is transitioned from the Māori Land Court to Māori Land Service, and others where appropriate</li> <li>• specifically deliver and manage the technology platform for the Māori Land Register.</li> </ul>

## Information strategy and delivery

Four themes shape the direction of our information strategy: Interoperability; Big data/analytics; Digital workplace; and Cloud computing. Figure 7 refers.

**Figure 7: Information Strategy and Delivery**



For each theme, we have assessed the drivers, alignment with our strategic objectives, the outcomes we are seeking to achieve, and the plan to achieve it.

Over the next four years, LINZ will deliver two significant IT enabled projects, ASaTS and the Māori Land Service. Both these projects draw heavily on our IT resource.

We will continue to deliver our BEST Anywhere programme to deliver better IT and communications infrastructure and tools for LINZ staff. BEST Anywhere will upgrade office software, improve telecommunications, make it easier to access cloud based tools, and see a transition to all of government IT services.

## Assessing our performance and progress

LINZ's performance framework has historically consisted of a list of external

measures included in the Estimates of Appropriation for Vote Lands, and reported in the Annual Report.

These external measures often did not provide managers with meaningful information about their day to day activities. After some triage of 2015/16 measures, work began to develop more meaningful internal and external performance measures.

Through this process, new external measures have been set for some appropriations, and internal measures agreed with business owners for some functions. This work has pro-actively addressed concerns raised by our Auditors during the 2015/16 audit that our external performance measures were not fit for purpose.

Over the next four years, we will continue to refine the performance framework, and align it to the State Services Commission's Performance Improvement Framework.

To support improved performance measurement, we are continuously improving our performance reporting. We report internally within business groups and to ELT. We report externally to our Minister and our external Risk and Assurance Committee.

## Our regulatory approach

We have a number of independent statutory officers that have responsibility for regulatory stewardship over key aspects of the property system to ensure New Zealand's land assets and other key resources are recognised, valued and enhanced for current and future generations.

We provide certainty of property rights. The Surveyor-General sets standards and policies to maintain the national survey system (which is crucial to determining property boundaries), and supports electoral boundary determinations.

The Surveyor-General also chairs the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa to assign official names to places and significant features in New Zealand and in the Ross Sea region of Antarctica.

The Valuer General sets the standards and polices for, and monitors, rating valuations which are implemented by local government. The Valuer General chairs the Valuers Registration Board, which monitors registered valuers compliance with valuation standards.

Our Registrar General of Land develops standards for the land registration system, which means that the land register provides conclusive evidence of land ownership and the title of land ownership has a government guarantee (unlike many other jurisdictions).

We ensure New Zealand addresses are consistent throughout the country, setting standards and guidelines to support the local authorities that assign them.

Our Overseas Investment Office administers the Overseas Investment Act – balancing the benefits of overseas investment in sensitive land, high value businesses, and fishing quota with protecting these assets for current and future generations.

The Commissioner of Crown Lands administers Crown pastoral land for best

use today and in the future under the Land Act 1948. This work includes managing the tenure review process.

### **OPTIMAL REGULATORY APPROACH**

We use an 'optimal regulation approach' for our regulatory functions. This balances the level of intervention (instruments or tools chosen) against the risk of not achieving regulatory outcomes.

LINZ applies a range of regulatory instruments, spanning provision of information and advice as and when required, to making regulation and prescribing rules and standards, through to legislative amendment.

Changes to Chief Executive responsibilities under the State Sector Act, and the Government's response to the 2015 Productivity Commission inquiry into regulatory institutions and practices has led to an increased focus on stewardship.

In the next four years, we will evolve our optimal regulation model to include a regulatory stewardship strategy, and consolidate our regulatory direction. This is likely to include a stocktake of our regulatory requirements and instruments and could recommend changes to internal processes for review, development, and publication of regulatory instruments.

Over the next four years, we will continue to support implementation of the Land Transfer Bill and the Te Ture Whenua Māori Bill. We will also undertake a review of cadastral rules and rating valuation rules.

We will continue to be agile in our delivery of timely and quality regulatory functions, and our how we respond to emerging regulatory requirements.



## Our people

*We deliver through our people. This section describes how our current capacity and capability and how they will change over the next four years.*

### Our people

Given the diversity of the work that we do, there are a wide range of workforce segments that are critical to delivering our core business and strategic objectives. This creates a challenge for managing our workforce, when we do not have the economies of scale to leverage the approach to any particular workforce segment more broadly.

#### OUR CAPACITY CONSTRAINTS

Increasing demand for our products and services will require more FTE to deliver our core business – these demands significantly impact the Survey and Titles Operations and Overseas Investment Office (OIO) teams.

In particular, NZIER forecasts indicate that survey lodgements are expected to increase 25 percent in the short to medium term. Our title lodgings are expected to increase by 19 percent. This means our frontline Property Rights operations team will require more people and improved systems to met increasing customer demand.

To address these capacity issues Property Rights has been undertaking an Operations redesign.

The redesign has three core objectives:

- Strengthening our people to address the changing nature of the workforce and career expectations
- Strengthening our processes to address the demand for consistent quality, using the Better Everyday Methodology
- Strengthening our systems to address future industry demands.

