



# ANNUAL REPORT

## Purongo a Tau

For the year ending 30 June 2010



## 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 –

- |  |  |
|--|--|
| > AgResearch                                       | > Manawatu District Council                        |
| > ASB Community Trust                              | > Nelson City Council                              |
| > Ashburton District Council                       | > Ngati Kuia                                       |
| > Christchurch City Council                        | > Nikau Foundation                                 |
| > Clark Charitable Trust                           | > NZ Lottery Grants Board Environment and Heritage |
| > Commemorating Waitangi Day Fund                  | > Otago Community Trust                            |
| > Community Trust of Mid and South Canterbury      | > Port of Nelson                                   |
| > Department of Conservation – Kerikeri Shadehouse | > Russell Landcare and Catchment Group             |
| > Department of Conservation – Nelson Conservancy  | > Russell Sports Club                              |
| > Eureka Trust                                     | > Shipley's Audiovisual                            |
| > Four Winds Foundation                            | > Sir John Logan Campbell Residuary Estate         |
| > Friends of Old St Paul's                         | > Tauranga City Council                            |
| > Genesis Energy                                   | > Te Puni Kokiri                                   |
| > Hutt City Council                                | > Terawhiti Charitable Trust Board                 |
| > Lion Foundation                                  | > Thames Coromandel District Council               |
|  | > Wellington City Council Environmental Pool.      |

**Cover photos, clockwise from left:** Takapuneke Historic Reserve blessing, 5 February 2010.

*Far left:* the planting of commemorative trees at Takapuneke; *upper right:* guests gathered at Takapuneke for the formal blessing ceremony; *lower left:* Onuku Whare Karakia. *Lower right:* conservation workshop on Tanewhirinaki wharehau carvings, Opotiki. *Photos:* Dean Whiting, NZHPT, except Onuku Whare Karakia: Kerry Walker.



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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 haerere ana, te whenua e hora nei, koinā ngā taonga tuatahi i tutuki ai a o tātou matua tūpuna i te wā o neherā.

The New Zealand Historic Places Trust Pouhere Taonga (NZHPT) is an organisation whose work helps New Zealanders to enjoy a sense of place, of identity and of belonging. It does this through identifying those places that are significant to our culture and heritage, promoting their survival and encouraging their appreciation, for the benefit of both present and future generations.

The increase in outputs of the organisation over the past year belie the prevailing economic climate, with developers focusing on larger numbers of smaller investment projects in our older building stock. There have been record numbers of archaeology consent applications, advisory services and property development projects delivered over the past year. We have also delivered significant increases in both cultural tourism services and revenue earned through improved management of the properties we care for.

The most significant event over the past year was the review of the *Historic Places Act 1993* (HPA). Announced in January, the Government proposed the disestablishment of the NZHPT's branch committee structure and the decision to appoint all members to the organisation's Board. The scope of the review included the HPA's archaeological provisions, with a view to improving the efficiency and effectiveness of the archaeology consent processes.

The first half of 2010 involved discussions with affected parties about the review, and major policy decisions were made in early July when the Minister for Arts, Culture and Heritage, the Hon. Chris Finlayson, announced that the archaeological provisions would remain within the HPA, but would be streamlined to ensure shorter timeframes. The Māori Heritage Council will also be involved in all applications of interest to Māori. This announcement was made at a meeting of NZHPT branch committee representatives as they discussed options for establishing the future of local advocacy through the establishment of new organisations. This work continues today and will, we hope, result in stronger advocacy for our shared heritage both at a local and national level.

The Government's announcement of a one-off \$3 million funding allocation to cover a large backlog of deferred maintenance was met with both appreciation and great relief. This support will enable us to undertake vital capital work to ensure the survival of properties cared for by the NZHPT, whilst maintaining our ability to deliver on the full range of our regulatory and advisory functions.

A major exercise for the Board this year has been deciding on a financial strategy by which the organisation can become sustainable over the next three years. This has involved some



internal funding re-allocation, the possible divestment of some commercially viable properties, and a significant programme to increase self-generated revenue.

The 48 properties we care for have been the subject of a major safety audit during the year which added to an already busy repairs and maintenance programme. A number of development and interpretation projects have been completed, which combined with the expansion of merchandising and café development are enhancing the visitor experience.

