



ANNUAL REPORT

Purongo a Tau

For the year ending 30 June 2012



NZHPT OUTCOMES:

Present and future generations of New Zealanders experience and enjoy a sense of place, community and belonging.

Identification	Survival	Appreciation
Places that contribute to New Zealand's culture and heritage are identified and their stories recorded.	Places that are identified as significant to New Zealand's culture and heritage survive.	New Zealanders appreciate those places that contribute to their sense of place, community and belonging.

WE ARE GRATEFUL FOR THE GRANTS, SPONSORSHIPS, GOODS AND SERVICES RECEIVED FROM –

- > Buller Community Development Company
- > Buller District Council
- > The Canterbury Community Trust
- > Chisholm Whitney Family Charitable Trust
- > Constellation Community Trust
- > Dispatch and Garlick
- > The Friends of Old St Paul's
- > Grey District Council
- > Hutt City Council
- > Infinity Foundation
- > InternetNZ/Ceismic
- > Kerr Taylor Foundation
- > The Lion Foundation
- > Newmont Waihi Gold
- > NZ Lottery Grants Board Environment and Heritage Committee
- > Pub Charity
- > Selwyn District Council
- > Sir John Logan Campbell Residuary Estate
- > Sky City Auckland
- > Solid Energy New Zealand
- > Thames Coromandel District Council
- > The Stout Trust
- > Vodafone Foundation Canterbury Fund/Christchurch Earthquake Appeal Trust
- > Wellington Community Trust
- > Westfield 227 Newmarket

Cover: Looking across the Kerikeri River towards two of New Zealand's oldest buildings at the Kerikeri Mission Station. Photo: NZHPT.



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REPORT OF THE CHAIRS OF THE NZHPT BOARD AND MĀORI HERITAGE COUNCIL

Ko ngā maunga e tū mai rā, ngā awa e hāereere ana, te whenua e hora nei, koinā ngā taonga tuatahi i tutuki ai ō tātou mātua tūpuna i te wā ō neherā.

In the first half of 2011, when our Statement of Intent for the 2011-12 year was being finalised, the country was in the midst of a crisis. One of the worst natural disasters we have encountered had taken place and the country was struggling to come to terms with the sense of loss and grief we shared, and the enormous recovery task ahead of us. Just how far New Zealand has come in that time is a reflection of the wairua and resolve of this country's people.

The NZHPT has performed its role in Canterbury's recovery efforts as well. Supporting the recovery saw a significant investment of the organisation's resources, allowing decisions to be made quickly, but fully reflecting the importance of our role as the trusted voice of New Zealand's built heritage.

In addition to completing the deconstruction of the Lyttelton Timeball Station, and beginning the reconstruction of Cotton's Cottage at Hororata, much time and effort has been devoted to Christchurch. This is where so many heritage buildings have been lost, and the fate of many others hangs in the balance.

Although much has been lost, it was heartening to hear that as of 1 July 2012, 120 registered historic places remained within the four avenues (CBD) of Christchurch. The total loss quantitatively is less than might be expected given the extent of loss of the overall building stock.

These remaining sites have the potential to play a special part in the regeneration and future economic resilience of the city.

Christchurch's distinctive heritage was a core part of what made it special to so many and, as international studies have shown, heritage buildings can play a critical role in communities' economic and social health.

We have also seen a number of examples of adaptive reuse emerging as owners take stock of their buildings and see the potential to create new hubs for their communities to rally around, something these beleaguered areas have been crying out for. In time, successful examples of sympathetic adaptation will demonstrate the versatility and variety of solutions for heritage buildings.

The archaeological authority process in Canterbury has also yielded new information on historic occupation in Christchurch and exposed stories that were previously lost to us. Lyttelton examples include uncovering the site of the 1850s dwelling of John Robert Godley under the demolished former Plunket Rooms, and an earlier archaeological find of Māori midden and oven material amidst the foundations of the former Post Office building. The latter represents a footprint of Ngāi Tahu tipuna on the landscape and provides a tangible reminder of the multi-layered history of Whakaraupō (Lyttelton Harbour) and wider Christchurch.

We have continued our ongoing advocacy work for heritage buildings to be strengthened to at least 67% of the New Zealand Building Code – up from the present 33%. We have been advocating for this increase for several years and recognise the need for discussion and debate about ways to incentivise this work. We have therefore hosted presentations around the country on earthquake-prone policy issues, and worked hard to share the message that our heritage buildings can be made increasingly safer for the people who live and work in them, as well as more resilient to the effects of seismic activity. But our message remains clear: cost-effective incentives to owners are necessary to ensure heritage buildings remain economically viable.

The work programme that faced the NZHPT over the past year was enormous. Even without the ongoing support we provided for the Canterbury recovery efforts, this past year would have been a challenging one. The huge regulatory workload associated with archaeological authorities was far more than anticipated, with 985 archaeological authorities issued over the year. This included 608 earthquake-related archaeological authorities (Emergency Authorities), compared with 63 in the 2010-11 year.

The Heritage New Zealand Pouhere Taonga Bill was introduced into Parliament on 4 October 2011. This Bill will replace the *Historic Places Act 1993*, which continued the NZHPT established in 1955. It reforms our governance structure and the archaeological authority (consent) process, and introduces Emergency Authorities to apply in the event of serious natural disasters. The proposed changes have seen the transition of some branch committees to new, independent regional heritage organisations. Strong partnerships are developing with these, as well as with other local heritage groups that the NZHPT currently engages with.

The NZHPT has continued to recognise significant Māori sites that represent New Zealand's earliest connections to the Pacific. The Māori Heritage Council registered seven wāhi tapu sites and areas including the Mataatua waka resting place site in Northland (known as Te Kopua Kawai o Te Whakaheke), Wairau Bar in Marlborough, and Te Okureitanga o Te Ihu o Tamatekapua in the Bay of Plenty.

Responding to a growing need for conservation assistance to marae in the Tairāwhiti region, an initiative between Ngāti Porou and local and central government agencies (including the NZHPT) was established. This year's work also included a series of workshops to provide conservation training for marae communities and practitioners to enable them to continue and develop their own initiatives to preserve their treasured places.

Māori Television has helped highlight further the importance of New Zealand's Māori built heritage through their programming. Over the past year the NZHPT has provided advice to the producers of *Whare Taonga*, a new series that explores aspects of design and construction and "the mauri and wairua of a building". The NZHPT provided advice on scripts and technical issues. This has been a useful and accessible way of raising understanding among communities of the significance of their local places and their stories.

Developing the Heritage New Zealand narrative offers us challenges and opportunities in the year ahead, and continuing to engage people with our message will be crucial. The good news is that the environment for doing so is right. People care about heritage – and more so this year than last. We know this to be the case because the NZHPT used a low-cost omnibus survey approach to ask New Zealanders for their perspective on our built heritage. They were simple questions, but they yielded powerful responses.

There is a deep sentiment for New Zealand's built heritage and recognition that the buildings and places surrounding us form some of the most compelling visual reminders of who we are. They track our growth and developing sense of national identity, and form part of the cultural fabric upon which to build a shared future. They are more than monuments to the past; they are living

testaments to the things that continue to define us as New Zealanders.

We are proud of our ongoing work, particularly in a time of great uncertainty and transition. We are also confident of being in a strong position to continue our leading role in the identification, survival and appreciation of New Zealand's heritage.



Shonagh Kenderdine

Chair NZHPT Board

Tumuaki a te Poari Te Pouhere Taonga

31 October 2012

Sir Tumu te Heuheu KNZM

Chair Māori Heritage Council

Tiamana o te Kaunihera Tuku Iho Māori

31 October 2012



CHIEF EXECUTIVE'S INTRODUCTION

The NZHPT has experienced a period of change unlike any in recent memory, and we have come out of it in a position of relative strength. How we continue to navigate a changing economic, social and legislative environment will be our test as an organisation over the next few years. In particular, we are an organisation very much in transition. We are grateful to our supporters, and are well aware of the need to continue to engage them as we adjust to an anticipated new governance framework and brand in the coming year.

As this annual report shows, there are ongoing challenges but there are also reasons for optimism. As in previous years, Crown funding remained constant, providing a degree of certainty for operational planning. Third party sources of funding (including from membership and donations, spending by visitors to our properties and grant funding) are an increasingly significant contributor to our baseline funding.

At a time when the NZHPT was reallocating time and resources to support Canterbury recovery work, we have experienced a higher than expected level of demand for our services. We exceeded planned work in areas such as processing archaeological authorities, submissions on plans and policy documents, provision of advice on resource consents and assessments of Crown land disposal cases, heritage training to professionals, and our work with iwi on Māori built heritage and rock art projects.

The many achievements highlighted within this annual report attest to the strong organisational systems and procedures that the NZHPT has introduced over successive years. This is a maturing organisation that understands the environment in which it operates, and seeks to improve in its performance each year.

Remaining responsive to that changing environment is an ongoing challenge, and we have continued to foster awareness and understanding of heritage, sharing stories widely through the media, our own publications

and a large number of events where we have partnered with other organisations. We also completed a project that has made information about registered places and sites far more widely available. This was the completion of an upgrade of our website that makes it possible for search engines to access the Register Online, opening up this information in a way that was not previously possible.

Increasing social awareness of the value of our heritage buildings, and the important role they can play in the economic resilience of our communities, has been a focus of our work. Working directly with communities across New Zealand, we have helped them begin to face issues of access to expert advice, the need for cost-effective technical and engineering solutions, and recognition of the costs and benefits of the economic viability of commercial buildings. We recognise that we can engage more widely, and achieve more, by partnering with others.

This year's annual report highlights many of the ways these things have been done already. Our adaptive approach to new circumstances has set us in good stead to maintain the very high standards we set for ourselves in achieving the best results for New Zealand's heritage.

