



WALKING ACCESS
ARA HĪKOI AOTEAROA

STATEMENT OF PERFORMANCE EXPECTATIONS

2019-2020

NEW ZEALAND WALKING ACCESS COMMISSION
ARA HĪKOI AOTEAROA

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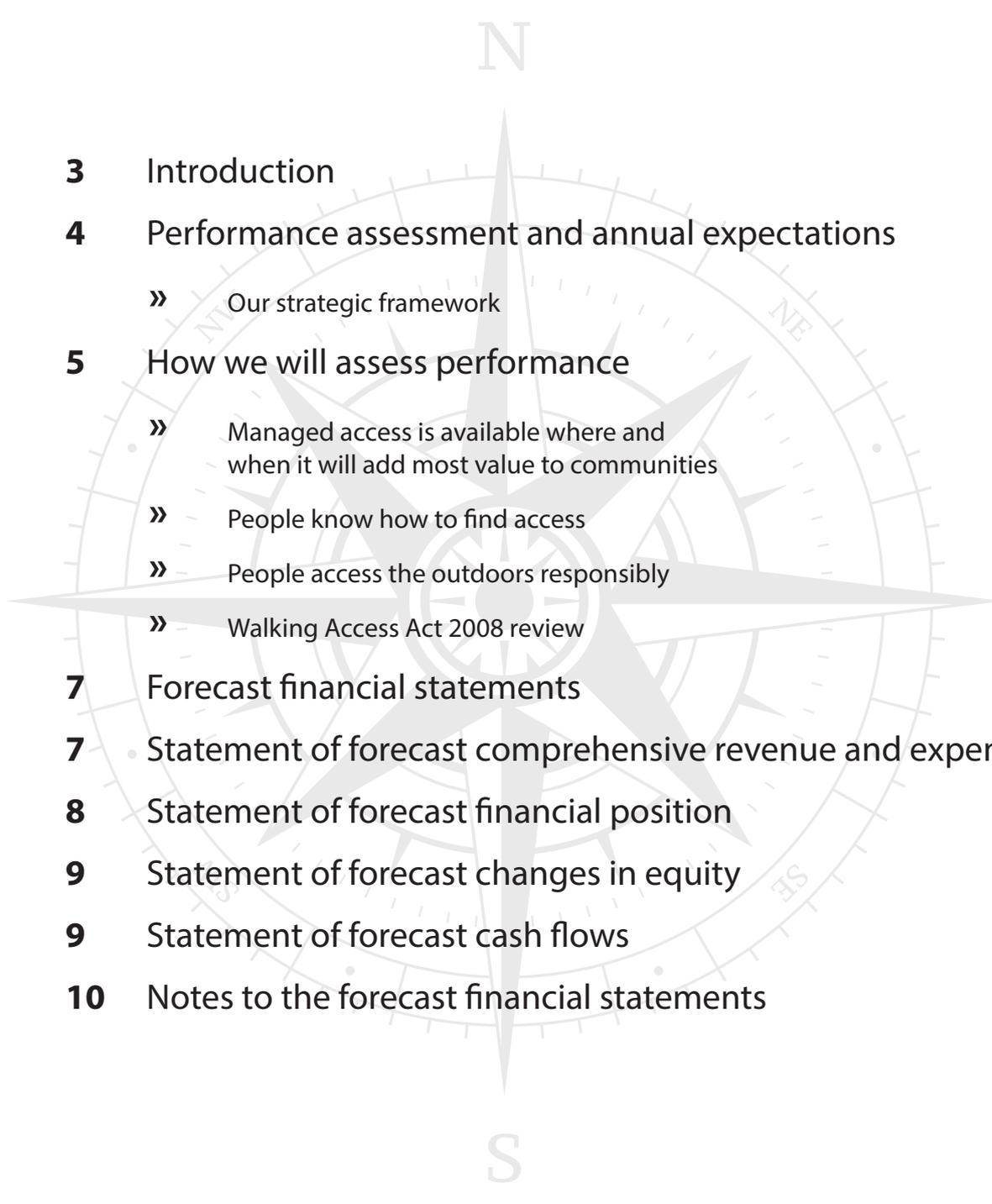
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New Zealand Walking Access Commission Ara Hīkoi Aotearoa 2019

Presented to the House of Representatives pursuant to Section 149 of the *Crown Entities Act 2004*.

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STATEMENT OF PERFORMANCE EXPECTATIONS

FOR THE YEAR ENDING 30 JUNE 2020

This Statement of Performance Expectations reflects our proposed performance targets and forecast financial information for the year ahead. It is produced in accordance with section 149E of the *Crown Entities Act 2004*.

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Board of the Walking Access Commission Ara Hikoī Aotearoa in accordance with its role under the *Crown Entities Act 2004*. It is not intended to update the forecast financial statements subsequent to presentation.



