
PERFORMANCE IMPROVEMENT FRAMEWORK

Review of the Land Information New Zealand (LINZ)

AUGUST 2013

State Services Commission, the Treasury and the Department of the Prime Minister and Cabinet

Lead Reviewers' Acknowledgement

As Lead Reviewers for this Performance Improvement Framework (PIF) Review for Land Information New Zealand (LINZ) we would like to acknowledge the exceptional standard of engagement by LINZ staff and the Senior Leadership Team (SLT). In addition, we had considerable input from a cross section of LINZ's external partners and stakeholders, who were equally committed to building stronger collaboration in the future. We also had the benefit of considered input from officials from the Department of the Prime Minister and Cabinet, the State Services Commission and the Treasury. We are indebted to Kevin Allan, the Performance Review Manager for this PIF, who once again provided professional guidance, insight and challenge.

LINZ actively engaged with us to identify performance improvements. There was open and energetic engagement in the process and we note that, even as we undertook the assessment, SLT began to build on the opportunities we were discussing. This bodes well for the future of location-based infrastructure in New Zealand.

**Performance Improvement Framework
Review: Land Information New Zealand**

**State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet
Wellington, New Zealand**

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TABLE OF CONTENTS

Agency Context	2
Performance Improvement Story so Far	3
Agency's Response	4
Four-year Excellence Horizon	6
Central Agencies' Overview	15
Summary of Ratings	16
Results Section	18
Part One: Delivery of Government Priorities	18
Part Two: Delivery of Core Business	26
Organisational Management Section	34
Part One: Leadership, Direction and Delivery	34
Part Two: External Relationships	39
Part Three: People Development	43
Part Four: Financial and Resource Management	46
Appendix A	53
Overview of the Model	53
Lead Questions	54
Appendix B	55
List of Interviews	55

AGENCY CONTEXT

Land Information New Zealand (LINZ) is focused on delivering three outcomes for New Zealanders:

- maintaining the integrity of the property rights system to encourage trade, commerce and wellbeing
- increasing the productive use of location-based information
- enabling appropriate economic, environmental and recreational uses of Crown-owned and used land.

The broad range of activities undertaken by LINZ are summarised below.

Management of property rights: Administering New Zealand's survey and title system, which is the basis of the country's property rights market and is critical to the ongoing functioning of the economy. It helps ensure confidence in property rights through facilitating the sale, purchase and development of property at a reasonable cost to users. Its other property rights-related roles include regulating property rating valuation for local government and administering New Zealand's overseas investment regime.

Management of location-based information: Managing and developing datasets of core location-based information and making them available to others to reuse. This includes providing topographic, hydrographic, geodetic, addressing, cadastral, and title information as maps and charts and in other formats. It also administers place-naming rights through the New Zealand Geographic Board, Ngā Pou Taunaha o Aotearoa.

Management of Crown land: LINZ manages eight percent of New Zealand's land area that consists of more than 5,000 properties ranging from South Island high country pastoral leases, to riverbed land and lakebeds, to major sites such as the Waihi gold mine, and Crown forestry licences. It is also preparing to manage up to 8,000 suburban properties in Christchurch's red zone. LINZ regulates the acquisition and disposal of land by all Crown agencies. Many of these transactions are vital to the development of New Zealand's national infrastructure.

In addition, LINZ contributes to a range of cross-government groups. It leads implementation of New Zealand's Geospatial Strategy and the Open Government Data and Information Programme and contributes to the natural resources, urban and Treaty settlement sectors.

LINZ is funded through Vote Lands and supports three Ministerial portfolios, primarily Land Information. It has approximately 430 staff in offices in Wellington, Christchurch and Hamilton, including four statutory officers (the Commissioner of Crown Lands, Registrar-General of Land, Surveyor-General and Valuer-General) and a high proportion of technical staff.

The 2012/13 appropriation for Vote Lands is approximately \$140 million. Nearly 60% of revenue is from customer fees. LINZ manages departmental assets valued at approximately \$39 million and non-departmental assets at \$416 million (as at June 2012).

Strategic focus areas identified in LINZ's current *Statement of Intent* are: maintaining a wide range of high quality services in an environment of ongoing fiscal constraint, improving its ability to influence key stakeholders to achieve collective results and pursuing new initiatives to increase the value and quality of its services.

PERFORMANCE IMPROVEMENT STORY SO FAR

LINZ was included in the first group of agencies participating in the Performance Improvement Framework in 2010. At the time of the initial PIF, LINZ was an agency in transition. Having achieved a world-first milestone of 100% electronic lodgement for land transactions, LINZ began a transition to emphasise other activities, particularly geospatial information and its potential to have a greater impact on New Zealand's productivity.

The 2010 PIF Review found that LINZ's core business was operating well and it was seen as a responsive, technically competent and focused organisation. However, the challenge for LINZ was how it would maintain performance levels while it responded to:

- changing customer expectations (about the type of data available and its accessibility)
- its leadership role to implement the Government's Geospatial Strategy. The organisational implications that the Geospatial Strategy might have on LINZ was far from certain as the strategic plan was still in a nascent stage.

In response to the PIF Review the LINZ Action Plan undertook to:

- establish a stronger influence over the use and reuse of New Zealand's geospatial information
- drive improved customer experiences
- align LINZ people, culture and capability to support its strategic direction.

The Action Plan included work to improve how LINZ prioritises and evaluates activities and ensures a strong and continued focus on efficiency.

In 2011, LINZ was one of the first agencies to undergo a PIF Follow-up Review, which looked back at LINZ's progress towards its stated performance improvement goals. This Review found LINZ:

- had made good progress in engaging with staff to refresh and embed the strategic direction
- has worked on its geospatial leadership
- has made steady progress in implementing the first phase of the Customer Strategy, albeit with some disruption due to the Christchurch earthquakes.

This 2013 PIF finds an agency that has continued to build on its past strengths. It has improved its responsiveness to customers and it has made significant gains in its organisational capability, demonstrating strong staff engagement, particularly to its strategic direction. While these are significant gains, this Review also finds an agency that has struggled in the intervening period to make sufficient traction on the Geospatial Strategy. LINZ stakeholders and staff are inviting it to take a leadership position to advance this critical growth opportunity for New Zealand. To meet this performance challenge LINZ will need to significantly evolve its business strategy and operating model to capture the economic, social, cultural and environmental gains available to New Zealand. It will also need to ensure staff are positively engaged in what will inevitably be a refreshed strategic direction.

This 2013 PIF Review presents a Ten-year Excellence Horizon, rather than the usual Four-year horizon, owing to the infrastructure nature of LINZ's business. Nevertheless it is vital LINZ acts urgently to operationalise an infrastructure plan ensuring that key infrastructure building blocks and early outcomes are delivered by the PIF Follow-up Review, scheduled for mid-2014.

AGENCY'S RESPONSE

Introduction

This is our second full PIF Review. We appreciate the opportunity the PIF Review has provided to reflect on the contribution New Zealand needs from LINZ and, therefore, what our performance challenge is.

We agree we must add value at the all-of-government level, partnering with local government and the private sector, and are excited by the opportunity this presents for LINZ. We have a strong platform to lead from, however, we acknowledge it is unlikely that our performance challenge can be met by simply doing more of the same or through incremental improvements within a 'business-as-usual' frame.

We have an opportunity right now to seize the challenge of being a strategic leader, driving an ambitious land information strategy. We accept this challenge and are committed to actively progressing a work programme to make this a reality.

Acknowledgements

We would like to acknowledge the engagement process undertaken by the Lead Reviewers (Paula Rebstock and Brian Harrison), who both challenged our thinking and provided thoughtful insights, as well as the proactive conversations between the Lead Reviewers, LINZ, and our partners and stakeholders regarding LINZ's performance challenge.

Our ten-year view

We are exploring and identifying the core components of our performance challenges and how we can best respond to these over the next 10 years. We have chosen a ten-year period because of the infrastructural nature of the location-based information (geospatial) part of our business. This exploration work is the basis of our developing ten-year view, which we expect to complete by September 2013. This will articulate our motivating sense of purpose and demonstrate the economic, social, environmental and cultural value to be captured from a spatially enabled New Zealand.

In developing, and then implementing, our ten-year view, we will work collaboratively with our strategic partners, in particular local government and the private sector. We are committed to stronger, more strategic and closer relationships with our stakeholders and partners. This will be an integral part of our modus operandi; we will not step away from this shift and will seek to both lift our leadership role, as well as develop a partnership approach. We will focus and position our ten-year view in the context of investments being made by our key strategic partners.

Our Four-year Excellence Horizon

From our ten-year view we will develop a Four-year Excellence Horizon identifying what we need to achieve in the next four years to progress our longer-term view. This will be informed and made richer by a number of issues discussed in the Four-year Excellence Horizon section of this Review, including:

- the Government's and Minister's priorities and the Government's outcomes, such as safe communities, improved health, employment and growth, environmental, cultural and recreational outcomes

- leveraging our property rights, location-based information and Crown land management functions
- the opportunity to lead the development of location-based infrastructure to enable the capture of an estimated \$500 million benefits from a spatially enabled New Zealand.

Implementing our Four-year Excellence Horizon

By October 2013, we will develop a high-level Action Plan as our road map for the implementation of our Four-year Excellence Horizon. This Action Plan will be the basis of our upcoming triennial *Statement of Intent* and Four-year Plan required by the Treasury. This Action Plan will include the following practical steps to realise our Four-year Excellence Horizon:

- *review existing organisational building blocks*: ie, our business strategy, outcomes framework (and associated performance measurement framework) operating model and ‘Our Place’ and other enabling strategies, eg, People Strategy
- *confirm our future work programmes* ie, the work we will need to undertake and the performance measures we will use to demonstrate success (the impact of our work)
- *initiate business improvement initiatives relevant to the findings of the Review*: ie, develop the necessary processes to ensure we realise the benefits of our work, undertake continuous improvement, and adopt a whole-of-organisation approach to evaluation and review.

Our future work programme will continue developing our leadership role around location-based information, not only through our New Zealand Geospatial Office but by taking a stewardship role in fundamental data, for example, our recent decision to invest in a national coordinative approach to New Zealand’s imagery (aerial and satellite photography) and its distribution. The pace of change in this part of our business is fast, as it needs to keep pace with technological change and the changing expectations of our stakeholders. We will therefore work closely with stakeholders and Ministers to determine the optimal approach. When developing our work programme we will simultaneously focus on moving quickly to respond where opportunities present or where focused effort will generate gain for our stakeholders and users of land information.

We will achieve our Action Plan in the context of maintaining our solid performance in core business.

Conclusion

We are confident the pre-conditions exist (an engaged and highly skilled workforce and solid performance in our core business) to enable us to make the shifts described in the Four-year Excellence Horizon section of the Review and to both develop and achieve a bold ten-year view that will make the ‘biggest difference’ to New Zealanders that LINZ can. We are also confident we are putting in place appropriate and timely mechanisms to achieve our Four-year Excellence Horizon, which is the foundation of our ten-year view. The PIF Review has made a significant contribution towards helping us achieve this outcome.

FOUR-YEAR EXCELLENCE HORIZON

In undertaking this Review the Lead Reviewers considered: “What is the contribution that New Zealand needs from LINZ and, therefore, what is the performance challenge?”

Note: The excellence horizon described in PIF Reviews is usually four years. In this case the Four-year Excellence Horizon needs to align with the ten-year period the LINZ leadership team is using in developing its strategic direction and to emphasise the need for LINZ to adopt a longer-term horizon in leading the New Zealand Geospatial Strategy. It is vital that LINZ acts with urgency to operationalise an infrastructure plan that ensures that key infrastructure building blocks and early outcomes are delivered by the PIF Follow-up Review, scheduled for mid-2014.

Environment

The aftermath of the global financial crisis and the Canterbury earthquakes continues to shape the environment in which government agencies, such as LINZ, operate.

Ongoing fiscal constraint, and the demand for better public services and more focused regulatory oversight, are likely to be features of the environment for a considerable period.

As a consequence of these factors central and local government and the private sector, both domestically and internationally, strive to improve the delivery of services and infrastructure in better, more cost-efficient ways. A key emerging tool is the use of location-based (geospatial) information¹, the technical development of which has led to its increasing importance in planning and decision-making. In addition to these applications, New Zealand has a number of pressing challenges that location-based information can assist with, such as climate change, biosecurity and increased demand for health, education and welfare spending as the population ages.

Overall, there are increasing expectations that location-based information is readily accessible so it can be used to unlock other economic, social, environmental and cultural benefits. LINZ took some bold steps a decade ago with the development of Landonline, a world class property rights system but must now be at the vanguard to ensure we have more comprehensive, nationally available location-based infrastructure and freer access to location data to realise the benefits available going forward.

On a different front, as industry and agriculture experience the ongoing fall out of world economic conditions, the public will continue to seek assurances that the Overseas Investment Act 2005 is protecting New Zealand’s long-term interests through the operation of the Overseas Investment Office.

The Performance Challenge – Outcomes

The challenge facing LINZ is to respond to the demands and opportunities inherent in this environment. Its opportunity is to lead the development of the location-based infrastructure needed to enable the capture of an estimated \$500 million of as yet unrealised economic, social, environmental and cultural benefits from a spatially enabled New Zealand². Despite having a strong platform to lead from, it is unlikely that LINZ’s performance challenge can be met by simply doing more of the same or through incremental improvements to its current business strategy and operating model. The

1 The term location-based information is used in this report to refer to the location and names of features beneath, on or above the surface of the earth and the relationship between features. A fuller description is provided on page 18 in the section on Government Priority 1.

