

ANNUAL REPORT

NEW ZEALAND WALKING ACCESS COMMISSION

1 JULY 2009 TO 30 JUNE 2010



PRESENTED TO THE HOUSE OF REPRESENTATIVES
PURSUANT TO SECTIONS 150-157 OF THE
CROWN ENTITIES ACT 2004


WALKING ACCESS
ARA HĪKOI AOTEAROA

CONTENTS

REPORT FROM THE BOARD	4
CHIEF EXECUTIVE'S FOREWORD	6
STATEMENT OF PURPOSE	8
MEMBERS OF THE BOARD	10
OUR PERFORMANCE 2009-2010	12
FINANCIAL AND SERVICE DELIVERY PERFORMANCE	21
STATEMENT OF RESPONSIBILITY	21
STATEMENT OF SERVICE PERFORMANCE	22
STATEMENT OF COMPREHENSIVE INCOME	27
STATEMENT OF FINANCIAL POSITION	28
STATEMENT OF CASH FLOWS	29
STATEMENT OF CHANGES IN EQUITY	30
NOTES TO THE FINANCIAL STATEMENTS	31
AUDIT REPORT	44

NEW ZEALAND WALKING ACCESS COMMISSION

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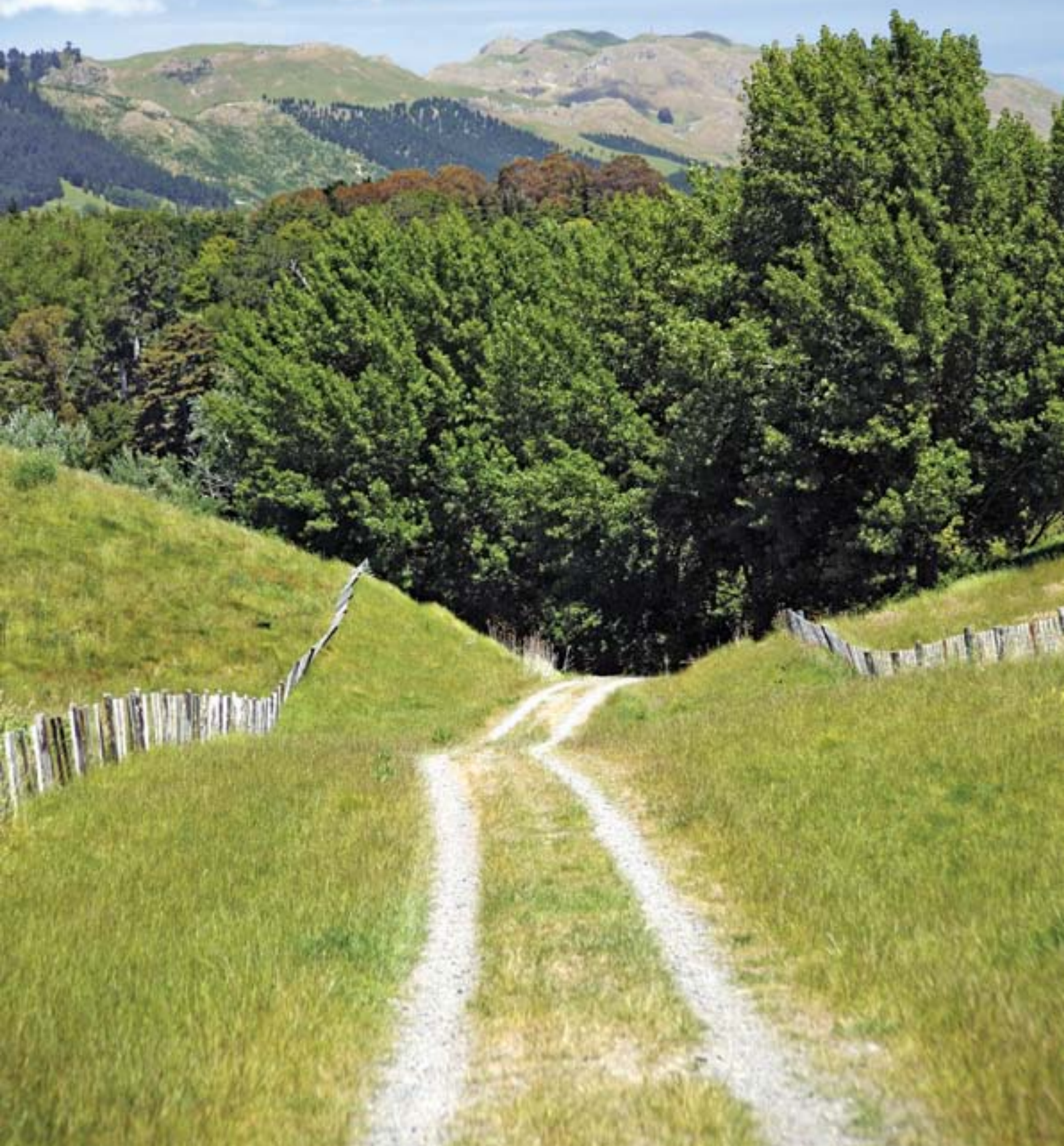
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WALKINGACCESS
ARA HĪKOI AOTEAROA

The New Zealand Walking Access Commission seeks to enhance free, certain, enduring and practical walking access to the New Zealand outdoors.



REPORT FROM THE BOARD

The Board is pleased to present the New Zealand Walking Access Commission's (the Commission) Annual Report for the period 2009-2010.

Last year was a pivotal one for walking access in New Zealand and the Board is very pleased with the achievements of the Commission included in this annual report.

In July 2009 the Commission appointed its first Chief Executive, a further step towards completing the establishment of the Commission as a Crown Entity. At the end of 2009-2010, the Commission was nearing the end of its establishment phase. The core team has been recruited and is in place, robust processes, systems and structures have been established and there is a clear strategic direction for the next five years.

It was a significant moment for the Board when we walked into the Commission's new premises for the first time in late October 2009. There is now an organisation leading the way in promoting access after eight years of consultation and debate.

We are pleased with the development of the draft National Strategy for Walking Access. The Board has taken a high level and long view – 25 years – which is reflected in this key document. Access is a multi-generational matter and opportunities can be lost without this perspective. This strategy describes the Commission's aims for the next 25 years to ensure we retain, promote and encourage access (physical and legal) and, where possible, negotiate for improved access to the outdoors. We cannot foresee all the challenges that will present themselves to us and, as with all good strategic documents, it will be reviewed and updated regularly.

Concurrently with the development of this strategy, we prepared our third Statement of Intent (SoI). These two documents are companions. The SoI is the five-year plan and the national strategy is the 25-year view. One is like a good map of the present, while the other is like a well-defined access marker on a distant hilltop that we have yet to reach.

The Commission also consulted on and launched the Outdoor Access Code. The Code encourages people to take responsibility for their actions in the outdoors and shows how they can do so. It also asks landholders to continue the traditions of New Zealand, which have seen it as customary for landholders to give access to people wanting to cross their land.

