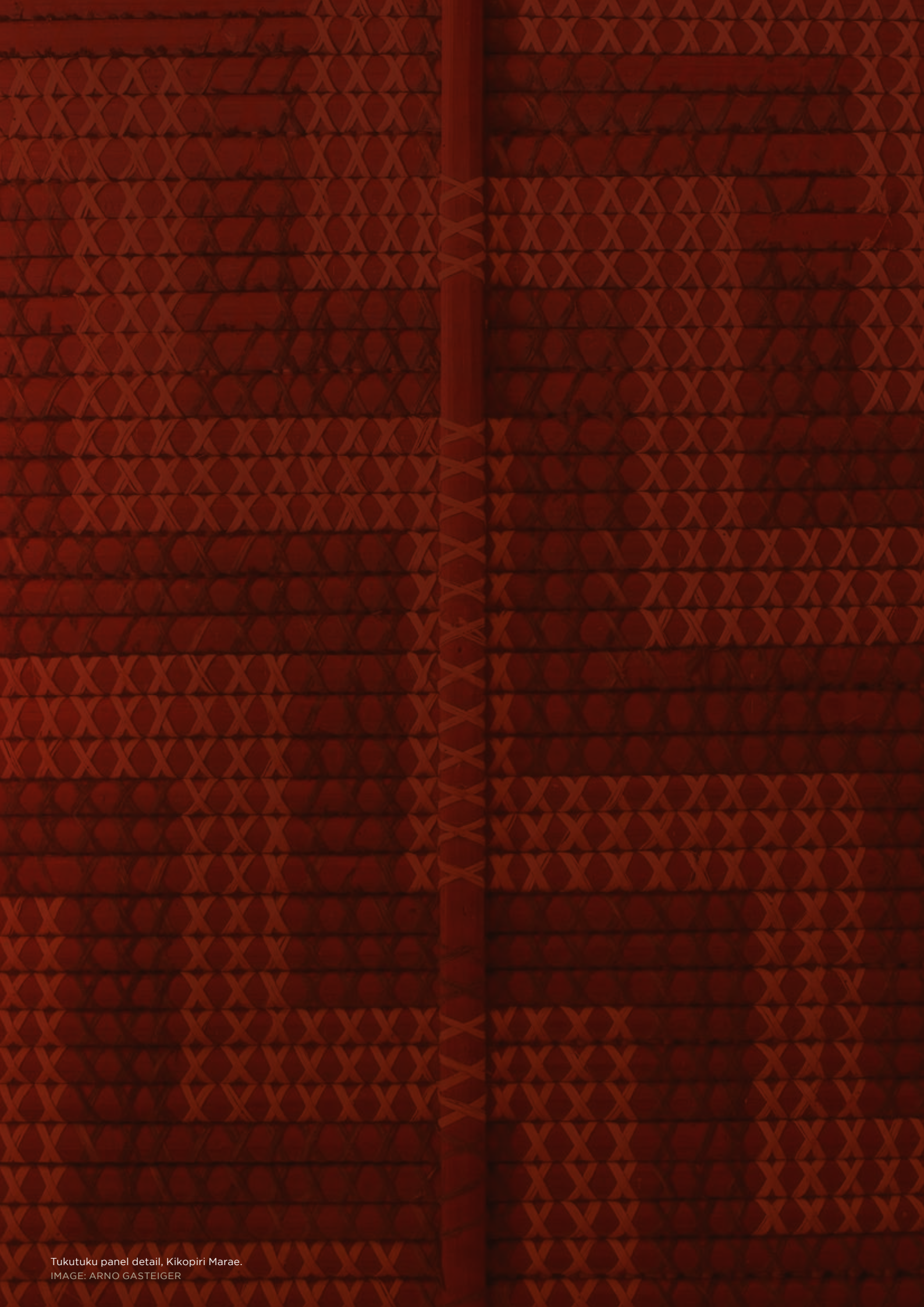




HERITAGE NEW ZEALAND POUHERE TAONGA STATEMENT OF INTENT 2017-2021



Tukutuku panel detail, Kikopiri Marae.
IMAGE: ARNO GASTEIGER

HERITAGE NEW ZEALAND POUHERE TAONGA STATEMENT OF INTENT 2017-2021

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COVER: *Mehemea kaaore he whakakitenga ka mate te iwi.* Nā Kingi Tāwhiao.

Without vision the people will perish. Kingi Tāwhiao.

The Tohu Maumahara (symbol of remembrance) at Rangiriri.

IMAGE: AMANDA TRAYES

1. STATEMENT FROM THE HERITAGE NEW ZEALAND POUHERE TAONGA BOARD

The Heritage New Zealand Pouhere Taonga Act 2014 (the Act) sets a clear direction from Parliament as to what our organisation, Heritage New Zealand Pouhere Taonga, must deliver in the future. While we grew out of the old New Zealand Historic Places Trust, the new Act introduced expectations for change to reflect the broader concerns and interests of the community today. This Statement of Intent reflects these new expectations.

THE PUBLIC SHOULD EXPECT:

- a focus, indeed a definite prioritisation of effort by Heritage New Zealand Pouhere Taonga, on New Zealand's most important heritage places,
- a focus on advancing the intent of *Tapuwae (Sacred Footprints)* that clearly outlines the vision for Māori heritage,
- an increased level of collaboration with the owners of heritage properties and others with an interest in heritage that reflects not just their rights and interests but also the contribution these people make to the conservation of our nation's heritage, and
- an increased effort to engage the public through promotion and education in the appreciation and value of our significant heritage from all cultural perspectives.

