



New Zealand
Historic Places Trust *Pouhere Taonga*

Statement of Intent

Pānui Whāinga
2007 – 2010



Joint Statement from the Chairs of the NZHPT Board and Māori Heritage Council.	2
1.0 Outcomes, Objectives and Strategies	3
1.1 Overview	3
1.2 Our Role	4
1.3 Environmental Scan: Expectations and Challenges	6
1.4 Long Term Outcomes for Culture and Heritage	8
1.5 Heritage and NZHPT Outcomes	8
1.6 Organisational Health and Capability	10
1.7 Assessing Performance.	11
2.0 Statement of Proposed Service Performance 2007-08	12
NZHPT Proposed Key Priority Outputs 2007-10	12
2.1 Heritage Leadership, Education, Information and Advice	12
2.2 Working with Iwi, Hapū and Whānau	15
2.3 Heritage Properties Managed by NZHPT	16
2.4 Archaeology	18
2.5 Statutory Advocacy	19
2.6 Registration.	21
3.0 Prospective Financial Statements 2007/08	23
3.1 Statement of Responsibility	23
3.2 Financial Planning Assumptions	23
3.3 Prospective Statement of Financial Performance	26
3.4 Prospective Statement of Financial Position	28
3.5 Prospective Statement of Movement in Equity	29
3.6 Prospective Statement of Cashflows	30
3.7 Prospective Statement of Accounting Policies.	31

Joint Statement from the Chairs of the NZHPT Board and Māori Heritage Council

New Zealand's landscape is rich in historic places that are inseparable from our national and cultural identities. Historic places, wahi tapu, and the places of significance to our many peoples help us to remember, to learn, to belong and to share our stories with others. They provide inspiration for artistic creativity, a foundation for tourism and economic development, a welcome for returning travellers, and a beacon for who we are as New Zealanders. Our heritage places are sentinels of living memory; and unlike the heritage of foreign soils, their uniqueness lies in the immediacy of connection between descendant and forbear, tupuna and tipuna. When such places are threatened, communities unite, dedicating remarkable passion and effort to their preservation.

The New Zealand Historic Places Trust (NZHPT) has the role of guardian of the nation's heritage. We are charged by Parliament with identifying, recording and caring for the nation's significant ancestral sites and buildings, and ensuring that these are passed on to future generations. In doing this, we work with thousands of New Zealanders including our 25,000 members, our 24 branch committees and many other agencies nationally and locally. We seek to empower others to respect, care for, and protect their own special places through creative, intelligent and prudent use of tools in a heritage armoury. Registration, statutory processes, advocacy, and education through sharing knowledge and narrative work harmoniously to build upon increasing appreciation for heritage, and consequently contribute to creating a society where our diverse heritage is valued and preserved.

There are two statutory bodies established under the *Historic Places Act 1993*: the Board, which is the

governance entity, and the Māori Heritage Council which has a national leadership role for Māori heritage. The Board and the Māori Heritage Council are working together to promote the protection, preservation and conservation of our heritage for present and future generations.

In this Statement of Intent, the NZHPT identifies the priority projects and capability improvements that will be delivered consistent with its strategic plan.

The following priority goals have been identified for the term of this Statement of Intent:

- ▶ Leading a national network of heritage properties and sites of importance to national identity, including our own
- ▶ Improving statutory compliance and heritage survival rates
- ▶ Increasing accessibility to heritage information for owners, agencies and communities
- ▶ Improving the quality of care of heritage by owners and managers, and
- ▶ Strengthening operational capability and performance.

The NZHPT greatly appreciates its funding support from the Government and other sources as recognition of the importance of historic heritage throughout New Zealand. The NZHPT will meet its accountabilities to the Government, other funders and the peoples of New Zealand to expend this funding wisely in achieving excellent heritage outcomes across the nation.

As the saying of Ngāti Tūwharetoa proclaims, 'ko te tūmanako, me haere tahi tātou'
Let us do this together.



Dame Anne Salmond
Chair, New Zealand Historic Places Trust
Tumuaki a te Poari Te Pouhere Taonga

Date: 22 June 2007



Tumu te Heuheu DCNZM
Chair Māori Heritage Council
Tiamana o te Kaunihera Taonga Tuku Iho Māori

Date: 22 June 2007

1.0 Outcomes, objectives and strategies

1.1 Overview

Historic heritage is valued for many reasons. It has intrinsic value to those of us personally associated with a particular place. It has social value both for its contribution to our national identity through creating a physical link to the events that have shaped our society, and through the sense of place, of belonging and of identity that it provides each of us as New Zealanders. It also has economic value in its ability to contribute to heritage tourism and to provide social cohesion, the latter a common foundation of successful small economies.

Over the past year, improving the effectiveness of NZHPT Pouhere Taonga, has been a key focus. This has been achieved through strengthening both our internal organisational capability and our external service delivery capacity.

Operational management, human resources and communications issues, infrastructure and management systems have each been addressed.

A National Property Strategy, addressing critical maintenance issues and creating a platform for a National Interpretation Project through our properties have been key projects.

Looking forward, sustained high levels of economic growth combined with an increasing public awareness of the value of heritage places have meant that the demand for our services has continued to increase at an unprecedented rate. Likewise, the expectations of visitors to our properties for heritage tourism, the expectations of the community for heritage advocacy to protect threatened heritage places, and expectations for advice on heritage conservation from private and community property owners, have all escalated.

NZHPT will continue its drive to be more effective in meeting its statutory obligations as well as the interests of all of its stakeholders. This requires clear and careful prioritisation, balancing the need to build organisational capacity with the requirement to achieve heritage outcomes in the public interest.

Now that the organisational capability work programme is in its final stages, the next three years will see NZHPT re-focus our efforts on heritage outcomes. Our priorities over this period will be to;

- ▶ Continue to work on the priorities set out in the *Strategic Plan Mahere Rautaki* 2005 – 2010 and in particular to:
- ▶ Reassert the place of key NZHPT properties in a national network of publicly accessible heritage places of importance to our national identity.
- ▶ Improve and expand the interpretation of our sites.
- ▶ Make heritage relevant, valued and accessible to all New Zealanders.
- ▶ Strengthen our service delivery capacity and performance so that conservation is undertaken by the owners and managers of heritage places.
- ▶ Work with Local Government to improve planning for heritage conservation under the *Resource Management Act* 2003.



Bruce Chapman
Chief Executive

Date: 22 June 2007

1.2 Our Role

The New Zealand Historic Places Trust (NZHPT) is New Zealand's leading national heritage agency and guardian of New Zealand's national heritage. The NZHPT is established as an autonomous Crown Entity under the *Crown Entities Act* 2004, and is supported by the Government and funded via Vote Arts, Culture and Heritage through the Ministry for Culture and Heritage.