Bruce Chapman

Chief Executive



THE YEAR IN REVIEW

The NZHPT Board confirmed four strategic priorities for the 2011/12 year:

- > achieving financial sustainability
- > increasing appreciation and understanding of our shared heritage
- > achieving results through partnerships and relationships
- > enhancing the economic viability of heritage places.

These priorities were set in response to emerging challenges facing the organisation and their potential to impact on the NZHPT's ability to directly and indirectly affect outcomes for New Zealand's historic places.

An ambitious work programme was established and considerable efforts were made to achieve it. While the NZHPT was not able to realise all its targets, significant achievements were made at a time when the NZHPT was supporting ongoing recovery efforts in Canterbury and dealing with severe damage to two of the 48 historic places it cares for. There were significant losses from the Register, primarily as a result of the Canterbury earthquakes, but also some from fire and demolition in other centres as well. Where possible, the NZHPT ensured that information about these places was recorded before it was lost forever.

The 2011-12 year was the second in a three-year strategy focusing on the organisation's long-term financial sustainability. The NZHPT sought to increase self-generated revenue, reprioritise expenditure to finance its property activities and explore options for alternative management of some properties. There was concern over possible reductions in regional tourism spend and some sources of membership revenue impacting on the achievement of financial targets.

However external funding through grants bequests and donations has exceeded this year's target by \$328,000 and our internally generated income also exceeded target by \$159,000.

New and innovative partnership opportunities tied in with our work to increase appreciation and understanding of our shared heritage. By combining efforts with partner organisations, the NZHPT achieved greater contributions to heritage outcomes. Fine examples included:

- > our second successful appearance at the Queenstown TRENZ expo, which was rewarded with the sector's recognition that the NZHPT's heritage tourism product meets a marketplace need
- > the NZHPT Register is now part of an iPhone App thanks to a partnership with the Ministry of Education. Parents, teachers and students searching for schools can also see publicly accessible, Category 1 registrations in their area and link through to the Register Online
- > the travelling road show *Reel Life on the West Coast* reached over 1000 people through a partnership with the New Zealand Film Archive.

Increased understanding and appreciation of our shared heritage is important for its future.

The more people engage with our historic places, the more likely it is that ongoing support will be created for their retention and care. The NZHPT exceeded targets for both the number of public engagements and the heritage skills training events we held.

Hosting a heritage buildings seminar for real estate professionals and a cob building workshop for interested public are examples of our outreach work which connected with broad, diverse audiences including young people through school and scout group presentations, heritage tourism and special interest groups, iwi, business associations, local heritage groups and NZHPT members.

Other outreach examples include publications, along with our quarterly magazine, *Heritage New Zealand*, and monthly e-newsletter *Heritage This Month*, there are opportunities to focus on specific areas. Examples of successful adaptive reuse of historic places were highlighted in a booklet targeting owners, councils and other key stakeholders. Published in July 2011, it aimed to showcase the economic and social value and potential that owners themselves see in their properties. Also valuable in sharing heritage information, more than 200 media releases, interviews and articles were produced and the NZHPT expanded its use of social media as well. Along with the Lyttelton Timeball Station Facebook page, two were added for Wellington's Old St Paul's and Highwic in Auckland. Along with an overarching NZHPT page, these are being used to test public engagement with particular properties and to connect with audiences who may not be reached through other channels.

Also core to our work programme each year is advocacy and regulatory work. A considerable focus of effort on second generation district plans saw successful outcomes. The Auckland Plan, for example, provides a long-term regional vision, with emphasis on urban intensification.

Following submissions on the draft plan, including an extensive one from the NZHPT, a chapter was added emphasising the importance of historic heritage.

Registration and identification work generated considerable media interest this year, and we seized opportunities for promoting it and increasing our profile as a reliable and authoritative source for heritage place-based information and also as the holder of the national Register. During 2011-12, 65 places were added to the Register, but 82 were removed as a result of lost heritage through demolition, fire or as a result of the Canterbury earthquakes.

There were 985 archaeological authorities issued over the year, more than double what had been anticipated. While this work reflects an actual loss of a historic site – through modification or destruction – some exciting discoveries have helped to increase our understanding of New Zealand's history. These included archaeological discoveries in Lyttelton (noted on page 2), and Christchurch city where a brick-lined cellar in Madras Street and furnaces in Dundas Street were uncovered and received considerable media attention.

Information continues to be developed to support best practice for heritage protection and conservation. The NZHPT worked alongside many Councils to assist with the development of earthquake-prone building policies. In Whanganui, for instance, the NZHPT is a member of a Council-led reference group developing a policy with community input responding to the particular issues of the high proportion of unreinforced masonry buildings in the city's building stock. The NZHPT has also allocated additional resources to enable specialist expertise in seismic engineering to be made available to inform decision-making for heritage buildings in Canterbury and other parts of the country.

This year, the NZHPT improved access to Register information by optimising the Register Online for search engines, making it possible to access its data via major search engines such as Google and Yahoo. The general search within the website itself was also upgraded.

The quality of the Register information available has also been improved: 88% of Register Online entries now have an image, up from 17% when the Images Project started in June 2008. A number of these images have been 'crowd sourced' through the NZHPT's Flickr account, which the Department of Internal Affairs used this year as a good example in the all-of-government guidelines on the use of social media.

The NZHPT has also increased the representation of Māori heritage on the Register with 12 significant new registrations, including Wairau Bar in Blenheim. It is a site of great significance to Rangitāne and for understanding the history of New Zealand, and was probably one of the first places settled by people arriving from central Polynesia.

Our ongoing work to resolve deficient registrations has continued, with good progress made this year (59 resolutions). This included the Rotorua Government Gardens Historic Area, which was registered in conjunction with Paepaehakumanu Motutara Wāhi Tapu Area in a dual process after considerable consultation with the local iwi. The project is now more than 70% complete, with over 723 deficient registrations resolved. The remaining 277 will be resolved through a faster process that was trialled in the second half of the financial year. The project is expected to be completed in 2014.

Although only canvassing a small portion of it, this summary of our year's work (along with the range of achievements across our three output areas in the next section) shows we continue to be a Crown Entity that strives to meet and exceed expectations, both of the Crown as well as wider stakeholders with whom we work. This group includes councils, developers, iwi, historic building owners and the people of New Zealand.



STATEMENT OF GOVERNANCE

GOVERNANCE FRAMEWORK

NZHPT is an autonomous Crown Entity under the *Crown Entities Act 2004* and its governance framework includes:

- > *Crown Entities Act 2004* (CEA)
- > *Historic Places Act 1993* (HPA)
- > Governance policies adopted by the NZHPT Board, including terms of reference for Board Committees
- > Principles, practice and guidelines governing the relationship between Board and the Māori Heritage Council.

NZHPT BOARD

1. Role

The Board is accountable to the key stakeholders for establishing the NZHPT's vision and setting the strategies to be adopted to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand and to set the values to be promoted throughout the organisation. The Board also approves the allocation of resources in accordance with the strategic priorities and carries out duties which, under the Historic Places Act, it cannot delegate to management.

2. Appointment of Board Members and Composition of Board

The Board is composed of:

- > Three Board members elected by members of the NZHPT
- > Six Board members appointed by the Minister for Arts, Culture and Heritage (three of whom must, in the opinion of that Minister after consultation with the Minister of Māori Affairs, be qualified for appointment having regard to their knowledge of te ao Māori and tikanga Māori).

3. Board Members' Remuneration

This remuneration is set by the Minister consistent with the guidelines set by the State Services Commission and Cabinet Office guidelines.

4. Board Meetings and Attendance at Meetings

The Board held six meetings in this financial year and one of these was a joint meeting with the Māori Heritage Council. The Board's annual programme is set by the Board in conjunction with the Chief Executive.

Board meetings were attended as follows:

Board Member	Board Meetings attended
Shonagh Kenderdine (Chair)	6
Sir Tumu te Heuheu	4
Ian Athfield	6
Anna Crighton	6
Naida Glavish (appointed 15 August 2011)	5
David Kiddey	6
Dr Apirana Mahuika	3
Allan Matson	6
Brian McGuinness	6

5. Board Committees

The Board has four committees: the Registration Committee, the Chief Executive's Employment Committee; the Audit and Risk Committee; and the Strategy Committee.

Both the Registration Committee and the Audit and Risk Committee have one external member who is not a member of the Board or Māori Heritage Council appointed for their particular skills and experience. All other committees are made up of only Board or Māori Heritage Council members.

All committees have terms of reference, which are reviewed on a regular basis.

The Registration Committee met eight times in the 2011-12 financial year, the Chief Executive's Employment Committee twice, the Audit and Risk Committee four times and the Strategy Committee once.

6. Standards of Conduct

The governance policy adopted by the Board sets out the standards of conduct to be followed by Board members in carrying out their duties. This policy is reviewed annually by the Board.

7. Conflicts of Interest and Disclosure of Interests

Each Board member has made a full disclosure of their interests and this is updated at every Board meeting. If a conflict of interest exists, the Board member excuses themselves from the discussion, does not take part in any decision or vote, and nor do they receive the relevant paper in respect of that interest.

8. Board Members' Insurance and Indemnity

Insurance has been effected for Board members in respect of any act or omission in their capacity as such.

9. Evaluation of Board's Performance

The Board has a process by which its performance is evaluated and the results of this are conveyed to the Minister.



ORGANISATIONAL HEALTH AND CAPABILITY

GOOD EMPLOYER COMPLIANCE

The NZHPT has comprehensive human resource management policies designed to comply with the principles of being a good employer and other legislative requirements. Policies are available to staff electronically on the NZHPT's network and hard copies are held at most places of work. Staff are given the opportunity to give feedback on any proposed changes to policies.