2 ACIL Tasman Report 2009.

Senior Leadership Team (SLT) must now add value at the all-of-government level, partnering with local government and the private sector. Failure to do so poses risks to the organisation but also substantial lost or delayed opportunity for New Zealand.

LINZ is tasked with overseeing the policy framework that supports the New Zealand Geospatial Strategy. It has two roles – to provide leadership of the Strategy (through the New Zealand Geospatial Office) and to be a centre of excellence. Better use of location-based information can significantly improve private and public sector efficiency through better decision-making and resource allocation leading to sustainable development and increased economic, social, environmental and cultural benefits.

In the future, location-based information and infrastructure will underpin much of the government planning and decision-making to provide improved services, safe communities, strong economic growth and sustainable development. Better decisions on health, education, transport, the environment, etc, will be made earlier in a spatially enabled environment. Currently, many New Zealand location-based applications are one off, however, nationally integrated applications are necessary to get the full benefit of a spatially enabled system. To achieve these benefits, a collaborative approach to the capture, structure, maintenance and use of location-based data is required. Further, central and local government and industry must both collaborate and co-invest to enable and develop the infrastructure necessary to underpin these outcomes. This will only happen if a medium-term, ten-year location-based infrastructure strategy is led credibly and effectively. There will be a need to demonstrate pace and the value to be gained through geospatial infrastructure.

LINZ should adopt the outcomes of major users of geospatial infrastructure and location-based information, as well as its own outcomes, as a starting point to develop a coherent, optimised infrastructure strategy and plan. Many central government agencies have well specified outcomes as a result of Better Public Services initiatives and the Business Growth Agenda. This should assist LINZ to prioritise its actions for short-term impact.

To gain momentum and credibility, there are a number of initiatives aimed at intermediate outcomes, already identified or under way, that create a good starting place for a location-based infrastructure strategy, including:

- progressing stewardship and custodian arrangements to develop the 10 fundamental data themes identified as underpinning the Geospatial Strategy and, specifically, focusing on the following LINZ dataset initiatives:
 - standardising addresses
 - coordinating aerial imagery procurement access and standards
 - replacing the Landonline property rights system and improving the digital cadastre and geodetic system
- the Oceans Survey 20/20 and mapping initiative
- creating and improving the Canterbury Spatial Data Infrastructure (SDI) which will be used to help shape the national SDI
- the LINZ Data Service – providing free online access to 40 LINZ databases
- assisting Auckland in development of its spatial plan
- implementing LINZ's Crown Land Centre of Expertise and Better Property Services initiatives.

Performance Challenge – Organisation

To realise these opportunities, LINZ needs to shift from being a quiet achiever in the land information and property rights to a strategic leader driving an ambitious location-based infrastructure strategy. It needs to articulate a motivating sense of purpose that demonstrates the economic, social, environmental and cultural value to be captured from a spatially enabled New Zealand. Its business strategy and operating model must bring this purpose to life in ways that generate pace and confidence and therefore commitment from key stakeholders.

i. Purpose and Targets

LINZ currently states its purpose is to “maintain and build confidence in property rights in land and geographic information and encourage land information markets to develop and mature”. Internally, it encapsulates its strategic direction in ‘Our Place – Making a great place’, a concept for which it was a finalist for an Institute of Public Administration New Zealand innovation award. It has also specified three core outcome areas: integrity of the property rights system maintained to encourage trade, commerce and wellbeing; increasing the productive use of New Zealand location-based information; and enable appropriate economic, environmental and recreational use of Crown-owned and -used land. ‘Our Place’ has been embedded in leadership and staff performance plans and supported by LINZ’s internal culture and engagement strategy.

Nevertheless, LINZ’s SLT is aware it has struggled to articulate its vision and strategic direction to staff, external stakeholders and partners in a manner that is memorable, unifying, motivating and differentiating. Many stakeholders question if this is because LINZ itself has not grasped the potential contribution to New Zealand of location-based infrastructure and has therefore failed to stake out the leadership role needed. In addition, LINZ has traditionally taken a more technical and operationally focused view of its work and, as a consequence, has tended to focus on its role contributing to intermediate outcomes rather than the outcomes that location-based infrastructure needs to enable: safer communities, improved health, employment and growth, environmental, cultural and recreational outcomes.

LINZ is currently working on its ten-year strategy and better framing of its purpose and strategic direction. It recognises that ‘Our Place’ needs to be refreshed and taken to another level. In doing this it is vital LINZ identifies and articulates the impacts it seeks to achieve, as well as the interdependencies with the private sector and local and central government agencies.

LINZ needs a coherent, unifying, differentiating and motivating purpose – ie, it must decide what it needs to be in ten years’ time and what it will do at pace to demonstrate impact over the next four years. A ten-year timeframe is necessary, given the high fixed costs and long lead times needed to build location-based infrastructure. The purpose needs to be communicated in a memorable way – that the benefits of a spatially enabled New Zealand are economic, social, environmental and cultural. Each person in the organisation needs to have a direct line of sight between what they do every day and the contribution this makes to real outcomes.

Clear targets and a system for managing performance against these are essential to bring LINZ’s purpose to life. It would also help to be clear about priorities and what to stop doing; creating a sense of urgency and the need to deliver for a bigger purpose. A likely central target is the estimated \$500 million economic, social, environmental and cultural benefit that would result from a spatially enabled New Zealand. This in turn would need to be anchored in meaningful and measurable sub goals, which frame expectations over the next four years.

ii. Business Strategy

The business strategy describes what the organisation needs to do to meet the expectations of its stakeholders. LINZ needs to think about this in at least two ways:

- building on its comparative advantage by developing a deep understanding of property rights systems, land information markets and location-based infrastructure assets, particularly in the New Zealand context
- developing a ten-year strategy and location-based infrastructure plan that will deliver against the expectations of stakeholders through time, including demonstrating impact over the next four years.

The following criteria are likely to be relevant in shaping the ten-year strategy and infrastructure plan:

- in sum, the components of the strategy and plan are large enough to comfortably achieve the top-down target of enabling \$500 million of economic, social, environmental and cultural benefits to be leveraged from the infrastructure by 2023
- the strategy and plan are built on a solid understanding of initiatives that other major partners³, as well as LINZ itself, are planning to invest in and that need to be enabled by location-based infrastructure. The initiatives will have a range of time profiles critical to understand and prioritise. Some will demonstrate impact over the next four years
- the strategy will include a range of best practice and business-as-usual core activities, ensuring LINZ's key operating platforms continue to be fit-for-purpose and demonstrate best practice over time
- the strategy and plan are optimised to gain momentum, manage risk at the agency and all-of-government level and reflect the importance of achieving priorities across economic, social, environmental and cultural dimensions
- initiatives are outward-focused on delivering low cost, timely, customer-driven improvements and opportunities that enable others to align their strategies and co-invest to realise benefits more quickly
- delivery against current government priorities is ensured.

The ten-year location-based infrastructure plan becomes the essence of the business strategy and is likely to reflect the requirements of many of the current Better Public Services targets, which will help to prioritise areas of immediate focus and impact .

iii. Operating Model

The operating model describes how the organisation will operationalise and deliver its business strategy. There is an opportunity for LINZ to build a coherent business strategy and operating model that reflects an understanding of the value proposition of being a core infrastructure business.

³ Major partners include local government, other central agencies and the private sector.

It is critical the operating model includes the following characteristics:

- it needs to reflect the requirements of the business strategy – delivering on a location-based infrastructure strategy and plan. It is suggested that the components of an infrastructure operating model might be used to assist in the following ways:
 - infrastructure assets are characterised by long lead times for asset development and high fixed costs structure
 - aligning business planning and developing co-investment strategies with major partners to capture value and reduce risk and uncertainty
 - helping to reveal preferences and willingness to partner; it introduces new partners and internalises the need to be influential
 - the value of core functions and platforms is accentuated in an infrastructure model ensuring they get appropriate focus
- strategic leadership from SLT to engage external stakeholders and partners effectively with the strategy.
- it reflects the co-dependency LINZ has with key stakeholders in its bid to unlock significant economic, social, environmental and cultural value through location-based infrastructure
- a results driven culture with an outward-looking focus on being responsive to the priorities and needs of stakeholders
- a strong risk management strategy that manages risk at the all-of-government and departmental level, recognising that investment in long lived assets always involves risk
- a continuous improvement cycle that allows adjustments as circumstances change.

Overall, an infrastructure operating model will help elicit stakeholders' priorities and willingness to co-invest and align business strategies to achieve results in the short term and over a considerable period of time – given the long lead times and high costs of developing location-based infrastructure.

iv. Implementation

LINZ's change capability and ability to implement effectively is supported by a number of key strengths indicating it has a strong platform to lead from, including:

- the highest overall rating in the State sector Gallup engagement survey (September 2012). This is a consequence of concerted effort developing the culture needed to support 'Our Place'. This result reflects staff feeling LINZ works as one organisation and there is open communication throughout all levels. Staff consistently describe the culture of LINZ in similar and positive terms and many articulate the need to use this platform to further shift from an inward to a more outward focus
- 'Our Place' has been seen as a positive way to capture the purpose and strategic direction and staff recognise it could be refreshed to assist LINZ to shift from being a 'quiet achiever' to a 'confident achiever'
- customers and stakeholders valuing LINZ's technical expertise and inviting it to take a wider strategic governance/stewardship role, particularly in leading the delivery of geospatial strategy for New Zealand

- Ministers' confidence in LINZ. It is seen as responsive, tidy and increasingly delivering on government priorities
- risk management and finance functions having shifted from a compliance and audit approach to include a risk and assurance approach. There is focus on strategic alignment, the need to identify opportunities and risk, and plans to improve the ability to drive improved business performance through the finance function
- evidence of good forward thinking in a number of important core areas, such as the future development of Landonline, where LINZ is focusing on what customers need and the technology to support it
- an effective internal communication strategy to underpin LINZ's performance
- exceptionally high performance levels in its core regulatory responsibilities, where regulations are widely seen as effective and efficient and its statutory officers are respected for their expertise and independence
- the ability to deliver high quality services to the public and other stakeholders, as demonstrated by the World Bank recently ranking New Zealand second in the world for ease of registering property.

To be confident about its ability to meet its performance challenge LINZ needs to consider:

- increasing the strategic capability of SLT to round out its current collective leadership competency. (This should not happen in a manner that puts at risk its operational proficiency and the contribution this brings to the collective leadership and effectiveness of the organisation. The new Chief Executive brings considerable strategic leadership experience and provides a sound platform to position the agency. It is critical SLT focuses its collective energy on the strategically important opportunities open to the agency and the strategically important issues confronting the performance of the agency.)
- significantly enhancing its economic analysis to meet the new standards in considering applications under the Overseas Investment Act 2005
- completing with urgency the development of an effective external communications strategy
- improving the business planning capability to support the timely and appropriate development of location-based infrastructure, including better use of project office capability, gateway targets, procurement capability, benefit realisation etc and
- a significantly stronger commitment to rigorous review to test for impact against business case objectives and to make ongoing business and programme improvements.

What will success look like?

In four years' time, the ultimate measure of success is that the critical building blocks have been laid to enable location-based infrastructure to unlock in excess of \$500 million in economic, environmental, social and cultural benefits over the next ten years.

The results of this will be:

1. The Geospatial Strategy having delivered the umbrella location-based infrastructure assets enabling New Zealand to unlock other potential benefits. LINZ will be recognised for its strategic leadership in delivering the first four years of its ten-year infrastructure plan, based on a portfolio of agreed priorities/investments, which will be aligned with the planning and investment priorities of its critical partners in the State Services, local government and the private sector.
2. Following the success of the Canterbury Spatial Data Infrastructure (SDI) in supporting the rebuild of Christchurch, a national SDI will have been rolled out ensuring benefits from a national infrastructure have been captured in a timely way.
3. Key components of a virtual one-stop, location-based property information service will have been developed. It contains all of the rights, restrictions and responsibilities of any property and provides user-friendly, seamless access to all of the documentation consents or services needed in respect of that property. LINZ is partnered with local government to ensure interoperability of location information (zoning, rating, address and utilities) ownership interests and permits and consenting services. All three types of land tenure (Land Transfer Act 1952 land, Māori land and Crown land) come under the umbrella of one property rights system. Plans will have been developed to successfully upgrade Landonline and an improved geodetic system developed to help deliver these improvements. As a consequence of these initiatives, the public will have a high degree of confidence in the property rights system and its regulation and stakeholders will have a high degree of satisfaction with LINZ's operation and respect for the integrity of its regulations.
4. The Crown Land Centre of Expertise, which contributes expertise on Crown land acquisition, management and disposal across the government sector, will have been established. Utilisation of economies of scale in one centre of operation will have helped drive efficiencies and greater economic benefits from Crown land assets.
5. LINZ will have developed a clear strategy for managing its large portfolio of Crown land having identified the rationale for holding or disposing of land it manages, the associated timeframes for disposal and the economic, social, environmental and cultural objectives in relation to the land it retains for the medium or longer term.
6. LINZ will have worked effectively with iwi in its co-governance role on elements of post-Treaty settlement land.
7. A high degree of public confidence in the application of the Overseas Investment Act will have been achieved, ensuring New Zealand interests are protected vis-a-vis the acquisition of sensitive land, significant business assets and fishing quota. Confidence that consent conditions are complied with and breaches remedied will have been maintained. As a consequence, New Zealand will be receiving greater benefit from overseas investment.
8. LINZ will have continued to provide access to high quality location-based data services and retained respect for its technical capability.

