

VOTE *Lands*

Lands

Overview

Appropriations

Appropriations sought for Vote Lands in 2006/07 total \$130.767 million. This is intended to be applied as follows:

\$117.790 million (90.1% of the Vote) on purchasing:

- policy advice about land information
- standards and quality assurance for the regulation of:
 - Crown property management, acquisition and disposal
 - property valuation for rating purposes
 - the collection, authorisation, management and dissemination of information associated with: the lands rights register; geodetic and cadastral survey reference systems; and topographic and hydrographic information systems, and
 - the provision of advice and decisions regarding overseas investment in New Zealand
- the delivery of Crown property management, acquisition and disposal services, and
- services associated with the collection, authorisation, management and dissemination of land information.

\$12.477 million (9.5% of the Vote) on meeting Crown land-related liabilities and guarantees and the purchase of capital assets.

\$500,000 (0.4% of the Vote) for remedial work on Crown and private land and property.

Crown Revenue and Receipts

The department expects to collect \$13.016 million of current Crown revenue in 2006/07 of which \$8.000 million will be from sales on behalf of Transit New Zealand and the balance from database sales, pastoral lease rentals and rentals on surplus government properties. In addition the department expects to collect \$7.500 million of capital revenue from the disposal of surplus government properties and lessor interests in Crown pastoral land.

Details of how the appropriations are to be applied appear in Parts B1, B2, C, and D of this Vote. Details of Crown revenue appear in Part F.

Terms and Definitions Used

LINZ	Land Information New Zealand
MYA	Multi-Year Appropriation

Footnotes

Note 1	Expenses to be incurred pursuant to section 10(2) of the Public Finance Act.
Note 2	This MYA was made in the Appropriation (2005/06 Estimates) Act 2005. The appropriation operates on a GST exclusive basis.

Minister Portfolio Table

44	Minister for Land Information
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Lands

VOTE MINISTER: Minister for Land Information

ADMINISTERING DEPARTMENT: Land Information New Zealand

The Minister for Land Information is the Responsible Minister for Land Information New Zealand

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

End Outcomes

LINZ aims to achieve the following end outcomes:

- A) Certainty of New Zealand property rights and interests
- B) Land information is available:
 - to enable New Zealand’s economy to function effectively, and
 - for New Zealanders’ safety and security, and
- C) Crown assets are put to their best use.

All outcomes contribute to the Government's priority of Economic Transformation. The Government plays a key role in generating prosperity for New Zealanders through the creation and maintenance of the institutional structures required for economic growth. In the land market, this means providing the environment necessary for private property rights to exist and develop, including providing a legal system relating to property. As a landowner, the Government needs effective management of its land assets to ensure they are put to their best use.

As well as contributing to progress New Zealand's economic transformation, LINZ also contributes to the defence and safeguarding of the country. LINZ’s information about land is used for defence and emergency services purposes.

Intermediate Outcomes

LINZ has three intermediate outcomes which contribute to achieving its end outcomes:

- 1) An effective system for defining and transacting land.
- 2) Convenient access to integrated land information.
- 3) Effective and efficient management of Crown land and liabilities.

Intermediate Outcome 1 contributes to providing citizens with “*Certainty of New Zealand property rights and interests*” (*End Outcome A*). LINZ has responsibility for the system by which land is *defined* (through survey), and *transacted*, and uses its custom-built Landonline service as the means to facilitate this activity. The regulatory framework, including incentives for use, is the *system*. This system defines property rights in terms of the nature, extent and legal authority for the legal aspects of the right and the

physical extent (boundaries) of the right on the ground – meaning that information can be substantiated in real terms.

Intermediate Outcome 2 “*Convenient access to integrated land information*” contributes to all three End Outcomes.

- Those who interact with the property rights system above need to be able to access the land information they need to do so, as conveniently as possible.
- It also contributes to the availability of land information (End Outcome B) by ensuring that those who need the information can get it, in a form that is fit for purpose.
- Good information helps New Zealanders make better decisions about such things as future land use (i.e. resource management), sound investments, where they can go to enjoy recreational activities, what activities are permitted where, and to define locations for a variety of reasons.
- The land information held by LINZ and other government agencies is a Crown asset and needs to be put to its best use (End Outcome C). To achieve this, LINZ is working with other government agencies to determine ways in which the Crown can get better value for money in the collection of land information (to avoid duplication and enable more innovative uses).

Ensuring that Crown land and liabilities are managed effectively on behalf of citizens also contributes to End Outcome C “*Crown assets are put to their best use*”. LINZ regulates the management and disposal of the Crown’s interest in land and property (outside the conservation estate) in accordance with the Public Works Act 1981 and the Land Act 1948. Government agencies undertake acquisitions and disposals for their own purposes. LINZ ensures that correct statutory decisions are made and that government agencies comply with the statutory requirements in a consistent manner.

