

ANNUAL REPORT

NEW ZEALAND WALKING ACCESS COMMISSION

30 SEPTEMBER 2008 TO 30 JUNE 2009

PRESENTED TO THE HOUSE OF
REPRESENTATIVES PURSUANT TO
THE CROWN ENTITIES ACT 2004



WALKINGACCESS
ARA HĪKOI AOTEAROA

CONTENTS

REPORT FROM THE BOARD	4
STATEMENT OF PURPOSE	6
MEMBERS OF THE BOARD	8
HIGHLIGHTS	10
FINANCIAL AND SERVICE DELIVERY PERFORMANCE	14
STATEMENT OF RESPONSIBILITY	15
STATEMENT OF SERVICE PERFORMANCE	16
STATEMENT OF FINANCIAL PERFORMANCE	18
STATEMENT OF FINANCIAL POSITION	18
STATEMENT OF CASH FLOWS	19
STATEMENT OF CHANGES IN EQUITY	20
NOTES TO THE FINANCIAL STATEMENTS	21
AUDIT REPORT	29

**NEW ZEALAND WALKING ACCESS COMMISSION
ARA HĪKOI AOTEAROA**

Level 6, Revera House
48–54 Mulgrave Street
PO Box 12-348
Wellington 6144

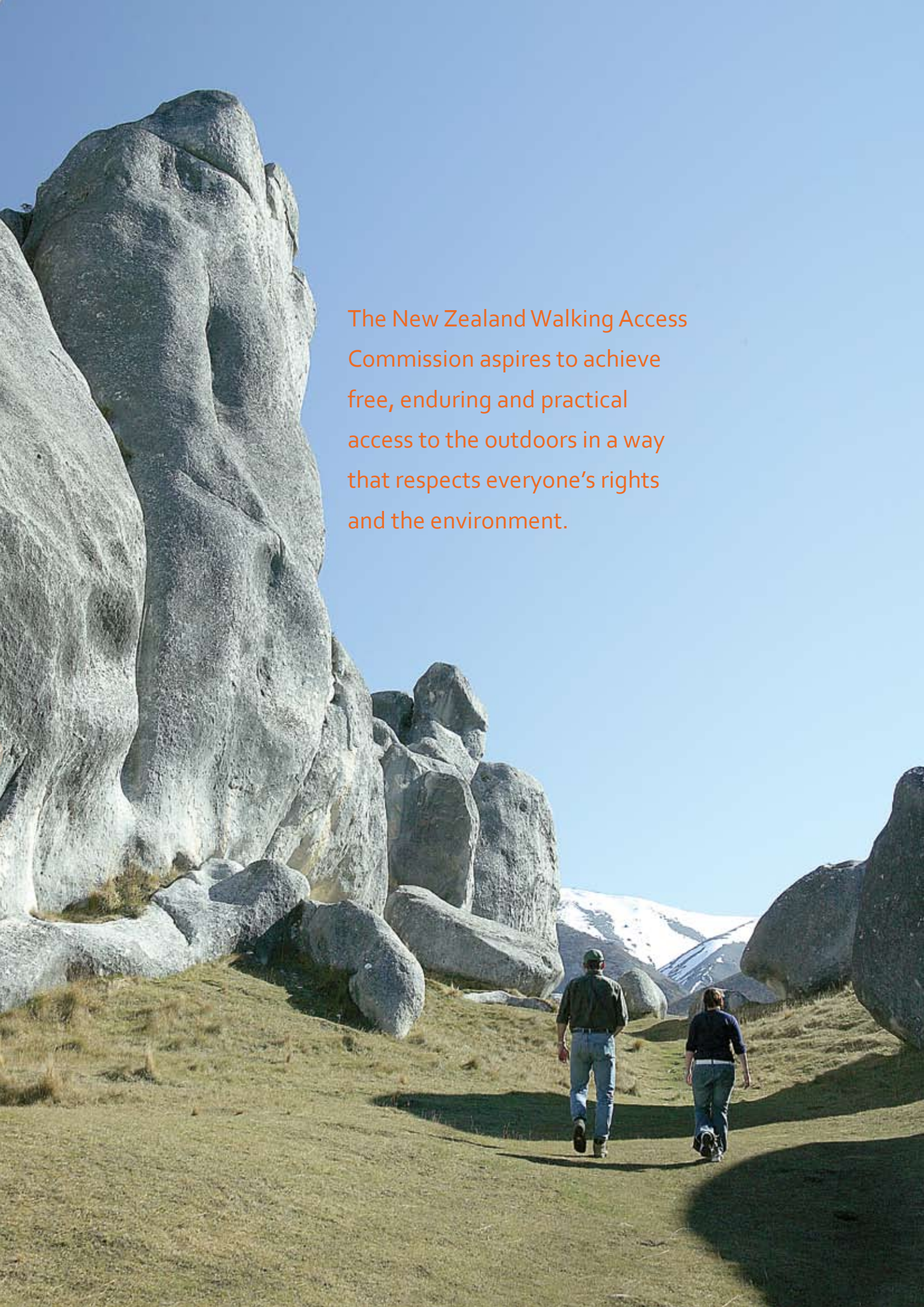
Phone +64 4 815 8502
Fax +64 4 815 8516

contact@walkingaccess.govt.nz
www.walkingaccess.govt.nz

ISSN 1179-5220 (Print)

ISSN 1179-5239 (Online)

© Copyright New Zealand Walking Access Commission 2009



The New Zealand Walking Access Commission aspires to achieve free, enduring and practical access to the outdoors in a way that respects everyone's rights and the environment.