Our society is increasingly urban, despite our strong rural cultural identity and economic reliance on agricultural products. People may not be aware of rural customs and local practice, or understand the adverse impacts their actions can have. We hope this Code will help build and reinforce that understanding.

We also launched the Enhanced Access Fund and approved funding for twelve projects throughout New Zealand. The projects funded by those grants will boost access to, and knowledge of, New Zealand's outdoors. Each project will contribute to creating or improving access, including Walkways. The Board looks forward to the successful completion of these projects, so that locals and visitors alike can enjoy the access and the recreational activities they support and gain a greater appreciation of New Zealand's unique natural environment.


In developing the strategy and the code, we have drawn from the views of our stakeholders. The regional forums have been a great success and we appreciate the time attendees have given to participate at these events, often in weekends and evenings. The Board is encouraged by the level of support, continued interest and the valuable insights that we received from our stakeholders.

The Board is keen to develop partnerships with other organisations with mutual interests. We were encouraged, therefore, to receive a proposal from Federated Farmers NZ for a joint signs project which was launched in June 2010. This initiative has led to other interested parties wishing to develop similar partnerships. We will be pursuing these in the new financial year.

The Commission has made a strong start and built a robust platform for its work. Together with the staff, we are now focused on rising to the challenges in 2010-2011.

We would like to thank the Ministry of Agriculture and Forestry for its support during the Commission's establishment period. The Ministry provided accommodation and other corporate support until October 2009.

The Board expresses its appreciation to the staff for their professionalism and their commitment to placing the Commission on a firm base and achieving excellent results.



John Acland
Chairman



John Forbes
Board Member

Date: 13 September 2010



WALKING ACCESS
ARA HĪKOI AOTEAROA



CHIEF EXECUTIVE'S FOREWORD

The 2009-2010 year was my first year as Chief Executive of the New Zealand Walking Access Commission (the Commission). It was one of achievement and considerable challenges.

As a chief executive of a new organisation, there were two immediate priorities. First, we needed to rapidly establish the Commission as an independent organisation. Secondly, we needed to produce the key 'cornerstones' to give effect to the Walking Access Act.

These 'cornerstones' are the National Strategy for Walking Access, the Outdoor Access Code, the Walking Access Mapping System and the Enhanced Access Fund. They arose out of the three public consultation processes held prior to the enactment of the Walking Access Act in 2008 and are part of the Commission's legislative mandate.

I am very pleased with progress we made on each of these activities, as detailed in the next section of this report. They provide a sound base for our future work.

A key challenge was establishing the organisation. I would like to thank all those people, both internal and external, who have given advice, services or support during the past twelve months. We now have the structure and systems, processes and governance arrangements necessary to support the Commission as an independent entity.

We completed recruitment for our organisational structure and are well down the track in engaging contractors to act as Regional Field Advisors. We plan to have six located around the country and expect them to be operating early in the new financial year. That will complete our establishment phase.

The Commission made good progress on two long-term foundation documents – the draft National Strategy for Walking Access and the Statement of Intent (SoI). These documents provide the Commission's conceptual framework and performance measures and explain how the Commission will give effect to the legislation.

To deliver on its functions, the Commission wears several hats. It plays a practical role in improving public access to the outdoors, through the provision of up-to-date information, formalising existing arrangements and facilitating negotiated solutions. The Commission has a national leadership role on access matters and works to help build public and landowner understanding of the rights and responsibilities associated with access.

I am grateful for the involvement of stakeholders who, as part of the project steering committee, gave their time and effort to the design and build of the Walking Access Mapping System (Federated Farmers of New Zealand, Fish & Game New Zealand, and Federated Mountain Clubs of New Zealand). Their input will help produce a useful and practical system.

During the Commission's formative year, I appreciated greatly the guidance and steadfast support of the Board, my team for their loyalty and commitment to the Commission's principles and values, and our partner organisations and stakeholders for their interest, support and advice.



Mark Neeson
Chief Executive



WALKING ACCESS
ARA HĪKOI AOTEAROA



STATEMENT OF PURPOSE

The Walking Access Act 2008 (the Act) establishes the New Zealand Walking Access Commission and sets out the Commission's roles and functions.

The Commission's purpose is to lead and support the negotiation, establishment, maintenance, and improvement of walking access and types of access that may be associated with walking access, such as access with firearms, dogs, bicycles, or motor vehicles.

GOVERNANCE

The Commission is governed by an eight member Board appointed by the Minister of Agriculture. The Commission is funded by Parliament through Vote: Agriculture and Forestry and is accountable for its performance to the Minister of Agriculture.

The Board is responsible for setting the policy and strategic direction of the Commission and for monitoring its overall performance. Two committees of the Board undertake work on its behalf; the Audit and Risk Committee and the Chief Executive Performance Review Committee.

FUNCTIONS

The Commission's functions are provided for in section 10 of the Walking Access Act 2008. They are to:

- › provide national leadership on walking access by:
 - preparing and administering a national strategy; and
 - 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 and mediating disputes;
- › 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 Commission, 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 Outdoor Access Code;

- › 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

In carrying out its functions, the Commission applies a set of principles including:

- › 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.

HEALTH AND CAPABILITY

The Commission is committed to being a good employer (as defined in section 118 of the Crown Entities Act 2004) and actively promotes the principles of equal employment opportunities (EEO).

PEOPLE

As at 30 June 2010, the Commission had 5.9 full-time equivalent employees.

RECRUITMENT, SELECTION AND INDUCTION

The Commission demonstrates EEO principles in its recruitment and selection practices. All individuals are employed on the basis of merit, according to skills, knowledge and relevant experience.

LEARNING AND DEVELOPMENT

The Commission has a positive, equitable approach to developing all employees. It will provide learning and development opportunities for staff, aimed at ensuring that both organisational and individual needs are met.

REMUNERATION

The Commission uses job evaluation to set job bands and to review salaries as part of its performance management process.

FLEXIBLE WORK ENVIRONMENT

The Commission recognises the role of flexible work arrangements and encourages the achievement of work-life balance. Arrangements include offering part time work and providing for employees to work from home, as appropriate.

SAFE AND HEALTHY ENVIRONMENT

The Commission supports and encourages employee participation in health and safety and has a pro-active approach to employee health, safety and well-being.



MEMBERS OF THE BOARD

THE NEW ZEALAND WALKING ACCESS COMMISSION BOARD

JOHN ACLAND (CNZM) 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, producer boards 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

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 trumper, 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

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 trumper and a forest owner. She was a member of the Walking Access Consultation Panel.

TERM OF APPOINTMENT: APRIL 2009–APRIL 2012

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

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 was a member of the Waitangi Tribunal.

