

STATEMENT OF PERFORMANCE EXPECTATIONS
2015»2019



WALKINGACCESS
ARA HĪKOI AOTEAROA



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FOREWORD

We are pleased to present the New Zealand Walking Access Commission's Statement of Performance Expectations (SPE) for 2015-2019. This SPE reflects the priorities of the Government, the Minister and the Board for embedding access culture and heritage and enhancing walking access opportunities in New Zealand over the next four years. This SPE should be read in conjunction with the Commission's Statement of Intent.

The Commission has one output: Walking Access Commission. The figures presented in this SPE are for that one output.

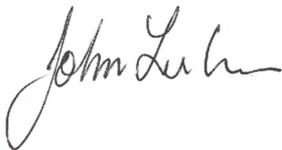
The Commission will give priority to widening its public profile, facilitating new and more enduring access over private land through a renewed focus on establishing Walkways, and working with stakeholders to improve the quality of the information and advice it provides to the public. The Commission reviews its priorities annually and considers that its outcome framework remains "fit for purpose", with a continuing emphasis in 2015-2019 on strengthening access culture and heritage. Greater understanding of the value of access and mutual responsibilities will reduce the prevalence of disputes and promote voluntary management of outdoor access behaviour.

In many respects the Commission is an "integrity agency". Our emphasis is on providing solid and objective advice and information and monitoring the decision-making processes of agencies with public access responsibilities. Public feedback shows that the Commission is respected due to its demonstrated expertise, transparency, objectivity and quality of products and services. Over the past five years, provision of high quality information has helped the Commission develop a reputation as a facilitator of enduring outcomes to access issues. This role is now evolving to a stage where the Commission's knowledge and expertise can be used to influence others to achieve access outcomes.

The Commission's collaborative approach is an undoubted strength. The Commission relies heavily on achieving its outcomes through engagement, influencing and facilitation. In 2015-2019, the Commission will continue to strengthen and promote its activities through partnerships with central and local government agencies, iwi and private and not-for-profit organisations.

Our approach to communications is changing so that the Commission is seen as a genuine influencer – an organisation which the public believe in and support – rather than just a "complaints body". This requires a greater focus on influencing others to change behaviours and attitudes related to the provision and use of public access, in addition to looking after the operational aspects of retaining and enhancing access.

The Board remains committed to ensuring that the organisation has clear objectives, is independent, knowledgeable and efficient and delivers results.