We are streamlining the process flows for the way our people do their work,

reviewing the way we train for our core roles, developing a knowledge portal to provide our people with one source of the truth, and designing for customer demand.

Once developed and fully implemented Operations will have:

- A clear line of sight of work flow and capability to allow proactive management of succession and development to meet customer demand
- The ability and agility to change with customer demand
- A knowledge portal and tools to allow efficient support and self service
- Agile recruitment to ensure the right staff are doing the right job at the right time
- Flexible modular blended learning solution.

We are also experiencing increasing demand in our Overseas Investment Office, with an increasing number of more complex overseas investment applications. We have recently increased FTE in the OIO, with Cabinet approval, and are increasing capability and capacity to focus on monitoring and enforcement.

Over the last 12 months, LINZ has also taken on additional functions with the transfer of the management of the Residential Red Zone properties from CERA and the transfer of the Landbank from the Ministry of Justice.

These additional functions coupled with our increased contribution to wider sector initiatives i.e. Integrated Property Services is increasing the demand on our policy capability, especially strategic policy.

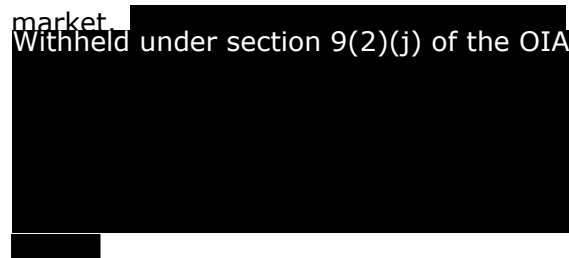
## MEETING CAPACITY DEMANDS

Our workforce comprises a number of small teams, whose work is highly technical and specialised. This presents challenges for recruitment, retention, and succession planning.

These specialist skill sets cannot be easily moved around to meet demand in other teams. Often, these skills and occupational groups are not readily available in the NZ market. In some instances we have to recruit, and therefore compete for talent, internationally.

Many of the occupational groups we need to recruit are scarce in the current market.

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In some instances we have not been able to fill vacancies, even when using recruitment agencies. The main reason for not filling vacancies is that our salaries are not as competitive as other government agencies or international organisations.

We are undertaking work on our Remuneration Framework and Employee Value Proposition to ensure these support us in attracting and retaining the BEST people.

## Strengthening our capability

Our diverse functions require different approaches to strengthen capability across LINZ. We recognise the need to maintain, and in some areas raise capability in order to deliver our core business well, and ultimately achieve our strategic objectives, vision, and goal.

Our focus on building leadership and management capability is described in the High Performing Organisation section.

## Technical capability

Maintaining and building technical capability and capacity to deliver on our core business and strategic plan continues to be a challenge.

We are enhancing our workforce and succession planning, technical mentoring and leadership and supporting people processes to ensure we are developing the capabilities required for the future.

Over the next year we will:

- Continue to build on our summer intern programme and build a pipeline of GIS talent for our Topographic and Addressing team
- Offer targeted scholarships (i.e. Masters of Geographic Information System) to allow our people to study in specific technical areas to postgraduate level
- Partner with Universities and targeted professions (i.e. Institute of Surveyors) to build a pipeline of talent and continued professional development
- Develop targeted learning programmes and knowledge repositories to capture intellectual property and support on the job training in critical areas (i.e. Survey and Title Operations)
- Run in-house workshops targeted at building the coaching and mentoring

skills of our technical leaders and specialists.

- Implement targeted and structured career pathways for our technical and specialist roles.

## Policy capability

Our participation in DPMC's Policy Project has helped to develop the skills, quality, and capability of our policy teams. We use the Policy Skills Framework and the Policy Quality Framework to help in the recruitment and development of our people, to ensure we have a high performing policy function.

We lead a significant and ambitious work programme to deliver core functions, provide system stewardship, and deliver on our strategy. We recognise the need to lead, influence and contribute to cross-government outcomes. We are increasing the capacity of our policy teams to meet increasing demand from Ministers for quality and timely advice.

An independent review of our policy operating model was completed in November 2016, and made proposals to strengthen LINZ's policy operating model to better meet current and emerging demands. In summary these proposals involve

- Clarifying the focus of policy support
- Improving leadership for strategy development and regulatory stewardship
- Providing for stronger Policy Practice Leadership
- Building Policy Capability, and
- Improving Policy practice.

## OUR DIVERSITY IS OUR STRENGTH

We know that a diverse workforce is critical to success. Figure 10 presents information on the diversity of our workforce.

We recognise the need to increase the diversity of our leadership.

To help achieve this increase we support a Women in Leadership Network, whose purpose is to promote the interests of LINZ women and to support and encourage women to achieve their career goals. The Women in Leadership Network is open to all staff, managed through a small working group and accountable to a DCE. The working group set and run an annual programme of activities, covering panel discussions, skills development sessions and informal networking events.

We also profile successful women leaders in LINZ and have aligned our recruitment and development systems to the State Service Commission's Leadership Success Profile to create clear career pathways. These approaches recognise the opportunity we have to increase the number of women in senior leadership, with 28% of tier 1-3 managers and 38% of tier 4 managers being female. At the DCE level, recent DCE appointments will mean an increased representation of women on the ELT, with 50% of DCEs being female.

