



Toitū Te Whenua
Land Information
New Zealand

Pūrongo ā-tau Annual Report

2020/21



Te Kāwanatanga o Aotearoa
New Zealand Government





Karakia

Whāia te mātauranga
kia mārama, kia tupu,
kia tiaki ngā whenua,
ngā moana, ngā arawai

Kia whai take
ngā mahi katoa

Aroha atu aroha mai,
tātou i a tātou

Toi te kupu

Toi te mana

Toitū te whenua

Haumi ē, hui ē, tāiki ē!

Pursue knowledge for
understanding, developing
and caring for the lands,
bodies of water and waterways

Seek purpose in
all that we do

Let us show respect for each other

Hold fast to our language

Hold fast to our spiritual strength

Sustain the land

Gather and go forward together.

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Kupu Takamua

Foreword

Kia ora tātou

Ka titiro ki te tau ka taha, ka ngākau whakahī au i ngā mahi kua tutuki i a Toitū Te Whenua – e whakaatu ana kei te whakatutuki uara mātou mō te iwi o Aotearoa.

Hiranga ana ā mātou takahanga ki tā mātou whāinga kia titiro whakawaho, kia aro te whakahaere ki te kiritaki kia kaha ake ngā pāpātanga, kia piki tonu te uara o tā mātou i mahi ai ki a Aotearoa.

Ka whakamiha tonu te ngākau i te kakama o te whānau o Toitū Te Whenua i a mātou ka whakaterere haere i ētahi nekehanga nui – me te whakatutuki tonu i ngā ratonga matua, te whakatinana i ā mātou kawenga kua whakaturehia, ka koke ai i ngā take tōmua a te Kāwanatanga.

He maha ā mātou kokenga i tēnei tau, kei te pūtaka ko ā mātou mahi ki te whakakaha ake i ō mātou hononga ā-tarāwhare, ā-tarāwaho ano. E whakaāhei tonu ana tēnei kia titiro whakawaho mātou, kia hono tūturu ai ki te ao hurihuri e karapoti nei i a tātou.

Ko ētahi o ā mātou whakatutukinga angitu ko:

- te āta arotahi ki te hononga o ngāi Māori me te Karauna hei tautoko i ā mātou mahi ki a ngāi Māori, e pai ake ai ngā putanga ki a ngāi Māori me te katoa o Aotearoa
- te whakawhānui ake i ngā whakahounga o Landonline, te whakatutuki ratonga hou angitu me te whakawhānui i tā mātou tīma tarāwhare e taea tūturuhia ai e te hōtaka me te whānuitanga atu o Toitū Te Whenua te whakarato ngā hiahia o ngā kiritaki me ngā hiahia o ngā kaiwhakature
- te whakarewa i te tini hanga hou, te ratonga hou, tae atu ki tētahi utauta mahere ā-manu, me ētahi tūtohi whakaterere matihiko kia haumarua ake ai te haere au i te moana. Te whai hoki kia koke ā mātou mahi ki a Geoscience Ahtereiria e tika ake ai ngā hangarau whakanoho amiorangi

Kia ora tātou

Reflecting on the past year, I feel proud of Toitū Te Whenua's accomplishments – they demonstrate that we are delivering value for New Zealanders.

We've taken significant steps toward our goal of becoming a more outward-looking, customer-centric organisation that has greater impact and delivers increasing value to New Zealand.

The agility of Toitū Te Whenua's whānau continues to impress me as we navigate big shifts – all while continuing to deliver core services, carry out our regulatory roles and progress the Government's priorities.

We've made many gains this year, underpinned by our mahi on strengthening both our internal and external relationships. This is increasingly enabling us to look outwards and truly connect with the changing world around us.

Our delivery successes include:

- a heightened focus on Māori–Crown relations to support our work with Māori and to achieve better outcomes for Māori and all New Zealanders
- scaling up the modernisation of Landonline, delivering successful new services and expanding our inhouse team to ensure the programme and the rest of Toitū Te Whenua can provide what customers want and what regulators need
- launching numerous new products and services, including an aerial mapping tool, and electronic navigational charts to improve maritime safety. Also progressing our work with Geoscience Australia to improve the accuracy of satellite-positioning technology
- expanding coverage of accurate elevation data using Light Detection and Ranging – already being hailed by the West Coast Regional Council as a huge asset

- te whakawhānui i te kapinga o te raraunga rewanga tika i runga i te whakamahi i te Light Detection and Ranging – e kīia nei e te Kaunihera ā-Rohe o Te Tai Poutini he tino rawa
- te toronga maha katoa ki ngā whenua whakataka a te Karauna 1.2 miriona heketea te hōrapa i ngā whenua tiketike o Te Waipounamu, me te tautoko tonu i te Pire Whakahounga Whenua Whakataka a te Karauna
- te whakatinana i ngā whakahounga ki te haumitanga tāwāhi e haere tūturu tonu ai tā mātou whakarato i ngā hiahia o Aotearoa e huri tonu nei
- te whakawhiti i tōna 150 heketea o ngā whenua rohe where o te Karauna, me te Bill Sutton House rongonui, ki te Kaunihera Taone Nui o Ōtautahi
- te tīmata i tētahi hōtaka panoni whakahaere kia aro ki te kiritaki ka whakamāmā ake i tō mātou hanganga, kia kauawhi i te mahi raka, kia rite ai mō tō mātou anamata matihiko.

E hiranga ana te mahi ngātahi ki te angitu o te katoa o tā mātou i whakarato ai, ka kite koe i ētahi tauira maha o ā mātou mahi kōtahi i ngā whārangi ka whai ake nei.

Ko tētahi tino tauira o te whai tikanga o te mahi ngātahi ko tā mātou toa tahi ko Geoscience Ahiereira i ngā Tohu Hiranga Mokowā o Āhia-Te Moana-nui-a-Kiwa mō tā mātou hōtaka Papa-whakamātau o te Pūnaha Whakawaka Tūāpapa Amiorangi (SBAS).

Ko ētahi atu mahi kōtahi matua e hiahia ana au ki te whakamiramira ko:

- ā mātou mahi tahi kō Te Kooti Whenua Māori ki te tāpae pārongo, ratonga kua rurukuhia mā te hunga whai pānga ki te whenua Māori
- making a record number of visits to Crown pastoral leases that span 1.2 million hectares in the South Island high country, and continuing to support the Crown Pastoral Land Reform Bill
- implementing new overseas investment reforms to ensure we continue to serve New Zealand’s changing needs
- transferring around 150 hectares of Crown-owned red-zoned land and the historic Bill Sutton House, to Christchurch City Council
- embarking on a customer-centric organisational change programme that simplifies our structure, embraces agile working and prepares for our digital future.

Collaboration is critical to the success of everything we deliver, and you’ll see many examples of our partnerships in the following pages.

A great illustration of the power of collaboration is our joint win with Geoscience Australia at the Asia-Pacific Spatial Excellence Awards for our Satellite-Based Augmentation System (SBAS) test-bed project.

Some other key collaborations I want to highlight are:

- our work with Te Kooti Whenua Māori, the Māori Land Court, to provide coordinated information and services for Māori landowners
- how we’re working with members of te Rūnanga o Hokonui to enhance the biodiversity of 27,000 hectares of native bush in Southland – a project that in the short term will create up to 12 jobs. This is part of a wider partnership that is delivering the Government’s Jobs for Nature COVID-19 recovery package

- te āhua o tā mātou mahi tahi ki ngā mema o te Rūnanga o Hokonui kia puāwai ai te kanorau koiora o tētahi 27,000 heketea ngahere i Murihuku – he hōtaka ka hanga i tōna 12 tūranga mahi i te wā poto. He wāhanga tēnei o tētahi kōtuinga whānui e whakatutuki ana i ngā Mahi a te Kāwanatanga mō te Taiao i te kōpaki whakaora COVID-19
- ā mātou mahi tahi ka rere i ētahi umanga kāwanatanga pērā i te mahi ngātahi ki a Tatauranga Aotearoa, ki a NIWA, ki a Waka Kotahi Aotearoa, ki a KiwiRail me Fire and Emergency Aotearoa ki te whakapai huinga raraunga e hiranga ana ki te whakahaere mate whawhati tata me te huringa āhuarangi
- tā mātou whai wāhi atu ki te komiti pūmau umanga-maha kua whakatūria hei tautoko i ngā whakataunga ā-Minita mō te haumitanga ki tāwahi.

I a Toitū Te Whenua ka whakanui i tana huritau 25 ā te Hōngongoi 2021, he wā pai tēnei ki te whakaaroaro ki ā mātou mahi mohoa nei, me te whakarite i a mātou mō te noho hei LINZ o āpōpō atu.

E noho ana tātou i te wā taioaraora, te wā wero nui, te wā tahi, me te aha, kātahi anō ka pēnei rawa te tiketike o te tono pārangō, raraunga kounga tiketike. I tā mātou noho hei kaitiaki mō ngā pārangō whenua o Aotearoa, he kawenga tō mātou mō te tini hanga, ratonga e hira ana ki ngā pānga o ngā pūnaha whakahaere whenua.

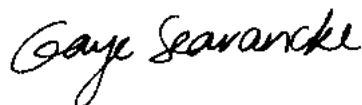
E ngākau pūmau ana mātou ki te mahi tonu e pono ai te rite mō ngā mahi, kia wawe ai, kia māmā noa ai te toro ngā pārangō nei e ngā kiritaki – i tēnei wā ahu atu ki tua.

- our cross-government collaborations that include working alongside Stats NZ, NIWA, Waka Kotahi New Zealand Transport Agency, KiwiRail and Fire and Emergency New Zealand to improve data sets critical to emergency management and climate change
- our involvement in a multi-agency standing committee that has been established to support overseas investment Ministerial decisions.

As Toitū Te Whenua celebrates its 25th anniversary in July 2021, this is an ideal time to reflect on our mahi to date, and how it's preparing us to become the LINZ of the future.

We are living in dynamic, challenging and unprecedented times, and the demand for high-quality information and data has never been higher. As a kaitiaki pārangō whenua (guardian and custodian of New Zealand's land information), we are responsible for a multitude of products and services that are critical to the function of land management systems.

We're committed to keep working to ensure they are fit for purpose and that our customers can access this information quickly and easily – now and in the future.



Gaye Searancke

Tumu Whakarae mō Toitū Te Whenua
Secretary for Land Information and Chief Executive

Tīma Hautū Taha Whakahaere

Executive Leadership Team

Ka whakahaeretia e tā mātou Tīma Hautū Taha Whakahaere tō mātou ahunga tū tawhiti me te āta whai anō kia arotahi mātou ki ā mātou take tōmua rautaki me ā mātou tutukinga mā te whakahaere tika i ā mātou tāngata me ā mātou rauemi.

Our Executive Leadership Team governs our long-term direction and ensures we focus on our strategic priorities and performance by managing our people and resources effectively.

Kathy Mansell	Tumu Whakarae Tuarua Motika Rawa Deputy Chief Executive Property Rights
Robert Muir	Tumu Whakarae Tuarua Rautaki me te Kaitiakitanga Deputy Chief Executive Strategy and Stewardship
Peter Alsop	Tumu Whakarae Tuarua Rangatōpū Deputy Chief Executive Corporate
Jerome Sheppard	Tumu Whakarae Tuarua Rawa Karauna Deputy Chief Executive Crown Property
Jan Pierce	Tumu Whakarae Tuarua Pārongo Wāhi Kaupapahere me te Haumitanga Tāwahi Deputy Chief Executive Location Information and Policy and Overseas Investment
Murray Young	Tumu Whakarae Tuarua Panonitanga Pakihi Deputy Chief Executive Business Transformation
Gaye Searancke	Tumu Whakarae mō Toitū Te Whenua Secretary for Land Information and Chief Executive



(Left to right) Kathy Mansell; Robert Muir; Peter Alsop; Jerome Sheppard; Jan Pierce; Murray Young; Gaye Searancke.

Te neke ki te whakatutuki mahi mā ngā iwi o Aotearoa

Shifting to deliver
for New Zealanders



Our Annual Report tells Toitū Te Whenua Land Information New Zealand's story for the year, covering our purpose and outcomes (our Kaupapa), how we manage our resources to create value, and our work to support Māori–Crown relations.

This year we revised our long-term (10 year +) outcome measures, adding new measures that are externally focused and reflect the four regulatory systems we are responsible for.

Stakeholder engagement:

We are focused on becoming a customer-centric organisation and have reviewed our approach to stakeholder and customer engagement to ensure we are providing a valuable and consistent experience.

We have identified priority stakeholders and their Toitū Te Whenua relationship leads and set expectations of those leads. This is helping us to actively promote what Toitū Te Whenua can offer, build relationships, and pursue joint initiatives that will achieve higher-value shared outcomes.

Our partners, stakeholders and audiences are grouped as:

- iwi and hapū
- central government
- local government
- sector agencies
- international counterparts
- customers
- the public of Aotearoa New Zealand.

Appendix A contains a summary of the key agencies we engage with and the nature of our relationship with each.

We are mindful of the need for this report to be clear and tightly focused on the few critical aspects of department performance that matter most. This enables an informed assessment of our performance by readers.

Our Kaupapa

Outcome

High-value geographic and property information

People use geographic and property information to make well-informed decisions about things that matter to them.

Outcome

World-class property system

People are able to own, transact, develop and invest in land and property with confidence, supporting them to grow and thrive.

Our Whakatauki

Whatungarongaro
te tangata toitū te whenua.
People come and go
but the land remains.

Our Purpose

Understanding, developing and caring
for whenua, moana and arawai.

Our Values



Bold
Māia



Expert
Matatau



Stronger
Together
Whakapipiri

Outcome

Making best use of the Crown Estate

New Zealanders, visitors and future generations benefit from the protection and use of a Crown Estate that is managed in New Zealand's long-term interests.

Outcome

The overseas investment regime serves New Zealand's changing needs

The overseas investment regime is responsive to New Zealand's changing needs and evolves to meet our national and international context.

Our Kaupapa brings our whakataukī, purpose, values and outcomes into one picture, conveying how we make a difference for New Zealand. It helps us prioritise and plan our work more effectively to deliver our outcomes.

At the centre of Our Kaupapa is our whakataukī – our guiding light. Our whakataukī is the te ao Māori view that underpins our purpose, reflecting the interconnectedness and interrelationship of all living and non-living things.

Our Purpose: Understanding, developing and caring for whenua, moana and arawai.

‘Understanding’ refers to the deep knowledge and continual learning that is essential to what we do.

‘Developing’ refers to enabling resources to be used carefully and sustainably in ways that support the wellbeing of our people, whānau and communities.

‘Caring for’ refers to our responsibility to look after those resources so that they are present and healthy for our children and future generations.

Our outcomes are what we are seeking to achieve, and they incorporate the outcomes we seek from our regulatory responsibilities. We refreshed our outcomes this year to better reflect our purpose and whakataukī, while retaining our long-term direction. We have also expanded our outcomes to include the wide range of geographic and property information we are responsible for, as well as our role in the increasingly important area of data management.



Outcome

High-value geographic and property information

People use geographic and property information to make well-informed decisions about things that matter to them.

Trends in our impact

Measure	Baseline ¹	2020/21 performance	Desired direction of travel
Percentage of key users who report that key data sets are critical for decision-making	64%	100%	↑
Percentage of key users who report that key data sets are of the appropriate quality	50%	77.8%	↑
Percentage of key users who report ease in accessing data critical to informing decisions	64%	100%	↑

We provide nationally significant information to support a range of social, economic and cultural outcomes for Aotearoa New Zealand. The LINZ Data Service provides free online access to this information and our Electronic Navigational Chart Service provides mariners with essential information to navigate around Aotearoa New Zealand safely. Our work to improve data quality, accessibility and usability includes:

- launching the LINZ Basemaps service – a publicly available digital mapping background made up of aerial images, on which additional layers of information can be overlaid
- expanding the coverage of accurate elevation data, using Light Detection and Ranging (LiDAR) data
- continuing our work with Geoscience Australia to procure a satellite-based augmentation service (SBAS) to improve the accuracy and integrity of satellite-positioning technology.

We work with Stats NZ, NIWA, Waka Kotahi New Zealand Transport Agency, KiwiRail and Fire and Emergency New Zealand to upkeep and improve the 12 key data sets that are critical to emergency management and climate change. Highlights this year were:

- publishing the 'NZ Coastline – Mean High Water' data set, which combines topographic and hydrographic data to describe Aotearoa New Zealand's coastline
- supporting Fire and Emergency New Zealand in publishing their New Zealand localities data set on the LINZ Data Service.

¹ These measures were not reported in 2019/20, as they are measured every second year. From this year, they will be measured annually. The baseline results are from 2018/19.

LINZ Data Service celebrates 10 years

We launched the LINZ Data Service, our online one-stop shop for land and seabed data, on 1 July 2011.

The service continues to make available satellite, aerial and historic imagery and topographic, hydrographic, place name, address and road, Crown property, geodetic, elevation, and property boundary and ownership data to thousands of customers.

The service won several awards in its early days, recognising both its wide-ranging data value and the capability enabled by the platform provided by our technology partner Koordinates Ltd.

Customers across industry, government and the wider community use this core geographic information to add value to their work or area of interest, contributing in diverse ways to the social, economic and cultural wellbeing of Aotearoa New Zealand.

The LINZ Data Service was the first open data-sharing platform for New Zealand government data and set the benchmark for accessible and useable public data.

LINZ Data Service highlights since 2011 include:

2,300

land and seabed data sets available – on average 60 new data sets are released every year

1.8 million

data sets downloaded – the number of downloads has increased every year

220 terabytes

downloaded – 70 terabytes of data was downloaded in the last 12 months – this is equivalent to the amount of data downloaded in the first six years of the service

91,000

registered customers – more than 1,000 new registrations every month.

Aerial imagery basemap launched

In August 2020, we launched a free service providing aerial images of New Zealand. It is a digital mapping background that provides context on which additional layers of information can be overlaid.

The service – called LINZ Basemaps – makes aerial images of our mainland and offshore islands available to the public online. Images for main cities are in higher resolution.

Since its launch, we have added 19 new imagery layers to the map. The service has exceeded demand expectations and is likely to have delivered close to one billion downloads by the end of its first year.

The service has made high-quality aerial images more accessible to a wide range of users, including government agencies; large technology companies, open-source projects; small community groups, artificial intelligence innovators, and individuals carrying out property, engineering and environmental monitoring, fleet tracking and kea tracking.

Our development team is working on a topographic basemap map, due for public release later in the calendar year 2021.

“It is hands down the best free New Zealand aerial basemap and is an easy first choice for all our maps going forward.”

Scott Whittaker,
Groundtruth web developer



Mount Mangere also known as Te Pane-o-Mataho or Te Ara Pueru, Auckland, on Basemaps.

Access to updated charts improves maritime safety

In July 2020, we launched a free service providing mariners with regularly updated electronic navigational charts.

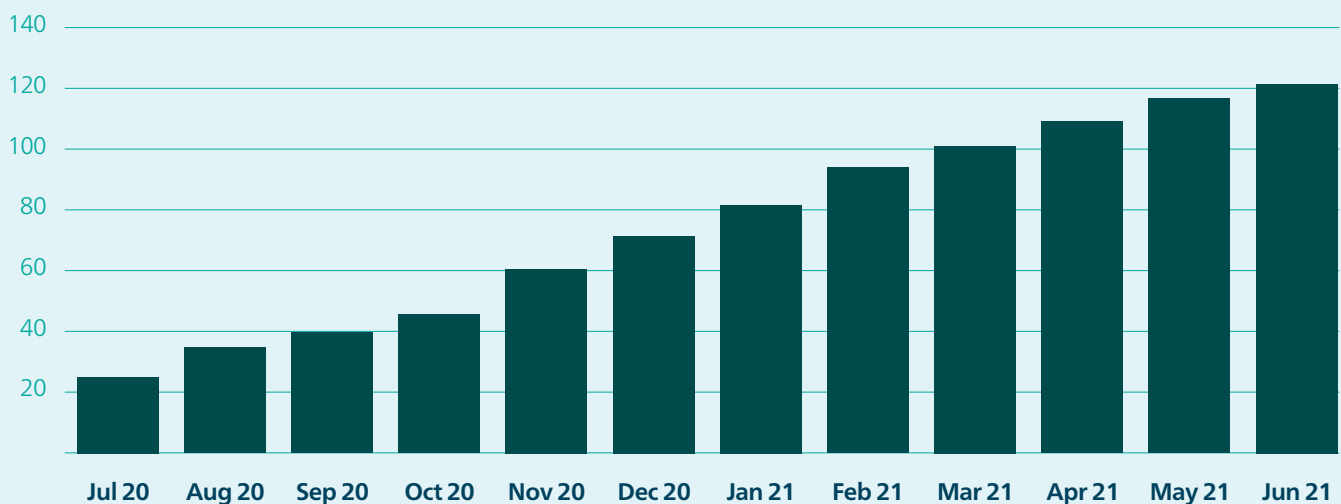
The Electronic Navigational Chart service reflects the continued shift from paper to digital across the maritime sector, and it encourages mariners to use up-to-date navigation tools.

We worked closely with a customer focus group for a year to test the service before we launched it publicly.

The number of users of the service is growing steadily; the service now has more than 120 users.



Number of users (2020–2021)

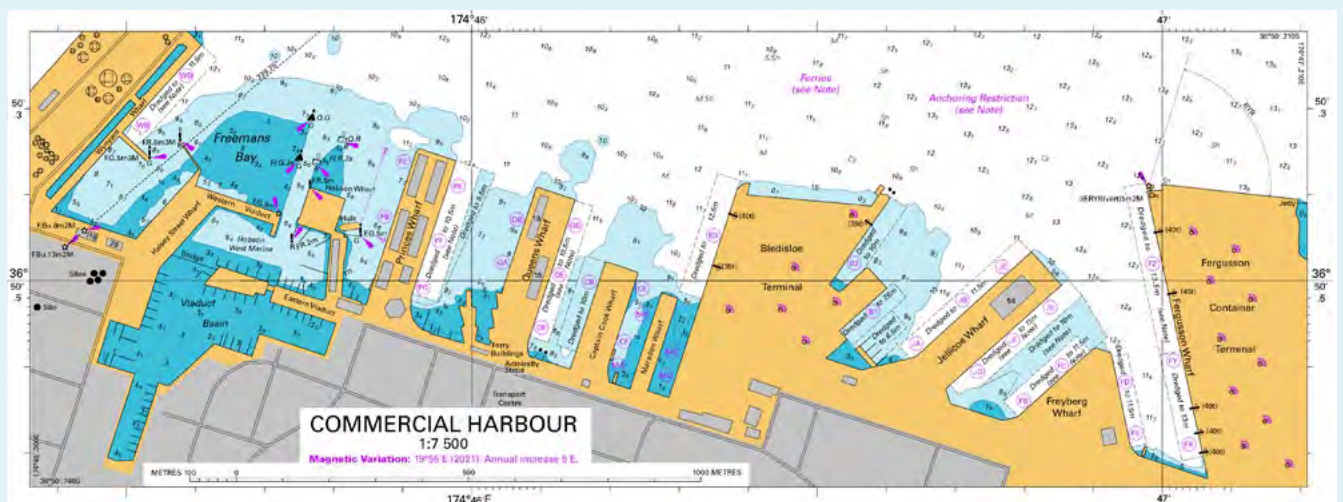


In late 2020, we published seven new-edition navigational charts for Waitematā harbour to enhance safety ahead of the summer sailing season.

We updated the charts with multi-beam sonar data from Ports of Auckland's hydrographic surveys. The new charts show changes to Viaduct Basin, the commercial harbour, ferry terminals and Calliope Wharves.

Other improvements include new aids to navigation, updates to existing aids to navigation, official names, coastline changes, magnetic variation, tidal information and minor wharves.

The new Waitematā harbour charts – two paper and five electronic – give mariners increased confidence for safe navigation.



Detail of the commercial harbour area in the new edition of the Auckland Harbour East chart. Survey data provided by Ports of Auckland shows changes in the Viaduct Harbour area including a new dredged channel.

Award for Trans-Tasman positioning project

In April 2021, Toitū Te Whenua and Geoscience Australia won the People and Community category of the Asia-Pacific Spatial Excellence Awards for the Satellite-Based Augmentation System (SBAS) test-bed project.

Precise positioning technology provides instant, accurate and reliable positioning without the need for mobile phone or internet coverage, improving the accuracy of GPS positioning from 5–10 metres down to 10 centimetres across Australia and New Zealand.

Between 2017 and 2018, our test-bed project included 27 projects across 10 industry sectors to trial accurate positioning technologies and assess the economic, social and environmental benefits of SBAS. It involved projects from across Australia and New Zealand and was the first trial of shared satellite infrastructure by both governments.

The trial proved that this technology could deliver more than \$6 billion of benefits to the Australian economy and \$1.4 billion to the New Zealand economy over 30 years.

Award judges described the project as a “world-class initiative with far reaching benefits for the industry” and praised its contribution to “major improvements in location-based capabilities for Australia and New Zealand”.

We are working with Geoscience Australia on procuring a permanent SBAS for the Australian–New Zealand region.

Regional 3D maps released

We are supporting a region-led programme to collect high-quality 3D topographic Light Detection and Ranging (LiDAR) data.

We are managing the \$15.7 million LiDAR partnership programme on behalf of Kānoa – the Regional Economic Development and Investment Unit within Hīkina Whakatutuki – the Ministry of Business, Innovation and Employment. The programme is a collaborative approach with 10 regional councils, aimed at developing consistent elevation data sets across the country. During the past financial year, the procurement stage of the programme was completed with the last two regional councils, Taranaki and Otago, signing contracts.

