

VOTE *Lands*

Lands

Overview

Appropriations

Appropriations sought for Vote Lands in 2003/04 total \$168.519 million. This is intended to be applied as follows:

- \$127.882 million (75.9% of the Vote) on purchasing:
 - policy advice about land and seabed information
 - standards and quality assurance for the regulation of:
 - Crown property management, acquisition and disposal
 - the property valuation for rating purposes system, and
 - 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 delivery of Crown property management, acquisition and disposal services, and
 - services associated with the collection, authorisation, management and dissemination of land and seabed information.
- \$563,000 (0.3% of the Vote) for remedial work on Crown and private land and property
- \$7.489 million (4.5% of the Vote) on meeting Crown land-related liabilities and guarantees and the purchase of capital assets
- \$32.585 million (19.3% of the Vote) for capital investment for the automation of survey and title processes.

Crown Revenue and Receipts

The department expects to collect \$14.454 million of current Crown revenue in 2003/04 of which \$8 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 \$11.918 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	The amount under the multi-year appropriation for the three-year period 2002/03 to 2004/05 is \$10.621 million.
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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 Lands

End Outcomes

LINZ aims to achieve the following end outcomes:

- New Zealand has secure land rights and interests.
- Crown land is managed efficiently and effectively.
- Land and seabed information is available to enable New Zealand's economy to function effectively and for New Zealanders' safety and security.

All three outcomes contribute to the Government goal to “*Grow an inclusive, innovative economy for the benefit of all*”. The Government has a major role in facilitating a sound economic environment that enables New Zealand to prosper and grow. LINZ's land and seabed information services form part of New Zealand's economic infrastructure and, in particular enable:

- effective specification and protection of property rights
- efficient management of Crown assets, and
- a low cost regulatory environment.

Specifically LINZ contributes to New Zealand's economic infrastructure through:

- the maintenance of the land rights registration and cadastral survey systems
- the management, acquisition and disposal of the Crown's interest in land and property on LINZ's balance sheet
- the protection of property rights in the management, acquisition and disposal of Crown-owned land by other agencies
- the provision of a consistent rating valuation system for local government
- enabling safe navigation at sea for shipping (export/import and tourism)
- supporting land and air-based transport infrastructure
- supporting New Zealand's constitution through the definition of electoral and territorial boundaries
- supporting the safeguarding of New Zealand and enhancing the emergency services' ability to locate incidents quickly

- making LINZ's information and services available through different access channels to improve the service delivery to those who rely on such information, and
- the continued improvement of LINZ regulatory mechanisms and processes to achieve least risk for least compliance cost.

As well as making a contribution to growing our inclusive innovative economy, End Outcome 3 contributes to a broader government outcome – that *New Zealand is safe and secure*. The defence of New Zealand's territory and the safety of New Zealanders is a fundamental responsibility of government. It underpins confidence in the New Zealand economy and contributes to the wellbeing of all New Zealanders. LINZ's information about land and seabed is used by Defence and emergency services. It is also relied on by people for enjoying recreational activities on land and sea.

Intermediate Outcomes

LINZ has three Intermediate Outcomes which contribute to its End Outcomes:

Well-balanced Regulation: LINZ's regulatory framework is consistent and protects the public interest with least intervention.

Customer-focussed Services: LINZ's services and products closely match primary customers' needs.

Leveraged Information: Others use LINZ's land and seabed information to achieve better results.

LINZ has developed a strategy for achieving our intermediate outcomes, which includes capability improvement initiatives and the classes of outputs we will provide in the next three years.

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

Output Classes

The appropriations will fund the following types of activities:

- policy advice and support to the responsible Minister on matters concerning land and seabed information
- ensuring that the standards that regulate Crown property management, the rating valuation system and the land and seabed information LINZ is responsible for are maintained and that delivery against the standards is quality assured
- the collection and authorisation of land and seabed data and information
- ensuring that the security and management of LINZ's databases and systems for land and seabed information are managed effectively and efficiently
- the provision of access to and dissemination of land and seabed 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 Lands: 1998/99 to 2002/03

Operating Flows

Classes of outputs

Land Information New Zealand was created on 1 July 1996. Since its inception the department has 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 since 1998/99 are as follows:

- 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 since then 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 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 will be 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 major component of the project, the deep seismic survey, was completed in 2000/01 at a cost of \$16 million.
- A reduction was made in 1999/2000 only of \$2.200 million in the Topographic and Hydrographic Information System appropriation as the result of a Cabinet savings package decision.
- The implementation of a new output class structure for Vote Lands from 2002/03 onwards.

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 1998/99 to 2002/03 appropriations 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 Flows

Capital contributions

The significant increases in this appropriation in 2000/01, 2001/02 and 2002/03 reflect the funding that has been 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

In 1997/98 the Government introduced land tenure reform purchases; and 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 1999/2000 to 2002/03 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.