John Forbes

Chair

25 June 2019



Hilary Allison

Board member

25 June 2019



Walking Access Commission Board: Raewyn Tipene, Hilary Allison, John Forbes, Helen Mexted, Lisa Chase. Not pictured: Pierre Henare.



INTRODUCTION

This is the 2019-2020 Statement of Performance Expectations (SPE) prepared by the New Zealand Walking Access Commission Ara Hikoi Aotearoa (the Commission). All information is provided in accordance with the *Crown Entities Act 2004*.

This SPE reflects our operational priorities for the 2019-2020 financial year. The SPE also incorporates the priorities of the Government, the Minister and our Board.

To support this, we will continue to use the strategic framework from our Statement of Intent 2018 - 2022. We review our measures annually to ensure they remain fit for purpose. We will report our performance results in the 2019-2020 Annual Report.

The SPE has two parts:

- Performance assessment and annual expectations; and
- Forecast financial statements.

Performance assessment and annual expectations

This section sets out performance measures, targets, estimates and budgets for the year ending 30 June 2020. These accord with the *Crown Entities Act 2004*. This section explains how our activities link to, influence and contribute to delivering our long-term mission.

For 2019-2020, our Minister has raised the following priorities, which will inform our work for the year:

- Focus on implementing and executing the Commission's new National Strategy well;
- Continue to make demonstrable progress towards creating new access opportunities, including opportunities that unlock the potential of Māori heritage and history, while also considering the associated environmental costs.
- Participate in the review of the *Walking Access Act 2008* and be prepared to respond to changes to the Act

agreed by Cabinet following the review's completion in September 2019.

- Incorporate cycling access alongside walking access negotiations and development.

Our strategic framework defines our overarching vision: that New Zealanders have free, certain, enduring and practical access to the outdoors. To achieve this, we ensure all stakeholders are involved in generating public access opportunities to support healthy and prosperous communities.

We contribute to this impact by delivering our three outcomes and their related output services and activities:

1. Managed access is available where and when it will add most value to communities. We do this by:
 - » facilitating and leading access creation, including cycling access and access that promotes Māori culture and heritage;
 - » resolving access disputes;
 - » managing the Enhanced Access Grants; and
 - » engaging communities.
2. People know how to find access because we:
 - » manage the access mapping system; and
 - » provide tracks and trails information.
3. People access the outdoors responsibly because of our:
 - » school education programmes;
 - » digital-led behaviour change initiatives; and
 - » walkway compliance.

Forecast financial statements

The forecast financial statements provide all appropriate information and explanations to reflect the forecast financial operations and financial position of the Commission for the year ending 30 June 2020, in accordance with s149G of the *Crown Entities Act 2004*.

PERFORMANCE ASSESSMENT AND ANNUAL EXPECTATIONS

OUR STRATEGIC FRAMEWORK

Our vision and purpose	Te mauri o te hiko Journeys across the land and to our special places
	Our purpose is to provide New Zealanders with free, certain, enduring and practical walking access to the outdoors.
Our mission	What we intend to achieve
	We will lead national development and support local implementation of public access to the outdoors.
Impacts over time	How we contribute and influence
	We will engage with central and local government agencies, iwi and community groups to generate public access opportunities that support healthy and prosperous communities.
Our outcomes	How we know we are succeeding
	We have identified the following outcomes as being important to the success of the Commission: <ul style="list-style-type: none"> • Managed access is available where and when it will add most value to communities; • People know how to find access; • People access the outdoors responsibly.
Our outputs	How we deliver
	Managed access is available where and when it will add most value to communities. We do this by: <ul style="list-style-type: none"> • access facilitation and leadership; • resolving access disputes; • managing the Enhanced Access Grants; and • engaging communities. <p>People know how to find access because we:</p> <ul style="list-style-type: none"> • manage the access mapping system; and • provide tracks and trails information. <p>People access the outdoors responsibly because of our:</p> <ul style="list-style-type: none"> • school education programmes; • digital-led behaviour change initiatives; and • walkway compliance.
Our activities	What we work on
	Key activities that support our output delivery include: <ul style="list-style-type: none"> • Investigating, assessing and facilitating access disputes; • Supporting the promotion of Māori culture and heritage through public access; • Incorporating cycling access, where appropriate, alongside walking access; • Handling general access enquiries and case management; • Preparing and delivering access recommendation reports for the Overseas Investment Office; • Managing Enhanced Access Grant applications; • Developing walking access policy; • Attending or hosting workshops and meetings with other government agencies, landholders, iwi and community groups to promote access; • Managing and maintaining track and trail data; • Publicising and identifying access across all land types;

HOW WE WILL ASSESS PERFORMANCE

Managed access is available where and when it will add most value to communities

The Commission works with stakeholders to secure access to the outdoors in urban, peri-urban and rural communities. We do this by negotiating and building relationships with local communities, councils and agencies such as the Department of Conservation (DOC) and Land Information New Zealand (LINZ), which manages the Overseas Investment Office (OIO).