The LiDAR data collection is millions of direct height points collected by airborne lasers. Precise 3D maps and elevation data models that can be developed using this data will be critical tools for overcoming challenges such as improving land productivity, making smarter infrastructure investments and adapting to climate change.

The first mapping data from the programme was released on the LINZ Data Service in June 2020. Data from the Bay of Plenty and West Coast regions is now available and data for the Marlborough region is scheduled to be released in September 2021.

Upon completion, 80 percent of Aotearoa New Zealand will be covered. As the data is collected, we will make it available on the LINZ Data Service.

Case study

LiDAR unlocking West Coast opportunities

The Westport area is vulnerable to natural hazards, such as tsunamis, landslides, and river and coastal flooding. The region straddles the alpine fault, which is at an increasing risk of a major rupture. High rainfall on steep catchments adds to landslide, erosion and flooding risks.

Westport LiDAR data will be a huge asset for the region, says the West Coast Regional Council Planning, Science and Innovation Manager, Hadley Mills.

"This information will contribute to better economic, social and environmental outcomes. High-quality elevation data has many benefits – for land and water management, agriculture, horticulture, forestry, construction, tourism, infrastructure and transportation."

The region has a long coastline with many coastal settlements. "There have been several coastal inundation and flooding events over recent years,

and the impacts of climate change are likely to exacerbate these issues," says Hadley. "Accurate terrain models are essential to be able to model these natural hazards."

The council will use the LiDAR data for infrastructure planning and catchment modelling and as baseline data for assessing river gravel movement.

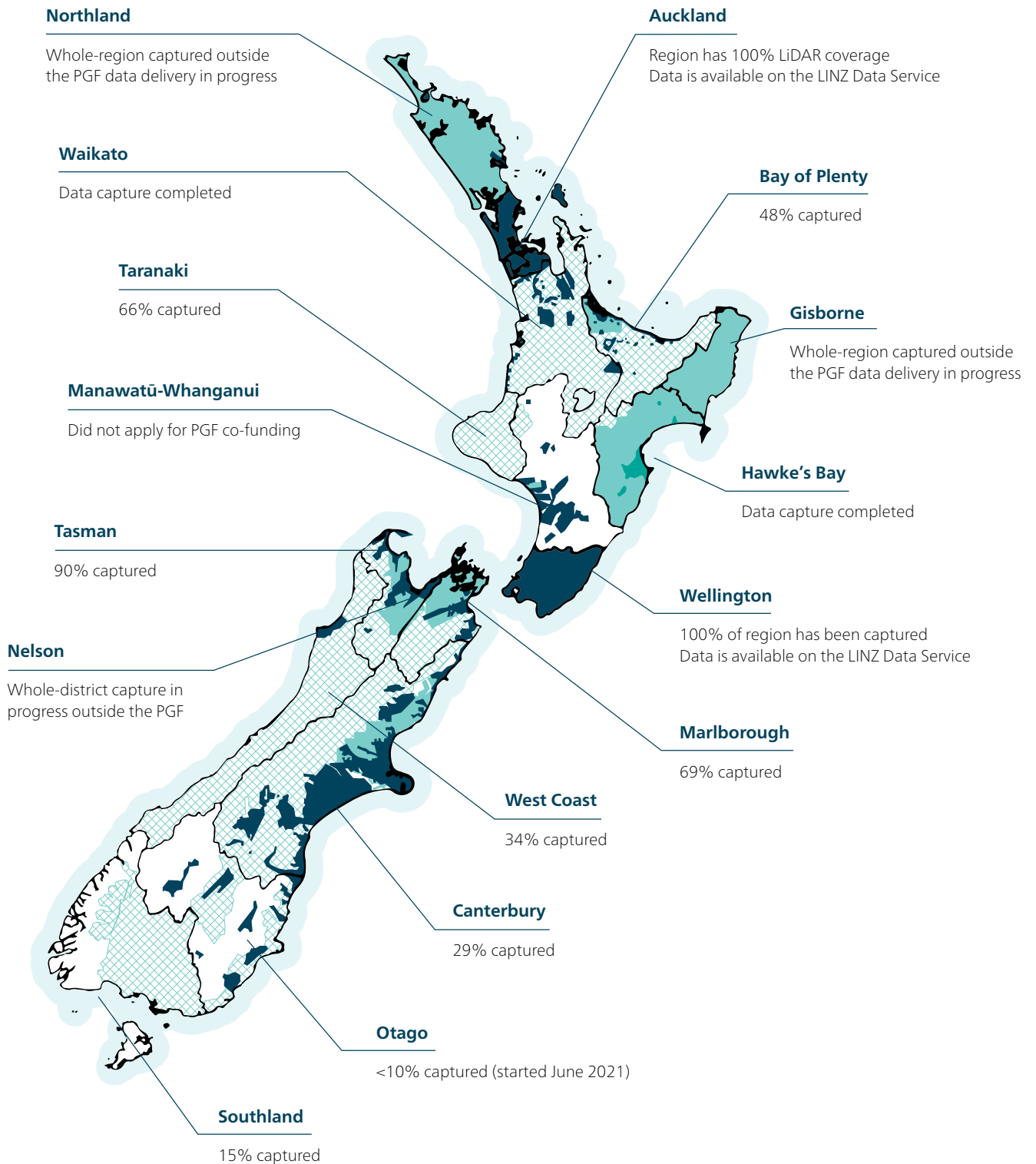
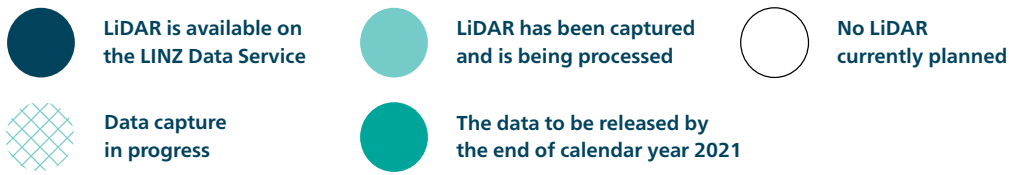
Businesses and other organisations will also have access to the data. This will provide them with opportunities to assess mineral deposits, infrastructure and house-site planning and to monitor natural processes such as landslides. Forestry companies need accurate terrain models for planning new forests, putting in new roads and harvesting.

"The new LiDAR data set is unlocking a vast range of opportunities, which is exciting for the West Coast," says Hadley.



A digital elevation model snapshot of the Buller River and its floodplain, south of Westport. LiDAR captures information not easily seen in aerial imagery alone, such as pathways, rivers and streams.

Data capture and delivery status 30 June 2021





Outcome

World-class property system

People are able to own, transact, develop and invest in land and property with confidence, supporting them to grow and thrive.

Trends in our impact

Measure	2019/20 performance	2020/21 performance	Desired direction of travel
Mean user score of the technology platform's ability to anticipate growth and changing needs	3.88/5	4.14/5	↑
Mean score of the extent to which property ownership models anticipate urban growth and changing needs	N/A ²	3.65/5	↑

We maintain New Zealand's property rights system. New Zealand's property system is globally renowned and a critical enabler of our economy. New Zealand remains one of the easiest places in the world to register property. Landonline, our technology platform, allows customers to register titles and adjust property boundaries. We are modernising Landonline to future-proof the system, strengthen security and enable us to keep meeting customers' expectations.

² This measure was not reported in 2019/20, as it is measured every second year. From this year, it will be measured annually. The result for 2018/19 was 3.85/5.

Modernising Landonline

We are improving Landonline in a five-year modernisation programme.

Landonline was introduced 20 years ago and is still a world leading system for property registration. It is the only way to register titles and adjust property boundaries in New Zealand.

In response to technology changes and customer expectations, we are undertaking a five-year programme to modernise Landonline. The modernisation programme began in April 2019. By 2024, we will have a new, stable, secure technology platform with products that will be able to be continually modernised.

Through the later half of the calendar year 2020, we focused on addressing several key challenges that could potentially impact delivery of the programme – connecting better with our business operations, preparing for the core system rebuild, developing our Agile capability and establishing our Business Transformation business group. We were also focused on managing production delays and recruitment challenges related to the 2020 COVID-19 lockdown. Both these issues have been managed, and no long-term impacts on programme delivery are expected.

In February 2021, we launched a new Landonline product – Public Search. This online service enables, for the first time, members of the public to search for and buy property records. Previously these records could only be accessed by registered Landonline users, and the public had to buy the services from a registered user. Use of the Public Search service has increased steadily; in June, people carried out **11,096 searches**.

When the owner of a property changes, the law requires the conveyancing professionals involved to notify the relevant territorial authority, so they have up-to-date property ownership information. Until now, this has been a manual process. Five territorial authorities are about to digitise the process through Landonline, via a new service called Notice of Change of Ownership. In June, 60 percent of transactions in these five territorial authorities areas were completed using the new service, which removes the need for manual ownership notifications. We are working to add all other territorial authorities in the coming year.



Our people with customers at a Modernising Landonline show and tell in May 2021.

Another new service, called Notice to Mortgagee, automatically provides lenders with mortgage registration information from Landonline when a mortgage is registered. Seven banks are using this new service, and more lenders will be added in the year ahead. In 2020/21, we completed **25,256 transactions** with the seven banks using the new service.

Work in the Landonline modernisation programme in the coming year is focused on rebuilding the core of the old system, which includes:

- migrating the Landonline database from the old platform to the new platform
- completing the process to enable simple house sales and surveying to be processed on the new technology platform
- getting more lenders and territorial authorities using the new services.

Annual activity for 2020/21

13,180

Registered users

2.3 million

Property titles

4.1 million

Property searches

237,991

Property titles issued

709,467

Property transactions

Responding to increased demand for our contact centre and survey and title services

Customers and the public experienced lower service levels than they expect from our contact centre and survey and title services.

This year the property market significantly outperformed our forecast volumes, which were modelled on a slower economic recovery due to COVID-19. This anticipated lower volume was considered as part of our initial resource plans. In addition, we experienced a decrease in the number of available trained and experienced staff in our contact centre due to internal development opportunities, attrition, and internal projects requiring skilled staff.

As a result of this stronger than anticipated property market, and drop in experienced staff, in April, May and June 2021, our internal wait time target of 10 minutes and call back time of 30 minutes were exceeded. We took an Incident Management response approach, training new people and redeploying staff from other areas of the business to meet demand. The actions taken have reduced wait times, and as of July 2021 we were within our internal wait time targets.

Our service levels for survey and title services were also negatively impacted. Due to the skilled nature of the work, we were unable to scale up resources at short notice. We have since increased training for staff to process more complex surveys and have scaled up our Survey and Title recruitment.

Fee review

We announced new fees for our survey and title services, after completing a review and public consultation.

In 2018, the Government directed us to review all our fees and charges in line with our programme to modernise Landonline.

Five principles – fair, effective, efficient, sustainable and transparent – underpinned the review.

In April 2021, we published a proposal and sought feedback. In June, after considering submissions, the Government approved new fees which will come into effect later in 2021/22.

There is a modest percentage increase in land title fees and a larger increase in survey fees. The new fees better reflect the cost of delivering Landonline services and support a more resilient system. The fees represent cost-recovery fees only.

Case study

Tauranga pilot project wins commendation

Our Landonline pilot project with Tauranga City Council was highly commended in this year's local government awards.

The council nominated the project for the Collaborative Government Action category in this year's Taituarā Local Government Excellence Awards.

We worked together to trial the new Notice of Change service in our modernising Landonline programme. Tauranga was the first territorial authority in which conveyancing professionals could use the Landonline system to digitally advise the council when a property title changes hands.

Our customers are leading the research, idea testing, design and refinement aspects of the Landonline modernisation. This helps us to innovate and anticipate their future requirements.

Tauranga City Council called the pilot a "resounding success to the point that its use is considered the go-to way by Tauranga solicitors".



Jim Taylor, Tauranga City Council, and James Mowat, Toitū Te Whenua, after receiving the 'Highly Commended' citation for the Notice of Change pilot.

The council said of our collaboration:

“This new process has transformed the way changes of ownership are delivered, eliminating duplications, errors and customer dissatisfaction and making life simpler and more efficient for solicitors.

“The result is a single, seamless process that eliminates mismatches.

“In this transformational project, people with initiative collaborated to transform an antiquated service into a modern, efficient and highly functional system that makes life easier for everyone who uses it.

“The project’s success demonstrates that local and central government can successfully collaborate to transform our service landscape for the benefit of our communities.”



Outcome

Making best use of the Crown Estate

New Zealanders, visitors and future generations benefit from the protection and use of a Crown Estate that is managed in New Zealand's long-term interests.

Trends in our impact

Measure	2019/20 performance	2020/21 performance	Desired direction of travel
Percentage of the Crown Estate (held by major land-holding agencies) recorded in the Central Register of State Land	89%	92%	↑
Percentage of client agencies that report being well supported by Toitū Te Whenua in managing land	N/A ³	40%	↑

We work to deliver improved economic, social, environmental and cultural outcomes from the Crown land system. We have developed asset management plans for the different types of Crown land we manage in order to improve the land's public value. As a residential property manager, we are implementing our Healthy Homes programme, which we will complete by 2024. We are working with other major land-holding agencies to realise the benefits from adopting a common approach to managing Crown land.

We are improving our Crown land regulatory role by increasing our oversight of pastoral leases and increasing transparency on how land is acquired under the Public Works Act 1981.

As we wind down our response to Christchurch's earthquake recovery, we have been transferring management of Crown-owned remediated red-zone land to local councils. We also commenced surveying the Avon River / Ōtakaro corridor, one of the final steps before the land is transferred to Christchurch City Council.

³ This is a new measure for 2020/21.

Pastoral lease engagement increases

Toitū Te Whenua is responsible for more than 1 million hectares of land in the South Island high country, much of it leased for pastoral farming.

The Government wants this pastoral farming to remain sustainable and responsible while maintaining or enhancing the inherent biodiversity values of the land. Our role is to work with stakeholders to achieve this.

We work closely with Te Papa Atawhai the Department of Conservation, iwi, regional councils and leaseholders to ensure we are getting the balance right. We instigated an inspection programme that aims to visit 90 percent of all pastoral leases every two years. We received input from the High Country Accord⁴ and our High Country Advisory Group⁵ to shape this programme.

During the year, we made 101 visits to 80 pastoral leases for a range of purposes including inspections, tenure review and compliance matters. This was a record number of visits, reflecting our commitment to being an active manager of the Crown pastoral leases that span 1.2 million hectares in the South Island high country.

Our updated *Guide for Pastoral Leaseholders* gives leaseholders greater clarity about their rights and responsibilities.



Pastoral lease visit to Castle Hill, Canterbury.

We developed an online mapping tool that holds consent, recreation permit and easement information for all pastoral leases. It provides instant information about each lease and allows us to support leaseholders more efficiently. We plan to share the tool with leaseholders so they can see the history of consents for their properties and other useful information.

⁴ The High Country Accord is a not-for-profit trust established in 2003 to promote and protect the rights of pastoral leaseholders and to ensure the long-term economic, environmental, and social sustainability of the South Island High Country. Visit the High Country Accord website for further information (<https://www.highcountryaccord.org.nz>).

⁵ We established the High Country Advisory Group in 2018 to improve transparency and to receive advice directly from a range of farming, environmental, iwi and other experts on our management of 1.2 million hectares of Crown pastoral land in the South Island high country.

The Crown is committed to being the long-term steward of Crown pastoral land

We have progressed the development of the Crown Pastoral Land Reform Bill (the Bill), which is currently before Parliament.

The Bill proposes changes to the Crown Pastoral Land Act 1998 and Land Act 1948 to improve the way Crown pastoral land is administered and regulated, focusing on maintaining and enhancing the land's inherent values while providing for ongoing pastoral farming.

Throughout this process, we have engaged with leaseholders, relevant iwi, interest groups and the wider public. We received over 3,200 submissions in response to the public discussion document, released in February 2019, which informed the development of the Bill. More recently, the select committee phase of the Bill in Parliament attracted 161 written submissions, and the Environment Committee held six sessions hearing oral submissions.

Tenure review⁶ will end once the Bill comes into force, except in those cases where a substantive proposal has been put to a leaseholder. For more information about tenure reviews completed in 2020/21, see Appendix C.

We are developing new regulations and guidance for our staff and pastoral leaseholders to support implementation of the Bill. We continue to engage closely with leaseholders, relevant iwi and interest groups as the Bill progresses and will continue our close and constructive working relationships with leaseholders to support them in understanding what requirements they will need to meet once the Bill becomes law.

⁶ Tenure review is a process under the Crown Pastoral Land Act 1998 by which pastoral lease land with high conservation values is protected and restored to full Crown ownership as conservation land, enabling public access and recreation, while the leaseholder holds land capable of economic use by freehold.

Transferring Christchurch land to local leadership

Christchurch City Council now owns more red-zone land in Christchurch.

Transferring ownership of red-zone land to Christchurch City Council is part of the agreement between the Crown and the council to finalise the remaining costs and responsibilities for Christchurch's earthquake recovery and regeneration.

We took over managing Crown-owned red-zone land for the city's post-quake regeneration in 2015, and we have been transferring ownership and management to local leadership since July 2020.

In May 2021, about 440 red-zone properties in the Port Hills shifted to council ownership, signalling the end of a massive programme of complex, award-winning demolition and remediation work. The properties were spread across the Port Hills from Whitewash Head on Scarborough Hill to Te Wharau / Charteris Bay and totalled about 80 hectares of land.

This built on the August 2020 transfer of about 70 hectares of land in Brooklands, Southshore and South New Brighton. Around the same time, the Crown gifted the historic Bill Sutton House, in the Avon River / Ōtakaro corridor, to the council following extensive renovations by Toitū Te Whenua.

Surveying started on Crown-owned red-zone land in the river corridor – a vast area that extends from the city to the sea and is about three-and-a-half times larger than Christchurch's Hagley Park.

Surveying is one of the final steps to prepare this land before ownership is transferred to the council. It is one of the largest surveying jobs ever undertaken in New Zealand, involving Toitū Te Whenua's review of more than 16,000 interests – such as easements and right of ways – on 5,500 titles.

The council took over management responsibility for the river corridor from Toitū Te Whenua in July 2020.

In total, we will transfer ownership of more than 7,000 properties to the council – a significant step forward in Christchurch's regeneration and the transition to local leadership.

In early 2021, we gifted a red-zoned house in the river corridor to the Richmond Community Gardens Trust to run on behalf of the wider community. This was in response to increasing demand for community facilities and at the council's request.

In June, the Crown bought the final central city property it needed to allow the Canterbury Multi-Use Arena anchor project to go ahead.



Planting and resorting native bush in the residential red-zone.

Healthy homes

We manage nearly 1,000 residential properties, and 868 need work to bring them up to the Government's Healthy Homes standards. Almost half of these homes we manage for Te Tāhuhu o te Mātauranga, the Ministry of Education, as a client agency.

Our Healthy Homes programme is under way and is scheduled for completion in 2024. One hundred and nineteen homes are now up to standard, and improvement works on 262 are in progress.

We supported Ngā Pirihimana O Aotearoa, the New Zealand Police, by completing Healthy Homes assessments on the properties it owns and manages.

Supporting the New Zealand Upgrade Programme

Waka Kotahi New Zealand Transport Agency's New Zealand Upgrade Programme will deliver major projects that offer a balanced investment in public transport, new or upgraded roads and walking and cycling. Waka Kotahi, as leader of the programme, has proposed a number of process improvements under the Public Works Act 1981 (PWA).

In our role as regulator and decision-maker for land acquired under the PWA, we have worked with Waka Kotahi to:

- update information for landowners about how their land is acquired under the PWA
- improve the way landowners affected by the New Zealand Upgrade Programme can claim for legal, valuation and removal costs of acquisition.

We are developing other process improvements to help affected landowners and achieve quicker solutions for transport improvements.



Outcome

The overseas investment regime serves New Zealand's changing needs

The overseas investment regime is responsive to New Zealand's changing needs and evolves according to the national and international context.

Trends in our impact

Measure	2019/20 performance	2020/21 performance	Desired direction of travel
Ministers' assessment of the Overseas Investment Office's performance	N/A	3/5 ⁷	↑
Percentage of overseas investors who report they have met all the requirements of the conditions of consent	78%	70% ⁸	↑

Since the 2018 calendar year, we have been implementing reforms to the overseas investment regime to ensure that overseas investment benefits New Zealand. In 2020/21, the National Security and Public Order regime came into effect, replacing the Emergency Notification regime that was put in place in response to COVID-19. This new regime enables the review of overseas investments into strategically important businesses to manage any that pose a significant risk.

There is more change to come, with:

- new fees being implemented in September 2021
- statutory timeframes for processing applications coming into effect in November 2021
- a new, simplified 'Benefit to New Zealand Test' to be implemented by May 2022.

We are also making significant changes to our systems and processes designed to make assessment of applications faster and more efficient. This ongoing change programme requires significant effort across the overseas investment teams, while ensuring timeliness for processing applications as well as transparency and responsiveness to stakeholders. Further information about our regulatory decisions and operational performance can be found on the 'Enforcement action taken' webpage of our website⁹.

⁷ This is a new measure for 2020/21.

⁸ The COVID-19 lockdowns and follow on restrictions impacted the ability of overseas investors to meet consent conditions.

⁹ <https://www.lin.govt.nz/overseas-investment/latest/enforcement-action-taken>

Responding to economic uncertainty

The Government took swift action to protect the nation's businesses and land in response to the COVID-19 pandemic and subsequent economic downturn.

As part of the COVID-19 business response package, the Overseas Investment (Urgent Measures) Amendment Act 2020 brought forward previously planned reform and included extra temporary protection measures. Our role was to put these changes into effect.

The changes included:

- a temporary emergency notification requirement for overseas investors wanting to gain a controlling interest in a New Zealand business that was not usually captured by the Overseas Investment Act 2005
- a national interest assessment process to ensure overseas investment in sensitive assets was not against New Zealand's national interest
- expanded enforcement powers.

We received 529 emergency notification requests in the year to 30 June 2021. Of these:

- 13 underwent the national interest assessment process
- 469 were allowed to go ahead with no conditions
- 28 were rejected
- 19 were withdrawn.

Ministerial call-in powers were established to determine whether a transaction could be contrary to New Zealand's national interest. A multi-agency standing committee for overseas investment, comprising 7 core and 13 secondary members,¹⁰ was set up to support ministerial decisions.

¹⁰ The core members are: Toitū Te Whenua; Manatū Aorere, the Ministry of Foreign Affairs and Trade; Te Rōpū Pārongo Tārehu o Aotearoa, the New Zealand Intelligence Community; Hikina Whakatutuki, the Ministry of Business, Innovation and Employment; Te Tai Ōhanga, The Treasury; Te Tari o te Pirimia me te Rūnanga Kāwanatanga, the Department of the Prime Minister and Cabinet; and Te Pou Tauhokohoko me te Ahumahi, New Zealand Trade and Enterprise. Secondary members that may be included are: Te Tari Taake, Inland Revenue; Manatū Ahu Matua, the Ministry for Primary Industries; Ngā Pirihimana O Aotearoa, New Zealand Police; Te Mana Ārai o Aotearoa, New Zealand Customs Service; Te Tari Taiwhenua, the Department of Internal Affairs; Manatū Kaupapa Waonga, the Ministry of Defence; Te Ope Kātua o Aotearoa, New Zealand Defence Force; Te Pūtea Matua, the Reserve Bank of New Zealand; Manatū Hauora, the Ministry of Health; Manatū Taonga, the Ministry for Culture and Heritage; Te Komihana Tauhokohoko, the Commerce Commission; Callaghan Innovation; and Te Mana Tatai Hokohoko, the Financial Markets Authority.

Across all notification and consent pathways in the year to 30 June 2021:

- 532 emergency notifications were assessed
- 313 consent applications were assessed
- 31 consent pathway transactions underwent national interest assessments
- 14 notifications underwent national interest assessments
- 23 notifications or consent applications were withdrawn
- five consent applications were declined because they were against New Zealand's interests.

New national security and public order notification rules replaced the temporary emergency notification requirement on 7 June 2021. The new rules focus on overseas investment transactions that pose significant national security and public order risks.

Legislative reform has continued. The Overseas Investment Amendment Act 2021 passed into law on 25 May; its earliest changes will come into effect on 5 July 2021. Remaining changes will come into effect over the next 12 months.



Enforcement action continues to grow

Our enforcement team focuses on overseas investors who have deliberately broken the rules. The penalties are sending a clear message that we will hold investors to account and that they should seek expert advice to avoid breaches.

During the year, penalties totalling more than \$2.9 million were awarded following five High Court decisions and 44 enforcement actions under the Overseas Investment Act 2005 (the Act).

For the first time, penalties were awarded against an overseas investor who failed to obtain consent before entering a long-term lease. Other enforcement activity includes two disposal notices requiring overseas investors to sell their properties for breaching their consent conditions, and three overseas investors having to pay administrative penalties for filing retrospective consent applications to resolve breaches.

This growing number of court decisions under the Act gives a greater sense of likely future penalties the High Court will impose for breaches. It also sends a clear signal that enforcement action will be taken against overseas investors who break the rules.

In all the cases, the overseas investors admitted the breaches and cooperated with our investigations.