We need to increase our focus on the age profile of our workforce. We've established practices to engage a younger workforce, including a summer internship programme, and are supporting our people to effectively transition to retirement.

In the next four years, we will enhance our workplace flexible hours and continue to introduce and develop mentoring/coaching skills for our technical specialists to pass on knowledge. We will also implement continuous improvement initiatives throughout LINZ to enhance the customer experience.

## MANAGING OUR WORKFORCE COSTS

The capacity challenges outlined above have a direct impact on our workforce costs. It is a challenge to compete with other employers on remuneration.

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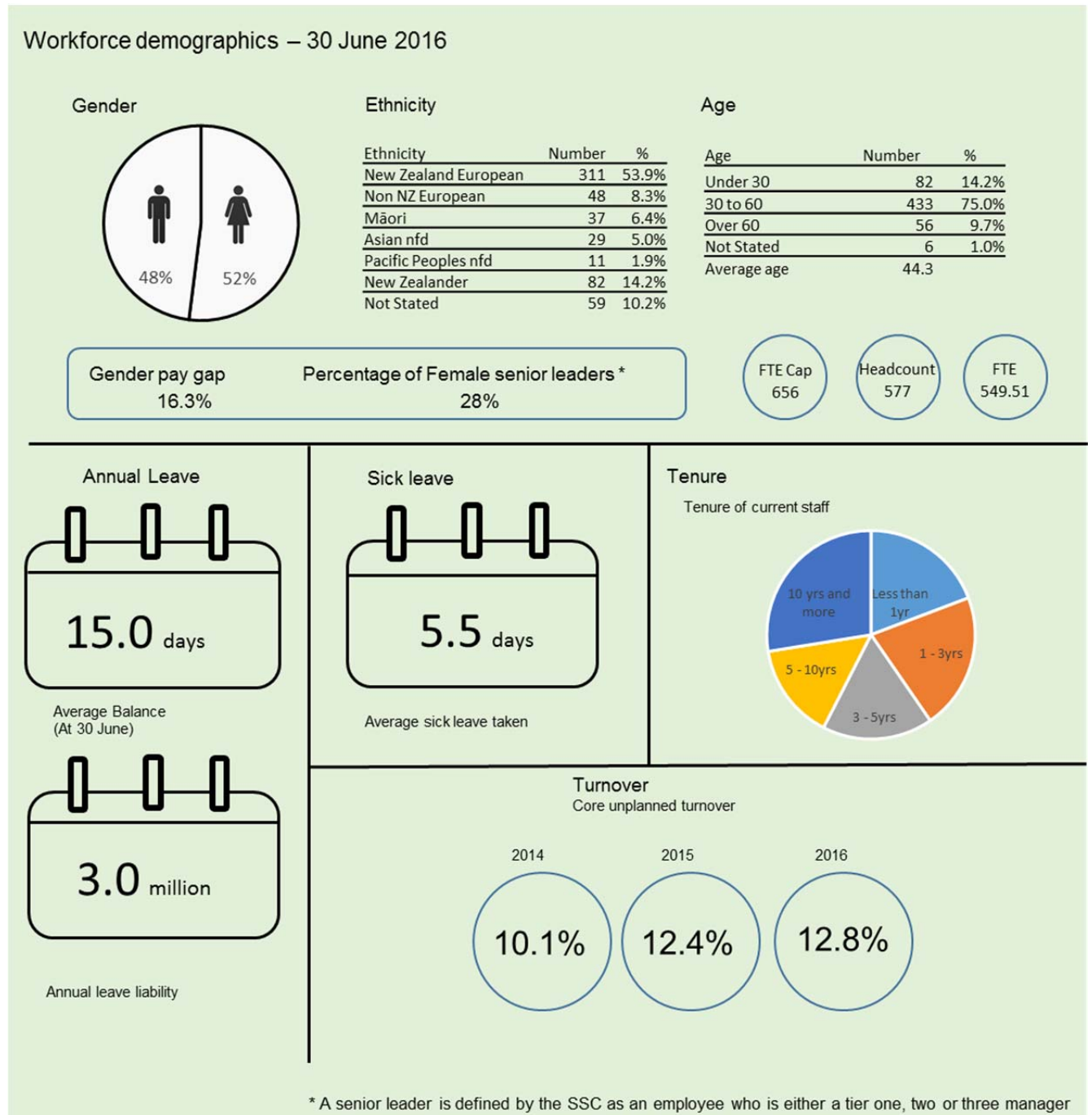
Feedback from exit surveys and remuneration review appeals suggest that remuneration continues to be a factor in people's decisions to leave LINZ.

The Remuneration Framework review will go some way to address the remuneration market alignment over the next four years and we need to ensure our future remuneration adjustments support this.

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**Figure 10: LINZ workforce**



**WELLNESS AND SAFETY**

Wellness and safety is covered in the Being a High Performing Organisation section.

## Our resources

*To deliver our core business and strategic plan requires financial resources. This section describes how these are being used, and will change, over the next four year*

### Our funding model

LINZ's total funding consists of approximately two thirds from third parties and one third from the Crown. In some cases activities are funded by a mix of Crown appropriation and third party fees and charges such as the geodetic network and the addressing database.