9. LINZ will have continued to be at the forefront of regulatory risks, communicated regulatory requirements clearly, provided consistent enforcement and ensured policy frameworks were fit for purpose and undertook systematic reviews to test the impacts. It will have continued to be respected for the independence and expertise of its statutory officers, as well as its regulatory policy advice.

In four years, LINZ will have:

- a. Articulated a unifying, differentiating, motivating ten-year purpose and strategy and adopted measurable targets to crystallise the size of the performance challenge, as well as the prize for success.
- b. Developed a ten-year location-based (geospatial) infrastructure business strategy and operating model that facilitates the specification and alignment of sector priorities and elicits other players to commit to priority areas in terms of senior leadership engagement, co-investment and collaboration. As a result, it is recognised by government as able to drive strategic priorities of national importance.
- c. Aligned its business strategy and priorities with key partners to maximise co-investment and accelerate the achievement of outcomes.
- d. Adopted an operating model that recognises location-based infrastructure involves high fixed costs and long investment horizons and therefore may require infrastructure planning methods that reduce uncertainty and risk and elicit priorities, co-investment and commitment from key partners.
- e. Ensured there are clear linkages between the business strategy and implementation, with individual and team accountability for outcomes.
- f. Fully integrated the New Zealand Geospatial Office at an organisational and strategic level. Clarity of structure, roles and responsibilities at all levels will have allowed it to effectively lead and contribute to achieving substantial outcomes from this initiative. Clarity of purpose, roles and responsibilities across agencies for this will have allowed it to set an ambitious pace. This would have been a feasible option because LINZ would have substantially improved its strategic leadership over this work programme.
- g. Developed an outward-focused culture, with supportive behaviours and values. 'Our Place' will have been refreshed to reflect this focus. Not only has LINZ shifted from a 'quiet achiever' to 'confident achiever', it has become a confident leader of New Zealand's geospatial strategy and infrastructure.
- h. Developed governance structures needed to lead its all-of -government initiatives to join with other major partners to maximise outcomes where co-dependencies are strong.
- i. Continued to provide timely and highly competent technical support and advice on government priorities.
- j. Adopted a strategy that segments its stakeholders, recognising some need timely access to technical advice, others are looking for strategic engagement and leadership from SLT, while a more intermediate group may require a different response entirely.
- k. Developed induction, training and development programmes to support an outward-looking business model. Deep technical capability, as well as strategic capability to position the agency as an influencer and enabler, has been fundamental to achieving its success. Good performance is consistently recognised and rewarded and poor performance is consistently managed.

- l. Adopted a programme management approach to ensure performance measures are identified and set at the outset of a project or initiative; agreement is reached on how progress will be tracked towards achieving its outcomes, results and impacts; processes are specified and used to review and evaluate effectiveness and impacts; and outcomes are reviewed against those in the original business case.
- m. Used financial and resource management functions to drive business performance, as well as to meet compliance requirements.

Ultimately, LINZ will know it has made a difference to the long-term wellbeing of New Zealanders because it will have been successful in leading and partnering to ensure a spatially enabled New Zealand that is unlocking substantial economic, social, environmental and cultural benefits.

Brian Harrison
Lead Reviewer

Paula Rebstock
Lead Reviewer

CENTRAL AGENCIES' OVERVIEW

This PIF Review is the second full PIF Review of LINZ. The initial review was published in 2010. The PIF programme is building momentum and for our part we are pleased with the model's progress. In particular, we now see where the PIF product is strong and where it needs to improve.

LINZ has made gains, especially in the effectiveness and efficiency of core business delivery. The agency has also taken the initiative, particularly when it relates to internal leadership. The result since the last report has been significant improvement in the organisational culture, people performance management and staff engagement.

However, there are persistent challenges still to resolve in the leadership and delivery of a broad strategy and direction for LINZ, including the New Zealand Geospatial Strategy. Particular attention needs to be paid to working with key external clients in central and local government, as well as the private sector. In addition, LINZ will need to align its strong performance in people development to a refreshed strategic direction. The coming months will be critical. New Zealanders will continue to depend on LINZ to maintain the integrity and efficiency of the property rights system; to provide accurate and accessible location information; and provide stewardship and management of the Crown land portfolio.

At the moment, LINZ can be described as a stable, well functioning organisation. We anticipate that as LINZ's ten-year strategy becomes clearer, the implications outlined in business cases, and the need for greater coordination and cooperation across a number of sectors, will require more active support from the Corporate Centre. We are committed to working in partnership with LINZ and to supporting it to be successful in its engagement with parties, critical to its success.

In closing, this year celebrates a century of service to the public. The past hundred years have seen massive changes in New Zealand society and the Public Service has had to respond and evolve and ensure the challenges of the day are met. To the staff and families at LINZ, thank you for what each of you continues to contribute.





Iain Rennie
State Services Commissioner








Gabriel Makhoul
Secretary to the Treasury

Andrew Kibblewhite
Chief Executive, Department of the
Prime Minister and Cabinet






SUMMARY OF RATINGS

Results






GOVERNMENT PRIORITIES	RATING
Increasing the reuse of location-based information	
Supporting the rebuild of Canterbury	
Better property services	
Crown land expertise	





CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Integrity of the property rights system		
Location-based information		
Crown land acquisition, management and disposal		
	RATING	
Regulatory impact		




Rating System






 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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Organisational Management






LEADERSHIP, DIRECTION AND DELIVERY	RATING
Purpose, Vision and Strategy	
Leadership and Governance	
Values, Behaviour and Culture	
Structure, Roles and Responsibilities	
Review	

EXTERNAL RELATIONSHIPS	RATING
Engagement with the Minister(s)	
Sector Contribution	
Collaboration and Partnerships with Stakeholders	
Experiences of the Public	

PEOPLE DEVELOPMENT	RATING
Leadership and Workforce Development	
Management of People Performance	
Engagement with Staff	

FINANCIAL AND RESOURCE MANAGEMENT	RATING
Asset Management	
Information Management	
Improving Efficiency and Effectiveness	
Financial Management	
Risk Management	


Rating System

 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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RESULTS SECTION

Part One: Delivery of Government Priorities

This section reviews the agency’s ability to deliver on its strategic priorities agreed with the Government. While the questions guide Lead Reviewers to retrospective and current performance, the final judgements and ratings are necessarily informed by scope and scale of the performance challenge.

<p>Government priority 1 – Increasing the reuse of location-based information <i>Coordinating a cross-government programme that will deliver available, accessible and useable location-based information and infrastructure to New Zealanders.</i></p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>Geospatial information describes the location and names of features beneath, on, or above the surface of the earth and the relationship between features. Spatially enabling business requires the linking of business transactions to places (geo-referencing) and then using those geo-referenced places to facilitate evaluation analysis and comparison of relationships between people, places, transactions and government.</p> <p>Better use of geospatial information can significantly improve private and public sector efficiency through better decision-making and resource allocation, leading to sustainable development and increased economic, social, environmental and cultural benefits to New Zealand.</p> <p>There is a push through the New Zealand Geospatial Strategy (2007) to increase and promote the better use of geospatial information in New Zealand. LINZ is tasked with overseeing the policy framework that supports the Geospatial Strategy. The four key goals of the strategy are focused on: governance, access, interoperability and data.</p> <p>LINZ has two roles: to be a centre of excellence and to provide leadership of the Strategy.</p> <p><i>Centre of Excellence</i></p> <p>LINZ is developing itself as a centre of excellence, capitalising on its overall stewardship of a national spatial data infrastructure (SDI), its interest in eight out of the 10 fundamental data themes and probable stewardship of five data themes and a significant number of datasets within those themes. Each theme contains a number of datasets, the identification of which is part of the Geospatial Strategy. In this role LINZ is developing and improving content, accessibility, delivery and integrity of its datasets, which will be an integral part of the national SDI. For example, it is developing a business case for the next generation of its Landonline property rights system; developing a ten-year strategy for the improvement of the digital cadastre; implementing its Ocean Survey 20/20 and mapping initiative; standardising addresses; and improving the geodetic system.</p> <p style="text-align: right;">Contd...</p>

	<p>Other initiatives include:</p> <ul style="list-style-type: none"> • creating and improving a Canterbury SDI to assist Canterbury’s rebuild in response to the earthquakes (see Government Priority 2: Supporting the rebuild of Canterbury) • LINZ Data Service offering free, online access to 40 of its databases • assisting Auckland Super City in development of its spatial plan • coordination of imagery procurement access and standards for Canterbury. <p><i>Leadership of the New Zealand Geospatial Strategy</i></p> <p>Although these are important initiatives in themselves, progress of the Strategy is generally viewed by stakeholders as slow, with a feeling of increasing disengagement by some. As a result, some are questioning LINZ’s mandate as leader of the Geospatial Strategy.</p> <p>Given its stewardship and custodian role of a number of fundamental datasets at the heart of a national SDI, LINZ seems the natural agency to take the Geospatial Strategy forward.</p> <p>It needs to seize the initiative and show new and invigorated leadership. It should treat the Geospatial Strategy as its umbrella infrastructure asset, under which much of its existing business is a component, and develop it in the same manner as an infrastructure company would.</p> <p>It should clearly articulate its role and set a clear proposition of its objectives and what success will mean in tangible economic, social, environmental and cultural terms. It should clearly state the value proposition and quantify the benefit to New Zealand. Where relevant it should identify its part in achieving the multi-agency outcome that will result, in part or whole, from the Geospatial Strategy it is responsible for leading.</p> <p>LINZ needs to develop a long-term infrastructure plan, with cost/benefit analysis, clear deliverables and outcomes, with milestones and gateway targets.</p> <p>It should look at the governance structure of the New Zealand Geospatial Office to strengthen its strategic, analytical, financial and communications advice and support functions at the senior level. It should ensure active engagement at chief executive level from ministries that will contribute to the success of the Geospatial Strategy and ensure it is maintained. Maintenance will require these chief executives to have input at the right level and at the right time.</p> <p>Given the wider benefits of a national SDI and the diversity of likely stakeholders, the plan should identify stakeholder investors and outline their roles. These parties should be identified early and engaged as soon as possible.</p> <p style="text-align: right;">Contd...</p>
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	<p>It should start a ‘hearts and minds’ initiative at stakeholder level. In addition to cross-government initiatives, it should engage at an early stage with local government and interested private sector institutions and businesses. Local government has expressed enthusiasm for renewed leadership and is looking for opportunities to participate.</p> <p>The danger of not achieving success will be the possible proliferation of uncoordinated investment across the public and private sectors, which will not only lead to investment inefficiencies but also a loss to New Zealand of the wider benefits of a well executed Geospatial Strategy.</p>
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Government priority 2 – Supporting the rebuild of Canterbury

This includes two major initiatives:

(a) *working to accelerate the recovery and rebuild in Canterbury by increasing the ability of agencies to access location information for planning and coordination efforts, and*

(b) *assisting with acquisition and then subsequent management of up to 8,000 ‘red zone’ properties.*

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>LINZ’s involvement in Canterbury has been a demonstration of the application of its skill sets and technical capabilities in diverse business sectors to a land-based event.</p> <p>LINZ was slow to assess the impact of the September 2010 earthquake, taking a passive rather than active role. However, internally it learnt a number of valuable lessons about disaster recovery and business continuity planning. It updated its procedures to enable quicker contact, and staff mobilisation and prompt delivery of services and resources in the future.</p> <p>The response to the February 2011 earthquake was significantly more proactive, with the agency taking a leadership role. From an internal management perspective it ensured its core survey and title business continued without interruption despite having to transfer its operational presence in Christchurch. Externally, it instituted a range of policy, regulatory and operational measures including:</p> <ul style="list-style-type: none"> • coordination of the procurement of aerial imagery and negotiation of open licences to enable open access • providing technical advice and establishment of emergency rules and guidance for transactions in land acquisition, title and survey and valuation. The Surveyor-General developed emergency rules for boundary recognition following earthquakes, which have since received international acclaim. These have been updated to make them nationally applicable for future earthquakes • the promulgation of Orders in Council where necessary <p style="text-align: right;">Contd...</p>
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- commencement of repair to the geodetic network (the underlying infrastructure that underpins survey activity) including having a special allocation of funds
- the re-survey of Lyttelton harbour to facilitate continuing port operations and maritime safety.

LINZ’s activities going forward are looking to the wider aspects of the recovery. Major initiatives include working to accelerate the recovery and rebuild of Canterbury by facilitating public and private sectors access and use of location information in an interoperable form for planning and coordination. LINZ is working with agencies involved in the rebuild to create elements of an SDI for Canterbury to ensure all information they need is up to date, easy to find and able to be shared and used. It is doing this in an enduring way so the SDI can be developed nationally.