The Overseas Investment (Urgent Measures) Amendment Act 2020 increased the range of enforcement tools available to address breaches of the Act. In certain circumstances, when an investor has breached the Act, they can now choose to fix this by entering into an enforceable undertaking. This is a public and transparent statement of the breach and the actions for which they will be held accountable, avoiding long, costly court action.

Case study

Microsoft data centres: a national interest test

In August 2020, we approved Microsoft New Zealand, the local subsidiary of overseas company Microsoft®, to buy several Auckland sites to build cloud-based data centres.

New Zealanders, New Zealand businesses and government agencies can choose where to have their data stored, including in New Zealand. The 2018 Government Chief Data Steward's Data Strategy and Roadmap considers New Zealanders' data to be a taonga, warranting guardianship. It is desirable for New Zealanders' data to remain within New Zealand and subject to New Zealand laws and protections.

Microsoft wanted to improve its hyperscale cloud services available in New Zealand. Creating a New Zealand-based data centre would enable organisations and agencies to keep their data, including sensitive data about New Zealanders, in New Zealand.

The application was approved on the advice that the investment would provide significant benefit to New Zealand and that it aligned with the Government Chief Data Steward's Data Strategy and Roadmap.

This investment is a signal that New Zealand is open for business and quality investment.



Māori–Crown relations

We are building our capability to work with Māori, to deliver on behalf of the Crown as a Tiriti o Waitangi (te Tiriti) partner, and to achieve better outcomes for Māori and all New Zealanders.

Our He Pikinga training programme, delivered to all Toitū Te Whenua people, gives them an understanding of te Tiriti, the history of Aotearoa New Zealand, and the fundamentals of te reo and tikanga Māori. This year for the first time we included He Pikinga as part of our induction for all new staff.

More than 50 staff completed our advanced programme, He Pikinga Arahina, which is available to all our people for professional or personal development.

Our Executive Leadership Team completed Te Kahukura, a training programme for executive decision makers. It covers our obligations and commitments under te Tiriti, a history of Aotearoa New Zealand, the fundamentals of te reo and tikanga Māori and effective engagement with Māori.

He Whāriki Whakatupu Te Reo Māori, our Māori language plan, came into effect in July 2021. This plan supports the goals of Te Ture mō Te Reo Māori 2016, the Māori Language Act 2016, and is a requirement under Maihi Karauna, The Crown's Strategy for Māori Language Revitalisation 2019 – 2023. Our plan sets out to:

- grow and nurture te reo Māori to build a confident and capable workforce that contributes to effective Māori–Crown relations
- promote diversity and inclusion
- deliver on our partnership with Māori as tangata whenua under te Tiriti.

We are developing a plan in support of Whāinga Amorangi¹¹ Phase One: Empowering people. It will bring together our He Pikinga training programme and He Whāriki Whakatupu Te Reo Māori. Over the next three years, our training and development will focus on te reo Māori, history of Aotearoa New Zealand, our obligations and commitments under te Tiriti and tikanga / kawa.

11 In February 2021, all public service Chief Executives committed to building their Māori–Crown relations capability and to developing a plan for their agencies to do the same.

Working with Te Kooti Whenua Māori, the Māori Land Court

We continue to work closely with Te Kooti Whenua Māori, the Māori Land Court, to provide coordinated information and services for Māori landowners.

We hold all registered ownership details for Māori freehold land. We are improving access to this information and working with the court to streamline the process for registering title to Māori freehold land.

Te Kooti Whenua Māori has established a Māori Land Court data governance group. We are a member, along with Te Puni Kōkiri and Te Tāhū o te Ture, the Ministry of Justice. The group oversees cross-agency initiatives to improve data quality and streamline the delivery of Māori land services.

Our Property System Stakeholder Forum includes the Chief Registrar of Te Kooti Whenua Māori (along with representatives from Te Kāhui Ture o Aotearoa, the New Zealand Law Society, and Survey and Spatial New Zealand). The forum meets every quarter to ensure stakeholders from these entities have meaningful input into our modernisation of the Landonline programme and other property related matters.



In May, Toitū Te Whenua Solicitor Nicola Short and Survey Technical Advisor Roger Dennison attended a special sitting at the Rotorua Māori Land Court for the new Chief Registrar of Te Kooti Whenua Māori, Steven Dodd (centre).

Treaty of Waitangi settlements

Toitū Te Whenua has a significant role giving effect to Treaty settlement commitments and supporting Te Arawhiti, the Office for Māori Crown Relations, to prepare future Treaty settlements.

Supporting Te Arawhiti

Toitū Te Whenua and Te Arawhiti work collaboratively to manage Crown land being held for future Treaty settlements, most of which is held in the Treaty Settlements Landbank. This land can include former schools, prisons and hospitals, as well as bare land.

Toitū Te Whenua also supports Te Arawhiti in its preparation of future Treaty settlements. In the past year, we have:

- prepared **32 properties** for inclusion in the Whakatōhea and Te Korowai o Wainuiārua Treaty settlements
- contributed **property information** to progress settlement negotiations for Mōkai Pātea, Te Uri o Hau, Ngātiwai and Ngāpuhi settlements.

Treaty of Waitangi commitments

In the past year, on behalf of the Crown, we have:

- noted right of first refusal¹² memorials on **48 records** of title to ensure the Crown complies with its Treaty settlement obligations with Ngāti Hinerangi
- prepared **94 properties** for inclusion in the Deeds of Settlement for the Te Ākitai Waiohū, Ngāti Maru and Ngāti Maniapoto Treaty settlements

- sold **12 properties** to iwi
- transferred **two commercial** redress properties to iwi
- created a title for **one cultural** redress property¹³.

The New Zealand Geographic Board, Ngā Pou Taunaha o Aotearoa, reviews place name proposals as part of the process of the Treaty of Waitangi claims settlement negotiations. The Board makes recommendations to Te Arawhiti for the Minister for Treaty of Waitangi Negotiations and Cabinet to consider. In the past year, the Board received four Treaty place name proposals from one claimant group, Te Korowai o Wainuiārua. For further information on the performance of the Board, see Appendix B.

Following the signing of a Treaty settlement, our work includes obtaining surveys and valuations, and issuing titles to complete the transfer of the land to iwi ownership. There are 11 titles of Crown-owned forestry licensed land that we did not transfer to iwi within the agreed five-year timeframe. To remedy this, we established a dedicated team and worked with Te Arawhiti to expedite these title transfers.

¹² A right of first refusal puts iwi in a priority position to purchase or lease Crown-owned land.

¹³ A cultural redress property is a property that an iwi has identified as culturally significant to them and vests in the name of the post-settlement governance entity (iwi settlement trustees) through the settlement legislation.

Case study

Mahi tahi – Te Rūnanga o Hokonui

Since October 2020, we have been working with members of Te Rūnanga o Hokonui to restore native wildlife and plants that once thrived in the Hokonui Hills of Southland.

The Hokonui project is part of the Government's Jobs for Nature COVID-19 recovery package. In this context, we are working with other government agencies, councils, iwi and community groups to create sustainable jobs and achieve environmental gains. The Jobs for Nature funding expands our biosecurity work on Crown land and waterways.

We listened to the aspirations Te Rūnanga o Hokonui have for their land and people to uphold their mana and make a difference to their community and the environment over the long term.

The mahi is supporting Te Rūnanga o Hokonui to create enduring change for the community and environment through a \$4 million project over four years.

The project involves expanding a native seed bank and nursery for braided river restoration and carrying out horticulture and ranger training. The first stage will concentrate on 27,000 hectares of native bush and its pastoral edges, and the project is expected to create around 12 jobs.

We have used our geospatial expertise to build an in-field app for Te Rūnanga o Hokonui members to track the seeds they collect for their native plant seed bank. The app records where field staff travel and other data about the seeds they collect. The seed bank will be used to develop a plant nursery.

Te Rūnanga o Hokonui employed seven people in the project's first six months; ranger training will begin in the project's second year.

Our project with Te Rūnanga o Hokonui will also support the return of native birds and other species across the region.



Hokonui seed collection app.

“We have found the staff to be not only respectful of our culture but also of our vision towards biodiversity and te ao tūroa enhancement. We have welcomed the upfront approach for service delivery and the upfront attitude towards decision-making, an attitude that resonates with the Hokonui Rūnanga.”

Pou Takawaenga Taia Kaitiaki Rōpu ki Murihiku (Liaison),
Te Rūnanga o Hokonui

Sharing geospatial knowledge in our community



Duane Wilkins, Senior Advisor Geospatial Capability Building, providing a GIS wānanga for cultural storytelling in Whangarei at the NGEN Lab, in collaboration with the Northland Regional Council.

We promote and share our geospatial knowledge with the community to support decision-making and to tell their stories using geospatial data.

Since October 2020, we have delivered a fortnightly online Ngā Poutama Matawhenua, Practical GIS Mapping, wānanga in conjunction with Te Kahui Manu Hokai, the Māori GIS Association, with support from GIS Journey Limited. The wānanga support iwi, the Māori trusts and environmental groups to use GIS tools and access topographic data, historical imagery, and property data to map their whenua, create 3D stories and flythroughs, and perform spatial analysis.

This initiative has led to kanohi-ki-te-kanohi or face-to-face workshops onsite with Taranaki iwi and Northland hapū. We also undertook a "Whenua Māori Roadshow" in the Te Tai Tokerau region, in collaboration with Te Puni Kōkiri; Te Kooti Whenua the Māori Land Court; and Northland Regional Council.

We have a longstanding relationship with CORE Education's LEARNZ Programme through our work delivering annual geospatial virtual field trips for schools. In November 2020, we helped deliver the LEARNZ virtual field trip "Get outdoors safely: with maps!" with support from the Mountain Safety Council, Rescue Coordination Centre and Police / Search and Rescue. Through the virtual field trips we engage young people in the spatial sciences and showcase our maps and data. As well as contributing to many young people's learning, this helps us foster Aotearoa New Zealand's geospatial industry.

Tō mātou whakahare

Our organisation



Organising Ourselves

In October 2020, Toitū Te Whenua began an organisational change programme centred on three key areas: agile practices, digital delivery, and focusing on our customers.

The programme, named Organising Ourselves, is being led by a small internal team, supported by leaders, and has been an inclusive process involving many of our people and customers through the research and design phases.

We approached Organising Ourselves in two phases.

Phase One set the high-level structure for Toitū Te Whenua and described new ways of working to give effect to our aspirations. We concentrated on placing our functions into a simplified structure to deliver high-quality, easy-to-access services for our customers.

As a result, we have organised ourselves into three large groups and a new function in the Office of the Chief Executive. The new structure aligns our organisation around our customers, a dedicated focus on an agile and digitally enabled future and gives prominence to our role supporting Māori–Crown relations.

Phase Two will look at the structure of functions and teams, and the design of roles within them, to ensure that they are fit for purpose and have the right capability for the future.

The changes introduced through Phase One came into effect on 2 August 2021, and Phase Two will continue throughout 2021/22.

Capability Framework

Our people have deep technical and professional knowledge. To complement this, we have developed our Ngā Pūkenga o Toitū Te Whenua Capability Framework.

Ngā Pūkenga Capability Framework



Ngā Pūkenga describes “how” we do our roles, complemented by the professional and technical skills our people bring to their role. It provides clear expectations and a common language and will be used for performance and development; recruitment and talent management; and career development and progression.

Ngā Pūkenga gives our people more clarity about contributing to a diverse and inclusive organisation and prepares them for opportunities internally and across the public service.

Ngā Pūkenga will be a living document that supports how we’re organised and our ways of working now and in the future.

Ngā Pūkenga is based on the public sector’s Leadership Success Profile and includes five extra capabilities:

Strengthening Māori–Crown relations

Ensuring health, safety and wellbeing

Making change happen

Working / leading inclusively

Providing professional discipline and technical expertise.

Diversity, inclusion and Papa Pounamu

Manaaki Tangata is Toitū Te Whenua's framework to ensure inclusion and diversity are built into all our initiatives. Manaaki Tangata is how we design, consult, implement and work together to uplift our people.

Six concepts underpin Manaaki Tangata

Kotahitanga

Unity and connectedness



Whakamana

Inclusion and recognition of different perspectives

Whakapiki

Growing capability



Manaakitanga

Generosity, respect and care for people in ways that enhance their wellbeing

Whakakaha

Developing and enabling people to strengthen capability



Whakapakari

Taking opportunities to grow my own capability

Manaaki Tangata supports the five priority areas in the public sector’s Papa Pounamu programme, as follows:

Building relationships

Urupounamu, our people engagement survey, shows that our people see a strong connection between themselves and their immediate leaders. Forty of our people are mentoring their colleagues in a pilot programme, focusing on career development and skills.

Measure	CY 2020 Rating
My immediate leader supports people who bring innovative ideas	79%
My immediate leader shares information with me that enables me to do my job effectively	79%
The actions of my immediate leader are consistent with our BEST ¹⁴ values	79%
My immediate leader provides me opportunities to develop my skills and competencies	77%

Our approach to flexible work is that our people are able to work flexibly by default. In a March 2021 survey, 95 percent of people leaders said flexible work arrangements had a positive impact on their direct reports. A total of 74 percent of people leaders said they had to change their management approach as a consequence of this change, including by improving planning and communication in their teams.

Our people also saw flexible working arrangements as having neutral impact on their customers (74.3 percent) and a neutral impact on others who did not have flexible working arrangements (70 percent).

14 BEST – Bold Māia | Expert Matatau | Stronger Together Whakapipiri.

Developing inclusive leadership

We are piloting a new leadership programme that features a core component on how leaders can create a sense of belonging. The pilot, involving a cohort of 11 leaders, is due to be completed in October 2021. We will then evaluate the pilot to determine its effectiveness.

Importantly, working and leading inclusively is included in Ngā Pūkenga. This gives us clear expectations for how all our people work towards creating an inclusive workplace. Our people have begun incorporating Ngā Pūkenga into their performance and development discussions with their leaders.

Building our cultural competence

We celebrate our cultures and communities to raise awareness of different experiences and perspectives. We promote the use and celebration of Māori language and culture through our whānau groups in our three offices, our He Pikinga programme and our Māori language plan.

Our Pasifika network connects and supports our Pasifika people. This network is also exploring the sharing of ideas, resources and stories of other Pasifika groups across the public sector.



Our people in the Hamilton office.

Addressing bias

Nearly all our leaders and 51.2 percent of our people have completed our online training on unconscious bias. We require all our people leaders to complete this training, and all our new staff complete it as part of their induction. Our Executive Leadership Team recently completed a bespoke session aimed at building understanding of the sources of unconscious bias and recognising and managing its impact.

Over 2020/21 we have been reviewing all our people-related policies to ensure they are fit for purpose and aligned to Manaaki Tangata to ensure equity of our people.

Enhancing employee-led networks

We have young professional, Māori, Pasifika, Rainbow and women's employee-led networks. We have established a network hub so all our employee-led networks can share expertise. The networks provide feedback on our policies and processes.

Our Pasifika, Māori, women and young professionals' networks provided input into Phase One of the Organising Ourselves change consultation, which resulted in changes to our design principles and engagement approach.

Our Disability Awareness Action Group has identified several areas for improvement, including the way we gather data on our people.

We are supporting plans to establish an employee-led network for our people who are parents and caregivers. The purpose of the network is to support one another and provide opportunities for social interaction and for sharing concerns, experiences and advice.



Our people at the Cross-Agency Rainbow Network conference at Parliament.

Gender pay gap

Our 2020/21 Gender Pay Gap Action Plan is based on findings of the Public Service Association–Toitū Te Whenua Working Group set up in 2019 to focus on pay equity and address gender pay inequalities. The plan is based around the four focus areas of:

- equal pay for all our people
- flexible work by default
- no bias or discrimination in remuneration systems and human resource practices
- gender-balanced leadership.

Ngā Pūkenga o Toitū Te Whenua was developed to introduce a common capability set and support greater objectivity in terms of the design and description of positions, remuneration, career progression and talent conversations.

We have had a flexible working arrangements policy in place since 2016, it and all other people-related policies were reviewed during 2020/2021 for bias and discrimination following consultation with both our people and Te Pūkenga Here Tikanga Mahi the New Zealand Public Service Association (PSA).

We are refreshing our gender-pay gap action plan for 2021/22 and are in negotiations with the PSA over the new collective agreement for our people. Once the negotiations with the PSA have been completed, we will be well positioned to take action.

Scholarship winner graduates

Our Sam Brown Memorial Scholarship recipient for 2018 and 2019, Teri van Halewyn, graduated with a Master's degree in April.

The scholarship supports people wanting to contribute to Māori and iwi development in the public service, particularly in Toitū Te Whenua.

Teri completed her Master of Policy and Governance at the University of Canterbury, focusing on the evolution and development of iwi land use rights in statute, te Tiriti and Treaty settlement Acts and how those rights are integrated into public policy development.

She shared her skills while on secondment to Te Papa Atawhai, the Department of Conservation, from July 2019 to June 2020.

"My course was hugely relevant to my work at both Toitū Te Whenua and Te Papa Atawhai as it covered many of the topics we encounter every day in a complex land management environment with multiple stakeholders," Teri said.

"The history of land tenure and ownership in Aotearoa is both confronting and challenging and reminds me that we always need to be mindful of that history when we are working on land issues."

Teri van Halewyn

Teri graduated with distinction and won the New Zealand Business and Parliament Trust Prize for the top student in the Master of Policy and Governance programme in her graduating year. No scholarships were awarded in the 2020/21 financial year.



Teri van Halewyn with her mother, Margaret.

Health, safety and wellbeing

We are committed to looking after the health, safety and wellbeing of our people, those we partner with and our customers and visitors.

Measure

CY 2020
Rating

Health and safety is taken seriously at Toitū Te Whenua

76%

Our people believe health and safety is taken seriously and rated it highly in Urupounamu (our people engagement survey).

The increase in completed site-specific safety plans and safety assessments demonstrates increasing proactive health and safety risk management.

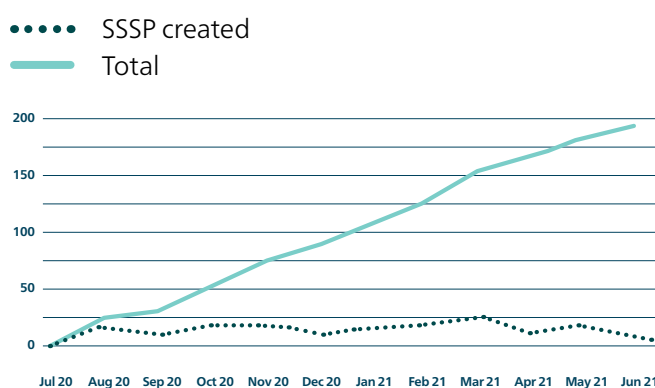
Our Executive Leadership Team governs health, safety and wellbeing through monthly governance meetings, and monitors our critical health, safety and wellbeing risks. These include:

- the use of vessels during hydrographic surveying
- the use of helicopters
- roadside working
- psychosocial risks
- driving on and off road
- demolition
- tree felling.

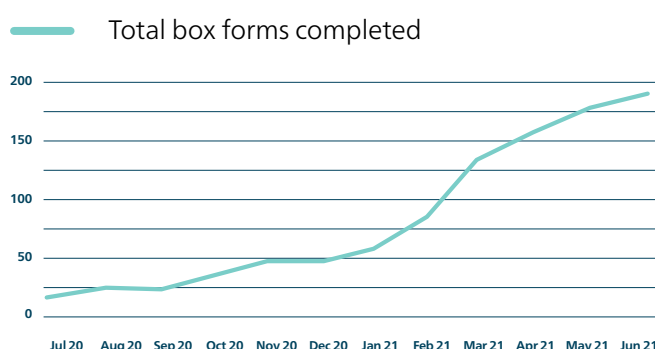
Our refreshed regional Health and Safety Committees, along with the National Health and Safety Committee, actively engage with our people and Te Pūkenga Here Tikanga Mahi the New Zealand Public Service Association, ensuring effective management of health, safety and wellbeing. The following events, grouped by hazard category, were reported in 2020/21.



Site-specific safety plans (SSSPs) completed (2020/21)

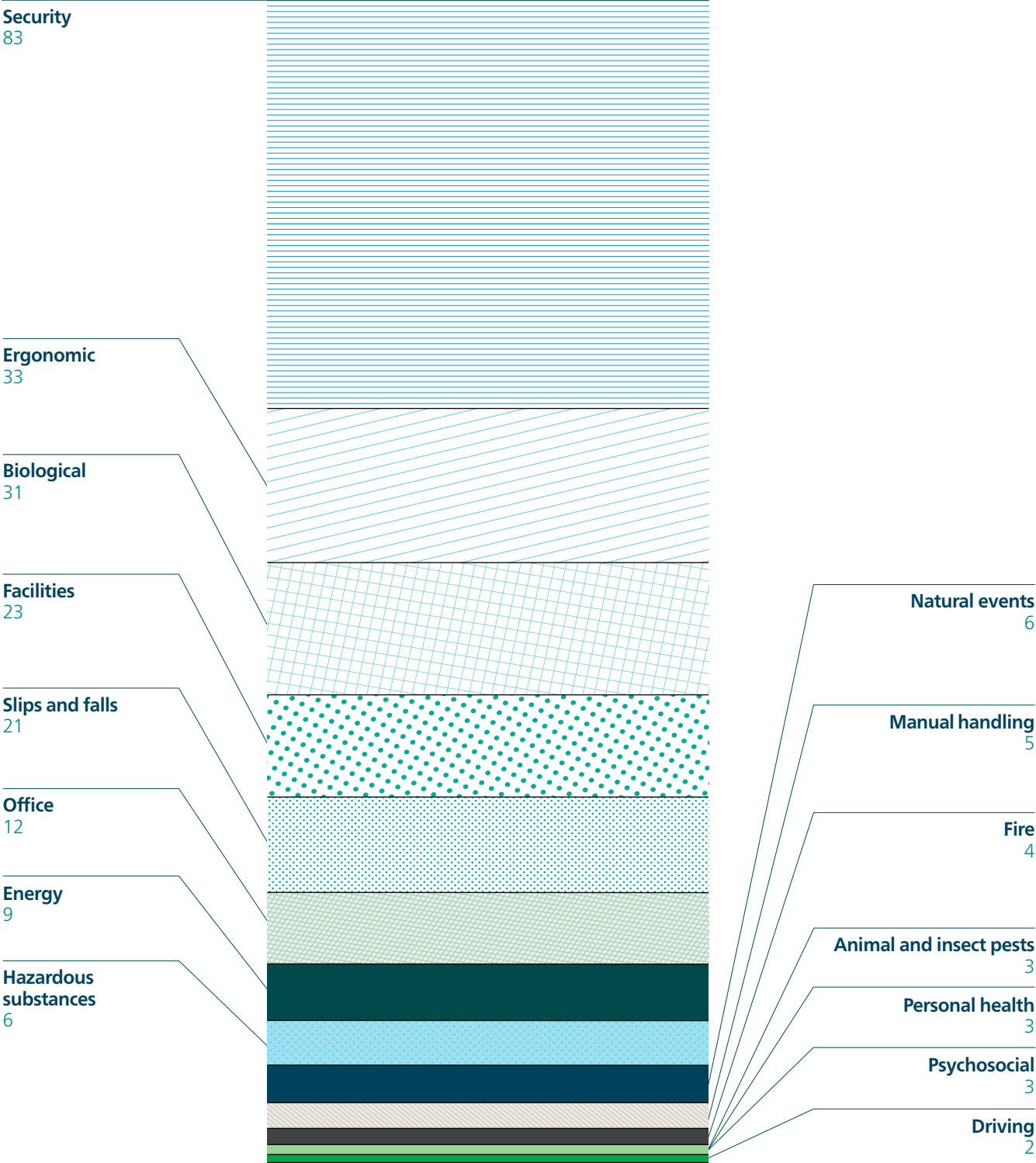


Safety assessments completed (2020/21)





Health and safety events, by hazard category (2020/21)



In response to a health and safety training needs analysis, we:

- developed guidelines to support how we partner with suppliers to ensure a collaborative health and safety environment
- improved our online health and safety induction module and health and safety representative site tours
- developed guidelines and refreshed our health and safety committees to better support our people's health, safety and wellbeing
- developed an asbestos management plan and supporting online training module.

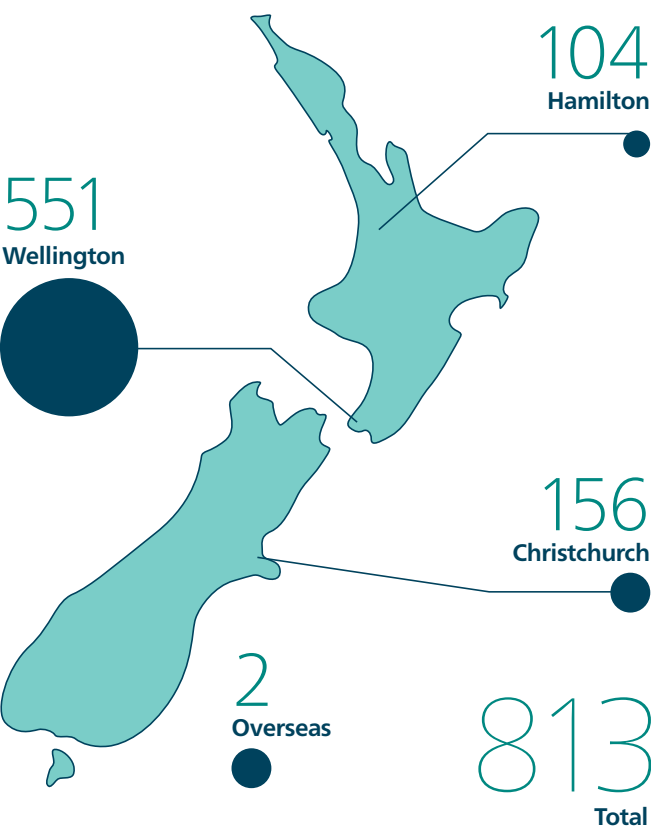


Staff and contractors looking at plans before works commence on a new wastewater system at Tokanui.

