

VOTE *Lands*

Lands

Overview

Appropriations

Appropriations sought for Vote Lands in 2007/08 total \$225.177 million. This is intended to be applied as follows:

\$128.496 million (57.1% 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.

\$96.181 million (42.7% of the Vote) on meeting Crown land-related liabilities and guarantees and the purchase of capital assets.

\$500,000 (0.2% of the Vote) for remedial work on Crown and private land and property.

Crown Revenue and Receipts

The department expects to collect \$14.380 million of current Crown revenue in 2007/08 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 \$11.000 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.
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Minister Portfolio Table

44	Minister for Land Information
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Lands

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 ensure:

- A) Certainty of New Zealand's 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.

Certainty means that New Zealand property rights and interests are able to be determined practically with an appropriate level of confidence.

Availability means that land information is available for use by other agencies such as emergency services and the Defence Force. This improves decision making, reduces waste, lowers risk and provides greater certainty.

All government agencies work to ensure that Crown assets are put to their best use.

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*). There are two components to this:

- Firstly, LINZ is responsible for the regulatory framework that is used to define land by survey - giving definition of property rights in terms of legal authority and the physical extent of rights on the ground.
- Secondly, LINZ provides advice to government about a range of regulations, including applications from overseas people wanting to invest in land and assets in New Zealand. LINZ develops the regulatory framework and provides our primary customers with access to the information we hold. Our Landonline service supports this activity by delivering land information to our customers.

Intermediate Outcome 2 “*Convenient access to integrated land information*” contributes to all three End Outcomes by helping New Zealanders make better decisions about such things as:

- future land use, particularly resource management
- land investments, and
- where they can go to enjoy recreational activities.

Intermediate Outcome 3 “*Effective and efficient management of Crown land and liabilities*” 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 in accordance with the Public Works Act 1981 and the Land Act 1948. When government agencies buy and sell property LINZ both makes the legislation that enables this to take place, and also ensures that the correct statutory decisions are made and that statutory requirements are complied with in a consistent manner.

LINZ is also responsible for managing Crown land and property on its balance sheet in accordance with the regulatory framework. We control pests, plants and animals on this land and on Crown owned river and lakebeds. The land managed ranges from large pastoral leases to forests held in trust for Treaty of Waitangi settlements and to small plots of land. LINZ also sometimes inherits land contaminated by its previous Crown owners and previous occupiers.

LINZ has developed a strategy for achieving its intermediate outcomes and for monitoring performance against the outcomes. Information regarding this is detailed in 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: 2002/03 - 2007/08

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 2002/03 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 benefited 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 reform 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 third party revenue. The remainder of the increase in 2006/07 funding relates to land tenure reform programme costs.

Non-Departmental Expense and Revenue Trends: 2002/03 - 2007/08

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 2002/03 to 2007/08 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 2002/03 to 2007/08 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.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11
Ocean Survey 20/20: Census of Antarctic Marine Life	Land and Seabed Data Capture and Processing	-	3,600	-	-	-
Crown Property Disposal Programme	Crown Property Management and Disposal Services	-	400	400	400	400
Total Initiatives		-	4,000	400	400	400

Part B - Statement of Appropriations

Summary of Financial Activity

	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08 Appropriations to be Used				2008/09	2009/10	2010/11	
	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	100,513	103,703	93,210	104,960	120,163	120,163	128,496	-	500	-	128,996	108,016	103,644	103,407
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	550	474	392	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	6,876	25,724	15,078	13,821	22,695	22,695	-	-	95,414	-	95,414	10,498	10,498	10,700
Capital Expenditure	1,830	1,902	846	62	767	767	N/A	N/A	767	-	767	11,434	11,434	11,434
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	109,769	131,803	109,526	118,843	143,625	143,625	128,496	-	96,681	-	225,177	129,948	125,576	125,541
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	23,382	29,112	12,784	18,583	23,464	23,464	N/A	N/A	N/A	N/A	14,380	14,380	14,380	13,016
Capital Receipts	27,155	8,496	34,257	7,535	6,500	6,500	N/A	N/A	N/A	N/A	11,000	9,556	9,556	9,556
Total Crown Revenue and Receipts	50,537	37,608	47,041	26,118	29,964	29,964	N/A	N/A	N/A	N/A	25,380	23,936	23,936	22,572

