

STATEMENT OF PERFORMANCE EXPECTATIONS
2016»2020



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 2016-2020. 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: Support for Walking Access. The figures presented in this SPE are for that one output.

The Commission will continue to give priority to increasing public awareness of the services it offers and the access heritage and culture message, facilitating new and more enduring access over private land through Walkways, and working with stakeholders to improve the quality of the information and advice it provides to the public. There will be a continued emphasis in 2016-2020 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.

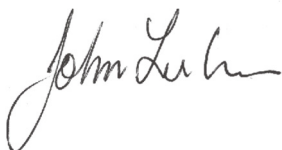
The Commission considers that its outcome framework remains "fit for purpose". Its Statement of Intent will be reviewed during 2016-2017.

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 others and facilitation. 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 to ensure the Commission is seen as a genuine influencer. The Commission will increase its use of social media and websites to influence others and to change behaviours and attitudes related to the provision and use of public access.

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



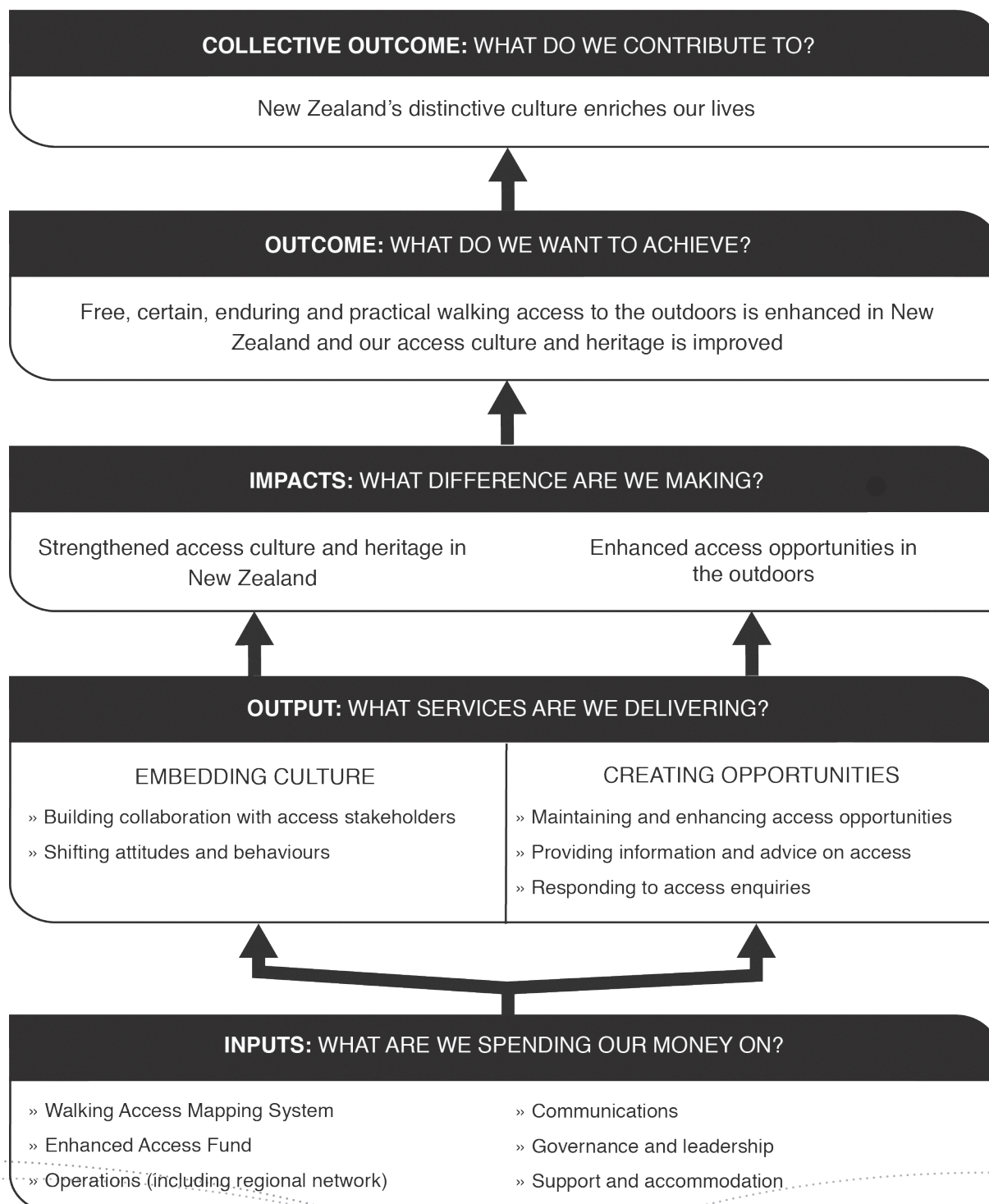
John Forbes
Chairman



Penny Mudford
Board Member

WHAT THE CLASS OF OUTPUT IS INTENDED TO ACHIEVE

THE 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.

	2014-15 Actual	2015-16 Estimate	2015-16 SPE	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	QN = Quantity QL = Quality
Building collaboration with access stakeholders								
1.1 The New Zealand public agrees that access to New Zealand's outdoors is being strengthened and valued.	68%		n/a	65% - 75%		65% - 75%		QL ¹ Percentage of survey respondents who agree - most recent survey results.
Shifting attitudes and behaviours								
1.2 Most New Zealanders have a good understanding of how to behave responsibly in the outdoors.	70%		n/a	65% - 75%		65% - 75%		QL ² Percentage of survey respondents who agree - most recent survey results.
1.3 The school based education programme site is well used.	5,656	5,650	3,990	5,930	6,230	6,540	6,870	QN 5% increase on previous year in the number of visits to the Both Sides of the Fence website (www.bothsidesofthefence.org.nz).
1.4 Raise public awareness of the Commission and access.	7%		n/a	5% - 10%		5% - 10%		QN ³ Percentage of survey respondents who have heard of the New Zealand Walking Access Commission - most recent survey results.

1 This measure is included in the Commission's biennial Walking Access Survey. This survey has previously been completed in 2010-2011 (71%), and in 2012-2013 (69%).