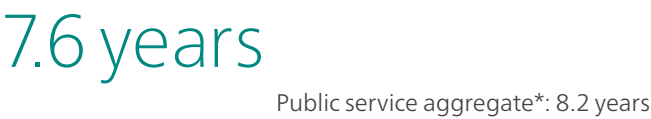
Our people

The 2020/21 profile of our people
(as at 30 June 2021)¹⁵

Headcount

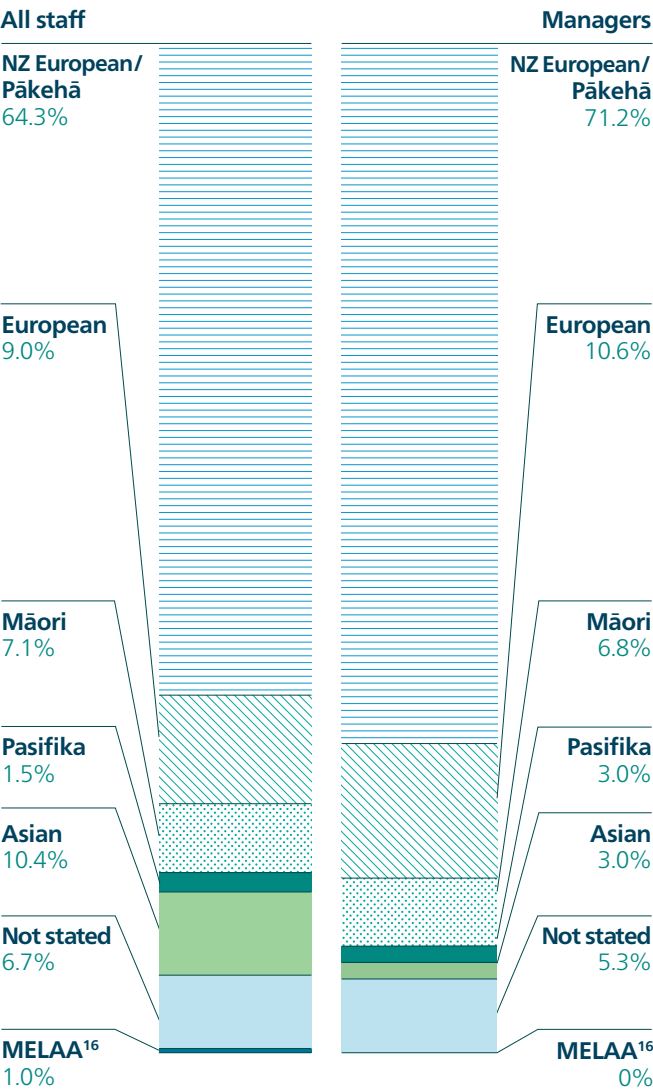


Average tenure



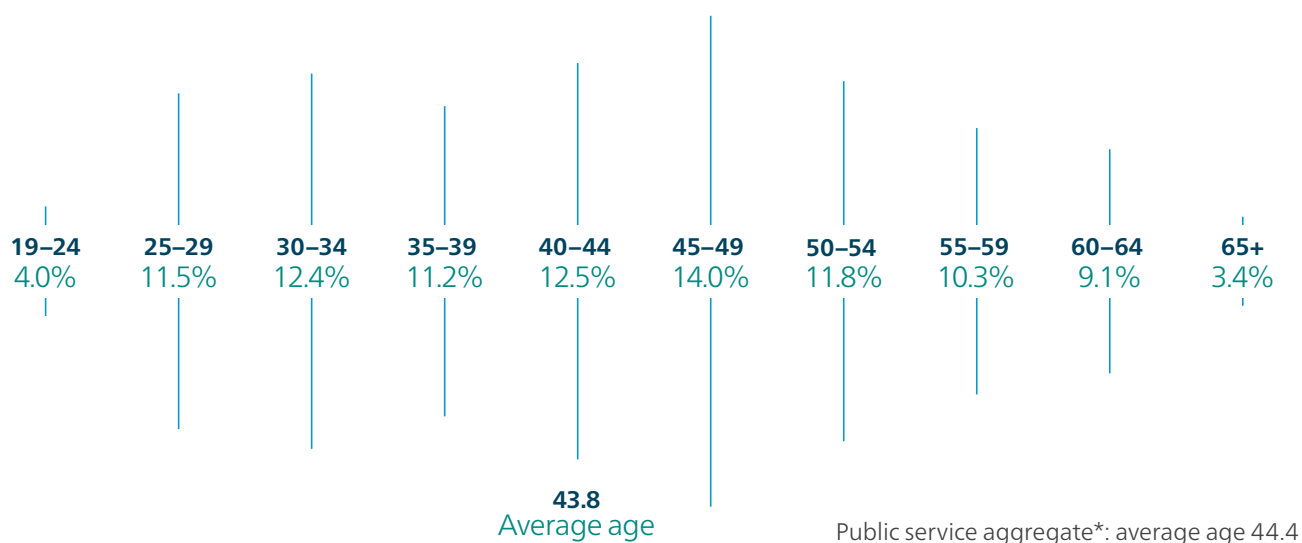
*at 30 June 2020.
15 Includes all active employees and excludes contractors and those on leave without pay.
16 Middle Eastern, Latin American and African.

Ethnic diversity





Age brackets



Gender diversity

All staff

Female
51.1%

Male
48.8%

Managers

Female
48.9%

Male
51.1%

Organisation level (% of all staff)

Level 1
0.1%

Female 100%

Level 2
1%

Female 50%

Male 50%

Level 3
6.8%

Female 56.4%

Male 43.6%

Level 4
19.2%

Female 52.9%

Male 47.1%

Level 5
40.1%

Female 52.2%

Male 47.5%

Level 6
32.8%

Female 47.5%

Male 52.5%

Public service aggregate*: 53.6% female (all staff)



Gender pay gap

9.5%

Public service aggregate*: 9.9%

*at 30 June 2020.

Enabling digital delivery

As our organisation grows and we expand our IT services, we have seen the need to refresh our multi-year Information Systems Strategic Plan (ISSP), ensuring we simplify and modernise our digital environment in the process.

The ISSP seeks to shift our mind-set toward a more customer-centric, and agile, way of working. Activities include simplifying the number of applications we use, treating data as a strategic asset, and co-creating new services with our customers.

Looking ahead

At the same time, an organisation-wide Digital Intent is evolving to define our long-term digital aspirations and complement the ISSP. Digital Intent takes the Government Chief Digital Officer guidelines into account – including agile delivery – to help support government-wide digital outcomes.

Keeping connected

This year we completed and launched our new intranet – Whatukura. It provides a dynamic, easy-to-use basket of information, tools and resources to help our people in their roles and keep them connected with each other.

We continue to work on delivering our key services via the public cloud and with flexible working technology enables us to provide our customers with the right information at the right time.

Focusing on accessibility

Over the past two years, we have ensured all our public information meets the Government's web accessibility and usability standards. We are now redeveloping and improving our public facing website as part of our focus on being more customer-centric.

Managing risk is an integral part of our business

Our people have put considerable effort into better understanding and articulating Toitū Te Whenua's key risks and the drivers of risk. We have taken steps to strengthen oversight and acquire evidence-based assurance.

Our people are supported by our Risk and Assurance team, who provide an enterprise-wide risk management approach to managing key risks to Toitū Te Whenua's objectives. The Executive Leadership Team maintains oversight of key risks.

Our external Risk and Assurance Committee provides independent advice to support the Chief Executive in fulfilling her governance and management duties. It also challenges us in terms of our performance, strategy, risk, internal control and assurance matters. The committee comprises three independent members with experience across governance, public sector management and risk management.

These members are:

Jan Smolnicki (Chair)

Former partner at PricewaterhouseCoopers, specialising in assurance

Jane Meares

Barrister and former Chief Legal Adviser at Te Tai Ōhanga, The Treasury

Jenn Bestwick

Independent director.

Laying the foundations for reducing our carbon emissions

We are a member of the all-of-government group supporting the Carbon Neutral Government Programme (CNGP).

Our procurement policy ensures we consider social, economic, cultural and environmental outcomes when we procure goods and services. This year we reduced landfill waste in building demolition and paid a living wage to our cleaners.

We are using data from the 2019/20 financial year as a baseline to develop our Greenhouse Gas Emissions Inventory Report and Emissions Management Reduction Plan to meet the expectations of the CNGP. We expect to meet the CNGP mandatory reporting requirements from the 2021/22 financial year.

Case study

Recycling demolition material from Masterton Hospital

This year we began to demolish the old Masterton hospital, which we manage as part of the Treaty Settlements Landbank.

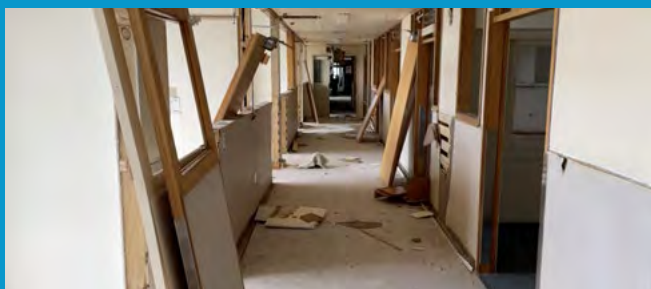
The former hospital site, including 26 buildings, had been vacant for more than 10 years. The hospital served the community from 1907 until 2006.

We worked closely with the Wairarapa District Health Board, which expressed interest in items of historic and sentimental value, including weathervanes and bricks.

We salvaged materials including native timber, cabinetry, ceramics, doors, balustrades and recyclable metals. Some of the salvaged native timber was offered to local iwi Ngāti Kahungunu and Rangitāne o Wairarapa. The timber is of significant cultural value and may be used for carving.



Masterton hospital buildings.



Recovering salvageable material.

With our contractor, we developed a plan that will divert about 2,500 cubic metres – the volume of an Olympic swimming pool – of material from landfill. This includes stripping poisonous lead-based paint off the largest building on the site so that building materials can be recycled for roading, driveways or construction. Without removing this toxic paint, this material would have gone to landfill.

The demolition is expected to be completed mid calendar year 2022.



A contractor working in the boiler room at the old Masterton Hospital.



Tā mātou pūrongo mahi Our performance reporting

This section presents our delivery of outputs against the performance measures set out in the Estimates of Appropriations for **Vote Lands 2020/21**.

The Estimates of Appropriations are available from the Treasury's website (treasury.govt.nz/publications/budgets/budget-2020).

Unless otherwise specified, financial information in this section relates to departmental funding.

Compliance with and administration of the overseas investment regime


This appropriation is intended to achieve the effective administration of the overseas investment regime.

Performance measures


Ministerial satisfaction of Land Information New Zealand's advice on overseas investment matters.

2019/20 Actual	Budget standard	2020/21 Actual
7/10 ¹⁷	3.5/5	4/5 ¹⁸ 


The number of industry articles and presentations delivered to stakeholders each year by the Overseas Investment Office.

2019/20 Actual	Budget standard	2020/21 Actual
46	At least 40	40 

The percentage of Significant Business Assets applications for consent decided within 40 working days – excludes retrospective applications and applications pending investigation.

2019/20 Actual	Budget standard	2020/21 Actual
100%	75%	97.1% ¹⁹ 

The percentage of Sensitive Land applications for consent decided within 65 working days – including benefit only; Substantial & Identifiable; and permanent residency; excludes retrospective applications and applications pending investigation.

2019/20 Actual	Budget standard	2020/21 Actual
85%	75%	92.5% ²⁰ 

¹⁷ In 2019/20 the budget standard was 7/10.

¹⁸ The result is the average of the ratings provided by the Minister of Finance and the Minister for Land Information.


¹⁹ We decided 34 Significant Business Assets applications in 2020/21.

²⁰ We decided 40 Sensitive Land applications in 2020/21.


The percentage of applications for consent for a house to live in decided within 10 working days – excluding non-individual applicants.

2019/20 Actual	Budget standard	2020/21 Actual
100%	90%	100% ²¹ 


The percentage of emergency notification pathway 'call-in' assessments decided within 10 working days.

2019/20 Actual	Budget standard	2020/21 Actual
New measure	90%	98.1% ²³ 

The percentage of other applications for consent decided within 50 working days – including Forestry, New Build, Non-Residential, consents for a house to live in where there is sensitive land and / or the applicant is a non-individual; but excluding standing consents.

2019/20 Actual	Budget standard	2020/21 Actual
98%	90%	100% ²² 

The percentage of 'Home to Live In' non-compliance issues detected that are reviewed within 5 working days.

2019/20 Actual	Budget standard	2020/21 Actual
100%	90%	100% ²⁴ 

21 We decided 177 house to live in applications in 2020/21.

22 We decided 48 other applications for consent in 2020/21.

23 We decided 532 emergency notification pathway 'call-in' assessments in 2020/21.


24 We monitored a total of 13 non-compliance 'Home to live in' issues in 2020/21. All of them were referred to Enforcement for action.

Compliance with and administration of the overseas investment regime

The percentage of 'other pathways' non-compliance issues detected that are reviewed within 10 working days.

2019/20 Actual	Budget standard	2020/21 Actual
100%	90%	98.1% ²⁵ 

The number of enforcement actions taken by Land Information New Zealand's Overseas Investment Office.

2019/20 Actual	Budget standard	2020/21 Actual
46	At least 40	44 


The percentage of incidents reviewed for possible breach of the Overseas Investment Act 2005 within 10 working days of receipt.

2019/20 Actual	Budget standard	2020/21 Actual
98%	90%	99% ²⁶ 


The satisfaction score given by the Minister for Land Information for the quality of Ministerial support services provided by Land Information New Zealand.ⁱ

2019/20 Actual	Budget standard	2020/21 Actual
4/5 ⁱⁱ	3.5/5	5/5 

The number of investments with a proactive monitoring regime.

2019/20 Actual	Budget standard	2020/21 Actual
28%	At least 24	39 

The satisfaction score given by the Minister for Land Information for the quality of Land Information New Zealand's policy advice.ⁱ

2019/20 Actual	Budget standard	2020/21 Actual
3.95/5 ⁱⁱ	3.5/5	4.4/5 

²⁵ We monitored a total of 53 non-compliance 'other pathways' issues in 2020/21. Of these, 26 were referred to Enforcement for action; 20 required no further action; two were referred to another agency; and five required further analysis.

²⁶ We reviewed 193 incidents for possible breach of the Overseas Investment Act 2005 in 2020/21.


Hydrographic survey

Multi-year appropriation


This appropriation is intended to achieve the collection and analysis of location-based information from marine, coastal and related environments.

Performance measure

The quality of policy advice papers.ⁱ

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	90% of papers score at least 3/5	65% 

The percentage of new information from hydrographic surveys that is available on charting products within 12 months of acceptance.

2019/20 Actual	Budget standard	2020/21 Actual
100%	100%	0% ²⁷ 

Financial performance

Compliance with and administration of the overseas investment regime

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
6,961	Revenue Crown	9,051	9,051
7,241	Revenue other	14,131	6,548
14,202	Total revenue	23,182	15,599
15,012	Total expenses	23,182	14,309
(810)	Net surplus/(deficit)	–	(1,290)

- The scope of these measures covers all of our policy advice and support. They are also reported under the Crown land, Location-based information and Property rights multi-category appropriations.
- These measures were previously reported under the Policy advice and related services multi-category appropriation.

Financial performance

Hydrographic survey
Multi-year appropriation

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
3,850	Revenue Crown	3,009	2,968
3,936	Revenue other	1,419	379
7,786	Total revenue	4,428	3,347
6,627	Total expenses	4,428	3,347
1,159	Net surplus/(deficit)	–	–

27 Charting products for Fiordland, due in January 2021, were delayed due to resourcing impacts from COVID-19. Critical safety information was issued to users through the fortnightly Notices to Mariners process.


Land Information New Zealand – Capital expenditure

Permanent legislative authority

This appropriation is intended to achieve the renewal, upgrade and redesign of life-expired assets and the purchase of new assets in support of the delivery of Land Information New Zealand's services.

Performance measure

Expenditure is in accordance with the department's intentions to renew and replace computer equipment, software, furniture and fittings, leasehold improvements, and office equipment.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved 

Financial performance

Land Information New Zealand
– Capital expenditure
Permanent legislative authority

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
2,326	Property, plant and equipment	705	751
13,256	Intangibles	27,492	19,561
15,582	Total expenses departmental	28,197	20,312

Canterbury earthquake recovery land ownership and management

Multi-category appropriation

The overarching purpose of this appropriation is to support the recovery of Canterbury through the purchase, clearance, maintenance and management of land affected by the Canterbury earthquakes.

Performance measure

Ministerial satisfaction with Land Information New Zealand's Residential Red Zone activities.

2019/20 Actual	Budget standard	2020/21 Actual
9/10 ²⁸	3.5/5	5/5 

Financial performance

Canterbury earthquake recovery
land ownership and management
Departmental and non-departmental

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
5,889	Revenue Crown	6,400	6,400
–	Revenue other	–	–
5,889	Total revenue	6,400	6,400
7,561	Total expenses departmental	6,400	3,364
84,348	Total expenses non-departmental	76,327	51,494
(86,020)	Net surplus/(deficit)	(76,327)	(48,458)


²⁸ In 2019/20 the budget standard was 7/10.

Managing the recovery

This category is intended to achieve the management of properties and associated issues relating to the Canterbury earthquakes.

Performance measure

LINZ meets its obligations under the Global Settlement Agreement.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	Achieved	Achieved 

Financial performance

Managing the recovery


Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
5,889	Revenue Crown	6,400	6,400
–	Revenue other	–	–
5,889	Total revenue	6,400	6,400
7,561	Total expenses	6,400	3,364
(1,672)	Net surplus/(deficit)	–	3,036

Management, clearance and assistance of land and built structures


This category is intended to achieve management of Crown-owned land, including clearance of built structures and other works deemed necessary, affected by the Canterbury earthquakes.

Performance measures

Percentage of demolitions and further works on Crown-owned properties in the CBD completed by the transfer date mutually agreed with Ōtākaro Ltd.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	100%	100% 

Percentage of Residential Red Zone and CBD maintenance activities executed as per the maintenance contract specifications.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	100%	100% 

Financial performance

Management, clearance and assistance of land and built structures
Non-departmental

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
5,787	Total expenses	7,943	2,795
(5,787)	Net surplus/(deficit)	(7,943)	(2,795)


Crown land

Multi-category appropriation

The overarching purpose of this appropriation is to enable the best economic, environmental and recreational uses of Crown-owned and Crown-used land.

Performance measure

Stakeholder satisfaction with Land Information New Zealand's Crown land performance.

2019/20 Actual	Budget standard	2020/21 Actual
6.6/10	7/10	6.8/10 ²⁹ 

Financial performance

Crown land
Multi-category appropriation

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
35,329	Revenue Crown	49,029	49,029
4,246	Revenue other	8,995	4,211
39,575	Total revenue	58,024	53,240
38,443	Total expenses departmental	58,024	49,915
11,322	Total expenses non-departmental	16,143	13,336
(10,190)	Net surplus/(deficit)	(16,143)	(10,011)

²⁹ In 2020/21, we focused on our relationship with pastoral lessees; results show an improvement in stakeholder satisfaction in this area (from 4.3/10 in 2019/20 to 6.23/10 in 2020/21). 13 pastoral lessees responded to the survey. Seven pastoral service providers responded with an overall satisfaction of 8/10. Twelve Biosecurity stakeholders responded with an overall satisfaction of 8/10. Eighteen accredited suppliers responded with an overall satisfaction of 6.5/10. Two stakeholders with whom we have a memorandum of understanding responded with an overall satisfaction of 7/10. Six public land managers responded with an overall satisfaction of 5.5/10. Three public land practitioners responded with an overall satisfaction of 5.67/10.

³⁰ No property portfolios were transferred to LINZ.


Crown land

management expenses

This category is intended to achieve the effective management of Crown land and the provision of associated advice and services to support Ministers to discharge their portfolio responsibilities.

Performance measures


Percentage of property portfolios currently on the LINZ balance sheet or managed on behalf of other agencies that have a strategic asset management plan as at 30 June 2021.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	100%	100% 

Percentage of property portfolios transferred to LINZ management from other agencies that have a completed strategic asset management plan within 9 months of transition date.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	100%	N/A ³⁰


Percentage of LINZ-owned properties that have a primary public value identified, e.g. social, environment, economic, heritage and culture, in their strategic asset management plan.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	80%	88% 


Infestation at key sites is controlled in accordance with agreed plan.³¹

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Within 10% of the agreed plan	Achieved ³² 


Percentage of properties disposed of where the realised disposal value is no less than 90% of current market value.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	80%	93.75% ³⁴ 


The percentage of pastoral leases that have been inspected within the year.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	45%	51.3% ³³ 


Percentage of properties that are disposed of within 36 months of entering the disposal programme.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	75%	78% ³⁵ 

Outstanding rent is no more than 4% of total rental revenue.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved 

Percentage of priority clearances decisions (where urgency is requested by customer) made within customer defined timeframes.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	95%	99% ³⁶ 

31 The infestation management plan is prepared in agreement with Taihoro Nukurangi, the National Institute of Water and Atmospheric Research (NIWA).

32 The overall average achievement score across all sites is 98 percent, indicating continued progress in reducing aquatic weed and maintaining past gains at these key sites.

33 We inspected 80 out of a total of 156 pastoral leases.


34 We disposed of 80 properties, with a total realised disposal value of \$45.9 million.

35 The average disposal time was 31 months.

36 A total of 469 priority clearances decisions were made in 2020/21.

Crown land management expenses

Percentage of non-priority clearances decisions made within 15 working days.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	80%	85% ³⁷ 


The satisfaction score given by the Minister for Land Information for the quality of Ministerial support services provided by Land Information New Zealand.ⁱⁱⁱ

2019/20 Actual	Budget standard	2020/21 Actual
4/5 ^{iv}	3.5/5	5/5 

The satisfaction score given by the Minister for Land Information for the quality of Land Information New Zealand's policy advice.ⁱⁱⁱ

2019/20 Actual	Budget standard	2020/21 Actual
3.95/5 ^{iv}	3.5/5	4.4/5 

The quality of policy advice papers.ⁱⁱⁱ

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	90% of papers score at least 3/5	65% 

Financial performance

Crown land management expenses

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
1,641	Revenue Crown	49,029	49,029
585	Revenue other	8,995	4,211
2,226	Total revenue	58,024	53,240
2,603	Total expenses departmental	58,024	49,915
(377)	Net surplus/(deficit)	–	3,325

iii. The scope of these measures covers all of our policy advice and support. They are also reported under the Compliance with and administration of the overseas investment regime, Location-based information and Property rights multi-category appropriations.

iv. These measures were previously reported under the Policy advice and related services multi-category appropriation.


³⁷ A total of 1,286 clearances decisions were made in 2020/21.

Contaminated sites and forestry operations

This category is intended to achieve rehabilitation of contaminated sites for which the Crown has accepted responsibility and forestry operations on Crown land.

Performance measure

Harvesting is completed in accordance with the plan agreed with the forest manager.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	Achieved	Achieved 

Financial performance

Contaminated sites and forestry operations
Non-departmental

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
2,186	Total expenses	4,370	1,826
(2,186)	Net surplus/(deficit)	(4,370)	(1,826)


Location based information

Multi-category appropriation

The overarching purpose of this appropriation is to enable location information to be widely available, easily accessible and readily used.

Performance measures

Customer satisfaction with Land Information New Zealand's location based information products and services.

2019/20 Actual	Budget standard	2020/21 Actual
8.2/10	7/10	8.16/10 

Location based information


Multi-category appropriation

Administration of the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa


This category is intended to achieve high-quality advice and decision-making on official place names in accordance with the New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Act 2008.

Performance measure

Data released by Land Information New Zealand has been assessed under NZGOAL³⁸ and appropriately licensed.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved ³⁹ 

New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) satisfaction with the support provided by the Secretariat.

2019/20 Actual	Budget standard	2020/21 Actual
9.3/10	7/10	9.71/10 

Financial performance

Location based information
Multi-category appropriation

Financial performance

Administration of the New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
23,433	Revenue Crown	24,742	24,742
932	Revenue other	1,654	774
24,365	Total revenue	26,396	25,516
20,877	Total expenses departmental	26,396	23,448
1,779	Total expenses non-departmental	5,371	3,124
1,709	Net surplus/(deficit)	(5,371)	(1,056)

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
783	Revenue Crown	783	783
-	Revenue other	-	-
783	Total revenue	783	783
952	Total expenses	783	926
(169)	Net surplus/(deficit)	-	(143)

³⁸ For more information on the New Zealand Government Open Access and Licensing (NZGOAL) framework, visit the data.govt.nz website.


³⁹ All published data has been assessed and is NZGOAL-compliant. One data set ('property owners') uses a custom licence to protect personal data. This has been reviewed and considered appropriately licensed.

Land Information New Zealand location based information infrastructure


This category is intended to achieve the undertaking of location based information infrastructure, and the provision of associated advice and services to support Ministers to discharge their portfolio responsibilities.