An important part of the organisation's structure is the identification of the Māori Heritage Council as a distinct part of our Crown Entity. The Council focus is wide. It is driven by the desire of Parliament to see a real focus on the Māori side of New Zealand's heritage. Our nation's historic heritage needs to be cherished, celebrated and respected not just as museum pieces but as a living vital contributor to a better New Zealand today and in the future.

This year on Waitangi Day, events co-managed by local iwi and wider communities were held at sites of heritage significance where the signings took place – the Treaty Grounds at Waitangi being the most well-known, but also at Mangungu, now a remote little settlement on the Hokianga but in its heyday the site where more signatures were put on the Treaty than anywhere else. Places like this – both built and natural heritage – are symbols of our nation, landmarks that are undeniably New Zealand's own. Collectively they build our national identity. We all benefit from knowing about these signal places in our country.

Heritage New Zealand Pouhere Taonga is committed to playing as big a part as it can in conserving our history. We welcome visitors – both domestic and international – to the relatively limited number of historic sites we own. That not only helps with their continued preservation, it makes a worthwhile contribution to local economic well-being. Largely, however, it is private

owners of historic places who carry the obligation of caring for these places of significance. Following the Canterbury and Kaikōura earthquakes, the financial effect of this obligation has increased, with additional expenses to meet seismic strengthening requirements. We respect the owners and deeply appreciate the contributions they make for us all.

Heritage New Zealand Pouhere Taonga is also taking the initiative with its own properties. This year we will complete the restoration of the Melanesian Mission at Mission Bay in Auckland. That will be followed by a development programme that brings back to life the Timeball in the Port Hills at Christchurch.

Recognition of places of national significance was enhanced under the new Act by the creation of a new category, the National Historic Landmarks. The first entries on the list are expected over the coming year. Along with increasing public recognition and appreciation for these places, and their conservation, the purpose of National Historic Landmarks is to promote their protection to the greatest extent practicable. Heritage New Zealand is moving to develop and maintain collaborative working relationships with the owners. Alongside National Historic Landmarks is the Minister's programme of Landmarks, currently being successfully piloted in Northland. The Landmarks programme will continue in the years ahead.

Increased engagement with owners and an understanding of their concerns and issues, as well as what they hope to achieve with their property, will enable Heritage New Zealand Pouhere Taonga to provide better advice and support. Finding innovative ways to work in partnership with others allows the organisation to help owners. One example is the ongoing partnership with Victoria University's School of Architecture and Wellington City Council which has yielded positive results at low cost. Senior students working with these organisations and with owners of earthquake-prone buildings in the Cuba Street precinct and Newtown have developed plans for addressing seismic strengthening while recognising the need for the long-term economic viability of these buildings. This project continues this year with the focus on Courtenay Place.



Dusk at Fyffe House, Kaikōura.
IMAGE: GRANT SHEEHAN

The Board and Māori Heritage Council are both clear about the benefits of this type of approach – conservation of heritage, increased skills within the wider community to ensure long-term conservation, and identification of ways to make it easier for owners to manage their interests in their properties are crucial to the conservation of New Zealand’s most significant places.

The year’s work programme reflects Heritage New Zealand’s support for the rebuild efforts in Canterbury, North Canterbury, Kaikōura and Wellington, direct support for iwi in conserving their built heritage, working with local community heritage interest groups, and fostering public engagement with heritage – that owned by others as well as the sites cared for by Heritage New Zealand Pouhere Taonga.

Like others in the wider public sector, Heritage New Zealand Pouhere Taonga also faces increased workloads that continue to arise from Treaty settlement obligations relating to historic heritage.

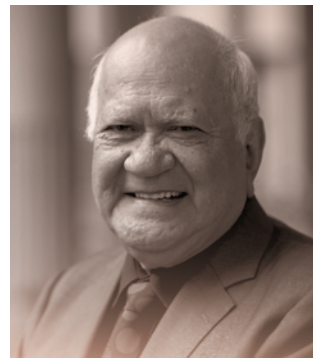
Achieving everything outlined in this document requires not only the support of the Crown, but also the supporters of our heritage work. Like others who care for heritage, we know wider public support and funding (including welcoming donations and bequests) is crucial to our ongoing success.

What is heartening is an upward trend in public support for heritage. It is no great leap to connect it with the increased sense of national identity over recent years. Continuation of these trends can only help to achieve the government’s goal, and see all our lives enriched by understanding our heritage and how it adds to New Zealand’s distinctive culture. ■



RT HON WYATT CREECH CNZM
Chair Heritage New Zealand Board
Tiamana o te Poari o te Pouhere Taonga

25 May 2017



JOHN CLARKE CNZM
Chair Māori Heritage Council and
Board Member Heritage New Zealand
Tiamana o te Kaunihera Māori o te Pouhere Taonga
Mema o te Poari o te Pouhere Taonga

25 May 2017

2. CONTEXT, STRATEGIC PRIORITIES AND OUTCOMES

2.1 OVERVIEW

THE WORK OF Heritage New Zealand Pouhere Taonga is about purpose, people and places.

