

VOTE *Lands*

Lands

Overview

Appropriations sought for Vote Lands in 2000/2001 total \$185.262 million. This is intended to be spent as follows:

- \$135.767 million (73.3% of the Vote) on purchasing policy advice, property valuation for rating purposes services, survey system, land records system, Crown property management and disposal services, and topographic and hydrographic information system.
- \$0.643 million (0.3% of the Vote) on purchasing services from contractors for remedial work on Crown land and property.
- \$8.353 million (4.5% of the Vote) on meeting Crown land-related liabilities and guarantees and the purchase of capital assets.
- \$40.499 million (21.9% of the Vote) for capital investment for the automation of the survey and title processes.

The department expects to collect \$14.987 million of current Crown revenue in 2000/2001, the majority of which will be from database sales, pastoral lease rental and rentals on surplus government properties, and \$9.593 million of capital revenue from the disposal of surplus government properties.

Details of how the appropriations are to be applied appear in Parts B1, C, and D of this Vote. Details of Crown revenue appear in Part F. Departmental Output class D7 (Client Property Management) ceased in 1999/2000 as the functions are now undertaken by client organisations. There have been no other changes in output class appropriation between 1999/2000 and 2000/01.

Terms and Definitions Used

DOSLI	Department of Survey and Land Information
GST	Goods and Services Tax
LINZ	Land Information New Zealand

Footnotes

Note 1	Not applicable as Crown revenue is not appropriated.
Note 2	Appropriations are stated GST inclusive (where applicable).

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 Lands

Outcomes

The core outcomes that the Government has set for the department are:

Outcome one

The ongoing delivery of an efficient regulatory framework that establishes:

- parameters for definition and dealing in land property rights.
- standards and specifications for provision of land data.

Outcome two

The establishment of clearly defined, marketable and secure land property rights, and maintenance of the resulting records, to underpin economic activity in New Zealand.

Outcome three

The efficient management of Crown land-related liabilities and responsibilities through either:

- efficient management and disposal of surplus Crown land assets and land-related liabilities, or
- efficient oversight and/or management of Crown land purchase and disposal regulatory instruments.

Outcome four

The ongoing maintenance of publicly available core geographic information that supports the constitutional framework, national security and emergency services responses.

Output Classes

To achieve those outcomes, the appropriations will fund the following types of activities:

- policy advice to the responsible Minister on matters concerning land and seabed information.
- ensuring, through compliance checks, that property valuations for rating purposes are provided to a consistent standard.

- ensuring through standard setting and compliance checks, that the NZ survey system is reviewed, enhanced and maintained to a consistent standard.
- maintenance and enhancement of the land records system to provide an accurate and up-to-date picture of the ownership of freehold land and to minimise any risks to the State guarantee of title.
- oversight of 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.
- maintenance and enhancement of the core topographic and hydrographic information databases.

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.
- management of the Crown's financial obligations in respect to land and property liabilities, rates and land and property rentals.

Government Strategic Framework

The output classes will contribute to the key Government goals through the following priority programmes:

- Investigate, develop and implement proposals for the removal of impediments to the effective management and development of Māori land which result from survey and title constraints.
- Develop and implement new innovative service delivery systems and legislative solutions for property rights and land and seabed administration which contribute to an adaptive economic infrastructure.
- Restore trust in Government by:
 - increasing and sustaining core knowledge management capability in order to better deliver our services, and
 - leading opportunities and co-operating across the government sector to provide ready/easy access by communities to Government-held information.
- Protect and enhance the environment through the identification, management and registration of the Crown's ownership responsibilities for land and seabed.

For a more detailed outline of the link between each output class, the Government-directed outcomes for the department and the Government strategic framework please refer to the department's Departmental Forecast Report.

Part A2 - Trends in Vote Lands: 1995/96 to 2000/01

Operating Flows

Classes of outputs

Prior to 1995/96, the underlying trend in Vote Lands (previously Vote Survey and Land Information) was a continuing yearly reduction in the cost of the outputs purchased by the Crown as a consequence of increased efficiency and effectiveness through the investment in and use of technology. The increases in appropriations in 1995/96 resulted from Cabinet decisions which required the then DOSLI to undertake the transfers and/or disposal of surplus State-owned enterprises land.