Performance measures


Current address information is received or sought from territorial authorities at least every three months.

2019/20 Actual	Budget standard	2020/21 Actual
100%	95%	100% 


The percentage of cadastral surveys that are connected to geodetic marks.

2019/20 Actual	Budget standard	2020/21 Actual
99.6%	98%	99.7% 


The percentage of Topo50 maps of mainland New Zealand that are reviewed and updated at least once every 7 years.

2019/20 Actual	Budget standard	2020/21 Actual
100%	95%	100% 


Maritime hazards and critical information are notified within 1 working day.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved 

Availability of Global Navigation Satellite System data is in accordance with agreed timeframes.⁴⁰

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved 


The percentage of sea level data transmitted and received within 10 minutes.

2019/20 Actual	Budget standard	2020/21 Actual
98.1%	95%	98.2% 


40 Timeframes vary for different data and are specified in the contract specifications supplied to the contractor.

Land Information New Zealand location based information infrastructure


Identified key data sets are maintained or improved.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved ⁴¹ 

LINZ administers the New Zealand Regional Elevation Data Capture Project in accordance with the 2018 Memorandum of Understanding with MBIE.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved 

A contract for the delivery of the Australia – New Zealand regional satellite-based augmentation system has been executed by 30 June 2022.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	Achieved	N/A ⁴² 

The satisfaction score given by the Minister for Land Information for the quality of Ministerial support services provided by Land Information New Zealand.^v

2019/20 Actual	Budget standard	2020/21 Actual
4/5 ^{vi} 	3.5/5	5/5 

⁴¹ At present, this measure only includes data sets key to resolving the challenges of resilience and climate change. As we progressively identify further key data sets, these will be baselined and included in the measure. Key data sets are identified and agreed with our stakeholders.

⁴² We are working with Geoscience Australia in procuring a regional satellite-based augmentation system by 30 June 2022.

Regional elevation data capture – delivery

Non-departmental


This category is intended to achieve increased coverage of elevation data for New Zealand.

Performance measure

The satisfaction score given by the Minister for Land Information for the quality of Land Information New Zealand's policy advice.^v

2019/20 Actual	Budget standard	2020/21 Actual
3.95/5 ^{vi}	3.5/5	4.4/5 

The quality of policy advice papers.^v

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	90% of papers score at least 3/5	65% 


Financial performance

Location based information infrastructure

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
22,650	Revenue Crown	23,959	23,959
932	Revenue other	1,654	774
23,582	Total revenue	25,613	24,733
19,925	Total expenses	25,613	22,522
3,657	Net surplus/(deficit)	–	2,211

- v. The scope of these measures covers all of our policy advice and support. They are also reported under the Compliance with and administration of the overseas investment regime, Crown land and Property rights multi-category appropriations.
- vi. These measures were previously reported under the Policy advice and related services multi-category appropriation.

All Provincial Growth Fund co-funding is distributed in accordance with completion milestones outlined in contracts between LINZ and successful applicant councils.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved 

Financial performance

Regional elevation data capture – delivery
Non-departmental

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
1,779	Total expenses	5,371	3,124
(1,779)	Net surplus/(deficit)	(5,371)	(3,124)


Property rights

Multi-category appropriation

The overarching purpose of this appropriation is to ensure that property rights and information are clear, certain, easily tradable and accessible.

Performance measure

Customer satisfaction with survey and title services.

2019/20 Actual	Budget standard	2020/21 Actual
8.2/10	7/10	7.95/10 

Financial performance

Property rights
Multi-category appropriation


Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
1,891	Revenue Crown	1,412	1,412
67,563	Revenue other	77,157	82,455
69,454	Total revenue	78,569	83,867
73,496	Total expenses departmental	78,569	69,456
400	Total expenses non-departmental	1,286	1,292
(4,442)	Net surplus/(deficit)	(1,286)	13,119

Property rights expenses


This category is intended to achieve the provision of the survey and title system (including establishing standards), the certification of rating revaluations and administration of the Valuers Registration Board, and the provision of associated advice and services to support Ministers to discharge their portfolio responsibilities.

Performance measures


Valuers Registration Board satisfaction with support provided by Land Information New Zealand.

2019/20 Actual	Budget standard	2020/21 Actual
10/10	7/10	9/10 

The time to investigate complaints against valuers is maintained or improved.


2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved ⁴³ 

The percentage of objections to rating valuations that are settled within plus or minus 30 percent of the original rating valuation.

2019/20 Actual	Budget standard	2020/21 Actual
90%	80%	90% 

⁴³ In 2020/21, seven investigations were completed, with an average completion time of four months.


Initial carrying capacity assessments are accepted by Crown pastoral lessees in accordance with the agreed plan.

2019/20 Actual	Budget standard	2020/21 Actual
Achieved	Achieved	Achieved ⁴⁴ 


Percentage of approved cadastral survey data sets requiring correction.

2019/20 Actual	Budget standard	2020/21 Actual
1.7%	Less than 2%	1.45% 


Landonline system is available to customers in accordance with agreed times.⁴⁵

2019/20 Actual	Budget standard	2020/21 Actual
99.79%	99.5%	99.93% 


Time to integrate approved cadastral survey data sets into the cadastre.

2019/20 Actual	Budget standard	2020/21 Actual
Average of 5.48 days; 99% processed in 31.3 days	Average of 5.7 days; 99% processed in 29.5 days	Average of 8.07 days; 99% processed in 183.63 days ⁴⁶ 

Time to approve compliant cadastral survey data sets.

2019/20 Actual	Budget standard	2020/21 Actual
Average of 8.05 days; 99% approved within 21.4 days	Average of 6.7 days; 99% approved within 40.4 days	Average of 10.10 days; 99% approved within 25.04 days ^{vii} 

Time to process compliant manual title transactions.

2019/20 Actual	Budget standard	2020/21 Actual
Average of 5.65 days; 99% integrated in 22.36 days	Average of 6.5 days; 99% integrated in 33.2 days	Average of 8.50 days; 99% integrated in 28.08 days ^{vii} 


44 All assessments were accepted in accordance with the agreed plan. In 2019/20, 95 percent of all assessments were accepted.

45 The Landonline system is available to customers from 6am to 10pm Monday to Thursday, 6am to 7pm Friday and 9am to 5pm Saturday.

46 The overall performance was negatively impacted due to 16 outdated adjustments that took 300 days or more. This represents 0.15 percent of the 10,780 total adjustments.

Property rights expenses

The percentage of title transactions requiring correction.

2019/20 Actual	Budget standard	2020/21 Actual
0.12%	Less than 0.2%	0.12% 

The satisfaction score given by the Minister for Land Information for the quality of Ministerial support services provided by Land Information New Zealand.^{viii}

2019/20 Actual	Budget standard	2020/21 Actual
4/5 ^{ix}	3.5/5	5/5 

The satisfaction score given by the Minister for Land Information for the quality of Land Information New Zealand's policy advice.^{viii}

2019/20 Actual	Budget standard	2020/21 Actual
3.95/5 ^{ix}	3.5/5	4.4/5 

The quality of policy advice papers.^{viii}

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	90% of papers score at least 3/5	65% 

Financial performance

Property rights expenses

Actual 2020 \$000		Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
1,891	Revenue Crown	1,412	1,412
67,563	Revenue other	77,157	82,455
69,454	Total revenue	78,569	83,867
73,496	Total expenses	78,569	69,456
(5,683)	Net surplus/(deficit)	-	14,411

vii. The recovery of New Zealand's property market since the initial COVID-19 response has outperformed our forecasted volumes, which were modelled on a slower recovery. Due to the skilled nature of the work, we were unable to scale up resources at short notice.

viii. The scope of these measures covers all of our policy advice and support. They are also reported under the Compliance with and administration of the overseas investment regime, Crown land and Location-based information multi-category appropriations.

ix. These measures were previously reported under the Policy advice and related services multi-category appropriation.

Purchase and preparation of assets for possible use in future Treaty of Waitangi settlements

Multi-category appropriation

The overarching purpose of this appropriation is to support the Treaty settlement process through providing for the purchase and preparation of assets for potential use in Treaty settlements.

Performance measure

Ministerial satisfaction with Land Information New Zealand's management of the Treaty Settlement Landbank.

2019/20 Actual	Budget standard	2020/21 Actual
9/10	3.5/5	4/5 

Financial performance

Purchase and preparation of assets for possible use in future Treaty of Waitangi settlements
Multi-year appropriation


Actual 2020 \$000	Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
7,032	Total expenses	74,763
(7,032)	Net surplus/(deficit)	(10,998)

Preparation of assets

This category is intended to achieve the efficient and effective preparation of assets for possible use in future Treaty of Waitangi Settlements.

Performance measure

Demolition or remediation work is carried out on Treaty Settlement Landbank properties in accordance with the prioritised plan.

2019/20 Actual	Budget standard	2020/21 Actual
New Measure	Achieved	Achieved ⁴⁷ 

Financial performance

Preparation of Assets

Actual 2020 \$000	Unaudited Supplementary Estimates 2021 \$000	Actual 2021 \$000
3,415	Total expenses	62,333
(3,415)	Net surplus/(deficit)	(62,333)

47 We completed demolitions as planned at eight sites, with a further four sites underway. We also undertook hazard management remediation works as planned at over 50 sites.



Pūrongo Pūtea

Financial statements

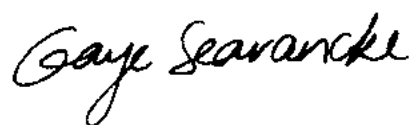
Statement of responsibility

I am responsible, as Chief Executive of Toitū Te Whenua Land Information New Zealand, for:

- the preparation of Toitū Te Whenua's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by Toitū Te Whenua is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report
- the accuracy of any end-of-year performance information prepared by Toitū Te Whenua, whether or not that information is included in the annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of Toitū Te Whenua
- the financial statements fairly reflect the financial position of Toitū Te Whenua as at 30 June 2021, and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of Toitū Te Whenua as at 30 June 2022, and its operations for the year ending on that date.



Gaye Searancke

Tumu Whakarae mō Toitū Te Whenua
Secretary for Land Information and Chief Executive

28 September 2021

Our financial reporting

Statement of comprehensive revenue and expense For the year ended 30 June 2021

Actual		Note	Actual	Unaudited Budget	Unaudited Forecast
2020			2021	2021	2022
\$000			\$000	\$000	\$000
Revenue					
77,353	Revenue Crown		93,602	73,342	85,851
83,919	Other revenue	2	94,367	99,537	102,898
161,272	Total revenue		187,969	172,879	188,749
Expenses					
75,662	Personnel costs	3	78,665	77,083	91,336
6,477	Depreciation and amortisation	7,8	6,909	6,551	6,774
3,097	Capital charge	4	2,426	3,049	3,641
76,780	Other operating expenses	5	75,838	86,196	86,998
162,016	Total expenditure		163,838	172,879	188,749
(744)	Net surplus/(deficit) and total comprehensive revenue and expense		24,131	–	–

Explanation of significant variances against the original budget 2020/21 are detailed in Note 15.
The accompanying accounting policies and notes form part of these financial statements.

Statement of financial position

As at 30 June 2021

Actual		Note	Actual	Unaudited Budget	Unaudited Forecast
2020			2021	2021	2022
\$000			\$000	\$000	\$000
Assets					
Current assets					
18,389	Cash and cash equivalents		49,991	25,927	23,568
45,030	Trade and other receivables	6	32,974	45,294	28,651
2,116	Prepayments		2,409	1,589	2,116
367	Inventory		304	317	367
65,902	Total current assets		85,678	73,127	54,702
Non-current assets					
26,028	Intangible assets	8	40,343	37,144	82,235
4,830	Property, plant and equipment	7	3,888	3,864	3,110
30,858	Total non-current assets		44,231	41,008	85,345
96,760	Total assets		129,909	114,135	140,047
Liabilities					
Current liabilities					
8,733	Trade and other payables	9	10,945	10,611	8,733
7,504	Return of operating surplus	10	11,347	–	–
2,903	Provisions		2,494	116	4,656
7,916	Employee entitlements	11	8,630	4,927	7,916
14	Deferred revenue		373	14	14
27,070	Total current liabilities		33,789	15,668	21,319
Non-current liabilities					
3,695	Employee entitlements	11	3,523	2,886	3,695
3,695	Total non-current liabilities		3,523	2,886	3,695
30,765	Total liabilities		37,312	18,554	25,014
65,995	Net assets		92,597	95,581	115,033
Taxpayers' Funds					
48,524	General funds	12	55,485	95,581	115,033
17,471	Memorandum accounts	12	37,112	–	–
65,995	Total taxpayers' funds		92,597	95,581	115,033

Explanation of significant variances against the original budget 2020/21 are detailed in Note 15. The accompanying accounting policies and notes form part of these financial statements.

Statement of changes in taxpayers' funds

For the year ended 30 June 2021

Actual		Note	Actual	Unaudited Budget	Unaudited Forecast
2020			2021	2021	2022
\$000			\$000	\$000	\$000
74,243	Balance as at 1 July		65,995	77,781	79,813
(744)	Total comprehensive revenue and expense		24,131	–	–
–	Capital Injections		13,818	17,800	35,220
(7,504)	Repayment of operating surplus to the Crown	10	(11,347)	–	–
65,995	Balance as at 30 June	12	92,597	95,581	115,033

Statement of cash flows

For the year ended 30 June 2021

Actual		Actual	Unaudited Budget	Unaudited Forecast
2020		2021	2021	2022
\$000		\$000	\$000	\$000
Cash flows from operating activities				
87,353	Receipts from revenue Crown	107,690	73,342	85,851
83,944	Receipts from other revenue	93,966	99,537	102,898
(73,241)	Payments to suppliers	(75,347)	(86,478)	(87,815)
(71,710)	Payments to employees	(78,589)	(76,942)	(91,220)
(3,097)	Payments for capital charge	(2,426)	(2,908)	(3,525)
7	Goods and services tax (net)	306	–	–
23,256	Net cash flows from operating activities	45,600	6,551	6,189
Cash flows from investing activities				
(2,375)	Purchase of property, plant and equipment	(751)	(705)	(705)
(13,258)	Purchase of intangible assets	(19,561)	(15,095)	(39,515)
(15,633)	Net cash flows from investing activities	(20,312)	(15,800)	(40,220)
Cash flows from financing activities				
–	Capital contribution	13,818	17,800	35,220
(5,105)	Repayment of surplus to the Crown	(7,504)	–	(2,249)
(5,105)	Net cash flows from financing activities	6,314	17,800	32,971
2,518	Net increase/(decrease) in cash and cash equivalents	31,602	8,551	(1,060)
15,871	Cash and cash equivalents at the beginning of the year	18,389	17,376	24,628
18,389	Cash and cash equivalents at the end of the year	49,991	25,927	23,568

Explanation of significant variances against the original budget 2020/21 are detailed in Note 15. The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows (continued)

Reconciliation of net surplus/(deficit) with net cash flows from operating activities

Actual 2020 \$000		Actual 2021 \$000
(744)	Net surplus/(deficit)	24,131
	Add back non-cash items	
1,756	Depreciation and assets written off	1,692
4,721	Amortisation of intangible assets	5,246
2,665	Loss/(Gain) on intangible assets	–
809	Movement in non-current employee entitlements	(172)
626	Other non-cash items	(17)
10,577	Total non-cash items	6,749
	Add back items classified as investing or financing activities	
–	Net loss/(gain) on sale of property, plant and equipment	–
	Movements in working capital	
(50)	(Increase)/decrease in inventory	63
10,041	(Increase)/decrease in receivables	12,074
(527)	(Increase)/decrease in prepayments	(293)
(1,824)	Increase/(decrease) in payables	2,571
2,787	Increase/(decrease) in provisions	(409)
2,996	Increase/(decrease) in employee entitlements	714
13,423	Net movements in working capital	14,720
23,256	Net cash inflow/(outflow) from operating activities	45,600

Explanation of significant variances against the original budget 2020/21 are detailed in Note 15.
The accompanying accounting policies and notes form part of these financial statements.

Statement of commitments

As at 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
Non-cancellable operating lease commitments		
3,036	Not later than 1 year	3,577
7,002	Later than 1 year and not later than 5 years	7,448
657	Later than 5 years	1,391
10,695	Total non-cancellable operating lease commitments	12,416

Non-cancellable operating lease commitments

Land Information New Zealand (Toitū Te Whenua) leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises, which have a non-cancellable leasing period ranging from three to eight years.

Toitū Te Whenua's non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on Toitū Te Whenua by any of its leasing arrangements. Commitments and contingencies are disclosed exclusive of Goods and Services Tax (GST).

Statement of contingencies

As at 30 June 2021

Unquantifiable contingent liabilities

Toitū Te Whenua has no known unquantifiable contingent liabilities as at 30 June 2021 (2020: one).

Quantifiable contingent liabilities

Actual 2020 \$000		Actual 2021 \$000
50	Legal proceedings and disputes	–
50	Total quantifiable contingent liabilities	–

Legal proceedings and disputes

Legal proceedings and disputes represent the estimated legal costs as well as any amounts claimed by claimants in relation to fulfilling Toitū Te Whenua's statutory roles and functions.

Quantifiable contingent assets

Actual 2020 \$000		Actual 2021 \$000
–	Legal proceedings and disputes	329
–	Total quantifiable contingent assets	329

The accompanying accounting policies and notes form part of these financial statements.

Notes to the departmental financial statements

For the year ended 30 June 2021

Note 1

Statement of accounting policies

Reporting entity

Land Information New Zealand (Toitū Te Whenua) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing Toitū Te Whenua's operations includes the Public Finance Act 1989 (PFA), Public Service Act 2020, and the Public Accountability Act 1998. Toitū Te Whenua's ultimate parent is the New Zealand Crown.

In addition, Toitū Te Whenua reports on the Crown activities and trust monies it administers in the non-departmental statements and schedules on pages 119 to 137.

Toitū Te Whenua's core objectives are to ensure that New Zealand's geographic and property information, property rights, Crown Estate and sensitive assets are managed to create real value to New Zealand. Accordingly, we are designated as a public benefit entity for the purposes of complying with generally accepted accounting practice (GAAP).

These financial statements are for the year ended 30 June 2021. The financial statements were authorised for issue by the Chief Executive on 28 September 2021.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the PFA, which includes the requirement to comply with New Zealand GAAP, and Treasury Instructions.

These financial statements, including the comparatives, have been prepared in accordance with and comply with Public Benefit Entity (PBE) Accounting Standards.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by actuarial valuations of certain liabilities, and the fair value of employee entitlements and provisions.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency of Toitū Te Whenua is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards issued and not yet effective and not early adopted

The External Reporting Board has issued three standards and amendments relevant to Toitū Te Whenua. The new or amended standards are not yet effective and have not been adopted early by Toitū Te Whenua.

PBE FRS 48 Service Performance Reporting

A new standard *PBE FRS 48 Service Performance Reporting* was issued in November 2017.

An amendment was issued in August 2020.

The standard is effective for Toitū Te Whenua for the year ending 30 June 2023, with early application permitted.

- The objective of the standard is to establish principles and requirements for PBEs to present and report on key service performance information.
- The standard will have no impact on the financial statements.
- Toitū Te Whenua plans to adopt the new standard from 2022/23.

Amendment to PBE IPSAS 2 Statement of Cashflows

An amendment to PBE IPSAS 2 *Statement of Cashflows* was issued in November 2018. The amendment is effective for Toitū Te Whenua for the year ending 30 June 2022, with early application permitted.

- The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.
- The amendment will have no impact on the financial statements.
- Toitū Te Whenua plans to adopt the new amendment from 2021/22.

PBE IPSAS 41 Financial Instruments

A new standard PBE IPSAS 41 *Financial Instruments* was issued in March 2020. The standard is effective for Toitū Te Whenua for the year ending 30 June 2023, with early application permitted.

- The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities.
- This standard supersedes PBE IFRS 9 *Financial Instruments* and most of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*.
- The standard will have no impact on the financial statements.
- Toitū Te Whenua plans to adopt the new amendment from 2022/23.

Critical judgements and estimates

The preparation of financial statements in conformity with PBE Accounting Standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- measuring long service leave and retirement leave gratuities – refer to note 11
- useful lives and residual values of plant, property and equipment – refer to note 7
- useful lives and residual values of intangible assets – refer to note 8
- valuation of amounts owed to staff for Holidays Act 2003 liability – refer to note 11.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Cash and cash equivalents

Cash includes cash on hand and funds in the current accounts on deposit with banks.

Toitū Te Whenua is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Inventories

Inventory held for distribution or use in the provision of services that are not supplied on a commercial basis are measured at cost (calculated using the weighted average method) and adjusted, when applicable, for any loss of service potential.

Inventory held for sale or use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

Revenue – non-exchange transactions

Revenue Crown

Revenue from the Crown is measured based on Toitū Te Whenua's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriations Act for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, Toitū Te Whenua can incur expenses only within the scope and limit of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement.

Financial assets for Toitū Te Whenua are classified, at initial recognition and subsequently measured, at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. Financial assets are initially measured at their fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is impaired.

The financial assets at amortised cost include trade and other receivables.

Financial liabilities

All financial liabilities are recognised at amortised cost. The financial liabilities include trade and other payables.

Provisions

A provision is recognised when Toitū Te Whenua has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects both current market rates and the risks specific to the liability.

Restructuring

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has been announced publicly to those affected, or implementation has already commenced.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract.

Budget and forecast figures

The budget figures are for the year ended 30 June 2021 and were published in the 2019/20 annual report. They are consistent with the financial information in the Budget Economic and Fiscal Update (BEFU) 2020.

The forecast figures are for the year ending 30 June 2022 and are consistent with the best estimate financial forecast information submitted to the Treasury for BEFU 2021 for the 2021/22 year.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The forecast figures have been prepared in accordance with PBE FRS 42 *Prospective Financial Statements*.

The forecast financial statements were authorised for issue by the Chief Executive of Land Information New Zealand in April 2021. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Significant assumptions used in preparing the forecast financial information

The forecast figures contained in these financial statements reflect Toitū Te Whenua's purpose and activities and are based on a number of assumptions on what may occur during the 2021/22 year.

The forecast figures have been compiled based on existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions were as follows:

- Remuneration rates were based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that were believed to be reasonable in the circumstances and were Toitū Te Whenua's best estimate of future costs that will be incurred.

Estimated year-end information for 2020/21 was used as the opening position for the 2021/22 forecasts.

The actual financial results achieved for 30 June 2021 are likely to vary from the forecast information presented, and the variations may be material.

Note 2

Other revenue

Accounting policy

Revenue – exchange transactions

Other revenue earned in exchange for the provision of outputs (products or services) to third parties, is recorded as operating revenue.

Revenue from the supply of services is measured at the fair value of consideration received, recognised on a straight-line basis over the specified period for the services unless an alternative method better represents the stage of completion of the transaction.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to Toitū Te Whenua (usually on delivery of the goods), when the amount of revenue can be measured reliably, and it is probable that the economic benefit or service potential associated with the transaction will flow to Toitū Te Whenua.

Actual 2020 \$000		Actual 2021 \$000
43,115	Titles fees	54,057
13,647	Search fees	16,932
8,601	Survey fees	9,184
7,241	Overseas Investment Office applications	6,548
4,103	Project revenue	2,954
1,345	Rating valuation audit charge	1,407
1,227	Land disposals	27
856	Licence and sign-up fees	871
686	Crown property clearances fees	703
1,084	Management of Crown land	963
2,014	Miscellaneous	721
83,919	Total other revenue	94,367

Note 3

Personnel costs

Actual 2020 \$000		Actual 2021 \$000
68,603	Salaries and wages	71,579
1,330	Contract employees	3,096
116	ACC levies	43
2,238	Contributions to defined contribution and benefits schemes*	2,318
2,006	Increase/(decrease) in employee entitlements	624
1,369	Other personnel costs	1,005
75,662	Total personnel costs	78,665

Employer contributions to defined contribution schemes include contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund.

Note 4

Capital charge

Accounting policy

The capital charge is recognised as an expense in the period to which the charge relates.

Toitū Te Whenua pays a capital charge to the Crown based on its taxpayers' funds (excluding memorandum accounts) as at 30 June and 31 December of the previous calendar year. The capital charge rate for the year ended 30 June 2021 was 5.0% (2020: 6.0%).

Note 5

Other operating expenses

Accounting policy

Operating leases

Toitū Te Whenua leases office premises and motor vehicles. As all the risks and benefits of the ownership are substantially retained by the lessor, these leases are classified as operating leases.

Payments made under operating leases are charged in equal instalments over the accounting periods covered by the lease term, except in those circumstances where an alternative basis would be more representative of the pattern of benefits to be derived from the leased property.

Statement of cost accounting policies

Toitū Te Whenua has determined the cost of outputs using the cost allocation system outlined below:

- costs that are directly related to an output are coded directly to that output
- costs that are not directly related to a single output are allocated to outputs based on appropriate cost drivers, such as number of full-time equivalent staff or work programmes.

Actual 2020 \$000		Actual 2021 \$000
15,758	Crown property services	22,405
20,153	Computer operating costs	21,630
9,962	Professional services	7,770
7,293	Contractors and consultancy	6,580
8,871	Contracts for topography and hydrography	4,938
2,784	Service contracts	4,777
3,448	Leasing and renting costs	3,487
1,555	Travel	961
312	Fees paid to auditors (financial statement audit)	309
615	Repairs and maintenance	578
(31)	Restructuring costs	508
6,060	Other operating costs	1,895
76,780	Total other operating expenses	75,838

Note 6**Trade and other receivables****Accounting policy**

Receivables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Receivables are not discounted due to the short-term nature of the balance.

