

# Statement of Intent 2012>2015



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Land Information New Zealand  
May 2012

Presented to the House of Representatives pursuant to  
Section 38 of the Public Finance Act 1989.

This document can be found online at  
[www.linz.govt.nz/soi2012](http://www.linz.govt.nz/soi2012)

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# Ministerial foreword

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Three of the Government's Budget priorities are to build a more productive and competitive economy, deliver better public services within tight fiscal constraints, and rebuild Christchurch.

Land Information New Zealand (LINZ) will contribute directly to these objectives through ensuring its core services are delivered efficiently and focused on increasing New Zealanders' prosperity and security.

In particular, I endorse this Statement of Intent as fully reflecting my four priorities for LINZ. These are priorities because of the significant contribution that delivery in each area will make toward the Government's economic objectives.

My first priority is LINZ's continued leadership of all-of-government efforts to unlock \$500 million in annual economic benefits for New Zealand through better reuse of location-based information. The department is helping to build the infrastructure for sharing and reusing this data in ways that bring productive gains and efficiencies for both government and businesses.

A further priority, and one where LINZ will undertake significant responsibilities, is the rebuilding of Canterbury. These responsibilities include the department undertaking management of 7,000 red zone suburban properties and repair of essential survey infrastructure needed for the rebuilding phase in Canterbury.

LINZ will also continue to work closely with the Office of Treaty Settlements to meet the Government's goal of fair, durable settlement of historic Treaty of Waitangi claims. In delivering its substantial work programme, LINZ aims to help enhance the Crown-iwi relationship and contribute to the cultural, social and economic development of Māori.

My fourth priority is for the department to implement the earning capacity rent policy in the South Island High Country. The introduction of a simpler, fairer rent system will help ensure that 1.6 million hectares of pastoral lease land in this iconic part of New Zealand can be farmed productively and protected for future use.



**Hon Maurice Williamson**  
MINISTER FOR LAND INFORMATION

## Minister's Statement of Responsibility

I am satisfied that the information on future operating intentions provided by my department in this Statement of Intent and the Information Supporting the Estimates is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



**Hon Maurice Williamson**  
RESPONSIBLE MINISTER FOR LAND INFORMATION

# Chief Executive's introduction

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Ko ngā pae tawhiti

Whāia kia tata.

Ko ngā pae tata

Whakamaua kia tina e.

This Statement of Intent presents the results LINZ aims to achieve over the next three years in the service of progressing three Government priorities: building a more productive and competitive economy, rebuilding Christchurch, and delivering better public services within tight fiscal constraints.

In meeting the demand for delivering better public services to New Zealanders, we are confident, challenged and revitalised all at the same time.

We are confident because of the steps we have taken over the past few years to introduce fast, cost-effective online service delivery and to streamline down to a smaller, highly skilled and capable workforce.

Increasing engagement levels show we have taken staff with us as we focus on innovation, improved cost-effectiveness and unlocking new ways to deliver value to New Zealanders through our expertise.

However, we are still challenged by ongoing fiscal constraints and cost pressures that impact on our ability to maintain high-quality services across a wide range of activities.

Further, some of the results we set ourselves are not ours alone to achieve. By ourselves, we cannot increase the productive benefits that location-based information provides to New Zealand by \$500 million a year.

Therefore, we need to improve our ability to influence and build relationships and productive partnerships with the key stakeholders who can help achieve our goals.

Lastly, the demand that government agencies look to increase the value and quality of our services is revitalising. It has enabled LINZ to continue to pursue new avenues such as leveraging the expertise we hold in managing Crown land and property rights, and unlocking new economic and social benefits for Māori and iwi.

The distant horizons

Pursue them that they draw near.

That which is near at hand

Realise it and hold it dear.

These are emergent strategic focus areas for LINZ, and concrete plans and activities will follow the high-level intent outlined here. I am confident we can continue our track record of achieving great results from the agility and skills of our people, our partnerships, and from innovative, cost-effective use of technology.



**Sue Gordon**  
ACTING CHIEF EXECUTIVE  
LAND INFORMATION NEW ZEALAND TOITŪ TE WHENUA

## Chief Executive's Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for Land Information New Zealand. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2012/13 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



**Sue Gordon**  
ACTING CHIEF EXECUTIVE

Counter-signed by



**Bridgette Hickey**  
CHIEF FINANCIAL OFFICER

# The nature and scope of our functions

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LINZ has approximately 450 staff in Wellington, Christchurch and Hamilton. We manage a wide range of activities that can be grouped under three broad roles – management of property rights, location-based information and Crown land.<sup>1</sup>

## Management of property rights

LINZ administers a world-leading survey and title system, which forms the basis of New Zealand's land property rights market and is critical to the ongoing functioning of the economy.

We help to ensure confidence in property rights through facilitating the sale, purchase and development of property at a reasonable cost to users.

Our other property rights-related roles include:

- regulating property rating valuation for local government
- administering New Zealand's overseas investment regime, and
- managing property rights related to reclaimed marine and coastal land.

## Management of location-based information

LINZ manages and develops existing and new datasets of core location-based information<sup>2</sup> and releases them to others to reuse. This includes providing topographic, hydrographic, geodetic, cadastral, and title information as maps and charts and in other formats.

We administer place-naming rights through the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa.

The New Zealand Geospatial Office, based in LINZ, leads all-of-government efforts to unlock an estimated \$500 million in annual economic benefits through better reuse of location-based information.

## Management of Crown land

LINZ manages eight percent of New Zealand's land area. This consists of more than 5,000 properties, ranging from 221 South Island High Country pastoral leases, to riverbed land and the beds of lakes such as Wanaka and Wakatipu, to major sites such as the Waihi gold mine, and to 45 Crown forestry licences.

We will also manage up to 7,000 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.

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<sup>1</sup> Within these three roles, LINZ has a number of statutory officers with specific functions under the various acts we administer. More detail on this legislation, and on the responsibilities of these officers, can be found at [www.linz.govt.nz](http://www.linz.govt.nz).

<sup>2</sup> Location-based (or geospatial) information describes the location and name of features beneath, on or above the earth's surface.

# Our strategic direction

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This section outlines the key opportunities and challenges in our operating environment, and how we will work to support the Government's priorities and progress the long-term outcomes we seek for New Zealanders.

## Key opportunities and challenges in our operating environment

The key messages from the Government continue to highlight a tight economic and fiscal environment, intensified by the financial pressures created by the Christchurch earthquakes and the expectation for better, smarter public services.

Consequently, our activities over 2012>15 will be directed towards achieving three of the Government's economic priorities:<sup>3</sup>

- Building a more productive and competitive economy
- Delivering better public services within tight financial constraints<sup>4</sup>
- Rebuilding Christchurch, New Zealand's second-biggest city.

In addition, LINZ has identified a number of important opportunities and challenges arising in our operating environment that have informed our strategic direction, particularly:

- increasing pressures on New Zealand's natural resources and the need for more coordinated management and strategic policy from responsible agencies
- continued momentum in cross-government timeframes for settling historic Treaty of Waitangi grievances
- rapidly growing opportunities to further unlock value for Māori and iwi in our post-Treaty settlement activities
- accelerating growth in the use of location-based information technologies by government and business as a key tool for growth and decision-making, and
- the ongoing effects of global economic volatility on property market activity in New Zealand and, in turn, on the revenue we generate from property rights transactions.<sup>5</sup>

## How we will support the Government's priorities

Our contribution to the Government's economic priorities, and our response to opportunities arising in the operating environment, is captured under the three long-term outcomes we deliver to New Zealanders:

- Maintaining the integrity of the property rights system to encourage trade, commerce and wellbeing
- Increasing the productive use of location-based information significantly above the current \$1.2 billion in annual productivity benefits it already contributes to New Zealand
- Enabling appropriate economic, environmental and recreational uses of Crown-owned and used land.

Under and across these outcomes, we intend to achieve or progress some key impacts in 2012>15, as listed in figure 1. These impacts are the direct results we expect to achieve from our efforts alone and where we will measure our progress and success.

Our plans for delivering these intended impacts are outlined in more detail in the Operating Intentions section on pages 10-20.

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<sup>3</sup> As outlined in the Government's Budget Policy Statement 2012. The other Government priority is 'Responsible managing the Government's finances'.