The Commission's work under this output includes recommending access for areas subject to the sensitive land provisions of the OIO. It also includes mediating between parties where access is disputed. The Commission supports communities and local groups to secure new access opportunities through the Enhanced Access Grant scheme.

Output: Access facilitation and leadership			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Number of Commission-led regional key stakeholder workshops held.	8	5	New
Percentage of OIO reports completed within 90 days.	80%	80%	86%
Output: Access dispute resolution			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage of access disputes resolved successfully within 12 months.	50%	50%	73%
Output: Management of the Enhanced Access Fund			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage of funded community group-led projects completed within five years of funding being approved.	70%	90%	New
Output: Community engagement			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage of enquiries responded to within 10 working days.	90%	90%	New

People know how to find access

The Commission works with LINZ, DOC and the Ministry for Primary Industries, to access the geographic information system data that forms the basis of the Walking Access Mapping System (WAMS). WAMS is available from the Commission's website (www.walkingaccess.govt.nz). It provides up-to-date information on where the public can find public access for recreational and professional purposes. The Commission website also contains Find My Adventure, a database of tracks and trails, which enables New Zealanders and overseas visitors to find places to go in the outdoors for walking, cycling and horse-riding.

The Commission wants to understand how the public learns about access opportunities, so it analyses website traffic using Google analytics, to ensure the information provided is current and relevant.

Output: Access mapping system			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage of WAMS technical enquiries completed within 30 working days of receipt.	90%	95%	New
Percentage of new gazetted walkways displayed on WAMS within 12 months.	100%	100%	New

Output: Tracks and trails information			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage increase in the number of unique visits to the tracks and trails database.	5% (7,600)	Baseline set (estimate: 7,230)	New

People access the outdoors responsibly

Encouraging the public to act responsibly while in the outdoors is a key task for the Commission. We do this in a couple of ways. First, by providing educational resources, and general information on how to behave when in the outdoors. Second, we are also responsible for enforcing behaviour on walkway via local and regional councils and DOC, which act as controlling authorities on our behalf.

Output: School education programme			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage increase in school education resources accessed compared to the previous year.	5% (5,670)	5,400	5,142

Output: Digital-led behaviour change initiatives			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage increase in the number of people accessing digital information on rights, responsibilities and appropriate behaviour in the outdoors.	5% (5,145)	Baseline set (estimate: 4,900)	New

Output: Managing walkway compliance			
Performance measure	Standard 2019-2020	Estimated 2018/2019	Actual 2017/2018
Percentage of compliance reports received from controlling authorities	95%	95%	New

Other

Walking Access Act 2008 review

Work on the *Walking Access Act 2008* review is underway, with MPI leading the process. As part of the work programme, a panel of three expert advisors will assist with seeking public feedback and preparing a final report. As per the legislation, the review will consider:

- the need for the Act;
- its operation and effectiveness;
- whether any amendments to the Act are necessary or desirable.

The review will finish in 2019, with the findings and recommendations presented to the House of Representatives shortly afterwards.

FORECAST FINANCIAL STATEMENTS

The forecast financial statements provide all appropriate information and explanations to reflect the forecast financial operations and financial position of the Walking Access Commission for the year ending 30 June 2020 in accordance with s149G of the *Crown Entities Act 2004*.

Our activities contribute to the non-departmental output expense, Support for Walking Access, within Vote Agriculture, administered by the Ministry for Primary Industries. We will receive \$1,789,000 (GST exclusive) in Crown funding in 2019-2020 (\$1,789,000 in 2018-2019).

The Commission does not propose to supply any class of outputs in the financial year that is not a reportable class of outputs [section 149E (1)(c)].

STATEMENT OF FORECAST COMPREHENSIVE REVENUE AND EXPENSE

For the Year Ending 30 June 2020

	2019-2020 Budget	2018/2019 Budget	2018/2019 Estimated Actual
	\$	\$	\$
Revenue			
Crown revenue	1,789,000	1,789,000	1,789,000
Interest income	44,100	100,000	93,372
Other income	0	25,000	12,517
Total Revenue	1,833,100	1,914,000	1,894,889
Less expenses			
Personnel costs	1,162,217	1,050,000	1,252,961
Other operating costs	1,495,153	1,464,000	1,643,372
Depreciation and amortisation	44,128	91,000	102,957
Grant expense	100,000	25,000	50,000
Total Expenditure	2,801,498	2,630,000	3,049,290
Surplus/(deficit)	(968,398)	(716,000)	(1,154,401)