REPORT FROM THE BOARD

We are pleased to present the first annual report for the New Zealand Walking Access Commission (NZWAC).

The NZWAC was established on 30 September 2008 and this report covers the period ended 30 June 2009.

The establishment of the NZWAC has been the culmination of a number of years of public consultation over concern about recreational access to the “great outdoors”.

The enactment of the Walking Access Act 2008, which followed an extensive consultation process, helped to lay to rest the past controversy over private property rights and established a basis of goodwill amongst the stakeholders for the establishment of the NZWAC.

The NZWAC will offer leadership on walking access; provide information on the location of walking access; negotiate new walking access across private land (for example, to lakes, rivers and forests); and facilitate the resolution of disputes relating to walking access.

The Board of the NZWAC was first appointed on 13 October 2008 and then reappointed in April 2009. The Board initially focused on establishing its strategic direction and governance arrangements. It met on a monthly basis during this period to ensure key priorities were being progressed.

In its first nine months of operation the NZWAC has:

- › selected and appointed its first Chief Executive;
- › established organisational and financial policies and procedures;
- › initiated discussions with its major stakeholders;
- › developed a draft Outdoor Access Code;
- › developed a draft National Walking Access Strategy; and
- › issued a Request for Proposal for a Public Access Mapping System.

In June 2009, the Board appointed Mr Mark Neeson as the first Chief Executive of the NZWAC. Mark brings an essential mix of skills and experience that will prove invaluable to the NZWAC. He has substantive experience and qualifications in the areas of legal and natural resource management, an extensive career in the public service, and a lifelong interest in outdoor recreation.

In December 2008, in support of the NZWAC’s role to provide national leadership and coordination on walking access, the Commission held its first forum of major stakeholders. Participants included representatives from the Council of Recreational Associations of New Zealand, Local Government New Zealand, Public Access New Zealand, Fish and Game New Zealand, Federation of Māori Authorities, Federation of Fresh Water Anglers, Federated Mountain Clubs, Federated Farmers NZ Inc and Rural Women New Zealand.

The forum provided an opportunity for the Commission to outline its role and priorities to these key groups and for the stakeholders, clarify their expectations and identify issues and concerns.

The Board is pleased with the progress made in developing a draft National Walking Access Strategy and a draft Outdoor Access Code during the period. These are key documents for the NZWAC and will be a priority for the 2009/10 year.

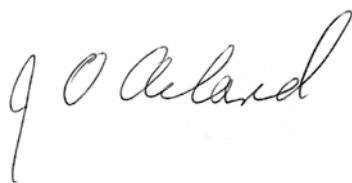
Work commenced on both documents in early 2009, culminating in the completion of a draft Outdoor Access Code and a draft National Strategy on Walking Access in June 2009. Both documents were circulated to major stakeholders for consideration and will form the basis for wider public consultation during 2009/10.

The NZWAC also made progress towards establishing a public access mapping system. In May 2009, it issued a Request for Proposal and began the process of selecting a provider.

The Board thanks the present and previous responsible Ministers of Agriculture and for Rural Affairs for their support and guidance during the passage of the Walking Access Bill through Parliament. The legislation was passed with the unanimous support of the House.

The Board is grateful to Mr Hunter Donaldson who managed the NZWAC for this period. The NZWAC has been temporarily accommodated at the Ministry of Agriculture and Forestry and the NZWAC acknowledges and thanks the Ministry for its ongoing support during its set-up phase.

The first nine months of operation were a busy time for the NZWAC and, although the organisation is not yet fully operational, progress has been made on key priorities. We now look forward to working closely with government agencies, local authorities and local organisations with an interest in walking access to help secure and promote walking access in the future.



John Acland
Chairman, Walking Access Commission



John Forbes
Board Member, Walking Access Commission

Date: 21 October 2009



STATEMENT OF PURPOSE

The New Zealand Walking Access Commission (NZWAC) leads and supports the negotiation, establishment, maintenance, and improvement of walking access and associated types of access, such as access with firearms, dogs, bicycles, or motor vehicles (S9 of the Walking Access Act 2008).

NZWAC is a statutory entity with the status of a Crown agent under the Crown Entities Act 2004. It was established under the Walking Access Act 2008 (the Act), which came into force on 30 September 2008.

Functions

The functions of the organisation are to:

- › provide national leadership on walking access by:
 - preparing and administering a national strategy;
 - coordinating walking access among relevant stakeholders and central and local government organisations, including Sport and Recreation New Zealand.
- › provide local and regional leadership on, and coordination of, walking access in collaboration with local authorities;
- › compile, hold and publish maps and information about land over which members of the public have walking access;
- › provide advice on walking access to the Minister or any other person;
- › facilitate resolution of disputes about walking access, including initiating negotiations about disputed issues, mediating disputes, and referring disputes to a court, tribunal, or other dispute resolution body;
- › negotiate with landholders to obtain walking access (including walkways, which are one form of walking access) over public or private land;
- › negotiate rights in addition to any walking access that is obtained, such as the right of access with firearms, dogs, bicycles, or motor vehicles;
- › administer a fund to finance the activities of the NZWAC, or any other person, in obtaining, developing, improving, maintaining, administering, and signposting walking access over any land;
- › receive and manage private funding, contributions, or sponsorship for the promotion of walking access;
- › research, educate the public about, and participate in topics and programmes related to walking access;
- › develop, promote, and maintain the code of responsible conduct;
- › administer walkways under this Act, with planning and supervision focused at a local level; and
- › monitor the compliance with, and enforcement of, this Act in relation to walkways (s 10 of the Walking Access Act 2008).