<sup>4</sup> Under this priority, the Government has outlined 10 specific results for government agencies to achieve over the next three to five years. Our contribution to these results is outlined on pages 8-9.

<sup>5</sup> LINZ's property market transaction volumes fell from approximately 4.4 million in 2006/07 to an estimated 3.3 million in 2011/12, a 25% decrease.

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## How we will achieve our impacts

### Delivering core business and Ministerial priorities

To achieve our intended impacts, we will focus on delivering more efficient, cost-effective services across the complex range of activities and responsibilities we manage.

In addition, we will progress four Ministerial priorities, the most significant work areas where we can contribute to the Government's economic and social objectives:

- **Location-based information:** leadership of the all-of-government effort to develop an effective national infrastructure for finding, sharing and using location-based data, and leading by example with our own important information.
- **Canterbury:** supporting Canterbury rebuilding through our property rights, land management and geospatial expertise.
- **Treaty of Waitangi settlements:** continuing to deliver a substantial work programme in support of the aspirational goal of settling historic Treaty grievances by 2014, and implementing settlements beyond that date.
- **South Island High Country pastoral leases:** continuing to implement the Government's strategic direction for the South Island High Country, including a simpler, more cost-effective rent system for the pastoral leases we administer there.

### Positioning LINZ for the future

We will also continue to explore opportunities where leveraging our expertise, emergent technologies and partnerships with other organisations can unlock further value for New Zealanders.

We began this approach several years ago with location-based information, in recognition of its potential as a powerful tool for lifting productivity in the New Zealand economy. To deliver that further value, we evolved our functional responsibilities beyond managing data and products and services to include a cross-government strategic leadership role and focus on being an exemplar for proactive release of, and investment in, data.

Over 2012>15, we will similarly explore opportunities to deliver better outcomes for New Zealand's property rights infrastructure and for the Crown land managed by government agencies.

We will also improve our engagement with Māori and iwi stakeholders and customers, and enter into new partnership opportunities in areas where our expertise can assist in unlocking further value.

FIGURE 1

### THE IMPACTS WE WILL MAKE OVER 2012>15

#### Property rights

- Maintain ease in transacting property rights
- Maintain confidence in property rights in New Zealand

#### Location-based information

- Increase the use of location-based information in government decision-making
- Reduce the costs in finding, sharing and using location-based information
- Maintain support of New Zealanders' safety, security, culture, and economic development through our location-based information service delivery

#### Crown land

- More effective and sustainable land management

#### Across all outcomes

- Effective support for rebuilding in Canterbury
- Effective support for Māori and iwi development

### Key organisational improvements

Government priorities will continue to reinforce our strategy in recent years of driving improved performance off a smaller, more highly skilled and engaged workforce and innovative use of technology.

However, the ongoing climate of increased Crown funding cost pressures and lower property transaction volumes challenges our ability to achieve intended impacts from an already lean service delivery model. The organisational priorities that best support our doing this will be:

- a skilled, agile and engaged workforce and improved effectiveness in our ICT and corporate services performance
- continued financial sustainability in our operations
- improved understanding of our customers, and
- increased understanding of, and more effective engagement with, stakeholders, in particular those crucial to helping achieve our strategic outcomes.

Pages 21-24 outline the key activities for improving our organisational performance.

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## Managing in a changing operating environment

LINZ uses formal risk practices to manage the key opportunities and challenges in our operating environment:

- Identification, mitigation and monitoring of risks play an integral role in annual strategic and business planning and reporting.
- Our senior leadership team reviews risks and mitigation strategies every six months. A refreshed policy, framework, guidelines, and tools were introduced in 2011/12 to support high-quality and consistent risk-intelligent practices at every level of the organisation.
- A risk and assurance committee, comprising three independent members, provides strategic advice and guidance to our Chief Executive.

## Key strategic risks and mitigation strategies

Many of the key strategic risks we have identified are broad, overarching and interconnected. These risks include LINZ being unable to:

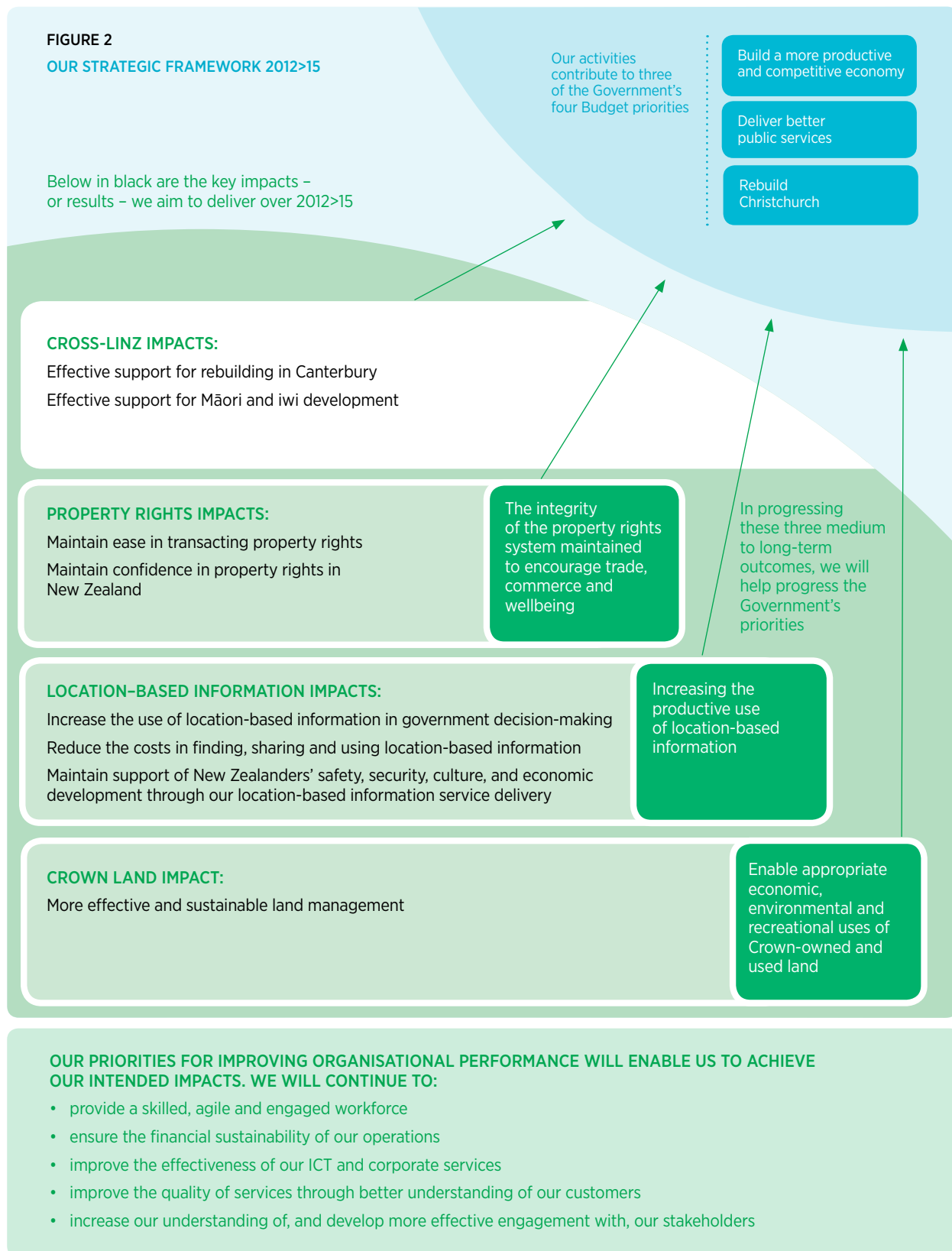
- deliver core services effectively with a reduced Crown baseline and volatile economy
- demonstrate the value we provide to New Zealanders
- respond quickly to changes in the operating environment, or
- provide the right capability, technology and resources to support delivery of our strategic direction.

The strategies we will use to mitigate them include:

- investigating alternative delivery models for survey and title operations (see page 22)
- targeted efficiencies and proposed changes to some services to enable continued delivery of all existing activities
- our customer strategy and stakeholder engagement activities, and focus on increased effectiveness in our work with Māori and iwi (see pages 21-22), and
- our workforce strategy for 2012>15, which aims to provide a strong workforce platform for delivering outcomes within our capacity and fiscal constraints (see page 21).