The creation of Land Information New Zealand (and the State-owned enterprise Terralink (NZ) Ltd) on 1 July 1996 resulted in a major change in this Vote. Since its inception the department has (and is continuing to) undertaken various rationalisation and realignment projects which have resulted in a number of changes in the output class makeup.

The major changes that have occurred are as follows:

- Policy, regulatory and service delivery areas have been separated to achieve transparency of functional responsibilities.
- Responsibility for New Zealand's hydrographic information including contracting for the supply of data, maintenance of the database and production of the information has been assigned to the department. The allocation of this responsibility resulted in an increase of \$40 million in Vote Lands. This was subsequently reduced by \$14.5 million in 1998/99 through the transfer of defence overhead costs to Vote Defence Force.
- A zero-based review (which excluded the Crown property area) undertaken prior to the creation of the department indicated that the cost for Land Information New Zealand to undertake the core functions that had previously been part of DOSLI's business, would be in the region of \$15 million less than the 1996/97 proposed DOSLI appropriation although the management of the residual DOSLI work was costed at \$5 million for 1996/97.
- The overall effect of the above two changes was an apparent increase of \$30 million in the 1996/97 Vote Lands as compared with Vote Survey and Land Information.
- A zero-based review of the Crown property area during 1997/98 resulted in a rationalisation in the department's responsibilities in respect to the management and disposal of Crown-owned land. Additional expenditure has been incurred over the 1998/99 and 1999/2000 years as a consequence of the agreed accelerated disposal programme.
- The assignment of the Office of the Valuer General including responsibility for the National Property Database initially involved an increase in the department's expenditure. The database was devolved to local territorial authorities during the 1999/2000 fiscal year.
- The realignment of internal fiscal responsibilities whereby all service delivery functions are contracted to either internal or external suppliers.

- The approval for the department to progressively automate its survey and title processes involved additional expenditure commencing in the 1997/98 fiscal year. From 1998/1999 until 2002/2003 this expenditure is being offset by a fee on the products and services that will benefit from automation.
- A reduction in 1999/2000 only of \$2.2m in the Topographic and Hydrographic Information System appropriation as the result of a Cabinet savings package decision.

Other Expenses

Expenditure in this area reflects monies paid out in respect to the Crown and surplus government properties administered and disposed of by the department. The substantial increase in 1995/96 (\$52 million) was a result of the loss on disposal of the Auckland Railyards. Although the 1996/97 appropriation of \$39.1 million represented a decrease when compared with the 1995/96 appropriation, it nevertheless was still a substantial increase over the general trend of the previous years. The main expenditure items in the 1996/97 appropriation were the completion of the rail lease contract and consequential payment of the final settlement and the greater than usual number of losses on sales that the department was required to budget for. The 1997/98 to 1999/2000 appropriations are a reflection of the moves taken by the department to rationalise and re-engineer 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 Flows

Capital contributions

The significant increase in this appropriation from that provided in 1996/97 to those of 1997/98 and 2000/01 reflect the funding that is required to build *Landonline*, the automated survey and title system. In 1998/99 the contribution was to fund the transfer of the National Property Database from Valuation New Zealand to the department.

Purchase or Development of Capital Assets

The variances in this item over the past few years in the main result from Cabinet decisions. In 1996/97 the department was required to acquire the Aranga Farms in Northland; 1997/98 saw the introduction of land tenure reform purchases; and in 1998/99 the department was required to purchase a number of properties under the "Crown obligatory acquisitions" scheme. The 1999/2000 appropriations were used to fund properties in Huntly East which fell within the scope of the Crown'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.