Outputs from Crown funded activities are generally made available to users free of charge primarily through the LINZ Data Service.

Third party fees are charged on a cost recovery basis. Our three memorandum accounts hold surpluses or deficits of third party fees received from any given year, so that over time the balance of the memorandum account trends to zero and fees do not fluctuate in the short term. Any over-recovery is held within the memorandum account and is not used to fund other activities.

We operate memorandum accounts for Survey and Title Services, the Overseas Investment Office and Crown Property Clearances.

#### **THE SURVEY AND TITLE MEMORANDUM ACCOUNT IS IN SURPLUS**

As at 30 June 2016 the memorandum account balance was \$44 million in surplus. Options for changes to the fee structure are currently being considered. The consideration includes the impact of the ASaTS implementation over next four years and reducing the current memorandum account surplus.

With revenue forecast at \$74 million for the 2016/17 financial year, the balance of the memorandum account is expected to increase to \$48 million by the beginning of 2017/18.

When Landonline is replaced by ASaTS, operating costs are expected to increase.

We use NZIER to forecast Survey and Title demand on cadastral survey dataset and titles processing. Recent forecasts indicate increasing demand.

#### **THE OVERSEAS INVESTMENT OFFICE HAS A NEW FEE STRUCTURE**

As at 30 June 2016 the Overseas Investment Office memorandum account was in deficit by \$1.5 million. A new fee structure was introduced on 4 July 2016. This is expected to address the deficit over time.

A programme of work began in 2016/17 to improve the timeliness of processing of applications and step up monitoring and enforcement activities.

#### **THE CROWN PROPERTY CLEARANCES MEMORANDUM ACCOUNT IS FORECAST TO GO INTO DEFICIT**

A small deficit of \$118k is currently forecast for 2016/17.

The clearances function has improved its service to customers through the Better Every Day continuous improvement method. We will monitor the impact of these improvements on the forecast deficit before we consider a fees review in this area.

#### **WE ARE INVESTIGATING OPERATING A MAPS AND CHARTS MEMORANDUM ACCOUNT**

Chart sales cover the costs of production; however, map sales do not.

Recent deficits in the cost recovery for maps and charts have been subsidised by Crown funds. A fees and charges review is underway that will seek to address the

current under-recovery from the 2017/18 year.

We are also investigating the use of a memorandum account for maps and charts in the future.

## We have continued to absorb cost pressures

We have continued to absorb cost pressures within existing baselines. We address cost pressures through three main themes:

- Reprioritisation of funding - including the additional resources for the Policy work programme and increasing IT costs.
- Cost reductions and efficiencies – including stronger contract and procurement practices.
- Improving our operating model and providing client centric services – including Better Every Day continuous improvement practices.

Through prudent financial management we have managed to undertake new activities and absorb inflationary cost pressures from within the Crown baseline since 2008.

## Prioritisation

The integrated financial model developed in 2015/16 will assist our financial planning over the medium to long term.

The model factors in forecast inflationary pressures, capital investment and the cost of new initiatives to identify any future funding gaps. A range of strategies can then be considered to address the future gaps such as targeting discretionary spending areas, expenditure reviews and strategic reprioritisation.

Improved investment management and prioritising of initiatives ensure that we are better placed to address our cost pressures and to make decisions about our investments.

## Our future cost pressures

Over the next four years we expect cost pressures to present greater challenges in

both Crown and third party funded operations.

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The decision to fund ASaTS 'as a service' will also present cost pressures once the service goes live in 2021, but the nature of these are not yet clear. A fees review will be undertaken for our Survey and Title services to ensure that cost recovery principles for third party funding are met.

For the LINZ Biosecurity Programme, the National Policy Direction for Pest Management necessitates additional resourcing to ensure we are fully compliant with the 'good neighbour' provisions of regional pest management plans. We estimate costs of \$1 million per annum to address this, and may seek additional funding from the Crown in the future to meet our obligations.