Figure 2. The strategic framework illustrates the specific impacts we want to achieve over 2012>15 and their contribution to the Government's priorities and the three LINZ-specific outcomes for property rights, location-based information and Crown land.



## Measuring our progress

We will assess our performance in achieving these high-level strategic objectives over 2012>15 mainly at the impact level, i.e. where the results sought are controllable by us.

Some key performance indicators against these intended impacts are outlined in figure 3. More detail on these KPIs and other measures is available in the sections on Operating intentions (pages 10-20) and Improving organisational performance (pages 21-24).

FIGURE 3

OUR INTENDED IMPACTS 2012>15	KEY INDICATORS FOR MEASURING PROGRESS
<p>We want to maintain ease in transacting property rights.</p> <p>We want to maintain confidence in property rights in New Zealand.</p>	<p>New Zealand maintains a top-three OECD ranking in the World Bank Doing Business survey for 'ease of registering property'.</p> <p>Continued low levels of legal challenge around our regulation of property rights and rating revaluation.</p>
<p>We want to increase the use of location-based information in government decision-making.</p> <p>We want to reduce the costs of finding, sharing and using location-based information.</p> <p>We will maintain support of New Zealanders' safety, security, culture, and economic development through our location-based information service delivery.</p>	<p>Increased participation by government agencies in a New Zealand spatial data infrastructure.<sup>6</sup></p> <p>Improved decision-making in Canterbury and Auckland spatial planning.</p> <p>No loss in safety or security due to accuracy issues with our location-based information.</p> <p>Increased economic and cultural development opportunities from access to our location-based information.</p>
<p>We seek more effective and sustainable land management.</p>	<p>Increased cost-effectiveness in our management of South Island High Country pastoral leases.</p> <p>Increased cost-effectiveness in our non-pastoral Crown land portfolio.</p> <p>Effective mitigation of key Crown land management risks.</p>
<p>We want to provide effective support for rebuilding in Canterbury.</p>	<p>Our advice and expertise meet the Canterbury Earthquake Recovery Authority's expectations.</p>
<p>We want to provide effective support for Māori and iwi development.</p>	<p>Our contribution to settling historic Treaty claims meets the Office of Treaty Settlements' expectations.</p> <p>Increased engagement with iwi.</p>

## Contributing to better public services

Under its Budget 2012 priority of delivering better public services within tight fiscal constraints, the Government has set 10 results for the public sector to achieve over the next three to five years. LINZ will contribute to two of these results:

- New Zealand businesses have a one-stop online shop for all government advice and support they need to run and grow their businesses.
- New Zealanders can complete their transactions with government easily in a digital environment.

## HOW WE WILL CONTRIBUTE TO THESE RESULTS

We will continue to enable the survey and conveyancing professionals who use our online property rights services to transact easily and cost-effectively. This in turn will support their ability to provide fast, efficient services to their own clients, such as homebuyers and sellers and land developers.

We will also continue to lead initiatives across central and local government to increase digital access to, and integration of, location-based data and property rights information.

In providing integrated online access through initiatives such as the LINZ Data Service, we expect to see efficiencies for both the public sector and New Zealand businesses, as well as opportunities for innovation.<sup>7</sup>

<sup>6</sup> A spatial data infrastructure (SDI) is the technology, standards, policies, and human resources needed to acquire, process, store, distribute, and improve location-based data.

<sup>7</sup> See the Operating intentions section on pages 10, 11 and 14 for more detail on our property rights transaction services, and initiatives to increase online access to integrated location-based data and property rights information.

## HOW WE WILL MEASURE OUR CONTRIBUTION

Key measures for monitoring the effectiveness of our online transaction services are:<sup>8</sup>

- New Zealand will maintain a top-three OECD ranking for ease of registering property, which provides a global benchmark for the efficiency and cost-effectiveness of our services, and
- increased survey and title customer satisfaction that our online service delivery helps them to provide a high level of service to their own clients.

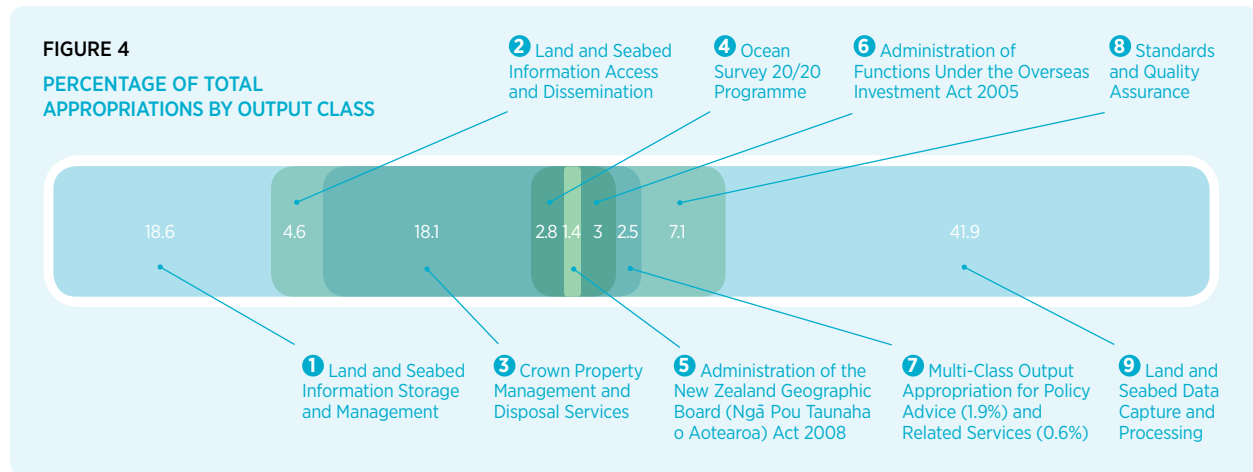
Our current performance against these measures is detailed on page 12.

## Our outputs and funding

LINZ delivers our functions through nine output classes, the funding for which comes from both Crown and third-party revenue. Third-party revenue is mainly from fees paid by customers using our survey and title (property rights transaction) services.

Figure 4 below shows the proportion of total funding apportioned in 2012/13 (\$100,953,000) to each of our output classes.

Figure 5 below shows the linkages between the three outcomes we seek to progress, our four Ministerial priorities and the output classes that contribute to them.



**FIGURE 5**

Outcome	Contributing output classes
<b>Outcome:</b> The integrity of the property rights system maintained to encourage trade, commerce and wellbeing	1 2 7 8 9
<b>Outcome:</b> Increasing the productive use of location-based information	1 2 4 5 7 8 9
<b>Outcome:</b> Enable appropriate economic, environmental and recreational uses of Crown-owned and used land	1 3 7 8
Ministerial priority	Contributing output classes
Location-based information	1 2 7 8 9
Supporting the rebuilding in Canterbury	1 2 3 7 8 9
Contributing to Treaty of Waitangi settlements	3 5 7 8
South Island High Country	3 7 8

<sup>8</sup> Specific five-year targets are being developed and announced in June 2012 against the 10 better public services results. We will publish any new applicable targets and associated measures in future accountability documents.

# Our operating intentions: Integrity of the property rights system maintained to encourage trade, commerce and wellbeing

LINZ will contribute to Government priorities for **better public services** and **building a more productive and competitive economy** through maintaining a property rights system that gives homeowners and businesses full confidence in their property assets.

## What we want to achieve

The property rights system we oversee provides one of the foundations for enhancing economic performance – guaranteed private property rights and the ability for New Zealand business to expand through using real property as collateral.

We achieve this through ensuring property rights can be transacted quickly and at a reasonable cost, and minimising any risks to New Zealanders' security over their assets.

We also regulate the rating valuation system, which ensures valuations are nationally consistent and fair. At a high level, this in turn supports the economic platform for local government services.

Over 2012>15, we will seek to achieve the specific impacts of:

- Maintaining ease in transacting property rights, and
- Maintaining confidence in property rights in New Zealand.

## What we will do to achieve these impacts

### Maintain fast, cost-effective property transaction services

In our delivery of property rights transactions, we have managed the effects of a declining property market on revenue through reducing costs by 36% between 2003/04 and 2011/12, and focusing on improved cost-effectiveness and quality.