Eight projects have been identified that contribute towards the accelerated recovery and an SDI for Canterbury:

- GIS interoperability – designing and improving software processes to automate data exchange between agencies, using open standards
- a forward works programme – developing a spatial viewer
- 3D-enabled cities – developing ways for people to see what rebuilt Canterbury will look like
- a property data management framework – connecting land and property information to make rebuilding as easy as possible
- utilities data access – improving access to utilities’ spatial data to enable more open, effective and efficient data sharing
- an Environment Canterbury enhanced map viewer – helping environmental groups and territorial authorities to connect their data to the Environment Canterbury viewers
- open data and Application Programming Interfaces support – encouraging development of web services, content and mobile applications through the use of open data
- geospatial data discovery – making management of spatial data easy for people to find, share and use.


Delivery of the projects will be overseen by a Christchurch-based programme, with representatives from key agencies, including Canterbury Earthquake Recovery Authority (CERA), Christchurch City Council and Environment Canterbury.

A significant challenge for LINZ is to engage wider stakeholders and partners to further develop and roll out the Canterbury spatial data infrastructure SDI so the benefits are captured nationally in a timely way.

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	<p>LINZ is also providing technical advice on recovery strategies and assistance with the legislative framework to implement those strategies. It is assisting Christchurch City Council and Waimakariri District Council with their rating re-valuations that will need to take into account some of the strategic shifts in capital values across Christchurch city and surrounding districts. LINZ has an active role in advising on the re-consideration of rating policies, which involves difficult local authority issues and requires some innovative thinking.</p> <p>There are up to 8,000 properties identified within the red zone in Christchurch City Council and Waimakariri District Council areas. LINZ has signed a Memorandum of Understanding with CERA whereby LINZ will use its Crown property expertise to assist CERA in the acquisition and management of red zone land after property demolition and block clearance work has been completed. This role plays to the strengths of LINZ’s Crown land expertise and represents a valuable contribution to the ongoing management of the Canterbury rebuild and whose function is destined to outlast CERA.</p> <p>The challenges for LINZ are ensuring it maintains pace and plans ahead to ensure it has sufficient capacity and capability as its property management responsibilities in the red zone grow.</p>
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Government priority 3 – Better Property Services
Exploring better integration of central and local government property functions and services relating to ownership of property, permits and consenting.

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>Better Property Services is conceptually best described as a virtual one-stop location-based property information service that will contain all of the rights, restrictions and responsibilities applying to any particular property and provide user-friendly seamless access to all of the documentation consents or services needed in respect of that property. It will be enabled by the interoperability of location information (eg, zoning rating, address and utilities) ownership interests (eg, land titles and surveys) and permits and consenting services (eg, building consents, resource management consents and mineral permits).</p> <p>Currently, the information is held in agency silos with a fragmented approach to technology resulting in disjointed services with a high cost of access, procurement and use.</p> <p>As the steward and custodian of a significant amount of the location-based information that will make up the property information ‘shop’, LINZ has responsibility for the continual development and delivery of that information and making it interoperable with information from other sources and agencies.</p> <p style="text-align: right;">Contd...</p>
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	<p>In this role LINZ:</p> <ul style="list-style-type: none"> • has commenced development of a business case for Landonline to meet future expectations • is commissioning an economic analysis to estimate the value of a virtual one-stop location-based property service • is progressing a Land Transfer Bill that will consolidate, clarify and modernise current land transfer legislation • is looking at enhancing survey and title operations technology, capability and process to improve customer experience, including online service improvements • has published a consultation paper on the 10 – 20-year strategy for developing the cadastre. It is also undertaking current development projects for title parcel-linking and spatial parcel improvement • is considering how to bring the three types of tenure (provided for in the Land Transfer Act 1952, Te Ture Whenua Māori Act 1993 and the Land Act 1948) under the umbrella of one property rights information system. (Currently, Landonline predominantly holds accurate details for land under the Land Transfer Act, full but not necessarily up to date details for land under Te Ture Whenua Maori Act 1993 and details for some Crown land, namely where title has been issued.) • is reviewing the geodetic system to improve its functionality, with any new iteration of the Landonline system • is utilising ideas and possibilities raised by the Conveyancing 2020 consultation • is making all of its datasets compliant with the SDI and consistent with other aspects of the New Zealand Geospatial Strategy. <p>While not underestimating the complexity of the work to be done as steward and custodian, none of the technical, operational and regulatory roles required are foreign to or outside of LINZ’s normal scope of business. These are areas where it has traditionally and consistently performed to a high level.</p> <p>It also has a leadership role. Better Property Services should be viewed as the development of an infrastructure asset that will require the support and investment of a diverse number of stakeholders who will supply to, and invest datasets in, the project and be users of it. To achieve success for this priority, LINZ will need to be a leader in the assessment of the viability and benefits of the initiative and a facilitator and full participant in its implementation in whatever form that takes.</p> <p style="text-align: right;">Contd...</p>
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	<p>Many of the components of the Better Property Services initiative are held by agencies and parties outside of LINZ. These will need to be incorporated in an interoperable format to be useful and satisfy certain standards of integrity.</p> <p>Successful engagement will be needed with a number of central government agencies and, as importantly, at local authority level where significant reservoirs of information and data reside. To get collaboration and partnership it is important LINZ engages with these stakeholders early in the process so they can contribute to the design and success of the initiative.</p> <p>LINZ will need to quickly establish an overall long-term business plan for Better Property Services outlining its objectives, a cost/benefit analysis and the role of each stakeholder, with indicative work programmes, milestones and gateway targets agreed by consultation.</p> <p>Initial work is under way. An indicative business case for LINZ’s property services will be completed by mid-2013 examining options for alternative delivery mechanisms. This can be used as a platform for informed engagement with stakeholders.</p> <p>Indications from central and local government stakeholders and sections of the private sector about Better Property Services were supportive and enthusiastic about the benefits it would provide. They welcomed any initiative that would lead, manage and bring the project to fruition. The economic benefits to New Zealand of a seamless, user-friendly system underpinning property rights and information cannot be overstated and LINZ has a crucial role in delivering those benefits.</p> <p>Better Property Services is a new Ministerial priority, initiated in December 2012. It is a complex project, particularly given the range of stakeholders involved, but it shows promise of generating considerable economic benefits. LINZ has already made good progress in developing the concept but the ‘needing development’ rating necessarily reflects the early stage this priority is at.</p>
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Government priority 4 – Crown Land Expertise
Repositioning LINZ’s Crown land operations as a centre of expertise to help improve administration of Crown land across government.



<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>This is a new Ministerial priority, initiated in December 2012.</p> <p>Crown land management is a core business for LINZ which manages 8% of New Zealand’s land area consisting of over 5,000 properties worth more than \$500 million. It is leveraging its Crown land management and disposal expertise to create a centre of expertise to ensure more effective and efficient management.</p> <p style="text-align: right;">Contd...</p>
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	<p>LINZ’s proposition is that because Crown land management is not core business for other agencies, LINZ can help ensure that, across government, agencies are using land efficiently and effectively.</p> <p>Areas of contribution are:</p> <ul style="list-style-type: none"> • advice – experience and expertise in Crown land management, including the development of robust policy frameworks • services – acquisition, management and disposal of Crown Land • ownership – adding further properties to the LINZ portfolio • scale – utilisation of economies of scale in one centre of operations will drive more efficiencies, higher economic benefits and cost savings from Crown land assets • productivity – making more Crown land available to use. <p>LINZ has been active in selling its proposition to other agencies. Recent achievements include:</p> <ul style="list-style-type: none"> • a Memorandum of Understanding (MoU) with the Canterbury Earthquake Recovery Authority (CERA) to take on management of up to 8,000 red zone properties following their structure clearance • an MoU tasking LINZ with the disposal of surplus Crown land with the Department of Corrections and discussions are well advanced with other departments with extensive property portfolios • more than doubling LINZ-managed properties, this includes management of the red zone properties (mentioned above) plus those transferred to and from other agencies. LINZ will need to review its business models to ensure sufficient capability and capacity to accommodate this enlarged portfolio. <p>A focus area for this Government Priority is procurement procedures. A recent review of the effectiveness of its procurement assessed its procedures as being at a basic stage. If LINZ is to achieve a high level of performance in this area it will be expected to have robust end-to-end procurement processes to deliver excellence and accountability for agencies using its ‘centre of expertise’ services.</p>
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RESULTS SECTION

Part Two: Delivery of Core Business

This section reviews the agency’s effectiveness and efficiency in delivering its core business. While the questions are ex-post and guide Lead Reviewers to retrospective and current performance, the final judgements and ratings are necessarily informed by the scope and scale of the performance challenge.

<p>Core business 1 – Integrity of the property rights system</p> <p><i>This includes regulating and managing the Survey and Title system, regulating valuation and administering the Overseas Investment Regime.</i></p>	
<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Strong</p> <p>Performance Rating (Efficiency): Strong</p> <p>New Zealand has a world-leading property rights system that delivers, through Landonline, a low cost, low risk system of very high value (a Crown guarantee of title for land registered under the Land Transfer Act 1952). This underpins an almost invisible part of the New Zealand economy by enabling individuals and businesses to confidently and efficiently transact in land with little fear that their transactions will be challenged because of incorrect title information. New Zealanders have approximately \$427⁴ billion net equity in housing assets. This security of title enables New Zealanders to borrow against property to fund investments in the economy, including the establishment of small enterprises.</p> <p>Landonline is the world’s only fully integrated survey and title database supported by electronic lodgement, and 99% of all transactions are completed electronically by authorised professionals. Eighty-five percent of title transactions are completed automatically. More than 2.8 million land information searches are completed annually. The World Bank’s 2013 report ranked New Zealand second for ease of registering property measured by time, number of procedures and cost involved, up from third in previous years.</p> <p>The robustness of the service is reflected by the very low level of legal challenge LINZ experiences to property rights or ratings valuations.</p> <p>A part of Landonline is the cadastral system, which defines the ‘where’ (the title being the ‘who’) in property rights. It is a mechanism that supports the delivery of social, economic environmental and cultural benefits and which contributes to the overall spatial data infrastructure. Every local body utilises the cadastre to underpin land valuation, rating, administrative planning, electoral and resource management. It delivers to the private sector fundamental information when developing applications, such as way-finding and route optimisation, and research and spatial analysis for social, economic and environmental purposes. LINZ also regulates and provides special attention to property transfers to facilitate Treaty settlements.</p> <p style="text-align: right;">Contd...</p>

4 Reserve Bank of New Zealand Financial Stability Report, May 2011.

Through regulation of the rating valuation system, LINZ ensures valuations are nationally consistent, fair and independently assessed. LINZ helped ensure Auckland's unprecedented 'super city' revaluation of approximately 500,000 properties was completed on time with fair and consistent valuations. LINZ is also currently working with local authorities in Canterbury on the timing and assessment of rating revaluations and charging.

LINZ continues to focus on improving its service delivery and meeting future needs through technology and collaboration. Work is being undertaken on:

- the progression of a Land Transfer Bill that will consolidate, clarify and modernise existing land transfer legislation
- improvements to the current Landonline system to ensure customers needs are being met and operating systems streamlined
- a business case to make an informed capital decision on the future of Landonline. Although the system is currently delivering, it is anticipated it will need to be redeveloped in the next five to six years to meet customer needs and evolving technology
- the development of a 10 – 20-year strategy for the cadastre where a consultative approach is being taken to ensure investment decisions on its future are informed and made in a coherent framework
- an evaluation of the rating valuation system to ensure it is still meeting its policy objectives.

The Global Financial Crisis downturn resulted in a significant drop in fees for LINZ's survey and title services, which required a \$41 million capital injection from the Crown. However, in 2011/2012 LINZ achieved full cost recovery for its property market transactions through fee increases, cost reductions and improved revenue modelling and transition volumes. It was able to repay \$14 million of the capital injection in that year.

Stakeholders' satisfaction with LINZ's operation and regulation of the property rights system is generally very high. The future challenge will be in maintaining the high integrity and efficiency of the system while meeting customers' increasing expectations of accurate information at low cost in forms easily understood and useable.

Overseas Investment Office (OIO)



The OIO considers applications from overseas investors seeking to acquire sensitive New Zealand land, significant business assets and fishing quota. It also monitors compliance with consent conditions and enforces breaches of the Overseas Investment Act 2005.

The Treasury is responsible for policy with LINZ responsible for the operational aspects of the Act. Its operational role is seen as efficient and well run, meeting targeted screening and processing times. It has a priority on high quality analysis and a very high rate of recommendation acceptance at Ministerial level.