The principle of consultation and involvement in policy development is enshrined in specific policies related to decision-making and roles and responsibilities.

One indicator of the effectiveness of human resource policies is turnover, which was 16% this year compared to 8% last year. This included three staff who were made

redundant as a result of the Canterbury earthquakes and also a number of staff who retired. Exit interviews do not indicate any particular recurring issues that need to be addressed.

The NZHPT's key activities against the seven key elements of being a 'good employer' in 2011-2012 are summarised below:

Element	NZHPT Activity
<p>1. Leadership, accountability and culture</p>	<p>CE's staff meetings – updates on Board meetings, strategic direction and key organisational issues.</p> <p>Weekly meetings with senior staff and CE (conference call).</p> <p>CE addresses induction groups and affinity groups to emphasise key messages – vision, direction and values.</p> <p>NZHPT's intranet Te Kete provides ease of access to all policy documents and information required by staff.</p> <p>CE's expenditure disclosures completed and posted on SSC data website every six months.</p> <p>Bi-monthly Operating Reviews, Annual Performance Reviews for all staff, and Quarterly Reviews for Tira and Heritage Destinations with CE and National Business Manager.</p> <p>Performance Management Policy.</p> <p>Management/leadership courses for managers.</p>
<p>2. Recruitment, selection and induction</p>	<p>Robust and transparent recruitment and selection processes.</p> <p>All permanent positions are advertised.</p> <p>Support person allowed at interviews.</p>

Element	NZHPT Activity
	Two-day induction programmes are available to all new staff. A formal induction process is carried out for all new staff.
3. Employee development, promotion and exit	Personal Development Programme. Employees are encouraged to apply for internal promotions. Affinity Groups for collegial development of professional staff. Memberships of professional organisations for all relevant staff. Acting-up opportunities with higher duties allowance. Exit interview process.
4. Flexibility and work design	Part-time/flexible options are available where position content permits. Job share options may also be available. Position descriptions are monitored to reflect correct job design.
5. Remuneration, recognition and conditions	Transparent, equitable and gender neutral job evaluation practices. Two-yearly remuneration reviews, two-yearly market comparisons. Remuneration is gender-neutral and based on the role. Staff reward scheme. Free membership of NZHPT and free access to NZHPT and National Trust properties.
6. Harassment and bullying prevention	Employee code of conduct included in all employment agreements. Meetings held promptly to mediate and address issues that arise.
7. Safe and healthy environment	Health and Safety Committee. Health and Safety Policy. Workplace assessments. Civil Defence and health and safety equipment supplied to all sites. Employment assistance programme provided by Vitae Ltd. First aid and site safe training available. Business Continuity Plans developed and updated in response to lessons learned from the Canterbury earthquakes. Log of emergency contacts held for all staff that is updated monthly.

EQUAL EMPLOYMENT OPPORTUNITIES

The NZHPT maintains a diverse workforce made up of a wide range of people representing different age groups and ethnicity. The NZHPT is a bicultural organisation and provides regular training to staff in the areas of tikanga and Te Reo. All staff are encouraged to participate.

The majority of the workforce is women, with 71% female compared to 29% male. This is significantly higher than the public service and national labour forces. As at 30 June 2012,

there were 107 full-time equivalent staff. The average length of service in the organisation is six years, one month.

Equal Employment Opportunity (EEO) principles and processes are part of mainstream management practices in the NZHPT. These are supported through human resources policies that are designed to ensure that non-discriminatory approaches and procedures are observed.



STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2012

In terms of the Crown Entities Act, the Board of the NZHPT is responsible for the preparation of the NZHPT's financial statements and Statement of Service Performance and for the judgments made in them.

The NZHPT Board has the responsibility for establishing, and has established, a system of internal control to provide reasonable assurance as to the integrity and reliability of financial reporting. In the Board's opinion, these

financial statements and Statement of Service Performance fairly reflect the financial position and operations of the NZHPT for the year ended 30 June 2012.

A handwritten signature in black ink, appearing to read 'S. E. Kenderdine'.

Shonagh Kenderdine
NZHPT Board Member
31 October 2012

A handwritten signature in black ink, appearing to read 'Sir Tumu te Heuheu'.

Sir Tumu te Heuheu KNZM
NZHPT Board Member
31 October 2012



STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2012

There are three key outcome areas where the NZHPT sought to make a difference: Heritage Identification, Heritage Survival and Heritage Appreciation.

These three headings represent the work of the organisation, all of which share an overarching outcome for the NZHPT and are in line with the Government's goal for the cultural and heritage sector.

Overview:

Government's Goal for the Cultural Sector:

New Zealand's distinctive culture enriches our lives

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 increases (Engage)
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NZHPT Outcomes:

Present and future generations of New Zealanders experience and enjoy a sense of place, community and belonging.

<p>Identification</p> <p>Places that contribute to New Zealand's culture and heritage are identified and their stories recorded.</p> <p>Measured by</p> <p><i>The Register is increasingly regarded as the authoritative source of information on New Zealand's significant heritage places.</i></p>	<p>Survival</p> <p>Places that are identified as significant to New Zealand's culture and heritage survive.</p> <p>Measured by</p> <p><i>Loss of registered heritage through demolition or destruction is minimised.</i></p>	<p>Appreciation</p> <p>New Zealanders appreciate those places that contribute to their sense of place, community and belonging.</p> <p>Measured by</p> <p><i>Public awareness and understanding of heritage is improved.</i></p>
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NZHPT KEY PRIORITY OUTPUTS

OUTPUT 1 – HERITAGE IDENTIFICATION

Places that contribute to New Zealand’s culture and heritage are identified and their stories recorded.

Identification of New Zealand’s significant heritage places is the critical first step in the conservation and appreciation of our historic heritage. A core statutory function, identification work undertaken by the NZHPT contributes directly into the output areas of heritage survival and appreciation. The national Register of historic places, historic areas, wāhi tapu and wāhi tapu areas identifies New Zealand’s most significant heritage places.

The Register is maintained and enhanced by the NZHPT and records the stories of our most significant heritage places. Much of this information is made available online to iwi, local authorities, owners of heritage properties, heritage professionals and the public.

A review of the Register by the NZHPT Board has resulted in: input into the Ministry-led legislation review; measures identified to improve the accessibility of Register information by making wāhi tapu available online; and improving both consistency in

registration thresholds and identification of under-represented heritage. This year, along with enhancing the Register through new additions, reviewing existing registrations and upgrading heritage information, the NZHPT has improved the Register Online through search engine optimisation. Before this, the public could only search for registrations while in the Register Online. Now search engines, such as Google, return Register results as does the search on the NZHPT’s own website.

The NZHPT also worked with iwi and hapū to progress 12 registrations of interest to Māori, including undertaking three registrations relating to New Zealand’s shared heritage with Pacific nations as part of the ‘Waka-Wairua’ Project. Work has been undertaken to address areas under-represented in the Register by progressing a project to recognise more modern heritage, for example, NZHPT has registered the Hocken Building in Dunedin.

Long-Term Impact Indicator:

Long-Term Impact Indicator	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
The Register is increasingly regarded as the authoritative source of information on New Zealand’s significant heritage places.	Baseline to be established.	Stakeholder Survey to establish baseline was not undertaken.	Not achieved. This measure was not considered to be useful in the long term and therefore the baseline survey was not conducted.

... continued on the next page.

Long-Term Impact Indicator ... continued	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
<i>Measured by an increase in % of respondents who consider the Register as an authoritative source of information on heritage places (stakeholder survey held every three years).</i>			This area of NZHPT's work was renamed Heritage Knowledge in the Statement of Intent 2012-2015 and a new long-term impact indicator determined.

Key Performance Indicators:

Initiatives and Activities	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
New Zealand's significant heritage is prioritised and recognised by being included in the NZHPT Register. <i>Measured by additions to the Register.</i>	67	65	Not achieved. One registration proposal was withdrawn from the June Board meeting as a late submission was received immediately prior to the meeting. One registration proposal was also withdrawn from the Māori Heritage Council meeting as additional information was required.
Information on registered heritage is fit for purpose measured by current Board standards. <i>Measured by cumulative % of entries that have a Statement of Significance.</i>	39.5%	39.5%	Achieved.
Improve the recovery of information as shown by a decreased proportion of overdue archaeological reports required as part of archaeological authorities. <i>Measured by the % reduction in the number of overdue reports (biennial audits).</i>	Next audit proposed for 2012-13 year.	N/A	N/A

Other Inputs and Activities:

Inputs and Activities	Estimated Levels of Activity 2011-12	Actual Outputs	Achieved/Not Achieved
Existing registrations reviewed.	46	121	Achieved. The estimate was exceeded due to the large number of removals of entries from the Register as a result of the Canterbury earthquakes.
Register location information updated.	320	251	Not achieved. The Canterbury earthquakes prevented a planned project in Christchurch to complete 200 technical changes.
Deficient registrations resolved.	49	59	Achieved.

Total Expenditure for Output:

Initiatives and Activities	Actual Expenditure 2010-11 \$000	Projected Expenditure for 2011-12 \$000	Actual Expenditure for 2011-12 \$000
Heritage Identification output.	2,612	2,500	2,344

OUTPUT 2 – HERITAGE SURVIVAL

Places that are identified as significant to New Zealand’s culture and heritage survive.

Survival of heritage is a key contributor to the NZHPT outcome of heritage appreciation by providing physical reminders of our past in meaningful ways. The NZHPT has two primary areas of interest within this output area: the properties we manage and the other significant heritage places identified as important to New Zealanders.