John Forbes
Chairman

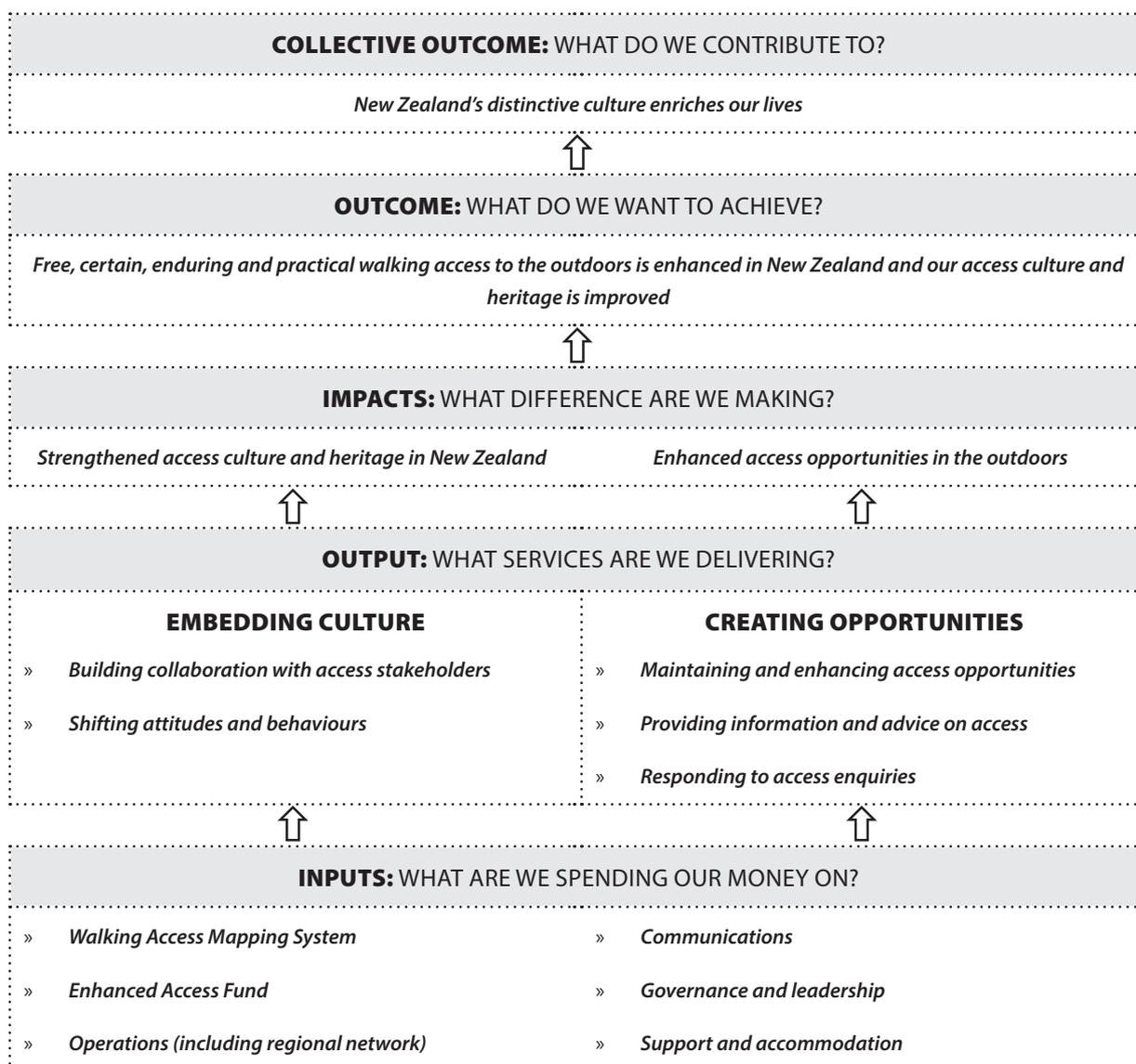


Penny Mudford
Board Member

WHAT THE CLASS OF OUTPUT IS INTENDED TO ACHIEVE

The New Zealand Walking Access Commission's primary outcome (i.e., what it wants to achieve) is that:

THE COMMISSION'S OUTCOME FRAMEWORK



HOW THE PERFORMANCE OF THE OUTPUT WILL BE ASSESSED

1.0 STRENGTHENED ACCESS CULTURE AND HERITAGE IN NEW ZEALAND

The Commission seeks to increase awareness of access responsibilities and the value of outdoor access to New Zealand society. This includes informing people about public and private property rights and responsible behaviour in the outdoors, and ensuring landholders are aware of New Zealand's access tradition.

	2013-14 Actual	2014-15 Actual	2014-15 Target	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	QN=QUANTITY QL=QUALITY
The New Zealand public agrees that New Zealanders and overseas visitors can access our country's outdoors ¹		94%*	new					QL Percentage of survey respondents that agree. Target – higher than previous survey
The New Zealand public agrees that access to New Zealand's outdoors is being strengthened and valued ¹		68%*	new					QL Percentage of survey respondents that agree. Target – higher than previous survey

* Actual survey result – April 2015.

¹ This is a new measure included in the Commission's biennial survey. The 2014-2015 survey result will be used to establish the reporting baseline.