The purpose of the organisation is 'honouring the past; inspiring the future' – Tairangahia a tua whakarere; Tātakihia ngā reanga o amuri ake nei.

People in the past interacted with and changed the environment in which we live, creating places that are our archaeological sites, our wāhi tapu and wāhi tūpuna, historic places and areas that are significant to New Zealanders. One reason is the human stories they represent; the tangible presence of explorers, settlers, innovators and risk-takers, the iwi, communities and businesses, the whānau who have come and sometimes gone with little obvious trace remaining.

It is people who make decisions about these places. They determine the care they receive, ways in which they're used, investments made in their ongoing maintenance and conservation, so that those still to come may one day experience these places.

However, we live in a complex and dynamic area of the world. Pressures of population growth, economic development, changing infrastructure needs, the potential and actual impact of environmental factors such as earthquakes and floods, and costs such as cyclical maintenance and compliance with regulatory requirements can all affect outcomes for heritage places.

Public safety is the primary and most important outcome. Strengthening our heritage buildings improves safety as well as increasing the likelihood the buildings will survive for the future.

Recent seismic events have increased pressure on property owners, including those who own heritage places. Unreinforced masonry buildings have been a particular focus with regulatory requirements introduced to fast track seismic strengthening work. This highlights the ongoing importance of working collaboratively with those who are interested in the long-term future of places of heritage significance. Notably, these include owners, local authorities and – where the places fall within specific zones – those government organisations that are able to provide incentives to support approved works.

Incentivising owners to complete works within the timeframe recognises the public good they deliver when they actively care for these places. There remains a significant level of public

interest in protection for heritage – nearly 60 percent of survey respondents to research conducted in 2016 indicated a high level of interest¹ in the protection of New Zealand's historic places. It is owners, however, who bear the majority of the cost for repairs, cyclical maintenance and other elements that contribute to the long-term conservation of these places.

This Statement of Intent has been developed within a broad context that is outlined further in this document, which in turn should be read with the relevant Statement of Performance Expectations.

2.2 OUR STATUTORY CONTEXT AND ACCOUNTABILITY

OUR ROLE, as defined by the Heritage New Zealand Pouhere Taonga Act 2014 (the Act), is "to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand".

While our powers and functions are established within the Act, the organisation is also governed and managed as an autonomous Crown entity under the Crown Entities Act 2004.

The New Zealand Government provides 80 percent of our funding through Vote Arts, Culture and Heritage and we are monitored by the Ministry for Culture and Heritage. Under the Crown Entities Act 2004, the Board must ensure that the organisation acts in a manner consistent with its objectives, functions, current Statement of Intent (SOI) and Statement of Performance Expectations (SPE).

We report annually to Parliament on our performance against our SPE, and provide a report every four months to the responsible Minister on progress towards achieving performance targets.

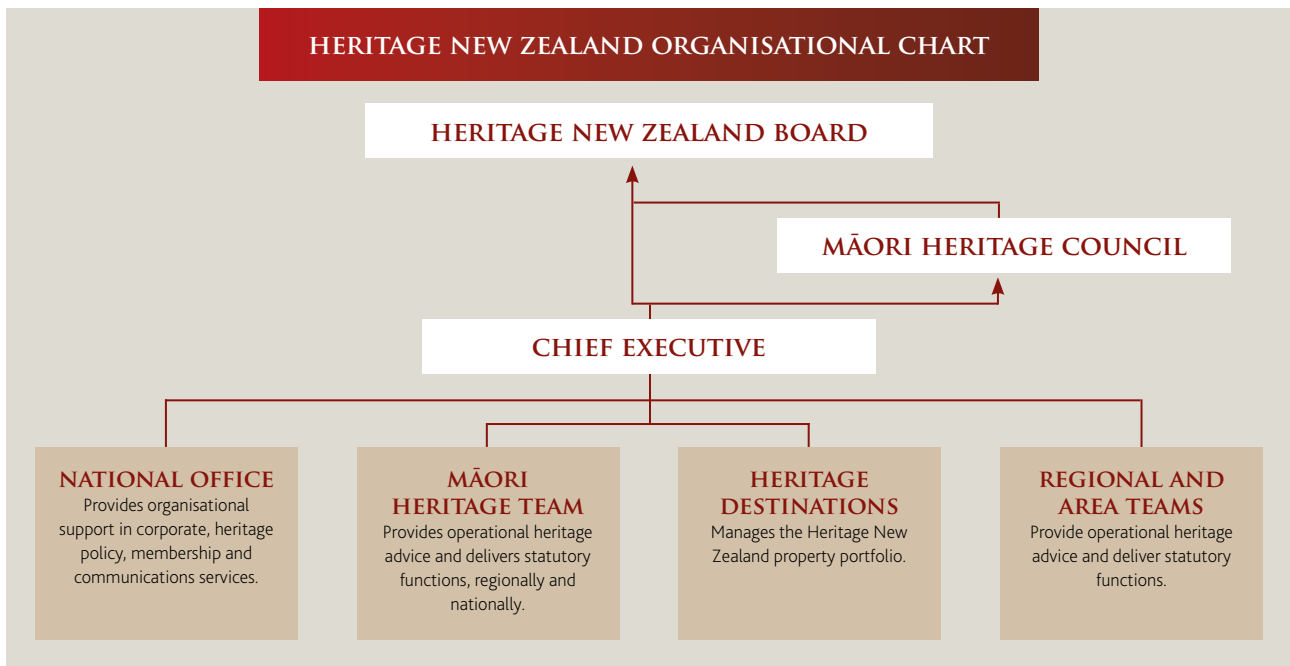
2.3 ORGANISATIONAL STRUCTURE

HERITAGE NEW ZEALAND POUHERE TAONGA is governed by a Board that, while taking government priorities and desired outcomes into account, is responsible for the organisation's strategic direction.