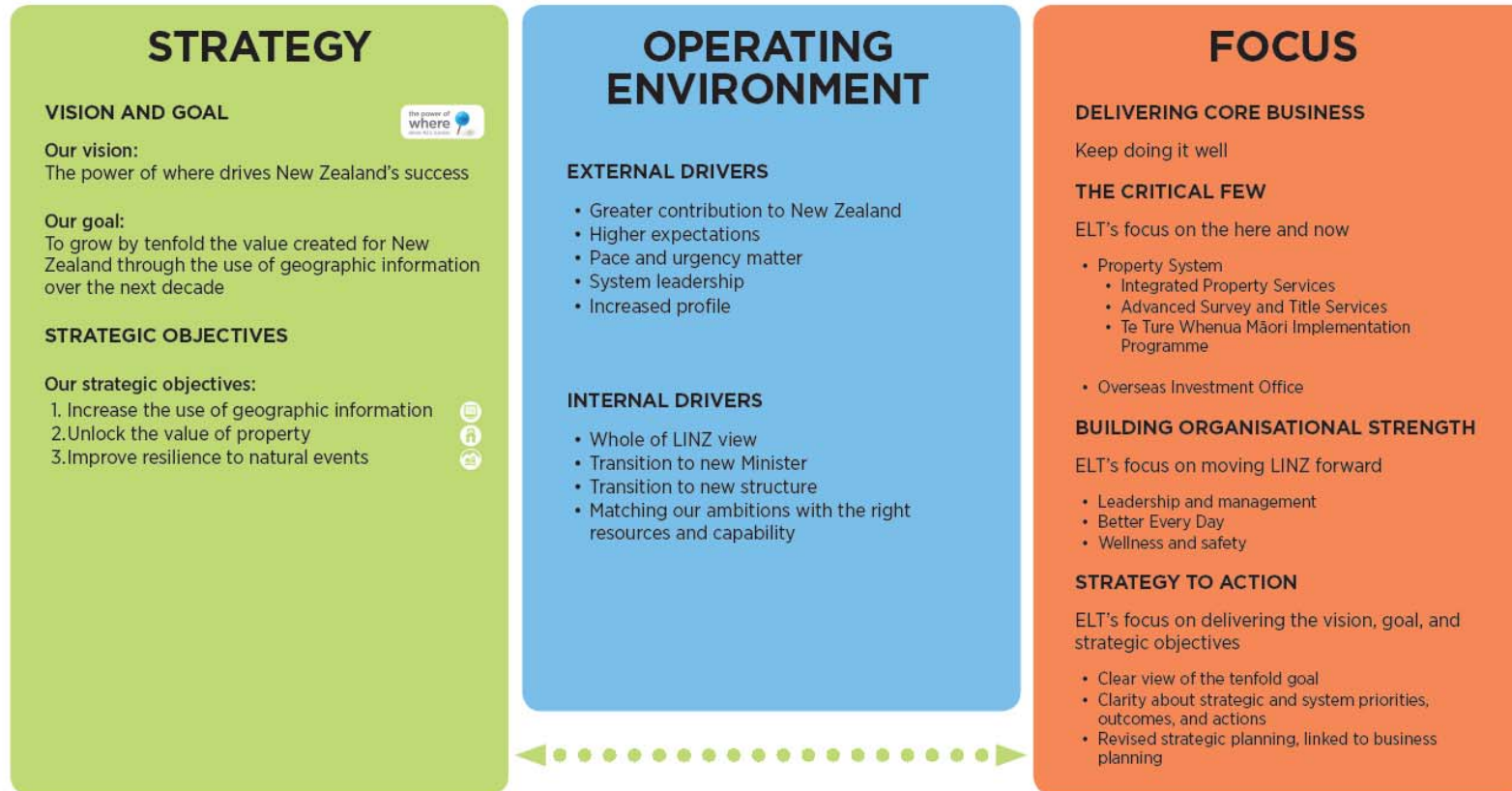
Our potential future budget bids are described in Appendix Nine. These are planned activities that may result in a budget bid in 2018 and out years.

Our financial risks and cost pressures are outlined in Appendix Ten. We are working to mitigate the financial risks, however we may still incur expenditure. This expenditure is not currently budgeted within existing baselines, and some may require potential future budget bids.

## Appendix One: High performing organisation



# Being a high performing organisation



**BEST** BOLD. EXPERT. STRONGER TOGETHER.

Bold

Expert

Stronger Together

v2.06 - 24 February 2017



# Appendix Two: High performing organisation progress



## HPO: What we've achieved

July 2016 - February 2017

 <h3>INCREASE USE OF GEOGRAPHIC INFORMATION</h3> <p>Addressing Delivered AIMS (Addressing Information Management System)</p> <p>Predator Free NZ 2050 Decided LINZ's contribution Opportunities with data, Crown land and overseas investment consent process</p> <p>Focus Clarified geographic information's contribution to NZ and our focus</p> 	 <h3>UNLOCK THE VALUE OF PROPERTY</h3> <p>Property System Completed review</p> <p>Clearer about Integrated Property Services' (IPS) role</p> <p>Clearer about outcomes we will drive</p> <ul style="list-style-type: none"> <li>Decisions based on quality information</li> <li>Confidence in property rights</li> </ul> <p>Addressing Started business case for funding to improve system</p> 	 <h3>IMPROVE RESILIENCE TO NATURAL EVENTS</h3> <p>Defined our role and built relationships Identified two priorities for us in the National Civil Defence Emergency Management Strategy</p> <p>Improved datasets Flooding Infrastructure and building assets</p> <p>Kaikoura Applied lessons from Christchurch Supported the response, working with other agencies</p> <p>Elevation budget bid Got support from central and local government, and the private sector</p> 	<h3>DELIVERED AND IMPROVED CORE BUSINESS</h3> <h4>CRITICAL FEW</h4> <p>Overseas Investment Office Improved application processes More enforcement resources Greater stakeholder engagement</p> <p>Advanced Survey and Title Services (ASaTS) Selected preferred supplier Started work on design Governance review (by late March)</p> <p>Te Ture Whenua Māori Implementation Programme Developed ICT part of business case</p> <p>Open Government Data Developed budget bid, working with cross government Information Group</p> <p>Integrated Property Services (IPS) Decided work programme to July when further decisions will be made</p> 	<h3>STRENGTHENING CAPABILITIES</h3> <p>Leadership and management Dedicated resources in place to support programme</p> <p>Better Every Day Great progress with Survey and Title Operations and Crown Property Clearances</p> <p>Chose other focus areas</p> <ul style="list-style-type: none"> <li>Contact Centre demand</li> <li>On and off-boarding</li> </ul> <p>Wellness and safety Improved reception area security in all offices Accredited health and safety plans of top 10 suppliers Improved incident reporting Completed review of operational high risk activity and our response</p> 
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**BEST** BOLD. EXPERT. STRONGER TOGETHER.