The NZHPT cares for 48 properties together with associated collections of some 80,000 items, forming one of the largest heritage property portfolios in New Zealand. Following the work carried out this year, 67% of deferred maintenance projects and 44% of the safety projects have been completed. Major projects that were completed included: repair to the roof of Old St Paul’s and seismic strengthening of the Antrim House chimneys in Wellington; and re-shingling of the Kerikeri Stone Store roof and upgrade of fire sprinklers in Kemp House, New Zealand’s oldest existing building (also in Kerikeri).

The Canterbury earthquakes have seriously affected two NZHPT properties: Coton’s cottage at Hororata (an earth building) was severely damaged and stage one of reconstruction has been completed (stage two scheduled for 2012-13); and the Lyttelton Timeball Station was rendered irreparable and carefully dismantled. The salvaged material is now in storage while the future of the site is being considered.

In addition to the properties we manage, we have also encouraged improved survival rates for significant heritage places nationwide with a particular focus on the Canterbury region following the earthquakes in 2010-2011.

The NZHPT has supported Cantabrians in the wake of these events by successfully:

- > providing a fast-track service for processing Emergency Authorities to permit the modification of archaeological sites affected by the earthquakes
- > assisting owners of damaged heritage building with conservation and engineering advice
- > giving heritage advice to the Canterbury Earthquakes Royal Commission
- > providing heritage assessments to the Canterbury Earthquake Recovery Authority (CERA).

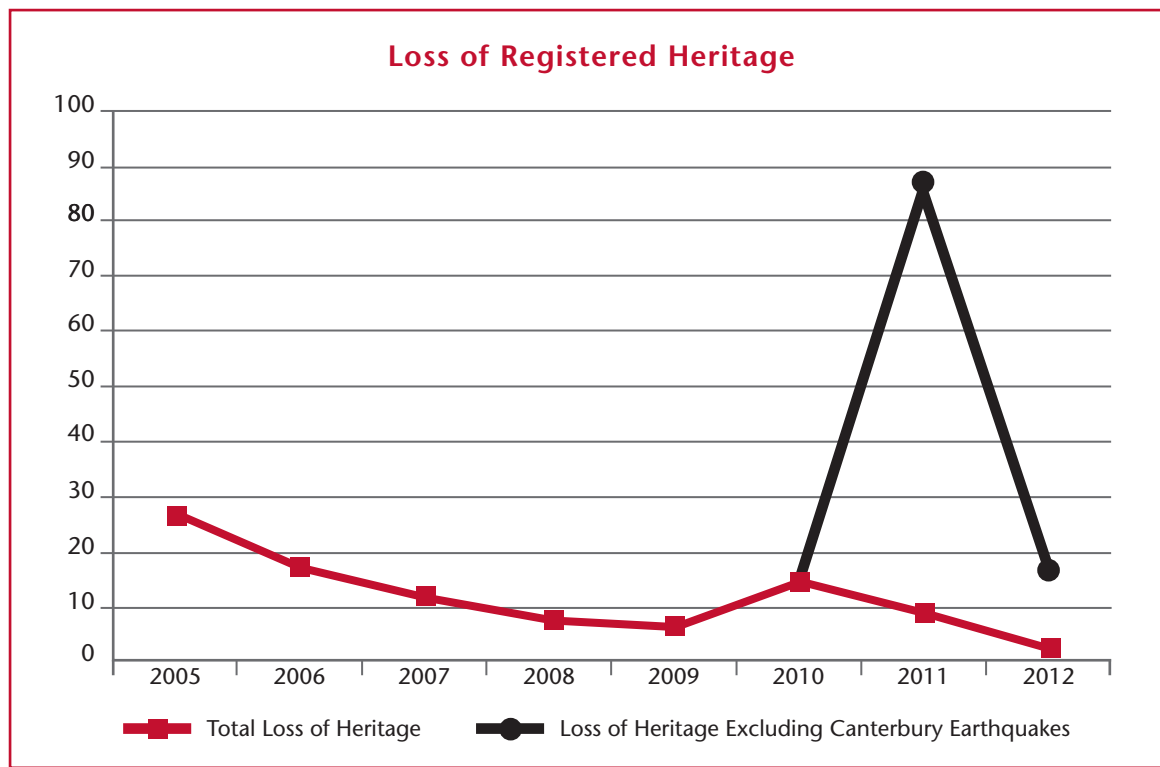
At a policy level we are working with central government agencies to assist in the recovery of Canterbury, and also the conservation of heritage throughout the country, in a post-disaster environment.

Nationwide we have encouraged improved survival rates through a combination of:

- > advice to owners
- > assistance with grant applications
- > administration of the National Heritage Preservation Incentive Fund
- > advice and direct assistance for conservation work on Māori built heritage
- > administration of the Crown land disposal process
- > statutory advocacy on individual resource consent applications
- > submissions on local authority planning documents
- > direct regulation of the modification of archaeological sites through the archaeological authority process.

Long-Term Impact Indicator:

Following a pleasing downward trend of heritage loss since 2005, the Canterbury earthquakes have resulted in an unprecedented amount of loss of registered heritage as illustrated in the following graph:



The large numbers of losses over the 2010-2012 years are a direct result of the Canterbury earthquakes.

Long-Term Impact Indicator	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
Loss of registered heritage through demolition or destruction. <i>Measured by the total number of registered sites, buildings or places where the feature lost was the main contributor to the significance.</i>	Minimise all losses.	82	High loss due to demolitions following the Canterbury earthquakes.

Key Performance Indicators:

Initiatives and Activities	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
NZHPT properties are maintained in accordance with the 50-year NZHPT Properties Maintenance Plan. <i>Measured by % of NZHPT properties that are managed in accordance with the cyclical plan.</i>	80%	100%	Achieved. Plan includes provision for zero expenditure at some sites.
Delivery of deferred maintenance and safety recommendations. <i>Measured by % of identified deferred maintenance and safety projects to be completed.</i>	50%	53% completed. 67% of identified deferred maintenance projects complete; 44% of identified safety projects complete.	Achieved.
Archaeological authorities processed within statutory timeframes. <i>Measured by % that meet timeframes.</i>	100%	100% Standard Authorities. 99.8% Emergency Authorities.	Achieved. Not achieved (one Emergency Authority application was processed outside of the three working day timeframe).
Archaeological authorities that avoid or protect archaeological sites. <i>Measured by % authorities that avoid or protect sites.</i>	20%	17%	Not achieved. The estimate is lower than expected in part due to several Emergency Authorities in Canterbury which related to site work following the earthquakes. These authorities were for sections where rebuilding is proposed and there were fewer opportunities to avoid or protect sites.

Initiatives and Activities ... continued	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
Heritage sites successfully protected or damage avoided as a result of NZHPT involvement in resource management, archaeological authority, advocacy and Crown land disposal processes. <i>Measured by number of sites protected or avoided.</i>	585	497	Not Achieved. There was a higher loss rate this year due to demolitions following the Canterbury earthquakes.
NZHPT involvement in resource consents is positive for heritage. <i>Measured by % of resource consents that are positive for heritage where decision is known.</i>	80%	95%	Achieved.
Increased number of Territorial Local Authorities meet NZHPT heritage management standards. <i>Measured by number of district plans that meet defined standard (biennial assessment).</i>	No assessment scheduled for this year.	N/A	N/A
NZHPT assessments of land proposed for disposal by Crown agencies are completed within specified timeframes. <i>Measured by % of assessments completed within specified timeframes.</i>	95%	100%	Achieved.
Fund allocated in accordance with the policy. <i>Measured by % of funds allocated in accordance with the policy.</i>	100%	100%	Achieved.

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Initiatives and Activities ... continued	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
Approved applications monitored and reported. <i>Measured by % of approved applications monitored and reported.</i>	100%	100%	Achieved.

Other Inputs and Activities:

Inputs and Activities	Estimated Levels of Activity 2011-12	Actual Outputs	Achieved/Not Achieved
Archaeological Authorities processed.	400	985 (608 are Emergency Authorities)	Achieved. The estimate was exceeded due to the amount of work occurring in Christchurch following the Canterbury earthquakes.
Policy submissions relating to plan and policy documents submitted to local authorities and central government.	80	135	Achieved.
Advice given on resource consents and related processes including the <i>Building Act 2004</i> .	1,280	1,516	Achieved.
NZHPT assessments of land proposed for disposal by Crown agencies are completed within specified timeframes. <i>Measured by % of assessments completed within specified timeframes.</i>	260	319	Achieved.
Covenants negotiated over heritage properties.	9	14	Achieved.

Inputs and Activities	Estimated Levels of Activity 2011-12	Actual Outputs	Achieved/Not Achieved
Deliver heritage training events to professionals.	25	53	Achieved.
Work with iwi, hapū and whanau on Māori built heritage and rock art projects.	8 projects	8	Achieved.

Total Expenditure for Output:

Initiatives and Activities	Actual Expenditure 2010-11 \$000	Projected Expenditure for 2011-12 \$000	Actual Expenditure for 2011-12 \$000
Heritage survival output.	7,862	8,058	7,742

OUTPUT 3 – HERITAGE APPRECIATION

New Zealanders appreciate those places that contribute to their sense of place, identity and belonging.

Following the identification of our significant heritage places, an important part of the NZHPT's work is sharing their stories.

Fostering appreciation of our unique heritage among New Zealanders and our overseas visitors will encourage the survival of these important places for the future.

Appreciation of heritage is fostered through experiencing significant heritage places and understanding the stories associated with them. We live and work in heritage places, visit them for recreational or business purposes, and engage in community events at heritage venues. They form part of our daily environment in streetscapes and landscapes.

The stories shared about our collective past build understanding and appreciation and our efforts this year included:

- > improved interpretation and events at the heritage properties we manage
- > increased accessibility to heritage stories through our website and the Register Online, and sharing these through our magazine *Heritage New Zealand* and e-newsletter *Heritage This Month*
- > more use this year of social media including Facebook and an iPhone app developed in partnership with the Ministry of Education.