Advisory and advocacy services have continued the approach of early and constructive engagement with developers to find solutions that work for both the owner and the heritage characteristics of the place. Occasionally the solutions reached do not find favour with some in the community. While

the degree of flexibility will depend on the significance of the heritage in question, we consider that seeking economically viable solutions will lead to more heritage retention than an uncompromising approach.

Over the coming year the NZHPT will implement outcomes of the HPA review and continue to develop its relationships with existing and new groups and organisations that focus on historic heritage. Whether the focus of these groups is on advocacy, conservation, education or wider public awareness, a shared focus and positive working relationships will achieve far more for heritage than a fragmented sector could.

Research tells us that New Zealanders are proud of their heritage, but challenges remain. Historic heritage, particularly at a time when the economy is still vulnerable, needs an advocate, and decision-makers need a trusted adviser. The NZHPT expertly fulfils these roles.



**John Acland**

Chair NZHPT Board

Tumuaki a te Poari Te Pouhere Taonga

20 August 2010



**Sir Tumu te Heuheu DCNZM**

Chair Māori Heritage Council

Tiamana o te Kaunihera Taonga Tuku Iho Māori

20 August 2010



## CHIEF EXECUTIVE'S INTRODUCTION

It is a peculiar fact that, for an organisation focused on preservation and conservation, change is an inevitable part of the work of the NZHPT, and we have faced a huge amount of it in the space of just a few years.

Along with the implementation of significant organisational change, we have actively participated in the review of the HPA, completed major work programmes in the properties we care for, and maintained high levels of activity in our ongoing work programmes across the organisation. Record numbers of archaeological authority applications were processed, all within statutory timeframes, and our targets for registration, and advisory services to Māori and others were also achieved. That this has been achieved in an environment of recession and uncertainty is due to the hard work and dedication of our staff, Council and Board.

When an organisation is facing change, there is both comfort and benefit in continuity. We have been fortunate indeed that our Board Chair, John Acland, and our Māori Heritage Council Chair, Sir Tumu te Heuheu, both agreed to extend their terms whilst the key decisions about the future of the organisation were being made.

**Bruce Chapman**

Chief Executive

On behalf of the NZHPT, I acknowledge the contribution of John Acland who stands down in August 2010 as Chairman of the Board after three years in the role. John first took up a position on the Board in 2003 and became Deputy Chair just a year later.

Having led the Board since 2007, his dedication to heritage, both personally and professionally, is well known throughout the sector and widely appreciated, and nowhere more so than by the staff and Board of the NZHPT.

In his time as Chair the NZHPT has faced varying challenges, some of which continue today. His leadership has helped the organisation navigate a time of significant change. From the outside it could appear this was an easy process; it was not. But we are pleased to say the NZHPT, and the future for heritage in New Zealand, have come out stronger for it.



# 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 relationship between the Board and the Māori Heritage Council.

## NZHPT BOARD

### 1. Role

The Board is accountable to the key stakeholders for establishing 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. It also sets the values to be promoted throughout the organisation, and approves the allocation of resources in accordance with strategic priorities. The Board further carries out duties which, under the HPA, 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 appointed by the Minister of Arts, Culture and Heritage (three of whom must, in the opinion of the 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

Board members' 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 seven 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		Meetings attended
John Acland	(Chair)	7
Sir Tumu te Heuheu	(leave of absence granted because of commitments)	2
Ian Athfield	(appointed 24/9/2009)	5
Errol Clark		6
Anna Crighton		7
Dr Merata Kawharu		7
David Kiddey		7
Dr Apirana Mahuika		3
Allan Matson		7

#### 5. Board Committees

The Board has established two committees: the Registration Committee and the Chief Executive's Employment Committee. Both committees have terms of reference which are reviewed on a regular basis.

The registration committee met eight times in the 2009/10 financial year and the Chief Executive's Employment Committee met twice.

#### 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.

#### 7. Conflicts of Interest and Disclosure of Interests

Each Board member has made a full disclosure of their interests. 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 does not receive the relevant papers 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 Board member.