Our activities to maintain and improve on current services include the following:

- We will continue careful management of staff capacity and capability against fluctuating property transaction volumes. This sits within a wider programme of ensuring both short-term and longer-term fiscal sustainability of our operating model against ongoing volatility in the property market.<sup>9</sup>

- We will maintain an up-to-date technology platform for online services and seek customer input on their priorities for enhancements.
- We will improve online access to the regulatory and operational materials our customers use every day. For example, we are developing smart applications to streamline survey customers' access to cadastral survey material.

**FIGURE 6**  
**PROPERTY RIGHTS FACTS**

New Zealanders have approximately \$427 billion net equity in housing assets (as at December 2010; Reserve Bank of New Zealand Financial Stability Report of May 2011).

We processed approximately 500,000 titles lodgements in 2010/11.

We administered 10 compensation claims in 2010/11 for staff error or lost documents in titles processing.

The World Bank records the costs New Zealanders pay in registering property as 0.1% of the cost of a property's value, compared to 4.4% for OECD high-income countries.

We have reduced the operating costs for the property rights system by 36% since 2003/04.

<sup>9</sup> See page 22 for further information.

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## Deliver better, smarter regulation

LINZ has successfully reformed our stock of regulatory standards and guidance to reduce unnecessary compliance burdens on the property sector.

Our focus for 2012>15 is on using a broader range of tools and regulatory approaches to maintain high levels of integrity and low costs in the property rights system. Priority activities include:

- continuing to work closely with the Christchurch City Council on plans for a rating revaluation, with the aim of providing the Council with certainty on what their rating funding base will be<sup>10</sup>
- evaluating the effectiveness of our rating revaluation regulation to capitalise on our recent experience in overseeing the large-scale Auckland Council revaluations<sup>11</sup>
- supporting new legislation through Parliament in 2012 that will bring the land transfer system and people's security over land into the 21<sup>st</sup> century electronic environment, and implementing this legislation in 2012>15, and
- completing amendments in 2012/13 to the Rules for Cadastral Survey, which will incorporate changes resulting from the Canterbury earthquakes and feedback received on the rules since their launch in 2010.

## Position location-based property rights management to deliver a broader impact

Over the past few years, we have worked with key stakeholders to explore how location-based property rights systems<sup>12</sup> sit alongside each other, and how government can best service any property rights that might emerge from current policy focus areas, including fresh water and marine and coastal areas.

Over 2012>15, we will look to leverage our expertise in managing property rights, and emerging technologies and policy developments, to deliver a broader impact for New Zealand. Key activities for doing so include:

- working with other agencies to identify opportunities where LINZ can co-design or deliver systems for managing other location-based property rights<sup>13</sup>

- championing integrated online channels to the full range of location-based property rights information managed by government, and
- focusing on how key location-based property rights information, such as the cadastre, can be used more innovatively and widely in government and private sector decision-making.<sup>14</sup>

## Other priority activities: Increased effectiveness in managing the overseas investment regime

The Overseas Investment Office (OIO), based in LINZ, administers New Zealand's overseas investment regime. The regime reflects the Government's aim of achieving a balance between ensuring New Zealand's sensitive assets are adequately protected while facilitating overseas investment that provides benefits to New Zealand. Such benefits include increased jobs, capital and access to export markets.

The OIO contributes to this objective through:

- high-quality decision-making over a range of applications, all of which must meet criteria for consent<sup>15</sup>
- ensuring sensitive land investments result in clear benefits for New Zealanders where legislation requires
- imposing legally binding conditions on consented applications, and
- operating a compliance regime to monitor and enforce any conditions.<sup>16</sup>

Building on previous years' improvements, our focus for 2012>15 will be to continue to:

- improve the timeliness with which applications are processed
- enhance the quality of analysis and reporting, and
- improve performance in investigation of suspected breaches of the Overseas Investment Act 2005.

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<sup>10</sup> A planned revaluation was delayed after the earthquakes. The Valuer-General initiated Orders in Council in 2011 to delay the next revaluation and modify procedures under the Rating Valuations Act 1998.

<sup>11</sup> We also report to Treasury annually on all known and anticipated regulatory activities to help ensure our efforts go into those areas that matter most.

<sup>12</sup> Our focus is on property rights tied to a location (such as housing assets), as distinct from intellectual property rights, for example.

<sup>13</sup> In practice, we began doing this in 2011/12 through our new role in administering rights around reclaimed land and customary interests under the Marine and Coastal Area (Takutai Moana) Act 2011.

<sup>14</sup> LINZ is developing a strategy for future use of the cadastre, which is the electronic dataset showing the spatial extent of ownership of land. It is one of the fundamental datasets needed in an effective spatial data infrastructure because, aside from its role in defining property rights, it can be combined with other data for uses such as resource management, asset management, demographic analysis, emergency planning, and environmental impact assessment.

<sup>15</sup> The OIO makes a majority of decisions on applications under powers delegated to the Office by relevant Ministers. Approximately 40% of decisions on applications are made by Ministers, with the OIO having provided recommendations on whether to agree to consent or not. These are usually for applications to acquire 'sensitive' land such as rural land over five hectares.

<sup>16</sup> In turn, the OIO's work also contributes to the Treasury's outcome of improved overall economic performance. The Treasury has oversight of strategic overseas investment policy.

## Demonstrating success

We will assess our contribution to maintaining confidence and ease in transacting property rights through monitoring the bolded indicators below.

### Maintaining New Zealand's top global ranking for ease of registering property

Top-three OECD ranking maintained in the World Bank Doing Business Survey for 'ease of registering property'.

Status: New Zealand has been ranked third for the past three years. See figure 7 for more detail.

Increased survey and title customer satisfaction that our online service delivery helps them to provide a high level of service to their own clients (status: 75% agreement).

### Low levels of legal challenge

Nil to low number of upheld High Court challenges under section 216 of the Land Transfer Act (status: 0 in 2010/11 and 2009/10).

### Low levels of objections to rating valuations

A low level of ratepayer objections to territorial local authority (TLA) rating revaluations maintained (status: 2% in 2010/11).

Target achieved of settling 80% (or more) of objections to TLA revaluations within 30% of the original revaluation (status: 94% in 2010/11 and 87% in 2009/10).

### A minimised regulatory compliance burden on business

A Treasury-led review of government regulatory systems saw LINZ well placed against best-practice principles and acknowledged as an exemplar.

Treasury feedback on our annual scan of planned regulatory activities will help monitor whether our efforts are well-prioritised and processes robust.

A planned evaluation of rating regulation in 2012/13 will help monitor the effectiveness of this part of our regulatory regime.

### Increased cost-effectiveness in administering property rights

Maintained: a low number of compensation claims paid out as a proportion of our costs in administering titles property rights (status: see figure 8).

### Continued delivery of robust overseas investment decision-making and enforcement of conditions

Output measures outlined in the Information Supporting the Estimates of Appropriations for Vote Lands will help monitor our effectiveness in:

- ongoing provision of high-quality and timely decision-making
- improved post-decision monitoring of conditions of consent, and
- improved investigation of suspected breaches of the Overseas Investment Act 2005.

FIGURE 7

#### 2012 WORLD BANK DOING BUSINESS SURVEY

The Doing Business survey measures the cost, time taken, and number of procedures needed, for an SME to register property.

As the table shows, New Zealand performs well against high-income countries in the OECD, and against top-ranked Georgia and Saudi Arabia with the exception of cost (Saudi Arabia charges no fees for property registration).

The World Bank records cost 'as a percentage of the property's value, assumed to be equivalent to 50 times income per capita' and provides a useful international benchmark of our cost-effectiveness. The 0.1% New Zealanders pay to register property relates to the costs of LINZ's services and council land information memoranda.

	Number of procedures needed	Time needed (days)	Cost of registering a property	Overall ranking 2012
New Zealand	2	2	0.1%	3
Australia	5	5	5.0%	38
Georgia	1	2	0.1%	1
Saudi Arabia	2	2	0.0%	1
United Kingdom	6	29	4.7%	68
United States	4	12	0.8%	16

FIGURE 8

#### LAND TITLES COMPENSATION CLAIMS

The table opposite illustrates the low number of claims lodged and payments made for staff errors or lost documents, compared with the overall titles lodgement volumes we administer and the \$427 billion net equity that New Zealanders have invested in property rights.