Long-Term Impact Indicator:

Long-Term Impact Indicator	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
Public awareness and understanding of heritage is improved in results from a public survey undertaken every three years. <i>Measured by improvement in % of respondents who rate their interest in heritage as 'very interested' or better.</i>	Next survey scheduled for 2013.	N/A	N/A

Key Performance Indicators:

Initiatives and Activities	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
Increase in visitor numbers at NZHPT staffed properties. <i>Measured by total number of visitors.</i>	210,000 visitors.	206,680 visitors.	Not achieved. There is a continuing downturn in tourism numbers.
Maintain high level of visitor satisfaction at NZHPT staffed properties. <i>Measured by % of respondents rating visit as 'satisfied' or higher.</i>	90%	93%	Achieved.
Improve the accessibility and usefulness of heritage information available online, as shown by increased use of NZHPT web pages (including Register Online). <i>Measured by average page views per month.</i>	48,000 average page views.	71,280 average monthly views.	Achieved.

Initiatives and Activities ... continued	2011-12 Planned Outputs	Full Year Result – Actual Outputs	Achieved/Not Achieved
<p>Customer satisfaction is maintained as recorded by responses to website feedback form.</p> <p><i>Measured by % of users who rate their overall experience as 'satisfactory' or better.</i></p>	<p>90% overall rating.</p>	<p>51.6% Register Online.</p>	<p>Not achieved.</p> <p>There were 327 respondents to the Register Online survey, but only 80 to the website survey, which means the latter does not have a statistically significant response base. However, based on comments collected as part of the surveys, low satisfaction with search functionality and difficulties in finding information seem to be strongly indicated in both. A project to improve the site's search function and enable search engines to access the Register Online is expected to address these issues. An ongoing survey will help in determining whether this response addresses user concerns.</p> <p>In spite of the lower than hoped for satisfaction levels, 83.4% of respondents said they would recommend the Register Online to others, and 80.8% would recommend the NZHPT website to others.</p>

Other Inputs and Activities:

Inputs and Activities	Estimated Levels of Activity 2011-12	Actual Outputs	Achieved/Not Achieved
Improve visitor facilities and interpretation at selected NZHPT properties. <i>Measured by number of projects completed.</i>	4	4 Fyffe House – new interpretation. Highwic – interpretation upgrade. Old St Paul’s – new toilet block and upgrade of existing toilets. Hayes Engineering – upgrade to full café service.	Achieved.
Work in partnership to undertake a range of initiatives to enhance heritage appreciation. <i>Measured by number of initiatives.</i>	24	40	Achieved.
Produce media releases, comment, features and articles.	180	211	Achieved.

Total Expenditure for Output:

Initiatives and Activities	Actual Expenditure 2010-11 \$000	Projected Expenditure for 2011-12 \$000	Actual Expenditure for 2011-12 \$000
Heritage appreciation output.	6,430	6,820	6,045



FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
INCOME				
Revenue from Crown	2	12,988	12,988	12,988
Grants		367	510	591
Property	4	1,369	1,350	1,293
Interest		332	280	466
Membership		568	600	614
Donations and Bequests	26	671	200	497
Sundry		220	100	198
Income from Operations		16,515	16,028	16,647
EXPENDITURE				
Fees Paid to the Auditors	5	47	47	47
Administration		1,735	2,483	2,445
Personnel	6	8,084	8,100	8,053
Property		3,188	3,320	2,982
Incentive Fund		213	250	269
Rental Costs on Equipment		5	50	44
Operating Leases				
Depreciation and Amortisation	11, 12	577	800	780
Communications		553	550	681
Membership		770	850	633
Board Fees	20	116	128	110
Travel and Accommodation		843	800	860
Total Expenditure		16,131	17,378	16,904
Net Surplus (Deficit) for the Year Before Exceptional Items		384	(1,350)	(257)

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The accompanying notes on pages 32 to 55 form an integral part of these financial statements.

<i>... continued</i>	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Insurance Settlement from Canterbury Earthquakes	3	202	0	1,323
Other Income for Earthquake Related Activity		190		
Expenditure Related to Canterbury Earthquakes	3	(873)	0	(644)
Loss on Derecognition of Property, Plant and Equipment Due to Earthquake Impairment	3	0	0	(1,370)
Net (Deficit) for the Year		(97)	(1,350)	(948)
Other Comprehensive Income				
Loss on Revaluation of Land Due to Canterbury Earthquakes	3	0	0	(82)
Gain on Revaluation of Heritage Artefacts		335	0	0
Total Comprehensive Income		238	(1,350)	(1,030)

Expenditure allocated by outputs is broken down as follows:

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Heritage Identification	2,344	2,500	2,612
Heritage Survival	7,742	8,058	7,862
Heritage Appreciation	6,045	6,820	6,430
Total Operating Expenditure	16,131	17,378	16,904

The accompanying notes on pages 32 to 55 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
EQUITY				
Accumulated Funds	7	8,209	9,354	8,076
Crown Capital Fund	7	163	0	516
Branch Accumulated Funds	7	215	0	244
Specified Funds and Bequests	7, 8	3,122	1,730	2,977
NZHPT Property Maintenance and Development Fund	7	3,428	2,100	3,420
Revaluation Reserve	7	35,405	35,215	35,071
Total Equity		50,542	48,399	50,304
Equity is represented by:				
CURRENT ASSETS				
Cash and Cash Equivalents	9	1,404	1,948	1,903
Short-Term Deposits	9	6,089	6,200	6,054
Trade and Other Receivables	10	1,951	100	1,906
Inventory		207	220	211
GST Receivable		251	0	275
Total Current Assets		9,902	8,468	10,349
NON-CURRENT ASSETS				
Property, Plant and Equipment	11	42,884	42,181	42,596
Work in Progress		167	150	42
Intangible Assets	12	39	200	160
Total Non-Current Assets		43,090	42,531	42,798
Total Assets		52,992	50,999	53,147
CURRENT LIABILITIES				
Trade and Other Payables	13	901	1,000	1,341
Provision for Incentive Fund Grants	14	651	700	678
Employee Entitlements	15	843	600	758
GST Payable		0	230	0
Total Current Liabilities		2,395	2,530	2,777
NON-CURRENT LIABILITIES	15	55	70	66
Total Liabilities		2,450	2,600	2,843
NET ASSETS		50,542	48,399	50,304

The accompanying notes on pages 32 to 55 form an integral part of these financial statements.

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
Opening Equity	50,304	49,749	51,334
Net Comprehensive Income	238	(1,350)	(1,030)
Closing Equity	50,542	48,399	50,304

The accompanying notes on pages 32 to 55 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2012

Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Government Funding	12,988	12,988	12,988
Grants	662	510	120
Other Operating Activities	2,889	2,250	2,595
Net Goods and Services Tax	24	0	0
Interest	323	280	468
	16,886	16,028	16,171
Cash was applied to:			
Payment of Suppliers	(8,806)	(8,478)	(8,703)
Payment to Employees	(8,010)	(8,100)	(7,975)
Net Goods and Services Tax	0	0	(506)
	(16,816)	(16,578)	(17,184)
Net Cash from Operating Activities	16	(550)	(1,013)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of Fixed Assets	(367)	(382)	(231)
Work in Progress	(167)	0	(43)
Purchase Short-Term Investments	(35)	0	0
Net Cash from Investing Activities	(569)	(382)	(274)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Sale Short-term Investments	0	1,000	1,769
	0	1,000	1,769
Net (Decrease)/Increase in Cash	(499)	68	482
Opening Cash Balance	1,903	1,880	1,421
Closing Cash Balance	1,404	1,948	1,903
Represented by			
Petty Cash and Imprest Balances	11	9	12
Short-Term Deposits (less than 90 days)	1,393	1,939	1,891
	1,404	1,948	1,903

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

The accompanying notes on pages 32 to 55 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2012

Reporting Entity

The New Zealand Historic Places Trust/Pouhere Taonga (NZHPT) is domiciled in New Zealand and 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. As such, the ultimate parent is the New Zealand Government.

The NZHPT's registered office is at Antrim House, 63 Boulcott Street, Wellington.

The NZHPT's primary objective is to identify, protect and promote heritage in New Zealand (as enshrined in its Vision, Mission and Values Statements and Statement of Service Performance).

Accordingly, the NZHPT has designated itself as a Public Benefit Entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the *Public Finance Act 1989* and the *Crown Entities Act 2004*, which includes the requirements to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

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

The financial statements are prepared on the basis that the NZHPT continues to be a going concern.

The financial operations of the NZHPT's Branch Committees are included in these financial statements.

Measurement Base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all numbers are rounded to the nearest thousand dollars (\$000). The functional currency for NZHPT is the New Zealand dollar.

Standards and Interpretations in Issue Not Yet Adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were issued but not yet effective.

NZ IFRS 9 Financial Instruments

The Standard introduces new requirements for the classification and measurement of financial assets and is effective from 1 January 2015. All recognised financial assets that are currently in the scope of NZ IAS 39 will be measured at either amortised cost or fair value. In order for financial assets to be measured at amortised cost, certain criteria must be met.

Initial application of this Standard is not expected to have any material impact on the amounts reported or disclosures made by the NZHPT.

All other Standards that are on issue but not yet effective are not expected to have a material impact on the NZHPT.

A new reporting framework is in the process of being adopted for Public Sector Entities with an effective date for adoption being on or after 1 July 2014. As the NZHPT will be adopting these Standards when they come into effect there is no requirement to implement any further IFRS changes.

Significant Accounting Policies

The financial statements (with the exception of cash flow information) have been prepared using the accrual basis of accounting.