Trends in Vote Lands - Summary of Appropriations and Crown Revenue

Types of Appropriation	1995/96		1996/97		1997/98		1998/99		1999/2000		2000/01 Appropriations to be Used					
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions			
											Annual \$000	Other \$000	Annual \$000	Other \$000		
Operating Flows																
Classes of Outputs to be Supplied	115,071	138,061	139,022	117,021	117,154	116,663						135,767	-	643	-	136,410
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-
Borrowing Expenses	959	913	932	805	749	749	805	749	749	749	749	N/A	N/A	687	-	687
Other Expenses	52,002	38,781	16,100	17,399	6,831	6,724	17,399	6,831	6,724	6,724	6,724	-	-	5,620	-	5,620
Capital Flows																
Capital Contributions	3,986	1,960	9,286	5,771	-	-	5,771	-	-	-	-	40,499	-	-	-	40,499
Purchase or Development of Capital Assets	1,863	7,351	4,648	3,162	5,916	5,548	3,162	5,916	5,548	5,548	5,548	N/A	N/A	1,129	-	1,129
Repayment of Debt	643	690	739	862	855	855	862	855	855	855	855	N/A	N/A	917	-	917
Total Appropriations	174,524	187,756	170,727	145,020	131,505	130,539	145,020	131,505	130,539	130,539	130,539	176,266	-	8,996	-	185,262
Total Crown Revenue and Receipts (see note 1)	81,418	72,227	52,488	47,222	31,717	36,498	47,222	31,717	36,498	36,498	36,498	N/A	N/A	N/A	N/A	24,580

Part B - Statement of Appropriations

Part B1 - Details of 2000/01 Appropriations (see note 2)

Appropriations	1999/2000			2000/01			Description of 2000/01 Appropriations
	Vote		Estimated Actual	Vote		Other \$000	
	Annual \$000	Other \$000		Annual \$000	Other \$000		
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice	1,962	-	1,962	-	2,142	-	Policy advice to the Government and Minister, relating to land, property and seabed information and providing support to the Minister.
D2 Office of the Valuer-General	2,714	-	2,377	-	2,157	-	Ensuring that property valuations for rating purposes are provided to a consistent standard.
D3 Survey System	1,766	-	1,766	-	1,626	-	Ensuring that the New Zealand survey system is continually reviewed, enhanced and maintained to a consistent standard.
D4 Land Records System	64,472	-	64,472	-	76,164	-	Maintenance of the land parcel based spatial reference and registration system which enables the Government to issue guaranteed certificates of title to land and interests in land, the provision of public access to the data; and the enhancement of associated processes and systems.
D5 Crown Property Management and Disposal Services	19,584	-	19,584	-	15,938	-	Overview of the management and disposal of 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.
D6 Topographic and Hydrographic Information System	26,047	-	26,047	-	37,740	-	Maintenance and enhancement of the core topographic databases and map series and the purchase of the Crown's hydrographic and seabed mapping requirements.
Total Appropriations for Departmental Output Classes (Mode B Gross)	116,545	-	116,208	-	135,767	-	

Part B1 - Details of 2000/01 Appropriations (continued)

Appropriations	1999/2000			2000/01		
	Vote		Estimated Actual	Vote		Other \$000
	Annual \$000	Other \$000		Annual \$000	Other \$000	
Departmental Output Classes (Mode B Net)						
D7 Client Property Management	276	-	122	-	-	-
Total Appropriations for Departmental Output Classes (Mode B Net)	276	-	122	-	-	-
Non-Departmental Output Classes						
O1 Contaminated Sites	263	-	263	-	443	-
O2 Lakes	70	-	70	-	200	-
Total Appropriations for Non-Departmental Output Classes	333	-	333	-	643	-
Borrowing Expenses						
Coalcorp House Mortgage	749	-	749	-	687	-
Total Appropriations for Borrowing Expenses	749	-	749	-	687	-
Other Expenses to be Incurred by the Crown						
Crown Rates	1,559	-	1,509	-	1,450	-
Crown Obligations - Loss on disposal	876	-	869	-	729	-

Description of 2000/01 Appropriations

Management and disposal of other government agencies' land and property.

Analysis, investigation and, where necessary, appropriate remedial action on contaminated sites for which the Crown has accepted responsibility.

Project site work on hydro lakes and surrounding areas to rationalise and maintain lake assets

Refer to Part C2 for a full description.

Borrowing expenses for Coalcorp House mortgage.

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

Loss on disposal of properties arising from Crown obligations including the return of gifted land to the donor at nil value.

