

Hon Bill English
Minister of Finance
Parliament Buildings
Wellington

Value for Money and Budget 2009: Identified savings in Land Information New Zealand

On 17 December 2008, you wrote me a letter entitled “Value for Money and Budget 2009”. As part of that letter, you asked that departmental Chief Executives, by 5 February 2009, undertake a line-by-line review of the funding their departments receive to identify savings.

I have worked with the LINZ Chief Executive on your request. To contribute toward improving New Zealand’s fiscal position and improving value-for-money in the State Sector whilst providing essential services, Land Information New Zealand (LINZ) has undertaken a careful line-by-line review of its activities. I and the LINZ Chief Executive have identified savings in both the current year and in out-years.

Savings of departmental funding in 2008/09

We have initially identified \$1 million savings of its departmental funding for 2008/09. This represents a 1.6% saving of LINZ’s “Revenue Crown” funding for 2008/09. A more in-depth review of 2008/09 spending is underway and any further savings will also be offered back as part of the March Budget Baseline Update.

Savings of departmental funding in 2009/10 and out-years

The savings of LINZ departmental funding identified for 2009/10 and out-years (for future Budgets) are significantly higher, at \$3.55 million per annum. This represents a 6.6% saving of LINZ’s “Revenue Crown” funding for 2009/10, rising to 7.2% from 2011/12 onwards.

Composition of savings to departmental funding

The table below shows the outputs that LINZ's savings of departmental funding will come from:

LINZ Output Class	2008/09 \$m	2009/10 \$m	2010/11 \$m	2011/12 \$m	2012/13 \$m
3. Land and Seabed Data Capture and Processing		(1.550)	(1.550)	(1.550)	(1.550)
4. Land and Seabed Information Storage and Management		(1.600)	(1.600)	(1.600)	(1.600)
5. Crown Property Management	(1.000)	(0.400)	(0.400)	(0.400)	(0.400)
Total Departmental Savings	1.000	(3.550)	(3.550)	(3.550)	(3.550)
% of Revenue Crown funding	1.6%	6.6%	6.7%	7.2%	7.2%

Savings of non-departmental funding in 2008/09

We have also identified \$0.464 million savings of non-departmental funding for 2008/09. This is additional to the savings above and represents a 1% saving of LINZ's non-departmental funding. Given that these appropriations cover unexpected operational items that arise during the year, it is not prudent to consider any potential savings in later years, so savings have only been considered for 2008/09.

LINZ programmes that may be discontinued

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

LINZ will inform me of any additional savings that are identified in future.

I would be happy to provide you with more detail around the savings should you require.

Hon Dr Richard Worth
Minister for Land Information