TERM OF APPOINTMENT: APRIL 2010–APRIL 2013

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

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

TERM OF APPOINTMENT: APRIL 2010–APRIL 2013

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



BOARD MEMBERS AT MOUNT ASPIRING. From left to right: Kay Booth, Peter Brown, John Aspinall, chairman John Acland, Maggie Bayfield, John Forbes, chief executive Mark Neeson, Barbara Stuart, Brian Stephenson.



OUR PERFORMANCE 2009-2010

This section of the annual report outlines some of the highlights of our work programme for 2009-2010.

ESTABLISHMENT PHASE

The Commission was formally established on 30 September 2008. During the reporting period the establishment of the organisation was progressed.

New Premises: The Commission moved to its own premises on 23 October 2009. It had been temporarily accommodated at the Ministry of Agriculture and Forestry. The move was a significant milestone for the Commission as it marked the start of the organisation as a independent entity responsible for its own operations.

Organisational systems, policies and procedures: Decisions were made on key systems, policies and procedures that would support the Commission in the delivery of its outputs. The Commission has ensured they are cost-effective and efficient. Where appropriate, it sought expert advice on systems and services, and competitive bids for supply.

Organisation structure and recruitment: The Commission appointed its first Chief Executive in July 2009. It finalised its organisational structure and recruited for and appointed all key positions for its Wellington office. The Commission is currently completing the process for engaging part-time Regional Field Advisors who will be located around New Zealand.

Strategy and business planning: The Commission undertook a substantive and detailed strategic and business planning process to refine its outcomes, outputs and priorities for the medium term. The process also helped develop the Commission's performance measurement framework required for the 2010-2015 Statement of Intent (SoI). The Commission will refine its performance measures over time.

Outcome Framework: The development of the Commission's outcomes and outputs has been based on the following three criteria:

- › Meeting our statutory functions as outlined in our Act;
- › Ministerial and Government requirements of the Commission;
- › Operating environment considerations, including stakeholders' expectations and interests.

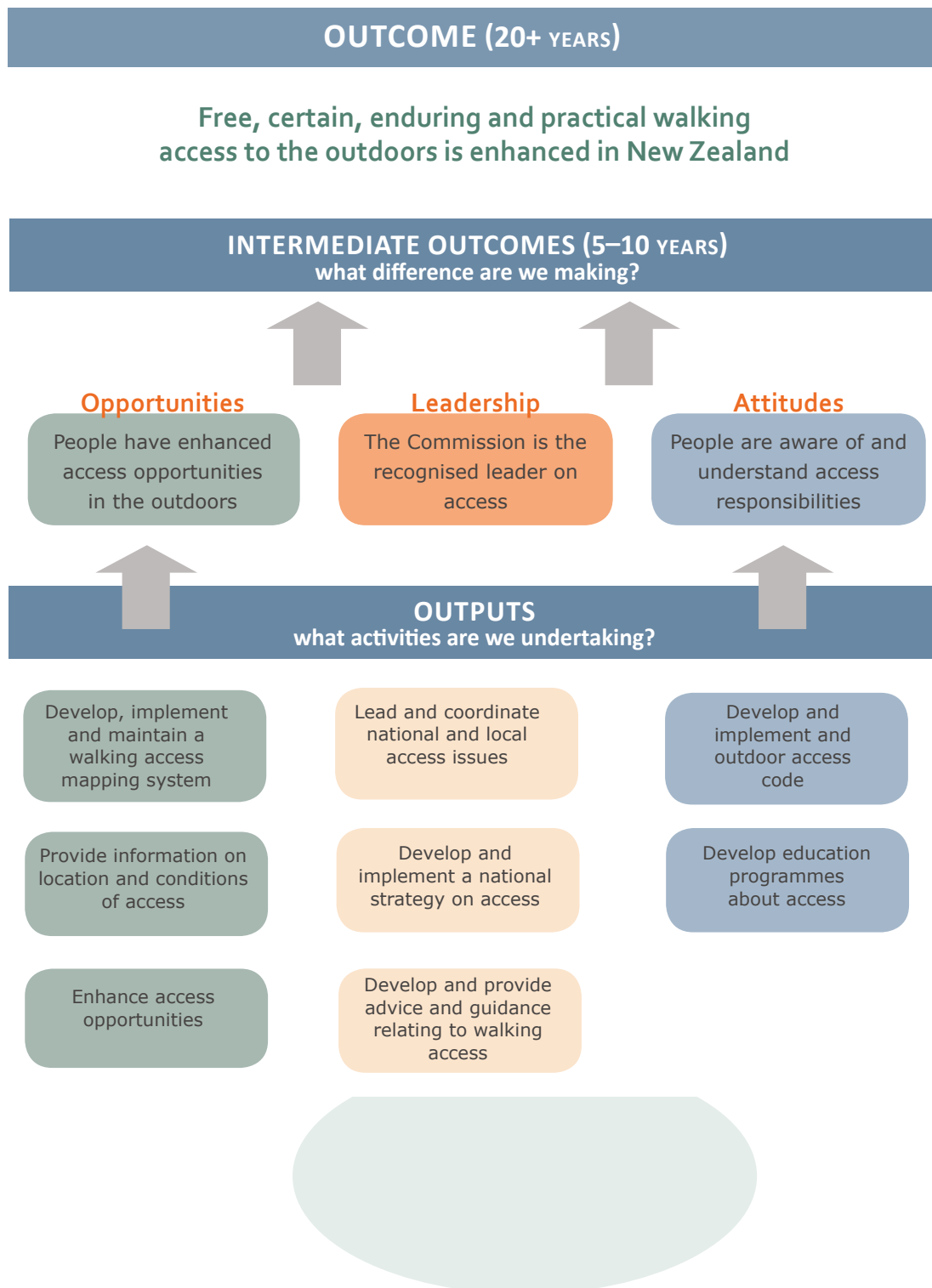
The Commission's primary outcome is:

Free, certain, enduring and practical walking access to the outdoors is enhanced in New Zealand.

Three shorter-term intermediate outcomes were also developed that support the achievement of the Commission's end outcome:

- › **Opportunities** – people have access opportunities in the outdoors;
- › **Leadership** – the Commission is a recognised leader on access; and
- › **Attitudes** – people are aware and understand access responsibilities.

Figure 1 below depicts the Commission’s outcome framework that was developed during the period.



RELATIONSHIPS WITH KEY STAKEHOLDERS

The Commission has diverse stakeholders who are keenly interested in walking access and include the recreation, tourism, sport, farming, forestry and local government sectors.

As part of its stakeholder engagement, the Commission held regular national and regional stakeholder forums, as well as one-on-one meetings with stakeholders during 2009-2010.

During the period, the Commission held two national stakeholder forums in Wellington. The first forum in July 2009 considered the draft National Strategy for Walking Access and the draft Outdoor Access Code, and the second forum in March 2010 included a presentation on the Walking Access Mapping Project.