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

Revenue

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

Revenue from the Crown: The NZHPT is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the NZHPT meeting its objectives as specified in the NZHPT Statement of Intent. Revenue from the Crown is recognised as revenue when received and is reported in the financial period to which it relates. Crown funding received as a capital injection is accounted for in the Statement of Movements in Equity.

Other Grants: Non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Membership Subscriptions: Membership subscriptions are recognised in the period received.

Interest: Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Donations and Bequests: All donations and bequests received are recognised in the period they are received. However, those with restrictive conditions are transferred to Specified Funds and Bequests

within Accumulated Funds. The net return on each of these funds from interest earned and payments made is treated in the same manner.

Rental Income: Lease receipts are recognised as revenue on a straight-line basis over the lease term.

Sale of Merchandise and Publications: Sales of merchandise and publications are recognised when the product is sold to the customer.

Vested Assets: Where a physical asset is gifted or acquired by the NZHPT for nil or nominal cost, the fair value of the asset is recognised as income. Such assets are recognised as income when control over the asset is obtained.

Volunteer Services: The operations of the NZHPT are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure by the NZHPT due to the difficulty of measuring their fair value with reliability.

Incentive Fund Grant Expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where NZHPT has no obligation to award on receipt of the grant application, and are recognised as expenditure when approved by the Board and the approval has been communicated to the applicant.

Leases

Finance Leases: The NZHPT does not enter into finance lease arrangements.

Operating Leases: Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the NZHPT are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Income.

Cash and Cash Equivalents

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

Debtors and Other Receivables

Debtors and other receivables are measured at fair value, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the NZHPT will not be able to collect amounts according to the original terms of the receivable.

Inventories

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost or weighted average cost after making appropriate provision for obsolete items.

Property, Plant and Equipment

Property, plant and equipment asset classes consist of land, buildings, leasehold improvements, heritage artefacts, display and interpretation, land development, plant and equipment and library.

The NZHPT has interests in land and buildings in the following categories:

(i) *NZHPT 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 to 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.

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

Revaluations: Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every two years.

Heritage artefacts are by nature specialised and are managed by the NZHPT to be preserved in perpetuity as required by the *Historic Places Act 1993*. These items are revalued and measured on a fair market value but are not depreciated. Fair value is determined through a process of rolling valuations.

Accounting for Revaluations

The NZHPT accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation and recognised as Other Comprehensive Income. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed. Any subsequent increase on revaluation that offsets a previous decrease in value is recognised as part of the net surplus for the year, up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset and shown as part of Other Comprehensive Income. Revaluations are undertaken biennially and were last undertaken as at 30 June 2011.

Additions

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

Subsequent Costs

Costs incurred by the NZHPT in restoring property and plant to their original condition are capitalised. Costs of maintaining these assets once renovation is complete are recognised in net surplus for the year.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the net surplus for the year. When revalued assets are sold, the amounts included in the revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land, heritage artefacts and library), at a rate that will write-off the cost (or valuation) 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, vested or managed in the NZHPT are depreciated in accordance with NZ IAS 16.

Computer hardware	3 years
Leasehold improvements	5 years
Plant and equipment	5 years
Displays and interpretation	10 years
Land development	15 years
Buildings	100 years

The residual value and useful life of an asset is reviewed, and adjusted (if applicable), at each financial year-end. At the end of last year the useful life of Buildings Internal (previously 40 years) was deemed to be the same as its external life and changed to 100 years. This was implemented on 1 July 2011 with a decrease in depreciation expense of \$30,451.

Intangible Assets

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the NZHPT are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the NZHPT's website are recognised as an expense when incurred.

Amortisation

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

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

Acquired computer software	3 years
Developed computer software	4 years

Impairment of Non-financial Assets

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

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on its ability to generate net cash inflows and where the NZHPT would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the net surplus for the year.

For assets not carried at a revalued amount, the total impairment loss is recognised in the net surplus for the year.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in this Statement.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the net surplus for the year.

Creditors and Other Payables

Creditors and other payables are initially measured at fair value and subsequently at amortised cost.

Employee Entitlements

Short-term Employee Entitlements

Employee entitlements that the NZHPT expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

The NZHPT recognises a liability for sick leave to the extent that compensated absences in the coming year are greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences (actuarial basis).

The NZHPT recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Long-term Employee Entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information.

Superannuation Schemes

Obligations for contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the Statement of Comprehensive Income.

Provisions

The NZHPT recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST with the exception of trade and other receivables and trade and other payables, which are stated inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of the receivables or payables in the Statement of Financial Position.

The net GST paid to (or received from) the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Financial Instruments

The NZHPT is a party to financial instruments 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 Statement of Comprehensive Income. All financial instruments are recognised in the Statement of Financial Position.

Income Tax

The NZHPT is a public authority and consequently is exempt from the payment of Income Tax. Accordingly, no charge for income tax has been provided for.

Budget Figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the NZHPT for the preparation of the financial statements.

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.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

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.

Contingencies

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

Accounting Judgements and Major Sources of Estimation Uncertainty

In the application of NZHPT's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements in Applying Accounting Policies

The following are the judgements that have the most significant effect on the amounts recognised in these financial statements:

Controlled and Managed Buildings

Properties for which NZHPT has a control and management order under the *Reserves Act 1977* have been included as part of property, plant and equipment on the basis that the risks and rewards relating to this property rest with the NZHPT.

Major Sources of Estimation Uncertainty

The valuation of historical land and buildings is subject to considerable estimation uncertainty. During the 2010-11 year the NZHPT employed BECA to revalue the NZHPT's property portfolio in line with the Crown accounting policies and Treasury requirements. Valuations are undertaken biennially. Due to the nature of the NZHPT's property portfolio, it is difficult to obtain market valuation comparisons for many properties because of restrictions on their use. Consequently there is a large degree of subjectivity inherent in the valuation process.

The following are the key assumptions concerning the future and other major sources of estimation uncertainty at 30 June 2012:

- > The valuation of historic buildings includes an estimation of their residual values and useful lives. These estimates impact on the depreciated replacement cost and annual depreciation charges for historic buildings. The estimated useful lives are detailed in the depreciation accounting policy above.
- > The valuation of buildings also includes estimations of construction costs. Refer Note 11 for further detail.

Changes in Accounting Policies

There have been no changes in accounting policies.

2. REVENUE FROM CROWN

The NZHPT has been provided with funding from the Crown for the specific purposes of the NZHPT as set out in the Historic Places Act and the scope of the Vote Arts Culture and Heritage appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2011: nil).

3. IMPACT OF THE CANTERBURY EARTHQUAKES

The earthquakes in September 2010 and February 2011 resulted in significant damage to the Lyttelton Timeball and Coton's Cottage in Hororata. In addition, the workload for the NZHPT was reprioritised. The related income from insurance received (and claimed – see Note 18), and expenditure incurred in relation to these events, has been separately disclosed to improve the transparency of the accounts. As at 30 June 2011 the Board determined that the Timeball and Coton's Cottage buildings should be derecognised to a nil value. The value of the land at these properties was revalued as at that date and impairment was recognised against the revaluation reserve.

4. PROPERTY INCOME

	Actual 2012 \$000	Actual 2011 \$000
Functions	284	265
Admissions	354	357
Rents	145	158
Grants	67	61
Merchandising	519	452
	1,369	1,293

5. AUDIT FEES

	Actual 2012 \$000	Actual 2011 \$000
Deloitte – Statutory Audit	47	47
– Risk Management	0	10
	47	57

6. PERSONNEL

	Actual 2012 \$000	Actual 2011 \$000
Salaries and Wages	7,832	7,758
Government Superannuation Fund	95	84
Increase Employee Leave Entitlements	3	57
Recruitment Costs	59	30
Temporary Staff	17	45
Other Staff Costs	78	79
Total Personnel Costs	8,084	8,053

For those employees who qualify, NZHPT contributed 2% of total salary/wages into the Kiwisaver Scheme

7. EQUITY

	Actual 2012 \$000	Actual 2011 \$000
Accumulated Funds		
Represents balance of general accumulated funds from NZHPT's operations not earmarked for a specific purpose		
Balance at 1 July	8,076	8,781
(Deficit)	238	(948)
Transfer to Other Equity Funds	(3,126)	(4,158)
Transfer from Other Equity Funds	3,021	4,401
Balance at 30 June	8,209	8,076
Crown Capital Fund		
Represents the balance of funds provided from the Crown to enable NZHPT to address capability issues of a capital nature		
Balance at 1 July	516	682
Funding received	0	0
Amounts used	(353)	(166)
Balance at 30 June	163	516

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<i>... continued</i>	Actual 2012 \$000	Actual 2011 \$000
Branch Accumulated Fund		
Represents balance of funds raised by NZHPT Branch Committees for local community projects		
Balance at 1 July	244	249
(deficit)	(29)	(5)
Balance at 30 June	215	244
Specified Funds and Bequests		
NZHPT holds a number of funds and bequests from external sources for which the purpose is restricted		
Balance at 1 July	2,977	1,878
Transfer from	1,621	2,930
Transfer to	(1,476)	(1,831)
Balance at 30 June (see Note 8)	3,122	2,977
Property Maintenance and Development Fund		
Funds earmarked specifically to address critical maintenance safety issues at NZHPT properties, including \$3m from Crown		
Balance at 1 July	3,420	3,221
Transfer from	1,171	1,228
Transfer to	(1,163)	(1,029)
Balance at 30 June	3,428	3,420
Property Plant and Equipment Revaluation Reserve		
Represents movements following regular revaluation of NZHPT land, buildings and heritage artefacts		
Opening Balance	35,071	36,523
Loss on Revaluation of Land due to Canterbury Earthquakes	0	(82)
Gain on Revaluation of Heritage Artefacts	335	0
Transfer to Equity following derecognition (see Note 3)	0	(1,370)
Balance at 30 June	35,405	35,071
TOTAL	50,542	50,304