## 9. Evaluation of Board's Performance

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



# GOOD EMPLOYER COMPLIANCE

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 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 Chief Executive also discusses proposed changes with staff during regular meetings held at all NZHPT offices.

The principle of consultation and involvement in policy development is enshrined in specific policies related to decision-making and roles and responsibilities. Indicators of the effectiveness of human resource policies are turnover and "Annual Workplace Audit" results. NZHPT is tracking positively in respect of these indicators.

Turnover has continued to reduce down to 6% from 10% last year; this reflects both the level of staff satisfaction and the current economic climate.

## EQUAL EMPLOYMENT OPPORTUNITIES

The NZHPT maintains a diverse workforce made up of a wide range of people representing different age groups and ethnicity.

Equal Employment Opportunity (EEO) principles and processes are part of mainstream management practices in the NZHPT, and these are supported through human resources policies that are designed to ensure non-discriminatory approaches and procedures are observed. In particular, EEO principles continue to be demonstrated in all recruitment and redeployment processes for the NZHPT.



## STATEMENT OF RESPONSIBILITY

### FOR THE YEAR ENDED 30 JUNE 2010

In terms of the *Crown Entities Act 2004*, the Board of the NZHPT is responsible for the preparation of its financial statements and statement of service performance, and for the judgements made in them.

The Board of the NZHPT 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 statements of service performance fairly reflect the financial position and operations of NZHPT for the year ended 30 June 2010.

**Shonagh Kenderdine**

NZHPT Board Member

15 October 2010

**Sir Tumu te Heuheu DCNZM**

NZHPT Board Member

15 October 2010



# STATEMENT OF SERVICE PERFORMANCE

## THE YEAR IN REVIEW

### Overview

Heritage is about people – those who came before us, creating the places and taking part in the events that help to define us as New Zealanders. It is also about the people and communities who have cared for these places over time, recognising their importance to our sense of place and understanding that future generations would mourn their loss.

Preserving heritage is a complex process because it is about people; their competing interests and ideas. It is also about the regulations and processes that reflect society's interests and that require information, education and understanding, agreement and levels of compliance – whether regulatory or voluntary. As in so many areas of life, funding is an integral part of the process, particularly now as people, companies and organisations continue to feel the effects of the global economic crisis that has impacted on so many lives over the past few years.

This is the situation in which the NZHPT operates and seeks to deliver on the Government's Culture and Heritage sector outcomes and to implement the strategies that the Board considers will best deliver the outcomes we're seeking.

Our *Statement of Intent* (SOI) for 2009/12 set out new strategic priorities, measures against which we would evaluate our success in these areas, and the key objectives for the 2009/10 financial year. This *Annual Report* explains how we have undertaken our statutory functions and the results of our regulatory and advocacy role. It also highlights our work with both the private and wider public sector as we've encouraged reinvestment in the conservation and adaptive reuse of New Zealand's heritage places and buildings.

A huge amount of work has also gone into the properties that we care for and manage on behalf of the people of New Zealand – many of which are places that are unique to this country and seen by New Zealanders themselves as having the highest significance.

Along with making these places accessible to the public, a strong focus is on the economic returns they can offer as part of the wider network of tourist destinations. The return from both domestic and international tourism helps to offset the costs of maintaining and conserving these special places, and creating world class experiences will help to continue to increase this return in the future.

Along with this, part of our role is to ensure that New Zealanders have access to comprehensive and accurate information about their heritage, and that they can be assured that the NZHPT is a well-managed and professional organisation that delivers on the investment made in it by the Government and the many organisations and individuals who support it.

This *Annual Report* describes our work within three specific output areas – Heritage Identification, Heritage Survival and Heritage Appreciation – and reviews our achievements against the targets that we set for ourselves.

## OUTPUT 1 – HERITAGE IDENTIFICATION

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

In order to manage New Zealand's heritage resource we must first know what exists and have a clear understanding of its heritage values. Heritage is a finite resource; once lost it is gone forever. This intermediate outcome and output class responds to the importance placed on heritage identification, and ensuring that the stories relating to a place are recorded.