Bold

Expert

Stronger Together

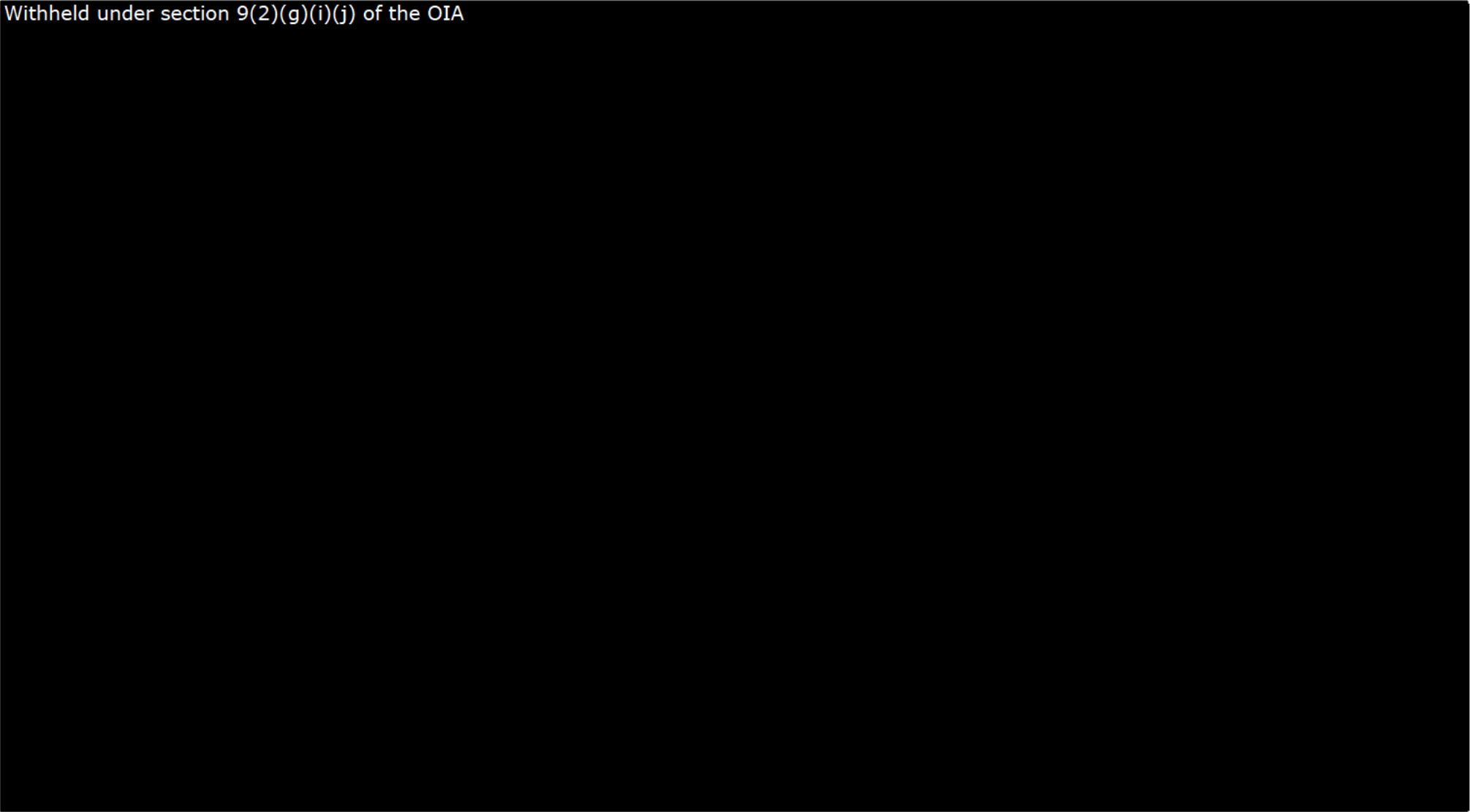
v104 - 23 February 2017

## Appendix Three: Overview of LINZ's business groups

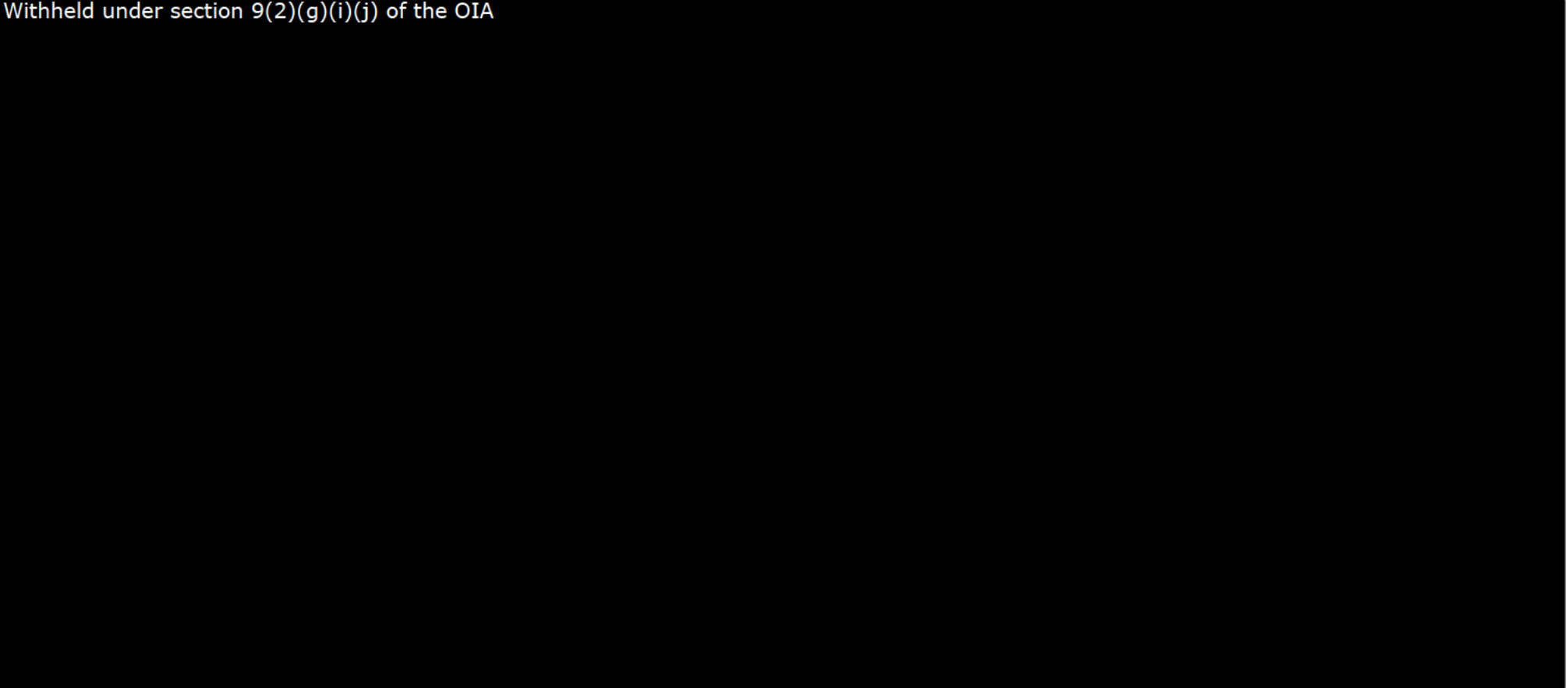
<b>Business Group ▶</b>	<b>Policy and Overseas Investment</b>	<b>Strategy and Stewardship</b>	<b>Location Information</b>	<b>Property Rights</b>	<b>Crown Property</b>	<b>Corporate Business Group</b>
<b>Purpose ▶</b>	<p>The group</p> <ul style="list-style-type: none"> <li>- provides quality policy advice and support, and</li> <li>- ensures New Zealand's sensitive assets are in good hands, and enables overseas investment that benefits New Zealand.</li> </ul>	<p>Provides a focused and deliberate approach to strategic thinking and execution as well as leading how we steward the systems we are responsible for.</p>	<p>Location Information focuses on LINZ's custodial role – internally and externally – for specific data sets together with stakeholder engagement and cross-agency collaboration.</p>	<p>Property Rights focuses on the continued delivery of a world-class survey and title system and the development of a next generation technology platform.</p>	<p>Crown Property is responsible for Crown property business development, operational and advisory services, as well as Legal Services</p>	<p>The Corporate Group supports the whole organisation with specialised services, knowledge, best practice and technology, making sure LINZ runs smoothly and effectively. It translates strategic and operational decisions into action, helps the organisation manage change, and supports LINZ to plan and deliver services for New Zealanders.</p>