The NZHPT's work is shaped by the *Historic Places Act* 1993 (the Act):

S4: Purpose and principles

- (1) *To promote the identification, protection, preservation, and conservation of the historical and cultural heritage of New Zealand.*
- (2) *In achieving the purpose of this Act, all persons exercising functions and powers under it shall recognise-*
 - a. *The principle that historic places have lasting value in their own right and provide evidence of the origins of New Zealand's distinct society; and*
 - b. *The principle that the identification, protection, preservation, and conservation of New Zealand's historical and cultural heritage should-*
 - i. *Take account of all relevant cultural values, knowledge and disciplines; and*
 - ii. *Take account of material of cultural heritage value and involve the least possible alteration or loss of it; and*
 - iii. *Safeguard the options of present and future generations; and*
 - iv. *Be fully researched, documented, and recorded, where culturally appropriate; and*
 - c. *The relationships of Māori and their culture and traditions with their ancestral lands, water, sites, wahi tapu, and other taonga.*

The work of the NZHPT is additionally guided by the *Strategic Plan Mahere Rautaki* 2005 – 2010 which outlines the Vision and Mission Statement for the organisation.

Vision: Our heritage is valued, respected and preserved for present and future generations.

Mission: To identify, protect and promote heritage.

Nature and Scope of Functions and Activities

As an autonomous crown entity, NZHPT must have regard to government policy when directed to by its responsible Minister. Under the *Historic Places Act* 1993 the Minister may not give a direction to NZHPT in relation to heritage matters.

The NZHPT has a range of service delivery responsibilities by which it provides national leadership for the identification and protection of our historic heritage and delivers for the Crown those statutory requirements that it is charged with under the Act. These responsibilities can be grouped into four classes, as follows:

(1) Mandatory responsibilities under the Act

- ▶ Administering the archaeological authority provisions (Part 1)
- ▶ Maintaining the national Register of historic places, historic areas, wahi tapu and wahi tapu areas (Part 2).

(2) Responsibilities assigned by the Government

- ▶ Administering and allocating the National Heritage Preservation Incentive Fund
- ▶ Meeting expectations of the Minister for Arts, Culture and Heritage identified in the current Memorandum of Understanding and Statement of Intent.

(3) Non-discretionary commitments

- ▶ Promoting the protection of Māori heritage
- ▶ Managing a portfolio of nationally significant heritage properties
- ▶ Acting in accordance with heritage covenants with private owners

- ▶ Monitoring compliance with archaeological authorities, heritage covenants, interim registration and heritage orders
- ▶ Advocating heritage protection where the NZHPT's involvement is obligatory
- ▶ Responding to enquiries.

(4) Discretionary responsibilities to recognise, protect and promote heritage

- ▶ Making submissions on planning documents and resource consent applications
- ▶ Achieving heritage protection, by such methods as heritage covenants and heritage orders
- ▶ Delivering heritage education, training and promotion programmes.

Heritage Values

In meeting its responsibilities, the NZHPT has derived and promotes a set of values that can be ascribed to the heritage of New Zealand. The delivery of the outcomes in this Statement of Intent is shaped by these values.

The heritage places of New Zealand:

- ▶ Are rich, varied and unique
- ▶ Are central to our national identity and well-being, now and in the future
- ▶ Embody the stories of all generations, cultures, traditions and communities
- ▶ Include the heritage places of Māori which are integral to their whakapapa and identity
- ▶ Make a creative contribution to the diversity of our national life
- ▶ Deserve the best recognition and care for the benefit of future generations.
- ▶ Are resources for increasing economic growth including tourism.

Organisational Structure

The NZHPT is governed under the *Historic Places Act 1993* (the Act), as amended by the *Historic Places Amendment Act 2006*, by an 9-member Board of Trustees. The Act also provides for an 8-member Māori Heritage Council.

NZHPT operates a decentralised organisational structure as follows:

- ▶ The national office in Wellington provides national service and support functions
- ▶ The NZHPT Māori Heritage team is established within NZHPT's staff structure at its national, regional and area offices.
- ▶ A National Heritage Destinations Group manages the 15 staffed properties and a further 30 unstaffed properties for which NZHPT is responsible.
- ▶ There are regional offices in Auckland, Wellington and Christchurch and area offices in Kerikeri, Tauranga and Dunedin.
- ▶ The NZHPT has over 25,000 members and 24 branch committees throughout New Zealand elected by the members.

The NZHPT also works in close co-operation with other stakeholders, communities, individuals and agencies nationally and locally.

Accountability

Under the *Crown Entities Act 2004*, Board members must comply with the Board's collective duties, their individual duties as members and any directions made by the responsible Minister.

NZHPT must report annually to Parliament on its performance against its Statement of Intent. In addition NZHPT provides quarterly reports to its Minister on progress towards achieving performance targets.

1.3 Environmental Scan: Expectations and Challenges

Context

The environment in which NZHPT is operating continues to be characterised by a growing interest in heritage, recognition of its social, cultural, environmental and economic benefits, and awareness of its importance to national identity. Despite this there is ongoing conflict between heritage protection and development pressures. Stakeholder expectations of the NZHPT are therefore increasing.

Sustained economic growth and high rates of investment in the property sector have contributed to significant increases in subdivision and development. In many parts of New Zealand this is leading to high rates of heritage destruction, widespread community concern, and increasing demands for NZHPT's services such as archaeological authorities, registration, advice, advocacy, and heritage protection.

There is increased interest in the role of NZHPT's historic properties both for their economic benefits through heritage tourism, as well as their status as iconic places whose stories engender a sense of place, belonging and identity that make an important contribution to national identity.

The outcomes sought and the outputs produced by the NZHPT, as expressed in this Statement of Intent, constitute the NZHPT's response to the environment in which it is operating. The response includes both a regulatory and an advocacy approach, consistent with the NZHPT's statutory functions, and a major focus on the interpretation and development of its properties.

Expectations

The NZHPT has witnessed many changes in the way in which New Zealanders experience and express their relationship to the historic heritage of the country. Today the expectations of the NZHPT, as the national heritage agency, continue to increase both in terms of their diversity and their total demand.

- ▶ Historic heritage is of increasing importance for all New Zealanders in defining a distinct national identity that is recognised internationally.
- ▶ Māori communities are increasingly concerned and active in the protection and management of their heritage and expect to be consulted and assisted.
- ▶ There is increased interest in the heritage of other ethnic groups within New Zealand's culturally diverse community.
- ▶ There are growing community expectations that the NZHPT will play a stronger heritage advocacy role that leads to greater heritage protection in resource management processes.
- ▶ New Zealanders, overseas visitors and the tourism industry expect to find publicly accessible heritage places of importance to national and cultural identity presented and interpreted to international standards.

Challenges

In meeting the expectations of the New Zealand public, the NZHPT is acutely aware of the significant challenges it faces. These include:

- ▶ Creating a heightened awareness in the public of the value and relevance of heritage
- ▶ Managing the expectations of a diverse range of stakeholders.
- ▶ Responding to increased demands to fulfill regulatory obligations
- ▶ Meeting the expectations of Māori to protect Māori heritage
- ▶ Managing the risks associated with participating in legal processes while carrying out its heritage advocacy and protection functions.
- ▶ Maintaining the Register as an up-to-date and reliable source of information on historic places
- ▶ Funding the increasing gap between the conservation and tourism demands on NZHPT properties and available resources.