2 This measure is included in the Commission's biennial Walking Access Survey. The 2014-2015 survey result established the reporting baseline.

3 This measure is included in the Commission's biennial Walking Access Survey. This survey has previously been completed in 2012-2013 (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.

	2014-15 Actual	2015-16 Estimate	2015-16 SPE	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	QN = Quantity QL = Quality TI = Timeliness
Maintaining and enhancing access opportunities								
2.1 Access opportunities created or retained with Commission involvement.	83	50	83+	50 - 75*	50 - 75*	50 - 75*	50 - 75*	QN Number of opportunities created or retained annually, including Enhanced Access Fund projects.
2.2 Access arrangements formalised and made enduring for future generations.	14	10	14	10 - 20**	10 - 20**	10 - 20**	10 - 20**	QN Number of arrangements formalised annually.
2.3 Effective management of dispute ⁴ resolution processes resulting in fewer disputes carried over.	31	20	10	20	20	20	20	QN Disputes received.
	35	24	20	25	25	25	20	QN Disputes concluded.
	39	35	30	30	25	20	20	QN Disputes carried over.
2.4 Investigations carried out on access disputes will be concluded ⁵ .	49%	70%	55%	60%	60%	60%	60%	TI Concluded within 12 months.
	66%	80%	75%	80%	80%	80%	80%	TI Concluded within 24 months.

* Dependent on third party requests and available resources.

** Dependent on third party requests and available resources. This excludes access created by other parties

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

5 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.

	2014-15 Actual	2015-16 Estimate	2015-16 SPE	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	QN = Quantity QL = Quality TI = Timeliness
Providing information and advice on access								
2.5 The New Zealand public agrees that New Zealanders and overseas visitors can access our country's outdoors.	94%		n/a	90% - 95%		90% - 95%		QL ⁶ Percentage of survey respondents who agree - most recent survey results.
2.6 The New Zealand public agree that it is easy to find information on ownership/ status of land.	22%		n/a	20% - 30%		20% - 30%		QL ⁷ Percentage of survey respondents who agree - most recent survey results.
2.7 Public use of the Walking Access Mapping System (WAMS) is increased.	51,298	53,000	52,800	58,300	64,100	70,500	77,600	QN ⁸ 10% increase on previous year in unique visitors to the WAMS website (www.wams.org.nz).
2.8 Public awareness of the Walking Access Mapping System (WAMS) is increased.		39% ⁹	new					QL Percentage of survey respondents who agree - most recent survey results. This is a new measure. The inaugural 2015-2016 survey will establish the baseline for future performance monitoring.