	2013-14 Actual	2014-15 Est	2014-15 Target	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	QN=QUANTITY QL=QUALITY
1.1 BUILDING COLLABORATION WITH ACCESS STAKEHOLDERS								
Percentage of the NZ public agree that most New Zealanders have a good understanding of how to behave responsibly in the outdoors		70%*	Higher than 69%					QL² Percentage of survey respondents that agree. Target – higher than previous survey
1.2 SHIFTING ATTITUDES AND BEHAVIOURS								
The school based education programme website is well used	3,752	3,800	2,520	3,990	4,190	4,400	4,620	QN 5% increase on previous year in the number of visits to the Both Sides of the Fence website. www.bothsidesofthefence.org.nz
Raise public awareness of the Commission and access		7%*	Higher than 6%					QN³ Percentage of survey respondents who have heard of the New Zealand Walking Access Commission. Target – higher than previous survey

* Actual survey result – April 2015.

- 2 The Commission undertook its first public opinion survey, to serve as a baseline for future years, in March 2011 (survey result was 71%). The survey was repeated again in 2012-2013 (survey result was 69%). The survey is repeated every two years.
- 3 This is a new measure in this year's SPE, and is included in the Commission's biennial survey. The previous survey recorded a public awareness rating of 6%.

2.0 ENHANCED ACCESS OPPORTUNITIES IN THE OUTDOORS

The Commission seeks to enhance access opportunities for everyone in the New Zealand outdoors. This includes retaining and securing existing access, seeking new access opportunities and supporting central and local government agencies, iwi, landholders, business and communities to develop new access.

	2013-14 Actual	2014-15 Est	2014-15 Target	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	QN=QUANTITY QL=QUALITY TL=TIMELINES
Access opportunities created or retained with Commission involvement		50	* new					QN Number of opportunities created or retained annually, including Enhanced Access Fund projects. Target – higher than previous survey
Access arrangements formalised and made enduring for future generations This excludes access created by other parties		12	* new					QN Number of arrangements formalised annually Target – higher than previous survey
2.1 MAINTAINING AND ENHANCING ACCESS OPPORTUNITIES								
Effective management of dispute ⁴ resolution processes	29	0	* new	10	10	10	10	QN Disputes received
	14	7		20	20	10	10	QN Disputes concluded
	47	40		30	20	20	20	QN Disputes carried over
Investigations carried out on access disputes will be concluded ⁵ as soon as practicable	52%	55%	* new	55%	60%	60%	60%	TL Concluded within 12 months
	63%	75%		75%	80%	80%	80%	TL Concluded within 24 months

* This is a new measure, introduced in 2014-2015. The 2014-2015 actual result will be used to establish the reporting baseline.

4 A dispute is a disagreement around an action taken or proposed.

5 This is a new measure introduced for 2015-2016. The Commission has been able to reconstruct performance for 2013-14 and 2014-15 from available data. The Commission's ability to conclude disputes relies heavily on the goodwill of the parties involved. The resolution of issues can, in some cases, take several years.

	2013-14 Actual	2014-15 Est	2014-15 Target	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	QN=QUANTITY QL=QUALITY TL=TIMELINES
2.2 PROVIDING INFORMATION AND ADVICE ON ACCESS								
The NZ public agree that it is easy to find information on the ownership/status of land		22%*	Higher than 24%					QL ⁶ Percentage of respondents that agree. Target - higher than previous survey
Public use of the walking access mapping system (WAMS) is increased	42,332	48,000	46,200	52,800	58,080	63,890	70,275	QN ⁷ 10% increase on previous year in unique visitors to the WAMS website www.wams.org.nz
Public awareness of the walking access mapping system (WAMS) is increased				new				QL Percentage of survey respondents that agree Target - higher than previous survey
2.3 RESPONDING TO ACCESS ENQUIRIES								
People enquire about access to the Commission	430	400	360	360	360	360	360	QN Number of access enquiries received.
Access enquiries are addressed satisfactorily	76%	78%	80%	80%	85%	90%	90%	QL Percentage of enquirers satisfied with the Commission's action
	267	220	100	150	100	100	100	QN Number of enquiries/cases yet to be closed (based on current resourcing)
Investigations carried out on access enquiries will be concluded as soon as practicable	84%	90%	new	80%	80%	80%	80%	TL Concluded within 12 months
	93%	95%		90%	90%	90%	90%	TL Concluded within 24 months
People consider that the Commission is credible, trusted, reliable and responsive		54%	new					QL ⁸ Percentage of survey respondents who agree. Target - higher than previous survey