Legislation

- ▶ The *Local Government Act* 2002 requires regional councils and territorial authorities to facilitate a process to identify outcomes sought by their communities and to adopt long-term council community plans that set out how to achieve the outcomes identified. Through this process, in which the NZHPT participates, heritage outcomes are assuming greater regional and local prominence.
- ▶ The *Resource Management Amendment Act* 2003 established that the protection of historic heritage from inappropriate subdivision, use and development should be recognised and provided for as a matter of national importance. Although the full impact of this measure is yet to be seen, it is expected to increase the weight given to historic heritage in policies, plans and consent processes. This will require significant input as second generation district and regional plans are prepared.
- ▶ Under the *Crown Entities Act* 2004, the NZHPT has become an autonomous Crown entity, and more demand has been placed on the NZHPT's governance and accountability performance in consequence.

Service Delivery

This Statement of Intent defines how the NZHPT will meet these challenges and deliver on the expectations of the New Zealand public. The increased funding available to the NZHPT from the Crown, third parties and revenue generation within the term of this Statement of Intent creates the ability to better address the expectations placed upon the organisation.

It is anticipated that Year 1 (2007/08) will see the completion of the work on organisational capability with the completion of information technology projects and other management systems. Key priorities will be the further development of a national interpretation project for NZHPT properties, the expansion of third party revenue sources, and expanded leverage of our efforts through our relationships with both local and central government.

In subsequent years (Year 2 – 2008/09 and Year 3 – 2009/10), we anticipate continuing to strengthen operational capability and performance and, if sufficient revenue can be obtained, complete a major upgrade of our properties in conservation and interpretation.

1.4 Long Term Outcomes for Culture and Heritage

Government Priorities:

- ▶ Economic transformation
- ▶ Families – young and old
- ▶ National identity

Culture and heritage outcomes

The Government, through the Ministry for Culture and Heritage, has defined a series of long term outcomes for the sector. The NZHPT, as the lead historic heritage agency, contributes strongly to the delivery of these outcomes.

Long term outcomes sought by the Government for the culture and heritage sector:	The NZHPT contributes to the achievement of these outcomes by:
Insight and enrichment	Providing heritage information and interpretation nationally and locally in a range of media, thereby inspiring public awareness, insight and engagement
Economic prosperity	Promoting the contribution of heritage to sustainable ways of achieving economic growth
A sense of place	Leading the promotion of New Zealand's heritage, thereby building our distinctiveness, our sense of nationhood and our identity internationally
Strong communities	Working with others to identify heritage and advocate its protection nationally and locally, thereby contributing to strong communities which value and benefit from their heritage

1.5 Heritage and NZHPT Outcomes

Many agencies contribute to heritage outcomes. The table on the following page shows the heritage outcomes defined by NZHPT and how NZHPT contributes to these.

The particular outcomes towards which the NZHPT is working within the term of this Statement of Intent have been defined taking into account the role that the NZHPT is expected to perform and the environment in which it is operating.

The NZHPT will seek to deliver these outcomes over the long-term as outlined in its *Strategic Plan Mahere Rautaki 2005 – 2010*.

Although these outcomes are expressed in ways specific to the relevant output areas, much of the NZHPT's work flows across numerous output areas.

Government Outcomes

Insight and enrichment National Identity Economic prosperity A sense of place Strong communities

Heritage Outcomes	Māori heritage Management by whānau, hapū and iwi of their heritage places with support from the NZHPT Māori heritage is integral to the delivery of all the NZHPT's outcomes	Understanding heritage All New Zealanders are able to appreciate and understand our heritage and its importance to national and cultural identity	A network of heritage properties and sites of significance to national identity Quality heritage experiences accessible for people to enjoy Telling the stories of our history where it happened	Heritage of value to people and communities in all localities Integral to the identity and well-being of our communities and our nation Actively and successfully identified, protected and promoted Valued, respected and contributing to economic transformation	
NZHPT Intermediate Outcomes		Heritage leadership, education, information and advice Increased understanding of heritage and its importance to national and cultural identity Heritage information accessible to and used by other agencies, owners, and communities Improved quality of care of heritage by owners and managers	The NZHPT's heritage properties Leading a national network of well-conserved, interpreted and publicly accessible heritage properties and sites of importance to national identity Selected properties conserved and interpreted to exemplary standards Other NZHPT properties managed and maintained to defined standards	Significant archaeological sites and information Protected through the HPA authority process wherever possible Improved statutory compliance and archaeological site survival rates	Significant heritage places Improved heritage survival rates Improved heritage provisions in 2nd generation regional and district plans and Long Term Council Community Plans Protection enhanced through the NZHPT's heritage protection and statutory advocacy work Conservation of nationally significant heritage in private ownership is assisted by the National Heritage Preservation Incentive Fund
		The Register Heritage of importance to local and national identity, including sites at risk, identified and registered The Register is more accurate, nationally consistent and discriminating			
NZHPT Capability		NZHPT is more visible, strategic and innovative.			

1.6 Organisational Health and Capability

It is NZHPT's aim to be more visible, strategic and innovative. To enable NZHPT to deliver services in a sustainable way in the future, a high priority of NZHPT during 2007/08 will be on embedding organisational capability initiatives introduced during 2006/07.

These initiatives have been identified specifically to address recommendations made following a capability review undertaken in 2005. Many of the recommendations made following this review have already been implemented and the implementation of outstanding significant recommendations that are possible within current resources will be completed by June 2008.

Specifically, we intend to improve capability by focusing on the following initiatives over the next 12 months:

Embed human resource priorities:

- ▶ Implement a national training and development plan for staff and management
- ▶ Continue to improve the capability and performance of managers
- ▶ Maintain and further refine the two-way cascading of organisational communication.

Improve business information systems and processes:

- ▶ Implement improved financial and non-financial performance measurement and reporting
- ▶ Implement an integrated information system to ensure that access to business and heritage information meets internal and external needs (including website development).

Ensure adequate infrastructure is provided to enable services to be delivered effectively.

Ensure a sustainable financial position is established by implementing recommendations identified from the 3rd party revenue review.

1.7 Assessing Performance

Heritage belongs to all New Zealanders and accordingly it is appropriate that NZHPT measures stakeholder perceptions about the quality with which each of our output classes is undertaken. Baseline information will be established during 2007-2008 which will allow NZHPT to assess and monitor perceptions in the following ways:

Leadership, Education Information and Advice

- ▶ NZHPT is publicly recognised as being New Zealand's leading heritage agency and the first point of contact for expertise on historic places as measured by an annual public awareness survey.

Working With Iwi Hapū and Whānau

- ▶ NZHPT is regarded by Māori as playing a valuable role in assisting iwi, hapū and whānau with the protection and conservation of their taonga as measured by feedback from iwi and hapū representatives.

Heritage Properties Managed by NZHPT

- ▶ The presentation and interpretation of NZHPT properties exceeds the expectations of visitors as measured by visitor satisfaction surveys undertaken at NZHPT properties.