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	<p>It is shown to be timely in its monitoring of compliance and enforcement. It is further improving its systems and policies to increase effectiveness in investigation and enforcement.</p> <p>It endeavours to streamline processes within the confines of the Act to reduce its operational costs and the costs incurred by applicants .</p> <p>A challenge for the OIO will be applying a competition test, recently introduced by the courts, to future applications. This will require more stringent economic analysis, including consideration of whether the benefit to New Zealand would be greater with the investment than without it. Significantly enhanced economic analysis will be necessary to meet the new standards of analysis.</p> <p>Overall, LINZ delivers this core business very well through a world-leading property rights model. It has successfully maintained high service levels while reducing costs significantly and recovered well from the Global Financial Crisis. It is also looking ahead. LINZ is well under way in determining future requirements for when Landonline is replaced, as detailed in the section on Government Priority 3 (Better Property Services).</p>
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<p>Core business 2 – Location-based information</p> <p><i>This includes:</i></p> <ul style="list-style-type: none"> • <i>management and provision of location-based infrastructure – maps, charts, navigational information for safety at sea, datasets (topographic, hydrographic, geodetic, addressing, electoral)</i> • <i>administration of the New Zealand Geographic Board</i> • <i>administering the Ocean Survey 20/20.</i> 	
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<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Well placed</p> <p>Performance Rating (Efficiency): Well placed</p> <p>LINZ has a wide role in the provision of location-based infrastructure. It:</p> <ul style="list-style-type: none"> • maintains a geodetic network that models the earth’s surface and underpins surveying, mapping and related activities • maintains a spatial representation of cadastral boundaries • maintains address information in conjunction with local authorities and electoral agencies • produces authoritative topographical information, place names and maps • produces electronic and paper navigation charts and specialised nautical charts to aid safe navigation in New Zealand waters and certain areas of Antarctica and the South West Pacific, fulfilling New Zealand’s international obligations under the International Convention for Safety of Life at Sea (SOLAS) • produces nautical information updates, including urgent maritime safety information, chart maintenance publication and the annual New Zealand Nautical Almanac <p style="text-align: right;">Contd...</p>
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- contracts GNS Science to provide a tsunami monitoring network. GNS Science, in turn, provides monitoring information to the Ministry of Civil Defence and Emergency Management
- is working in partnership with the Ministry of Foreign Affairs and Trade to deliver a regional risk assessment for the South West Pacific and accelerate the production of electronic charts for LINZ's area of charting responsibility.

As the New Zealand Hydrographic Authority it produces data through its annual survey programme. It has streamlined its services in hydrography to maintain delivery of seven international standard services over the 25 million square kilometres of marine territory New Zealand is responsible for. It is on track to make \$2.9 million in cost-efficiencies by 2014/15.

LINZ coordinates Ocean Survey 20/20, a comprehensive programme of ocean and coastal survey activity. Areas to be covered are the Exclusive Economic Zone, the fourth largest in the world, continental shelf and the Ross Sea region. It recently proposed moving to a survey/purchase model estimated to save \$1 million, however, this proposal has been deferred pending further collaboration with other natural resources sector agencies on the best way to address marine information needs.

LINZ recently upgraded its online geodetic data following a cost/benefit analysis of real time data in industries such as surveying, infrastructure development and agriculture. Precise positioning data from global navigational satellite systems can be downloaded from its PositionZ network.

LINZ Data Service (LDS) provides free, online access to 40 of its datasets. LDS has set a leading example for open, useable public documentation, recognised internationally in 2012 with awards at the Asia-Pacific Spatial Excellence Awards and the Australia and New Zealand Internet Awards.

As part of the Landonline property rights system LINZ maintains the cadastre (the dataset of survey data which provides information on the spatial extent of land rights). It is constantly refining the dataset and has commissioned a consultative document to examine future needs.



The business model to produce electronic and paper topographical maps is currently being reviewed to ascertain best value and future delivery of these services.

Heavy reliance is necessarily placed on LINZ's specialist technical advice to perform these operations and execute them efficiently. It has adopted technology to gain efficiencies and now has the leanest hydrographical, topographic and geodetic teams internationally. LINZ is internationally recognised for the high quality of its work in these fields. LINZ is aware of the risk of relying on a small group of highly skilled technical specialists and is progressing initiatives to reduce risk of staff loss and expertise. This must remain a priority.

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	<p>Constraints on funding dictate prioritisation in a number of the above fields. LINZ could do more to develop a programme to set out priorities, how these are arrived at on a cost/benefit basis and timetables for achieving them.</p> <p>LINZ administers the New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Act 2008 and the Board’s funding. The Board is responsible for official place-naming in New Zealand and considers proposals to assign, alter, approve, adopt, validate or discontinue official names. The Board considers around 300 name proposals per annum and achieves its targets for consideration and consultation on proposals within robust frameworks and processes. A significant amount of work in recent times has been providing expert advice to the Office of Treaty Settlements and the Minister for Treaty of Waitangi Negotiations on place names made official under treaty settlements. LINZ has just completed a review of the Board which outlines a number of system improvements for the secretariat to provide a more effective service to the Board.</p> <p>LINZ is well placed in this core business area. Obtaining optimal benefit from this work will increasingly depend on its ability to lead and develop the New Zealand Geospatial Strategy, discussed in Government Priority 1, as this is expected to drive the direction and added value of future location-based information.</p>
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<p>Core business 3 – Crown land acquisition, management and disposal</p> <p><i>This includes:</i></p> <ul style="list-style-type: none"> • <i>management of Crown land</i> • <i>centralised clearance service for acquisitions and disposals of land by other agencies</i> • <i>the LINZ biosecurity programme (annual pest weed and animal control works programme)</i> • <i>land disposal services for other agencies</i> • <i>contributing to the Office of Treaty Settlements work programme to progress Treaty claims (previously Government Priority)</i> • <i>implementing South Island High Country policy – a simpler, more cost-effective and transparent rent system for high country pastoral leases (previously Government Priority).</i> 	
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<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Well placed</p> <p>Performance Rating (Efficiency): Well placed</p> <p>LINZ manages 8% of New Zealand’s land area. The portfolio of over 5,000 properties is worth more than \$400 million as at March 2013. Of this, \$40 million is in pastoral leases in South Island High Country, returning \$1.6 million per annum (see below). The land portfolio presents challenges of risk identification and mitigation, biosecurity, managing tenancies, resolving unauthorised uses, general maintenance and, where appropriate, developing strategies for most economic use or disposal.</p> <p>LINZ is on track to make \$1.5 million savings from managing Crown land from 2012/13. LINZ also manages a significant disposals programme for the Crown.</p> <p style="text-align: right;">Contd...</p>
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	<p>The Department of Conservation (DOC) and LINZ between them manage 40% of New Zealand land. They have jointly developed and just launched the National Property and Land Information System (NaPALIS) enabling better management of the significant land holdings they are responsible for. The system integrates a number of independent datasets and provides LINZ staff with up to date information to better manage its land portfolio.</p> <p>LINZ has expertise in, and a statutory decision-making role over, the acquisition and disposal of Crown land by government agencies. It reviews and signs off on all acquisitions and disposals for compliance with the Public Works Act 1981. The Commissioner of Crown Lands, an independent statutory officer within LINZ, exercises statutory responsibilities under the Land Act 1948. LINZ achieves quick turnarounds in its decision-making role and has an excellent record of decisions meeting regulatory and statutory requirements.</p> <p>It works closely with New Zealand Transport Agency (NZTA) (its largest client in relation to acquisition and disposal of property) to improve the support it provides and has fostered a close working relationship with NZTA.</p> <p>In its annual biosecurity programme, including management of lakebeds for aquatic weed control, overall satisfaction from stakeholders was rated as 'good' in LINZ's most recent survey (2012).</p> <p>LINZ currently uses its significant expertise in management and disposal of Crown land to support other departments and Crown agencies. It is seeking to leverage this expertise and achieve economies of scale to achieve cross-government benefits and efficiencies by becoming a Crown land management centre of expertise. It is actively positioning itself to take a wider role in supporting other Crown agencies by taking over ownership or management and disposal of their Crown land. This positive initiative is gaining traction and is discussed in Government Priority 4, Crown Land Expertise.</p> <p><i>Treaty Settlements</i></p> <p>LINZ plays an important role in supporting the Treaty settlement process. It is involved in every settlement and provides information, land transaction advice, land management held for future settlements, and processing land transactions when Crown-owned land, including Crown forests, are transferred to iwi. It is also involved in direct settlement negotiations, including valuation where LINZ-administered land is proposed as part of a Treaty settlement. In a regulatory role it ensures the disposal of the property by government agencies meets all Treaty settlement requirements.</p> <p>LINZ has a close working relationship with the Office of Treaty Settlements. The relationship could be more structured if both agencies agreed to longer-term work programmes to address timeliness of instruction and response. There is also a declining pool of technical expertise in relation to Crown land, both within LINZ and externally, which needs addressing collaboratively by LINZ and other agencies to maintain future quality advice.</p> <p style="text-align: right;">Contd...</p>
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	<p>LINZ also has a co-governance role with some iwi on elements of post-Treaty settlement land. It is already engaged with Ngāi Tahu in respect of land holdings in the South Island and with Tainui on issues relating to the Waikato River. Its 'Business with Māori Strategy' will aid both efficiency and effectiveness in its increasing role in post-Treaty activity.</p> <p><i>South Island High Country Policy</i></p> <p>LINZ is responsible for managing the Crown's South Island High Country leases. These account for 70% of LINZ's Crown land portfolio by area and hold national significance to the economy and environment. In collaboration with the Ministry for Primary Industries and DOC and in wide discussion with stakeholders, LINZ reviewed the rental policy for pastoral leases in the South Island High Country. Resulting amendments to the Crown Pastoral Land Act 1998 were enacted in 2012, changing the formula for setting rents from a land-based valuation to a property-earning capacity. The process was seen as well run and implemented with a high degree of consultation, giving people the opportunity to learn and understand the issues so informed decisions could be made.</p> <p>In its management function LINZ has changed its business model from using outside contractors, which represented 60% of allocated budget, to assignment of portfolios to LINZ staff. This has resulted not only in a reduction of annual spend but also in a high level of engagement with lessees and a greater internal understanding of issues relating to the land, land management and good stewardship of individual leases.</p> <p>LINZ is also responsible for tenure reviews under the Crown Pastoral Land Act 1998. Tenure review is a voluntary negotiation between the Crown and the leaseholder that can and often results in some land being transferred to DOC and the lessee gaining freehold title to land capable of productive use. It operates on the voluntary submission by lessees. As of September 2012 there were 303 Crown pastoral leases, of which 88 had been reviewed and 108 were not in tenure review. The decision to enter review involves not only economic but also social and cultural considerations. There is evidence a high proportion of lessees who have completed the process feel more economically secure despite a significant number having a decrease in income since the review. However, it is seen as complex, time consuming and expensive and there is some frustration at what is seen to be indecisiveness in some areas of government. LINZ needs to be more active in making the process more efficient and effective from a time, cost and decision-making perspective.</p> <p>Overall, LINZ is an effective Crown land manager, with specialist staff who can efficiently and effectively undertake this role, which is outside the core business of most public service agencies. Its success is reflected in its new Government Priority – to help improve administration of Crown land across government. While we have rated that Government Priority as 'needing development' the rating largely reflects the early stage of this initiative, only agreed late last year.</p> <p style="text-align: right;">Contd...</p>
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	<p>An area for further consideration for LINZ to stay 'well placed' is the development of a clearer strategy about managing its large portfolio of Crown land, which more clearly identifies the rationale for holding or disposing of land, the associated timeframes for disposal and the economic, social, cultural or environmental objectives of the land it retains in the medium to long term.</p>
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<p>Regulatory impact</p>

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Strong</p> <p>LINZ has four statutory officers who set regulatory interventions, monitor compliance and undertake enforcement activities, including regulatory activities in the title and survey system, rating valuations and the acquisition, disposal and management of Crown land. In addition, LINZ has policy responsibility across these areas.</p> <p>From 2005-2010 LINZ reviewed 290 regulatory documents, recasting 34 standards and guidelines and creating 21 new standards and guidelines from legislative and environmental changes. In the more recent Treasury review of regulatory regimes (the 2012 'Best Practice Regulation Model: Principles and Assessments') no significant concerns were identified in relation land registration.</p> <p>LINZ reports its current focus is on improving regulatory performance through the evaluation of the regulatory systems it is responsible for. Two initiatives are under way: leadership of a cross-Natural Resources Sector agency evaluation network and a regulatory evaluation of the rating valuation system (with its final report due in June 2013).</p> <p>Overall, the LINZ approach is based on an end-to-end process, which covers policy design, compliance and effectiveness monitoring, and education. It aims to be outcomes-focused, risk-based, benchmarked to best practice and accepted by stakeholders.</p> <p>LINZ performs strongly in this function and is respected for the independence and expertise of its statutory officers, as well as for its regulatory policy advice. The four statutory officers, the Commissioner of Crown Lands, Registrar-General of Land, Surveyor-General and Valuer-General, each actively engage with affected parties, monitor and review impact, look to achieve best practice regulatory practice and think forward about the ongoing relevance of their interventions. This proactive approach is supported by a policy function that ensures the regulatory framework and regulations remain fit for purpose. Key stakeholders expressed confidence in the regulatory framework and its regulators.</p> <p>Looking forward, LINZ needs to focus on new and emerging risks, communicate regulatory requirements clearly, provide consistent enforcement across regulatory responsibilities and ensure policy frameworks remain fit for purpose, eg, the valuation framework and the Public Works Act.</p>
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ORGANISATIONAL MANAGEMENT SECTION


This section reviews the agency’s organisational management. The questions guide Lead Reviewers to current and future performance. Final judgements and ratings are informed by the scope and scale of the performance challenge.