LINZ is also responsible for managing Crown liabilities in land and property on its balance sheet in accordance with the regulatory framework. LINZ administers 3 million hectares of Crown land or 11% of New Zealand’s land area, including forests held in trust for Treaty of Waitangi settlements, riverbeds, high country pastoral leases and small plots of land. LINZ’s role is to protect the Crown’s interests in this land by ensuring that it is put to its best use (i.e. optimal use possible given the desired economic, social and environmental outcomes).

LINZ has developed a strategy for achieving its intermediate outcomes, which includes strategic goals, capability improvement initiatives and the outputs it will provide in the next three years.

For more information please see the department’s *Statement of Intent*.

Appropriations

The appropriations will fund the following types of activities:

- policy advice and support to the responsible Minister on matters concerning land information
- ensuring that the regulatory frameworks that create and protect property rights, and protect the public interest in Crown property management, rating valuations and the land information for which LINZ is responsible, are managed effectively and that delivery against the frameworks is quality assured
- the collection and authorisation of land data and information
- ensuring that the security and management of LINZ’s databases and systems for land information are managed effectively and efficiently
- the provision of access to and dissemination of land information held by LINZ, and

- the management and disposal of the Crown's interest in land and property (outside the conservation estate) and acquisition, management and disposal of land and property administered by the department on behalf of the Crown.

In addition, the department acts as the Crown's agent in respect to land and property issues. These include:

- management and remediation of Crown contaminated sites and hydro lakes
- management of Crown-owned land-related liabilities, and
- management of the Crown's financial obligations in respect to land and property liabilities, rates and land and property rentals.

Part A2 - Trends in Vote

Departmental Output Trends: 2001/02 - 2006/07

Output expense

Since its inception the department has undertaken various rationalisation and realignment projects which have resulted in a number of changes in the output expense makeup. The major changes that have occurred since 2001/02 are as follows:

- The approval for the department to progressively automate its survey and title processes involved additional expenditure commencing in the 1997/98 fiscal year. From 1998/99 until 2002/03 this expenditure was offset by a fee on the products and services that will benefit from automation. The automation fee was removed in July 2003.
- Funding of \$44 million for the Continental Shelf project was reprioritised internally in 1998/99 until 2006/07 (approximately \$3 million per annum was brought forward from outyears 2003/04 - 2006/07).
- The implementation of a new output expense structure for Vote Lands from 2002/03 onwards.
- The approval of departmental land tenure review funding in 1998/99 was granted to manage the land tenure review process.

A key area of change for 2006/07 and outyears is funding associated with the Cabinet policy decision regarding 100% electronic lodgement of survey and title transactions. For 2006/07 this will result in additional appropriation of \$10.538 million to be funded from 3rd party revenue.

Non-Departmental Expense and Revenue Trends: 2001/02 - 2006/07

Other Crown expenses

Expenditure in this area reflects monies paid out in respect of the Crown and surplus government properties administered and disposed of by the department. Appropriations from 2001/02 to 2006/07 reflect moves taken by the department to rationalise its Crown property area to ensure that any fiscal risk that could arise from the management and disposal of the Crown's land and property assets is reduced to the absolute minimum.

Capital expenditure

In 1997/98 the Government introduced land tenure reform purchases. In 2002 it established an MYA for this purpose. A new MYA has been established for 2005.

In 1998/99 and subsequent years, the department was required to purchase a number of properties under the “Crown obligatory acquisitions” scheme. The appropriations from 2001/02 to 2006/07 were used to purchase properties in Huntly East which fell within the scope of the Government’s “subsidence policy”, and to fund the return of previously gifted land that was no longer required for the purpose for which it was gifted.

Crown Revenue and Capital Receipts

Crown Revenue and Receipts include proceeds from sales of surplus government properties, sale of lessor’s interest in pastoral leases and from the sale of Transit NZ land. These fluctuate between years due to the varying portfolio of properties to be sold during any given year.

Part B - Statement of Appropriations

Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	107,392	100,513	103,703	93,210	114,991	113,180	117,790	-	500	-	118,290	117,127	107,342	102,943
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	620	550	474	392	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	9,039	6,876	25,724	15,078	18,993	18,993	-	-	11,710	-	11,710	10,816	10,800	10,800
Capital Expenditure	2,955	1,830	1,902	846	767	767	N/A	N/A	767	-	767	767	11,434	11,434
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	120,006	109,769	131,803	109,526	134,751	132,940	117,790	-	12,977	-	130,767	128,710	129,576	125,177
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	20,345	23,382	29,112	12,784	19,655	19,655	N/A	N/A	N/A	N/A	13,016	13,016	13,016	13,016
Capital Receipts	4,930	27,155	8,496	34,257	7,939	7,939	N/A	N/A	N/A	N/A	7,500	5,000	3,556	3,556
Total Crown Revenue and Receipts	25,275	50,537	37,608	47,041	27,594	27,594	N/A	N/A	N/A	N/A	20,516	18,016	16,572	16,572

Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Crown Property Management and Disposal Services (M44)	17,669	-	17,669	-	15,970	-	- The management and disposal of the Crown's interest in land and property (outside of the conservation estate) and acquisition, management and disposal of land and property administered by the department on behalf of the Crown.
Land and Seabed Data Capture and Processing (M44)	49,994	-	46,568	-	50,182	-	- The collection and authorisation of land data and information in accordance with the regulatory frameworks.
Land and Seabed Information Access and Dissemination (M44)	5,545	-	5,545	-	5,435	-	- The provision of access to, and dissemination of, information held by LINZ.
Land and Seabed Information Storage and Management (M44)	28,389	-	30,004	-	32,388	-	- Ensuring that the security and management of LINZ's databases and systems for land information are managed effectively and efficiently.
Policy Advice (M44)	1,924	-	1,924	-	2,115	-	- Policy advice to the Government and Minister, relating to land and property information and providing support to the Minister.
Standards and Quality Assurance (M44)	10,970	-	10,970	-	11,700	-	- Ensuring that the regulatory frameworks that create and protect property rights, and protect the public interest in Crown property management, rating valuations and the land information for which LINZ is responsible, are managed effectively and that delivery against the frameworks is quality assured.
Total Departmental Output Expenses (General)	114,491	-	112,680	-	117,790	-	
Non-Departmental Output Expenses							
Contaminated Sites (M44)	500	-	500	-	500	-	- Analysis, investigation and, where necessary, appropriate remedial action on contaminated sites for which the Crown has accepted responsibility.
Total Non-Departmental Output Expenses	500	-	500	-	500	-	
Other Expenses to be Incurred by the Crown							
Bad and Doubtful Debts (M44)	24	-	24	-	25	-	- Bad and doubtful debts.
Crown Forest Management (M44)	495	-	495	-	1,380	-	- Management of Crown forest properties and licences, including settling reviews, interest liability and GST on refunded fees.
Crown Obligations - Loss on Disposal (M44)	300	-	300	-	300	-	- Loss on disposal of properties arising from Crown obligations including the return of gifted land to the donor at nil value.

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown - cont'd							
Crown Rates (M44)	1,107	-	1,107	-	1,107	-	- Payment of rates on Crown land and surplus government properties administered by the department on behalf of the Crown.
Depreciation and Amortisation (M44)	172	-	172	-	172	-	- Depreciation of buildings on surplus Crown land.
Inventory Write-Offs (M44)	44	-	44	-	44	-	- Write-down of maps and charts stock.
Land Liabilities (M44)	2,836	-	2,836	-	843	-	- Investigation and resolution, including legal costs and settlement, of land-related liabilities administered by the department.
Proceeds from Sale of Transit NZ Properties (M44)	13,244	-	13,244	-	7,111	-	- To pay Transit NZ the equivalent of what the Crown has received from the sales of Transit properties.
Residual Crown Leasehold Rents (M44)	771	-	771	-	728	-	- Leasehold liabilities paid on residual surplus government accommodation administered by the department on behalf of the Crown.
Total Other Expenses to be Incurred by the Crown	18,993	-	18,993	-	11,710	-	
Capital Expenditure							
Crown Acquisitions - Huntly East (M44)	500	-	500	-	500	-	- Acquisition of properties falling within Cabinet's approved policy area for Huntly East subsidence zone.
Crown Obligatory Acquisitions (M44)	267	-	267	-	267	-	- Acquisition of properties arising from Crown obligations including gifted land.
Total Capital Expenditure	767	-	767	-	767	-	
Total Appropriations	134,751	-	132,940	-	130,767	-	

Part B2 - Details of Multi-Year Appropriations

Appropriations	Current Appropriation \$000	Scope of Appropriations
Capital Expenditure		
Land Tenure Reform Acquisitions		Acquisition, including outright purchase, of lessees' interest in pastoral lease land that is deemed to have high conservation values (see Note 1).
Original Appropriation	40,000	
Commences	1 July 2005	
Expires	30 June 2008	
Adjustments 2006/07	-	
Appropriation	40,000	
Estimated Actual to 2005/06 Year End	13,333	
Estimated Actual to 2006/07 Year End	22,222	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Policy Advice

This output involves the provision of quality policy advice to the Government and the Minister relating to land information, and support to the Minister in the execution of his duties.

The policy advice will involve: new policy proposals; reviews of legislation; proposed new legislation; reports to Cabinet, its committees, and parliamentary select committees; and consultation with other departments on policy matters relating to departmental functions.