For receivables from exchange transactions, a simplified approach in calculating expected credit loss (ECLs) is applied. Therefore, credit risk is not currently tracked, but instead a loss allowance based on lifetime ECLs at each reporting date is recognised. The historic credit loss experience is adjusted for forward-looking factors specific to the debtors and the economic environment.

Actual 2020 \$000		Actual 2021 \$000
7,997	Receivables from non-related parties	9,634
1,800	Receivables from departments	2,177
(475)	Less: provision for doubtful debts	(457)
9,322	Net receivables	11,354
35,708	Monies receivable from the Crown	21,620
45,030	Total trade and other receivables	32,974

Further information

All debtors are non-interest bearing and are from exchange revenue (other than monies receivable from the Crown) and are normally settled on the 20th of the month following the date of invoice unless specific legislative terms apply; therefore, the carrying value of trade and other receivables approximates their fair value due to their short-term nature.

Those specific debtors that are insolvent are fully provided for. As at 30 June 2021, Toitū Te Whenua has identified one debtor that is insolvent (2020: one).

Concentration of receivables is with the Crown and therefore Toitū Te Whenua has no significant exposure to credit risk. Toitū Te Whenua has a policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Risk limits, which are set for each individual customer, are regularly monitored. In addition, receivable balances are monitored on an ongoing basis, with the result that Toitū Te Whenua's exposure to bad debts is not significant.

All overdue receivables have been assessed for impairment and appropriate provisions applied, as follows:

Actual 2020 \$000		Actual 2021 \$000
(313)	Balance as at 1 July	(475)
(177)	Additional provisions (made)/reversed during the year	16
15	Receivables written off during the period	2
(475)	Balance as at 30 June	(457)

Note 6**Trade and other receivables (continued)**

An impairment analysis is performed regularly to measure expected credit losses. As at 30 June 2021, all overdue receivables have been assessed for impairment and appropriate provisions applied, as follows:

	Gross 2021 \$000	Provision 2021 \$000	Net 2021 \$000
Current	10,012	–	10,012
>30 Days	577	–	577
>60 Days	240	–	240
>90 Days	982	(457)	525
Total	11,811	(457)	11,354

	Gross 2020 \$000	Provision 2020 \$000	Net 2020 \$000
Current	7,954	–	7,954
>30 Days	520	–	520
>60 Days	156	–	156
>90 Days	1,167	(475)	692
Total	9,797	(475)	9,322

Note 7**Property, plant and equipment****Accounting policy**

Property, plant and equipment consist of leasehold property improvements, furniture and fittings, plant and equipment, and computer hardware. Property, plant and equipment are shown at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Toitū Te Whenua and the cost of the item can be measured reliably. Individual assets, or groups of assets, are capitalised if their cost is greater than \$5,000.

Where an asset is acquired at nil or nominal cost, it is initially recognised at fair value with a corresponding gain to the Statement of Comprehensive Revenue and Expense.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic or service potential associated with the item will flow to Toitū Te Whenua and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the Statement of Comprehensive Revenue and Expense in the period in which they have been incurred.

Depreciation

Depreciation is calculated on a straight-line basis on all property, plant and equipment, other than work-in-progress, at rates that will write down the cost of the asset to its estimated residual value over its useful life.

The estimated useful lives of major classes of assets within property, plant and equipment are as follows:

Type of asset	Estimated life
Leasehold property improvements	Over the term of the lease
Computer hardware	2 to 10 years
Plant and equipment	3 to 11 years
Furniture and fittings	3 to 11 years

The costs of leasehold improvements are capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Note 7**Property, plant and equipment (continued)**

Accounting policy (continued)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end. In making the assessment in respect of each asset, Toitū Te Whenua needs to consider a number of factors, such as its condition, expected period of its use by Toitū Te Whenua and expected disposal proceeds from its future sale. An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the Statement of Comprehensive Revenue and Expense and carrying amount of the asset in the Statement of Financial Position. Toitū Te Whenua minimises the risk of this estimation uncertainty by:

- physical inspection of property, plant and equipment
- asset replacement programmes
- technological improvements
- review of future business plans
- measuring performance against operating budget.

Impairment (non-cash-generating assets)

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment at each balance date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and its value in use.

Value in use is determined based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is considered to be impaired and the carrying amount is written down to the recoverable service amount.

The total impairment loss and reversal of previously recognised impairments are recognised in the Statement of Comprehensive Revenue and Expense.

Note 7**Property, plant and equipment (continued)**

	Leasehold Improvements \$000	Computer Hardware \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Total \$000
Cost					
Balance as at 1 July 2020	5,903	2,144	1,666	2,887	12,600
Additions	–	701	26	23	750
Transfers	–	144	(501)	357	–
Disposals	(603)	(100)	(63)	(89)	(855)
Balance as at 30 June 2021	5,300	2,889	1,128	3,178	12,495
Accumulated depreciation and impairment losses					
Balance as at 1 July 2020	4,772	731	863	1,404	7,770
Depreciation charge for the year	481	541	201	440	1,663
Eliminated on disposal	(603)	(100)	(34)	(89)	(826)
Balance as at 30 June 2021	4,650	1,172	1,030	1,755	8,607
Carrying amount					
As at 30 June 2021	650	1,717	98	1,423	3,888

	Leasehold Improvements \$000	Computer Hardware \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Total \$000
Cost					
Balance as at 1 July 2019	5,854	822	1,600	2,413	10,689
Additions	49	1,322	66	474	1,911
Balance as at 30 June 2020	5,903	2,144	1,666	2,887	12,600
Accumulated depreciation and impairment losses					
Balance as at 1 July 2019	4,115	381	607	911	6,014
Depreciation charge for the year	657	350	256	493	1,756
Balance as at 30 June 2020	4,772	731	863	1,404	7,770
Carrying amount					
As at 30 June 2020	1,131	1,413	803	1,483	4,830

Impairment

There has been no impairment to property, plant and equipment during the financial year (2020: nil).

Note 8

Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use the specific software. Direct costs that are directly associated with the development of software for internal use by Toitū Te Whenua are recognised as an intangible asset.

Subsequent costs

Subsequent to recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment. Staff training and ongoing software maintenance costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

The useful lives of intangible assets have been estimated at between 3 and 20 years.

At each balance date, Toitū Te Whenua reviews the appropriateness of the useful lives and residual values of its intangible assets.

Impairment (Non-cash-generating assets)

Intangible assets, subsequently measured at cost that are not yet available for use, are tested annually for impairment.

Further information

Toitū Te Whenua's largest intangible asset is Landonline, the system that enables property professionals and local councils to carry out land dealings efficiently and securely, in real time, over the internet.

Actual 2020 \$000		Actual 2021 \$000
	Cost	
94,986	Balance as at 1 July	105,372
13,258	Additions – internally developed	19,561
(2,872)	Disposals	(1,249)
105,372	Balance as at 30 June	123,684
	Amortisation and impairment losses	
74,830	Balance as at 1 July	79,344
4,721	Amortisation expense	5,246
(2,872)	Eliminated on disposal	(1,249)
2,665	Impairment losses	–
79,344	Balance as at 30 June	83,341
26,028	Carrying value of intangible assets	40,343

Note 8**Intangible assets (continued)****Work in progress**

The carrying amount at 30 June 2021 includes \$26.648 million of work in progress (2020: \$11.090 million)

Impairment

Toitū Te Whenua has recognised an impairment loss of nil (2020: \$2.665 million) for internally developed software.

Note 9**Trade and other payables****Accounting policy****Payables**

Payables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Payables are not discounted due to the short-term nature of the balance.

Goods and Services Tax

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Income tax

Government departments are exempt from income tax. Accordingly, no charge for income tax has been provided for.

Further information

Trade and other payables are non-interest bearing and are normally settled on 30-day terms or earlier. Therefore, the carrying value of creditors and other payables approximates their fair value.

Actual 2020 \$000		Actual 2021 \$000
8,177	Trade and accrued expenses	10,215
271	ACC levy payable	139
285	GST, FBT and other tax payable	591
8,733	Total trade and other payables	10,945

Note 10

Return of operating surplus

Actual 2020 \$000		Actual 2021 \$000
(744)	Net surplus/(deficit)	24,131
98	Add unrealised (increase)/decrease in remeasurements	(143)
8,150	Add (surpluses)/deficits of memorandum accounts	(12,641)
7,504	Total return of operating surplus	11,347

Remeasurements, which are reported in the Statement of Comprehensive Revenue and Expense, relate to unrealised changes in discount rates for retiring and long service leave.

Under the PFA, all remeasurements are exempted from the requirement for appropriation on the basis of a lack of control. Similarly, unrealised remeasurements are not intended to affect the surplus repayable to the Crown. The return of any surplus to the Crown is required to be paid by 31 October of each year.

Note 11

Employee entitlements

Accounting policy

Employee entitlements

Short-term employee entitlements

Employee entitlements that Toitū Te Whenua expects to be settled within 12 months of balance date are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Toitū Te Whenua recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Toitū Te Whenua anticipates it will be used by staff to cover those future absences.

Toitū Te Whenua recognises a liability and an expense for pay for performance where it is contractually obliged to pay it, or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information, and the present value of the estimated future cash flows.

The discount rate is based on rates supplied by the Treasury. The inflation factor is based on the expected long-term increase in remuneration for employees.

	2021	2020
Long-term discount rate	3.08%	1.63%
Salary inflation rate	3.08%	2.72%

Note 11**Employee entitlements (continued)****Presentation of employee entitlements**

Sick leave, annual leave, vested and non-vested long service leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Holidays Act 2003 liability

Toitū Te Whenua has made judgements and assumptions to estimate the amount owing to staff as a result of non-compliance with the Holidays Act (2003). These assumptions were reviewed at 30 June to ensure the best estimate is available.

Superannuation schemes**Defined contribution schemes**

Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense as incurred.

Judgements and estimates**Retiring and long service leave**

Toitū Te Whenua calculates its retiring and long service leave using discount and salary inflation rates, published by the Treasury, to estimate the present value of long service and retiring leave liabilities.

The calculations are based on the likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and the present value of the estimated future cash flows. Assumptions made include discount rates, salary inflation and final retirement age.

Further information

Employee entitlements, expected to be settled within 12 months of balance date, are measured at nominal values based on accrued entitlements at current rates of pay.

Expected future payments are discounted using discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash flows. A long-term discount rate of 3.08% (2020: 1.63%) has been applied and a salary inflation factor of 3.08% (2020: 2.72%) was used. The discount rates and salary inflation factor used are those advised by the Treasury.

Actual 2020 \$000		Actual 2021 \$000
	Current portion	
4,793	Annual leave	5,319
2,513	Salaries and wages	2,458
432	Refresher and retirement leave	675
178	Sick leave	178
7,916	Total current employee entitlements	8,630
	Non-current portion	
3,695	Refresher and retirement leave	3,523
3,695	Total non-current employee entitlements	3,523
11,611	Total employee entitlements	12,153

Note 12

Equity

Accounting policy

Taxpayers' funds

Taxpayers' funds comprise the Crown's investment in Toitū Te Whenua and any memorandum account balances. These are measured as the difference between total assets and liabilities.

Memorandum accounts

Memorandum accounts reflect the cumulative surplus or deficit on those departmental services that are intended to be fully cost recovered from third parties through fees, levies or charges. The balance of each memorandum account is expected to trend toward zero over time. Interim deficits are met either from cash reserves or by seeking a capital injection from the Crown. Capital injections will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

Capital management

Toitū Te Whenua's capital is its equity, which comprises taxpayers' funds and memorandum accounts. Equity is represented by net assets.

Toitū Te Whenua manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. Toitū Te Whenua's equity is largely managed as a by-product of managing income, expenses, assets and liabilities and by compliance with government budget processes, Treasury Instructions, and the PFA.

The objective of managing Toitū Te Whenua's equity is to ensure Toitū Te Whenua effectively achieves the goals and objectives for which it was established, while remaining a going concern.

Actual 2020 \$000		Actual 2021 \$000
	Taxpayers' funds	
51,622	Balance as at 1 July	48,524
(744)	Net surplus/(deficit)	24,131
–	Capital injections	13,818
8,150	Transfers of memorandum account net (surplus)/deficit for the year	(12,641)
(3,000)	Equity Transfer	(7,000)
(7,504)	Return of operating surplus to the Crown	(11,347)
48,524	Balance as at 30 June	55,485
	Memorandum accounts	
22,621	Opening balance 1 July	17,471
3,000	Equity Transfer	7,000
(8,150)	Net memorandum account surpluses/(deficits) for the year	12,641
17,471	Balance as at 30 June	37,112
65,995	Total equity	92,597

Memorandum accounts

These memorandum accounts are notional accounts to record the accumulated balance of surpluses and deficits incurred for outputs operating on a full cost-recovery basis. The intent of each account is to provide a long-run perspective to the pricing of outputs.

Note 12

Equity (continued)

Survey and title

For the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
31,775	Balance as at 1 July	27,398
	Income	
66,218	Operating revenue	81,048
	Expenses	
70,595	Operating expenses	66,518
(4,377)	Net surplus/(deficit)	14,530
27,398	Balance as at 30 June	41,928

Overseas investment regime

For the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
(8,125)	Balance as at 1 July	(8,478)
	Income	
7,241	Income from Overseas Investment Office applications	6,548
	Expenses	
10,594	Expenses from Overseas Investment Office operations	8,025
(3,353)	Surplus/(deficit) for the period	(1,477)
	Other adjustments	
3,000	Capital injection	7,000
(8,478)	Balance as at 30 June	(2,955)

Crown property clearances

For the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
(1,029)	Balance as at 1 July	(1,449)
	Income	
686	Operating revenue	716
	Expenses	
1,106	Operating expenses	1,128
(420)	Surplus/(deficit) for the period	(412)
(1,449)	Balance as at 30 June	(1,861)

Note 12

Equity (continued)

Total memorandum accounts

For the year ended 30 June 2021

Actual 2020 \$000		Actual 2021 \$000
22,621	Balance as at 1 July	17,471
	Income	
74,145	Operating revenue	88,312
	Expenses	
82,295	Operating expenditure	75,671
(8,150)	Surplus/(deficit) for the period	12,641
	Other adjustments	
3,000	Capital injection	7,000
17,471	Balance as at 30 June	37,112

Action taken to address surpluses and deficits

Toitū Te Whenua is undertaking fee reviews for both the survey and title and overseas investment regimes. Survey and title fees have been set to return the memorandum account to zero over time, taking into account the expected increases in expenditure that will result from the redevelopment of Landonline.

Note 13

Related party information

Identity of related parties

Toitū Te Whenua is a wholly owned entity of the Crown. The Government significantly influences the role of Toitū Te Whenua, as well as being a major source of revenue.

Toitū Te Whenua enters into numerous transactions with other government departments, Crown agencies and State-owned enterprises. These related party transactions are not disclosed, as they occur in a normal client/supplier relationship at an arm's length basis.

Toitū Te Whenua also provides non-cash benefits to staff in addition to their salaries and contributes to post-employment defined contribution schemes and defined benefit schemes on their behalf.

Apart from the transaction described above, Toitū Te Whenua has not entered into any other related party transactions.

Key management personnel compensation

Key management personnel are the members of the Executive Leadership Team, which consists of the Chief Executive and seven Deputy Chief Executives. The Chief Executive's remuneration and other benefits are determined and paid by the Te Kawa Mataaho Public Service Commission.

Note 13**Related party information (continued)****Key management personnel compensation (including the Chief Executive)**

Actual 2020 \$000		Actual 2021 \$000
2,400	Salaries and other short-term employee benefits	2,244
2,400	Total key management personnel compensation	2,244

Key management personnel compensation excludes the remuneration and other benefits of the responsible Ministers of Toitū Te Whenua. The Ministers' remuneration and other benefits are determined by the Remuneration Authority under the Member of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, not by Toitū Te Whenua.

Note 14**Financial instruments**

Toitū Te Whenua is a party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, trade receivables and trade payables.

All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Comprehensive Revenue and Expense. They are shown at their estimated fair value.

Categories of financial instruments

The carrying amounts of financial assets and financial liabilities are as follows:

Actual 2020 \$000		Note	Actual 2021 \$000
	Financial assets at amortised cost		
18,389	Cash and cash equivalents		49,991
45,030	Trade and other receivables	6	32,974
63,419	Total financial assets measured at amortised cost		82,965
	Financial liabilities measured at amortised cost		
8,733	Trade and other payables	9	2,399
8,733	Total financial liabilities measured at amortised cost		2,399

Note 14**Financial instruments (continued)**

Financial instrument risk**Currency risk and interest rate risk**

Toitū Te Whenua has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and Toitū Te Whenua does not hold any interest bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from debtors and deposits with banks.

Toitū Te Whenua's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors (Note 6). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

At 30 June 2021 there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of financial position. Refer to Note 6 for a breakdown of the Trade and other receivables balance.

Liquidity risk

Liquidity risk is the risk that Toitū Te Whenua will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, Toitū Te Whenua closely monitors its forecast cash requirements with the expected cash drawdown as negotiated with New Zealand Debt Management through the Treasury. The Crown maintains a target level of available cash to meet liquidity requirements.

At 30 June 2021 there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. Refer to Note 6 for a breakdown of the Trade and other receivables balance.

Note 15**Explanations of major variances against budget****Statement of comprehensive revenue and expense**

Revenue Crown was greater than budget by \$20.260 million. This was due to an \$8 million dollar increase for the Jobs for Nature programme, as well as other one-off increases in funding across multiple areas.

Other revenue was \$5.170 million below budget with the amount recovered from other government departments and Overseas Investment Office (OIO) revenue being lower than budget. OIO was impacted by the COVID-19 global pandemic resulting in a lower number of applications. Partially offsetting these was property rights revenue, higher than budget as a result of increased activity in the property market.

Other operating expenses were \$10.358 million below budget, this is mainly attributable to a decrease in overseas investment regime expenses and costs of managing properties on behalf of other government departments, in line with the decrease in revenue for these activities.

Statement of financial position

Cash and cash equivalents were \$24.064 million higher than budget, partially offset by lower than budgeted accounts receivable of \$12.320 million. The balance of the Survey and Title Memo account was higher than forecast because of the increase in activity in the housing market. The level of operating surplus is also higher than forecast, resulting in a higher balance in cash and cash equivalents.

Statement of cash flows

Receipts from revenue Crown were higher than budget by \$34.348 million. Additional receipts were in line with the increases in revenue and the decrease in accounts receivable.

Payments to suppliers were lower than budget by \$11.131 million reflecting the lower operating expenses recorded in the Statement of Comprehensive Revenue and Expense.

Purchase of intangible assets were \$4.466 million higher than budget primarily because of timing of payments related to the rebuild of Landonline.

Note 16**Events after balance date****Impact of COVID-19**

On 17 August 2021, New Zealand moved into Alert Level 4. On 31 August 2021, all of New Zealand south of Auckland moved into Alert Level 3 while Auckland and Northland remained at Alert Level 4. On 7 September 2021, all of New Zealand except Auckland moved to Alert Level 2. On 22 September 2021, Auckland moved to Alert Level 3.

Throughout these changes Toitū Te Whenua have maintained all services and there has been a minimal impact on operations.

Revenue from survey and title operations was lower in August than the previous month and is expected to be lower than normal while Auckland remains at Alert Level 4. Revenue returned to normal levels quickly following previous periods of Alert Levels 3 and 4.

Non-departmental statements and schedules

For the year ended 30 June 2021

The following non-departmental statements and schedules record the revenue, capital receipts, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets and trust accounts that Toitū Te Whenua manages on behalf of the Crown.

For a full understanding of the Crown's financial position and the results of its operations for the period, reference should be made to the consolidated Financial Statements of the Government for the year ended 30 June 2021.

Schedule of non-departmental revenue

For the year ended 30 June 2021

Actual		Actual	Unaudited Budget
2020		2021	2021
\$000		\$000	\$000
Operating revenue			
4,542	Sale of goods and services	3,882	2,699
14,813	Rental income	14,636	10,986
13,498	Proceeds from sale of New Zealand Transport Agency properties	50,328	40,000
7,386	Gain on sale of asset	12,016	–
4,858	Miscellaneous revenue	4,194	4,115
45,097	Total non-departmental operating revenue	85,056	57,800
Other revenue			
(1,611)	Gain/(Loss) on revaluation of biological assets and shares	(3,999)	–
(1,611)	Total non-departmental other revenue	(3,999)	–
43,486	Total non-departmental revenue	81,057	57,800

Schedule of non-departmental capital receipts

For the year ended 30 June 2021

Actual		Actual	Unaudited Budget
2020		2021	2021
\$000		\$000	\$000
Capital receipts			
9,881	Property sales	20,209	7,350
12,150	Land tenure reform sales	4,587	85,447
25,375	Sale of Landbank properties	10,983	–
47,406	Total non-departmental capital receipts	35,779	92,797

Explanation of significant variances against budget are detailed in Note 10.
The accompanying accounting policies and notes form part of these financial statements.

Schedule of non-departmental expenses

For the year ended 30 June 2021

Actual		Actual	Unaudited Budget
2020		2021	2021
\$000		\$000	\$000
Operating expenses			
3,966	Non-departmental output classes	4,944	6,870
Other expenses to be incurred by the crown			
74,631	Loss on sale of held for sale assets	32,891	–
13,498	Proceeds of sale of NZ Transport Agency properties	50,328	40,000
3,736	Depreciation and amortisation	3,319	3,593
2,823	GST input expense	3,234	2,414
852	Debts written-off/(recovered)	(133)	145
685	Rental and leasing costs	685	691
–	Impairment of assets	6,890	–
(10,551)	Movement in Huntly East provision	–	–
17,804	Other operating expenses	24,975	46,551
107,444	Total non-departmental operating expenses	127,133	100,264

Schedule of non-departmental capital expenditure

For the year ended 30 June 2021

Actual		Actual	Unaudited Budget
2020		2021	2021
\$000		\$000	\$000
Capital expenditure			
13,870	Land tenure reform purchases	7,694	96,114
4,780	Property purchases	13,090	25,400
–	– Huntly East purchases	–	1,500
–	– Land exchanges	–	350
18,650	Total non-departmental capital expenditure	20,784	123,364

Explanation of significant variances against budget are detailed in Note 10.
The accompanying accounting policies and notes form part of these financial statements.

Schedule of non-departmental assets

As at 30 June 2021

Actual		Note	Actual	Unaudited Budget
2020			2021	2021
\$000			\$000	\$000
Assets				
Current assets				
31,002	Cash and cash equivalents		35,576	24,362
12,850	Prepayments		12,300	19,700
2,068	Trade and other receivables	2	2,887	3,136
204,620	Assets held for sale	4	197,525	140,120
–	Work in progress		435	–
465	Biological assets	5	584	1,191
251,005	Total current assets		249,307	188,509
Non-current assets				
729,938	Property, plant and equipment	6	1,010,025	709,628
26,395	Biological assets	5	22,275	28,693
10,391	Intangible assets	7	3,522	10,231
2,474	Deposits		2,787	–
229	Share investment		231	236
769,427	Total non-current assets		1,038,840	748,788
1,020,432	Total non-departmental assets		1,288,147	937,297

Schedule of non-departmental liabilities

As at 30 June 2021

Actual		Note	Actual	Unaudited Budget
2020			2021	2021
\$000			\$000	\$000
Current liabilities				
8,732	Trade and other payables	3	23,731	15,892
187	Deferred revenue		187	–
88,840	Provisions	8	81,427	14,647
97,759	Total current liabilities		105,345	30,539
Non-current liabilities				
7,160	Deferred revenue		6,973	7,425
11,511	Provisions	8	10,015	20,370
18,671	Total non-current liabilities		16,988	27,795
116,430	Total non-departmental liabilities		122,333	58,334

Explanation of significant variances against budget are detailed in Note 10.
The accompanying accounting policies and notes form part of these financial statements.

Schedule of non-departmental commitments

As at 30 June 2021

Future expenses and liabilities to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments to the extent there are equally unperformed obligations.

Toitū Te Whenua, on behalf of the Crown, has no non-cancellable capital or lease commitments (2020: nil).

Schedule of non-departmental contingent liabilities and contingent assets

As at 30 June 2021

Unquantifiable contingent liabilities

Toitū Te Whenua, on behalf of the Crown, has three unquantifiable contingent liabilities as at 30 June 2021 (2020: one).

Huntly East Land Subsidence Policy

The Huntly East Land Subsidence Policy obligates the Crown to repair any damage because of mine subsidence and act as a guaranteed purchaser for properties affected by mining in the Huntly East area. The Crown is not able to establish with sufficient certainty the value of the potential liability arising from this.

NG Building tenant claims

As a result of the compulsory acquisition of the NG building at 212-214 Madras Street, Christchurch, there are a number of potential tenant claims (up to 11), for a loss as a result of the land being compulsorily acquired, to be assessed and determined. The Crown received one claim prior to 30 June 2021 and has subsequently received one further claim. The remaining tenants have not yet lodged claims. The Crown is not able to establish with sufficient certainty the value of the potential liability arising from these potential claims.

Legal claim for judicial review

The lessee of a pastoral lease has issued legal proceedings for judicial review against the Commissioner of Crown Lands. The legal proceedings claim that the Commissioner has made a decision in breach of the lease, in relation to the right of renewal, and the relief sought at this stage is a declaration that the Commissioner's position is invalid. No financial relief or damages are sought. The Crown is unable to determine the value impact in the event of the Court finding in favour of the plaintiff.