All key stakeholder organisations were represented at both forums and included representatives from the Council of Recreational Associations of New Zealand, Local Government New Zealand, Public Access New Zealand, Fish & Game New Zealand, Federation of Fresh Water Anglers, Federated Mountain Clubs of NZ, Federated Farmers NZ, Te Araroa Trust and Rural Women New Zealand.

The Commission also held five regional forums during the period with invited stakeholders and individuals representing local and regional recreational users, landholders, and local government. These events were held in association with regular meetings of the Board.

The forums were held:

- › Christchurch (30 September 2009);
- › Nelson (20 October 2009);
- › Wanaka (15 February 2010);
- › Ohiwa (22 March 2010); and
- › Napier (13 June 2010).

These regional forums are a valuable way for the Commission to engage directly with local communities and individuals, to listen and understand about access issues as they impact on these communities, and to consult on specific access initiatives. Field trips were also

Commission chairman John Acland speaks to a regional forum meeting in Nelson.



held, where appropriate, as part of the Commission meetings in these areas.

The Commission maintains regular contact with the above organisations as well as the Department of Conservation, Land Information New Zealand (LINZ) including the Overseas Investment Office (OIO), Queen Elizabeth the Second National Trust, Sport and Recreation New Zealand, the Sir Edmund Hillary Outdoor Recreation Council and Leave No Trace.

The Commission also received invitations to give presentations at annual general meetings and similar occasions; for example:

- › Rural Women NZ National Council;
- › Landcorp Farm Managers Conference;
- › Local Government New Zealand – rural and provincial sector meeting;
- › Federated Farmers High Country Committee;
- › NZ Forest Owners Association Environment Committee;
- › NZ Four Wheel Drivers Association Annual General Meeting;
- › New Zealand Fish & Game Council;
- › Canterbury Fly Fishing Club;
- › Federated Mountain Clubs of NZ Annual General Meeting.

PUBLIC ENQUIRIES

The Commission received 97 enquiries about access and the role of the Commission during 2009-2010. The Commission's website is one of the main points of entry for general enquiries about walking access.

An electronic enquiry management system will be part of the Walking Access Mapping System project and will become the Commission's primary system for managing public enquiries.

NATIONAL STRATEGY FOR WALKING ACCESS

A key function of the Commission under the Walking Access Act 2008 (section 10) is to provide leadership by preparing and administering a National Strategy for Walking Access, including Walkways. The aim of the strategy aim is to promote, encourage and, where appropriate, negotiate public access on foot to rivers, lakes and the coastline, and to our forests, mountains and countryside.

Work on the draft strategy commenced in early 2009 and a draft was reviewed by stakeholders at a national stakeholders' forum held in July 2009. On 30 September 2009, the Minister of Agriculture released the draft National Strategy for Walking Access for public consultation.

The submission period closed on 18 December 2009 and 83 submissions were received. The submissions expressed support for the draft National Strategy for Walking Access. Further consultation on the revised draft strategy was invited from key stakeholders in April 2010.

The Board considered all submissions and approved a penultimate version of the strategy at its June 2010 meeting. The strategy will go to the Board for final consideration at its August 2010 meeting.

OUTDOOR ACCESS CODE

The Commission has a statutory function (section 10 of the Act) to develop and disseminate a code of responsible conduct for walking access. The Commission selected the title the New Zealand Outdoor Access Code as an appropriate generic name for an over-arching code that can be further defined for specific outdoor activities, such as biking, camping, horse riding or fishing.

The Code provides guidance on appropriate behaviour in the outdoors and on the access rights and responsibilities of access users, landholders and land managers.

The Commission prepared a draft code in consultation with key organisations and stakeholders. The Minister of Agriculture launched the draft Outdoor Access Code for public consultation on 30 September, (as required under section 15 of the Act) along with a draft summary brochure and draft "wallet card". Seventy submissions were received, mostly in conjunction with submissions on the Commission's draft National Strategy. The submitters did not favour the "wallet card" idea and this was not pursued further.

The Board considered all submissions and approved a final version of the Code at its April 2010 meeting. The final Outdoor Access Code was launched by the Minister of Agriculture on 30 June 2010.

Minister of Agriculture David Carter launched the draft Outdoor Access Code and draft National Strategy for Walking Access in Christchurch in September 2009.



WALKING ACCESS MAPPING SYSTEM

The Commission has a statutory function to collate and disseminate clear and accurate maps and information that show where the public can enjoy walking access. This reflects the consensus during the eight years of consultation and debate that there is a need for easily accessible, clear, and authoritative information on the location of legal public access. This would help both landholders and the public by ensuring that everyone is able to find accurate information.

The Commission decided the best way to do this is to develop an online system that combines cadastral information, topographic maps and aerial photography. This can be overlaid with additional information layers. The mapping system is a new way of presenting information that is currently held in separate organisations and at a cost and/or difficult to locate. It will be different from commercial mapping products, such as Google maps, as it will clearly identify legal public access and will be updated monthly.

The mapping system will be free, readily updated, easily obtainable and easily understood. The information will show publicly owned land and conditions of access.

During 2009-2010 the Board approved the business and project management plans and funding for the walking access mapping project. The Board then approved Terralink International in association with Geographic Business Solutions, as the preferred provider. Terralink is a highly regarded NZ-owned company with extensive expertise on Geographic Information Systems (GIS) and mapping systems.

The Commission appointed an independent project manager with extensive IT and GIS experience in October 2009. This has proved invaluable and has greatly assisted in monitoring the contract and resolving technical matters.

A steering committee, reporting to the Chief Executive, was established to oversee the project which includes two Board members, three people nominated by walking access stakeholder organisations (Federated Farmers, Federated Mountain Clubs, and Fish & Game NZ), one technical advisor and a Commission staff member. A Board member, John Aspinall, chairs the steering committee.

The development of the mapping system is progressing well and is on-track in terms of timeliness, cost and design expectations. Regular user-acceptance testing, which includes stakeholders' representatives, occurs as part of the development work.



Mapping project steering committee chairman John Aspinall talks maps with High Country Accord chairman Jonathan Wallis at a regional forum meeting in Wanaka.

The Commission works closely with stakeholders to ensure that the walking access mapping system will meet the public's needs. In April-June 2010, the Commission gave presentations to key landholder and recreation user groups to describe the purpose and operation of the mapping system and discuss matters of interest to them. These meetings and presentations will continue during the first half of the new financial year.

The completion of the mapping system is expected to generate enquiries to local authorities on unformed legal roads. Some territorial authorities are already working with the Commission to ensure that they have a good understanding of the legal status of unformed legal roads. The Commission is devoting resources to this work and wishes to ensure that good models exist for other local authorities.

The mapping system project will be completed during the first part of the 2010-2011 financial year.

ENHANCED ACCESS FUND

The Act (s10 (1) (h)) provides for "administering a fund to finance the activities of the Commission, or any other person, in obtaining, developing, improving, maintaining, administering, and signposting walking access over any land".