STATEMENT OF FORECAST FINANCIAL POSITION

As at 30 June 2020

	2019-2020 Budget	2018/2019 Budget	2018/2019 Estimated Actual
Current Assets	\$	\$	\$
Bank accounts and cash	510,404	152,000	683,677
Investments	450,000	350,000	1,950,000
Trade and other receivables	79,917	90,000	82,914
Total current assets	1,040,321	592,000	2,716,591
Non-current assets			
Property, plant and equipment	93,540	39,000	127,668
Intangible assets	0	67,000	0
Term investments	750,000	2,300,000	0
Total non-current assets	843,540	2,406,000	127,668
Total assets	1,883,861	2,998,000	2,844,259
Less liabilities			
Creditors and accrued expenses	125,000	355,000	120,000
Employee entitlements	68,000	42,000	65,000
Income in advance	447,250	447,000	447,250
Total liabilities	640,250	844,000	632,250
Net assets	1,243,611	2,154,000	2,212,009
Equity	1,243,611	2,154,000	2,212,009



STATEMENT OF FORECAST CHANGES IN EQUITY

For the Year Ending 30 June 2020

	2019-2020 Budget	2018/2019 Budget	2018/2019 Estimated Actual
	\$	\$	\$
Equity as at 1 July	2,212,009	2,870,000	3,366,410
Total recognised revenue (and expense)	(968,398)	(716,000)	(1,154,401)
Equity at 30 June	1,243,611	2,154,000	2,212,009

STATEMENT OF FORECAST CASH FLOWS

For the Year Ending 30 June 2020

	2019-2020 Budget	2018/2019 Budget	2018/2019 Estimated Actual
	\$	\$	\$
Cash Flows from Operating Activities			
Revenue from Crown	1,789,000	1,789,000	1,789,000
Interest received	47,097	100,000	96,226
Other revenue	0	25,000	12,517
Payments to employees and members	(1,197,248)	(1,048,000)	(1,225,681)
Payments to suppliers	(1,552,122)	(1,340,000)	(1,826,951)
GST (net)	0	(93,000)	(57,788)
Net cash flows from operating activities	(913,273)	(567,000)	(1,212,677)
Cash flows from investing activities			
Net (increase)/decrease from maturity of investments	750,000	620,000	1,050,000
Purchase of property, plant and equipment	(10,000)	(50,000)	(10,000)
Net cash flows from investing activities	740,000	570,000	1,040,000
Net increase/(decrease) in cash	(173,273)	2,000	(172,677)
Cash and cash equivalents at the beginning of the year	683,677	150,000	856,354
Cash and cash equivalents at the end of the year	510,404	152,000	683,677

NOTES TO THE FORECAST FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The New Zealand Walking Access Commission Ara Hikoī Aotearoa (the Commission) is a Crown entity as defined by the *Crown Entities Act 2004*. It is domiciled and operates in New Zealand. As such, the Commission operations include the *Crown Entities Act 2004* and the *Walking Access Act 2008*. The Commission's ultimate parent is the New Zealand Crown.

The functions and responsibilities of the Commission are set out in the *Walking Access Act 2008*. The Commission's primary objective is to provide services to the New Zealand public, as opposed to that of making a financial return. The Commission has one output: Support for Walking Access. The figures presented in these financial statements are for that one output. Accordingly, The Commission has designated itself as a public benefit entity (PBE) for the purposes of financial reporting purposes.

The forecast financial statements reflect the operations of the Commission only and do not incorporate any other entities. These forecast financial statements are for the year ending 30 June 2020.

Basis of Preparation

The financial statements presented here have been prepared in accordance with New Zealand's generally accepted accounting practice and are consistent with the accounting policies to be adopted for the preparation of financial statements. They have been prepared on the assumption that the Commission is a going concern. The forecast financial statements have been prepared in accordance with Tier 2 PBE accounting standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars unless otherwise stated.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

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

Funding from the Crown

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

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

Interest revenue

Interest income is recognised as it accrues on bank account balances and investments.

Grant Expenditure

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

Leases

Finance leases

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

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and Cash Equivalents

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

Debtors and other Receivables

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

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

Investments

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

Property, Plant and Equipment

Property, plant and equipment consists of the following asset classes: computer hardware, leasehold improvements and office equipment. Property, plant and equipment are measured at cost, less any accumulated depreciation and impairment losses.

Additions

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

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

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

The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of the Commission's website is recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

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

- **Computer software** 3 – 5 years 20% – 33%

Impairment of Property, Plant and Equipment and Intangible Assets

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

Non-cash-generating assets

Property, plant and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on a depreciated replacement cost approach, restoration cost approach, or a service units approach.

The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of Financial Performance as is any subsequent reversal of an impairment loss.

Creditors and other Payables

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

Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences. A liability and an expense are recognised for performance payments where there is a contractual obligation and a reliable estimate of the obligation can be made.

Presentation of employee entitlements

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

Superannuation Schemes

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

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. The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income Tax

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



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New Zealand Government

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