Part One: Leadership, Direction and Delivery

<p>Purpose, Vision and Strategy</p> <p>How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders?</p> <p>How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>LINZ currently states its purpose is to, “maintain and build confidence in property rights in land and geographic information and encourage land information markets to develop and mature”. It encapsulates its strategic direction in ‘Our Place – Making a great place’, a concept for which LINZ was nominated for an Institute of Public Administration New Zealand innovation award. It also has specified three core outcome areas: integrity of the property rights system maintained to encourage trade, commerce and wellbeing; increasing the productive use of New Zealand location-based information; and enable appropriate economic, environmental and recreational use of Crown-owned and -used land. ‘Our Place’ has been embedded in leadership and staff performance plans and supported by LINZ’s internal culture and engagement strategy.</p> <p>Nevertheless, LINZ’s leadership is aware that it has struggled to articulate its vision, overall purpose and strategic direction to staff and external stakeholders and partners in a memorable, unifying, motivating and differentiating manner. Many stakeholders question if this is because LINZ itself has not grasped the potential contribution to New Zealand of location-based infrastructure and has therefore failed to stake out the leadership role that is needed. In addition, LINZ has traditionally taken a short horizon to its work and, as a consequence, has tended to focus on its role in contributing to intermediate outcomes rather than those that location-based infrastructure needs to enable: safer communities, improved health, employment and growth, environmental, cultural and recreational outcomes. In contrast, a project undertaken in 2008 for New Zealand Trade and Enterprise clearly articulated the vision of a spatially enabled New Zealand and the importance of spatial data infrastructure and linked this directly to ambitious outcomes across a wide spectrum.</p> <p style="text-align: right;">Contd...</p>


	<p>LINZ is currently working on its ten-year vision and better framing of its purpose and strategic direction. It recognises that ‘Our Place’ needs to be refreshed and taken to another level. In doing this, it is vital LINZ identifies and articulates the impacts it seeks to achieve, as well as the interdependencies with its major partners. It will need to be ambitious for New Zealand and understand this will require it to be ambitious for LINZ.</p> <p>To become ‘strong’ on <i>Purpose, Vision and Strategy</i> LINZ needs to:</p> <ul style="list-style-type: none"> • articulate a unifying, differentiating, motivating ten-year vision that stakeholders and staff own • align its business strategy and priorities with major partners to maximise co-investment and accelerate the achievement of outcomes • adopt measurable targets to crystallise the size of the performance challenge but also the prize for success • adopt an operating model that recognises location-based infrastructure involves high fixed costs and long investment horizons and therefore may require infrastructure planning methods that reduce uncertainty and risk and elicit priorities, co-investment and commitment from major partners • ensure there are clear linkages between the business strategy and implementation, with individual and team accountability for outcomes.
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<p>Leadership and Governance</p> <p>How well does the senior team provide collective leadership and direction to the agency?</p>

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>The LINZ SLT is a cohesive team that works well with its third tier managers and readily takes and displays collective responsibility for the agency. Importantly, SLT engages comfortably in discussion and debate. It also demonstrates a high degree of support and challenge for each other and welcomes challenges from others. In addition, SLT seeks feedback on its own performance and how to improve its effectiveness. It is able to critically access the relative strengths and weaknesses of the agency. LINZ staff express confidence in SLT and the strategy it has set for LINZ, though a degree of tentativeness was noted in the pace and willingness to fully embrace the full consequences of performance opportunities.</p> <p>Despite the considerable strength some of these attributes give LINZ, the potential impact is constrained by the need to revisit vision, purpose and strategy. Until this occurs SLT will at times seem tentative to staff, as its focus will be insufficiently anchored in a shared vision, purpose and strategy and therefore the ability to lead with confidence is hampered.</p> <p style="text-align: right;">Contd...</p>
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	<p>Given the shift in context and expectations, looking forward LINZ may need to increase the strategic capability at senior leadership level to round out its current collective competency to provide strong sectoral leadership around the Geospatial Strategy, and its thinking regarding vision and purpose. This should not prejudice its operational proficiency and the contribution this brings to the collective leadership of the organisation. The new Chief Executive brings considerable strategic leadership experience to the role, which will provide a sound platform to position the agency. It is critical SLT focuses its collective energy on the strategically important opportunities and issues confronting its performance.</p>
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Values, Behaviour and Culture
 How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Strong</p> <p>LINZ’s stated values are integrity, adaptability, certainty and kotahitanga. It has a culture that is strongly people-centric, focused on valuing staff and allowing them to contribute to their potential. Recent focus on valuing technical leadership has helped build trust and confidence within and outside the agency. More recently, ‘Our Place – Making a great place’ has helped LINZ to begin to articulate a focus on customer needs, as well as delivering effective and efficient public services. SLT has also made a conscious decision to model the behaviours critical to repositioning LINZ from a ‘quiet achiever’ to a ‘confident achiever’, a transition most staff report being motivated by.</p> <p>As a consequence of the concerted effort on developing the culture needed to support the strategic direction expressed as ‘Our Place’, LINZ has the highest overall rating in the State sector Gallup engagement survey (September 2012). This result reflects significant improvements in staff feeling LINZ works as one organisation and that there is open communication throughout all levels. Staff consistently describe LINZ’s culture in similar and positive terms and many articulate the need to use this platform to further shift the culture from an inward to more outward focus.</p> <p>To remain ‘strong’ on this dimension, LINZ will need to revisit values, behaviours and culture to ensure alignment with the agency’s future vision, purpose and strategy, which it is currently working on. The ten-year excellence horizon will require significant organisational change and must be built on an enabling culture. LINZ has a strong platform to move forward on.</p>
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Structure, Roles and Responsibilities

How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business?

How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?

PERFORMANCE RATING




Performance Rating: **Well placed**

Over the last two years LINZ has developed its organisational planning, systems, structures and practices to better support delivery of government priorities and core business. This is evidenced by:

- a recent review of output classes to better align them with the LINZ outcomes framework
- launch of outcomes-focused leadership forums that increase focus on collective effort to achieve results and that improve the planning and reporting system based on LINZ’s outcomes framework
- LINZ’s 2011 four-year budget plan being rated by the Treasury as the strongest in the Natural Resources Sector
- LINZ’s ‘good’ audit rating on its non-financial performance measures in 2012
- LINZ’s staff reporting a clear line of sight between their roles and individual work programmes with the outcomes LINZ is tasked with delivering.


To be ‘strong’ on *Structure, Roles and Responsibilities* LINZ needs to ensure:


- it has the governance structures needed to lead the all-of-government initiatives it is responsible for. Crown entity examples may be useful to consider in terms of how they join with major partners to maximise outcomes where co-dependencies are strong
- it improves the clarity of communications with partners/sectors at the strategic leadership level to ensure sector leadership roles, responsibilities and accountabilities are clear
- the Geospatial Strategy receives particular focus. Clarity of structure, roles and responsibilities at all levels is essential to effectively lead and contribute to achieving substantial outcomes from this initiative. Most partners are looking for much stronger clarity of purpose, roles and responsibilities on this work to set a much more ambitious pace. Lack of progress and role clarity has caused debate over where the Geospatial Office should be situated. This needs to be resolved. One option is to fully integrate the function within LINZ, which would only be feasible if LINZ substantially improves its strategic leadership over this work programme.

<p>Review</p> <p>How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>LINZ has recently taken steps to improve non-financial performance reporting. In 2010/11 the outcomes measure framework was significantly enhanced and by 2011/12 its non-financial performance rating had moved from ‘needs improvement’ to ‘good’, recognising LINZ had established a base for performance reporting. This was followed by a new appropriations structure for Vote Lands for the 2013/14 year, which should support more transparent performance reporting.</p> <p>In operational areas it is possible to find examples of regular reviews of policy settings and regulatory interventions, such as the 2012/13 evaluation of the rating valuation regulatory system. We noted above LINZ’s strong performance in regulatory functions, built on effective review of regulations and regulatory practice. As an example, LINZ has improved review and reporting in the survey and title area to allow it to better forecast and plan.</p> <p>LINZ recognises the need to substantially improve its ability at the whole-of-system level to examine whether the systems it is responsible for are achieving the intended results. The strong performance in regulatory functions sets a platform for this. Stronger focus on outcome performance should also help LINZ gain urgency around the timely achievement of outcomes that will give New Zealand the biggest benefit.</p> <p>To become ‘well placed’ on ‘Review’ functions, LINZ should consider a programme management approach to ensure performance measures are identified and set at the outset of a project or initiative; agreement is reached on how progress will be tracked towards achieving its outcomes, results and impacts; processes are specified that will be used to review and evaluate effectiveness and impacts; and outcomes are reviewed against those specified in the original business case, rather than just against high-level statements of programme objectives.</p>

ORGANISATIONAL MANAGEMENT SECTION


Part Two: External Relationships

Engagement with the Minister(s)	
How well does the agency provide advice and services to its Minister(s).	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>LINZ is seen as responsive, technically proficient and a provider of quality advice and service to its Ministers. While in the past there was concern at the pace of progress on the Geospatial Strategy, LINZ is seen as better placed to now drive this Government Priority.</p> <p>Ministers acknowledge LINZ's contribution across a wide spectrum, including:</p> <ul style="list-style-type: none"> • the rebuild of Christchurch • the development of Auckland's spatial plan • the resolution of Treaty claims • improving the accessibility of core location information online • realising the benefits of investments in critical location information, such as national imagery • the Overseas Investment Office support for Ministerial decision-making on applications under the Overseas Investment Act 2005. <p>In the future to be 'strong' on this function LINZ needs to:</p> <ul style="list-style-type: none"> • leverage its learning from Christchurch and Auckland into its vision and strategy for the contribution it can make to New Zealand • champion and lead the Geospatial Strategy by collaborating effectively with the public and private sector, prioritising, demonstrating value, establishing pace and gaining the commitment of major partners to gather momentum • develop its analytical capability to respond to the recent court requirements to undertake counterfactual market analysis when advising Ministers on applications under the Overseas Investment Act.

Sector Contribution How well does the agency provide leadership to, and/or support the leadership of other agencies in the sector?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>LINZ supports or provides sector leadership in a wide range of areas, including:</p> <ul style="list-style-type: none"> • the Natural Resources Sector where it leads the information management priority and, more recently, the marine environment work • collaboration with DOC on the development of NaPALIS, a Crown land management system • the Treaty of Waitangi sector, where it assists with the settlement process • leading the New Zealand Geospatial Strategy and acting as custodian of some key location-based information • the Open Government Data and Information Re-use Programme, where it provides the secretariat and coordinates across the public sector • working with CERA on the Canterbury rebuild and management of residential red zone properties • the Crown Land Expertise role it has recently initiated to help other agencies to manage and dispose of their surplus Crown land • work on property rights, which will need to be accelerated and developed through partnership to respond effectively to Better Public Services Results 9 & 10. <p>The view of LINZ’s sector contribution varies considerably across its activities. For example, most players view LINZ as providing very competent technical support and advice but question its strategic policy, influencing and partnering capability within the core government sector. The experience and capability of its new Chief Executive is seen by most sector leaders as an opportunity to address this.</p> <p>To realise the future potential contribution of LINZ, it is vital it:</p> <ul style="list-style-type: none"> • continues to provide timely and highly competent technical support and advice across government priorities • develops a ten-year location-based infrastructure vision, business strategy and operating model that facilitates the specification and alignment of sector priorities and elicits other major partners to commit to priority areas in terms of their senior leadership engagement, co-investment and collaboration <p style="text-align: right;">Contd...</p>


	<ul style="list-style-type: none"> • adopts a sophisticated governance approach in leading the Geospatial Strategy to get sector engagement. A committed chief executives' group is necessary to get a shared sector view, agree and drive high-level strategy, set priorities and deliver necessary resources. Effective chief executive commitment will only happen if a senior officials group drives a strategic work programme broken into working group projects. The senior officials group needs to provide substance to ensure the chief executives' group grasps the criticality of the Geospatial Strategy for their own purposes • prioritises its sector contribution to demonstrate pace and gain momentum, while building its ten-year location-based infrastructure plan.
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Collaboration and Partnerships with Stakeholders
 How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>LINZ is consistently seen by stakeholders as an inwardly focused, technically skilled, quiet achiever. A recent stakeholder survey and our inquiries have reinforced that LINZ is well regarded for its operational engagement, while strategic engagement and leadership is lacking but sought. Consistent with this picture is LINZ collaborates well at an operational level on a range of issues, such as the Canterbury rebuild, the Auckland spatial strategy, South Island High Country leases and other business-as-usual activities. Nevertheless, it struggles to be influential at the all-of-government level, and working strategically across local government and with the private sector. Consequently, progress has been slow on important initiatives, such as the Geospatial Strategy.</p> <p>LINZ is acutely aware of the need to develop an attractive client-/partner-focused proposition to achieve its strategic priorities and therefore it is currently developing a 2013/14 stakeholder strategy, working on moving its culture and vision for the organisation from 'quiet achiever' to 'confident achiever' and is preparing tools and material to assist in more effective stakeholder engagement.</p> <p>To become 'well placed' on <i>Collaboration and Partnerships with Stakeholders</i> LINZ needs to:</p> <ul style="list-style-type: none"> • anchor its stakeholder engagement strategy in a clear future vision and business strategy • ensure its operating model reflects the co-dependency it has with key stakeholders in its bid to unlock significant economic, social, cultural and environmental value through location-based infrastructure. The operating model must elicit stakeholders' willingness to co-invest and align business strategies to achieve results over a considerable period, given the long lead times and high costs of developing location-based infrastructure <p style="text-align: right;">Contd...</p>
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	<ul style="list-style-type: none"> • adopt a strategy that segments its stakeholders into different groups, recognising that some need timely access to technical advice and others are looking for strategic engagement and leadership from SLT, while a more intermediate group may require a different response entirely • achieve a behaviour and culture change in response to the changing nature of the required LINZ stakeholder engagement – and this needs to be addressed directly.
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Experiences of the Public
 How well does the agency meet the public’s expectations of service quality and trust?