### IMPACT INDICATOR I 1:

*An increased proportion of places that establish significant connections to our culture and heritage are identified and, where appropriate, registered.*

The NZHPT aimed to evaluate success in this area through:

- > *new additions to the heritage places database (establishing a baseline). **Achieved.** Baseline of 70,052 heritage places loaded into new database.*
- > *new places of significance to Māori identified in heritage places database (establish baseline). **Achieved.** Baseline of 50,476 heritage places of significance to Māori loaded into new database.*
- > *the NZHPT Register is maintained and enhanced. **Achieved.***

After collecting information on New Zealand's heritage places for more than 55 years, the NZHPT is seen as an authoritative voice and a repository for important information about places that continue to be economically viable and useful.

Best known is the NZHPT Register of historic places, historic areas, wāhi tapu and wāhi tapu areas, which we maintain as one of our statutory roles. At the end of the year there were 5,634 entries on the Register, with 81 additions made over the past 12 months, including 46 deficient registrations. This work added three historic areas, five wāhi tapu and two wāhi tapu areas along with 71 historic places.

High profile registrations include the Lyttelton Township Historic Area, the Lower Nevis

Historic Area, Te Naupata/Musick Point, Greenlane Hospital, Te Pahi Islands, the Inglewood Railway Station and two shipwrecks involved with the New Zealand Land Wars – the PS *Tasmanian Maid* (New Plymouth – Category I) and the SS *Alexandra* (Puke Aruhe – Category II).

The public actively engaged in the registration process: 233 submissions were received for the 81 additions to the Register. There were 190 supportive submissions, 30 submissions opposing, and 13 with no position. One petition was received relating to the proposed registration of the Inglewood Railway Station as a Category I historic place.

With 735 signatures, representing a third of the town's population, this was an outstanding show of community engagement with the

NZHPT's work and commitment to their local heritage.

A number of past registrations have, on review, needed further work and we refer to these as *deficient registrations*. The work programme to resolve them has been given a high priority across the NZHPT and is expected to be completed within four years. However this year fewer than expected deficient registrations were resolved, partly due to the prioritisation of registering places found to be of significance and at risks that were not identified at the time that work plans were prepared. One example is the Lower Nevis Historic Area, an area that is significant for its associations with New Zealand's 19th century gold mining.

A pilot project to develop an efficient method of resolving deficient registrations was completed, using the Tasman region to test a geographic and thematic clustering approach. Seventeen deficient registrations were resolved in the district, and this highly efficient approach has since been implemented elsewhere, with four similar regional projects underway.

A higher number of deficient registrations went forward as new registrations (14) primarily due to an increased significance attached to the registration. Forty-six deficient registrations were registered as originally identified. The remainder were not progressed or were included as a component in other registrations.

Significant effort goes into ensuring that registrations are based on solid research and can be defended, particularly when registrations can be challenged in court. Over the past year this was put to the test when the registration of Whanganui's former Native Land Court was challenged in the Environment Court. The decision to decline resource consent for the demolition of the former Native Land Court

building in Whanganui was appealed to the Environment Court by the applicant – UCOL (Universal College of Learning). NZHPT and Council staff appeared at the hearing along with expert witnesses, engineers and a conservation architect. The Environment Court upheld the Council's decision to decline consent. The Court considered that the heritage values of the place justified retention of the building as opposed to demolition for a vacant space.

A new approach to recording places and areas of significance to Māori was approved and will be implemented over the coming year. Registrations completed since August 2006 that are of significance to Māori will be tracked and promoted as places of Māori interest. This will give NZHPT a better understanding of the proportion of Māori heritage included within the national Register.

While a major source of heritage information, the Register is one part of the information held by the NZHPT. This year a new Heritage Places Database (called Pataka) was developed to enable greater access to, and capture and manage, information relating to New Zealand's heritage places. The new database will allow the NZHPT to handle enquiries from the public, iwi and hapū, local authorities and heritage managers, with greater efficiency and speed.

Thematic studies were highlighted as important work streams for the year as a means of addressing information gaps. Of the original 19 thematic studies identified, 13 are now complete. The Pacific Waka-Wairua Thematic Study aims to enhance understanding of New Zealand's commonalities with the Pacific, focusing on traditional knowledge, culture and heritage places. A discussion



paper was completed in December 2009.

New Zealand's Modern Movement architecture is another example and saw the registration of the Dorset Street Flats in Christchurch, designed by Sir Miles Warren, as a Category I historic place.