Huntly East Subsidence	65	-	15	-	165	-	All payments made to settle claims in the Huntly East subsidence zone including payments made to private landowners under the Cabinet-approved policy and as a result of court rulings or legal advice.
Kokiri Centres: Sale Loss	240	-	240	-	80	-	Loss on disposal of Kokiri Centre properties received from the Ministry of Māori Development.
Land Liabilities	2,365	-	2,365	-	1,838	-	Investigation and resolution, including legal costs and settlement, of land-related liabilities administered by the department.
Residual Crown Leasehold Rents	1,726	-	1,726	-	1,358	-	Leasehold liabilities paid on residual surplus government accommodation administered by the department on behalf of the Crown.
Total Appropriations for Other Expenses to be Incurred by the Crown	6,831	-	6,724	-	5,620	-	
Capital Contributions to the Department							
Capital Investment	-	-	-	-	40,499	-	Building of an automated system for survey and land title processing.
Total Appropriations for Capital Contributions to the Department	-	-	-	-	40,499	-	
Purchase or Development of Capital Assets by the Crown							
Crown Acquisitions - Huntly East	715	-	690	-	500	-	Acquisition of properties falling within Cabinet's approved policy area for Huntly East subsidence zone.
Crown Obligatory Acquisitions	1,953	-	1,610	-	629	-	Acquisition of properties arising from Crown obligations including gifted land.
Land Tenure Reform Acquisitions	3,248	-	3,248	-	-	-	Acquisition of the lessees' interest in pastoral lease land that is deemed to have high conservation values.
Total Appropriations for Purchase or Development of Capital Assets by the Crown	5,916	-	5,548	-	1,129	-	
Repayment of Debt							
Coalcorp House Mortgage	855	-	855	-	917	-	Repayment of Coalcorp House mortgage principal.
Total Appropriations for Repayment of Debt	855	-	855	-	917	-	
Total Appropriations	131,505	-	130,539	-	185,262	-	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Department Output Classes

For more detailed analysis of Departmental Output Classes, including financial and non-financial performance measures, please refer to Land Information New Zealand's Departmental Forecast Report (DFR).

Output Class D1 - Policy Advice

Description

This class of outputs involves the provision of a capability to provide quality policy advice to the Government and the Minister relating to land and seabed information (ie, the property valuation for rating purposes system, the survey system, land titles system, Crown property management and disposal services, topographic and hydrographic information system), 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's requests); parliamentary questions; draft speech notes; briefing papers; and the production of accountability documents (eg, *Estimates*, *Departmental Forecast Report*, *Purchase Agreement*, *Chief Executive Officer's Performance Agreement* and the *Annual Report*).

Output Class D2 - Office of the Valuer General

Description

This output class involves the provision of an infrastructure to ensure that property valuations for rating purposes are provided to a consistent standard.

The role of the Office of the Valuer-General in providing this infrastructure is to:

- Develop and implement strategies for the efficient and effective provision of the property valuation for rating purposes system infrastructure.
- Develop, review and implement standards and guidelines for the quality and functionality of the property valuations for rating purposes infrastructure.
- Undertake compliance audits to ensure that all property valuations for rating purposes comply with the standards and guidelines.
- Manage and provide access to any archive data that falls within the Valuer General's custodianship.

Output Class D3 - Survey System

Description

This output class involves ensuring the provision of an infrastructure so that the New Zealand Survey System is continually reviewed, enhanced and maintained to a consistent standard.

The NZ survey system consists of a framework which includes all survey reference points, land subdivisional surveys and boundary marks, and the spatial definition of cadastral records as provided from approved survey plans. This information enables the identification and definition of land parcels for registration of interests under the land title, Māori land and Crown land systems.

In addition the NZ survey system provides the basis for topographical survey and mapping, hydrographic and aeronautical charting, the accurate definition of constitutional and statutory boundaries and the seabed/offshore boundaries and rights and other land management and administrative functions.

Output Class D4 - Land Records System

Description

This class of outputs involves the provision of an infrastructure to ensure the maintenance and enhancement of the land records system databases and the provision of accurate and timely survey and titles services.

The land records system is the land parcel based spatial reference and registration system which enables the Government to issue guaranteed certificates of title to land and interests in land. It involves the approval of cadastral survey plans, the issuing of and approval of changes to land titles and the maintenance and enhancement of title, cadastral, geodetic and electoral databases.

Output Class D5 - Crown Property Management and Disposal Services

Description

This class of outputs involves the oversight of the Crown's interest in land and property (outside the conservation estate) and acquisition, administration and disposal of land on the LINZ portion of the Crown balance sheet.