Principles

NZWAC's Draft National Strategy for Walking Access proposes the following principles for the organisation:

- › the New Zealand economy is based on a strong and stable set of property rights and a legal system which values certainty and predictability;
- › New Zealand has a well-defined legal framework for the ownership of land, which spells out the property rights and responsibilities of those who

control access to land, whether privately or publicly owned; and

- › a strong tradition has evolved whereby members of the public are traditionally given permission to access privately-owned land, provided that they ask permission first and respect property, other people and the environment.

To give effect to these principles the NZWAC intends to:

- › work to enhance this tradition of walking access in the outdoors, while respecting the rights of both the public and private landowners;
- › work within New Zealand's legal framework to enhance existing access and negotiate new access, where there is shown to be a need;
- › value its independence and be an independent source of advice and information to all interested parties;
- › acknowledge values that are intrinsic to tangata whenua;
- › establish respect and credibility within the community through its professionalism, integrity, knowledge and quality of service;
- › endeavour to build strong and sustainable relationships based on mutual trust and respect;
- › deal promptly and efficiently with requests for information and service;
- › value strong leadership and innovation in working towards the NZWAC's vision;
- › take an active leadership role in provision of advice to the Government at all levels and to other agencies on issues relating to access;
- › recognise that local communities are best placed to identify access needs and opportunities, to negotiate with landowners where necessary and to coordinate resources;

- › promote individual access negotiations on the basis of mutual respect;
- › facilitate and coordinate projects, information and documentation;
- › work to resolve disputes by consultation and explanation of the law in the first instance, with mediation or voluntary arbitration as a fall-back option and court proceedings as a last resort;
- › manage its finances in a manner which is transparent and accountable to its funders and to the public of New Zealand;
- › recognise that there are diverse walking access needs and respect those differences; and
- › foster a working environment in which staff are valued, respected, adequately resourced and given opportunities for enhancement of skills.

Equal employment opportunity

Equal employment opportunity principles and processes are part of the management practices in the NZWAC. The Commission will demonstrate equal employment opportunity principles in all its recruitment and redeployment processes.



MEMBERS OF THE BOARD

JOHN ACLAND is a retired high country farmer from South Canterbury with an understanding of, and long-term involvement with, the rural community. He has significant experience as chairperson for companies and community trusts. He was Chair of the Land Access Ministerial Reference Group, the Walking Access Consultation Panel and the Walking Access Advisory Board. He is the Chair of the Historic Places Trust.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2011

BRIAN STEPHENSON is a barrister from Auckland with extensive experience in employment law and dispute resolution. He is a past President of Federated Mountain Clubs of NZ. He is a member of the New Zealand Conservation Authority. He is a tramper, climber and ski-mountaineer and a past President of Federated Mountain Clubs of NZ. He was a member of the Walking Access Advisory Board.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2010

JOHN ASPINALL is a high country farmer with a long involvement with farming and the rural community. He is a former Federated Farmers New Zealand National Board member. The location of his high country run in Mount Aspiring has given him extensive experience in managing recreational access across farmland. He is a tramper, hunter and fisherman and is involved with search and rescue. He was a member of the Walking Access Consultation Panel and the Walking Access Advisory Board.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2012

JOHN FORBES is Mayor of Opotiki District. He is the Chair of the Rural Sector of Local Government New Zealand and has a good understanding of the agricultural, horticultural, forestry and rural sectors. As a committee chairman of a rural council for 18 years and a Mayor since 2001, he has had significant experience in governance processes, public consultation and representing rural communities. He was a member of the Walking Access Consultation Panel and the Walking Access Advisory Board.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2012

PETER BROWN (Turanganui a Kiwa, Ngati Porou, Te Arawa, Tuwharetoa) is a consultant and horticulturist from near Gisborne. He has a background in public service and community fund management including cooperative business loans and enterprise grants. He is qualified in law and business management. He was a member of the Walking Access Consultation Panel and the Walking Access Advisory Board. He is a member of the Waitangi Tribunal.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2010

MAGGIE BAYFIELD is a former chair of the Queen Elizabeth the Second National Trust and past Acting Executive Officer of Rural Women New Zealand. She is a keen tramper and a forest owner. She was a member of the Walking Access Consultation Panel.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2012

BARBARA STUART farms at Cable Bay near Nelson and brings to the Board her personal knowledge of managing a public walkway through private land. She has strong networks with community, non-government organisations, councils and the science community. The Cable Bay walkway opened in 1984 and runs through the family farm where there are three covenanted areas of coastal bush totalling 200 hectares.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2011

DR KAY BOOTH is experienced in parks and recreation research and planning from her career which spanned the public, private and university sectors. Kay is a tourism and recreation consultant. She is a member of the New Zealand Conservation Authority and the New Zealand Geographic Board.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2011



From left to right: Peter Brown, Brian Stephenson, John Aspinall, John Acland, Barbara Stuart, John Forbes, Kay Booth. Maggie Bayfield is absent.