6 This measure is included in the Commission's biennial Walking Access Survey. The 2014-2015 survey result established the reporting baseline.

7 This measure is included in the Commission's biennial Walking Access Survey. This survey has previously been completed in 2010-2011 (22%), and in 2012-2013 (24%).

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

9 The measure is derived from the Walking Access Mapping System User Survey conducted in April 2016.

	2014-15 Actual	2015-16 Estimate	2015-16 SPE	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	QN = Quantity QL = Quality TI = Timeliness
Responding to access enquiries								
2.9 People enquire about access to the Commission.	418	360	360	360	360	360	360	QN Number of access enquiries received.
2.10 Access enquiries are addressed satisfactorily.	93%	85% ¹⁰	80%	80% - 95%	85% - 95%	85% - 95%	85% - 95%	QL Percentage of enquirers satisfied with the Commission's action - most recent survey results.
	246	250	150	200	150	100	100	QN Number of enquiries/cases yet to be concluded.
2.11 Investigations carried out on access enquiries will be concluded as soon as practicable.	73%	80%	80%	80%	80%	80%	80%	TI Concluded within 12 months.
	89%	90%	90%	90%	90%	90%	90%	TI Concluded within 24 months.
2.12 People consider that the Commission is credible, trusted, reliable and responsive.	54%		n/a	55% - 60%		55% - 60%		QL ¹¹ Percentage of survey respondents who agree - most recent survey results.

3.0 OTHER

	2014-15 Actual	2015-16 Estimate	2015-16 SPE	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
3.1 Provide advice to the Minister on walking access.	13	12	15-20	10-20	10-20	10-20	10-20	Reports, briefings and advice provided annually.
3.2 Provide advice on Overseas Investment Act applications.*	55	45	n/a	30 - 50	30 - 50	30 - 50	30 - 50	Reports, briefings and advice provided annually.

* Dependent on third party requests and available resources.

10 This measure is derived from the Commission's Corporate Responsiveness Survey conducted in April 2016.

11 This measure is included in the Commission's biennial Walking Access Survey. The 2014-2015 survey result established the reporting baseline.

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 and received a top up from subsequent surpluses in 2010-2011.

At the beginning of 2016-2017 the fund balance is forecast to be \$1,270,000. The fund is invested in term investments at interest rates significantly higher than the current market. The majority of these investments will mature in August 2017, and reinvestment is forecast to be at current market rates.

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 \$57,000 in 2016-2017, and thereafter will depend on prevailing interest rates, and the level of expenditure on grants and other Enhanced Access Fund 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.

The Board has resolved to apply \$297,500 in 2016-2017 and \$25,000 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, Walking Access Mapping System and communications costs in the analysis of forecast expenditure by nature.

MAJOR CAPITAL ASSET

The Commission's major capital asset is the Walking Access Mapping System (WAMS) - an online system that uses 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."

The Board approved the investment of up to \$223,000 in 2015-2016 to upgrade the WAMS operating software to improve reliability, improve the accuracy and amount of information relating to publicly accessible land, improve the mapping system's user interface, and enhance the ability for other organisations to display outdoor-related information on the mapping system for public view. This investment will also provide significant operational cost savings as functions required to support WAMS will be streamlined. As a consequence of this upgrade, a significant portion of WAMS software will be redundant, resulting in a reduction of the carrying value by approximately \$345,000 (subject to completion of the upgrade, and external review).

The board has budgeted for a further \$50,000 in both 2016-2017, and 2017-2018 for additional investment in WAMS to enhance its mobile-user functionality.