The Commission established the Enhanced Access Fund (EAF) at the beginning of the 2009-2010 year and in February 2010 approved \$200,000 as the quantum of the Fund for 2009-2010. The approved priorities for 2009-2010 were:

- › address existing access problems including the resolution of disputes and allied issues such as signage;
- › negotiate retention of existing access, or obtain new access; and
- › support community access projects and needs.

Commission chairman John Acland, Minister of Agriculture David Carter, and Federated Farmers of NZ vice-president Donald Aubrey, at the launch of the Outdoor Access Code and joint signage initiative.



To maximise the impact of allocations from the Fund, the Commission requires applicants to have the support of other interested parties either as cash or in kind contributions.

Requests for funding were advertised during March and April 2010 and 29 applications were received. Twelve applications totalling around \$200,000 (GST inclusive) were approved for grants, subject to contractual agreement. The majority of approved projects concerned the development or improvement of tracks/walkways and/or signage initiatives.

Funding of \$4,000 from the Fund has been granted this year to the joint signage project between Federated Farmers NZ and the Commission. Further costs for that project will fall in 2010-2011.

PARTNERSHIPS

During the second half of 2009-2010 the Commission began exploring partnerships with key stakeholders to improve access across private land. This led to a proposal by Federated Farmers NZ, and supported by the Commission, that access signs, endorsed by both organisations, could be very useful in rural areas.

Landholders who are willing to participate will be able to display signs on boundary fences to show where they allow access onto their land, including, if they wish, contact details, and any conditions of entry. The signs will also carry the Commission's logo and the logo of partner organisations, such as Federated Farmers.

The project was welcomed by stakeholder representatives at the Commission's national forum held in Wellington in March 2010. The signs were released at the launch of the Code on 30 June 2010.

The Commission's Fund has covered the cost of production of the first 500 signs. Responsibility for administering the signs project will transfer to Federated Farmers NZ in the new financial year.

Other interested parties have also expressed interest in collaborating with the Commission in a similar way.

FISCAL PROGRESS AGAINST BUDGETED APPROPRIATION

The out-turn for the period ended 30 June 2010 is a surplus of \$416,000. The Commission had budgeted for an out-turn of \$106,000. The higher-than-planned surplus resulted from the budget being based on an ambitious work programme set early in the year, decisions made to defer some projects until 2010-2011 due to capacity constraints, and because the mapping system and associated support costs will now start later in 2010.

OTHER MATTERS

The Commission was also involved in matters that are important in building stakeholder relationships and goodwill and for securing existing and new access, including:

Engaging with central government agencies

- › Engaging with central government agencies on legislative reviews including the Overseas Investment Act and the Foreshore and Seabed Act. The latter reflects the Commission's statutory role in respect of access to and along the coast.
- › Providing input from a walking access perspective into proposals for tenure review of Crown pastoral leases. During the period, the Commission commented on 14 tenure review proposals.
- › Working closely with the Overseas Investment Office to provide input from a public walking access perspective into applications for consent to acquire sensitive land under the Overseas Investment Act 2004 (OIA). The Commission reviewed 16 OIA applications.

Administering Walkways under the Act

The Commission has dealt with transitional issues relating to Walkways including the implementation of Walkway proposals that had been initiated (under the Walkways Act 1975 and 1990) prior to the establishment of the Commission. The Commission completed a review of gazetted Walkways and prepared an appropriate format for Walkway easements. Legal advice was obtained on several technical issues related to Walkway easements.

Members of the Commission look at local access issues with Environment Bay of Plenty chief executive Bill Bayfield, before a regional forum meeting in Ohiwa.



FINANCIAL AND SERVICE DELIVERY PERFORMANCE

INTRODUCTION

This section contains the following statements:

- › Statement of responsibility;
- › Statement of service performance;
- › Statement of comprehensive income;
- › Statement of financial position;
- › Statement of cash flows;
- › Statement of changes in equity; and
- › Notes to the financial statements.

STATEMENT OF RESPONSIBILITY

In terms of the Crown Entities Act 2004, in the period ended 30 June 2010, the Board and management of the New Zealand Walking Access Commission (the Commission) were responsible for:

- › 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; and
- › 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 2010 and the operations of the Commission for the period ended 30 June 2010.



John Acland
Chairman



John Forbes
Board Member

Date: 13 September 2010



STATEMENT OF SERVICE PERFORMANCE

This section reports on the actual performance of the Commission against the forecast Statement of Service Performance contained in the Commission's 2009-2010 Statement of Intent.

The Commission is responsible for one non-departmental output class, the NZ Walking Access Commission, in Vote: Agriculture and Forestry administered by the Ministry of Agriculture and Forestry. Therefore, the statement of comprehensive income provides the actual revenue and expenses incurred compared with budget. This appropriation is limited to the operation of the Commission.

In 2009-2010 the Commission undertook to:

- 1 Establish a National Walking Access Strategy;
- 2 Establish positive relationships with key stakeholders;
- 3 Set up a mapping system for walking access;
- 4 Establish systems to assess needs and undertake actions to enhance walking access;
- 5 Educate the public about walking access;
- 6 Establish a Code of Responsible Conduct;
- 7 Administer Walkways under the Act; and
- 8 Administer a fund to help finance access proposals.

The Commission's performance measures were set during the early stages of the organisation's establishment and reflect the view, at the time, about priorities. Since then, the Commission has clarified its priorities and understanding of what it can deliver within tight resourcing levels.

2009-2010 achievements and priorities included:

- › development and consultation on the draft National Strategy;
- › development, consultation on and completion of the Outdoor Access Code;
- › developing the Walking Access Mapping System with steady progress and within budget;
- › hosting of two national forums;
- › hosting of five regional forums;
- › dealing with 97 access enquiries from the public;
- › substantive stakeholder engagement; and
- › establishment of the Enhanced Access Fund and approval of the first tranche of applications.

Due to available resourcing and capacity being focused on the above activities and establishment activities, the following two areas of work were not progressed in the period: developing an education program; and promulgation of Walkway procedures.

A National Strategy for Walking Access

A key function of the Commission under the Act is to provide leadership by preparing and administering a National Strategy for Walking Access, including Walkways. This includes developing a draft strategy, consulting with stakeholders and finalising the final strategy.

KEY DELIVERABLES	MEASURE	ACTUAL PERFORMANCE
1. Draft strategy prepared. Circulated to major stakeholders.	Confirm that the draft national walking access strategy meets the expectations and needs of major stakeholders.	Achieved. Draft strategy prepared and circulated to stakeholders and the public for consultation on 30 September 2009. The Commission received 83 submissions from stakeholders on the draft strategy. The Commission also met with five stakeholder organisations to further understand their expectations and needs from the strategy. A penultimate version was approved in June 2010.



Commission Board members walk along a beach during a field trip, before a regional forum meeting in Nelson.

