

VOTE *Lands*

Lands

Overview

Appropriations

Appropriations sought for Vote Lands in 2004/05 total \$148.640 million. This is intended to be applied as follows:

- \$119.601 million (80.5% 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, 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 information.
- \$15.665 million (10.5% of the Vote) for capital investment for the automation of survey and title processes.
- \$12.811 million (8.6% of the Vote) on meeting Crown land-related liabilities and guarantees and the purchase of capital assets.
- \$563,000 (0.4% of the Vote) for remedial work on Crown and private land and property.

Crown Revenue and Receipts

The department expects to collect \$13.449 million of current Crown revenue in 2004/05 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 \$10.172 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

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:

- certainty of New Zealand property rights and interests, and
- land information is available:
 - to enable New Zealand’s economy to function effectively, and
 - for New Zealanders’ safety and security.

Both outcomes contribute to the Government goal to “*Grow an inclusive, innovative economy for the benefit of all*”. The Government has a major role in invigorating a sound economic environment that enables New Zealand to prosper and grow. LINZ’s land information services form part of New Zealand’s economic infrastructure by enabling effective specification and protection of property rights, and efficient management of Crown assets.

As well as making a contribution to growing an inclusive, innovative economy, the second end outcome 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 is used for defence and emergency services purposes. 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 achieving its end outcomes:

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

All three contribute to providing citizens with “*Certainty of New Zealand property rights and interests*”. The “system” includes the regulatory environment for defining and transacting land and the delivery of related services. To be effective in providing certainty for citizens, the system needs to protect the public interest for a reasonable cost.

Citizens and government need convenient access to integrated land information so they can make better decisions about such things as future land use, sound investments, where they can go to enjoy recreational activities, and what activities are permitted where.

Ensuring that Crown land and liabilities are managed effectively on behalf of citizens also provides “certainty”. LINZ administers 3 million hectares of Crown land or 11% of New Zealand’s land area, including riverbeds and high country pastoral leases. Citizens will continue to take a keen interest in the future use and ownership of this land.

Intermediate Outcome 2 “*Convenient access to integrated land information*” also contributes directly to the End Outcome “*Land Information is available to enable New Zealand’s economy to function effectively and for New Zealanders’ safety and security*”. To meet this outcome, land information must be conveniently accessible to citizens, and it needs to be as useful as possible. Integration of government-held information through common data standards and linking core datasets will make the information more useful for decision-making and enable the growth of innovation.

LINZ has developed a strategy for achieving its intermediate outcomes, which includes strategic goals, capability improvement initiatives and the classes of outputs it 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 information
- ensuring that the standards that regulate Crown property management, rating valuations and the land information LINZ is responsible for are maintained and that delivery against the standards 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 Lands: 1999/2000 to 2003/04

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 1999/2000 are as follows:

- 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 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 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 Crown 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.

Appropriations from 1999/2000 to 2003/04 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.

Crown Revenue and Receipts

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

Capital Flows

Capital contributions

The significant increases in this appropriation in 2000/01, 2001/02, 2002/03 and 2003/04 reflect the funding that has been required to build *Landonline*, the automated survey and title system.

Purchase or development of capital assets

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

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 2003/04 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)				
		2003/04	2004/05	2005/06	2006/07	2007/08
Māori Freehold Land Registration Project	Departmental Output Class - Land and Seabed Data Capture and Processing	-	414	497	497	497
South Island High Country Objectives	Departmental Output Class - Crown Property Management and Disposal Services	(555)	4,397	7,272	1,759	1,683
	Purchases or Development of Capital Assets by the Crown - Land Tenure Reform Acquisitions	14,821	31,388	-	-	-
Eradication of Weeds on Crown Land	Departmental Output Class - Crown Property Management and Disposal Services	-	800	300	300	300
Early Redemption of Coalcorp House Mortgage	Crown Financial Expenses - Coalcorp House Mortgage	-	(393)	(306)	(213)	(112)
	Repayment of Loan - Coalcorp House Mortgage	4,200	(1,211)	(1,298)	(1,391)	(1,492)
Total Initiatives		18,466	35,395	6,465	952	876