HIGHLIGHTS

The NZWAC commenced operations on 30 September 2008. During the period ended 30 June 2009, the following progress was achieved.

Administrative and executive structures and staffing

The NZWAC focused its initial attention on setting up the organisation, including developing and completing two Statements of Intent (2008/09 and 2009/10) and an Output Agreement with the Minister.

The Board was appointed in October 2008 and comprises eight members. The term of office of all Board members expired on 28 February 2009 and they were reappointed by the Minister of Agriculture on 9 April 2009.

The Board has held eight meetings. Two of the meetings were held outside of Wellington: at Mt Peel in January and in Auckland in April. In June 2009, a workshop was run for the Board covering governance, roles and responsibilities.

In June 2009, the Board appointed Mr Mark Neeson as the first Chief Executive of the NZWAC. The Chief Executive is the only permanent staff member. Two people have been seconded from the Ministry of Agriculture and Forestry and one person was engaged, part-time and on contract, to provide administrative support. Specialist contractors and advisors were engaged, when needed, to assist with the draft Outdoor Access Code and the public access mapping system.

The NZWAC has used contractors during the establishment phase of the organisation. It will progress towards a permanent staffing structure in the next financial year.

The NZWAC has been temporarily accommodated at the Ministry of Agriculture and Forestry. It has identified new accommodation in Revera House, Mulgrave Street, Wellington and will move to the new office in October 2009.

Relationships with the key stakeholders

The NZWAC held its first forum with major stakeholders in Wellington in December 2008. Participants included representatives from the Council of Recreational Associations of New Zealand, Local Government New Zealand, Public Access New Zealand, Fish and Game New Zealand, Federation of Maori Authorities, Federation of Fresh Water Anglers, Federated Mountain Clubs, Federated Farmers NZ Inc, and Rural Women New Zealand.

In April 2009, the NZWAC held its Board meeting in Auckland. The Board also met with the Waitakere City Council and the Te Araroa Trust. The Board took a field trip to the Te Henga Walkway (near Bethell's Beach), which is being established by the Waitakere City Council. The NZWAC supported the Council to help establish and build the walkway because much of it crosses private land. It is stage one of a three-phase development linking existing, stand-alone walkways.

The Board's meeting in January 2009 at Mount Peel in South Canterbury included a session on strategy, an inspection of high country access issues along the Rangitata River, and a function with local stakeholders at Peel Forest.

The NZWAC expects more active engagement with stakeholders in the next year together with the formal releases of the draft Outdoor Access Code and the draft National Strategy on Walking Access for public consideration.

In addition, the NZWAC has initiated contact with allied government agencies including the Queen Elizabeth the Second National Trust, New Zealand Historic Places Trust, Land Information New Zealand, the Department of Conservation, the Ministry for the Environment, and Sport and Recreation New Zealand.

Discussions have also been held with:

- › Local Government New Zealand on access issues, especially the management of unformed legal roads;
- › Te Araroa Trust concerning coordination of the work of the Commission with that of the Trust; and
- › The Overseas Investment Office concerning the walking access conditions included in consents.

Public enquiries

The NZWAC receives a steady flow of inquiries about access issues and the role of the Commission. The NZWAC's website has been valuable as a reference tool for general enquiries about walking access. The site will be further developed as the NZWAC becomes fully operational.



National Walking Access Strategy

A key function of the NZWAC is to provide national leadership by preparing and administering a national strategy on walking access.

The Board's strategy meeting at Mt Peel in January 2009 resulted in the commencement of work on a draft National Walking Access Strategy.

The purpose of the draft strategy is to promote, encourage and, where appropriate, negotiate public access on foot to rivers, lakes and the coastline, and to forests, mountains and countryside.

The draft strategy was sent to major stakeholders in June for consideration and comment at a subsequent forum.

WALKING ACCESS
ARA HĪKOI AOTEAROA

Code of Responsible Conduct

A key responsibility of the NZWAC is to develop and issue a code of responsible conduct in relation to walking access. The aim of the code is to help achieve voluntary management of outdoor access behaviour issues and to assist both users and land managers to understand and respect each others' interests.

The Act refers to a 'code of responsible conduct.' However, the NZWAC has agreed that a simpler description of the code would be more appropriate. It has selected the 'Outdoor Access Code' as an appropriate name.

The concept received a great deal of support during the earlier public consultation processes.

The Board developed a draft Outdoor Access Code which was distributed to stakeholders in June for consideration and comment at a subsequent forum.

Public access mapping

The NZWAC also has responsibility for collating and disseminating clear and accurate maps that show where the public can enjoy walking access.

To this end the NZWAC has prepared a business case and project plan for a public access mapping system with external advice and peer review. The NZWAC issued a Request for Proposal for a Public Access Mapping System on 15 May 2009 on the Government's procurement website (GETS). National and international enquiries were received and ten substantive proposals were received and assessed.

The business case and project plan underwent external quality assurance assessment prior to final consideration by the NZWAC.

Developing, testing and implementing the Public Access Mapping System will be a focus area for the NZWAC in 2009/10. The timing of this project will depend upon the requirements of the final contractual agreement.

The NZWAC plans to work closely with stakeholders to ensure that the public access mapping system will meet the public's needs. The NZWAC is aware of the potential risks and plans to mitigate these risks through its governance and project management of the system.

Contestable fund

The administration of a fund for obtaining, developing, improving, maintaining, administering, and signposting walking access over land is a function of the NZWAC specified in S 10 (1) (h) of the Walking Access Act.