Relationships with key stakeholders

This includes establishing and maintaining positive relationships with key stakeholders.

KEY DELIVERABLES	MEASURES	ACTUAL PERFORMANCE
2. Arrange two meetings with key stakeholder groups.	Evaluation that meetings meet stakeholder needs.	Partly Achieved. The Commission held two national forums during the period. Both were well received by the Commission's key stakeholders. The Board also held five regional forums around the country. The Commission met regularly with its key stakeholders to discuss the role of the Commission and its priorities. No formal evaluation was carried out. This, however, will be a feature of the Commission's future forums.

Mapping system for walking access

This includes setting up a mapping system for walking access.

KEY DELIVERABLES	MEASURES	ACTUAL PERFORMANCE
3. Prepare draft mapping product and pilot with two user groups.	Evaluation that the mapping product meets public needs.	Achieved. The Commission signed a contract for the design, build and deployment of the system with Terralink International Ltd in November 2009. The design and build of the mapping system is on time and within budget. There have been four user acceptance testing events. Feedback from each testing event contributed to the next stage of development of the system. Stakeholder representatives were part of the user testing process.

Walking access enquiries system

This includes developing systems to assess needs and undertake actions to enhance walking access.

KEY DELIVERABLES	MEASURE	ACTUAL PERFORMANCE
4. Determine enquiries and complaints processes and publish these on the website.	Monitor requests to determine that advice is provided within timelines and that processes meet needs.	Partly Achieved. The Commission has established an enquiries register and process for recording and responding to all enquiries. During the period 97 enquiries were received on walking access matters and on the Commission. The mapping system will have an electronic enquiries system as a key component of the overall system.

Education programmes related to walking access

This includes researching, educating the public and participating in topics and programmes related to walking access.

KEY DELIVERABLES	MEASURE	ACTUAL PERFORMANCE
5. Develop educational programme for schools and user groups.	Feedback that the programmes meet users' needs.	Not achieved. (Deferred) Completing the establishment of the organisation and focusing on the code, the national strategy and the mapping system took priority. Work to identify options for developing education programmes is scheduled for the later part of 2010-2011.

Code of Responsible Conduct

The Commission must, under the Act, develop and issue a code of responsible conduct in relation to walking access. This includes developing a draft code, consulting with stakeholders and finalising the final code.

KEY DELIVERABLES	MEASURE	ACTUAL PERFORMANCE
6. Draft Code published by 30 June 2010 and comments requested.	Feedback from major stakeholders that the draft Code meets their expectations and needs.	Achieved. The draft code was published for consultation on 30 September 2009. Submissions were received from major stakeholders and considered by the Board. Major stakeholders supported the code. The final Outdoor Access Code was launched by the Minister of Agriculture on 30 June 2010.

Administering gazetted Walkways

This includes administering gazetted Walkways under the Act.

KEY DELIVERABLES	MEASURE	ACTUAL PERFORMANCE
7. Walkways procedures determined, drafted and circulated to major stakeholders.	Evaluation that the draft Walkways procedures meet the expectations and needs of major stakeholders.	Not achieved. The need for these procedures will be reviewed. Completing the establishment of the organisation and the development and production of the code, the national strategy and the mapping system took priority. A review of gazetted Walkways was completed.

Contestable access fund

The Act provides for the establishment of a contestable fund by the Commission to support the expansion and improvement of access to New Zealand's outdoors, or to support research and educational activities that contribute to knowledge about access.

KEY DELIVERABLES	MEASURE	ACTUAL PERFORMANCE
8. Fund established and draft procedures published by 30 June 2010.	Monitor the number of requests received and the nature of the requests.	Achieved. The Commission established the contestable fund from 1 July 2009. This was subsequently named the Enhanced Access Fund (EAF). \$1.7m was approved as the establishment value of the fund. In March 2010 procedures for applications to the fund were published on the Commission's website and a funding round was advertised. 29 applications for funding were received and in June 2010 twelve were approved for funding.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

2009* ACTUAL \$000		NOTE	2010 ACTUAL \$000	2010 BUDGET \$000
INCOME				
2189	Revenue from the Crown	2	1789	1789
48	Interest income		111	100
15	Walkway fund	5	15	0
2252	Total income		1915	1889
EXPENDITURE				
259	Operating costs	3	929	968
182	Personnel costs	4	386	574
10	Audit fees		12	15
73	Board fees		97	97
0	Depreciation		15	62
19	Rentals and leases		60	67
543	Total expenditure		1499	1783
1709	Surplus		416	106
0	Other comprehensive income		0	0
1709	Total comprehensive income		416	106

* The Commission's prior year result only includes the results for the nine months from 30 September 2008. The comparative figures presented in these financial statements are therefore not directly comparable with the current year figures which reflect a full year result for the Commission.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

2009* ACTUAL \$000		NOTE	2010 ACTUAL \$000	2010 BUDGET \$000
ASSETS				
CURRENT ASSETS				
198	Cash and cash equivalents	6	1171	10
12	Prepayments		0	0
107	Receivables		40	123
1600	Investments	7	1669	0
1917	Total current assets		2880	133
NON-CURRENT ASSETS				
0	Property, plant and equipment	8	132	91
0	Software under development	9	510	448
0	Term investments		0	1650
0	Total non-current assets		642	2189
1917	TOTAL ASSETS		3522	2322
CURRENT LIABILITIES				
58	Creditors and other payables		259	311
0	Employee entitlements	15	41	0
0	Income in advance		447	0
58	Total current liabilities		747	311
1859	Net assets		2775	2011
EQUITY				
1694	General funds	5	355	0
150	Capital contribution	5	650	650
0	Enhanced Access Fund	5	1740	1351
15	Walkway fund	5	30	10
1859	Total equity		2775	2011

* The Commission's prior year result only includes the results for the nine months from 30 September 2008. The comparative figures presented in these financial statements are therefore not directly comparable with the current year figures which reflect a full year result for the Commission.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010

2009* ACTUAL \$000	NOTE	2010 ACTUAL \$000	2010 BUDGET \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH PROVIDED FROM:			
2189		2236	1789
21		47	100
0		30	0
(57)		41	0
CASH APPLIED TO:			
(182)		(357)	(574)
(323)		(798)	(959)
1648	10	1199	356
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH APPLIED TO:			
0		(147)	(20)
0		(510)	(450)
(1600)		(69)	(386)
(1600)		(726)	(856)
CASH FLOWS FROM FINANCING ACTIVITIES			
CASH PROVIDED FROM:			
150		500	500
150		500	500
NET INCREASE/(DECREASE) IN CASH			
198		973	0
0		198	10
198	6	1171	10

* The Commission's prior year result only includes the results for the nine months from 30 September 2008. The comparative figures presented in these financial statements are therefore not directly comparable with the current year figures which reflect a full year result for the Commission.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

2009* ACTUAL \$000		NOTE	2010 ACTUAL \$000	2010 BUDGET \$000
0	Balance at 1 July		1859	1405
MOVEMENTS IN TOTAL EQUITY:				
1709	Total comprehensive income for the period		416	106
150	Capital contribution		500	500
1859	Closing equity 30 June	5	2775	2011

* The Commission's prior year result only includes the results for the nine months from 30 September 2008. The comparative figures presented in these financial statements are therefore not directly comparable with the current year figures which reflect a full year result for the Commission.