A major project over the past few years has been the Auckland City@ Risk project, funded by an ASB Community Trust grant of \$100,000. Phase two of this project, to identify heritage across diverse disciplines and potential risks and threats in these areas, has been completed. A Central Business District study looked to all places within selected areas to identify heritage and potential risks and threats. Information templates for 526 places were completed, along with a summary report and appendices that include a Māori heritage report and archaeological report. This information

has been compiled into a comprehensive new place-based database that makes information more readily accessible to help with identification, advocating for recognition and protection, public information and appreciation of heritage places within the study area.

The City@ Risk project's community focus centred on Onehunga and actively engaged individuals and organisations in the heritage identification and recording process. The cooperation of the Ngāti Whātua o Orākei's Heritage and Resource Management Unit, in giving permission to reproduce material previously collated for their use, is particularly acknowledged.

The review and evaluation phase of the project will be undertaken in 2010/11, along with further work with the Onehunga community.

### Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
I 1.1 Improve access to identified heritage through the creation of a New Zealand heritage places database.	Design and build database, improve existing information and populate new database.	Achieved.
I 1.2 Maintain the national Register (Statutory process under Part II of the <i>Historic Places Act 1993</i> ).	Make 25 new additions (historic places, historic areas, wāhi tapu and wāhi tapu areas) to the Register including 10 of significance to Māori, review as necessary any existing registrations [estimate 19], and update location information as required [estimate 125].	Achieved.  35 new registrations completed; 15 registrations of significance to Māori completed, including eight historic place or area registrations and seven wāhi tapu or wāhi tapu areas.

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
		Consistency, searchability and accuracy of the Register was improved by updating and enhancing it for 20 reviews of registrations, 129 technical changes and 458 style changes to location information.
	Resolve 110 of remaining 539 deficient registrations.	Achieved. 98 deficient registrations were resolved and 26 no longer required resolution, bringing the number remaining to 415.
I 1.3 Auckland City@Risk Regional Study.	Year II: Auckland CBD/ Onehunga identification of 'at risk' sites.	Achieved. 526 'at risk' sites identified.
I 1.4 Thematic studies.	Pacific Waka-Wairua Link: Stage 1.	Completed Stage 1.
	NZ Modern Movement Architecture (post-war architecture of the 1950s).	Completed.

## IMPACT INDICATOR I 2:

*Accessibility to and usefulness of information about the cultural significance of heritage places is improved.*

The NZHPT aimed to evaluate success in this area through:

- > *increased use of Register Online [target 38,000 unique visitor sessions per month] Heritage Destinations [target 137,500 page views per month] web pages. **Not achieved.** Measures required changing during the year. Baselines have now been established.*
- > *improved customer satisfaction as recorded by responses to website feedback form [establish baseline]. **Achieved.***
- > *increased number of Register Online entries meet specified standard and/or have an associated image. **Achieved.***

The measure “unique visitor sessions” was unobtainable from the NZHPT’s preferred web analysis package and the measure was changed during the year to “establishing the number of page views per month”.

For the Register Online an average of 19,606 page views per month has been established as a baseline, with a total of 235,272 page views for the year for this segment of the NZHPT’s *historic.org.nz* website. For the Heritage Destinations focused site – *historicplaces.org.nz* – an average of 25,041 page views per month, and a total of 300,492 for the year was established as baselines.

With no previous full year data, these results have set the baselines for future reporting.

A survey of customer satisfaction established a baseline for further research. Responses indicate that 74% of respondents found the NZHPT’s websites easy to use, 79% found what they were looking for and 77% said that the information sought was useful once found. Ninety-five percent said they will return to the website in future and 80% reported their overall user experience was satisfactory or better.

Although an average of almost 20,000 pages of the Register Online were viewed each month, the NZHPT felt that some experiences would have been incomplete. While images have been a key part of storytelling for centuries, many of our online entries about registered places had no accompanying photographs. This year, staff used opportunities provided by other work programmes to photograph sites as they travelled and the NZHPT engaged with the wider community to gather more images, using social media to great effect. A Flickr page was established in August 2009 and is still being used to obtain images of registered places and areas. Over 460 photographs have been contributed by the public for the NZHPT to use free of charge, and as a result of this project, more than 70% of all entries now have an accompanying image (44.5% in 2009).