#### New Zealanders' net equity in housing assets

\$427b

	10/11	09/10
The approximate costs of administering and regulating the land titles register	\$28m	\$31m
The number of title lodgements processed	496k	584k
The number of current compensation claims administered	10	12
The compensation paid out for current claims	\$12k	\$24k
The legal fees paid out to the Crown Law Office for current claims	\$12k	\$116k

# Increasing the productive use of location-based information

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LINZ aims to help the Government deliver **better public services** and **build a more productive and competitive economy** through significantly increasing the current \$1.2 billion in productive benefits that location-based information contributes annually to New Zealand.

## What we want to achieve

One of the most significant contributions LINZ can make to the Government's priorities is to increase the \$1.2 billion in productive benefits that location-based information contributes annually to the economy.<sup>17</sup>

As a Ministerial priority, LINZ leads the all-of-government effort to unlock an estimated further \$500 million in economic benefits through getting better reuse of location-based information. Within this objective, our aim over the next few years is to increase the availability and reuse of government data – including our own core location-based data – and reduce its costs.

We will also continue to provide our longstanding location-based information services (as outlined in figure 9 on page 14), which underpin New Zealand's economy, security and safety. For example, 98% of New Zealand's trade arrives or departs by sea and is at risk without our accurate hydrographic data.

LINZ will have a reduced Crown baseline for delivering our location-based information activities over the next four years. Therefore, we will prioritise resources to progress three specific results – or impacts:

- Increase the use of location-based information in government decision-making
- Reduce the costs of finding, sharing and using location-based information, and
- Maintain support of New Zealanders' safety, security, culture, and economic development through our location-based information service delivery.

## What we will do to achieve these impacts

### Increase reuse of government location-based information

The all-of-government effort to reduce key barriers preventing greater reuse of location-based information is led by the New Zealand Geospatial Office (NZGO), based in LINZ.

The NZGO coordinates development of a national spatial data infrastructure (SDI) that will enable government agencies and others to share their location-based data in ways that allow others to easily find and reuse it.<sup>18</sup> As a next step, the NZGO will focus on encouraging increased government agency participation and investment in releasing data through an SDI by:

- working to increase the application of standards for better data reuse and promoting its potential to increase innovation and productivity
- ensuring government procurement of new data is SDI-focused
- coordinating targeted activities for increasing New Zealand's capability, and trans-Tasman research opportunities to support growth in location-based information technologies and uses, and
- playing an active role in supporting all-of-government open data priorities, where agencies continue to actively release their high-value public data for use and reuse (including location-based data).

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<sup>17</sup> Overlaying different types of location-based information provides powerful analytical tools for helping business, iwi and government agencies to increase efficiencies and make better decisions with their resources. For example, Fonterra uses GIS tools to optimise the routes taken by their milk-tanker fleet.

<sup>18</sup> Research we commissioned identified an effective SDI as the best short-term intervention for removing key barriers to greater use (an estimated benefit-to-cost ratio of 5:1). Barriers identified in the research included problems in accessing data, inconsistency in data standards, and a general lack of skills and knowledge about modern geospatial information technology. *Spatial information in the New Zealand economy* (August 2009).

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## INCREASE USE OF FUNDAMENTAL DATA

A key activity for the NZGO in 2012>15 will be to develop business cases with relevant agencies for investing in better reuse, particularly for 'fundamental' location-based data.

Fundamental datasets are those most widely and regularly used; they lie at the heart of an effective SDI. Experience overseas has demonstrated significant productivity gains for government and industry through uses of fundamental data.

LINZ and the New Zealand Transport Agency (NZTA) have taken on a stewardship role for three themes of fundamental datasets: the cadastre, imagery and roads.<sup>19</sup> NZGO will support development of business cases and provide support to increase the use of these datasets, and potentially others as well.<sup>20</sup>

## Support decision-making in Auckland and Canterbury

In addition to coordinating the development of an SDI at the national level, NZGO will help accelerate the use of location-based information tools to inform pressing decision-making priorities in Canterbury and Auckland:

- NZGO will continue to assist with Auckland City's spatial planning through ongoing advice and coordination of tools to share central government information.
- NZGO will also coordinate options for fast-tracking an SDI for Canterbury. This would contribute to the region's recovery through enabling enhanced decision-making on rebuilding and engagement with Cantabrians over the future design of Christchurch.

These projects will also act as important pilots for the longer-term development of a full national SDI and help to inform the NZGO on the most successful levers for increasing government agency investment in better reuse.

## Increase reuse of our own core data

As a manager of core location-based datasets, LINZ will continue to be an exemplar for making our data easy to find, share and use.

The new LINZ Data Service provides free access to more than 40 of our datasets (820 data layers in total), and is a significant part of New Zealand's SDI. We will build on the service's strong uptake through:

- continuing to improve and add functionality and datasets, and
- investigating the option for a shared portal that would enable other agencies to release their data without replicating our investment in technology and capability.

## Invest in fundamental data

LINZ will also undertake targeted activities around the highest-value location-based datasets needed by New Zealand:

- In 2012/13, we will complete two pilot projects that are improving the quality of our cadastral and title data so that it can be reused more cost-effectively.
- We will continue to coordinate a national approach for opening up access to imagery data. Many local, regional and central government agencies purchase imagery to carry out essential business functions. Recent economic analysis we commissioned indicates opening up access to public sector imagery would enable innovation leading to considerable benefits to New Zealand's gross domestic product.

FIGURE 9

### CORE LOCATION-BASED INFORMATION SERVICES

#### Geodetic

Via web services, we provide the geospatial reference system that enables accurate positioning of land and sea features. The system is 'infrastructure for infrastructure' because the positioning is needed by surveyors and other professionals to build and maintain core infrastructure and utilities.

#### Hydrographic

We survey our seas and provide official nautical charts, maritime safety warnings and publications for safety of life at sea. More than 98% of New Zealand trade is conducted by sea and relies on accurate data and information.

The area we are responsible for includes New Zealand, its outer islands and the Ross Sea region in Antarctica. We also have charting coverage for parts of the South-West Pacific.

#### Cadastral and titles

Outside of its role in recording property rights, our cadastral and title data is widely used by central and local government, SOEs and private companies. We work to improve its accuracy and accessibility so it can be reused more widely and efficiently.

#### Topographic

We record the physical features of New Zealand's natural and built environment to provide up-to-date paper and digital maps and information. Our maps and information support the country's constitutional framework, national security and emergency services responses.

19 Our activities as the steward for the cadastre and imagery are noted at the top right of this page and our work on a cadastral survey strategy on page 11.

20 In total, 13 fundamental data themes have been identified. NZGO's ongoing role will include scoping out requirements and cost-benefits for bringing fundamental data into an SDI. This is important because of the potentially significant costs involved in making fundamental data such as addresses (physical or postal addresses) SDI-compliant.



- We will also continue to investigate a similar approach for the bathymetric data managed by various central and local government agencies.<sup>21</sup>
- We will investigate the evolving need for other nationally important location-based datasets, and invest in developing them as resources allow. Our first priority is to provide New Zealand with a world-class vertical datum (precise determination of heights). Many organisations need accurate height information for monitoring natural hazards and provision of infrastructure such as sewers and irrigation.

## Improve the effectiveness of our core location-based information services

Over 2012>15, LINZ will maintain delivery of core location-based information services that support critical national functions (see figure 9).

### INCREASE EFFICIENCIES

With a reduced Crown baseline, we are undertaking targeted activities to maintain core service delivery at an appropriate level and increase efficiencies, where possible. Key efficiencies include the following:

- We will complete a multi-year transition to a modern hydrographic data infrastructure by 2015. The new infrastructure is enabling us to continue to meet international obligations and the increasing demand for electronic products, particularly from large-scale vessels such as the growing number of cruise ships visiting New Zealand.<sup>22</sup>
- We aim to increase value for money from our hydrographic survey programme and warehousing and distribution of map and chart products.

### OTHER IMPORTANT ACTIVITIES

In addition to the focus on efficiencies, we will also:

- develop and implement a strategy for improving on current delivery of geodetic data to customers via global navigational satellite systems, and
- support Ministry of Foreign Affairs and Trade-funded work to improve the safety of life at sea in the South-West Pacific, which will include accelerating electronic chart production in regions where we have charting coverage.