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 2010

Reporting entity

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

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

Accordingly, the Commission 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 Commission are for the year ended 30 June 2010, and were approved by the Board on 13 September 2010.

Basis of preparation

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 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 Commission 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. The Commission has taken advantage of differential reporting exemptions except for:

- › the full exemption under NZ IAS 7 Cash Flow Statements allowing non disclosure of cash flows;
- › the partial exemption under NZ IAS 24 Related Party Disclosures allowing non disclosure of key management personnel compensation;
- › the partial exemption under NZ IAS 38 Intangible Assets allowing expensing of development costs (in this case the mapping system); and
- › certain disclosure exemptions.

Measurement base

The financial statements have been prepared on an historical cost basis. The functional currency of the Commission is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

The budget figures are those contained in the Statement of Intent for 2009-2012 signed by the Board on 25 May 2009 and they comply with FRS-42.

Significant accounting policies

REVENUE

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 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

Property, plant and equipment assets consist of leasehold improvements, furniture and office equipment.

Property, plant and equipment are shown at cost 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 Commission 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	5–10 years	10.0%–20.0%
Leasehold improvements	9 years	11.1%
Computer hardware	4–5 years	20.0%–25.0%

Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

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 de-recognised. The amortisation charge for each period is recognised in the surplus or deficit. The useful life and associated amortisation rate of the software under development has been estimated as follows:

Software under development (mapping system)	10 years	10.0%
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Leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Commission 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 comprehensive income.

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



Trampers in the Hunter Mountains in Fiordland. The trampler on the right is Commission Board member Brian Stephenson. Photo by Shaun Barnett, Black Robin Photography.

Financial instruments

The Commission uses financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, 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 comprehensive income.

Investments

At balance date, the Commission 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 Commission 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.

Sick leave has been assessed in accordance with NZ IFRS and determined that there is no liability.

The Commission 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 for 2009-2012 as approved by the Board on 25 May 2009. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Commission 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 comprehensive income.

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; and

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 have been no changes in accounting policies during the financial year. The Commission has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income.

The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Commission has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

2 REVENUE FROM THE CROWN

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

3 OPERATING COSTS

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Contractors	581	163
Travel and accommodation	89	35
Publications and publicity	62	0
Consultants	30	0
Service contracts	26	0
Enhanced Access Fund	38	0
Other	103	61
Total	929	259

4 PERSONNEL COSTS

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Salaries, wages and allowances	293	139
Increase in employee entitlements (note 15)	41	0
Recruitment	38	43
Employer contributions to defined contribution plans	9	0
Employer costs	5	0
Total	386	182

5 EQUITY

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
GENERAL FUNDS		
Balance at 1 July	1694	0
Plus surplus for the year	416	1709
<i>Less transferred to funds (net):</i>		
Enhanced Access Fund	1740	0
Walkway fund	15	15
Total transferred to funds (net)	1755	15
Balance at 30 June	355	1694
CAPITAL CONTRIBUTION		
Balance at 1 July	150	0
Plus contribution for the year	500	150
Balance at 30 June	650	150
ENHANCED ACCESS FUND		
Balance at 1 July	0	0

<i>Transfers from general funds (net):</i>		
Establishment transfer from general funds	1700	0
Interest earned	78	0
Grants paid	(4)	0
Administration costs	(34)	0
Total transfers from general funds (net):	1740	0
Balance at 30 June	1740	0
WALKWAY FUND		
Balance at 1 July	15	0
<i>Transfers from general funds (net):</i>		
Income for the year	15	15
Balance at 30 June	30	15
Total equity at 30 June	2775	1859

Capital contribution

The Commission has been provided with funding from the Crown in 2009-2010 for the specific purpose of developing and implementing the walking access mapping system. This is the first of two tranches of \$0.500M each.

Enhanced Access Fund

A contestable fund was created in 2009-2010 to finance the activities of the Commission, or any other person, in obtaining, developing, improving, maintaining, administering, and signposting walking access over any land. This has been named the Enhanced Access Fund.

Walkway Fund

The Walkway Fund is for money transferred from the Department of Conservation in accordance with s75 of the Walking Access Act 2008. 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. Part of the funding was sourced locally and this will, as a matter of policy, be spent in a way that reflects its local origin.

6 CASH AND CASH EQUIVALENTS

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Cash at bank	68	98
Deposits with a term of three months or less	1103	100
Total	1171	198

7 INVESTMENTS

These are deposits with a term of 4 to 12 months invested at fixed rates ranging from 4.5%–5.4%. At 30 June 2009 investment rates were 4.25%–5.0%.

Deposits with a term of three months or less are shown under Note 6 above.

8 PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	COMPUTER HARDWARE \$000	LEASEHOLD IMPROVEMENT \$000	OFFICE EQUIPMENT \$000	TOTAL \$000
COST				
Balance at 1 July 2009	0	0	0	0
Additions	32	47	68	147
Balance at 30 June 2010	32	47	68	147
ACCUMULATED DEPRECIATION				
Balance at 1 July 2009	0	0	0	0
Depreciation expense	5	5	5	15
Balance at 30 June 2010	5	5	5	15
NET CARRYING AMOUNTS				
At 1 July 2009	0	0	0	0
At 30 June 2010	27	42	63	132

The Commission has a vested interest in some easements and a lease. These represent an interest in private land and have not been valued. They are held for the benefit of the public.

9 SOFTWARE UNDER DEVELOPMENT

The Commission will be funded \$1.000M capital funding (\$0.500M has been received in 2009-2010) to build a mapping system that will compile, hold and publish maps and information about land over which members of the public have walking access. This software is under development and costs to 30 June 2010 are \$0.510M.

10 RECONCILIATION OF NET SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

FOR THE PERIOD ENDED 30 JUNE 2010

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Net operating surplus for the year	416	1,709
Add non-cash items:		
Depreciation	15	0
Total	431	1,709
Add/less working capital movements:		
Decrease (increase) in receivables	79	(119)
Increase (decrease) in payables	689	58
Working capital movement – net	768	(61)

Net cash flows from operating activities	1,199	1,648
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11 COMMITMENTS

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
CAPITAL COMMITMENTS – MAPPING SOFTWARE		
Not later than one year	115	0
GRANT COMMITMENTS – ENHANCED ACCESS FUND		
Not later than one year	176	0
Later than one year and not later than three years	37	0
	213	0
OPERATING LEASES AS LESSEE		
Not later than one year	63	42
Later than one year and not later than five years	253	253
Later than five years	201	264
	517	559
Total commitments	845	559

Operating lease commitments:

The Commission leases office accommodation that expires on 31 August 2018. The Commission does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on the Commission by this leasing arrangement.