Trends in Vote Lands - Summary of Appropriations and Crown Revenue

Types of Appropriation	1999/2000	2000/01	2001/02	2002/03	2003/04		2004/05 Appropriations to be Used				2005/06	2006/07	2007/08	
	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	115,587	132,785	120,323	114,720	126,227	124,501	119,601	-	563	-	120,164	113,732	105,240	109,652
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	748	686	620	550	474	474	N/A	N/A	-	-	-	-	-	-
Other Expenses	6,535	29,820	8,132	5,883	27,168	25,266	-	-	12,011	-	12,011	11,379	11,434	11,294
Capital Flows														
Capital Contributions	-	10,000	32,000	4,000	5,000	5,000	15,665	-	-	-	15,665	11,221	-	-
Purchase or Development of Capital Assets	4,184	2,059	2,980	2,247	2,276	2,199	N/A	N/A	800	-	800	800	800	800
Repayment of Debt	855	916	982	1,053	5,329	5,329	N/A	N/A	-	-	-	-	-	-
Total Appropriations	127,909	176,266	165,037	128,453	166,474	162,769	135,266	-	13,374	-	148,640	137,132	117,474	121,746
Total Crown Revenue and Receipts	39,348	46,627	25,275	50,537	36,678	49,184	N/A	N/A	N/A	N/A	23,621	13,452	13,452	13,452

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2003/04				2004/05		Description of 2004/05 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
Policy Advice	2,480	-	2,480	-	2,355	-	- Policy advice to the Government and Minister, relating to land, property and seabed information and providing support to the Minister.
Standards and Quality Assurance	11,931	-	11,931	-	11,597	-	- 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.
Land and Seabed Data Capture and Processing	50,196	-	50,196	-	45,452	-	- The collection and authorisation of land and seabed data and information. The decrease in appropriation is due to efficiencies from the completion of the Landonline project, and funds carried forward to 2003/04 to complete the hydrographic surveys.
Land and Seabed Information Storage and Management	38,023	-	37,632	-	34,616	-	- Ensuring that the security and management of LINZ's databases and systems for land and seabed information are managed effectively and efficiently. The decrease in appropriation is due to efficiencies from the completion of the Landonline project.
Land and Seabed Information Access and Dissemination	6,505	-	6,439	-	6,137	-	- The provision of access to, and dissemination of, information held by LINZ.
Crown Property Management and Disposal Services	16,529	-	15,560	-	19,444	-	- 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. The increase in appropriation is due to the new initiative for the South Island High Country Objectives.

Total Appropriations for Departmental Output Classes (Mode B Gross)	125,664	-	124,238	-	119,601	-	
Non-Departmental Output Classes							
Contaminated Sites	563	-	263	-	563	-	- Analysis, investigation and, where necessary, appropriate remedial action on contaminated sites for which the Crown has accepted responsibility.
Total Appropriations for Non-Departmental Output Classes	563	-	263	-	563	-	
Borrowing Expenses							
Coalcorp House Mortgage	474	-	474	-	-	-	- Borrowing expenses for Coalcorp House mortgage.
Total Appropriations for Borrowing Expenses	474	-	474	-	-	-	
Other Expenses to be Incurred by the Crown							
Crown Forest Management	1,615	-	1,076	-	563	-	- Management of Crown forest properties and licences, including settling reviews, interest liability and GST on refunded fees. The change reflects one-off funding in 2003/04 for licence fee refunds.
Crown Obligations - Loss on Disposal	1,988	-	1,888	-	850	-	- 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.
Land Liabilities	2,799	-	1,829	-	1,088	-	- Investigation and resolution, including legal costs and settlement, of land-related liabilities administered by the department.
Proceeds from Sale of Transit NZ Properties	16,574	-	16,574	-	8,000	-	- To pay Transit NZ the equivalent of what the Crown has received from the sales of Transit properties.