Quantifiable contingent liabilities

Actual 2020 \$000		Actual 2021 \$000
	Quantifiable contingent liabilities	
6,200	Legal proceedings and disputes	9,253
18,751	Other contingent liabilities	18,751
24,951	Total quantifiable contingent liabilities	28,004

Toitū Te Whenua manages a portfolio of land across New Zealand on behalf of the Crown. The Crown portfolio is a consolidation of land parcels and includes land surplus to the requirements of other government agencies, and other parcels of land that have been discovered where no owner can be located.

Liabilities in relation to Crown land can arise from a variety of circumstances:

- the requirement to clean up contamination on land that was previously owned by the Crown
- land that the Crown had obtained without following due process, in which case legal claims over the land may be made, or offers of compensation may be agreed
- fulfilment of obligations conferred on the Crown by the previous landowners, which are now the responsibility of Toitū Te Whenua to rectify.

The contingent liability for legal proceeding disputes represents outstanding claims against the Crown. Other contingent liabilities represent the best estimate of the cost of mitigating potential liabilities within the Crown property portfolio.

Quantifiable contingent assets

Actual 2020 \$000		Actual 2021 \$000
	Quantifiable contingent assets	
505	Legal proceedings and disputes	295
505	Total quantifiable contingent assets	295

Legal proceedings and disputes represent the amounts claimed by Toitū Te Whenua, on behalf of the Crown, in relation to fulfilling Toitū Te Whenua's statutory roles and functions.

Statement of trust monies

For the year ended 30 June 2021

Toitū Te Whenua administers three trust accounts, on behalf of the Crown, under Part 7 of the PFA. The transactions through these accounts and their balances are not included in Toitū Te Whenua's annual financial statements.

	As at 1 July 2020 \$000	Contribution \$000	Distribution \$000	As at 30 June 2021 \$000
Trust account				
Endowment Rentals Trust	2	368	(367)	3
Hunter Soldiers Assistance Trust	58	–	–	58
Crown Forestry Licences Trust	1,702	6,565	(7,103)	1,164
Total	1,762	6,933	(7,470)	1,225

Endowment Rentals Trust

The Endowment Rentals Trust is used to administer revenue received by Toitū Te Whenua on behalf of three organisations: Victoria University of Wellington, Taranaki Scholarships Trust Board and the University of Otago.

- Revenue is derived from rental income from land owned by the Crown but endowed, through legislation, to Victoria University of Wellington and Taranaki Scholarships Trust Board.
- Revenue is derived from rental income from land where the freehold has been endowed to the University of Otago, but where the land is managed as a pastoral lease by Toitū Te Whenua.

All net rents and any other income from the land are received into the Trust account. Toitū Te Whenua then forwards the income, after deducting an administration fee (which is set by the responsible Minister), to the respective endowment recipient.

Hunter Soldiers Assistance Trust

The Hunter Soldiers Assistance Trust was established in 1921 to administer revenue from the sale or lease of lands, gifted to the Crown by Sir George Hunter, for the purpose of assisting discharged soldiers within the Hawke's Bay area. The gifted land has all been sold; the only income is now interest on the capital held in the Trust account.

Crown Forestry Licences Trust

The Crown Forest Licences Trust is used to administer annual Crown forestry licence fees. Licence fees are paid by forestry companies operating on Crown land being held for Treaty settlement. The licence fee income is then forwarded to the Crown Forestry Rental Trust, an independent body, with responsibility for distributing the income to the appropriate beneficiary upon completion of a Treaty settlement.

Notes to the non-departmental financial statements for the year ended 30 June 2021

Note 1

Statement of accounting policies

Reporting entity

These non-departmental schedules and statements present financial information on public funds managed by Toitū Te Whenua on behalf of the Crown.

The non-departmental balances are consolidated into the Financial Statements of the Government and therefore, for a complete understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government for the year ended 30 June 2021.

Basis of preparation

The non-departmental statements and schedules have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (PBE Accounting Standards) as appropriate for public benefit entities.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated. The functional currency is New Zealand dollars.

Standards issued and not yet effective and not early adopted

The External Reporting Board has issued three standards and amendments relevant to Toitū Te Whenua. The new or amended standards are not yet effective and have not been adopted early by Toitū Te Whenua.

PBE IPSAS 41 Financial Instruments

A new standard PBE IPSAS 41 *Financial Instruments* was issued in March 2020. The standard is effective for Toitū Te Whenua for the year ending 30 June 2023, with early application permitted.

- The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities.
- This standard supersedes PBE IFRS 9 *Financial Instruments* and most of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*.
- The standard will have no impact on the financial statements.
- Toitū Te Whenua do not intend to early adopt the standard for non-departmental statements.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Revenue

Exchange revenue

Revenue is measured at the fair value of consideration received and receivable.

Sales of goods and services

Revenues from the sale of goods and services are recognised when earned and is reported in the financial year to which it relates.

Rental Income

Rental revenue received from those tenants who pay market rent is recognised on a straight-line basis over the term of the lease.

Proceeds from sale of NZ Transport Agency properties

Revenues from the sales of properties belonging to Waka Kotahi NZ Transport Agency are recognised upon receipt of the property sale proceeds.

Non-exchange revenue

Fines and penalties

Revenue from fines and penalties is recognised when the infringement notice is issued. Revenue is measured at fair value.

Grant Expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria. They are recognised as an expense when an application that meets the specified criteria for the grant has been received. Toitū Te Whenua's non-discretionary grants have no substantive conditions (i.e. use for restricted purposes or repay).

Discretionary grants are those grants where Toitū Te Whenua has no obligation to award on receipt of the grant application.

For discretionary grants without substantive conditions, the total committed funding over the life of the funding agreement is recognised as an expense when the grant is approved, and the approval has been communicated to the applicant.

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in transit and funds held in bank accounts administered by Toitū Te Whenua. All cash held in bank accounts is held in on demand accounts and no interest is payable to Toitū Te Whenua.

Goods and Services Tax (GST)

All items in the financial statements, including Appropriation Statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Government's financial statements.

Share investment

Shares in a dairy cooperative company are held in respect of a property retained in the Landbank for Treaty settlement purposes. The shares are required to be held to facilitate farm operations on a leased property.

Fair value is determined by the market value of the shares at balance date. Gains or losses on revaluation are reported in the Schedule of Non-Departmental Revenue.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and subsequently measured, at amortised cost or fair value through surplus or deficit.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. Financial assets are initially measured at their fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is impaired.

The financial assets at amortised cost include trade and other receivables.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of surplus or deficit.

The financial assets at fair value through surplus or deficit include share investments included under other non-current financial assets.

Financial liabilities

All financial liabilities are recognised at amortised cost. The financial liabilities include trade and other payables.

Budget and forecast figures

The budget figures are for the year ended 30 June 2021. They are consistent with the financial information in the BEFU 2020.

The budget figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

Note 2**Trade and other receivables****Accounting policy**

Receivables are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest rate method. Receivables are not discounted due to the short-term nature of the balance.

For receivables from exchange transactions, a simplified approach in calculating expected credit loss (ECLs) is applied. Therefore, credit risk is not currently tracked, but instead a loss allowance based on lifetime ECLs at each reporting date is recognised. The historic credit loss experience is adjusted for forward-looking factors specific to the debtors and the economic environment.

Actual 2020 \$000		Actual 2021 \$000
5,077	Debtors from non-related parties	2,221
301	Accounts receivable – Departments	850
(3,310)	Less: provision for doubtful debts	(184)
2,068	Total trade and other receivables	2,887

Debtors are shown net of provision for doubtful debts, which was \$0.184 million in the current year (2020: \$3.310 million). The carrying value of debtors and other receivables approximates their fair value.

Provision for doubtful debts

An annual assessment is performed to determine the expected credit losses and corresponding impairment provision. At 30 June 2021, the provision for impairment is as follows:

Actual 2020 \$000		Actual 2021 \$000
(3,810)	Balance as at 1 July	(3,310)
500	Net additional (provisions made)/reversed during the year	3,126
(3,310)	Balance as at 30 June	(184)

Note 3**Trade and other payables****Accounting policy**

Trade and other payables are non-interest bearing and are normally settled on 30-day terms or earlier. Therefore, the carrying value of trade and other payables approximates their fair value.

Actual 2020 \$000		Actual 2021 \$000
8,720	Trade payables and accrued expenses	23,469
12	GST payable	262
8,732	Total payables	23,731

Note 4

Assets held for sale

Accounting policy

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction.

Assets are initially recorded as held for sale when:

- they are available for immediate sale in their present condition
- the sale is highly probable, with a committed plan to sell determined by:
 - initialling of the Deed of Settlement for properties being transferred to a claimant group as cultural or commercial redress through a Treaty of Waitangi settlement; or
 - Cabinet sign-off for properties in the Canterbury Earthquake Regeneration area; or
 - the point in time when the Commissioner for Crown Lands gives approval to issue the Substantive Proposal to the lessee(s) for properties being sold through Tenure Review; or
 - the point in time when a property is offered to a claimant group under a right of first refusal through a Treaty settlement; or
 - the point in time when agreement is reached with a claimant group in respect of the sale of a deferred selection property under a Treaty settlement; or
 - the point in time the property is actively marketed for sale at a price that is reasonable to its fair value.

Assets held for sale are generally expected to be disposed of in the next 12 months and are designated as current.

For assets held for sale in respect of Treaty settlement claims, the disposal process is subject to legislative and other third-party processes beyond Toitū Te Whenua's control that can take longer than 12 months to complete. Under these circumstances assets held for sale are designated as non-current.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Further information

Prior to held for sale classification, the properties were recognised within the Crown's property, plant and equipment note (Note 6). Impairment and loss on sale for properties held for sale, have been disclosed in the Schedule of non-departmental expenses.

Actual 2020 \$000		Actual 2021 \$000
45,985	Crown forest land	52,673
381	Crown pastoral land	1,724
75,071	Canterbury regeneration land	66,620
39,675	\$1 million+ land	45,186
29,152	Rated land	20,436
4,018	Non-rated land	402
10,338	Improvements	10,484
204,620	Total current assets held for sale	197,525

Note 5

Biological assets

Accounting policy

Forests

The fair value of forests is based on the present value of future cash flows after tax. Forests are valued annually by specialist, independent, external registered valuers.

Further information

Forests

There are a number of forests on Crown properties that are not on Crown forest land which are not administered under the Crown Forest Assets Act 1989. These include:

- four on land held in the Landbank for Treaty settlement purposes
- three on Soil Conservation Reserve land. All income from harvesting these forests goes to the appropriate regional council (to meet their forest management, harvesting and restocking expenditure with any surplus being used for soil conservation activities within the region).

There is one forest (McLaren Gully/West Taieri SD Forest) held under the Crown Forest Assets Act 1989 on Crown forest land. However, no Crown Forest Licence was ever issued for the property. Therefore, all income from harvests goes to the Crown.

Actual 2020 \$000		Actual 2021 \$000
Cost		
28,499	Carrying amount as at 1 July	26,860
–	Additions	–
(1,639)	Revaluation increase/(decrease)	(4,001)
26,860	Carrying amount as at 30 June	22,859
Represented by:		
465	Current	584
26,395	Non-current	22,275
26,860	Total	22,859

Note 6

Property, plant and equipment

Accounting policy

Property, Plant and Equipment assets are broken down into the following asset classes for reporting purposes:

- orchards
- Crown forest land
- Crown pastoral land
- Canterbury regeneration land
- land valued at greater than \$1 million
- rated land
- non-rated land
- improvements.

Revaluations

Property, Plant and Equipment is revalued at least every three years to ensure the carrying amount does not differ materially from fair value. Fair value is determined on a class of asset basis. The carrying value of revalued items is reviewed at each balance date to ensure those values are not materially different to fair value. Additions between revaluations are initially recorded at cost.

Revaluation methods

Orchards

There are five kiwifruit orchards, all of which are on land held in the Landbank for Treaty settlement purposes.

Orchards are considered bearer plants and as such are classified as property, plant and equipment. The fair value of orchards is determined using a direct comparison approach.

Crown forest land

For properties where a licensee pays a fee for rights to grow trees on Crown land, fair value is determined by calculating expected cash flows from licence fees.

For properties where no licence fees are payable, fair value is determined either by:

- the market value of the land, if it is assessed to be valued at over \$1 million; or
- the current ratable value adjusted annually by a property index.

Crown pastoral land

For properties under Tenure Review, fair value is determined by an independent external valuer on the following basis:

- the land being converted to freehold is deemed to be market value at its highest and best use
- the land being retained by the Crown for conservation purposes is deemed to be at fair value.

For all other pastoral land, fair value is determined by calculating the net present value of expected cash flows from lease payments.

Canterbury regeneration land

For properties in the Central Business District, fair value is deemed to be market value.

For properties in the Residential Red Zone, fair value is deemed to be market value.

Note 6**Property, plant and equipment (continued)****\$1 million+ land**

For properties where the value is assessed as being greater than \$1 million, fair value is determined by market value. Properties are revalued at least every three years by independent external registered valuers. An annual review is undertaken to assess for wider economic factors that might affect the value of the properties within this asset category.

Rated land

Properties in this category are those that are subject to local/territorial authority rates under the Local Government (Rating) Act 2002 but have a property value less than \$1 million and have no identified impairment or encumbrance that might otherwise affect the value of the property.

For properties under \$1 million with a rateable value, fair value is determined by the current rateable value adjusted annually by a property index derived from the difference between rateable values and recent sales values on a region-by-region basis.

Non-rated and other special land

Properties in this category include rating-exempt properties as set out in Schedule 1 of the Local Government (Rating) Act 2002 that have a land value of less than \$1 million. This category includes land used for railways and riverbeds, land affected by soil erosion, and so on.

The category also includes properties that may ordinarily qualify and be categorised as “rated” that have been re-categorised because of an impairment or encumbrance that has been recognised on the property, such as those properties eligible under the Huntly East Land Subsidence Policy.

For properties valued at under \$1 million with no rateable value, or where there is a special characteristic, significant impairment or encumbrance, fair value is determined by the impaired market value or is deemed as acquisition cost if no market valuation data is available.

Improvements

Improvements are shown at cost or valuation, less accumulated depreciation and impairment costs.

Properties scheduled for demolition

For properties scheduled for completion of demolition works in the next five years, annual revaluations of improvements are not deemed necessary. The land only will be revalued according to the respective revaluation method.

Accounting for revaluations

Revaluation movements are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve for that class of asset, this balance is expensed in the Schedule of Non-Departmental Expenses. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Schedule of Non-Departmental Expenses will be recognised first in the Schedule of Non-Departmental Expenses up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of property, plant and equipment is recognised as an asset only if it is probable that future economic benefits or service potential associated with the property will flow to the Crown and its cost can be measured reliably.

In most instances property, plant and equipment assets are recognised initially at cost. Where an item of property, plant and equipment is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition and a corresponding gain is recorded in the Schedule of Non-Departmental Capital Expenditure.

Note 6

Property, plant and equipment (continued)

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Schedule of Non-Departmental Revenue or Expenses.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic or service potential associated with the item will flow to the Crown and the cost of the item can be measured reliably. All other costs are recognised as an expense in the period they are incurred.

Work in progress

Work in progress is recognised at cost less accumulated impairment.

Depreciation

Depreciation is calculated on a straight-line basis on all improvements, other than non-current work in progress and assets classified as 'held for sale', at rates that will write down the cost (or valuation) of the assets to their estimated residual values over their useful economic lives. The useful economic life for the majority of improvements is deemed to be 50 years. For properties scheduled for demolition works, the useful economic life is accelerated to the point that the residual value is nil at the time the demolition works are completed.

	Orchards	Crown forest land	Crown pastoral land	Canterbury regeneration land	\$1m+ land	Rated land	Non-rated land	Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation									
Balance as at 1 July 2020	1,420	75,406	58,086	26,390	245,379	202,705	23,491	99,843	732,720
Revaluation increase/(decrease)	914	851	116,516	781	104,717	72,124	7,475	20,203	323,581
Additions	–	–	5,613	3,357	1,100	3,354	–	265	13,689
Disposals	–	–	(2,840)	(3,357)	–	–	–	(234)	(6,431)
Transfers (to)/from asset classes	–	–	–	–	1,358	(6,170)	4,812	–	–
Transfers (to)/from assets held for sale	–	(7,477)	(1,487)	(27,171)	(13,632)	1,399	799	(2,109)	(49,678)
Balance as at 30 June 2021	2,334	68,780	175,888	–	338,922	273,412	36,577	117,968	1,013,881
Accumulated depreciation									
Balance as at 1 July 2020	–	–	–	–	–	–	–	2,782	2,782
Depreciation charge for the year	–	–	–	–	–	–	–	3,159	3,159
Impairment losses	–	–	–	–	–	–	–	181	181
Reversal on revaluation	–	–	–	–	–	–	–	(2,076)	(2,076)
Disposals	–	–	–	–	–	–	–	(190)	(190)
Balance as at 30 June 2021	–	–	–	–	–	–	–	3,856	3,856
Carrying amount									
as at 30 June 2020	1,420	75,406	58,086	26,390	245,379	202,705	23,491	97,061	729,938
As at 30 June 2021	2,334	68,780	175,888	–	338,922	273,412	36,577	114,112	1,010,025

Note 6

Property, plant and equipment (continued)

	Orchards	Crown forest land	Crown pastoral land	Canterbury regeneration land	\$1m+ land	Rated land	Non-rated land	Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation									
Balance as at 1 July 2019	1,385	71,904	53,293	24,800	253,607	195,872	21,605	100,003	722,469
Revaluation increase/(decrease)	35	3,502	3,090	700	(753)	16,291	758	(944)	22,679
Additions	–	–	3,221	850	–	1,505	1,708	1,195	8,479
Disposals	–	–	(1,370)	–	–	(18)	(666)	–	(2,054)
Transfers (to)/from asset classes	–	–	–	–	6,201	(6,861)	660	–	–
Transfers (to)/from assets held for sale	–	–	(148)	40	(13,676)	(4,084)	(574)	(411)	(18,853)
Balance as at 30 June 2020	1,420	75,406	58,086	26,390	245,379	202,705	23,491	99,843	732,720
Accumulated depreciation									
Balance as at 1 July 2019	–	–	–	–	–	–	–	1,207	1,207
Depreciation charge for the year	–	–	–	–	–	–	–	3,576	3,576
Reversal on revaluation	–	–	–	–	–	–	–	(1,989)	(1,989)
Disposals	–	–	–	–	–	–	–	(12)	(12)
Balance as at 30 June 2020	–	–	–	–	–	–	–	2,782	2,782
Carrying amount									
As at 1 July 2019	1,385	71,904	53,293	24,800	253,607	195,872	21,605	98,796	721,262
As at 30 June 2020	1,420	75,406	58,086	26,390	245,379	202,705	23,491	97,061	729,938

Note 7

Intangible assets

Accounting policy

Easements

Intangible assets consist of easements; that is, rights to access land. These rights are capitalised on the basis of the costs incurred to acquire that right.

Intangible assets are shown at cost less accumulated amortisation and impairment losses.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful economic life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Schedule of Non-Departmental Expenses.

The useful economic life of an easement is deemed to be equivalent to the contractual term of the right to access land.

Further information

There are intangible assets associated with three properties in the Crown estate:

- In April 2018, the Crown took possession of multiple intangible assets associated with a property purchased for the Landbank. An impairment against these intangible assets was recognised during the year
- The Crown was granted an indefinite easement over land owned by Taratara Farms Ltd in June 2014
- In October 2005, the Crown was granted an easement over land owned by Ngāti Awa. The useful life of the easement is 35 years, equal to the contractual length of the right. It is due to expire in September 2040.

Actual 2020 \$000		Actual 2021 \$000
Cost		
12,151	Carrying amount as at 1 July	12,151
–	– Impairment	(6,709)
12,151	Carrying amount at 30 June	5,442
Amortisation and impairment losses		
1,600	Balance as at 1 July	1,760
160	Amortisation expense	160
1,760	Balance as at 30 June	1,920
10,391	Carrying value of intangible assets	3,522

Note 8

Provisions

Accounting policy

A provision is recognised when the Crown has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not recognised for future operating losses. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Provision for onerous leases

The Crown has made a provision for an onerous contract obligation, where the unavoidable costs of meeting the contractual obligation exceed the economic benefits expected to be received from it. The provision is in respect of the lease on 3 The Terrace, Wellington, which expires on 2 September 2058. The discount rates used for the provision is the forward risk-free discount rate as at 30 June 2021 published by the Treasury.

Provision for Loss on Sale

The Crown has made a provision for the loss on sale of Assets held for sale. The provision is recognised when there is an agreement to dispose of Crown-owned property for less than the fair value of the property. This largely relates to agreements to transfer land that was acquired by the Crown, following the Canterbury earthquakes, to Christchurch City Council at a nominal value.

Actual 2020 \$000		Actual 2021 \$000
Current provisions		
520	Onerous lease provision	564
86,877	Loss on sale provision	79,885
1,443	Other	978
88,840	Total current	81,427
Non-current provisions		
11,511	Onerous lease provision	10,015
11,511	Total non-current	10,015
100,351	Total provisions	91,442

Note 8

Provisions (continued)

	Onerous lease provision \$000	Huntly East provision \$000	Loss on Sale Provision \$000	Other provisions \$000	Total \$000
2021					
Balance as at 1 July	12,031	–	86,877	1,443	100,351
Additional provisions made during the year	1,842	–	29,032	596	31,470
Reversal of previous provision	–	–	–	–	–
Discounting changes	(2,774)	–	–	–	(2,774)
Amounts used against the provision	(520)	–	(35,731)	(1,061)	(37,312)
Unused amounts reversed during the year	–	–	(293)	–	(293)
Balance as at 30 June	10,579	–	79,885	978	91,442
	Onerous lease provision \$000	Huntly East provision \$000	Loss on Sale Provision \$000	Other provisions \$000	Total \$000
2020					
Balance as at 1 July	10,864	10,551	12,246	356	34,017
Additional provisions made during the year	–	–	75,071	1,180	76,251
Reversal of previous provision	–	(10,551)	–	(29)	(10,580)
Discounting changes	1,723	–	–	–	1,723
Amounts used against the provision	(556)	–	–	–	(556)
Unused amounts reversed during the year	–	–	(440)	(64)	(504)
Balance as at 30 June	12,031	–	86,877	1,443	100,351

Note 9**Financial instruments**

The Crown is a party to financial instrument arrangements as part of its normal operations. These financial instruments include bank accounts, debtors and creditors.

All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Schedule of Non-Departmental Revenue and the Schedule of Non-Departmental Expenses. They are shown at their estimated fair value.

Categories of financial instruments

The carrying amounts of financial assets and financial liabilities are as follows:

Actual 2020 \$000		Actual 2021 \$000
	Financial assets at fair value through surplus and deficit	
229	Share investments	231
	Financial assets at amortised cost	
31,002	Cash and cash equivalents	35,576
2,068	Trade and other receivables	2,887
33,070	Total financial assets measured at amortised cost	38,463
	Financial liabilities at amortised cost	
8,732	Trade and other payables	600
8,732	Total financial liabilities measured at amortised cost	600

Financial instrument risk**Currency risk and interest rate risk**

The Crown has no exposure to interest rate risk or currency risk on its financial instruments, as there were no foreign currency forward contracts at balance date and the Crown does not hold any interest bearing financial instruments.

Credit risk

Credit risk is the risk that a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from debtors and deposits with banks.

The Crown's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors (Note 2). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Crown is permitted to deposit funds only with Westpac (which has a Standard and Poor's credit rating of AA-), a registered bank, and enter into foreign exchange forward contracts with New Zealand Debt Management (which has a Standard and Poor's credit rating of AA). These entities have high credit ratings.

Liquidity risk

Liquidity risk is the risk that the Crown will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Crown closely monitors its forecast cash requirements with the expected cash drawdown as negotiated with New Zealand Debt Management through the Treasury. The Crown maintains a target level of available cash to meet liquidity requirements.

Note 10**Explanations of major variances against budget**

Schedule of non-departmental revenue**Proceeds from sale of New Zealand Transport Agency properties**

Proceeds from sale of Waka Kotahi New Zealand Transport Agency properties received were \$10.328 million above budget. This is due to more purchases of Waka Kotahi properties than forecast by Waka Kotahi.

Schedule of non-departmental capital receipts**Land tenure reform sales**

Land tenure reform sales were \$80.860 million below budget. The budget here represents the appropriation limit rather than a forecast. The timing of land tenure reform sales is difficult to predict and can take many years to reach settlement.

Sale of Landbank properties

Landbank property sales were \$10.983 million above budget. This amount was not budgeted. The sale of Landbank properties occur as a result of settlement of Treaty of Waitangi claims and sale of properties tagged as deferred selection properties within Treaty claims, the timing of which is difficult to predict.

Schedule of non-departmental expenses**Proceeds from sale of New Zealand Transport Agency properties**

Proceeds from sale of Waka Kotahi properties paid were \$10.328 million below budget. This is due to fewer purchases of Waka Kotahi properties than expected.

Other operating expenses

Other operating expenses were \$21.576 million below budget. This was due to costs associated with the timing of settlements for the remaining Christchurch central city properties to be acquired for Anchor Projects, and the type of expense recognised with some of this being offset by losses on sale.