The Māori Heritage Council has specific statutory functions under the Act relating to the promotion and conservation of many

¹ Rating their personal interest in protection of New Zealand's historic places and buildings at 8-10 out of 10.

HERITAGE NEW ZEALAND ORGANISATIONAL CHART



aspects of Māori heritage. The Council works closely with the Board to ensure the organisation's work aligns strategically with both bodies' responsibilities and priorities.

Heritage New Zealand Pouhere Taonga operates and delivers Heritage Listing, Archaeology Authorities and Heritage Destination services regionally, with area offices located in Kerikeri, Auckland, Tauranga, Wellington, Christchurch and Dunedin.

National services are provided from Antrim House in Wellington and include national oversight, policy functions and corporate services.

A Māori Heritage team operates throughout the regional and area structure as well as providing national oversight from Antrim House.

A Heritage Destinations team enhances this national presence by caring for and managing historic properties around the country, a number of which are staffed.²

2.4 THE CULTURAL SECTOR, KEY STAKEHOLDERS AND THE ROLE OF HERITAGE NEW ZEALAND POUHERE TAONGA

HERITAGE NEW ZEALAND POUHERE TAONGA is part of a wider cultural sector and community of interest that spans central and local government, iwi, local authorities, community volunteers, and owners of significant heritage places that may be in either private or public ownership. Working collaboratively with these groups informs our professional and recognised expert advice and our contribution to government policy development at both national and local level.

Our work is broadly classified into three distinct, but interrelated, areas:

- Enabling people to access, contribute to and share the growing pool of knowledge about New Zealand's significant heritage places: our library of knowledge supports our work in supporting conservation and engagement with these places. We take a prioritised approach to recognition of significant heritage through its inclusion on the New Zealand Heritage List/Rārangī Kōrero, and capture information about archaeological sites by enabling people to modify those sites through an authority process we manage. Researching heritage and history and sharing the information we hold through our website, magazine, newsletters and other channels is another important outcome from this area of work.
- Heritage conservation: this includes actively supporting and providing advice to heritage owners and assisting iwi to conserve their sites of heritage significance. We administer the archaeological authority process, inform the central and local government policy environment, and care for a portfolio of significant heritage properties on behalf of the people of New Zealand.
- Public engagement with significant heritage places: New Zealanders engage with heritage places on a daily basis, and many are aware of the special connection they have with their past. Experiencing and celebrating our shared significant heritage places is at the heart of this area of work, as we seek to increase the sense of identity and connection that people experience at heritage sites, including our portfolio of properties. The memorable experiences that we offer, including educational experiences for school groups, will increase the likelihood of positive outcomes for heritage in future.

² See inside back cover for the list of properties managed by Heritage New Zealand Pouhere Taonga.

2.5 MEDIUM AND LONG-TERM OUTCOMES

OUR MEDIUM and long-term outcomes support the wider outcomes of the Ministry for Culture and Heritage and ultimately the Government's Goal for the Cultural Sector. These are defined as follows:

| | | |
|--|---|--|
| GOVERNMENT'S GOAL FOR THE CULTURAL SECTOR: New Zealand's distinctive culture enriches our lives | | |
| ARTS CULTURE AND HERITAGE SECTOR – SECTOR STRATEGIC FRAMEWORK PRIORITIES: | | |
| <ul style="list-style-type: none"> ■ Fostering an inclusive New Zealand identity <ul style="list-style-type: none"> ■ Supporting Māori cultural aspirations ■ Front-footing transformative technology ■ Improving cultural asset sustainability ■ Measuring and maximising cultural values | | |
| RELEVANT MINISTRY FOR CULTURE AND HERITAGE OUTCOMES: | | |
| Cultural activity flourishes in New Zealand (Create) | Our culture and heritage can be enjoyed by future generations (Preserve) | Engagement in cultural activities is increasing (Engage) |
| HERITAGE NEW ZEALAND POUHERE TAONGA HERITAGE PURPOSE: Tairangahia a tua whakarere; tātakihia ngā reanga o amuri ake nei Honouring the past; inspiring the future | | |
| PRIMARY OUTCOME: Present and future generations of New Zealanders appreciate their sense of place, identity and nationhood | | |
| STRATEGIC HERITAGE PRIORITIES: | | |
| <ul style="list-style-type: none"> ■ Prioritising and celebrating the most significant places ■ Building support by working with iwi, local authorities, volunteers, owners, members and communities <ul style="list-style-type: none"> ■ Promoting the vision of <i>Tapuwae</i> to conserve Māori heritage ■ Prioritising our advocacy with a focus on educating, promoting, advising and regulating | | |
| HERITAGE PLACES OUTCOMES: | | |
| <p>MĀTAURANGA/KNOWLEDGE People access and contribute to the growing pool of knowledge, information and stories about New Zealand's significant heritage places.</p> <p>Key outputs</p> <ol style="list-style-type: none"> 1. Prioritise recognition of significant heritage 2. Capture heritage information 3. Share heritage stories | <p>PENA PENA TAONGA/ CONSERVATION New Zealand's significant heritage places are conserved for the future.</p> <p>Key outputs</p> <ol style="list-style-type: none"> 1. Actively support heritage owners 2. Actively assist iwi to conserve heritage 3. Promote outcomes from and administer the archaeological authority process 4. Sustain our heritage destinations | <p>HONONGA/ENGAGEMENT People engage with places that contribute to New Zealand's significant heritage.</p> <p>Key outputs</p> <ol style="list-style-type: none"> 1. Celebrate heritage with communities 2. Engagement with Landmarks properties 3. Quality experiences at our heritage destinations |
| CAPABILITY: | | |
| OUR PEOPLE Expert Motivated Respectful | OUR SYSTEMS Fit for Purpose Modern | |