Part B1 - Details of Appropriations

Appropriations	2006/07				2007/08		Scope of 2007/08 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)	16,100	-	16,100	-	23,215	-	- 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)	57,463	-	57,463	-	53,009	-	- The collection and authorisation of land data and information in accordance with the regulatory frameworks.
Land and Seabed Information Access and Dissemination (M44)	5,469	-	5,469	-	5,259	-	- The provision of access to, and dissemination of, information held by LINZ.
Land and Seabed Information Storage and Management (M44)	27,420	-	27,420	-	34,005	-	- Ensuring that the security and management of LINZ's databases and systems for land information are managed effectively and efficiently.
Policy Advice (M44)	2,174	-	2,174	-	2,126	-	- Policy advice to the Government and Minister, relating to land and property information and providing support to the Minister.
Standards and Quality Assurance (M44)	11,037	-	11,037	-	10,882	-	- 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)	119,663	-	119,663	-	128,496	-	
Non-Departmental Output Expenses							
Contaminated Sites (M44)	200	-	200	-	500	-	- Analysis, investigation and, where necessary, appropriate remedial action on contaminated sites for which the Crown has accepted responsibility.
Lakes (M44)	300	-	300	-	-	-	- Project site work on hydro lakes and surrounding areas to rationalise and maintain lake assets
Total Non-Departmental Output Expenses	500	-	500	-	500	-	
Other Expenses to be Incurred by the Crown							
Bad and Doubtful Debts (M44)	25	-	25	-	25	-	- Bad and doubtful debts.
Crown Forest Management (M44)	1,380	-	1,380	-	500	-	- 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.

	2006/07				2007/08		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2007/08 Appropriations
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.
Impact of covenant on value of land prior to sale (M44)	-	-	-	-	85,000	-	- The reduction in value of approximately 50,000 hectares in the selection unit areas on offer to Te Arawa KEC located in the central North Island, from the imposition of a covenant to prevent deforestation for twenty eight (28) years and to exclude the land owners from future compensation and benefits in relation to this land.
Inventory Write-Offs (M44)	70	-	70	-	44	-	- Write-down of maps and charts stock.
Land Liabilities (M44)	2,304	-	2,304	-	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)	17,111	-	17,111	-	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)	226	-	226	-	312	-	- 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	22,695	-	22,695	-	95,414	-	
Capital Expenditure							
Crown Acquisitions - Huntly East (M44)	450	-	450	-	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.
Crown Purchases- Land Exchanges (M44)	50	-	50	-	-	-	- Acquisition of land from Territorial Authorities and other Crown agencies to effect boundary adjustments for works such as roading and rail service improvements.
Total Capital Expenditure	767	-	767	-	767	-	
Total Appropriations	143,625	-	143,625	-	225,177	-	

Part B2 - Details of Multi-Year Appropriations

Appropriations	Current Appropriation \$000	Scope of Appropriations
Capital Expenditure		
Land Tenure Reform Acquisitions (M44)		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	2,090	
Appropriation	42,090	
Estimated Actual to 2006/07 Year End	14,661	
Estimated Actual to 2007/08 Year End	42,090	

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, property and seabed information, as well as the provision of Ministerial support.

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. Delivery against standards is internal and/or external to the department. These frameworks relate to:

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

Land and Seabed Data Capture and Processing

This output expense involves the collection of data for specific public policy, operational business or legislative purposes. It includes the capture and processing (receipt, validation, authorisation, manipulation, updating) of hydrographic, topographic, and title and survey information (cadastral and geodetic). Specifically this includes the delivery of accurate and timely services in relation to the land rights registration and cadastral survey systems, including:

- registration of land title transactions
- issue of new land titles
- authorisation of cadastral survey datasets

- updating of the cadastral survey reference system
- delivery of the services necessary for the generation of the national authoritative geospatial record, ie, the geodetic reference system, topographic and hydrographic information and the electoral spatial reference dataset. 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 encompasses the efficient and secure management of an information systems infrastructure that supports the department's authoritative databases and systems for collecting, storing and managing data. Included in this is the delivery of projects to maintain and enhance the department's information management processes and systems. In 2007/08, these projects include the development of a hydrographic data infrastructure and the development of a new topographic map series to reflect the new geodetic datum.