Archaeology

- ▶ Archaeological authorities are making an effective contribution towards archaeological site protection, as measured by the proportion of authorities declined, declined in part, or granted subject to one or more conditions requiring avoidance of site damage.

Statutory Advocacy

- ▶ NZHPT is making an effective contribution towards the protection of historic heritage through promoting improved heritage provisions in regional and district plans and through targeted submissions on resource consents, as measured by positive enhancement statistics from the statutory advocacy database.

Registration

- ▶ The public and regulatory agencies regard the Register as the primary source of information on historic places as measured by an annual public awareness survey and feedback from local authorities.

Organisational Capability

- ▶ Ministers regard NZHPT as a well managed Crown Entity as measured by feedback from Ministers, Ministry for Culture and Heritage and other control agencies.



2.0 Statement of Proposed Service Performance 2007-08

NZHPT Proposed Key Priority Outputs 2007-10

NZHPT has one output class funded through Vote Arts Culture and Heritage. The delivery of outputs in the next three years to progress the desired outcomes has been further classified into the following areas:

- ▶ Leadership, Education, Information and Advice
- ▶ Working with iwi, hapū and whānau
- ▶ Heritage Properties managed by NZHPT
- ▶ Archaeology
- ▶ Statutory Advocacy
- ▶ Registration

Māori Heritage is integral to national and cultural identity and to the delivery of all the NZHPT outcomes. Therefore the interests of Māori Heritage will be incorporated in all output areas. In addition, the specific support work that NZHPT intends to undertake to support management by iwi, hapū and whānau of their heritage places has been identified as a separate output.

2.1 Heritage Leadership, Education, Information and Advice

NZHPT outcomes:

- ▶ Increased understanding of heritage and its importance to national and cultural identity
- ▶ Heritage information accessible to and used by other agencies, owners and communities
- ▶ Improved quality of care of heritage by owners and managers

We intend to progress these outcomes by delivering the following proposed outputs:

2007 – 08	2008 – 09	2009 – 10
NZHPT Profile and Education:		
Establish NZHPT as a publicly respected voice for heritage, including Māori heritage. Engage in key national and local issues that require heritage leadership in the media		
Develop the website to improve access to heritage stories and information, including linking our site to other relevant sites. This will include information regarding Māori heritage, properties, statutory advocacy, Incentive Fund and registration.	Maintain the website to ensure information is updated and relevant	
Implement the NZHPT Communications Strategy and prepare consequential stakeholder strategy	Implement the stakeholder strategy, focusing on key delivery partners and the relationships sought with each	
Implement strategies to promote public awareness of new registrations of Category I historic places		
Host a biennial NZHPT conference		Host a biennial NZHPT conference
Ministerial Services: Contribute to policy and legislation reviews and respond to ministerial and parliamentary requests as required		
Membership Services:		
Implement the revised branch committee manual		
Support 24 branch committees in their activities which include registration research, tours, publications, interpretation, and education events		
Inform members via <i>Heritage New Zealand</i> magazine and newsletters		
Maintain levels of service delivery performance as set out in the key targets on page 14:		

Key Targets:	2006/07	2007/08
NZHPT profile		
NZHPT profiled in Māori media	n/a	2
Maintain public awareness rate in annual survey	80%	80%
Undertake membership survey	n/a	10% response
Education		
Provide educational, promotional or training services to local authorities	19	29
Provide public and professional group education services	60	43
Provide training and education services to marae and iwi	35	10
Respond to general enquiries	7000	9680
Other initiatives to improve heritage protection and heritage best practice		
Review external conservation plans and management strategies	17	17
Covenants negotiated	8	9
Māori Heritage Council involvement in education and promotion events	5	4
Ministerial Services:		
Respond to Ministerial and parliamentary requests	n/a	50
Membership:		
Attract new members	3,750	3,750
85% membership retention (21,250 members renewed membership)	85%	85%
Total membership	25,000	25,000
1% of visitors to properties converted to members	1%	1%
Targeted membership campaigns conducted	7	10
<i>Heritage New Zealand</i> magazine published	4	4
<i>Heritage This Month</i> newsletter emailed to members where email address supplied and other interested public on a monthly basis (except January)	11	11
% of members who receive a local heritage newsletter at least once per year	n/a	100%
At least one activity undertaken by every branch committee to improve connectivity with NZHPT members or support a local heritage issue	n/a	24

Proposed costs for these outputs:

Operating Expenditure	\$2,039,000
% of total Operating Expenditure	16%

2.2 Working with Iwi, Hapū and Whānau

Māori heritage is integral to national and cultural identity and to the delivery of all the NZHPT's outcomes. Therefore this output area should be read in conjunction with deliverables under all other output headings.

NZHPT outcomes:

- Management by iwi, hapū and whānau of their heritage places with support from the NZHPT
- Māori heritage is integral to the delivery of all the NZHPT's outcomes

We intend to progress these outcomes by delivering the following proposed outputs:

2007 – 08	2008 – 09	2009 – 10
Consult on and refine long-term Māori Heritage Strategy	Implement the long-term Māori Heritage Strategy	
Develop workshop programmes that build sustainable built heritage conservation capability in Māori communities	Implement workshop programmes to build sustainable built heritage conservation capability in Māori communities	
Develop Māori heritage policy, guidelines, manuals and plans	Develop Māori heritage policy, guidelines, manuals and plans	Review the NZHPT’s suite of Māori heritage policies and guidelines and identify any (re)development areas
Develop long term strategy for rock art conservation and management	Build, enhance and maintain relationships with stakeholders in relation to two Māori rock art projects	
Implement programme to build, enhance and maintain relationships with stakeholders in relation to two Māori rock art projects		
Implement a programme to inform iwi and hapū about the NZHPT’s role and functions in relation to Māori heritage	Inform iwi and hapū about the NZHPT’s role and functions in relation to Māori heritage	
Maintain levels of service delivery performance as set out in key targets below:		

Key Targets:	2006/07	2007/08
Develop and maintain relationships with iwi	10	10
Provide support to development of iwi management plan	n/a	1
Provide marae with specialist conservation advice and assistance	22	22
Support rock art projects	3	2
Improve presence of articles of interest to Māori in magazine and on website	n/a	At least one article per magazine
Draft Māori heritage policy documents	3	3

Proposed costs for these outputs:

Operating Expenditure	\$1,391,000
% of total Operating Expenditure	11%

2.3 The NZHPT's Heritage Properties

NZHPT outcomes:

- ▶ Leading a national network of well-conserved, interpreted, accessible and visible heritage properties and sites of importance to national identity
- ▶ Selected properties conserved and interpreted to exemplary standards
- ▶ Other NZHPT properties managed and maintained to defined standards

We intend to progress these outcomes by delivering the following proposed outputs:

2007 – 08	2008 – 09	2009 – 10
Implement the National Property Strategy for NZHPT properties		
Prepare Property Management Plans for all properties owned and managed by the NZHPT (45 properties)	Review the property portfolio and implement approved changes to management arrangements, plus consider opportunities to acquire and/or manage additional properties	
Develop policy and guidelines on the development of the NZHPT property portfolio		
Further develop the national interpretation project, and other interpretation improvements at properties and sites, to highlight their importance to national identity and culture, and link networks of properties and sites in effective tourism products		
Prepare a volunteer policy and guidelines for NZHPT properties	Develop programmes to improve volunteer involvement at properties	
	Prepare a NZHPT education policy	Develop programmes to improve educational programmes at properties
Year One of the Local Engagement Project to enhance the role of properties in the life of local communities	Year Two of Local Engagement Project	
Continue key projects at properties owned and/or managed by NZHPT to address urgent property maintenance and capital works, and to improve conservation and understanding of heritage of significance to national identity	Continue key projects at properties owned and/or managed by NZHPT to progress cyclical maintenance programme and works and to improve conservation and understanding of heritage of significance to national identity	
Maintain levels of service delivery performance as set out in the key targets on page 17:		

Key Targets:	2006/07	2007/08
17 properties (38% of total properties managed by NZHPT) will have a Property Management Plan	new	17 (38%)
17 properties (38% of total properties managed by NZHPT) will have an approved conservation plan	10 (22%)	17 (38%)
36 properties (80% of total properties managed by NZHPT) will have a documented cyclical/regular maintenance to a required standard	16	36 (80%)
16 properties (35% of total properties managed by NZHPT) will have an interpretation plan	4	16 (35%)
38 properties (84% of total properties managed by NZHPT) will be actively part of the local/regional tourism promotion network	new	38 (84%)
Total visitor numbers to NZHPT staffed properties	155,000	171,470
Maintain high level of visitor satisfaction at staffed properties	90%	90%

Proposed costs for these outputs:

Operating Expenditure	\$3,893,000
% of total Operating Expenditure	31%

Capital Expenditure:

In addition to operational service delivery, it is intended to undertake capital works projects at the following properties during 2007/08:

Summary of Capital works 2007/08	Estimated Capital budget from Special Funds already secured	Estimated Capital budget from Crown Capital Funding	Total
Interpretation projects	15,000	513,000	528,000
Improvements to visitor facilities	60,000	268,000	328,000
Critical remedial maintenance	125,000	819,000	944,000
Property asset management		100,000	100,000
Total Capital works	\$200,000	\$1,700,000	\$1,900,000

In addition to the above deliverables, the following projects will be delivered subject to additional third party revenue being obtained:

Project	Estimated costs
Interpretation	225,000
Visitor facilities	225,000
Chattel management	150,000
Maintenance	180,000
Total property projects subject to obtaining third party revenue	\$780,000

2.4 Archaeology

Archaeological site protection aims to ensure:

- ▶ Survival of archaeological features in New Zealand's diverse and distinctive landscape
- ▶ Sustainability of archaeological resources as a primary source of information about New Zealand's past
- ▶ Continuity of the relationship between New Zealanders and sites of spiritual and cultural significance to them.

The NZHPT seeks the following outcomes:

- ▶ Significant archaeological sites and information protected through the HPA authority process wherever possible
- ▶ Improved statutory compliance and archaeological site survival rates

We intend to progress these outcomes by delivering the following proposed outputs:

2007 – 08	2008 – 09	2009 – 10
Collaborate with NZ Archaeological Association, iwi and other agencies to identify important and at risk sites, including sites of interest to Māori, and implement registration and protection		
Initiate a programme of gazettal of post-1900 important and at risk sites	Continue to gazette post-1900 important and at-risk sites on a case by case basis	
Complete the archaeological pilot project: review of registered archaeological sites in Gisborne area	Implement outcomes of the archaeological pilot project (see also Output class 2.6 Registration)	
Continue to implement the compliance monitoring programme together with staff training		
Contribute to delivery of a national archaeological research programme in partnership with external research providers		
Continue to prepare and promote the external archaeological guideline series		
Continue to improve the availability of archaeological information on the website		
Administer the archaeological authority process		
Maintain levels of service delivery performance as set out in the key targets below:		

Key Targets:	2006/07	2007/08
Archaeological authorities processed	300	330
Reports of site damage investigated	62	85
Authorities reviewed under S18 of the <i>Historic Places Act 1993</i>	26	30
Archaeological authority compliance conditions monitored	62	60
Archaeological authorities processed within 3 months	90%	90%

Proposed costs for these outputs:

Operating Expenditure	\$1,608,000
% of total Operating Expenditure	13%

2.5 Statutory Advocacy

NZHPT outcomes:

- ▶ Improved heritage survival rates
- ▶ Improved heritage provisions in second generation regional and district and Long Term Council Community Plans (LTCCPs)
- ▶ Protection of significant heritage places is enhanced through the NZHPT's heritage protection and statutory advocacy work

These outcomes apply to all forms of historic and cultural heritage including built, archaeological and Māori heritage.

We intend to progress these outcomes by delivering the following proposed outputs:

2007 – 08	2008 – 09	2009-10
	Promote heritage and urban design case studies	
Finalise the internal Statutory Advocacy Manual		
Distribute, develop, and promote the <i>Sustainable Management of Historic Heritage</i> Guidelines. New topics to be added include LTCCPs and wind farms		
	Develop new technical guidance (to replace the NZHPT 2000 guidelines series) relating to the building code and historic heritage, in particular earthquake protection, safety, access, and energy efficiency	
Provide advice and assistance with second generation plans and input into LTCCPs and advocate effective heritage provisions		
Identify territorial local authorities advancing district plan reviews in 07/08 and 08/09 and assist with approach to heritage inventories in conjunction with branch committees		
Implement strategies for the protection and conservation of registered places and areas		
Advocate the protection of the most significant places in Resource Management Act (RMA) processes, including sites of significance to Māori		
Maintain levels of service delivery performance as set out in the key targets on page 20:		

Key Targets:	2006/07	2007/08
Policy		
Number of occasions policy advice provided to central government and local authorities relating to plan and policy documents	105	81
Number of policy submissions submitted to central government and local authorities relating to plan and policy documents		65
Number of appeals submitted to local authorities relating to plan and policy documents	n/a	3
% of policy decisions that have been positively enhanced by NZHPT involvement	n/a	60%
Consents:		
Number of occasions consent advice provided on resource consent and related processes including the Building Act	710	350
Number of consent submissions submitted to local government under the RMA and related legislation		420
Number of consent appeals submitted to local government under the RMA and related legislation	n/a	8
% of consent decisions that have been positively enhanced by NZHPT involvement	n/a	60%

Proposed costs for these outputs:

Operating Expenditure	\$1,614,000
% of total Operating Expenditure	13%

National Heritage Preservation Incentive Fund

In relation to the National Heritage Preservation Incentive Fund, NZHPT intends to deliver the following proposed outputs:

2007 – 08	2008 – 09	2009 – 10
Investigate partnerships with other funds that have complementary objectives		
Administer and allocate the fund in accordance with policy Maintain levels of service delivery performance as set out in the key targets below:		

Key Targets:	2006/07	2007/08
Applications approved	16	12
Annual allocation of fund, less administration fees, allocated	\$567,232	\$444,000
Approved applications monitored and reported	100%	100%

Proposed Costs for these outputs:

Operating Expenditure	\$500,000
% of total Operating Expenditure	4%

2.6 Registration

Registration of historic places, historic areas, wāhi tapu and wāhi tapu areas is both a foundation and also a critical lever for NZHPT to progress all other heritage understanding, protection and conservation outcomes.