No separate provision has been made for this fund, so the intention of the NZWAC is to provide for the fund from budgeted surpluses in the 2008/09 and 2009/10 years.

The estimated contribution to the contestable fund for the period ended 30 June 2009 was \$0.927 million.

The increased surplus for the period of \$1.709 million means that the NZWAC is able to commence the fund with a larger base. During 2009/10, the NZWAC will undertake work on the processes and criteria for the fund.

Fiscal progress against budgeted appropriation

In the *2008/11 Statement of Intent*, the NZWAC budgeted for a planned surplus of \$0.927 million for the period. This figure was increased in the *2009/12 Statement of Intent* to a planned surplus of \$1.245 million for the period.

The planned surplus was possible because the NZWAC was unlikely to become fully operational in the period yet received a full year's funding. The surplus is intended to build up a contestable fund.

The out-turn for the period ended 30 June 2009 is a surplus of \$1.709 million. The increased surplus relative to plan results from the additional time taken to select a chief executive, select accommodation, and set up the NZWAC's operations relative to that planned. The Board adopted a measured approach to develop its strategy and to ensure that the NZWAC's key stakeholders were fully informed. This has meant that much of the expenditure planned for 2008/09, including fixed asset expenditure, will now be incurred in the 2009/10 financial year.

Other matters

The NZWAC has also been involved in matters that are important in building stakeholder relationships and goodwill, and for securing existing and new access. These include:

- › completing a Memorandum of Understanding with the Department of Conservation (DOC). This reflects the willingness of both agencies to build a cross-government approach to walking access and management of walkways;
- › contributing to the Overseas Investment Act review;
- › liaising with the Ministry of Tourism on the development of the cycleway initiative;
- › completing a walking access easement as part of the Te Roroa Treaty of Waitangi negotiations settlement process;
- › meeting with the Te Araroa Trust in Auckland;
- › working with DOC to gain further information on gazetted walkways and other walkways. This is a time-consuming process as records are incomplete yet it is needed for the NZWAC to understand the extent of existing walkways and possible issues associated with them. The NZWAC has recognised the possible residual risks to it and the Crown in relation to existing walkways and is seeking legal advice on this and on appropriate legal form of future walkway easements.





FINANCIAL AND SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This section contains the following statements:

- › Financial commentary
- › Statement of responsibility
- › Statement of service performance
- › Statement of financial performance
- › Statement of financial position
- › Statement of cash flows
- › Statement of changes in equity
- › Notes to the financial statements

FINANCIAL COMMENTARY

The total operating surplus for the period ended 30 June 2009 is a surplus of \$1.709 million compared to a budgeted surplus of \$0.927 million. The NZWAC was able to plan for a surplus because it was unlikely to become fully operational in the period yet received a full year's funding. The surplus is intended to build up a contestable fund.

The NZWAC has yet to take over its own premises. It did not incur any capital expenditure during 2008/09.

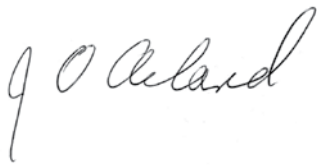
As this was the first period of operations for the NZWAC, there are no comparative figures.

STATEMENT OF RESPONSIBILITY

In terms of the Crown Entities Act, in the period ended 30 June 2009, the Board and management of the New Zealand Walking Access Commission (NZWAC) were responsible for:

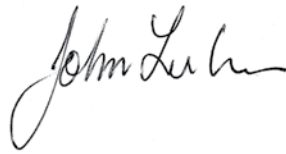
1. The preparation of the annual financial statements and the statement of service performance and for the judgements made in the process of producing the statements.
2. The establishment and maintenance of a system of internal control procedures designed to provide reasonable assurance of the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board members and management, the financial statements and the statement of service performance fairly reflect the financial position as at 30 June 2009 and the operations of the New Zealand Walking Access Commission for the period ended 30 June 2009.



John Acland
Chairman

Date: 21 October 2009



John Forbes
Board Member

Date: 21 October 2009

STATEMENT OF SERVICE PERFORMANCE

Output Class: Walking Access Commission

The organisation is responsible for a single output class, the Walking Access Commission. Therefore, the statement of financial performance provides the actual revenue and expenses incurred compared with budget. In its first *Statement of Intent*, the NZWAC had not yet developed specific forecast standards of service performance. Its forecast statement of performance referred to two matters: the establishment of a contestable fund and the development of a Walking Access Mapping System.

The NZWAC has initiated its role in providing leadership on walking access matters and developed a draft Outdoor Access Code.

OUTPUT: THE CONTESTABLE FUND

The administration of a fund for obtaining, developing, improving, maintaining, administering, and signposting walking access over land is a function of the NZWAC specified by S 10 (1) (h) of the Walking Access Act.

No separate provision has been made for this fund, so the intention of the Commission is to provide for the fund from budgeted surpluses in the 2008/09 and 2009/10 years.

The estimated contribution to the contestable fund from the 2008/09 financial year was \$0.927 million.

PROGRESS ACHIEVED

The out-turn for the period ended 30 June 2009 was a surplus of \$1.709 million. This reflected a lower than expected level of activity during its establishment period, but means that the NZWAC will have a more substantial than expected basis for establishing the fund.