## Demonstrating success

We will evaluate our longer-term outcome of increased productive use of location-based information after 2014/15. In bold below are KPIs for measuring progress against the impacts we seek over 2012>15.

We will measure progress in reducing the costs to find, share and use location-based information, and increased use in decision-making, through:

### **Increased participation by government agencies in an SDI**

The NZGO should see an increase in the number of government agencies releasing their data for reuse and complying with recommended standards for finding, sharing and reuse (baseline to be established in 2011/12).

### **Improved decision-making in Canterbury and Auckland spatial planning**

We will evaluate Canterbury and Auckland activities as pilot projects for determining the extent to which location-based information tools improve decision-making and the most cost-effective levers for increasing reuse.

### **Increased SDI participation by LINZ**

Increased number of LINZ Data Service (LDS) users and increased frequency in their use of the service (new measure: baseline to be established in 2011/12).

Evidence that the LDS has met a targeted national return on investment of 5:1 by June 2013.

Delivery of a strategy for increasing access to New Zealand's imagery collection in 2012/13.

We will evaluate whether we continue to maintain support of New Zealanders' safety, security, culture, and economic development through:

### **No loss in safety or security due to accuracy issues with our location-based information**

No upheld legal cases, or other formal investigations, attributing serious accidents to inaccuracies in map or chart products supplied by LINZ (status: 0 in 2010/11 or year-to-date 2011/12).

### **Increased economic and cultural development opportunities from access to location-based information**

Increased number of electronic navigational charts (ENCs) purchased (new measure: baseline to be established in 2012/13).

Increased use of our topographic maps (new measure: baseline to be established in 2011/12).

Increased use of GNSS real-time services (new measure: baseline to be established in 2012/13).

Improved customer satisfaction with geodetic services (baseline: 65% overall satisfaction).

### **Increased value for money**

Satisfaction of key stakeholders with the hydrographic survey prioritisation process review (new measure: baseline to be established in 2012/13).

Targets met for achieving \$2.45 million in cost-efficiencies (status: on track to achieve).

<sup>21</sup> Bathymetry is the study of underwater depth of lake or ocean flows.

<sup>22</sup> These vessels are required to use electronic navigational charts (ENCs) on a rolling deadline from July 2012.

# Enabling appropriate economic, environmental and recreational uses of Crown-owned and used land

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This section outlines our plans for delivering **better public services** and contributing to **building a more productive and competitive economy** through more effective and sustainable management of Crown land.

## What we want to achieve

LINZ manages 8% of New Zealand's land area and regulates the buying and selling of land by all Crown agencies.

Through carrying out these functions effectively, we seek the outcome of enabling appropriate uses of Crown land and protecting the interests of the Crown and the public.<sup>23</sup>

The variety of land under our management ranges from significant and productive land through to land that is a liability to the Crown. The complex demands of our stakeholders means we perform a range of activities in land management, and balance sustainability with potential revenue and community objectives.

Through our direct management, regulation of all Crown purchases and sales, and whole-of-government focus on better land administration, we want to achieve the direct impact of:

- More effective and sustainable land management.

## What we will do to achieve this impact

### Simpler, more cost-effective pastoral rent system

A Ministerial priority for LINZ is to implement a new rent system for the 221 pastoral leases in the South Island High Country.

The new system is based on the earning capacity of each property from pastoral farming and is designed to deliver an efficient and effective system for setting and administering rents for leases. In doing so, we aim to ensure lessees can farm their properties sustainably and the taxpayer receives a rent in accord with each property's earning capacity.

The High Country pastoral leases make up approximately 70% of the land area under our management, and 5.5% of New Zealand's total land area. Aside from accounting for a large part of our overall portfolio, the region is of national significance to the economy (mainly in tourism and primary production) and the environment.

Our activities to implement the system include:

- making rules and regulations for specifying how rents will be calculated
- specifying tasks and roles for assessing rents and resolving disputes
- continuing to engage with lessees so they are confident in the methodology and implementation of the new system, and
- resolving rental disputes caused by lessees objecting to their rental valuations under the previous rent-setting system.

### Increase value for money in our land management

Over 2012>15, we will maintain and work to improve delivery of our range of land management activities (such as biosecurity, general maintenance and administration of the tenure review programme for pastoral leases).<sup>24</sup>

Because these activities will be delivered within tight fiscal and capacity constraints, we will:

- continue to work closely with stakeholders to prioritise our resourcing decisions
- improve how we mitigate key risks across our various types of properties, and
- seek greater cost-effectiveness in targeted areas such as tenure review.

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<sup>23</sup> As the regulator of all Crown land purchases and sales, we ensure the Crown buys and sells land in a way that meets legislative requirements, advances public interests and protects property rights.

<sup>24</sup> A significant amount of our Crown land management work in 2012>15 will contribute to Treaty settlements and supporting the Canterbury Earthquake Recovery Authority's programme. More information on these activities is provided on pages 19-20.

## IMPROVE RESULTS ACROSS ALL CROWN-OWNED LAND

In recent years, LINZ has been proactive in contributing to a more efficient public sector through promoting improved management of the Crown's entire land portfolio.

This has seen us increase collaboration with other agencies that manage natural resources,<sup>25</sup> provide advice on best land administration practice, and take on properties from other agencies for which land administration is not core business. As a result, our portfolio has grown by approximately 20 percent in the past three years.

We will further develop this leadership, along similar principles to the Ministry of Social Development's Centre for Expertise for property management, through:

- developing a robust framework and processes in 2012/13 for an expanded role as a centre of expertise for Crown land
- proactively offering our expertise to other agencies
- setting up industry-based training for agencies and their service-providers to up-skill in Crown land management
- continuing to identify portfolios for further consolidation where we can offer significant cost-savings, increased revenue and improved risk management, and
- creating opportunities for cross-agency collaboration on Crown land issues.

## Support for infrastructure growth

We will continue to play a small but important role in progressing key national infrastructure projects through our quality assurance and sign-off of all acquisition and disposal of land by Crown agencies.

Infrastructure projects such as the seven Government-designated Roads of National Significance often involve a substantial number of land acquisitions by the Crown.

Working within the tight timeframes of these projects, we will continue to help manage the significant risks the Crown faces in acquiring land through ensuring the Crown buys and sells land in way that protects its interests and those of landowners.<sup>26</sup>

### LEADING PUBLIC WORKS POLICY

LINZ will also lead policy work on all issues involving the Public Works Act 1981 for the course of the Ministry for the Environment-led review of the Resource Management Act.<sup>27</sup> Broadly speaking, our aim within this review is to make acquisition processes under public works legislation more efficient.

FIGURE 10

Our stakeholders include:	What we do includes:	Our portfolio of more than 5,000 properties includes:
<ul style="list-style-type: none"> <li>Central government</li> <li>Regional and local government</li> <li>Infrastructure/ utilities companies</li> <li>Pastoral lessees and licensees</li> <li>Iwi</li> <li>Public interest groups</li> </ul>	<ul style="list-style-type: none"> <li>Risk identification and management</li> <li>Biosecurity</li> <li>Managing tenancies</li> <li>Resolving unauthorised uses</li> <li>General maintenance</li> <li>Strategies for disposal and optimising revenues</li> <li>Regulation of all Crown land sales and purchases</li> </ul>	<ul style="list-style-type: none"> <li>1.6 million hectares of South Island High Country pastoral lease land (221 leases)</li> <li>Riverbed land</li> <li>The beds of lakes such as Wanaka and Wakatipu</li> <li>Major sites such as the Waihi gold mine</li> <li>45 Crown forestry licences on land totalling approximately 260,000 hectares</li> </ul>

25 LINZ has developed a joint information management system with the Department of Conservation to improve management of, and reporting on, the 40% of New Zealand's land area that we jointly administer.

26 Specifically, we assess compliance by Crown agencies acquiring or disposing of land under the Public Works Act 1981 and related legislation.

27 It is likely that a Bill amending both Acts will be developed in 2011/12 and introduced into Parliament in 2012/13.

## Demonstrating success

We will monitor progress against our Crown land management outcome and the intended impact of delivering more effective and sustainable management through the bolded indicators and associated measures below.

### **Our activities will contribute to economic and social benefits from South Island High Country pastoral leases**

Research being undertaken in 2011/12 on the economic and social benefits created by the tenure review programme, and in 2012/13 on the benefits associated with commercial and recreational uses of High Country land, will help determine the success of our overall pastoral management.