Reconciliation of New Initiatives to Appropriations

Initiative	Appropriations as shown in Part B	\$000 increase/(decrease)				
		2002/03	2003/04	2004/05	2005/06	2006/07
Additional funding for Land Tenure Reform	Departmental Output Class: D6 Crown Property Management and Disposal Services		2,683			
Crown contribution: Britomart Place Auckland rail link	Other Expenses to be incurred by the Crown: Land Liabilities	1,400				
Land Compensation Claims	Departmental Output Class: D4 Land and Seabed Information Storage and Management	(250)				
	Other Expenses to be incurred by the Crown: Land Liabilities	250				
Total Initiatives		1,400	2,683			

Trends in Vote Lands - Summary of Appropriations and Crown Revenue

Types of Appropriation	1998/99	1999/2000	2000/01	2001/02	2002/03		2003/04 Appropriations to be Used				2004/05	2005/06	2006/07	
	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				
Operating Flows														
Classes of Outputs to be Supplied	117,021	115,587	132,785	120,323	121,256	116,361	127,882	-	563	-	128,445	107,878	106,143	103,130
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	805	748	686	620	550	550	N/A	N/A	474	-	474	393	306	213
Other Expenses	17,399	6,535	29,820	8,132	9,300	8,042	-	-	5,086	-	5,086	3,634	3,544	3,590
Capital Flows														
Capital Contributions	5,771	-	10,000	32,000	10,000	4,000	32,585	-	-	-	32,585	10,881	11,221	-
Purchase or Development of Capital Assets	3,162	4,184	2,059	2,980	2,406	2,325	N/A	N/A	800	-	800	800	800	800
Repayment of Debt	862	855	916	982	1,054	1,054	N/A	N/A	1,129	-	1,129	1,211	1,298	1,391
Total Appropriations	145,020	127,909	176,266	165,037	144,566	132,332	160,467	-	8,052	-	168,519	124,797	123,312	109,124
Total Crown Revenue and Receipts	47,222	39,348	46,627	25,275	41,407	47,247	N/A	N/A	N/A	N/A	26,372	24,042	13,873	13,873

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2002/03				2003/04		Description of 2003/04 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice	2,319	-	2,219	-	2,251	-	- Policy advice to the Government and Minister, relating to land, property and seabed information and providing support to the Minister.
D2 Standards and Quality Assurance	11,772	-	11,747	-	10,909	-	- Ensuring that the standards that regulate Crown property management, the rating valuation system and the land and seabed information LINZ is responsible for are maintained and that delivery against the standards is quality assured.
D3 Land and Seabed Data Capture and Processing	44,975	-	43,984	-	51,386	-	- The collection and authorisation of land and seabed data and information. The increase in appropriation is for ongoing costs associated with Landonline.
D4 Land and Seabed Information Storage and Management	41,219	-	38,311	-	43,313	-	- Ensuring that the security and management of LINZ's databases and systems for land and seabed information are managed effectively and efficiently.
D5 Land and Seabed Information Access and Dissemination	5,561	-	5,001	-	4,127	-	- The provision of access to, and dissemination of, information held by LINZ. The decrease in appropriation is due to one-off expenses in 2002/03 for a lease buy-out.
D6 Crown Property Management and Disposal Services	14,847	-	14,596	-	15,896	-	- 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.
Total Appropriations for Departmental Output Classes (Mode B Gross)	120,693	-	115,858	-	127,882	-	

Part B1 - Details of Appropriations (continued)

	2002/03				2003/04		Description of 2003/04 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Non-Departmental Output Classes							
O1 Contaminated Sites	196	-	136	-	563	-	- Analysis, investigation and, where necessary, appropriate remedial action on contaminated sites for which the Crown has accepted responsibility. The appropriation in 2003/04 reflects the expected cost of the work programme and is demand driven.
O2 Lakes	367	-	367	-	-	-	- Project site work on hydro lakes and surrounding areas to rationalise and maintain lake assets
Total Appropriations for Non-Departmental Output Classes	563	-	503	-	563	-	
Borrowing Expenses							
Coalcorp House Mortgage	550	-	550	-	474	-	- Borrowing expenses for Coalcorp House mortgage.
Total Appropriations for Borrowing Expenses	550	-	550	-	474	-	
Other Expenses to be Incurred by the Crown							
Crown Forest Management	2,519	-	2,219	-	1,602	-	- Management of Crown forest properties and licences, including settling reviews, interest liability and GST on refunded fees.
Crown Obligations - Loss on Disposal	643	-	643	-	300	-	- Loss on disposal of properties arising from Crown obligations including the return of gifted land to the donor at nil value.
Crown Rates	1,245	-	1,245	-	1,245	-	- Payment of rates on Crown land and surplus government properties administered by the department on behalf of the Crown.