NZHPT outcomes:

- ▶ Heritage of importance to local and national identity, including sites at risk, identified and registered
- ▶ The Register is more accurate, nationally consistent and discriminating

We intend to progress these outcomes by delivering the following proposed outputs:

2007 – 08	2008 – 09	2009-10
Review guidelines for registration proposals and assessments for wāhi tapu and wāhi tapu areas		
NZHPT properties registration project	Progress upgrades and registration proposals as appropriate	
Implement outcomes of the review of the Register database		
Implement outcomes of the review of the Register Online		
Continue the work on information standards, priorities and thresholds for registration		
Implement national thematic registration projects		
Review of registered archaeological sites in Gisborne are (see also Output 2.4 Archaeology)	Review current registration of archaeological sites on a region-by-region basis	
Work with selected government departments to register government-owned heritage		
Seek partnerships with local authorities and other agencies to work collaboratively for registration		
Give priority to new registrations that are most significant and at risk		
Progress registrations (including interim registration if appropriate) of historic places, historic areas, wāhi tapu and wāhi tapu areas, reviews, upgrades and enquiries		
Maintain levels of service delivery performance as set out in the key targets on page 22:		

Key Targets:	2006/07	2007/08
Additions to Register		
Registrations for historic places resolved	40	41
Registrations for historic areas resolved		2
Māori heritage registrations resolved	12	12
Completed registrations entered onto the Register database at the end of each quarter	n/a	100%
Maintaining Integrity of Register		
Existing registrations reviewed or removed as per S37 of Historic Places Act 1993	16	15
Deficient registrations resolved	60	70
Technical changes to existing Register entries approved	100	115
Information upgrades	15	13
Number of entries in the Register meet current quality standards	11%	14%
Providing Access of Information to the Public		
Register entries are accessible via the www.historic.org.nz website	98%	98%
Unique visitor sessions per month to Register information on the www.historic.org.nz website	20,000	18,000

Proposed costs for these outputs:

Operating Expenditure	\$1,489,000
% of total Operating Expenditure	12%



3.0 Prospective Financial Statements 2007/08

3.1 Statement of Responsibility for the Prospective Financial Statements 2007/08

In accordance with FRS-42, Prospective Financial Statements, the Board and the management of the New Zealand Historic Places Trust hereby state that:

- ▶ The Board and the management of New Zealand Historic Places Trust have been responsible for the preparation of these prospective financial statements, including the appropriateness of the assumptions underlying them, and the judgments used in therein.
- ▶ These prospective financial statements will be updated in accordance with S139 of the *Crown Entities Act* 2004 obligation to prepare a Statement of Intent at the start of each financial year.



Dame Anne Salmond
Chairperson

Date: 22 June 2007



Mr Bruce Chapman
Chief Executive

Date: 22 June 2007

3.2 Financial Planning Assumptions

3.2.1 Overview:

NZHPT's forecast total income for 2006/07 will be approximately \$12 million. This includes \$9.9 million from the government and \$2.1 million from NZHPT's membership base and properties, grants and other income.

In recent years the NZHPT has prioritised its limited resources to meet service delivery levels at the expense of investing in organisational development and deferred capital maintenance.

Over the next three years it is a priority of NZHPT to ensure a sustainable financial position is established to enable organisational health to be addressed, capital maintenance programmes to be implemented and prioritised service delivery levels to be sustainable.

The major assumptions that have been made in developing this Statement of Intent are:

- ▶ Government funding for NZHPT will remain as announced in Budget 2007
- ▶ The number of properties managed by NZHPT will remain at 15 staffed and 30 unstaffed
- ▶ There will be no increase in membership fees
- ▶ While continuing to maintain delivery of core services in other output classes, there will be additional focus on delivering key projects at NZHPT properties
- ▶ NZHPT will remain a going concern
- ▶ Outcomes sought by Government remain consistent

3.2.2 Government Funding

Government has confirmed the following funding for NZHPT over the next three years:

	Actual 2005/07 (\$000s)	Estimated 2006/07 (\$000s)	Prospective 2007/08 (\$000s)	Prospective 2008/09 (\$000s)	Prospective 2009/10 (\$000s)
Operating	7,253	9,403	10,003	10,003	10,003
Incentive Fund	500	500	500	500	500
Capital	350	850	2,000	-	-

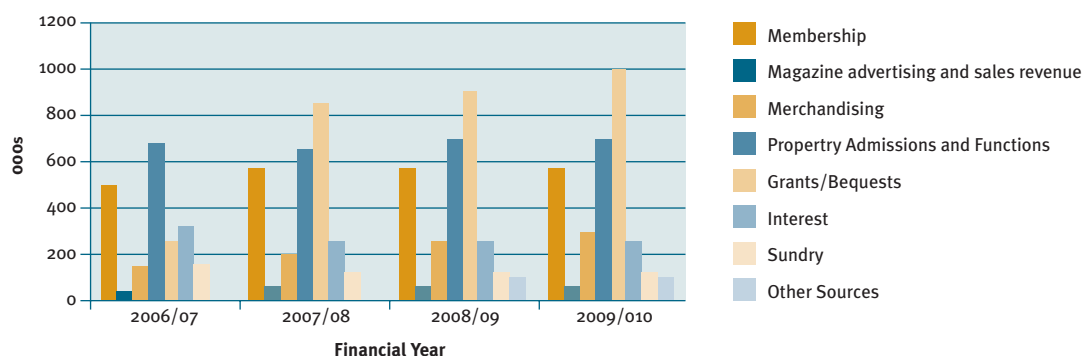
3.2.3 Self-Generated Revenue

Approximately 17.5% of NZHPT's total funding is currently self-generated (2006/07 estimated \$2.1 million). Sources include membership fees, property income, grants, interest and bequests.

NZHPT undertook a review of third party revenue during the 2006/07 year with a view to expanding this where possible and compatible with NZHPT objectives. While self-generated revenue can be expected to increase as a result it is not possible to accurately predict future targets at this point. Planning therefore has been conservatively undertaken on the assumption that these streams of funding will be \$2.7 million (20%) in 2007/08 and grow to \$3.1 million (23%) by 2009/10 as shown below:

	Actual 2005/06 (\$000s)	Estimated 2006/07 (\$000s)	Prospective 2007/08 (\$000s)	Prospective 2008/09 (\$000s)	Prospective 2009/10 (\$000s)
Membership	662	500	570	570	570
Magazine advertising and sales revenue		40	60	60	60
Merchandising	771	150	200	250	300
Property Admissions and Functions		685	650	700	700
Grants/Bequests	641	250	850	900	1,000
Interest	227	320	250	250	250
Sundry	221	155	120	120	120
Other sources				100	100
Total	2,522	2,100	2,700	2,950	3,100

Growth of 3rd party revenue



3.2.4 Projected Expenditure

After allowing for a small increase in operating expenditure for inflation and salary increases across all outputs, it has been assumed that any additional expenditure incurred as a result of increased crown revenue will be prioritised within the property output class for 2007-08. It has also been assumed that any additional new grant income will be allocated to development expenditure at properties.