### **Increased cost-effectiveness in High Country pastoral management**

Decreased cost in undertaking pastoral lease rent reviews following implementation of the new rent system (status: \$10,000 per lease is the current cost).

95% of pastoral lease rent reviews in dispute as at Feb 2012 resolved by 2014 (94% in dispute at Feb 2012).

### **Increased cost-effectiveness in management of our non-pastoral Crown land portfolio**

We will complete development of a framework for our Crown land leadership role in 2012/13. As part of this, we will develop measures for demonstrating cost-effective Crown land management.

Increased or maintained stakeholder satisfaction with the value for money in our biosecurity programme (status: 3 out of 5 in our 2011 survey).

### **Key Crown land management risks effectively mitigated**

All new pest weed infestations identified in our pest weed survey area are managed in accordance with best practice (status: 100%).

No increase in serious non-compliance on pastoral and other Crown land under our management (new measure: baseline being established in 2011/12).

No increase in upheld court judgements relating to our QA and sign-off of Crown acquisitions under the Public Works Act (new measure: baseline being established in 2011/12).

### **Crown land continues to be released for other uses**

Targets achieved for releasing land as in figure 11 below (status: see figure 11).

FIGURE 11

Type of land released	Target for 2012/13	Achieved in 2011/12
Pastoral land into freehold	43,790ha	7,505ha
Pastoral land designated for conservation land	39,458ha	8,659ha
Crown forest land to iwi	24,889ha	40,000ha
Other Crown land to the private sector and iwi	850ha <sup>28</sup>	297ha
Other Crown land into community or government use	33ha <sup>28</sup>	146ha

<sup>28</sup> These refer to our annual disposals programme, where we identify properties for release, and undertake risk analysis on them. Land transferred to community or other government uses may be used in roading projects or reserves, for example.

# Our priorities for supporting Canterbury and Māori and iwi development

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This section outlines our plans for supporting the Government's priority of **rebuilding Canterbury**. It also covers our contribution to negotiating settlements for historic Treaty of Waitangi claims, and our intent to improve our support for Māori and iwi development.

## What we want to achieve

We will continue to coordinate cross-organisational programmes to deliver Ministerial priority activities for Canterbury and Treaty of Waitangi settlements. These are priorities for LINZ because of the Government's focus on:

- making real progress in the rebuilding of New Zealand's second-largest city over 2012/13, and
- completing full and final settlement of historic Treaty of Waitangi claims.

In both areas, we support complex, time-critical programmes led by the Canterbury Earthquake Recovery Authority (CERA) and the Office of Treaty Settlements (OTS).

Both programmes draw from our staff's specialised technical knowledge in property rights, location-based information and Crown land management.<sup>29</sup> The coordination involved also means we will continue to reprioritise resources carefully to ensure our contributions work within CERA and OTS's timeframes and meet evolving needs.

Against this background, the direct impacts we seek are:

- Effective support for rebuilding in Canterbury, in particular ensuring:
  - timely repair of core survey infrastructure, and
  - cost-effective management of red zone properties
- Effective support for Māori and iwi development, in particular ensuring:
  - our Treaty settlement work helps OTS to meet its milestones for settling historic claims, and
  - we position ourselves to unlock more value for Māori and iwi in areas where our expertise can assist.

## What we will do to achieve these impacts

### Deliver activities to progress rebuilding in Canterbury

Our ongoing support to CERA and other local and central government agencies will include:

- continuing to re-survey and restore the Canterbury survey control network, which is essential for repairing and rebuilding essential infrastructure (such as sewerage pipes and design of new roads), hazard monitoring (mitigating flood risks caused by liquefaction), and rebuilding of properties<sup>30</sup>
- managing approximately 7,000 suburban red zone properties acquired by the Crown
- advising CERA on legislation and regulations relating to red zone properties, and assisting with the development and implementation of recovery strategies and plans for interim and future land management
- coordinating plans for a potential spatial data infrastructure for Canterbury, with the aim of sharing location-based information that can best underpin decision-making on recovery efforts, and
- providing rules and advice for surveyors on how to deal with property boundary issues caused by the earth movements.

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<sup>29</sup> Many of the individual activities will also help progress the LINZ-specific outcomes for property rights, location-based information and Crown land.

However, the priorities for the decisions we make in progressing these activities is primarily geared to the timeframes and objectives of CERA and OTS.

<sup>30</sup> The earthquakes caused considerable vertical and horizontal earth movement. Re-survey is establishing the positioning information that identifies how the land has changed. While the timetable for this work, and the extent of work required, continues to be influenced by ongoing aftershocks, LINZ is placing highest priority on ensuring essential work can be completed in time to support an expected upswing in rebuilding. LINZ received an additional \$800,000 in funding in 2012/13 to complete reinstatement of the network.

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## Contribute to settling historic Treaty claims

LINZ is involved in every settlement within the OTS-led programme for settlement of historic claims.

We will continue to prioritise our resources carefully, and work collaboratively with OTS, to meet the programme's demanding milestones and overall aspirational target of negotiating settlements on all historic claims by 2014.

Our work includes:

- providing expert policy and land transaction advice
- management of land held for future settlements
- regulatory decisions on Treaty settlement documents
- involvement in direct negotiation with claimants around values for this land, and
- Treaty names activities undertaken by the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa.

## Increase the effectiveness of our engagement with Māori and iwi

Our role continues after a settlement has been reached. We will manage a substantial ongoing body of work, in some cases 'in perpetuity', to implement, administer and manage settlement obligations.

In addition, we will enter into partnership opportunities arising from the current wave of iwi development occurring in New Zealand, and where our expertise in areas such as location-based information can unlock more economic and social value.

Our work with Māori and iwi will be guided through a LINZ-wide strategy, as outlined on page 22. The strategy will ensure we have a strong integrated framework, improved understanding and engagement, and sufficient capability, to identify strategic opportunities and drive improved value.

## Demonstrating success

Our plans for monitoring progress in providing effective support for rebuilding in Canterbury and for Māori and iwi development are as follows:

### Advice and activities in Canterbury will meet CERA's expectations

Due to the evolving and responsive nature of our activities, we have not identified specific targets for Canterbury-related activities. However, we will develop more formal mechanisms for assessing CERA feedback on our delivery against their expectations.

### Treaty settlement activities will meet OTS's expectations

We will assess our success in contributing to the Treaty settlement programme through an annual satisfaction survey that seeks an OTS rating of 3 out of 5 (good) or better.<sup>31</sup>

### Increased engagement with iwi

We will also develop measures for assessing our performance in undertaking activities under iwi relationship accords over 2012>15.<sup>32</sup>

We will evaluate the effectiveness of any partnership opportunities we enter into with iwi for unlocking economic and cultural benefit from location-based information (new measure).

<sup>31</sup> This is also an output measure contained in the Information Supporting the Estimates of Appropriations for Vote Lands.

<sup>32</sup> As of 1 April 2012, LINZ has signed two accords. We anticipate that we will need to have signed an appropriate number of relationship accords to be able to determine useful measures.

# Improving organisational performance

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This section outlines how we will contribute to the Government's priority of **better public services** through making key organisational improvements.

## What we want to achieve

We will continue to deliver our core services and Ministerial priorities within an ongoing climate of tight fiscal constraints and revenue uncertainty.

To ensure we can achieve our intended impacts, and remain open to finding new ways for delivering better services, three key organisational improvement priorities are to:

- provide a skilled, agile and engaged workforce
- ensure the financial sustainability of our operations, and
- improve the effectiveness of our information and communications technology (ICT) and corporate services.

In addition, the achievement of our intended results will increasingly rely on our ability to develop collaborative relationships and partnerships with stakeholders. Consequently, we also need to:

- improve the quality of services through better understanding of our customers, and
- increase understanding of, and develop more effective engagement with, our stakeholders.

## What we will do to achieve these results

### Lift workforce technical capability and engagement

Over the past few years, LINZ has developed a strong workforce capability to deliver core operations and cross-government collaborative work, despite a tight fiscal environment. We will continue to build on our progress, with a particular focus on:

- driving increased productivity and organisational agility, in response to ongoing change, from growing staff engagement and strong change leadership
- retaining and developing our specialised technical skill capability base
- building stronger partnerships across government and developing leadership capability in joint programmes run with Natural Resources Sector agencies,<sup>33</sup> and
- using performance and talent management systems introduced in 2010 to provide managers with tools for proactively managing both high and poor performance.