<b>Functional accountability ▶</b>	<p>Functional accountability includes:</p> <p>Policy and Frameworks Overseas Investment Office</p>	<p>Functional accountability includes:</p> <p>Office of the Surveyor-General and New Zealand Geographic Board</p> <p>Office of the Registrar-General of Land</p> <p>Office of the Valuer-General</p> <p>Business with Māori</p> <p><b>Decisions on other Strategy and Stewardship functions are yet to be made</b></p>	<p>Functional accountability includes:</p> <p>Data Services</p> <p>Geodetic</p> <p>Hydrography</p> <p>Sector Data Programmes</p> <p>Te Ture Whenua Māori Implementation Programme</p> <p>Topography and Addressing</p>	<p>Functional accountability includes:</p> <p>Survey and Title Operations (Christchurch, Wellington, Hamilton)</p> <p>Property Rights Support</p> <p>Technical Capability</p> <p>Advanced Survey and Title Services Project</p>	<p>Functional accountability includes:</p> <p>Crown Property Management</p> <p>Residential Red Zone</p> <p>Canterbury Recovery</p> <p>Crown Engagement</p> <p>Commissioner of Crown Lands</p>	<p>Functional accountability includes:</p> <p>Risk and Assurance</p> <p>Enterprise Portfolio Management Office</p> <p>Finance, Facilities, and Procurement</p> <p>Strategic Communications and Digital Services</p> <p>Human Resources</p> <p>Information Strategy and Delivery</p> <p>Strategy and Performance</p>
<b>Pan LINZ functions located ▶</b>			<p>Customer Insights and Coordination team (future decisions on where this team is located have yet to be made)</p>	<p>Property Rights hosts LINZ's customer service functions.</p>	<p>Crown Property hosts our legal function.</p>	<p>Corporate leads coordination of LINZ's continuous improvement function (Better Every Day). Future decisions on where to locate this function have yet to be made.</p>