Any additional revenue gained from merchandising will be reinvested into growing this stream of revenue further.

Approximately \$256,000 operating expenditure, and \$200,000 capital expenditure will be funded from special funds received in previous years.

Projected expenditure by Output:

	Actual 2005/06 (\$000s)	Estimated Outturn 2006/07 (\$000s)	Prospective 2007/08 (\$000s)
Leadership	2,328	1,701	2,039
Working with whānau, hapū and iwi	1,348	1,491	1,391
Properties	2,949	3,449	3,793
Archaeology	1,237	1,619	1,608
Statutory Advocacy	2,183	1,995	2,114
Registration	1,004	1,256	1,489
Total Operating Expenditure	11,049	11,511	12,434
Capital Expenditure Crown Funded		750	2,450
Capital Expenditure Special Funds	124	100	200
Reinvest into growing merchandising further contingent on additional merchandising revenue	-	-	100
Other development expenditure contingent on additional grant and sundry revenue	-	-	780
Total Expenditure	11,173	12,361	15,964

3.3 Prospective Statement of Financial Performance

For the year ended 30 June 2008

	Actual	Estimated	Prospective
	2006	Outturn	2008
	\$000s	2007	\$000s
		\$000s	
Operating Revenue			
Government Funding	7,753	9,903	10,503
Grants	641	300	850
Property	771	829	850
Interest	227	291	250
Membership	662	540	630
Donations	98	100	65
Sundry	123	40	55
Total Revenue	10,275	12,003	13,203
Operating Expenditure			
Audit Fees - External Audit	45	45	35
Administration	2,156	2,271	2,248
Bad & doubtful debts	1	-	-
Personnel	4,926	5,810	6,632
Property	1,019	1,107	1,290
Incentive Fund	1,114	535	500
Renting costs on operating leases	134	153	155
Depreciation	106	100	100
Communications	188	230	239
Membership	591	420	450
Board Fees	113	110	128
Travel & Accommodation	656	760	757
Total Expenditure	11,049	11,511	12,534
Operating surplus (deficit) for the year	(774)	492	669

The accompanying accounting policies form an integral part of these prospective financial statements.

The operating surplus/(deficit) results partially from the timing of expenditure against income received in different years and which have been tagged as Special Funds in equity. The following table shows a breakdown of operating surplus/(deficit) between operations and tagged funds:

Reconciliation of operating surplus/(deficit) between operations and tagged special funds			
	Actual 2006 \$000s	Estimated 2007 \$000s	Prospective 2008 \$000s
Net surplus from operations (Note: 2007/08 surplus relates to grant money raised to undertake capital expenditure)	(32)	580	780
Net movement in branch committee operations	(62)		
Net movement in Special Funds where expenditure is incurred in a different year from when the income was received	(679)	(88)	145 (256)
Net operating surplus/(deficit)	(774)	492	669

The accompanying accounting policies form an integral part of these prospective financial statements.

3.4 Prospective Statement of Financial Position

As at 30 June 2008

	Actual ¹ 2006 \$000s	Estimated Outturn 2007 \$000s	Prospective 2008 \$000s
EQUITY			
Accumulated Funds	5,005	6,435	9,865
Crown Capital Fund	350	450	-
Branch Accumulated Funds	313	313	313
Specified Funds & Bequests	2,356	2,168	1,857
Trust Property Maintenance & Development Fund	95	95	95
Revaluation Reserve	20,970	20,970	20,970
Total Equity	29,089	30,431	33,100
Equity is represented by:			
CURRENT ASSETS			
Petty Cash & Imprest Balances	5	5	5
Cheque & Call Deposits	2,705	3,347	2,464
Specified Fund & Bequest Deposits	1,414	1,500	1,500
Accounts Receivable	78	180	180
Stock on Hand	38	38	60
Total Current Assets	4,240	5,070	4,209
NON-CURRENT ASSETS			
Fixed Assets	26,999	27,649	30,979
Intangibles	-	100	100
Total Non-Current Assets	26,999	27,749	31,079
Total Assets	31,239	32,819	35,288
CURRENT LIABILITIES			
Accounts payable and accruals	839	900	900
Provision for Incentive Fund Grants	882	1,000	800
Employee Entitlements	301	305	305
GST Payable	95	150	150
Total Current Liabilities	2,117	2,355	2,155
NON-CURRENT LIABILITIES	33	33	33
Total Liabilities	2,150	2,388	2,188
NET ASSETS	29,089	30,431	33,100



Dame Anne Salmond
Chairperson



Bruce Chapman
Chief Executive

The accompanying accounting policies form an integral part of these prospective financial statements.

¹ For the purpose of this SOI, comparatives have been restated in accordance with NZIFRS

3.5 Prospective Statement of Movements In Equity

For the year ended 30 June 2008

	Actual	Estimated Outturn	Prospective
	2006	2007	2008
	\$000s	\$000s	\$000s
Opening Equity	20,422	29,089	30,431
Crown Capital Funding	350	850	2,000
Branch Equity introduced	375		
Movement in Revaluation Reserve	8,721		
Net movement in Accumulated Funds for Capitalised Expenditure	124	850	2,650
Net movement in Crown Capital Funding for Capitalised Expenditure		(750)	(2,450)
Net Movement in Special Funds for Capitalised Expenditure	(124)	(100)	(200)
Operating Surplus/(Deficit) for the year to Accumulated Funds	(32)	580	780
Net reconciliation movement between NZ GAAP and NZIRFS	(5)		
Net movement in Branch Committee Equity	(62)		
Net movement in Special Funds for items recognised in Statement of Service Performance	(679)	(88)	145 (256)
Closing Equity	29,089	30,431	33,100

The accompanying accounting policies form an integral part of these prospective financial statements.