2.6 STRATEGIC CONTEXT AND EMERGING CHALLENGES

MANAGING AND CONSERVING New Zealand's historic heritage requires an active, supportive and engaged community. Heritage New Zealand Pouhere Taonga is fortunate to work with a wide range of supporters across the country in an environment where heritage – in its broadest sense under our Act – continues to hold a strong and increasing level of interest. With that comes expectations that shape and influence the environment in which we operate, including:

LEADERSHIP AND EXPERT ADVICE

- Heritage New Zealand Pouhere Taonga will continue its leadership role within the sector, particularly as the government's expert advisor on the care and conservation of New Zealand's heritage.
- Government policy will continue to develop and adapt over time, and we will continue to offer advice and information, with particular recognition of the interests of owners.
- We will continue to meet expectations of our government colleagues in providing heritage advice on relevant sites managed by Crown agencies, with a goal of minimising adverse effects on heritage sites, particularly where ownership may transfer.

MĀORI HERITAGE

- There is an expectation to achieve the vision set out in *Tapuwae*, the statement on Māori heritage by the Heritage New Zealand Pouhere Taonga Māori Heritage Council.
- We will be engaging in discussions on the development of *Maihi Karauna*, the government's Māori Language Strategy.

ENGAGEMENT

- Working within the context of the Cultural Sector Strategic Framework established by the Ministry for Culture and Heritage. We positively engage with others in the sector and seek partnerships where beneficial to the parties.
- Increasing demand from heritage owners, iwi, supporters, government agencies and local authorities for heritage advice and viable solutions. To meet these requests we will continue our focus on developing close, supportive relationships with owners and kaitiaki, nationwide and in particular in those areas at the heart of quake recovery work and where significant development of housing and infrastructure is anticipated to take place.

RESOURCING AND PRIORITISATION

- Along with Crown funding, Heritage New Zealand Pouhere Taonga aims to raise at least 20 percent of its annual operating budget from non-Crown sources, from philanthropic sources as well as from property admissions, merchandise sales, ticketing and events.

- Prioritising work to focus on the nation's most significant heritage places, including our responsibilities in relation to the National Historic Landmarks List and nominations for consideration for entry on the New Zealand Heritage List/Rārangi Kōrero.
- Continued support for the Ministry for Culture and Heritage to deliver the Heritage Earthquake Upgrade Incentive Programme (Heritage EQUIP) of funding and advice for owners of earthquake-prone buildings.
- Continued support for inter-agency projects, including the implementation of the Landmarks Whenua Tohunga programme and implementation of the outcome of the review of property portfolios with the Ministry for Culture and Heritage and the Department of Conservation.

External opportunities and challenges may influence the environment in which Heritage New Zealand Pouhere Taonga operates and are taken into account, such as:

BUILDING STOCK

- Over a six-year period New Zealand experienced major seismic events, with resulting regulatory responses and incentives that aim to address concerns about the safety of the country's older commercial building stock. Heritage New Zealand Pouhere Taonga is involved in providing advice, support and information.
- Access to affordable insurance for owners of heritage places has been an issue for some time now, and our efforts to inform and influence the insurance industry will need to continue for the foreseeable future.
- Demand for and access to professional services and advice for owners, particularly in times following major events, can have a significant impact – as we have experienced – on our work programmes and our ability to meet expectations from owners and other customers.

COMMUNITIES OF INTEREST

- Changing demographics, urban and rural development as well as major infrastructure projects may all impact on sites of significance, and Heritage New Zealand Pouhere Taonga will need to continue using opportunities to seek improved heritage provisions in second generation district plans and, where possible, further incentives for owners to encourage retention and strengthening.
- We anticipate continued pressure on archaeological sites and the potential for loss of significant information from erosion and other natural events.
- Increasing the recognition of the economic value of heritage, both in relation to tourism and for communities seeking development opportunities.

- Increased engagement with volunteers working with heritage-focused community groups is a significant opportunity to increase reach and influence, and support this vital and vibrant community resource. Prioritising efforts to enable these groups to grow and develop in influence and reach is one means of achieving this, but includes the challenge of having the capacity for our staff around the country to be available to provide the support that is sought.