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 expenditure by nature
- » 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 have 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 this 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: 17 May 2016

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

	2014-15 Actual \$000	2015-16 Forecast \$000	2015-16 Budget \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000	2019-20 Plan \$000
Revenue							
Crown revenue	1,789	1,789	1,789	1,789	1,789	1,789	1,789
Interest	130	121	99	82	58	62	66
Other income	4	0	0	0	0	0	0
Total revenue	1,923	1,910	1,888	1,871	1,847	1,851	1,855
Expenditure							
Operating costs	1,048	1,187	1,405	1,303	978	940	955
Personnel costs	558	593	589	565	577	588	600
Audit fees	19	19	19	19	19	19	20
Board fees	65	63	75	64	64	64	64
Depreciation and amortisation	130	129	129	151	166	176	38
Loss on Disposal of Software	0	345	0	0	0	0	0
Rentals and leases	63	63	66	63	63	63	63
Total expenditure	1,883	2,399	2,283	2,165	1,867	1,850	1,740
Surplus/(deficit) for the period	40	-489	-395	-294	-20	1	115
Other comprehensive revenue and expense	0	0	0	0	0	0	0
Total comprehensive revenue and expense for the period	40	-489	-395	-294	-20	1	115
Total comprehensive revenue and expense is comprised of:							
Accumulated surplus	186	-230	4	4	5	1	115
Enhanced Access Fund	-146	-259	-399	-298	-25	0	0
Total comprehensive revenue and expense for the period	40	-489	-395	-294	-20	1	115

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

	2014-15 Actual \$000	2015-16 Forecast \$000	2015-16 Budget \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000	2019-20 Plan \$000
Balance at 1 July	3,046	3,086	2,848	2,597	2,303	2,283	2,284
Total comprehensive revenue and expense for the period	40	-489	-395	-294	-20	1	115
Total Equity at 30 June	3,086	2,597	2,453	2,303	2,283	2,284	2,399

FORECAST STATEMENT OF FINANCIAL POSITION (AS AT 30 JUNE)

	2014-15 Actual \$000	2015-16 Forecast \$000	2015-16 Budget \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000	2019-20 Plan \$000
Assets							
Current assets							
Cash and cash equivalents	288	283	156	341	378	385	395
Prepayments	36	40	20	20	20	20	20
Receivables	14	18	21	21	21	21	21
GST	24	36	0	18	14	14	14
Investments	450	300	750	450	485	480	475
Total current assets	812	677	947	850	918	920	925
Non-current assets							
Property, plant and equipment	42	32	30	21	9	43	30
Intangible assets	613	388	498	297	192	33	8
Software under development	0	0	0	0	0	0	0
Term investments	1,884	1,725	1,656	1,325	1,350	1,475	1,625
Total non-current assets	2,539	2,145	2,184	1,643	1,551	1,551	1,663
Total assets	3,351	2,822	3,131	2,493	2,469	2,471	2,588
Current liabilities							
Creditors and other payables	204	189	134	153	148	148	149
GST			47				
Employee entitlements	61	36	50	37	38	39	40
Income in advance	0	0	447	0	0	0	0
Total current liabilities	265	225	678	190	186	187	189
Net assets	3,086	2,597	2,453	2,303	2,283	2,284	2,399
Equity							
Accumulated surplus	1,557	1,327	1,404	1,331	1,336	1,337	1,452
Enhanced Access Fund	1,529	1,270	1,049	972	947	947	947
Total Equity	3,086	2,597	2,453	2,303	2,283	2,284	2,399

FORECAST STATEMENT OF CASH FLOWS (AS AT 30 JUNE)

	2014-15 Actual \$000	2015-16 Forecast \$000	2015-16 Budget \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000	2019-20 Plan \$000
Cash flows from operating activities							
Crown revenue	1,342	1,789	1,789	1,789	1,789	1,789	1,789
Interest received	141	117	99	79	58	62	66
Receipts from other revenue	4	0	0	0	0	0	0
Goods and services tax (net)	-72	-12	-1	18	4	0	0
Payments to employees	-566	-618	-588	-564	-576	-587	-599
Payments to suppliers	-1,154	-1,352	-1,527	-1,464	-1,128	-1,087	-1,101
Net cash from operating activities	-305	-76	-228	-142	147	177	155
Cash flows from investing activities							
Receipts (net) from liquidating investments	375	309	164	250	0	0	0
Purchase of property, plant and equipment	-2	-1	0	0	0	-50	0
Purchase of software under development	0	0	0	0	0	0	0
Purchase of software	0	-237	0	-50	-50	0	0
Acquisition of investments	0	0	0	0	-60	-120	-145
Net cash from investing activities	373	71	164	200	-110	-170	-145
Cash flows from financing activities							
Capital Contribution	0	0	0	0	0	0	0
Net cash from financing activities	0	0	0	0	0	0	0
Net increase/(decrease) in cash	68	-5	-64	58	37	7	10
Cash at 1 July	220	288	220	283	341	378	385
Closing cash balance	288	283	156	341	378	385	395