Part B1 - Details of Appropriations (continued)

	2003/04				2004/05		Description of 2004/05 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown - cont'd							
Residual Crown Leasehold Rents	2,947	-	2,654	-	265	-	Leasehold liabilities paid on residual surplus government accommodation administered by the department on behalf of the Crown. The change reflects one-off funding in 2003/04 for the recognition of the cost of surplus office space.
Total Appropriations for Other Expenses to be Incurred by the Crown	27,168	-	25,266	-	12,011	-	
Capital Contributions to the Department							
Capital Investment	5,000	-	5,000	-	15,665	-	Building of an automated system for survey and land title processing. The increase results from a transfer of the contribution from 2003/04 due to the use of operating surpluses to fund capital expenditure in 2003/04.
Total Appropriations for Capital Contributions to the Department	5,000	-	5,000	-	15,665	-	
Purchase or Development of Capital Assets by the Crown							
Crown Acquisitions - Huntly East	88	-	87	-	500	-	Acquisition of properties falling within Cabinet's approved policy area for Huntly East subsidence zone.
Crown Obligatory Acquisitions	2,188	-	2,112	-	300	-	Acquisition of properties arising from Crown obligations including gifted land.
Total Appropriations for Purchase or Development of Capital Assets by the Crown	2,276	-	2,199	-	800	-	

Repayment of Debt							
Coalcorp House Mortgage	5,329	-	5,329	-	-	-	Repayment of Coalcorp House mortgage principal.
Total Appropriations for Repayment of Debt	5,329	-	5,329	-	-	-	
Total Appropriations	166,474	-	162,769	-	148,640	-	

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.
Original Appropriation	10,621	
Total Appropriation	56,830	
Actual to date (March)	10,140	
Expected Actual to year end	14,142	
Remaining	42,688	
Expected Outcome	56,830	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Department Output Classes

Policy Advice

This class of outputs 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 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
- property valuation for rating purposes, 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.

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, 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, 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 providers.

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.

Land and Seabed Information Access and Dissemination

This output class 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 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

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
2004/05	563	-
2003/04	563	-

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. Funding has been transferred into 2003/04 to reflect a possible early redemption of the lease.

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 2004 \$ million	Forecast Net Worth 2005 \$ million
Land Information New Zealand	30 June	56.259	62.588

The increase to forecast net worth as at 30 June 2005 is due to capital injections to fund the *Landonline* programme.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	2003/04		2004/05	Description of 2004/05 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Current Revenue				
Non-Tax Revenue				
Database Licence Fees and Royalties	1,305	1,305	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	1,542	1,460	Rentals collected from leaseholders on Crown pastoral land.
Sundry Operating Revenue	1,951	1,951	67	Operating revenue including refund of costs to the Crown.
Surplus Government Properties - Rents	2,617	2,617	2,617	Rentals received from tenants of surplus government properties administered by the department on behalf of the Crown.
Transit Sales	22,000	22,488	8,000	Proceeds of sales on behalf of Transit New Zealand.
Total Non-Tax Revenue	29,333	29,903	13,449	
Total Current Revenue	29,333	29,903	13,449	
Capital Receipts				
Land Tenure Reform Sales	2,971	2,971	9,798	Proceeds from the sale of the Crown's lessor interest in pastoral lease productive land.
Surplus Government Properties Mortgages - Principal	4	4	4	Principal repayments from mortgages related to surplus properties at Cromwell sold to occupants.
Surplus Government Properties - Sales	4,370	16,306	370	Proceeds of sale of surplus government properties sold by the department on behalf of the Crown.
Total Capital Receipts	7,345	19,281	10,172	
Total Crown Revenue and Receipts	36,678	49,184	23,621	