ORGANISATIONAL CHALLENGES

- Ongoing financial sustainability, both as we respond to external influences, such as those outlined above, and as we adapt to a changing portfolio of properties.
- Repairs to properties affected by the Kaikōura and Canterbury earthquakes, and – in the longer-term – ongoing investment in a programme of repairs and maintenance to other properties.
- The need for investment in systems such as information technology.
- Increasing self-generated revenue.

2.7 STRATEGIC PRIORITIES 2017-2021

THE FOUR STRATEGIC PRIORITIES established by the Heritage New Zealand Pouhere Taonga Board are:

- Prioritising and celebrating the most significant places
- Building support by working with iwi, local authorities, volunteers, owners, members and communities
- Promoting the vision of *Tapuwāe* to conserve Māori heritage, and
- Prioritising our advocacy with a focus on educating, promoting, advising and regulating.

Outcomes for New Zealand's significant heritage places are improved greatly where communities of interest exist. Awareness and engagement – whether direct engagement or by taking opportunities to learn more about these places – increase the likelihood of their continued use. In turn, this increases the potential for significant heritage places to become so intrinsic to our sense of national identity that we cannot imagine a future without them.

Heritage New Zealand Pouhere Taonga places a high priority on fostering awareness and support in relation to our most significant places and working closely with those who are directly responsible for historic heritage – whether by ownership, as kaitiaki and/or decision-makers.

We will achieve more by increasing this focus, through information we provide and the opportunities to work directly with volunteers and the wider community on events and activities to support heritage awareness and understanding.



Partnerships with local authorities, iwi and heritage organisations to build their capacity as well as our own enables us all to work with a broader range of communities, well beyond where Heritage New Zealand Pouhere Taonga staff are located. This enables a deeper level of information to be gathered as part of the supporting work for the New Zealand Heritage List/Rārangī Kōrero – whether we are adding to the list, or reviewing and upgrading information.

Māori heritage is New Zealand's heritage and Heritage New Zealand Pouhere Taonga seeks a future where sites of significance are safeguarded. At the heart of *Tapuwāe* is the acknowledgement of traditional and customary associations of whānau, hapū and iwi with their places of significance, and their kaitiakitanga of these places. Recognition of Māori heritage places by all New Zealanders is intrinsic to this vision, and the goal is an increase in the value with which people regard this irreplaceable part of our nation's heritage.

Recognition of sites of significance to Māori on the New Zealand Heritage List/Rārangī Kōrero is one means of increasing public awareness and we work with iwi, hapū and whānau to achieve this. Through the work of our specialist staff, Heritage New Zealand Pouhere Taonga seeks to ensure accurate, respectful and appropriate information about these places is available, increasing access to mātauranga Māori and promoting the value the public recognises in these places that are an intrinsic part of our shared history. The organisation's ongoing advice and skills development work programmes will continue to support kaitiaki as they make conservation, preservation and management decisions about these places.

Heritage New Zealand Pouhere Taonga delivers across the spectrum of regulation. Education about and promotion of heritage is key for achieving the outcomes we seek. It is from a sound base of knowledge and experience that the leading advisor aspirations will be met. Conservation and protection of heritage can be challenging and there are often competing demands and requirements. Maintaining the competency to regulate and hold those who challenge the intent of conservation to task will be a core part of the regulatory framework that Heritage New Zealand Pouhere Taonga operates. ■

3. ORGANISATIONAL CAPABILITY

Achieving the organisation's outcomes and outputs requires our people, infrastructure, systems and financial resources to be matched and prioritised appropriately.

3.1 OUR PEOPLE

HERITAGE NEW ZEALAND POUHERE TAONGA is fortunate to have a team of highly skilled, professional and dedicated staff made up of 110 permanent staff (full-time equivalents) and a number of seasonal and casual staff who assist during high visitor seasons at our properties or during one-off events and functions. A team of regular volunteers across the country provide additional support. Short-term contractors are engaged as required. This approach enables Heritage New Zealand Pouhere Taonga to be flexible and agile in allocating resources to prioritised activities and we anticipate it will continue in the foreseeable future.

To ensure staff are supported in their roles, we will continue to provide a two-day induction programme for new staff in permanent roles and regular performance reviews are undertaken. A national training programme will be delivered to ensure capability and competency is enhanced consistently across the organisation.

Human resource policies are implemented in accordance with health and safety legislation, equal employment opportunities and state sector guidance.

3.2 OUR SYSTEMS

HERITAGE NEW ZEALAND POUHERE TAONGA has a portfolio of heritage properties (many of which are staffed) and leases six offices spread throughout the country. Effective and consistent communication, processes and systems need to be available to all staff to enable effective operation as one organisation given it is spread over many sites, some of which are in remote locations.

Heritage New Zealand Pouhere Taonga currently operates a centralised information technology server environment in Wellington with a wide area network to connect all staffed locations. An additional server environment is replicated in Auckland to provide a level of assurance in case any severe interruption to the Wellington server environment should occur. However the current IT environment is coming to the end of its life. Over the period of this SOI, a new IT plan will be implemented to ensure the systems and applications are fit for purpose and modern to serve the future needs of the organisation.

Heritage New Zealand Pouhere Taonga develops annual budgets and functional plans by operating teams, and applies "RAISE" (Risk, Alignment, Impact, Significance and Efficiency) criteria to the prioritisation of work.