Grant commitments:

Contracts are entered into with organisations for funding for up to three years. Amounts granted under these contracts are disclosed in the statement of comprehensive income when they relate to the financial year.

12 RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Related party transactions

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

The Commission enters into transactions with government departments, state-owned enterprises and other Crown entities. These transactions are carried out on an arm's length basis and in the normal course of business and so have not been disclosed as related party transactions.

There were no other related party transactions.

Key management personnel compensation

Key management personnel include all Board members, the Chief Executive, and the three members of the management team.

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Salaries and other short-term employee benefits	263	73
Post-employment benefits	0	0
Other long-term benefits	8	0
Termination benefits	0	0
Total key management personnel compensation	271	73

13 BOARD MEMBER REMUNERATION

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

	ACTUAL 2010 \$	ACTUAL 2009 \$
John Acland (Chairman)	18,700	14,025
John Aspinall	11,200	8,400
Maggie Bayfield	11,200	8,400
Kay Booth	11,200	8,400
Peter Brown	11,200	8,400
John Forbes	11,200	8,400
Brian Stephenson	11,200	8,400
Barbara Stuart	11,200	8,400
Total	97,100	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.

The Commission has effected Directors and Officers Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

14 EMPLOYEE REMUNERATION

TOTAL REMUNERATION PAID OR PAYABLE	ACTUAL 2010	ACTUAL 2009
Over \$140,000 – \$149,000	1	0

The employee listed was employed from 13 July 2009. No Board members or employees received compensation or other benefits in relation to cessation.

15 EMPLOYEE ENTITLEMENTS

	ACTUAL 2010 \$000	ACTUAL 2009 \$000
Accrued salaries	29	0
Annual leave	12	0
Total	41	0

16 FINANCIAL INSTRUMENTS

AS AT 30 JUNE 2010	LOANS AND RECEIVABLES \$000	FINANCIAL LIABILITIES AT AMORTISED COST \$000	TOTAL \$000
ASSETS			
Cash and cash equivalents	1171		1171
Receivables	40		40
Investments	1669		1669
Total financial assets	2880		2880
Non financial assets			642
Total assets			3522
LIABILITIES			
Creditors and other payables		259	259
Income in advance		447	447
Total financial liabilities		706	706
Non financial liabilities			41
Total liabilities			747
AS AT 30 JUNE 2009			
ASSETS			
Cash and cash equivalents	198		198
Receivables	119		119
Investments	1600		1600
Total financial assets	1917		1917
Non financial assets			0
Total assets			1917
LIABILITIES			
Creditors and other payables		58	58
Total financial liabilities		58	58
Non financial liabilities			0
Total liabilities			58

17 CONTINGENCIES

There were no contingencies as at balance date (2008-2009 Nil).

18 EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date (2008-2009 Nil).

19 CAPITAL MANAGEMENT

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

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

20 EXPLANATION OF SIGNIFICANT VARIANCES AGAINST BUDGET

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

Statement of comprehensive income

Expenditure is less than budget by \$0.284M.

- › Personnel costs are \$0.188M less than budget because it took longer than anticipated to appoint staff and become operational.
- › Planned costs had anticipated the mapping software being on line. This affected depreciation (\$0.047M below budget) and operating costs (\$0.039M below budget).
- › The Walkway fund received an unbudgeted \$0.015M from Torin Co Limited, Japan, for use of the Walkway symbol.

Statement of financial position

CURRENT ASSETS AND LIABILITIES

Cash and cash equivalents exceed budget by \$1.161M because of the need to keep enough liquidity to meet ongoing commitments, the favourable deposit rates under 90 days, and the early receipt of funding for the first quarter of 2010-2011 (\$0.503M). This shows in the current liabilities exclusive of GST (\$0.447M).

There was no budget for investments (\$1.669M). These were budgeted to be term investments (\$1.650M). Interest rates over one year have not been attractive and the uncertainty of the timing of spending these funds led to shorter term investments.

NON-CURRENT ASSETS

The Commission has been funded \$0.150M for setup costs and spent \$0.132M after depreciation (budget \$0.091M), and has been funded \$0.500M for mapping software and spent \$0.510M (budget \$0.448M). Spending in these areas has been later than expected and in line with funding rather than budget. This has meant that spending on setup is over budget by \$0.041M (more capital and less depreciation than budget) and mapping software is over budget by \$0.062M (slightly more capital than budget and no depreciation). Budgeted term investments, as noted above, are in the current assets.

STATEMENT OF CHANGES IN EQUITY

Opening equity exceeds budget by \$0.454M due to the 2008-2009 surplus being greater than expected. This difference has been increased in the closing equity (\$0.764M) by the surplus for 2009-2010 exceeding budget by \$0.310M due to less than budget expenditure.

Statement of cash flows

Crown revenue exceeds budget by \$0.447M due to the early receipt of the 2010-2011 first quarter funding. Payments to employees were less than budget (\$0.217M) and to suppliers (\$0.161M) due to the lower level of operational activity. This has created cash from operating activities of \$0.843M additional to budget that has been invested short term and so is in the closing cash balance. Investments have not grown as much as budgeted (\$0.317M difference) due to being held as cash.

Purchases of property, plant and equipment were higher than budget (\$0.127M) due to the office set up being in 2009-2010 rather than mostly in 2008-2009 as budgeted.

Payments for software under development have exceeded budget by \$0.060M due to greater progress than expected.

Closing cash balance exceeds budget by \$1.161M. This is due to the need for working capital to be held as short term investments, and the early receipt of 2010-2011 first quarter funding.

AUDIT REPORT



Audit Report

To the readers of the New Zealand Walking Access Commission's financial statements and statement of service performance for the year ended 30 June 2010

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 on her behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Commission for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Commission on pages 27 to 43:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Commission's financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Commission on pages 22 to 26:
 - 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 year; and

- its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 13 September 2010, 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 Board 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 Board;
- confirming year-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 Board and the Auditor

The Board 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 2010 and the results of its operations and cash flows for the year 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 year. The Board's responsibilities arise from the Crown Entities Act 2004 and the Walking Access Act 2008.

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 New Zealand Institute of Chartered Accountants.

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 and statement of service performance

This audit report relates to the financial statements and statement of service performance of New Zealand Walking Access Commission for the year ended 30 June 2010 included on the New Zealand Walking Access Commission's website. The New Zealand Walking Access Commission's Board is responsible for the maintenance and integrity of the New Zealand Walking Access Commission's 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 and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. 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 statement of service performance and related audit report dated 13 September 2010 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

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



WALKING ACCESS
ARA HĪKOI AOTEAROA

NEW ZEALAND WALKING ACCESS COMMISSION

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