* Actual survey result – April 2015.

6 In March 2010-2011 the Commission undertook its first public opinion survey to serve as a baseline for future years (the result for that survey was 22%). The survey was repeated again in 2012-2013 (the result for that survey was 24%). A subsequent survey was undertaken in 2014-2015 (see table above) and a repeat is planned in 2016-2017.

7 Unique visitors refers to the number of distinct individuals requesting pages from the website during a given period, regardless of how often they visit.

8 This is a new measure to be included in the Commission's biennial survey. The 2014-2015 survey result will be used to establish the reporting baseline.

HOW OUR INPUTS WILL BE MEASURED

	2013-14 Actual	2014-15 Est	2014-15 Target	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	
Board members undertake an annual self-assessment exercise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Board self-assessment completed, and recommendations actioned, by 30 June
The Commission has an effective health and safety policy	Nil	Nil	Nil	Nil	Nil	Nil	Nil	No workplace accidents
Provide advice to "the Minister or any other person on walking access", including advice on Overseas Investment Act applications, Tenure Review proposals and the implementation of Treaty settlements	23 Nil	30 Nil	15-20 Nil	15-20 Nil	15-20 Nil	15-20 Nil	15-20 Nil	Reports, briefings and advice provided annually No negative feedback on advice given to Minister.

MAJOR INVESTMENTS AND CAPITAL ASSET

MAJOR INVESTMENTS

The Enhanced Access Fund is the Commission's major investment asset. The fund was formed in 2009 from initial surpluses. Interest earned, and a top up from surpluses in 2010-2011, have been more than offset by grants made.

The fund balance at the beginning of 2015-2016 is forecast to be \$1,448,000

The Commission intends to make grants throughout the period of this Statement of Performance Expectations using the interest revenue of the fund. This is forecast to be around \$63,300 in 2015-2016, and thereafter will depend on prevailing interest rates, and the level of expenditure on grants and other EAF funded projects approved by the Board. It should be noted that most grantees are community groups run on a volunteer basis, and the Commission has limited control in respect of the timing of grant payments as these are dependent on the completion of projects, many of which are weather dependent, in a timely manner.

The Board has resolved to apply \$399,000 in 2015-2016, \$290,000 in 2016-2017 and \$50,000 in 2017-2018 from the Enhanced Access Fund to invest in the Commission's information technology infrastructure, website development and communications programmes. These costs are classified as operational, WAMS and communications costs in the forecast analysis of expenditure.

MAJOR CAPITAL ASSET

The Commission's major capital asset is the Walking Access Mapping System - an online system using geospatial information. The mapping system plays a key role in promoting access opportunities and clarifying rights of access for landholders and people who want to enjoy the outdoors.

The mapping system is also a tool that enables Commission staff and regional field advisors to fulfil their statutory functions and work.

To ensure that the Commission focuses its resources on its statutory role of providing maps that assist the public to identify land over which they have walking access, the Commission's objective for the mapping system is for: "The Walking Access Mapping System to be the authoritative source of data on land over which the public have walking access."

To support this, the Commission has approved further investment to enhance the mapping system. This enhancement has four main components: updating the operating software, improving the accuracy and amount of information relating to publicly accessible land, improving the mapping system's user interface, and enhancing the ability for other organisations to display outdoor-related information on the mapping system for public view. These enhancements continue through the planning period.