A number of operating guidelines, a "decision support model" and "roles and responsibility matrix" have been developed to ensure consistency in legislation and policy and will continue to be applied across teams.

An intranet enables all staff to access all published strategic documents, internal policies and procedures, and other organisation-wide communications and Heritage New Zealand Pouhere Taonga is aiming to implement an upgrade of this system.

3.3 OUR FUNDING

WE PRIORITISE AND FOCUS on core areas of statutory responsibility and on the most significant components of New Zealand's heritage, including prioritising properties expenditure. We will continue to identify and pursue the third party revenue and funding opportunities that help deliver heritage outcomes. It has been assumed that there will be no increase in Crown funding in the foreseeable future, which reinforces the need to maintain and increase the already significant self-generated funding that the organisation raises each year. Non-Crown funding sources include membership subscriptions, donations, grants, bequests, property-based revenue from events, admissions and merchandising, and cost-recovered advisory services. The demand for our services consistently exceeds our ability to supply. Rather than spreading our available funding too thinly across all our properties and functions we will continue to deliver the best value for money by being selective about the activities and properties on which we will focus our efforts.

Critical factors that need to be managed are:

- government funding over the life of this SOI for the services we deliver
- opportunities and risks around increasing various forms of self-generated revenue which currently contribute 20 percent of baseline funding
- increased demand for spending on activities such as heritage engagement alongside the conservation and development needs of the properties cared for by Heritage New Zealand Pouhere Taonga, and their collections
- future funding requirements anticipated as a result of any changes to the Heritage New Zealand Pouhere Taonga business model and property portfolio.

These factors must be balanced whilst also sustaining the core mandatory activities of the organisation such as processing archaeological authorities. The uncertainty inherent in sustaining or further increasing self-generated revenue requires that the financial and output management strategies retain a degree of flexibility at the margin and that this revenue will be increased if possible. ■

4. FINANCIAL PLANNING ASSUMPTIONS

4.1 GOVERNMENT FUNDING

THE GOVERNMENT has confirmed the following funding for Heritage New Zealand Pouhere Taonga over the next four years:

| | Actual 2014-2015 \$000s | Actual 2015-2016 \$000s | Estimated Outturn 2016-2017 \$000s | Prospective 2017-2018 \$000s | Prospective 2018-2019 \$000s | Prospective 2019-2020 \$000s | Prospective 2020-2021 \$000s |
|-------------------------------------|-------------------------------|-------------------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| TOTAL OPERATING BASELINE | 12,988 | 12,988 | 12,988 | 12,988 | 12,988 | 12,988 | 12,988 |

4.2 SELF-GENERATED REVENUE

HERITAGE NEW ZEALAND Pouhere Taonga also relies on self-generated funding (2017/18: \$6.5 million, \$3.7 million estimated 2016/17). Sources include membership fees, property income, grants, interest and bequests.

| | Actual 2014-2015 \$000s | Actual 2015-2016 \$000s | Estimated Outturn 2016-2017 \$000s | Prospective 2017-2018 \$000s | Prospective 2018-2019 \$000s | Prospective 2019-2020 \$000s | Prospective 2020-2021 \$000s |
|---|-------------------------------|-------------------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Membership, advertising and magazine sales revenue | 617 | 646 | 570 | 642 | 642 | 642 | 642 |
| Merchandising | 621 | 778 | 839 | 784 | 784 | 784 | 784 |
| Property admissions and functions | 719 | 766 | 769 | 713 | 713 | 713 | 713 |
| Leases | 150 | 155 | 123 | 2,531 | 2,531 | 2,531 | 2,531 |
| Grants/bequests/donations | 710 | 765 | 624 | 125 | 500 | 500 | 500 |
| Capital fundraising | - | - | 372 | 1,470 | 1,000 | 500 | 500 |
| Interest | 432 | 440 | 390 | 215 | 215 | 215 | 215 |
| Sundry | 191 | 114 | 52 | 10 | 10 | 10 | 10 |
| Total | 3,440 | 3,664 | 3,739 | 6,490 | 6,395 | 5,395 | 5,395 |

Although it is our intention to continue to pursue third party revenue options, it is not possible to accurately predict future targets, particularly for grant and bequest income. Planning has therefore been based on assumptions about what can be delivered within agreed Crown funding and conservative estimates of third party revenue.

\$1.3m of pledged grant funding will be uplifted and accounted for during the 2017/18 year when the construction phase of the Timeball Tower rebuild will be undertaken.



Staircase at Old Government Buildings, Wellington.
IMAGE: GRANT SHEEHAN

4.3 PROJECTED OPERATING EXPENDITURE (EXCLUDING EXTRAORDINARY ITEMS)

AFTER ALLOWING for a small increase in operating expenditure for inflation and salary increases across all outputs, it has been assumed that expenditure incurred as a result of flat baseline revenue will be prioritised to continue to deliver services accordingly. Activities within the Canterbury and Kaikōura regions will continue to be given priority in the foreseeable future to assist with earthquake recovery but will be progressively returned to other service delivery areas over the life of this Statement of Intent.