FORECAST EXPENDITURE BY NATURE (AS AT 30 JUNE)

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

	2014-15 Actual \$000	2015-16 Forecast \$000	2015-16 Budget \$000	2016-17 Plan \$000	2017-18 Plan \$000	2018-19 Plan \$000	2019-20 Plan \$000
Walking Access Mapping System	469	854	544	389	388	396	263
Operations	493	535	634	636	544	552	564
Enhanced Access Fund Grants	21	35	63	56	31	31	31
Governance and Leadership	505	532	512	545	508	500	511
Communications	136	160	231	227	100	65	65
Support	173	199	210	226	210	214	218
Accommodation	86	84	89	86	86	92	88
Total expenditure by nature	1,883	2,399	2,283	2,165	1,867	1,850	1,740

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: Support for Walking Access. The figures presented in these 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 17 May 2016.

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 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 comply with PBE standards with reduced disclosure requirements.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE

The specific accounting policies for significant revenue items are explained below:

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.

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 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 measured 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.

In most instances, an item of property, plant and equipment is initially recognised at its cost. 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.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

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 of major classes of property, plant and equipment 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. The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

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 major classes of intangible assets have been estimated as follows:

Walking Access Mapping System ¹²	3 to 10 years	10% - 33%
Acquired computer software	3 years	33%

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 determined using an approach based on either a depreciated replacement cost approach, 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 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.

¹² Enhancements to the Walking Access Mapping System from 2015-2016 onward are amortised over three years. This recognises the rapid development in Geospatial Information Systems (GIS) and the costs of remaining up-to-date.

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.

Presentation of employee entitlements

Annual leave and sick leave are classified as a current liability.

SUPERANNUATION SCHEMES

Defined contribution 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 2015-2019 Statement of Performance Expectations, as approved by the Board on 20 May 2015. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

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 and intangible assets

At each balance date, the useful lives and residual values of property, plant and equipment and intangible assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment and intangible assets 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 or the amortisation expense recognised in the surplus or deficit, and 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 and an assessment of intangible assets.

Upon completion of the WAMS upgrade project in the 2015-2016 period a significant portion of WAMS software will be considered impaired, resulting in a \$345,000 reduction of the carrying value. The Commission has not made any additional 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.

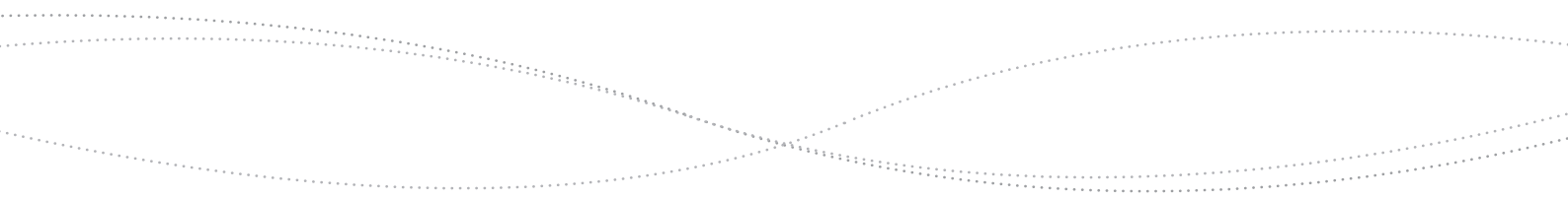
Management has exercised the following critical judgements in applying accounting policies:

- » Crown funding will remain unchanged;
- » The Walking Access Mapping System will remain the Commission's major capital asset, albeit with enhancements throughout the period. However, the carrying value will be reduced by approximately \$345,000 as a consequence of an upgrade project scheduled for completion prior to 30 June 2016;
- » Capital expenditure of \$50,000 per annum is planned for 2016-2017 and 2017-2018 for the Walking Access Mapping System;
- » Capital expenditure of \$50,000 is planned for 2018-2019 for leasehold improvements following the expiration of the Commission's current lease and relocation in accordance with the Wellington Accommodation Project;
- » 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 \$297,500 in 2016-2017, and \$25,000 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 expenditure by nature. Final specifications of these projects have not been completed;
- » 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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