Huntly East Subsidence	65	-	-	-	165	-	All payments made to monitor subsidence and 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.
Land Liabilities	3,859	-	2,966	-	1,391	-	Investigation and resolution, including legal costs and settlement, of land-related liabilities administered by the department.
Other Expenses to be Incurred by the Crown – cont'd							
Residual Crown Leasehold Rents	969	-	969	-	383	-	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	9,300	-	8,042	-	5,086	-	
Capital Contributions to the Department							
Capital Investment	10,000	-	4,000	-	32,585	-	Building of an automated system for survey and land title processing.
Total Appropriations for Capital Contributions to the Department	10,000	-	4,000	-	32,585	-	
Purchase or Development of Capital Assets by the Crown							
Crown Acquisitions - Huntly East	300	-	219	-	500	-	Acquisition of properties falling within Cabinet's approved policy area for Huntly East subsidence zone.
Crown Obligatory Acquisitions	1,906	-	1,906	-	300	-	Acquisition of properties arising from Crown obligations including gifted land.
Crown Purchases- Land Swaps	200	-	200	-	-	-	The transfer of land administered by LINZ to other Crown agencies and local authorities for public works. The change reflects the sale and purchase of an exchange of land with other Crown agencies and local authorities.
Total Appropriations for Purchase or Development of Capital Assets by the Crown	2,406	-	2,325	-	800	-	

Part B1 - Details of Appropriations (continued)

	2002/03				2003/04		Description of 2003/04 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Repayment of Debt							
Coalcorp House Mortgage	1,054	-	1,054	-	1,129	-	Repayment of Coalcorp House mortgage principal.
Total Appropriations for Repayment of Debt	1,054	-	1,054	-	1,129	-	
Total Appropriations	144,566	-	132,332	-	168,519	-	

Part B2 - Details of Multi-Year Appropriation

Appropriations	Current Appropriation \$000	Description of Appropriations
Purchase or Development of Capital Assets by the Crown		
Land Tenure Reform Acquisitions		
Term	2002/03 to 2004/05	Acquisition, including outright purchase, of lessees' interest in pastoral lease land that is deemed to have high conservation values. This Multi- year appropriation applies for the period 2002/03 – 2004/05.
Original Appropriation	10,621	
Adjustments	-	
Total Appropriation	10,621	
Actual to date (March)	-	
Expected Actual to year end	1,102	
Remaining	9,519	
Expected Outcome (see note 1)	10,621	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Department Output Classes

Output Class D1 - Policy Advice

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 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*).

Output Class D2 – Standards and Quality Assurance

This output class includes all LINZ's regulatory activities, encompassing standard setting and quality assurance for the regulatory framework for which the department is responsible. These standards regulate:

- the delivery of Crown property management, acquisition and disposal services
- the property valuation for rating purposes system, and
- 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.

Output Class D3 – Land and Seabed Data Capture and Processing

This output class 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: The delivery of accurate and timely services in relation to the above systems including:
 - registration of land title transactions
 - issue of new land titles
 - authorisation of cadastral survey datasets, and
 - updating of the cadastral survey reference system, and the
- 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 class is the collection of data and analysis services to support the definition of New Zealand’s Continental Shelf and the provision of a Crown property clearance service for work undertaken by accredited agents.

Output Class D4 – Land and Seabed Information Storage and Management

This output class 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 class is the delivery of projects to maintain and enhance the department’s information management processes and systems.

Output Class D5 – Land and Seabed Information Access and Dissemination

Output class D5 involves the provision of easy, widely available and equitable access to and dissemination of land title, survey, topographic and hydrographic information held by LINZ.

Output Class D6 – Crown Property Management and Disposal Services

The output class 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 Classes

Output Class O1 - 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.

Quantity, quality, timeliness and cost

Quantity

Four (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 \$563,000 including GST.

Year	Total output class expenditure (GST inclusive) \$000	Total output class revenue (GST exclusive) \$000
2003/04	563	-
2002/03	196	-

Part D - Explanation of Appropriations for Other Operating Flows

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.

Part E - Explanation of Appropriations for Capital Flows

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 2003 \$ million	Forecast Net Worth 2004 \$ million
Land Information New Zealand	30 June	51.259	62.195

The increase to forecast net worth as at 30 June 2004 is due to capital injections to fund the *Landonline* programme.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2002/03		2003/04	Description of 2003/04 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Database Licence Fees and Royalties	1,340	1,186	1,305	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	1,107	1,107	651	Operating revenue including refund of costs to the Crown.
Surplus Government Properties - Rents	3,072	3,072	3,038	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	24,979	24,825	14,454	
Total Current Revenue	24,979	24,825	14,454	
Capital Receipts				
Land Tenure Reform Sales	80	170	7,544	Proceeds from the sale of the Crown's lessor interest in pastoral lease productive land.
Surplus Government Properties Mortgages - Principal	8	8	4	Principal repayments from mortgages related to surplus properties at Cromwell sold to occupants.

Part F1 - Current and Capital Revenue and Receipts (continued)

	2002/03		2003/04	Description of 2003/04 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Capital Receipts – cont'd				
Surplus Government Properties - Sales	16,340	22,244	4,370	Proceeds of sale of surplus government properties sold by the department on behalf of the Crown.
Total Capital Receipts	16,428	22,422	11,918	
Total Crown Revenue and Receipts	41,407	47,247	26,372	