8. SPECIFIED FUNDS AND BEQUESTS

NZ LOTTERY GRANTS BOARD	1/7/11 \$000	Receipts \$000	Interest \$000	Expenditure \$000	Capitalised \$000	30/6/12 \$000
OSP Roof and Spire Repairs	0	160	0	(160)	0	0
Total Lottery Grants Board	0	160	0	(160)	0	0
OTHER FUNDS	1/7/11 \$000	Receipts \$000	Interest \$000	Expenditure \$000	Capitalised \$000	30/6/12 \$000
National Heritage Incentive Fund	0	450		(213)		237
Ruatuna Fund	25	38	3	(42)		24
Bulk Store and Stone Store Donations	195		6			201
Kemp House General Donations Fund	19					19
Branch Committee Fund	29					29
Transit New Zealand	0	24				24
Ewelme Cottage Committee Fund	38		1	(1)		38
Timeball Restoration – Parkinson Trust	14					14
Auckland City @ Risk	4			(4)		0
Canterbury Community Trust	0	50		(48)		2
Old St Paul's Floral Festival Funds	27					27
Ministry for Culture and Heritage	0					0
Otago Community Trust	0	25		(25)		0
OSP Christmas Fund	0					0
Tourism Facilities Grant	0	100		(100)		0
Stout Trust	0	78		(60)	(16)	2
Wellington Community Trust	0	50		(49)		1
Pub Charity	0	50				50
Others	1,056	568		(789)	(106)	729
Total Other Funds	1,407	1,433	10	(1,331)	(122)	1,397

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BEQUESTS	1/7/11	Receipts	Interest	Expenditure	Capitalised	30/6/12
<i>... continued</i>	\$000	\$000	\$000	\$000	\$000	\$000
Richardson Bequest	50		2			52
McKay Bequest	214		8	(10)		212
Granville Travers	296		12			308
Zohrab Trust Bequest						
Rosier Bequest	159		6			165
Spencer Bequest	154		6	(6)		154
Bedlington Bequest	2					2
Denton Mayor Bequest	5			(5)		0
OR Lee	43		2			45
Hudson Bequest	240		9			249
Stout Trust	2					2
Stringer Bequest	13		1			14
McBurnie Bequest	19		1			20
Williams Bequest	1					1
K Seagar Bequest	82		3			85
Estate of CIC Collett	49	30	2			81
Foulkes Estate	67	8	3	(2)		76
Shankland Estate	12					12
Anderson	10					10
Yarnell Bequest	2					2
Slack	3					3
Appleby	147		6			153
Fuller	0	57	2			59
Fergusson	0	20				20
Total Bequests	1,570	115	63	(23)	0	1,725

9. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

	Actual 2012	Actual 2011
	\$000	\$000
Petty Cash and Imprest Balances	11	12
Cheque and Call Deposits	1,393	1,891
Total Cash and Cash Equivalents	1,404	1,903
Short Term Deposits	6,089	6,054
Total Cash and Cash Equivalents and Short Term Deposits	7,493	7,957

10. TRADE AND OTHER RECEIVABLES

	Actual 2012 \$000	Actual 2011 \$000
Insurance Settlement Receivable	1,323	1,323
Debtors and Other Receivables	628	583
Less: Provision for Impairment	(0)	(0)
Total Debtors and Other Receivables	1,951	1,906

The carrying value of receivables approximates their fair value. As at 30 June 2012, all overdue receivables have been assessed for impairment and \$nil (2011: nil) were assessed as impaired.

11: PROPERTY, PLANT AND EQUIPMENT

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

	AT VALUATION							AT COST			TOTAL
	Land \$000	Land Managed \$000	Buildings \$000	Buildings Managed \$000	Heritage Artefacts \$000	Displays & Interpretation \$000	Land Development \$000	Plant & Equipment \$000	Leasehold Improvements \$000	Library \$000	
Opening Balance July 2010	16,645	1,728	19,171	2,380	3,367	1,121	62	1,029	16	18	45,537
Additions			30			56		191			277
Disposals											0
Losses/Gains on Revaluation	(85)	3									(82)
Losses on Derecognition			(1,156)	(68)		(227)					(1,451)
Balance 30 June 2011	16,560	1,731	18,045	2,312	3,367	950	62	1,220	16	18	44,281
Accumulated Depreciation and Impairment Losses											
Opening Balance July 2010	0	0	294	39	0	138	6	738	16	0	1,231
Depreciation Expense			218	30		114	5	168		0	535
Losses on Derecognition			(34)	(1)		(46)					(81)
Balance 30 June 2011	0	0	478	68	0	206	11	906	16	0	1,685
Net Balance 30 June 2011	16,560	1,731	17,567	2,244	3,367	744	51	314	0	18	42,596
Opening Balance July 2011	16,560	1,731	18,045	2,312	3,367	950	62	1,220	16	18	44,281
Additions			280				81	49			410
Disposals											0
Losses/Gains on Revaluation					335						335
Balance 30 June 2012	16,560	1,731	18,325	2,312	3,702	950	143	1,269	16	18	45,026
Accumulated Depreciation and Impairment Losses											
Opening Balance July 2011	0	0	478	68	0	206	11	906	16	0	1,685
Depreciation Expense			180	22		95	6	154	0	0	457
Impairment Losses							17				0
Balance 30 June 2012	0	0	658	90	0	301	17	1,060	16	0	2,142
Net Balance 30 June 2012	16,560	1,731	17,667	2,222	3,702	649	126	209	0	18	42,884

* Refer to Note 3 for further information

An independent valuation of the NZHPT's land and buildings was performed as at 30 June 2011 by Nigel Hoskin, an appropriately qualified employee of Beca Valuations Ltd. Beca has in its employment property valuers who are qualified to undertake specialised building valuations and who are members of the Property Institute of New Zealand (PINZ). Beca's valuers have recognised tertiary qualifications in the property sector as well as registration through the Valuers Registration Board and the New Zealand Institute of Valuers (NZIV).

The valuers involved in the 2011 update valuation for NZHPT are qualified to provide valuations for financial reporting purposes. The valuation conforms to the New Zealand Professional Practice Manual 2006, including International Valuation Standard (IVS) 3 Valuation Reporting, International Valuation Application (IVA) 1 Valuation for Financial Reporting, and NZ Valuation Guidance Note (NZVGN) 1 Valuations for Use in New Zealand Financial Reports.

Of the total land value, \$3,954,000 arises from land parcel valuations where a direct market-based comparison can be made based on comparable sales for unrestricted properties as if the land is vacant.

For the remaining \$14,419,000, where a restriction of encumbrance is deemed to exist, the land is valued using the accepted method for the valuation of reserve zoned land. This approach assesses a restrictive land value based on fringe rural sales, plus an allowance for the effects of urban locations and amenities and the value of a potential chance of change in the land use. The value of the chance of change is based on the land value of the property assuming no restrictions multiplied by an estimated probability of change.

The probabilities of change that are applied range from 5% to 15%. On average, the discount applied to the unrestricted value of this land is 67%.

Other key assumptions inherent in the valuation are the estimated construction rates and useful lives that are used to calculate the replacement cost of buildings as part of the depreciated replacement cost calculations. The construction rates have been based on the *Rawlinsons Construction Handbook* 2009 edition with adjustments made, where appropriate, to reflect the specialist nature of some of the properties.

In accordance with policy NZHPT heritage chattels are revalued through a process of rolling valuations. As at 30 June 2012, 14% of our chattels were revalued. The balance remains at their valuations as at 30 June 2009.

All other asset classes are carried at depreciated historical cost.

Heritage artefacts were revalued as at 30 June 2012 by Art + Object, registered artwork and antique valuers.

12. INTANGIBLE ASSETS

	Acquired Software \$000	Internally Generated Software \$000	Total \$000
COST			
Balance at 1 July 2010	944	0	944
Additions	0	0	0
Disposals	0	0	0
Balance at 30 June 2011	944	0	944
Balance at 1 July 2011	944	0	944
Additions	0	0	0
Disposals	0	0	0
Balance at 30 June 2012	944	0	944
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES			
Balance at 1 July 2010	539	0	539
Amortisation Expense	245	0	245
Disposals	0	0	0
Impairment Losses	0	0	0
Balance at 30 June 2011	784	0	784
Balance at 1 July 2011	784	0	784
Amortisation Expense	121	0	121
Disposals	0	0	0
Impairment Losses	0	0	0
Balance at 30 June 2012	905	0	905
CARRYING AMOUNTS			
At 1 July 2010	405	0	405
At 30 June and 1 July 2011	160	0	160
At 30 June 2012	39	0	39

During 2012 there was no internally generated software, disposal of intangible assets or impairment losses on intangibles.

13. TRADE AND OTHER PAYABLES

	Actual 2012 \$000	Actual 2011 \$000
Trade Creditors	578	460
Income in Advance	31	32
Accrued Expenses	292	849
Total Creditors and Other Payables	901	1,341

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value.

14. PROVISION FOR INCENTIVE FUND GRANTS

Approved incentive fund grants not yet paid are recognised as an expense at the time of Board approval of the grant and held as an accrued expense until such time as they are uplifted by the grantee. The movement in this provision is set out below:

	Incentive Fund \$000
2011	
Balance at 1 July 2009	1,071
Additional Provisions Made	268
Amounts Used	(661)
Unused Amount Reversed	0
Balance as at 30 June 2011	678
2012	
Balance at 1 July 2011	678
Additional Provisions Made	424
Amounts Used	(241)
Unused Amount Reversed	(210)
Balance as at 30 June 2012	651

15. EMPLOYEE ENTITLEMENTS

	Actual 2012 \$000	Actual 2011 \$000
Current Employee Entitlements are Represented by:		
Accrued Salaries and Wages	316	289
Annual Leave	504	446
Sick Leave	10	10
Long Service Leave	13	13
Total Current Portion	843	758
Non-current Employee Entitlements are Represented by:		
Long Service Leave	55	66
Total Non-Current Portion	55	66
Total Employee Entitlements	898	824

The value of the long service leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Due to the small materiality of the provision no salary inflation factor has been allowed.