Loss on sale of held for sale assets

Loss on sale of held for sale assets was \$32.981 million higher than budget. Losses on sale are not forecast. These losses include agreement to dispose of land to Christchurch City Council for nominal value, as part of the Canterbury Multi-Use Arena Agreement and the Global Settlement Agreement.

Schedule of non-departmental capital expenditure**Property purchases**

Property purchases were \$12.310 million below budget largely due to timing of settlements for the remaining Christchurch central city properties to be acquired for Anchor Projects as part of the Canterbury earthquake recovery.

Land tenure reform purchases

Land tenure reform purchases were \$88.420 million below budget due to the budget being the upper limit rather than a forecast. In line with land tenure reform sales, the timing of land tenure reform purchases is difficult to predict and can take years to reach settlement.

Note 11**Events after balance date**

Impact of COVID-19

On 17 August 2021, New Zealand moved into Alert Level 4. On 31 August 2021, all of New Zealand south of Auckland moved into Alert Level 3 while Auckland and Northland remained at Alert Level 4. On 7 September 2021, all of New Zealand except Auckland moved to Alert Level 2. On 22 September 2021, Auckland moved to Alert Level 3.

Throughout these changes Toitū Te Whenua has maintained all services and there has been a minimal impact on operations.

The greatest uncertainty created by any period of change in Alert Levels is on the fair value assessment of land and buildings. There is no information currently available that would indicate that the current lockdown has resulted in a change in fair value of the balance sheet.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation for the year ended 30 June 2021. They are prepared on a GST exclusive basis.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations

For the year ended 30 June 2021

Actual		Expenditure before remeasurements	Approved appropriation	Actual
2020		2021	2021	2021
\$000		\$000	\$000	\$000
Departmental output expenses				
–	Compliance with and administration of the overseas investment regime	14,309	23,182	14,309
–	Total departmental output expenses	14,309	23,182	14,309
Departmental capital expenditure				
15,582	Capital expenditure	20,312	28,197	20,312
15,582	Total departmental capital expenditure	20,312	28,197	20,312
Non-departmental output expenses				
Output classes to be supplied by other parties				
95	Contaminated sites	–	–	–
2,091	Forest plantation activity	–	–	–
2,186	Total non-departmental output expenses	–	–	–
Other expenses to be incurred by the Crown				
852	Bad and Doubtful Debts	28	2,238	28
84	Crown forest management	–	–	–
3,736	Depreciation	–	–	–
–	Impairment of Intangible Assets	6,709	7,500	6,709
400	Land liabilities	–	–	–
13,498	Proceeds from sale of New Zealand Transport Agency properties	50,328	100,000	50,328
4,247	Rates on Crown land	–	–	–
685	Residual Crown leasehold rents	–	–	–
280	Soil Conservation Reserve Management	–	–	–
104	Tangoio Catchment Management Fund	–	–	–
23,886	Total non-departmental other expenses	57,065	109,738	57,065
Non-departmental capital expenditure				
–	Acquisition of surplus assets from Government agencies	1,100	1,100	1,100
–	Crown acquisitions – Huntly East	–	1,500	–
–	Crown purchases – land exchanges	–	700	–
13,870	Land tenure reform acquisitions	7,694	96,114	7,694
13,870	Total non-departmental capital expenditure	8,794	99,414	8,794

Actual 2020 \$000		Expenditure before remeasurements 2021 \$000	Approved appropriation 2021 \$000	Actual 2021 \$000
Multi-category appropriations (MCA)				
91,909	Canterbury earthquake recovery land ownership and management MCA	54,858	82,727	54,858
	Departmental output expenses			
7,561	Managing the recovery	3,364	6,400	3,364
	Non-departmental output expenses			
–	Acquisition and disposal of land and improvements	40,262	54,997	40,262
1,411	Clearance of built structures and associated works	–	–	–
497	Initial write-down in the value of land and improvements	–	–	–
75,071	Loss on disposal of land and improvements	–	–	–
–	Management, clearance and assistance of land and built structures	2,795	7,943	2,795
4,369	Management and clearance of land	–	–	–
7	Mass movement of land	–	–	–
1,715	Purchase of land and improvements operational	–	–	–
115	Write down in the value of land and improvements	–	–	–
	Non-departmental capital expenditure			
1,163	Purchase of land and improvements capital	8,437	13,387	8,437
36,925	Crown land MCA	62,734	74,167	62,734
	Departmental output expenses			
1,106	Centralised clearance service acquisitions and disposals	–	–	–
–	Crown land management expenses	49,398	58,024	49,398
2,452	Land disposal services for other agencies	–	–	–
6,688	Land Information New Zealand Biosecurity Programme	–	–	–
26,679	Management of Crown Land	–	–	–
	Non-Departmental output expenses			
–	Contaminated sites and forestry operations	1,826	4,370	1,826
	Non-Departmental other expenses			
–	Biosecurity and Biodiversity funding	2,290	2,000	2,290
–	Crown land expenses	5,901	5,957	5,901
–	Depreciation and amortisation	3,319	3,816	3,319
22,112	Location based information MCA	26,572	31,767	26,572
	Departmental output expenses			
952	Administration of the New Zealand Geographic Board Ngā Pou Tanaha o Aotearoa	926	783	926
16,426	Land Information New Zealand location based information infrastructure	22,522	25,613	22,522
1,963	Leading the New Zealand Geospatial Strategy	–	–	–
77	Regional elevation data capture – administration	–	–	–
915	Satellite-Based Augmentation System (SBAS)	–	–	–
	Non-departmental output expenses			
1,779	Regional elevation data capture – delivery	3,124	5,371	3,124

Actual 2020 \$000		Expenditure before remeasurements 2021 \$000	Approved appropriation 2021 \$000	Actual 2021 \$000
13,834	Managing the overseas investment regime MCA	–	–	–
	Departmental output expenses			
6,202	Administering the overseas investment regime (other than residential property)	–	–	–
2,832	Administering the residential property regime	–	–	–
4,800	Monitoring and enforcement of the overseas investment regime	–	–	–
71,978	Property rights MCA	70,748	79,855	70,748
	Departmental output expenses			
–	Property rights expenses	69,456	78,569	69,456
1,152	Regulating valuation	–	–	–
70,826	The survey and title system	–	–	–
	Non-departmental other expenses			
–	Land liabilities	1,292	1,286	1,292
4,758	Policy advice and related services MCA	–	–	–
	Departmental output expenses			
4,247	Policy advice	–	–	–
511	Ministerial services, appointments, implementation and operational policy	–	–	–
7,032	Purchase and preparation of assets for possible use in future Treaty of Waitangi settlements MCA	10,998	74,763	10,998
	Non-departmental other expenses			
3,415	Preparation of assets	5,693	62,333	5,693
–	Loss on sale of Landbank properties	1,752	3,934	1,752
	Non-departmental capital expenditure			
3,617	Purchase of assets	3,553	8,496	3,553
248,548	Total multi-category appropriations	225,910	343,279	225,910
304,072	Total annual and permanent appropriations or the year	326,390	603,810	326,390
Actual 2020 \$000				Actual 2021 \$000
	Multi-year appropriations			
	Department output expenses			
	Hydrographic survey			
20,300	Original appropriation			20,300
20,300	Total adjusted approved appropriation			20,300
9,245	Cumulative actual expenditure at 1 July			15,872
6,627	Current year actual expense			3,347
15,872	Cumulative actual expenditure at 30 June			19,219
4,428	Appropriation remaining at 30 June			1,081

Statement of unappropriated expenditure

For the year ended 30 June 2021

There was no unappropriated expenditure or unappropriated capital expenditure incurred during the year ended 30 June 2021 (2020: nil). Toitū Te Whenua has not received any capital injections during the year without, or in excess of authority (2020: nil).

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF LAND INFORMATION NEW ZEALAND'S ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2021

The Auditor-General is the auditor of Land Information New Zealand (the Department). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- ▶ the financial statements of the Department on pages 90 to 115, that comprise the statement of financial position, statement of commitments and statement of contingencies as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in taxpayers' funds, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- ▶ the performance information prepared by the Department for the year ended 30 June 2021 on pages 13 to 42 and 70 to 87;
- ▶ the appropriation statements on page 138 to 141; and
- ▶ the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 116 to 137 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2021;
 - the schedules of expenses and capital expenditure; capital receipts and revenue for the year ended 30 June 2021;
 - the statement of trust monies for the year ended 30 June 2021; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- ▶ the financial statements of the Department on pages 90 to 115:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021;
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- ▶ the performance information of the Department on pages 13 to 42 and 70 to 87:
 - presents fairly, in all material respects, for the year ended 30 June 2021:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- ▶ the appropriation statements of the Department on pages 138 to 141 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989



- ▶ the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 116 to 137 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2021;
 - expenses and capital expenditure; capital receipts and revenue for the year ended 30 June 2021; and
 - the statement of trust monies for the year ended 30 June 2021.

Our audit was completed on 28 September 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Department for preparing:

- ▶ financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- ▶ performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- ▶ statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- ▶ schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Vote lands.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- ▶ We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- ▶ We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- ▶ We evaluate the appropriateness of the reported performance information within the Department's framework for reporting its performance.
- ▶ We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- ▶ We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



Other information

The Chief executive is responsible for the other information. The other information comprises the information included on pages 1 to 12, 43 to 69, 88 to 89 and 146 to 156, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.

A handwritten signature in black ink, appearing to read 'D. Borrie', is shown above a horizontal line.

David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

Key relationships

Working with Māori, iwi and hapū

Māori, iwi and hapū

We partner with Māori, iwi and hapū and their post settlement governance entities to help meet our obligations and improve outcomes for Māori. We acknowledge the importance of Māori and iwi relationships with whenua, and their place as tangata whenua. In addition to the formal relationships designed to bring into effect specific Crown obligations under te Tiriti o Waitangi Deeds of Settlement, we can contribute to better outcomes for Māori by ensuring:

- Māori and iwi have awareness of, access to, and capability to utilise, authoritative, fit-for-purpose geographic and property information
- the Treaty Settlements Landbank is well administered; this includes maintaining the properties to the condition they entered the portfolio and making decisions in consultation with the potential future owners of a property
- Māori and iwi interests in the South Island high country and Crown Pastoral leases are given effect to.

We can only achieve these outcomes by partnering effectively with Māori. This means sharing knowledge, information, skills, and expertise, and weaving together our different world views about land. In addition to those previously mentioned in the Māori–Crown relations section, here are some examples of how we do this:

- we have worked with several iwi and hapū to improve biosecurity and biodiversity on their whenua, supported through funding received for the Mahi mō te Taiao – Jobs for Nature initiative to support a greener recovery from COVID-19 (details below)
- we have engaged with iwi and hapū on applications related to overseas investment, on nautical survey work and the LiDAR elevation data capture project.

Ngāi Tahu

We work with Ngāi Tahu on improving and protecting biosecurity and biodiversity, especially in the Mackenzie Basin, high country, and braided rivers of the South Island.

We have worked closely with Te Rūnanga o Ngāi Tahu in the development of the Crown Pastoral Land Reform Bill and continue to work closely with Ngāi Tahu on the implementation programme. There is a Ngāi Tahu representative on the High Country Advisory Group.

There are three Rūnanga-led projects as part of the Government's environmental response to COVID-19, and at least three other projects in parts of Canterbury, Otago, and Southland where Rūnanga are involved at governance and working group levels in sensitive areas like wetlands and braided rivers. Projects include pest and weed control, restoration of native habitat and mahinga kai, training, and monitoring.

Ngā Tāngata Tiaki o Whanganui Trust

We are working with the Trust and government agencies to provide the Trust with historic and current maps, including of Māori land.

Te Arawa Lakes Trust

We work with the Trust, and with local government, to improve and protect the 12 Rotorua Te Arawa Lakes by undertaking an aquatic weed control programme to improve native biodiversity values. We are also using our GIS tools to identify areas for weed control. We are working with iwi to trial an innovative method to suppress invasive lakeweed using biodegradable matting made of harakeke (flax) instead of imported hessian.

Maniapoto Māori Trust Board

As well as sharing an interest in the mauri of the Waikato River, we are working with the Maniapoto Māori Trust Board and mana whenua groups directly to manage and restore to the iwi the land and properties related to the former Tokanui Hospital village, located near Te Awamutu in the Waikato. The former hospital site covers approximately 80 hectares and includes more than 74 buildings. It is our largest demolition project in the Treaty Settlements Landbank. The property is of great significance to Maniapoto and represents a cornerstone of their settlement. A cultural assessment is being undertaken with mana whenua to help better understand the historical and cultural significance of the site, and to inform the next level of planning.

Taranaki Whānui

Since early 2020, with support of Te Arawhiti and Te Papa Atawhai, the Department of Conservation, we have worked closely with Taranaki Whānui (represented by its post-settlement governance entity, the Port Nicholson Block Settlement Trust) to establish a public reserve on Te Motu Kairangi / Miramar Peninsula in Wellington. The strong working relationship among the parties and this mahi has presented an opportunity for the Crown and Taranaki Whānui to work in partnership to determine the future of this historic and culturally significant 76-hectare reserve.

Te Arawa River Iwi Trust and Waikato Tainui

We work together on understanding what is important for the Waikato River, and tributaries. We have begun to use our GIS and mapping tools to identify the range and density of pests and weeds. This will help inform future decisions on controlling a range of invasive weeds, such as alligator weed which can grow on both water and land.

Working with central government

Te Arawhiti Office for Māori Crown Relations

We work closely with Te Arawhiti to ensure we are meeting our Treaty obligations and follow their guidance so that we can engage effectively with Māori. We consult with Te Arawhiti prior to selling surplus Crown property under treaty settlement protection mechanisms. We manage and maintain properties in the Treaty Settlements landbank, which can be used for cultural or commercial redress.

Te Kooti Whenua Māori The Māori Land Court

Together we work on the operational implementation of whenua Māori reforms. We partner on property system and technical improvements to provide coordinated information and services for Māori landowners.

Te Tai Ōhanga The Treasury

We work together on areas which include:

- meeting fiscal management expectations
- implementing policy and legislation for overseas investment, which The Treasury is responsible for
- infrastructure investment decision-making, including our management of the Crown Estate and modernising Landonline
- meeting the government's regulatory stewardship expectations.

Te Papa Atawhai Department of Conservation

Between us, we are jointly responsible for managing the Crown Estate, which covers over 40 percent of all the land in Aotearoa New Zealand. We have joint interests in land stewardship, which includes promoting biodiversity and biosecurity, and spatial plans, for example in the high country and Mackenzie Basin in the South Island. Te Papa Atawhai also has an interest in overseas investment.

Te Kawa Mataaho Public Service Commission

We need to be effective in our cross-agency role and meet Te Kawa Mataaho's monitoring expectations, for example in our system leadership role around property and geographic information.

Crown Law Office

We work together on important legal matters, particularly legislative proposals, such as the Crown Pastoral Land Reform Bill, and any litigation we are involved in, such as Public Works Act cases.

Te Tūāpapa Kura Kainga Ministry of Housing and Urban Development

Te Tūāpapa Kura Kainga leads the government's policy for urban areas. Our relationship matters because urban strategy and policy affect all parts of our business – data, property, Crown land, and overseas investment. A particular focus is the use of Crown land for housing.

Tatauranga Aotearoa Stats NZ

Tatauranga Aotearoa is the Chief Data Steward for the New Zealand government, and we align our data systems and strategy with New Zealand's data system and its direction and priorities. We are part of the Māori data governance Kāwanatanga group, which aims to ensure agencies apply a te ao Māori lens and enable Māori participation in decisions about how government handles data about Māori.

Te Rākau Whakamarumarū National Emergency Management Agency

Te Rākau Whakamarumarū provides advice to the Prime Minister and Cabinet about risk reduction, emergency response, mitigation and management and relies on our proactive resilience data sets to inform its work.

Te Tari Taiwhenua Department of Internal Affairs / Government Chief Digital Officer

Te Tari Taiwhenua provides policy advice and a vital link to local government. This includes advice to local government about how to apply policy for rates and comply with valuation policy and standards, which are set by the Valuer-General at Toitū Te Whenua. We also collaborate on proof of citizenship for overseas investment. The Government Chief Digital Officer (based in Te Tari Taiwhenua) leads the open government and data programme (with Tatauranga Aotearoa). We work together on digital initiatives and stewardship of data sets and standards.

Hīkina Whakatutuki Ministry of Business, Innovation and Employment

We have many links and touchpoints with Hīkina Whakatutuki, including across immigration and overseas investment, science data and regulatory stewardship. We collaborate on technological innovation including Light Detection and Ranging (LiDAR) and Satellite-based Augmentation Systems (SBAS). Our technological innovation will help improve land productivity, inform smarter infrastructure investment, and help us adapt to climate change here in Aotearoa New Zealand.

Manatū Mō Te Taiao Ministry for the Environment

Manatū Mō Te Taiao leads the Government's environmental sustainability group and the resource management system reform. We work together on tackling key challenges around urban issues, climate change, resilience, and water. We understand each other's priorities with respect to environmental data and climate change and work together on reducing carbon emissions and the Mahi mō te Taiao – Jobs for Nature initiative to support a greener recovery from COVID-19.

Waka Kotahi New Zealand Transport Agency

We are the regulator and decision maker for land acquired under the Public Works Act (PWA) 1981. We work with Waka Kotahi to update information for landowners about how their land is acquired under the PWA. This year we have worked together to establish a dispute resolution service to help affected landowners claim for legal, valuation and removal costs of acquisition. We are developing other process improvements to help affected landowners and achieve quicker solutions for transport improvements throughout Aotearoa New Zealand.

Working with local government

Local authorities (local, unitary, and regional) are a critical partner for leadership and collaboration around connecting property information and environmental data sets and managing the Crown Estate, especially around rivers and lakebeds.

Te Kāhui Kaunihera ō Aotearoa – Local Government NZ **Taituarā – Local Government Professionals Aotearoa**

Te Kāhui Kaunihera ō Aotearoa represents the national interests of local government and provides us with access to councils and specific groups on critical issues including urban issues, climate change, resilience and water. LGNZ helps us to understand priorities for local government and engage with councils around data, property, land and regulation.

Te Kaunihera o Tāmaki Makaurau **Auckland Council**

Auckland Council provides insights on urban issues, property and data and we have been testing ideas with them to inform our approach to modernising Landonline.

Kaunihera Taiao ki Waitaha **Environment Canterbury (ECan) Regional Council**

We work with Kaunihera Taiao ki Waitaha on data, land management and regulatory issues. We share geospatial data and property information to enable better planning and management of the high country and braided rivers in the region.

Tauranga City Council

We have been working together to test ideas, share and connect district valuation roll data, which has informed our approach to modernising Landonline, our online technology platform that supports all property transactions in Aotearoa New Zealand. We worked together to trial a new Notice of Change of Ownership process and Tauranga was the first territorial authority in which conveyancing professionals could use Landonline to advise the council when a property title changes hands.

Working with sector agencies

Te Kāhui Ture o Aotearoa New Zealand Law Society and the Auckland District Law Society

The New Zealand Law Society and Auckland District Law Society represent and advocate on behalf of lawyers, conveyancers and property professionals who are customers and intermediaries for Toitū Te Whenua. We have a shared view of priority issues around property, tenure and transfer. We work closely on the implementation of overseas investment legislation and on modernising Landonline.

Te Pū Ao GNS Science

We share data, information and use innovative technology to improve Aotearoa New Zealand's resilience and ability to manage the impact of earthquakes and climate change.

Datacom Group Limited

Datacom is a key technology partner that supports us through several all-of-government IT contracts. They provide core services to us including a service desk, New Zealand-based datacentre hosting, and application development and support. They also provide specific application and infrastructure support to the current Landonline application.

Tātai Whenua Survey and Spatial New Zealand

Survey and Spatial New Zealand represents and advocates for surveyors who are our customers and intermediaries. We work closely together on modernising Landonline. We regulate surveyors through the Office of the Surveyor-General.

Taihoru Nukurangi NIWA

We work together on hydrographic surveys and finding ways to protect and promote biodiversity and biosecurity. We are using innovative technology to detect and manage invasive aquatic weeds, such as lagarosiphon and hornwort, in our lakes and rivers.

Colliers New Zealand Limited

Colliers provides property management and facilities management services across most of the portfolios we administer. We work in partnership with Colliers to ensure the land and property is managed appropriately.

Te Pūkenga Here Tikanga Mahi Public Service Association

We work with the Te Pūkenga Here Tikanga Mahi and share our organisational plans to ensure we have a settled employment relationship environment which is supported by the PSA.

New Zealand Geographic Board Ngā Pou Taunaha o Aotearoa

New Zealand Geographic Board, Ngā Pou Taunaha o Aotearoa, is New Zealand's national place-naming authority, responsible for official place names in New Zealand, its offshore islands, its continental shelf and the Ross Dependency of Antarctica.

The Board's purpose and functions are set out in the New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Act 2008 and include:

- deciding on proposals for new, altered or discontinued place names, including for Crown protected areas, Antarctica and undersea features
- approving and adopting recorded place names as official
- meeting te Tiriti commitments by providing advice on place names in the cultural redress part of settlements and engaging with post-settlement governance entities about processing other Māori place names
- validating Antarctic and Crown protected area names
- maintaining a publicly accessible, searchable and re-usable *New Zealand Gazetteer* of place names.

Through a number of projects and initiatives, the Board has begun to give practical effect to the four goals in its Te Rautaki | Strategy 2020–2025.

- 1. Naming places:** We officially name features and places so that people can effectively communicate information about the location, and we preserve New Zealand's heritage and culture.
- 2. Outreach:** We make information, including stories about place names, readily available.
- 3. Using official names:** Organisations use official names so that people use them in everyday life.
- 4. Improving capability and processes:** We continuously improve our capability and processes to achieve our goals and objectives.

The Board's new Outreach and Engagement Strategy identifies initiatives to help raise public awareness of its work and provide better information about place names and their stories. Proposed education initiatives will help government agencies and others to use official place names. The strategy introduces a broader regime for the correct naming, recording and use of official place names by everyone in New Zealand. The implementation programme takes a grassroots approach by informing people about the importance and relevance of place names and making richer information about the place names themselves.

Key outputs of the Outreach and Engagement Strategy include:

- engaging with central and local government to promote place naming
- developing a modern online presence to improve participation
- making improved place name information, including the stories behind them, available to the public
- significantly rebuild the *New Zealand Gazetteer* and the Board's website to make information on place names more accessible and complete
- implementing the new brand
- considering officially naming cities, towns and suburbs
- identifying opportunities for the Board's centenary in 2024.

Under its Improving capability and processes strategic goal, the Board published three new standards, in both English and Māori. These were:

- the *Standard for New Zealand place names*
- the *Standard for Antarctic place names*
- the *Standard for altering region and district names*.

These ensure quality and consistency in the Board's decision-making and provide proposers with concise criteria for making place name proposals. An online proposal form for all types of place name proposals will come into effect later in the 2021 calendar year.

In 2020/21, the Board notified 2,499 place name decisions in the *New Zealand Gazette* (see table below). Other notable achievements included the following.

- The Board published its New Zealand Geographic Features¹ website, giving Māori and English generic terms with their descriptions and drawings.
- The Board developed its own Māori Language Plan | Mahere Reo Māori,² including its own pepeha and karakia.
- The Board's Secretariat worked closely with Te Arawhiti and Tiriti claimants to ensure that place names restored or corrected through a Treaty settlement meet good naming practice and the Government's guide to Treaty settlement redress. The Secretariat's role is to advise on the process and criteria.
- The Board provided significant input to the United Nations Group of Experts on Geographical Names' Strategic Plan and Programme of Work 2021 – 2029, which was adopted in May 2021.

For further information, see the Board's full 2020/21 Annual Report³.

Place names notified in the *New Zealand Gazette* in 2020/21

Minister's decisions	14
Te Papa Atawhai, Department of Conservation's Crown protected area names reviewed and concurred	1
Board decisions – existing (recorded) names in New Zealand approved as official	2,092
Discontinued Crown protected area names	5
Board decisions – Antarctica	293
Board decisions – Undersea	71
Other amendments/corrigenda	23
Total	2,499

1 geographicfeatures.linz.govt.nz

2 www.linz.govt.nz/file/23434/download?token=bf5rTzml

3 www.linz.govt.nz/about-linz/publications/new-zealand-geographic-board-maps-and-publications/annual-report-new-zealand-geographic-board




Appendix C

Land tenure reform acquisitions

This appropriation is a non-departmental capital expenditure with one performance measure that is required to be reported in an appendix to the 2020/21 Annual Report.

Performance measure

All pastoral lease acquisitions comply with the Crown Pastoral Land Act 1998.

2019/20 Actual	Budget standard	2020/21 Actual
		

Statutory information

This table details information required under section 181 of the Land Act 1948 for the year ending 30 June 2021.

Details	Number	Total area (hectares)	Price Paid (\$)	Total annual rent payable (\$)
Areas of private land or lessees' interest in Crown land purchased during the year	–	–	–	–
Areas of land purchased on behalf of Te Arawhiti	–	–	–	–
Leases and licences granted during the year	43	1,415	–	90,348
Leases and licences current at the end of the year	536	93,144	–	2,843,169

New Zealand Business Number

We continue to implement the New Zealand Business Number (NZBN) into our business systems. The Ministry of Business, Innovation and Employment is to implement further enhancements to the Organisation Part Number (OPN – Branch Level NZBNs). Once this is complete, we will be able to fulfil our obligations.

Directory

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Te Kāwanatanga o Aotearoa
New Zealand Government