## Appendix Four: Potential future budget bids

Withheld under section 9(2)(g)(i)(j) of the OIA



Withheld under section 9(2)(g)(i)(j) of the OIA

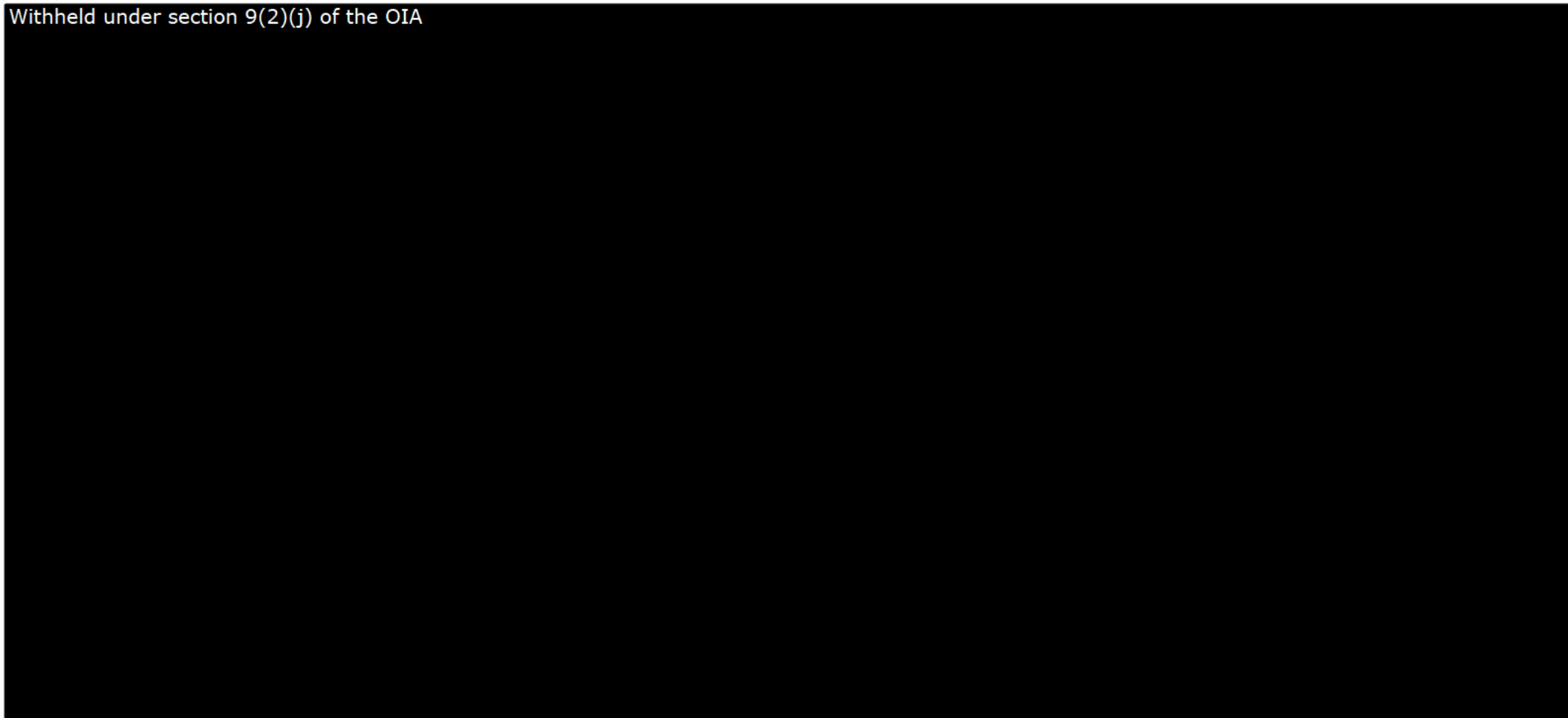




Withheld under section 9(2)(g)(i)(j) of the OIA

## Appendix Five: Financial Risks and Cost Pressures

Withheld under section 9(2)(j) of the OIA



Withheld under section 9(2)(j) of the OIA

Cumulative General Inflationary Pressures (Cost pressures arising from procurement and wage inflation – will be addressed through efficiency savings)

Withheld under section 9(2)(j) of the OIA