EXPECTED REVENUE AND PROPOSED EXPENSES FOR THIS CLASS OF OUTPUT

This section contains the following forecast financial statements:

- » Statement of responsibility
- » Forecast statement of comprehensive revenue and expense
- » Forecast statement of changes in equity
- » Forecast statement of financial position
- » Forecast statement of cash flows
- » Forecast analysis of expenditure
- » Statement of underlying assumptions and accounting policies

The New Zealand Walking Access Commission has just one output. The revenue and expense for that output is as reported in the following forecast statement of comprehensive revenue and expense.

STATEMENT OF RESPONSIBILITY

This Statement of Performance Expectations has been prepared to meet the requirements of the *Crown Entities Act 2004*.

The forecast financial statements have been prepared for the purposes of this Statement of Performance Expectations, have not been audited, and should not be relied upon for any other purpose. These forecast financial statements been prepared on the basis of best estimates and assumptions as to future events. Actual results are likely to vary from the information presented.

The New Zealand Walking Access Commission accepts responsibility for the preparation of the Statement of Performance Expectations and forecast financial statements, including the assumptions on which the forecast statements are based.



John Forbes
Chairman



Penny Mudford
Board Member

Date: 20 May 2015

FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE (AS AT 30 JUNE)

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue							
Crown revenue	1,789	1,789	1,789	1,789	1,789	1,789	1,789
Interest	119	123	106	99	81	73	73
Other income	4	0	0	0	0	0	0
Total revenue	1,912	1,912	1,895	1,888	1,870	1,862	1,862
Expenditure							
Operating costs	969	1,280	1,334	1,405	1,289	1,032	982
Personnel costs	541	551	556	589	581	593	605
Audit fees	18	19	19	19	19	19	20
Board fees	75	67	75	75	75	75	75
Depreciation and amortisation	135	130	131	129	128	126	115
Rentals and leases	63	63	63	66	66	66	66
Total expenses	1,801	2,110	2,178	2,283	2,158	1,911	1,863
Surplus/(deficit) for the period	111	-198	-283	-395	-288	-49	-1
Other comprehensive revenue and expense	0	0	0	0	0	0	0
Total comprehensive revenue and expense for the period	111	-198	-283	-395	-288	-49	-1
Total comprehensive revenue and expense is comprised of:							
Accumulated surplus	87	28	16	4	2	1	-1
Enhanced Access Fund	24	-226	-299	-399	-290	-50	0
Total comprehensive income revenue and expense	111	-198	-283	-395	-288	-49	-1

FORECAST STATEMENT OF CHANGES IN EQUITY (AS AT 30 JUNE)

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	2,935	3,046	2,942	2,848	2,453	2,165	2,116
Total comprehensive revenue and expense for the period	111	-198	-283	-395	-288	-49	-1
Total Equity at 30 June	3,046	2,848	2,659	2,453	2,165	2,116	2,115

FORECAST STATEMENT OF FINANCIAL POSITION (AS AT 30 JUNE)

	2013-14 Actual \$000	2014-15 Forecast \$000	2014-15 Budget \$000	2015-16 Plan \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000
Assets							
Current assets							
Cash and cash equivalents	220	220	156	156	206	181	156
Prepayments	29	15	20	20	20	20	20
Receivables	25	21	21	21	21	21	21
Investments	950	820	750	750	750	750	750
Total current assets	1,224	1,076	947	947	997	972	947
Non-current assets							
Property, plant and equipment	54	42	36	30	17	4	0
Intangible assets	730	614	614	498	383	270	158
Term investments	1,759	1,750	1,718	1,656	1,466	1,580	1,725
Total non-current assets	2,543	2,406	2,368	2,184	1,866	1,854	1,883
Total assets	3,767	3,482	3,315	3,131	2,863	2,826	2,830
Current liabilities							
Creditors and other payables	157	90	107	134	151	159	163
GST	48	48	48	47	49	52	52
Employee entitlements	69	49	54	50	51	52	53
Income in advance	447	447	447	447	447	447	447
Total current liabilities	721	634	656	678	698	710	715
Net assets	3,046	2,848	2,659	2,543	2,165	2,116	2,115
Equity							
Accumulated surplus	1,372	1,400	1,309	1,404	1,406	1,407	1,406
Enhanced Access Fund	1,674	1,448	1,350	1,049	759	709	709
Total net assets/equity	3,046	2,848	2,659	2,453	2,165	2,116	2,115