3.6 Prospective Statement of Cash Flows

For the year ended 30 June 2008

	Actual 2006 \$000s	Estimated Outturn 2007 \$000s	Prospective 2008 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Government funding	7,753	9,903	10,503
Grants	641	300	850
Other operating activities	1,801	1,407	1,578
Interest	220	291	250
	<u>10,415</u>	<u>11,901</u>	<u>13,181</u>
Cash was applied to			
Payment of suppliers	(4,732)	(5,422)	(6,002)
Payment to employees	(4,827)	(5,806)	(6,632)
Net Goods and Services Tax	(21)	55	-
	<u>(9,280)</u>	<u>(11,173)</u>	<u>(12,634)</u>
Net cash from operating activities	<u>835</u>	<u>728</u>	<u>547</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of fixed assets	(153)	(850)	(3,430)
Net cash from investing activities	<u>(153)</u>	<u>(850)</u>	<u>(3,430)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Crown Capital	350	850	2,000
Branch Equity Introduced	375		
	<u>725</u>	<u>850</u>	<u>2,000</u>
Net increase / (decrease) in cash	1,407	728	(883)
Opening cash balance	2,717	4,124	4,852
Closing cash balance	<u>4,124</u>	<u>4,852</u>	<u>3,969</u>
Represented by			
Petty Cash & Imprest Balances	5	5	5
Bank and cash	355	400	400
Short term deposits	2,350	2,947	2,064
Specified Fund & bequest deposits	1,414	1,500	1,500
	<u>4,124</u>	<u>4,852</u>	<u>3,969</u>

The accompanying accounting policies form an integral part of these prospective financial statements.

3.7 Prospectus Statement of Accounting Policies

For the year ended 30 June 2008

Reporting Entity

The New Zealand Historic Places Trust / Pouhere Taonga (NZHPT) is a statutory body established under section 4 of the *Historic Places Act* 1980 and continued under Section 38 of the *Historic Places Act* 1993, as amended by the *Crown Entities Act* 2004. The NZHPT became an Autonomous Crown Entity for the purposes of section 7 of the *Crown Entities Act* 2004 effective from 25 January 2005. The prospective financial statements have been prepared in accordance with New Zealand International Financial Reporting Standards (NZIFRS), the *Public Finance Act* 1989, the *Crown Entities Act* 2004 and in compliance with FRS-42 Prospective Financial Statements. The financial operations of the branch committees of the NZHPT have been consolidated into these prospective financial statements.

Measurement Base

The prospective financial statements have been prepared on an historical cost basis, modified by the revaluation of certain fixed assets.

Accounting Policies

The following accounting policies that materially affect the measurement of prospective financial performance and prospective financial position have been applied:

Prospective Figures

The prospective figures for 30 June 2008 are those approved by the Board at the beginning of the financial year. These figures have been prepared in accordance with NZIFRS and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

Actual results achieved for the period covered are likely to vary from the information presented and these variations may be material.

Revenue

The NZHPT derives revenue through the provision of outputs to the Crown, from membership subscriptions and income from properties managed.

Crown revenue received for operating purposes is recognised as revenue when earned.

Crown funding received as a capital injection is accounted for in the Statement of Movements in Equity.

Membership subscriptions are recognised in the period received.

Other revenue is recognised as income when earned.

Goods and Services Tax (GST)

All items in the prospective financial statements are exclusive of GST with the exception of accounts receivable and accounts payable, which are stated inclusive of GST.

Financial Instruments

The NZHPT is a party to financial arrangements as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. Revenues and expenses in relation to all financial instruments are recognised in the Prospective Statement of Financial Performance. All financial instruments are recognised in the Prospective Statement of Financial Position.

Income Tax

The NZHPT is a public authority in terms of the *Income Tax Act 1994* and consequently is exempt from income tax.

Inventories

Inventories are stated at the lower of cost or net realisable value after making appropriate provisions for obsolete items.

Investments

Investments are stated at the lower of cost or net realisable value. Any decreases are recognised in the Prospective Statement of Financial Performance.

Accounts Receivable

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectible debts.

Fixed Assets

Property, Plant and Equipment

Land and buildings are stated at fair value as determined by an independent registered valuer (Beca Valuations Ltd, as at 30 June 2006). Fair value is determined using market-based evidence wherever possible and otherwise depreciated replacement cost. Additions between revaluations are recorded at cost. Management will make an assessment on an annual basis to determine if there is any material movement.

The results of revaluing land and buildings are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

The NZHPT has interest in Land and Buildings in the following categories:

(i) *Trust owned Land and Historic Buildings*

These are properties for which the NZHPT has freehold title.

(ii) *Vested Land and Historic Buildings*

These properties have been formally vested in the NZHPT in terms of the *Reserves Act 1977*. A vesting order can only be revoked with the agreement of the NZHPT and consequently the NZHPT's interest is deemed to be permanent.

(iii) *Controlled and Managed Buildings*

These are properties for which the NZHPT has a control and management order from the Crown in terms of the *Reserves Act 1977*. The Crown can require the NZHPT to return these assets at any stage.

Costs incurred by the NZHPT in restoring these buildings to their original condition are capitalised. Costs of maintaining these assets once renovation is complete are charged to the period in which they are incurred.

Chattels, Artefacts and Library

Chattels, artefacts and library assets are stated at fair value. Items donated or bequeathed to the NZHPT are recorded at their fair value. Depreciation has not been provided on these assets, which are managed to be preserved in perpetuity as required by the *Historic Places Act 1993*.

Intangibles

Computer software is disclosed as an intangible asset and is recorded at cost.

Depreciation

Depreciation is provided on a straight line basis at a rate that will write off the cost of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows. Heritage buildings owned or vested in the NZHPT are depreciated in accordance with FRS-3.

Computer hardware	3 years
Computer software	3 years
Leasehold improvements	5 years
Farm equipment	5 years
Furniture	5 years
Office equipment	5 years
Displays & interpretation	10 years
Land development	15 years
Building internal	40 years
Building structure	100 years

Cost Allocation

Direct costs are charged directly to specific outputs. Indirect costs are allocated across outputs based on a percentage of total direct costs.

“Direct costs” are those costs attributable to a significant activity.

“Indirect costs” are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Provision for Employee Entitlements

Provision is made in respect of the NZHPT’s liability for annual leave, long service and retirement leave. In accordance with New Zealand International Financial Reporting Standards, provision has also been made in respect of NZHPT’s liability for sick leave.

Annual leave liability which is expected to be settled within 12 months of reporting date is measured at nominal values on an actual entitlement basis at current rates of pay. Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, are calculated on an actuarial basis. Provision for sick leave has also been calculated on an actuarial basis.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the NZHPT invests as part of its day-to-day cash management.

Operating activities include all activities other than investing and financing activities. The cash inflows include all receipts from sale of goods and services and other sources of revenue that support the NZHPT's operating activities. Cash outflows include payments made to employees, suppliers and taxes.

Investing activities are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

Commitments

Future payments are disclosed as commitments at the point a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Donations and Bequests

Donations and bequests received without restrictive conditions are treated as operating revenue on receipt in the Statement of Financial Performance. Those with restrictive conditions are treated as Other Revenue and transferred to Specified Funds and Bequests from Accumulated Funds. The net on each of these funds from interest earned and payments made is treated in the same manner.

Changes in Accounting Policies

These prospective statements, including comparative balances, have been prepared in accordance with International Financial Reporting Standards. The change in reporting basis has resulted in the requirement to include a provision for sick leave. An adjustment of \$5,000 has been made to Employee Entitlements with Equity being reduced by the corresponding amount. There have been no other changes in accounting policies since the date of the last audited financial statements.



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