16. RECONCILIATION OF NET SURPLUS /(DEFICIT) TO NET CASH FROM OPERATING ACTIVITIES

	2012 \$000	2011 \$000
Net Overall Surplus/(Deficit)	(97)	(948)
Add Non-Cash Items:		
Depreciation	577	778
Impairment	0	1,370
Provision for Doubtful Debts	0	2
Provision for Incentive Fund Grants	(27)	(393)
	453	809
Movements in Working Capital:		
(Increase) in Trade Debtors	(45)	(1,799)
(Increase) in Inventory	4	(28)
Increase (Decrease) in GST	24	(506)
(Decrease) Increase in Trade Payables and Accruals	(366)	511
Net Cash Flow from Operating Activities	70	(1,013)

17. CAPITAL COMMITMENTS AND OPERATING LEASES

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

Leases Payable	Actual 2012 \$000	Actual 2011 \$000
Not Later Than One Year	769	1,553
Later Than One Year and Not Later Than Five Years	399	444
Later Than Five Years	0	0
Total Non-Cancellable Operating Leases Payable	1,168	1,997

These leases relate to non-cancellable accommodation and equipment leases and contracted repairs and maintenance.

Leases Receivable	Actual 2012 \$000	Actual 2011 \$000
Not Later Than One Year	116	70
Later Than One Year and Not Later Than Five Years	198	195
Later Than Five Years	0	0
Total Non-Cancellable Operating Leases Receivable	314	265

18. CONTINGENCIES

As at 30 June 2012, potential liabilities resulting from heritage covenants previously negotiated are estimated to be \$20,000. (As at 30 June 2011, liabilities resulting from heritage covenants were \$20,000, and we were awaiting the outcome of a decision in the Environment Court on recovery of costs but it was not believed to be material.)

There are no other contingent liabilities.

As at 30 June 2011, insurance claims relating to the Canterbury earthquakes were filed with the insurers but had yet to be approved. During 2011-12 one claim for \$202,000 was filed and paid. The remaining claims have been filed and partially paid with the balance treated as a receivable (see Note 10).

19. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

Related party transactions: The NZHPT is a wholly owned entity of the Crown. The Government significantly influences the role of the NZHPT in addition to being its major source of revenue.

NZHPT has a wholly owned non trading subsidiary – Heritage New Zealand Limited.

The NZHPT enters into transactions with government departments, state-owned enterprises and other Crown entities. Those transactions that occur within a normal supplier or client relationship (on terms and conditions no more or less favourable than those which it is reasonable to expect the NZHPT would have adopted if dealing with that entity at arm's length in the same circumstances) have not been disclosed as related party transactions.

There are no other transactions carried out with related parties other than those described above.

There have been close family members of key management personnel employed by the NZHPT. The terms and conditions of those arrangements are no more favourable than the NZHPT would have adopted if there were no relationship to key management personnel.

Key Management personnel compensation

	Actual 2012 \$000	Actual 2011 \$000
Salaries and Other Short-term Employee Benefits	1,245	1,256
	1,245	1,256

Key management personnel include all Board members, Māori Heritage Council Members, the Chief Executive and the eight members of the Lead Team. There has been no other post-employment, long-term or termination benefits provided to key management personnel (2011: nil).

20. BOARD AND MĀORI HERITAGE COUNCIL MEMBER REMUNERATION

Member:	2012	2011
Mr J Acland (Chair until July 2010)	0	3,416
Mr I Athfield	10,500	10,500
Mr E Clark (ceased May 2011)	0	9,625
Mrs A Crighton	10,500	10,500
Mrs N Glavish (started August 2011)	9,188	0
Dr M Kawharu (ceased June 2011)	0	10,500
Mrs S Kenderdine (Chair from August 2010)	24,000	20,584
Mr D Kiddey	10,500	10,500
Mr A Mahuika	10,500	5,250
Mr A Matson	10,500	10,500
Mr B McGuinness	10,500	875
Mr M Nathan	3,400	4,000
Mr G O'Regan	3,200	1,600
Mr T te Heuheu	10,500	7,875
Mr J Tuuta	1,600	2,400
Mr C Wilson	1,600	1,600
	116,488	109,725

The NZHPT has effected Directors and Officers Liability and Professional Indemnity Insurance cover during the financial year in respect of the liability or costs of Board members and employees. A premium of \$3,956 was paid for the insurance period 1 July 2011 to 30 June 2012 (2011: \$2,133).

21. EMPLOYEE REMUNERATION

Total Remuneration & Benefits \$000	No of Employees 2012	No of Employees 2011
100 – 110	5	6
110 – 120	4	4
120 – 130	1	1
200 – 210	0	0
220 – 230	0	0
230 – 240	1	1

The current Chief Executive was appointed in May 2006 and is currently employed in the remuneration band \$230,000-\$240,000 (2011: remuneration band \$230-\$240,000).

22. EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date (2011: nil).

23. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2012 \$000	Actual 2011 \$000
Loans and Receivables		
Cash and Cash Equivalents	1,404	1,903
Debtors and Other Receivables	1,951	1,906
Total Loans and Receivables	3,355	3,809
Held to Maturity Investments		
Short-Term Deposits	6,089	6,054
Financial Liabilities Measured at Amortised Cost		
Creditors and Other Payables	901	1,341

24. FINANCIAL INSTRUMENT RISKS

The NZHPT's activities expose it to a variety of financial instrument risks including market risk, credit risk and liquidity risk. The NZHPT has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The NZHPT's exposure is limited to its bank deposits which are held at fixed rates of interest.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the NZHPT to cash flow interest rate risk. The NZHPT's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The NZHPT currently has no variable interest rate investments.

The NZHPT is not permitted to borrow so is not exposed to this risk on borrowings.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to NZHPT, causing the NZHPT to incur a loss. Due to the timing of its cash inflows and outflows, the NZHPT invests surplus cash with registered banks. NZHPT Investment policy limits the amount of credit exposure to any one institution. The NZHPT has processes in place to review the credit quality of customers prior to the granting of credit.

The NZHPT's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (Note 9) and net debtors (Note 10). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. NZHPT has a concentration of credit risk in regard to its insurance claim. ACS (NZ) Limited, while still operating under business as usual, has had its credit gradings for financial strength downgraded from B+ to B- and its issuer credit rating to BB- from BBB-. NZHPT have no evidence to believe the insurance claim will not be paid. The NZHPT has no other significant concentrations of credit risk, as on balance, it has a small number of credit customers and only invests funds with registered banks with specified Standard and Poor's credit ratings.

25. CAPITAL MANAGEMENT

The NZHPT's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets. The NZHPT is subject to the financial management and accountability provisions of the *Crown Entities Act 2004*, which imposes restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities and the use of derivatives. The NZHPT manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure the NZHPT effectively achieves its objectives and purpose while remaining a going concern.

26. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Donations and Bequests

Unprecedented responses to requests for assistance to repair Old St Paul's roof and Highwic's upgrade through appeals and funding organisations saw variance to budget in donations of \$353,000. The balance was unbudgeted donations for the Canterbury Earthquakes and unbudgeted bequests.

Administration

\$337,000 was budgeted for professional fees for project work not undertaken as staff and resources moved to undertake earthquake related work. In addition a number of vacancies in the organisation delayed project commencement. Budgeted administration costs of \$223,000 were classified as Expenditure Related to Canterbury Earthquakes.

Depreciation

Depreciation was less than expected due to large projects becoming fully depreciated in the year and the change in depreciation estimation on buildings.

AUDIT REPORT



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
THE NEW ZEALAND HISTORIC PLACES TRUST
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2012**

The Auditor-General is the auditor of New Zealand Historic Places Trust (the "Trust"). The Auditor-General has appointed me, Jacqueline Robertson, using the staff and resources of Deloitte, to carry out an audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 27-55, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information; and
- the statement of service performance of the Trust on pages 14-26.

Opinion

In our opinion:

- the financial statements of the Trust on pages 27-55:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Trust on pages 14-26:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's service performance for the year ended 30 June 2012, including:
 - its performance achieved as compared with forecast targets specified in the statement of forecast service performance for the financial year; and
 - its revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses specified in the statement of forecast service performance for the financial year.

Our audit was completed on 31 October 2012, and is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments we consider internal control relevant to the entity's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported [service performance information] within the framework for reporting performance;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance that include achievements compared to forecasts.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the *Crown Entities Act 2004* and the *Historic Places Act 1993*.

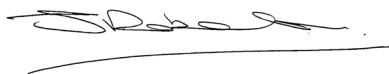
Responsibilities of the Auditor

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

Independence

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

Other than the audit and the provision of risk management advice, we have no relationship with or interests in the Trust.



Jacqueline Robertson

Deloitte

On behalf of the Auditor-General

Wellington, New Zealand

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Supported by the New Zealand
 Government through:



Te Manatū
 Taonga
 Ministry for
 Culture &
 Heritage

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance

This audit report relates to the financial statements of the New Zealand Historic Places Trust (NZHPT) for the year ended 30 June 2012 included on the New Zealand Historic Places Trust's website. The NZHPT's Board is responsible for the maintenance and integrity of the New Zealand Historic Places Trust's website. We have not been engaged to report on the integrity of the NZHPT's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 31 October 2012 to confirm the information included in the audited financial statements presented on this website.

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