OUTPUT: THE WALKING ACCESS MAPPING SYSTEM

A key function of the NZWAC is to compile, hold and publish maps and information about land over which members of the public have walking access. The Board agreed that the establishment of a comprehensive New Zealand mapping system for walking access should be a priority.

PROGRESS ACHIEVED

A business case and a project plan were prepared for a public access mapping system with external advice and peer review. On 15 May 2009, the NZWAC issued a Request for a Public Access Mapping System on the Government's procurement website (GETS).

Many national and international enquiries were received, resulting in ten substantive proposals. These were assessed on 2 July 2009 by a panel approved in May by the NZWAC's Board (two Board members, two external advisers and one staff) and a short list was developed.

Developing, testing and implementing the Public Access Mapping System will be a focus area for the NZWAC in 2009/10. The timing of this project will depend upon the requirements of the final contractual agreement.

The NZWAC plans to work closely with stakeholders to ensure that the public access mapping system will meet the public's needs. The NZWAC is aware of the potential risks and plans to mitigate them through its governance and project management of the system.



Additional Output: National leadership on walking access

The NZWAC has a role to provide national leadership on walking access. It will do this by preparing and administering a national strategy on walking access and coordinating walking access among relevant stakeholders and central and local government organisations.

PROGRESS ACHIEVED

In support of this role, the NZWAC has:

- › held a national forum with key stakeholder groups to obtain input for priorities for a national strategy; and
- › prepared a draft National Walking Access Strategy and circulated it to major stakeholders for review and comment.

Additional Output: The draft Outdoor Access Code

The NZWAC has a statutory role to develop and issue a code of responsible conduct in relation to walking access. The concept received a great deal of support during the earlier public consultation processes.

PROGRESS ACHIEVED

In support of this requirement, the NZWAC has:

- › held a national forum with key stakeholder groups to obtain views about the content of a code of responsible conduct; and
- › prepared a draft code and circulated it to major stakeholders for review and comment.

The Act refers to a 'code of responsible conduct.' However, the NZWAC has agreed that a simpler description of the code would be more appropriate. It has selected the 'Outdoor Access Code' as an appropriate name.

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 30 JUNE 2009	NOTE	ACTUAL \$000	BUDGET \$000
INCOME			
Revenue from the Crown	2	2,189	2,189
Interest income		48	50
Walkway fund	10	15	0
TOTAL INCOME		2,252	2,239
EXPENDITURE			
Operating costs	3	259	917
Salaries and related costs	4	182	272
Audit fees		10	10
Board fees		73	73
Depreciation		0	10
Rentals and leases		19	30
TOTAL EXPENDITURE		543	1,312
NET SURPLUS (DEFICIT)		1,709	927

As the New Zealand Walking Access Commission commenced operations on 30 September 2008, the 2008/9 accounts are for the period 30 September 2008 to 30 June 2009.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2009	NOTE	ACTUAL \$000	BUDGET \$000
CROWN EQUITY			
General funds	5	1,694	927
Capital contribution	6	150	150
Walkway fund	10	15	10
TOTAL CROWN EQUITY		1,859	1,087
REPRESENTED BY:			
CURRENT ASSETS			
Cash and cash equivalents	7	198	10
Prepayments		12	0
Receivables		107	143
Investments	8	1,600	
TOTAL CURRENT ASSETS		1,917	153
NON-CURRENT ASSETS			
Property, plant & equipment	9	0	90
Term investments		0	987
TOTAL NON-CURRENT ASSETS		0	1,077
TOTAL ASSETS		1,917	1,230
CURRENT LIABILITIES			
Payables		58	143
TOTAL CURRENT LIABILITIES		58	143
NET ASSETS		1,859	1,087

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE	NOTE	ACTUAL \$000	BUDGET \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH PROVIDED FROM:			
Crown revenue		2,189	2,189
Interest		21	50
CASH APPLIED TO:			
Payments to suppliers and employees		(505)	(1,272)
Goods and Services tax (net)		(57)	(30)
NET CASH FROM OPERATING ACTIVITIES	11	1,648	937
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH APPLIED TO:			
Purchase of fixed assets		0	(100)
Investments		(1,600)	(987)
NET CASH FROM INVESTING ACTIVITIES		(1,600)	(1,087)
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH PROVIDED FROM:			
Capital contribution	6	150	150
Department of Conservation	10	0	10
NET CASH FROM FINANCING ACTIVITIES		150	160
Net increase/decrease in cash		198	10
Cash at 30 September		0	0
CLOSING CASH BALANCE	7	198	10

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2009	NOTE	ACTUAL \$000	BUDGET \$000
OPENING EQUITY 30 SEPTEMBER		0	0
Net operating surplus/(deficit) for the period		1,709	927
Less Walkway fund		(15)	0
General funds		1,694	927
Capital contribution		150	150
Walkway fund		15	10
CLOSING EQUITY 30 JUNE		1,859	1,087

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies for the period ended 30 June 2009

REPORTING ENTITY

The New Zealand Walking Access Commission (NZWAC) is a Crown entity with the status of a Crown agent as defined by the Crown Entities Act 2004. The NZWAC was established under the Walking Access Act 2008 (the Act). The NZWAC is domiciled in New Zealand. NZWAC's ultimate parent is the New Zealand Crown.

The NZWAC's primary objective is to provide public services to the New Zealand public, as opposed to making a financial return.

Accordingly, the NZWAC has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to the International Financial Reporting Standards (NZ IFRS).