Support to the Minister will include preparation of replies to ministerial correspondence (including Official Information Act and Ombudsmen requests); parliamentary questions; draft speech notes; briefing papers; and the production of accountability documents (eg, *Estimates*, *Statement of Intent*, the *Output Plan* and the *Annual Report*).

Standards and Quality Assurance

This output expense includes all LINZ's regulatory activities, encompassing standard setting and quality assurance for the regulatory frameworks for which the department is responsible. These frameworks relate to:

- the delivery of Crown property management, acquisition and disposal services
- property valuation for rating purposes
- the collection, authorisation, management and dissemination of information associated with the:
 - land rights register
 - geodetic and cadastral survey reference systems, and
 - topographic and hydrographic information systems
- the provision of advice and decisions regarding overseas investment in New Zealand.

Land and Seabed Data Capture and Processing

This output expense involves the collection of data by LINZ for specific public policy, operational business or legislative purposes. It includes the capture and authorisation of land title, survey (cadastral and geodetic), topographic and hydrographic information, specifically:

- delivery of the land rights registration and cadastral survey systems, involving the delivery of accurate and timely services in relation to:
 - registration of land title transactions
 - issue of new land titles
 - authorisation of cadastral survey datasets
 - updating of the cadastral survey reference system, and

- generation of the national authoritative geospatial record: This record consists of the geodetic reference system, topographic and hydrographic information and the electoral spatial reference dataset (meshblocks, street addresses and street names).

Also included in this output expense is the provision of a Crown property clearance service for work undertaken by accredited providers.

Land and Seabed Information Storage and Management

This output expense encompasses the efficient and secure management of an information systems infrastructure that supports the department's databases and systems for collecting, storing, managing and disseminating information.

Included in this output expense is the delivery of projects to maintain and enhance the department's information management processes and systems.

Land and Seabed Information Access and Dissemination

This output expense involves the provision of easy, widely available and equitable access to and dissemination of, land title, survey, topographic and hydrographic information held by LINZ.

Crown Property Management and Disposal Services

The output expense involves the provision of services for the management and disposal of the Crown's interest in land and property (outside the conservation estate) and acquisition, management and disposal of land and property administered by the department on behalf of the Crown. The services include:

- Crown property management, disposal and acquisition
- Crown pastoral lease land tenure reform
- Crown forest management, and
- management of land-related liabilities.

Part C2 - Non-Departmental Output Expenses

Contaminated Sites

The Crown will carry out analysis and investigations for possible contamination on a reactive basis. Where the Crown has accepted responsibility for a contaminated site, contracts will be let by competitive tender, to undertake either further investigation or the appropriate remedial action.

Performance measures

The Minister will expect outputs to be delivered according to the contracts with the providers.

Cost

This output expense will be provided within the appropriated sum of \$500,000.

	2005/06 \$000	2006/07 \$000
Total output class expenses	500	500
Total output class revenues	-	-

Providers

Pattle Delamore Partners Ltd, MWH New Zealand Ltd, and URS New Zealand.

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for Land Information New Zealand	Estimated Actual 2005/06 \$000	Projected 2006/07 \$000	Explanation of Projected Movements in 2006/07
Opening Balance	51,259	48,779	
Capital Injections	-	14,961	
Capital Withdrawals	-	(8,239)	
Surplus to be Retained (Deficit Incurred)	(2,480)	(14,961)	
Other Movements	-	2,480	This is a non-cash movement to cover the forecast output deficits.
Closing Balance	48,779	43,020	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2005/06		2006/07	Description of 2006/07 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Non-Tax Revenue				
Database Licence Fees and Royalties	1,019	1,019	1,019	Fees and royalties collected from users of the core data that is managed and maintained by the department.
Pastoral Lease Rentals	1,815	1,815	1,460	Rentals collected from leaseholders on Crown pastoral land.
Sundry Operating Revenue	1,142	1,142	67	Operating revenue including refund of costs to the Crown.
Surplus Government Properties - Rents	2,435	2,435	2,470	Rentals received from tenants of surplus government properties administered by the department on behalf of the Crown.
Transit Sales	13,244	13,244	8,000	Proceeds of sales on behalf of Transit New Zealand.
Total Non-Tax Revenue	19,655	19,655	13,016	
Capital Receipts				
Land Tenure Reform Sales	3,251	3,251	5,000	Proceeds from the sale of the Crown's lessor interest in pastoral lease productive land.
Surplus Government Properties - Sales	4,688	4,688	2,500	Proceeds of sale of surplus government properties sold by the department on behalf of the Crown.
Total Capital Receipts	7,939	7,939	7,500	
Total Crown Revenue and Receipts	27,594	27,594	20,516	