FORECAST STATEMENT OF CASH FLOWS (AS AT 30 JUNE)

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities							
Crown revenue	1,789	1,789	1,789	1,789	1,789	1,789	1,789
Interest received	115	127	108	99	81	73	73
Receipts from other revenue	4	0	0	0	0	0	0
Goods and services tax (net)	0	0	-6	-1	2	3	0
Payments to employees	-525	-571	-554	-588	-580	-592	-604
Payments to suppliers	-1,081	-1,487	-1,501	-1,527	-1,432	-1,184	-1,138
Net cash from operating activities	302	-142	-164	-228	-140	89	120
Cash flows from investing activities							
Receipts (net) from liquidating investments	0	139	71	164	190	0	0
Purchase of property, plant and equipment	-4	3	0	0	0	0	0
Purchase of software	0	0	0	0	0	0	0
Acquisition of investments	-592	0	0	0	0	-114	-145
Net cash from investing activities	-596	142	71	164	190	-114	-145
Cash flows from financing activities							
Capital contribution	0	0	0	0	0	0	0
Net cash from financing activities	0						
Net increase/(decrease) in cash	-294	-0	-93	-64	50	-25	-25
Cash at 1 July	514	220	249	220	156	206	181
Closing cash balance	220	220	156	156	206	181	156

FORECAST ANALYSIS OF EXPENDITURE (AS AT 30 JUNE)

The following analysis of expenditure is based on their function within the Commission. The Commission's outgoings focus on the mapping system, operations, the Enhanced Access Fund, governance and leadership and communications. Support and accommodation are secondary contributors to costs.

	2013-14 Actual \$000	2014-15 Forecast \$000	2014-15 Budget \$000	2015-16 Plan \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000
Walking Access Mapping System (WAMS)	403	508	619	544	501	478	430
Operations	511	577	521	634	631	540	548
Enhanced Access Fund grants	71	33	76	63	46	37	36
Governance and leadership	498	551	530	512	518	505	503
Communications	60	181	152	231	157	62	62
Support	166	174	190	210	215	199	203
Accommodation	92	86	90	89	90	90	81
Total expenditure	1,801	2,110	2,178	2,283	2,158	1,911	1,863

STATEMENT OF SIGNIFICANT UNDERLYING ASSUMPTIONS AND ACCOUNTING POLICIES

REPORTING ENTITY

The New Zealand Walking Access Commission (the Commission) is a Crown entity as defined by the *Crown Entities Act 2004* and is domiciled and operates in New Zealand. The relevant legislation governing the Commission's operations includes the *Crown Entities Act 2004* and the *Walking Access Act 2008*. The Commission's ultimate parent is the New Zealand Crown.

The Commission's primary objective is to provide services to the New Zealand public. The Commission does not operate to make a financial return.

The Commission has one output: Walking Access Commission. The figures presented in these forecast financial statements are for that one output.

The Commission has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Commission are for the year ended 30 June, and were approved by the Board on 20 May 2015.

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 prospective financial statements of the Commission have been prepared in accordance with the requirements of the *Crown Entities Act 2004*, which includes the requirement to comply with generally accepted accounting practice New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards, and concessions under the reduced disclosure regime have been applied. The criteria under which the Commission is eligible to report in accordance with Tier 2 PBE accounting standards are:

- (a) its debt or equity instruments are not traded in a public market nor is it in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets),
- b) it does not hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses, and
- (c) its total expenses do not exceed \$30 million.