| | Actual 2014-2015 \$000s | Actual 2015-2016 \$000s | Estimated Outturn 2016-2017 \$000s | Prospective 2017-2018 \$000s | Prospective 2018-2019 \$000s | Prospective 2019-2020 \$000s | Prospective 2020-2021 \$000s |
|--|-------------------------------|-------------------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Heritage Knowledge | 2,353 | 2,448 | 2,455 | 2,574 | 2,570 | 2,570 | 2,570 |
| Heritage Conservation | 7,776 | 7,307 | 7,185 | 7,680 | 7,684 | 7,684 | 7,684 |
| Heritage Engagement | 6,310 | 5,943 | 5,927 | 6,420 | 6,420 | 6,420 | 6,420 |
| CEHB Fund and Trust Grants | 852 | 1,700 | 619 | - | - | - | - |
| TOTAL OPERATING EXPENDITURE | 17,291 | 17,398 | 16,186 | 16,674 | 16,674 | 16,674 | 16,674 |

4.4 PROJECTED CAPITAL EXPENDITURE

CAPITAL EXPENDITURE is prioritised at specific properties based on health and safety assessments and a condition assessment of componentry. 2017/18 capital projects include:

- Initiating earthquake strengthening and repairs at Old St Paul's
- Initiating chimney strengthening at Highwic
- Repairing chimney, foundation and other earthquake works at Fyffe House
- Installing sprinkler mist system at Pompallier
- Installing insulation and double glazing in a small office known as the Glass House at Antrim House in Wellington
- Installing an accessible ramp at Thames School of Mines
- Repairing earthquake damage at Old Government Buildings.

Heritage New Zealand Pouhere Taonga intends to complete the revitalisation project at the Melanesian Mission by the end of 2016/17 and rebuild the Timeball Tower during the 2017-2018 period. Earthquake repairs and strengthening at Old St Paul's will commence in the 2017/18 year and will be completed in the 2018/19 year.

Further work required on two new properties coming into the Heritage New Zealand Pouhere Taonga portfolio in June 2017 – Old Government Buildings and Turnbull House – has not been fully assessed, prioritised and costed for inclusion at the time of preparing this Statement of Intent. As this work becomes clarified and prioritised, the financial implications will be reflected in the annual Statement of Performance Expectations that supports this document.

Other capital projects at our properties will be prioritised at the beginning of each financial year, but for planning purposes \$1 million has been allocated annually for this purpose for the 2019/20 and outyears.

An annual capital investment is also required to ensure the appropriate information technology infrastructure and equipment is maintained and available for effective delivery of our services. ■

| | Actual 2014-2015 \$000s | Actual 2015-2016 \$000s | Estimated Outturn 2016-2017 \$000s | Prospective 2017-2018 \$000s | Prospective 2018-2019 \$000s | Prospective 2019-2020 \$000s | Prospective 2020-2021 \$000s |
|----------------------------|-------------------------------|-------------------------------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Capital expenditure | 475 | 434 | 3,535 | 4,627 | 1,780 | 1,200 | 1,200 |

HERITAGE NEW ZEALAND POUHERE TAONGA

HERITAGE DESTINATIONS PORTFOLIO PROPERTIES

OWNED (16 PROPERTIES)

Alberton
Alexandra (Pirongia) Redoubt
Antrim House
Bedggood Blacksmith Building
Clark's Mill
Clendon House
Hurworth
Kerikeri Mission House
Melanesian Mission
Ruatuna
Southland Provincial Council Building
Stone Store, Kerikeri
Te Waimate Mission
Thames School of Mines
Timeball Station Site
Totara Estate

CO-OWNED (1 PROPERTY)

Highwic (with Auckland City Council)

LEASED (2 PROPERTIES)

Ewelme Cottage
Māngungu Mission House

PRIVATE HISTORIC RESERVE (4 PROPERTIES)

Craigmore Rock Shelter
Frenchman's Gully Rock Shelter
The Cuddy
The Levels

SITES TRANSFERRED TO DEPARTMENT OF CONSERVATION (5 PROPERTIES)

Brunner Industrial Site (Tyneside)
Clifden Suspension Bridge
Gabriel Read Memorial Reserve
Springvale Suspension Bridge
Whangamarino Redoubt

HISTORIC RESERVE (15 PROPERTIES)

Coton's Cottage
Edmonds Ruins
Kaipara North Head Lighthouse
Matanaka
Old St Paul's
Ophir Post Office
Pencarrow Head Lighthouse
Pompallier Mission
Rai Valley Cottage
Runanga Stockade
Seddon House
Taupō Redoubt and Courthouse
Te Pōrere Redoubt
Tikirere Mill Race
Upper Hutt Blockhouse

MĀORI RESERVE (1 PROPERTY)

Opotaka Pā

SITES WITH MORE THAN ONE STATUS (2 PROPERTIES)

Fyffe House (part-owned by Heritage New Zealand, part-leased from Kaikōura District Council)
Hayes Engineering (part-owned, part Historic Reserve)

SITES TRANSFERRED TO HERITAGE NEW ZEALAND POUHERE TAONGA (2 PROPERTIES)

Old Government Buildings Historic Reserve
Turnbull House Historic Reserve

SITES TRANSFERRED TO IWI UNDER TREATY SETTLEMENT LEGISLATION (2 PROPERTIES)

Rangiriri Redoubt
Te Wheoro's Redoubt

National Office

Antrim House, 63 Boulcott Street
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information@heritage.org.nz

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Otago / Southland Area Office

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