Crown Property Management and Disposal Services involves the provision of an infrastructure for the administration of Crown-owned land and property, the disposal of surplus Crown owned land and property on the LINZ portion of the Crown balance sheet, the acquisition of land and property to meet the Crown's requirements, the management of the Crown's land and property liabilities, the review of pastoral leases and the provision of assistance to the Crown in the settlement of Treaty of Waitangi claims.

Output Class D6 - Topographic and Hydrographic Information System

Description

This class of outputs involves the provision of an infrastructure and the collection of data to ensure the New Zealand topographic and hydrographic information system is defined, enhanced and maintained to a consistent standard.

The New Zealand topographic and hydrographic information system involves the collection of all the information on the physical aspects of the land and seabed of New Zealand's sovereign territory and the provision of services to the defence forces and emergency services. It also includes the surveying of the seabed for the Continental Shelf Delimitation Project.

Part C2 - Non-Departmental Output Classes

Output Class O1 - Contaminated Sites

Description

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.

Quantity, quality, timeliness and cost

Quantity

4 (estimated) contracts will be negotiated, signed and managed.
(Range is 1 - 6).

Quality

All specifications in the contracts will be met.

Timeliness

100% of the timeframes shown in the contracts will be met.

Cost

This output class will be provided within the appropriated sum of \$443,000 including GST.

Output Class O2 - Lakes

Description

The Crown will let contracts by competitive tender, to undertake project site work on hydro lakes and their surrounding areas to rationalise and maintain the lake's assets.

Quantity, quality, timeliness and cost

Quantity

5 (estimated) contracts will be negotiated signed and managed.
(Range is 3 - 7).

Quality

All specifications in the contracts will be met.

Timeliness

100% of the timeframes shown in the contracts will be met.

Cost

This output class will be provided within the appropriated sum of \$200,000 including GST.

Part D - Explanation of Appropriations for Other Operating Flows

D1 - Benefits and Other Unrequited Expenses

There is no appropriation for Part D1.

D2 - Borrowing Expenses

Interest repayment on Coalcorp House mortgage. The Coalcorp House finance lease was transferred to the Department of Survey and Land Information (now Land Information New Zealand) from the State Services Commission.

D3 - Other Expenses

Information regarding these appropriations is provided in Part B1.

Part E - Explanation of Appropriations for Capital Flows

E1 - Capital Contributions

Information regarding these appropriations is contained in Part B1.

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 2000 \$ million	Forecast Net Worth 2001 \$ million
Land Information New Zealand	30 June	13,891	54,390

The increase to forecast net worth as at 30 June 2001 is due to capital injections to fund the *Landonline* programme.

Part E2 - Purchase or Development of Capital Assets of the Crown

Information regarding these appropriations is contained in Part B1.

Part E3 - Repayment of Debt

Information regarding these appropriations is contained in Part B1.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1999/2000		2000/01	Description of 2000/01 Crown Revenue
	Budgeted \$'000	Estimated Actual \$'000	Budget \$'000	
Current Revenue				
Non-Tax Revenue				
Surplus Government Properties Mortgages - Rents	4,410	4,620	4,110	Rentals received from tenants of surplus government properties administered by the department on behalf of the Crown.
Database Licence Fees and Royalties	2,459	2,237	2,350	Fees and royalties collected from users of the core data that is managed and maintained by the department.
Pastoral Lease Rentals	1,460	1,460	1,460	Rentals collected from leaseholders on Crown pastoral land.
Sundry Operating Revenue	321	273	67	Operating revenue including refund costs incurred on behalf of the Crown.
Transit Sales	7,000	11,841	7,000	Proceeds of sales on behalf of Transit New Zealand.
Total Non-Tax Revenue	15,650	20,431	14,987	
Total Current Revenue	15,650	20,431	14,987	
Capital Receipts				
Land Tenure Reform Sales	1,523	1,523	-	Proceeds from the sale of the Crown's lessor interest in pastoral lease productive land.
Surplus Government Properties - Sales	14,526	14,526	9,585	Proceeds of sale of surplus government properties sold by the department on behalf of the Crown.
Surplus Government Properties Mortgages - Principal	18	18	8	Principal repayments from mortgages related to surplus properties at Cromwell sold to occupants.
Total Capital Receipts	16,067	16,067	9,593	
Total Crown Revenue and Receipts	31,717	36,498	24,580	