<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>While LINZ has little direct interaction with the public, it does run the survey and title system underpinning New Zealand’s property rights system and, therefore, LINZ works with intermediaries, such as conveyancers and surveyors, who provide services to the public. Annually, LINZ surveys the 10,000 customers of the survey and title system, Landonline, to test their satisfaction with the service. Eighty-seven percent of those surveyed in the most recent survey were either satisfied or very satisfied. In addition, there is a low level of challenge to the property right decisions made by LINZ, which also suggests there is a high degree of public trust and confidence in the New Zealand property rights system.</p> <p>LINZ is also undertaking other initiatives to improve the public’s access to its information and services, including improving its website and the availability of the LINZ Data Service. It has also improved communication with the public and media commentators about the role of the Overseas Investment Office and the high profile decisions taken by the Minister.</p> <p>To be successful in enabling New Zealand to realise the benefits of location-based information, LINZ will need to not only maintain the public’s trust and confidence in the property rights system, it will also need to engage the public in the development of its wider vision and strategy and be mindful in future the public may have much higher expectations of what it needs from LINZ.</p>
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ORGANISATIONAL MANAGEMENT SECTION

Part Three: People Development

<p>Leadership and Workforce Development</p> <p>How well does the agency develop its workforce (including its leadership)?</p> <p>How well does the agency anticipate and respond to future capability requirements?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>LINZ has a highly skilled workforce spread across a diverse set of business functions and activities. It has a strong culture of professionalism and its technical excellence is widely recognised externally. Despite its diverse functions there is a strong feeling of collaboration with a sense of freedom to innovate across the organisation and expressed loyalty to the agency as a whole. LINZ engenders a positive but, at times, internally focused culture, and is seen as a good place to work built on engagement amongst staff, the variety of business activities, intellectual challenge and a diversity of functions and opportunities.</p> <p>It has well developed induction, training and development programmes. They are designed to deliver not only technical and other work-related skills but also personal development. The programmes are internally focused and effective for the current business model and expectations. The adoption of a more outward-looking business model will require the adoption and development of new skill sets that can position the agency as an influencer and enabler to comfortably engage with those stakeholders and major partners, which will be fundamental to achieving its long-term business plan and outcomes. This, however, must be done without prejudice to the current programmes and initiatives that are serving the agency's current and core business so well.</p> <p>An active leadership programme is in place with personal and management development courses. LINZ participates in the Natural Resources Sector (NRS) leadership development programme with stated aims of improved relationships and engagement of leaders and stakeholders in the sector to create a larger joint future. Evaluation and review of leaders and managers occurs on a multi-level basis. A number of bespoke tools have been developed to help managers in their day to day leadership responsibilities. Managers are encouraged to responsibly lead their teams and be responsive to needs, whether operational or aspirational.</p> <p>Given the highly skilled and technical nature of much of LINZ's work, individuals have substantial reservoirs of skill, knowledge and expertise. Demographics indicate a higher than average age in a number of critical roles, with a risk of loss of these skill sets owing to retirement or movement. This risk is evident in some performance areas, such as the delayed delivery of cadastral survey datasets in 2012. LINZ is aware of the risk and has instituted programmes to realise and release the information and skill sets of staff in key roles for the benefit of LINZ and its next generation of staff.</p>


<p>Management of People Performance</p> <p>How well does the agency encourage high performance and continuous improvement among its workforce?</p> <p>How well does the agency deal with poor or inadequate performance?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>There is a set of programmes and workshops to assist staff to understand the performance matrix set by the agency. Each employee has an annual performance agreement, reviewed at six months, which sets out targets and agrees expectations and responsibilities on an individual basis and agreements are aligned with LINZ’s wider outcomes.</p> <p>There is a training programme for managers to get the best outcome for the agency and the individual at each performance review.</p> <p>Notwithstanding the formal processes that are in place there is a feeling that there is a degree of inconsistency in the way performance is addressed across the agency. Whilst it is acknowledged that improvements have been made in the last two to three years there is further work to do in this area.</p> <p>LINZ needs to look at the application of its performance management system to ensure consistency across the agency. Poor performance is not seen as being dealt with consistently, while high performance, although internally recognised at the operational level, is not necessarily recognised or rewarded consistently at the leadership level.</p> <p>A pilot 360 degree feedback programme was initiated in 2007. Since 2010, LINZ has used 360 degree feedback reviews ‘as required’ for development purposes for people leaders. The tool is also used in leadership development programmes and intended for another leadership programme starting later this year. While these are positive initiatives more widespread use of it is encouraged. It is a very powerful tool – especially at management level – to provide individuals with third-party assessment and may, for example, have alerted SLT sooner about the need to pay more attention to staff reward and recognition.</p>

<p>Engagement with Staff</p> <p>How well does the agency manage its employee relations? How well does the agency develop and maintain a diverse, highly committed and engaged workforce?</p>	
<p>PERFORMANCE RATING</p> <p></p>	<p>Performance Rating: Strong</p> <p>Staff engagement is high and has been improving over successive years, with recent gains evidenced by a 2012 Gallup survey that placed the agency in the ‘best in class’ in the State sector with an engagement score of 4.16 out of 5. This is a notable achievement and the high level of engagement provides a strong platform to position LINZ to respond to its performance challenge over the next ten years.</p> <p>As part of its fostering of an inclusive approach, LINZ instituted its ‘Our Place’ initiative, a pictorial (‘geospatial’) representation of the agency as a whole, its current business and operations and its aspirations cascading to business sectors and individuals. ‘Our Place’ was recognised by the Institute of Public Administration New Zealand for its innovation as a finalist in the Institute’s 2012 Public Sector Excellence Awards. It has been a powerful engagement tool to show not only the agency as a whole but also an individual’s place in it and the interaction of the different components of the business.</p> <p>The next development of ‘Our Place’ is to take it from primarily an internal looking view of the world to the agency’s place in that world and its contribution to New Zealand.</p> <p>LINZ operates a programme to promote individual wellbeing. LINZ subsidises retirement planning and facilitates initiatives such as bone density screening and group health insurance. It provides workplace counselling and encourages and is open to supporting lunchtime sport and regular social functions. It also seeks to deliver a more holistic approach to health and safety, in addition to the more routine requirements of an all-encompassing health and safety regime.</p> <p>As part of its Business with Māori Strategy, it raises staff awareness of day-to-day engagement and doing business with Māori. Several staff within LINZ are tikanga advisers who provide advice and support to its business units. LINZ has also appointed a Kaihautu (business with Māori navigator) to develop and manage some of the initiatives, both internally and externally, in its Business with Maori Strategy. This is a developing strategy with the full engagement and support of the agency and SLT and enhances both personal development and a greater understanding of staff in an arena that is core to its business. It is a very good initiative that will enhance the agency’s capabilities not only in its Crown land and Treaty settlements functions but also, given it is designed to thread through the whole agency, add significant benefits to the agency as a whole.</p>

ORGANISATIONAL MANAGEMENT SECTION


Part Four: Financial and Resource Management

Please note on 1 August 2012 three of the five elements in this critical area were significantly upgraded: Asset Management, Improving Efficiency and Effectiveness, and Financial Management. The upgrade affects comparability with previous reports. For more information on the revisions see: www.ssc.govt.nz/pif-reports-announcements.

<p>Asset Management</p> <p>How does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery and drive performance improvement over time?</p> <p><i>This is one of the three elements in this critical area that were significantly upgraded in August 2012.</i></p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>LINZ's most significant asset is currently its Landonline delivery system and database. Landonline is a database that underpins the delivery of LINZ's title and survey services. These services are largely funded by third party fees and are discussed in more detail in Government Priority 3, Better Public Services and Core Business 1, Integrity of the property rights system.</p> <p>LINZ has been diligent in maintaining the Landonline system and ensuring it delivers its service seamlessly and efficiently. It has been relatively responsive to technological change and has constantly sought to improve the system and its delivery capability. Its customer services team gathers feedback internally and from external users to assess the level of change required in the system that has resulted in tweaks to the system rather than fundamental changes.</p> <p>Although Landonline is some way off end of life, customers' expectations and 'best of class' expectations have shown gaps between what is currently delivered and what is expected now and in the future. In response, LINZ has embarked on the preparation of a business case and strategy for the replacement of Landonline with a focus on a wider range of services than currently delivered. There is tension between this initiative, which seeks to replace and expand Landonline with its shorter timeframe and resource requirements, and delivering Better Property Services, which will require significantly longer timeframes with a much wider range of engagement with partners and stakeholders to execute. Strategic planning and decisions need to be developed with a clear articulation of each initiative both internally and externally of each initiative. This is commented on in more detail in the section on Better Property Services.</p> <p>While there are complex issues to address in replacing or upgrading Landonline, LINZ is well advanced in its thinking. Its challenge is to ensure any decisions made address the performance challenge identified in this Review.</p> <p style="text-align: right;">Contd...</p>

	<p>LINZ has extensive need for external parties to deliver some services, particularly external information technology (IT), management of Crown property, and hydrographic surveys. Its procurement procedures are somewhat ad hoc. A procurement effectiveness review assessed this as being at a basic stage with the exception of a capable IT procurement function. While changes in 2012 ensured there is now sufficient capability in place, procurement lacks the mandated and enabled leadership focus to ensure a transparent end-to-end process that will deliver excellence and accountability.</p> <p>LINZ is also responsible for managing Crown land worth approximately \$500 million. Management of these assets is considered in the section on Core Business 3, Crown land management.</p> <p>There are a substantial number of initiatives identified in this Review relating to areas such as the Geospatial Strategy, Better Property Services and the related Alternative Delivery Model (ADM) project and progressing of the long-term Cadastral Strategy, which will enlarge and develop LINZ’s asset base and classes. The significant challenge for LINZ will be the maintenance of the high standard it has already set in asset management.</p>
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<p>Information Management</p> <p>How well does the agency utilise information & communications technologies to improve service delivery?</p>	
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<p>PERFORMANCE RATING</p> <p></p>	<p>Performance Rating: Strong</p> <p>Information and communication technologies (ICT) are at the heart of the services and delivery platforms for LINZ’s services.</p> <p>External delivery platforms designed and operated by LINZ include:</p> <ul style="list-style-type: none"> • Landonline – the world’s only fully integrated survey and title database supported by electronic lodgement • LINZ’s data service that provides public access to 40 datasets • NaPALIS, a system jointly developed by LINZ and DOC, and now managed by DOC, enabling improved management of their Crown land portfolios. <p>There is continual internal focus on improving the existing platforms while designing new and improved ways of delivering LINZ’s services in a faster more efficient and cost-effective way in the modern business environment.</p> <p>The world-leading Landonline system has enabled services to be more customer-facing while significantly reducing costs over time. As noted in the Asset Management section, above, the replacement or upgrade of Landonline is now being considered, well in advance of its end-of-life date and closely aligned with SLT’s strategic thinking.</p> <p style="text-align: right;">Contd...</p>
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	<p>Current work also includes: building the Canterbury SDI; a project to align and set a common standard for addressing; coordination and standard setting for imagery; improving the accuracy of the cadastre; and the digital links between cadastral survey and title datasets.</p> <p>LINZ outsourced the majority of its ICT services to Datacom in 2011. This has enabled a shift internally from managing ICT systems, to a focus on architecture and planning for the strategic needs of the business sectors in the future. The transition was smoothly managed. The 2012 procurement review indicates LINZ is well placed to manage the ICT contract and it appears to have the capability required to drive the future development of its systems.</p> <p>LINZ has developed a comprehensive all-of-agency Information Systems Strategic Plan, in collaboration with all business areas, setting out how internally ICT will support LINZ’s business strategies. The plan has a number of strategic themes around delivering value for money and security of systems, frameworks and applications and announced government priorities. Within each theme there are a number of outcome areas, a description of the current position, the future objectives and milestones and initiatives to achieve them. There is still work to be done in a number of areas, and priorities will be shaped by LINZ’s overall long-term plans and business strategy. However, in terms of setting out a roadmap for future ICT, significant thinking continues to be developed.</p>
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Improving Efficiency and Effectiveness

How robust are the processes in place to identify and make efficiency improvements?
 How well does the agency evaluate service delivery options?

This is one of the three elements in this critical area that were significantly upgraded in August 2012.