These financial statements are the first financial statements presented in accordance with PBE accounting standards. There are no material adjustments arising on transition to the new PBE accounting standards.

PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

SIGNIFICANT ACCOUNTING POLICIES

REVENUE

Funding from the Crown

The Commission is primarily funded through revenue received from the Crown that is restricted in its use for the purpose of the Commission meeting its objectives as specified in its founding legislation and the scope of the relevant appropriations of the funder.

The Commission considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue received from the Crown has been determined to be equivalent to the amounts due in the funding arrangement.

Revenue from the Crown is received in advance of when it is earned and is recorded as income in advance. This income is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest revenue

Interest revenue is recognised using the effective interest method.

GRANT EXPENDITURE

Discretionary grants are those grants where the Commission has no obligation to award on receipt of the grant application and are recognised as expenditure when the approved applicant (grantee) has met the criteria in the grant contract and the Commission has approved the expenditure.

The Commission has no non-discretionary grants.

LEASES

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

The Commission does not have any finance leases.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

RECEIVABLES

Short-term receivables are measured at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that the Commission will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

INVESTMENTS

Bank term deposits

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following asset classes: computer hardware, leasehold improvements and office equipment.

Property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.

Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates have been estimated as follows:

Office equipment	5 - 10 years	10% - 20%
Leasehold improvements	9 years	11.1%
Computer hardware	4 - 5 years	20% - 25%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct

costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Commission's web sites 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 the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Developed computer software (mapping system)	10 years	10%
Acquired computer software	5 years	20%

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Commission does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment 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 value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Commission would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

CREDITORS AND OTHER PAYABLES

Short-term creditors and other payables are recorded at their face value.

EMPLOYEE ENTITLEMENTS

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not taken at balance date, and sick leave.

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

A liability and an expense are recognised for performance payments where there is a contractual obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

The Commission does not provide long service leave or retirement leave.

SUPERANNUATION SCHEMES

Obligations for contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

EQUITY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- » Accumulated surplus, and
- » Enhanced Access Fund.

GOODS AND SERVICES TAX (GST)

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

INCOME TAX

The Commission is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

BUDGET FIGURES

The budget figures are from the 2014-2018 Statement of Performance Expectations.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below:

Estimated useful lives and residual values of property, plant and equipment

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Commission, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and the carrying amount of the asset in the statement of financial position. The Commission minimises the risk of this estimation uncertainty by: physical inspection of assets; and asset replacement programmes.

The Commission has not made any significant changes to past assumptions concerning useful lives and residual values.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

These forecast financial statements have been prepared to present the Commission's planned work programme over the coming four years. The figures contain estimates based on best information and there is a degree of uncertainty attached to the information.

Management has exercised the following critical judgements in applying accounting policies:

- » Crown funding will remain unchanged;
- » The Walking Access Mapping System will have a useful life of 10 years (commencing from 2010);
- » Enhanced Access Fund grants will be made available each year, to the estimated amount of interest revenue generated by the fund for that year;
- » The Board has resolved to apply \$399,000 in 2015-2016, \$290,000 in 2016-2017 and \$50,000 in 2017-2018 from the Enhanced Access Fund to invest in the Commission's information technology infrastructure, websites and communications programmes. These are classified as operational, WAMS and communications costs in the forecast analysis of expenditure. Final specifications of these projects have not been completed, and there may be a portion of capital expenditure that has been recorded as operating expenditure in these financial statements;
- » Employee entitlements and other costs are budgeted to increase by about the expected rate of inflation.

Actual financial results achieved for the period covered are likely to vary from the information presented in this Statement of Performance Expectations and the variations may be material. For these reasons the information in these forecast financial statements may not be appropriate for purposes other than those described.

Notes:





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