The financial statements for the NZWAC are for the period ended 30 June 2009, and were approved by the Board on 21 October 2009.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The financial statements of the NZWAC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

DIFFERENTIAL REPORTING

The NZWAC qualifies for differential reporting under the size criteria of the NZ IFRS Differential Reporting Framework 3.8, due to total gross income being less than \$20 million and total assets being less than \$10 million.

MEASUREMENT BASE

The financial statements have been prepared on an historical cost basis. The functional currency of the NZWAC is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars except for Note 14 – Board member remuneration.

The budget figures are those contained in the Statement of Intent for 2008/11 signed by the Board on 27 February 2009 and they comply with FRS-42.

SIGNIFICANT ACCOUNTING POLICIES

REVENUE

The NZWAC is primarily funded through revenue received from the Crown that is restricted in its use for the purpose of the NZWAC meeting its objectives as specified in the statement of intent. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest income is recognised using the effective interest method.

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 activities, is classified as an operating cash flow in the Statement of Cash Flows.

CASH AND CASH EQUIVALENTS

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

PROPERTY, PLANT AND EQUIPMENT

The budget includes property, plant and equipment assets comprising of leasehold improvements, furniture and office equipment.

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

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 NZWAC and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or obtained for a nominal cost, it is recognised at fair value when control over the asset is obtained.

DEPRECIATION

Depreciation is provided on a straight line basis 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 used in the preparation of these statements are as follows:

Office equipment	2–13 years	7.8%–48.0%
Furniture and fittings	5–15 years	6.5%–5.2%
Computer equipment	3–6 years	15.5%–60.0%

INTANGIBLE ASSETS

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Staff training costs, software maintenance costs, and website development and maintenance costs are recognised as an expense when incurred.

As an intangible asset with a finite life, software is amortised on a straight line basis over its useful life. Amortisation is charged to the statement of financial performance at the following rates:

Software	30.0%–48.0%
----------	-------------

LEASES

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the NZWAC are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of financial performance.

Lease incentives received are recognised in the statement of financial performance over the lease term as an integral part of the total lease expense.

FINANCIAL INSTRUMENTS

The NZWAC uses financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, debtors, term deposits, and creditors. All financial instruments are recognised in the statement of financial position and stated at fair value. All revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

INVESTMENTS

At balance sheet date, the NZWAC assesses whether there is any objective evidence that an investment is impaired.

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

INCOME TAX

The NZWAC is a public authority and consequently is exempt from the payment of income tax.

EMPLOYEE ENTITLEMENTS

Provision is made in respect of liability for annual leave. Annual leave is expected to be settled within 12 months (or approval gained to carry forward leave) of reporting date, and is measured at nominal values on an actual entitlement basis at current rate of pay.

No provision has been made for sick leave as the cost of doing so would exceed the benefits of reporting such a provision.

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

RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

BUDGET FIGURES

The budget figures are derived from the statement of intent as approved by the Board on 27 February 2009. The budget figures have been prepared in accordance with NZIFRS, using accounting policies that are consistent with those adopted by the NZWAC for the preparation of the financial statements.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

The following are the definitions used in the Statement of Cash Flows:

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.

Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash.

For the purposes of the cash flow statement, 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 and bank overdrafts.

CHANGES IN ACCOUNTING POLICIES

There are no changes in accounting policies. All accounting policies have been applied on a consistent basis.

2. Crown revenue

The NZWAC has been provided with funding from the Crown for the specific purposes of the NZWAC. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding.

3. Operating costs

	\$000
Contractors	163
Travel and accommodation	35
NZWAC contribution for Te Henga Walkway	26
Other	35
TOTAL	259

4. Salaries and related costs

	\$000
Salaries, wages, allowances	139
Recruiting	43
TOTAL	182

5. General funds

Any unspent funding accumulated in NZWAC's first two years of operation is to be used to finance the activities of the NZWAC, or any other person, in obtaining, developing, improving, maintaining, administering, and signposting walking access over land. This is proposed to be distributed through a contestable fund.

6. Capital contribution

The NZWAC has been provided with funding from the Crown for the specific purposes of setting up its accommodation and acquiring furniture, fittings, and computer equipment.

7. Cash and cash equivalents

	\$000
Cash at bank	98
Deposits with a term of three months or less	100
TOTAL	198

8. Investments

These are deposits with a term of 4 to 12 months invested at fixed rates ranging from 4.25%–5.0%.

Deposits with a term of three months or less are shown under Note 7 above.

9. Property, plant and equipment

The NZWAC has not acquired any fixed assets to 30 June 2009. The NZWAC will acquire leasehold improvements, furniture fittings and computer equipment when it takes over its accommodation.

The NZWAC assumed some easements on its establishment. No value has been apportioned to these easements in the accounts.

10. Walkway fund

The Walkway Fund is for money to be transferred from the Department of Conservation in accordance with s75 of the Walking Access Act 2008 (and received during July and August 2009). This fund is classified as equity recognising that whilst the fund has been set aside specifically for walkways, there are no known restrictions on its spend. Because the funding was sourced locally, as a matter of policy the NZWAC will spend it in a way that reflects its local origin.