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>At present LINZ has a number of initiatives to improve its efficiency and effectiveness. It has made notable gains in this area but is hampered by a set of outcomes that are at a relatively operational level and by the lack of robust measures to assess results and identify demonstrable benefit in relation to New Zealand’s Geospatial Strategy. The Four-year Excellence Horizon identifies the need to develop outcomes more focused on results and impacts and SLT is starting to address that challenge. It will lead to performance indicators that provide better information about the agency’s effectiveness and efficiency that are more clearly focused on results rather than activities.</p> <p>While information about results can improve, LINZ has been active in this area and has achieved some notable successes. It:</p> <ul style="list-style-type: none"> • has an ongoing programme of improving efficiencies in its property rights system, both from a technical and operational perspective • tracks cost-effectiveness of the system by monitoring the costs of administration and regulation of the land titles register <p style="text-align: right;">Contd...</p>
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- internationally benchmarks the system through the World Bank Doing Business Survey, where it now ranks second for the ease of registering property, measured by time, number of procedures and cost
- has been successful in maintaining a high quality service while consistently driving costs down
- closely monitors staff levels against transaction volumes and has achieved 85% of title transactions being fully automated
- contracted out IT services, which generated savings of over 10%
- generated efficiencies and improved focus on results in its Oceans Survey 20/20 programme by proposing a move from fees based on vessel days to the number of surveys completed, a move estimated to generate savings of \$1 million.

In 2011/12 LINZ achieved full cost recovery for its property market transaction services after incurring deficits following the Global Financial Crisis. This is providing the opportunity to consider possible future updates and development of the property rights system.


The agency has been active in reviewing its regulatory functions based around the principle 'as little as possible as much as necessary'. A comprehensive review of its regulatory documentation has resulted in an 81% reduction in regulatory documents.

LINZ has reviewed future needs in relation to conveyancing and the cadastre with input from a wide range of stakeholders. Combined with work now under way to evaluate the effectiveness of the regulatory framework for rating valuation, it seeks to establish a coordinated approach to providing a more efficient, responsive market for land development.

LINZ is using the Treasury's Benchmarking Administrative and Support Services (BASS) data to benchmark costs and management practices to target further areas where corporate services spending can be more effective. LINZ was benchmarked higher than its nearest Public Service cohort group. This is largely due to higher ICT costs but it is important to note LINZ's operating model relies heavily on delivering services online. Adopting that model increased ICT costs but reduced overall costs (reducing operating costs by 36% between 2003/4 and 2011/12).


In addition to relocating its Wellington office in 2011 to reduce annual cost and gain efficiencies in office space usage and design, it consolidated its transaction processing from three service centres to two in Hamilton and Christchurch.

LINZ has implemented a new financial management system to increase the efficiency and effectiveness of its finance team. This has improved LINZ's ability to measure how well it is performing at the Outcome and Output levels and track activities at individual business group level.

<p>Financial Management</p> <p>How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?</p> <p><i>This is one of the three elements in this critical area that were significantly upgraded in August 2012.</i></p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>The LINZ finance team performs well at providing the core finance functions. LINZ’s overall financial compliance and the management control environment and financial information was rated as ‘good’ by its auditors last year as part of its annual reporting process.</p> <p>The management accounting team is primarily focused on delivery of financial reports and commentary from the historic perspective, with the systems accounting function undertaking control, compliance and processing, which are all basic, core finance functions. However, there has been a lack of strategic financial planning. For example, approximately 60% of LINZ’s revenue is from customer fees. This revenue mostly relates to its survey and title operations and so fluctuates in response to the property market. The Global Financial Crisis (GFC) downturn resulted in a significant drop in fees which required a capital injection from the Crown to support LINZ’s operations. Whilst LINZ could not have been expected to foresee the GFC, the drop of revenue after it should have been, and a more effective response implemented. Subsequent approval of a fees adjustment, a lift in property transactions and improved forecasting by LINZ, have improved the long-term sustainability of its survey and title operations.</p> <p>To achieve its stated aims and business model LINZ’s SLT and managers will require a more sophisticated delivery of advice and information from the finance function. This will need to include an enhanced level of strategic advice on finance-related matters combined with more indepth and sophisticated analysis of financial risks and benefits than that being currently delivered.</p> <p>To help address this need, LINZ has implemented a new financial management information system (FMIS), which is beginning to give the finance team a more comprehensive understanding of finances throughout the agency. The team is also looking for further opportunities to assist in providing analysis and advice for strategic decision-making. This will be particularly important in assisting LINZ to provide robust information about the added value of the Geospatial Strategy it leads and developing the business cases and funding models for its Better Property Services initiative and the related Alternative Delivery Model project.</p> <p style="text-align: right;">Contd...</p>

	<p>However, there is still a perception of the finance team operating at a level below that which the agency and internal business groups need. There is also a perceived variance of consistency of advice. Below the leadership tier, the level of understanding of the individual business groups was questioned and greater clarity on what can be usefully delivered to the business groups needs to be articulated.</p> <p>LINZ has recently split the core finance functions from the strategic analytical functions it wishes to develop by creating the role of Principal Financial Advisor to provide the agency with more targeted strategic financial advice. A business partnering approach has been introduced with a strong outcome focus. Other initiatives under way include a more flexible delivery across a wider range of finance disciplines; a broadening finance staff capability and the acquisition of skills relating to financial analysis, strategic advice and modelling; and development of a customer service ethos in the finance team, with a shared vision of the business and aspirations of the agency.</p> <p>There still appears to be a significant way to go to achieve the type and level of financial and strategic advice necessary for LINZ’s future ambitions but the issues are clearly understood and are being addressed.</p>
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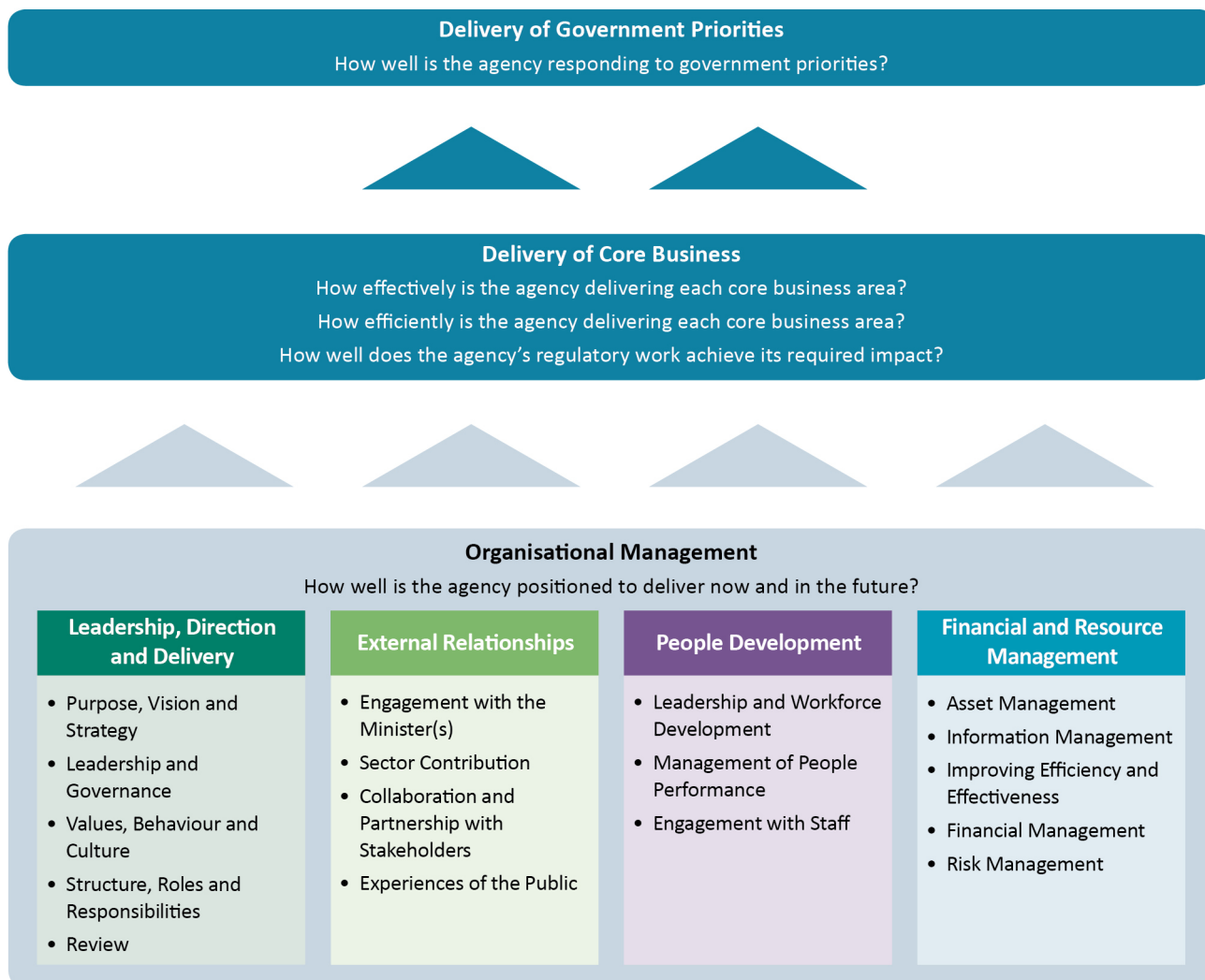
<p>Risk Management</p> <p>How well does the agency manage its risks and risks to the Crown?</p>
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<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>The audit and compliance functions are robust. There has been a heavy but healthy focus on audit and compliance functions with the agency now emphasising risk management as a core management tool that helps facilitate success. There is encouragement of a ‘risk intelligent’ culture which seeks to identify and understand risk and opportunities to enable better informed decisions and monitoring of outcomes.</p> <p>LINZ employs risk management techniques to calculate and manage risk rather than being risk averse. LINZ encourages the development of quality, innovative solutions to understand risks it might need to take to do its business and achieve its goals while mitigating them where possible.</p> <p>LINZ has introduced a suite of risk management documents to provide support and guidance to managers and staff in using risk management as a part of their normal activities. Guidance includes a Risk Management Policy, a Risk Management Framework, a ‘how to’ guide and toolkit.</p> <p>All business groups maintain risk registers to ensure appropriate risk management at group level.</p> <p style="text-align: right;">Contd...</p>
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	<p>An annual Assurance and Compliance Programme, driven by the Government’s priorities and LINZ’s outcomes and key initiatives, and is developed in consultation with managers. Among other things, it focuses on business improvements, enhancing the internal control environment and the development of continuous improvement practices. It is developed within LINZ’s Assurance Framework. The Framework provides an overview of all assurance activities within LINZ and is a key tool to ensure these activities are coordinated across the agency.</p> <p>The Assurance and Compliance Programme is reviewed quarterly by SLT and the Risk and Assurance Committee.</p> <p>LINZ has an independent Risk and Assurance Committee of three to five members, including an independent chair. It provides strategic advice and guidance to the Chief Executive. There is a very good level of engagement between the committee, SLT and Chief Executive, which addresses strategic as well as operational issues and risk. At the operational level, the Committee reviews and makes recommendations to SLT on the quarterly assurance reports.</p> <p>Progression to ‘strong’ will, to some extent, be dictated by LINZ’s delivery of the strategic imperatives set for the agency.</p>
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APPENDIX A

Overview of the Model



Lead Questions

Results

Critical Area	Lead Questions
Government Priorities	1. How well is the agency responding to government priorities?
Core Business	2. How effectively is the agency delivering each core business area? 3. How efficiently is the agency delivering each core business area? 4. How well does the agency's regulatory work achieve its required impact?

Organisational Management

Critical Area	Element	Lead Questions
Leadership, Direction and Delivery	Purpose, Vision and Strategy	5. How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders? 6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership and Governance	7. How well does the senior team provide collective leadership and direction to the agency? 8. How well does the Board lead the Crown entity? (For Crown entities only)
	Values, Behaviour and Culture	9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?
	Structure, Roles and Responsibilities	10. How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business? 11. How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?
	Review	12. How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?
External Relationships	Engagement with the Minister(s)	13. How well does the agency provide advice and services to its Minister(s)?
	Sector Contribution	14. How well does the agency provide leadership to, and/or support the leadership of other agencies in the sector?
	Collaboration and Partnerships with Stakeholders	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?
	Experiences of the Public	16. How well does the agency meet the public's expectations of service delivery quality and trust?
People Development	Leadership and Workforce Development	17. How well does the agency develop its workforce (including its leadership)? 18. How well does the agency anticipate and respond to future capability requirements?
	Management of People Performance	19. How well does the agency encourage high performance and continuous improvement among its workforce? 20. How well does the agency deal with poor or inadequate performance?
	Engagement with Staff	21. How well does the agency manage its employee relations? 22. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Financial and Resource Management	Asset Management	23. How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery and drive performance improvement over time?
	Information Management	24. How well does the agency utilise information and communications technologies to improve service delivery?
	Improving Efficiency and Effectiveness	25. How robust are the processes in place to identify and make efficiency improvements? 26. How well does the agency evaluate service delivery options?
	Financial Management	27. How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?
	Risk Management	28. How well does the agency manage its risks and risks to the Crown?

APPENDIX B

List of Interviews

This review was informed by input provided by a number of LINZ staff, relevant Ministers and by representatives from the following businesses, organisations and agencies.

Agency/Organisation
Auckland City Council
Beca
Canterbury Earthquake Recovery Authority
Department of Conservation
Department of Internal Affairs
Department of the Prime Minister and Cabinet
e-Spatial
Environment Canterbury
Environment Waikato
Ernst & Young
GNS Science
High Country Accord
Local Government New Zealand
Maritime New Zealand
Ministry for the Environment
Ministry of Justice
New Zealand Institute of Surveyors
New Zealand Law Society
New Zealand Transport Agency
Property Institute of New Zealand
PwC
Spatial Industries Business Association
State Services Commission
Statistics New Zealand
The Treasury