## Manage workforce costs and capacity

LINZ has also undergone significant downsizing. Over the past 15 years, our workforce has reduced from 879 staff to a planned total of 483 FTEs.

As a result, we have a smaller, highly skilled workforce, working at optimal levels to deliver our strategic objectives. However, we will also need to manage the cost and capacity pressures that accompany a lean service delivery model through:

- identifying further efficiencies in our corporate services<sup>34</sup>
- increasing internal collaboration and cross-skilling and external collaboration, such as secondments, and
- improving productivity through business process improvements within teams or employment relations initiatives.

## Improve customer service and stakeholder engagement

LINZ introduced a new customer strategy in 2010/11 to improve the experience of a growing and changing customer base. Following organisational changes to the business groups that provide customer and corporate services, we will continue to improve:

- our understanding of customer needs through better segmentation and research programmes, and
- the cost-effectiveness and user experience of our communication channels.

We will also undertake comprehensive stakeholder research in 2012/13. This will be the basis for implementing a strategy to ensure we can target, influence and partner with the stakeholders crucial to helping deliver our strategic objectives.

We will put in place ongoing stakeholder and customer monitoring and research to systematically measure changing service quality and engagement.

<sup>33</sup> The Natural Resources Sector is the group of government agencies responsible for managing New Zealand's natural resources.

<sup>34</sup> For more detail, see our plans for Improved corporate service cost-effectiveness on page 23.

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### LIFT CAPABILITY IN OUR WORK WITH MĀORI AND IWI

Building capacity and capability to support our engagement with Māori and iwi stakeholders and customers will be an important focus within this wider work. We will:

- improve understanding of our Māori customer base and stakeholders
- put in place robust advisory and feedback mechanisms
- build capability to better coordinate and deliver our engagement with Māori, and
- develop a strategy that ensures we stay focused on improving delivery to Māori customers and building key partnership initiatives where we can make the most difference for iwi.

### Work across the Natural Resources Sector

As one of the Natural Resources Sector government agencies, LINZ will continue to contribute to the Sector's work programme, which includes:

- continuing to improve our policy response to shared natural resource issues
- greater fluidity of policy capability
- investigating ways to get better effectiveness and efficiency gains from our information services, and
- greater collaboration between the Sector and regional government.

In particular, we will continue to help progress joint programmes for improving leadership and management capability and take a leading role in the Sector's information priorities for location-based information, open data and marine information.

### Careful financial management and business decision-making

We face cost pressures and challenges in both the fee-generated revenue and Crown-funded parts of our operations.

We will deliver targeted efficiencies and changes in service delivery levels across our Crown-funded operations, and report on these in our annual report for 2012/13.

Survey and title customer fees account for approximately 55% of our total revenue. In response to the effect of the property market downturn on transaction volumes, we have developed a comprehensive programme to ensure fiscal cost-recovery in the short term, and the sustainability of our operating model in the medium to long term.

Increased fees and improved forecasting and performance reporting are helping us to manage resources, revenue and ongoing property market fluctuations. Our next steps are to:

- examine more broadly the most appropriate way to charge for our various survey and title products, and
- undertake an innovative forward-looking exploration of potential future business models in line with technological development and likely fiscal trends.

### Reliable, flexible and cost-effective ICT systems

LINZ outsourced the majority of ICT service provision in 2010/11. As an agency heavily reliant on technology to increase the quality, cost-effectiveness and innovation of our service delivery, we sought both cost reductions and increases in the ability of ICT to support strategic business objectives.

We will continue to monitor projected ICT savings over 2012/13 and beyond, and increase the quality of service provision across key areas such as providing cost-transparency to our business teams and innovative solutions.



## Improve corporate service cost-effectiveness

LINZ will build on the targeted improvements made to the cost-effectiveness of administrative and support services in areas such as ICT and property.<sup>35</sup> Using the data provided by Treasury's Better Administration and Support Services (BASS), we will drive further efficiencies over the next three years in areas such as human resources, finance and procurement practice.

## Capital planning

Our annual capital planning focuses on ensuring effective maintenance and improvement of existing assets such as the Landonline electronic property rights transaction system, and using capital to fund new investments that will provide New Zealand with essential data and infrastructure assets.

### LANDONLINE

Landonline is LINZ's only material and critical asset, with a current book value of \$31 million. The system was first designed and built 14 years ago, and customer needs and technology have advanced significantly in the interim.

A depreciation stream for building up a Landonline renewal fund will comprise \$4.7 million in 2012/13 and close to \$4 million in out-years. The overall aim for any investment using this stream is to ensure Landonline continues to provide a cost-effective platform for service delivery into the future.

Expenditure decisions on Landonline will be made in alignment with any wider determinations on the future operating model for survey and title services. However, we anticipate carrying out strategic direction-setting and initial design work on a renewed system in 2012/13.

### OTHER ASSETS

As part of our focus on investing in a resilient national SDI, we are planning improvements to New Zealand's vertical datum. These improvements will be essential to effective, efficient decision-making in areas such as natural hazard monitoring and infrastructure development.

We also maintain a programme of prioritised asset replacement and investment in all-of-government ICT within available capital budget. Several important system upgrades are planned for 2012/13.

The depreciation stream for other asset purchases is \$1.8 million per year.

FIGURE 12

ASSET CATEGORIES	2012/13	2013/14	2014/15	2015/16
Landonline	\$4.7m	\$3.97m	\$3.83m	\$3.67m
Other assets: dataset improvement and other general software	\$1.8m	\$1.8m	\$1.8m	\$1.8m
Total	\$6.5m	\$5.77m	\$5.63m	\$5.47m

<sup>35</sup> The relocation of our Wellington office enabled us to significantly improve the property cost per full-time equivalent and square metres per workstation.

## Demonstrating success

We will monitor progress in achieving intended organisational improvements through the bolded key indicators and measures below.

### Improved or maintained KPIs for workforce engagement, leadership and technical skills capability

Increase or maintain overall Gallup survey engagement and leadership scores.

Overall engagement	2011	3.88
	2010	3.64
The leadership of my organisation makes me enthusiastic about the future	2011	3.4
	2010	3.2

Reduce turnover for staff with less than three years' service (status: 36% at October 2011).

Increase or maintain internal or local appointments to critical technical roles (status: 25% of all positions filled internally in 2011).

### The Natural Resources Sector meets its outcomes for improved collaboration and policy and analysis

Status: anecdotal evidence indicates Ministers are receiving coordinated advice on natural resources priority areas.

### Increased customer satisfaction with our service delivery

Implement stakeholder research and strategy in 2012/13.

Deliver Business with Māori strategy by November 2013.

Increased overall satisfaction levels from key customer groups. Status: the most recent overall satisfaction ratings are:

Survey and titles customer overall satisfaction with the electronic transaction system	87%
Geodetic products and services	65%
Topographic products and services	65%
Hydrographic products and services	85%
Survey and titles bulk data service	70%

### Short-term and long-term fiscal sustainability ensured

Achieve full cost-recovery of survey and title costs in 2012/13 (status: a \$14 million surplus is forecast for 2011/12, which will be used to further reduce an operating deficit from the past three years).

Develop a long-term survey and title sustainable business model by 2014.

Manage workforce costs from with our Crown baseline (status: on track to achieve this in 2011/12).

### Improved ICT and other corporate services cost-effectiveness

Achieve projected ICT savings (status: on track to achieve a 7% saving in 2011/12).

Improve internal ICT customer satisfaction key performance indicators.

Status:

ICT internal customer quality KPI area	Change between March 2011 and December 2011
Overall services to business owners	Improved
Innovation and strategy	Improved
Cost transparency	Improved

Maintain or improve metric for administration and support services (A&S) costs as a percentage of overall organisational running costs.

Status:

A&S services as % of overall organisational running costs	Financial year
28.74%	2010/11
32.33%	2009/10

Improve our rating for service performance information and associated system and controls (status: assessed as 'needing improvement' by the Office of the Auditor-General).

## DIRECTORY

### WELLINGTON OFFICE

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**Land Information  
New Zealand**  
*Toitū te whenua*