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 of the conservation estate) and provision of services necessary for the efficient management of Crown land and land-related liabilities. It includes:

- the provision of a Crown property clearance service for work undertaken by accredited suppliers. This work involves ensuring that all relevant information has been researched and assessed for relevance to the specific property, that the conclusions reached are in line with the fact and the legislative provisions, and that the recommendation is consistent with those conclusions
- contract management of Crown property disposal and acquisition
- contract management of Crown land, including management of Crown forest land, pastoral lease land and land-related liabilities, and
- contract management of the pastoral lease land tenure reform process.

Part C2 - Non-Departmental Output Expenses

Contaminated Sites

The Crown manages through contract analysis and investigation for possible contamination on a reactive basis. Where the Crown has accepted responsibility for a contaminated site, contracts will be let 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.

	2006/07 \$000	2007/08 \$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 D - Explanation of Appropriations for Other Operating Flows

Part D3 - Other Expenses

Bad and Doubtful Debts

This expense relates to the provision for bad and doubtful debts associated with the management of revenue received by LINZ on behalf of the Crown.

Crown Forest Management

This expense involves management of Crown forest properties and licences through contract, including settling rental reviews, and interest liabilities on refunded fees.

Crown Obligations - Loss on Disposal

This expense relates to the loss on disposal of properties arising from Crown obligations. It includes the return of gifted land to the donor at nil value.

Crown Rates

LINZ pays rates on Crown land and surplus government properties administered by the department on behalf of the Crown.

Depreciation and Amortisation

Some properties that LINZ administers on behalf of the Crown include improvements. This expense relates to the depreciation of these improvements.

Inventory Write-Offs

LINZ holds topographic maps and nautical charts for sale and for emergency services. This expense relates to the write down of stock provided to emergency services at no cost.

Proceeds from Sale of Transit NZ Properties

Under the Land Transport Management Act 2003 all proceeds from the sale of Transit NZ property must be deposited into a Crown bank account. LINZ is the conduit for this. This expense reflects the return of funding to Transit NZ that is equivalent to what has been received by the Crown.

Residual Crown Leasehold Rents

LINZ manages surplus space in Government accommodation on behalf of the Crown. This expense relates to the cost of leasehold liabilities on those properties and the cost of minimising the long-term expense to the Crown.

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 2006/07 \$000	Projected 2007/08 \$000	Explanation of Projected Movements in 2007/08
Opening Balance	47,590	38,904	
Capital Injections	14,961	13,563	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(23,647)	(13,563)	
Other Movements	-	8,686	This is a non-cash movement to cover the forecast output deficits.
Closing Balance	38,904	47,590	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2006/07		2007/08	Description of 2007/08 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	1,789	1,789	1,460	Rentals collected from leaseholders on Crown pastoral land.
Sundry Operating Revenue	150	150	67	Operating revenue including refund of costs to the Crown.
Surplus Government Properties - Rents	2,506	2,506	3,834	Rentals received from tenants of surplus government properties administered by the department on behalf of the Crown.
Transit Sales	18,000	18,000	8,000	Proceeds of sales on behalf of Transit New Zealand.
Total Non-Tax Revenue	23,464	23,464	14,380	
Capital Receipts				
Land Tenure Reform Sales	1,000	1,000	5,000	Proceeds from the sale of the Crown's lessor interest in pastoral lease productive land.
Surplus Government Properties - Sales	5,500	5,500	6,000	Proceeds of sale of surplus government properties sold by the department on behalf of the Crown.
Total Capital Receipts	6,500	6,500	11,000	
Total Crown Revenue and Receipts	29,964	29,964	25,380	