11. Reconciliation of net surplus to net cash from operating activities

FOR THE PERIOD ENDED 30 JUNE 2009	ACTUAL \$000	BUDGET \$000
NET OPERATING SURPLUS/DEFICIT FOR THE YEAR	1,709	927
ADD NON-CASH ITEMS:		
Depreciation	0	10
TOTAL	1,709	937
ADD/LESS WORKING CAPITAL MOVEMENTS:		
Decrease (increase) in receivables	(119)	0
Increase (decrease) in payables	58	0
WORKING CAPITAL MOVEMENT – NET	(61)	0
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,648	937

12. Capital commitments and operating leases

	ACTUAL
	\$000
Capital commitments as at 30 June 2009	Nil

OPERATING LEASES AS LESSEE

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	ACTUAL
	\$000
Not later than one year	42
Later than one year and not later than five years	253
Later than five years	264
TOTAL NON-CANCELLABLE OPERATING LEASES	559

The NZWAC is leasing office accommodation from September 2009. The lease expires on 31 August 2018.

The NZWAC does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the NZWAC by this leasing arrangement.

13. Related party transactions and key management personnel

RELATED PARTY TRANSACTIONS

The NZWAC is a Crown entity under the Crown Entities Act 2004. The Government significantly influences the role of the NZWAC in addition to being its major source of revenue.

The NZWAC enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions are carried out on an arm's length basis and in the normal course of business, therefore related party disclosures have not been made for transactions of this matter.

There were no other related party transactions.

KEY MANAGEMENT PERSONNEL COMPENSATION

The Chief Executive did not take up his position until after 30 June 2009, and no other management staff were employed by the NZWAC.

14. Board member remuneration

The total value of remuneration paid or payable to each Board member during the year was:

	ACTUAL
	\$
John O Acland (Chairman)	14,025
John H Aspinall	8,400
Margaret A Bayfield	8,400
Kay L Booth	8,400
Peter P Brown	8,400
John H Forbes	8,400
Brian W Stephenson	8,400
Barbara F Stuart	8,400
TOTAL	72,825

These figures are in dollars, not thousands of dollars. There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

No Board members received compensation or other benefits in relation to cessation.

15. Employee remuneration

	ACTUAL \$000
Over \$100,000	Nil

16. Events after the balance sheet date

There were no significant events after the balance sheet date.

17. Capital management

The NZWAC capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The NZWAC is subject to the financial management and accountability provisions of the Crown Entities Act, 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The NZWAC manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the NZWAC effectively achieves its objectives and purpose, whilst remaining a going concern.

18. Explanation of significant variances against budget

Explanations for significant variations from the NZWAC's budgeted figures in the statement of intent are as follows:

STATEMENT OF FINANCIAL PERFORMANCE

Expenditure is less than budget by \$0.769 million because of the additional time taken to select a chief executive, to select accommodation, and to set up the NZWAC operations. Planned costs had anticipated a chief executive and some regional representatives by year end with a higher level of walking access activity.

The focus on governance and establishing its operations during this period meant that operating and activity costs were significantly less than planned.

No fixed assets were purchased during 2008/09 and, consequently, no depreciation was incurred.

STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

Cash and cash equivalents exceed budget by \$0.188 million because of the need to keep enough liquidity to meet ongoing commitments.

There was no budget for investments (\$1.600m). These were budgeted to be term investments (0.987m). Changes in interest rates and the uncertainty of the timing of spending these funds led to shorter term investments. The difference between actual investments and budget term investments (\$0.613m) is due to investing the unspent revenue from the Crown.

NON-CURRENT ASSETS

No fixed assets were purchased during the year against a budget of \$.090 million due to the slower than forecast start up.

STATEMENT OF CHANGES IN EQUITY

SURPLUS/DEFICIT FOR THE YEAR

For 2008/09, the NZWAC had a surplus of \$1.709 million. This is \$0.782 million over the forecast in the *2008/11 Statement of Intent* of \$0.927 million.

STATEMENT OF CHANGES IN CASH FLOWS

Payments to suppliers and for fixed assets were less than expected due to the lower level of operational activity. Consequently, cash outflows were less than budgeted and investments greater than budgeted.

Audit Report

To the readers of the New Zealand Walking Access Commission's financial statements and statement of service performance for the period ended 30 June 2009

The Auditor-General is the auditor of the New Zealand Walking Access Commission (the Commission). The Auditor-General has appointed me, Clare Helm, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of the Commission for the period ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Commission on pages 14 to 28:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Commission's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the period ended on that date.
- The statement of service performance of the Commission on pages 16 to 17:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial period; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and expenses outlined in the statement of forecast service performance adopted at the start of the financial period.

The audit was completed on 21 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Commission and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Commission;
- confirming period-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Commission and the Auditor

The Commission is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Commission as at 30 June 2009 and the results of its operations and cash flows for the period ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Commission's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial period. The Commission's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Commission.



Clare Helm
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the New Zealand Walking Access Commission for the year ended 30 June 2009 included on the Walking Access website. The New Zealand Walking Access Commission's Chief Executive is responsible for the maintenance and integrity of the Walking Access website. We have not been engaged to report on the integrity of the New Zealand Walking Access Commission's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 21 October 2009 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NEW ZEALAND WALKING ACCESS COMMISSION

ARA HĪKOI AOTEAROA

Level 6, Revera House
48-54 Mulgrave Street

PO Box 12-348

Wellington 6144

Phone +64 4 815 8502

Fax +64 4 815 8516

contact@walkingaccess.govt.nz

www.walkingaccess.govt.nz

New Zealand Government