Of all registrations, 2,000 (37%) of the 5,634 registrations (on and off-line) currently have supporting information available via the Register Database (25% in 2009). The NZHPT had set a target of 40% of Register Online entries meeting its defined information standard.

This is met by the registration having a Statement of Significance. Fewer reports were available to be entered than was estimated at the beginning of the project, resulting in a slightly lower than anticipated result. Other ongoing improvements have seen the Register mapped for the first time.

Software was used to attach GPS coordinates to the current addresses in the register.

The Archaeological Digital Reports Library was maintained with new reports regularly added; over 3,300 records are now held, resulting from site surveys and excavations.

### Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
I 2.1 Register Images Project.	Stage II: Retrieval of images from NZHPT files. Target: a further 1,110 Register Online entries (so that 60% of the total have an associated image).	Achieved. 70.8% of all entries on the website have an accompanying image.
I 2.2 Access to Heritage Information.	Maintain the Archaeological Digital Reports Library by adding new reports.	Achieved. 507 new reports added.
	Add new heritage information to the Register Online within two weeks of registration decisions. (Target: 100%).  Add remainder of existing Register information to the Register Online. (Target: 40% of Register Online entries meet defined information standard).	Achieved. 100% of registration decisions were published online within two weeks.  Not achieved. 35% of Register Online entries now meet defined information standards.

## IMPACT INDICATOR I 3:

### *Recovery of heritage information is improved.*

The NZHPT aimed to evaluate success in this area through:

- > *decreased proportion of outstanding archaeological reports required as part of authorities in the biennial audit. Due in 2011.*
- > *percentage of archaeological reports meeting standard (establish baseline). Not achieved.*

A comprehensive audit of all outstanding reports dating back to 1993 was initiated in March of 2009. A total of 507 authorities were identified as having outstanding reports for the period 1993 to 2004. This project involved writing to the HPA s17 archaeologists, and then authority holders, if necessary, in order to establish whether works had been undertaken and, if so, why a report had not been submitted as required. This ongoing project has so far resulted in: the receipt of 39 reports, 111 authorities having their report status changed to not applicable (largely as a result of works not

being undertaken or the project being redesigned to not impact on sites); and a commitment from s17 archaeologists to submit a further 125 reports over the coming year.

The Reports Standards Project, which was to inform the new guidelines on archaeological report standards, has been delayed due to the high level of regulatory work being undertaken, therefore a baseline could not be established. Further work will be undertaken by the NZHPT's Senior Archaeologist to establish a baseline in the coming year.

### Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
I 3.1 Rescue excavation to recover information prior to loss.	Where situations arise, undertake a rescue excavation to recover information.	Achieved. Three situations arose where NZHPT was involved in excavations: the excavation of Browne's Spar Station at Maharangi, in partnership with the Auckland Regional Council; Bendigo Bakery, where it helped to gather information and stabilise ruins of the last substantial structure remaining of this goldfields town; Otago Peninsula, where staff, working with Department of Conservation (DOC) and rūnanga recorded and recovered artefacts and established a protocol for the future.

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
I 3.2 Effects on archaeological sites: climate change, economic and coastal development.	Develop monitoring and excavation strategies with external research providers to implement outcomes of the initial research into climate change, as part of the National Archaeological Framework.	Achieved. The NZHPT continues to work with external parties in developing strategies. The Senior Archaeologist co-authored a paper in the quarterly journal <i>Archaeology in New Zealand</i> on the effects of climate change on New Zealand's archaeological heritage.
	Undertake regional research on a proactive basis to investigate strategic outcomes for sites affected by climate change or coastal development.	<p>Achieved. The NZHPT was a partner in the latest phase of the Southland Coastal Heritage Inventory Project, along with DOC Southland, Environment Southland and tangata whenua, establishing baseline measurements of at-risk archaeological sites, and identifying potential candidates for excavation and recovery of information.</p> <p>Coastal Coromandel Project: documented the extent of archaeological site survival and destruction on the Coromandel's east coast over the past 25 years.</p> <p>NZHPT, DOC and Ngāti Wai submitted an application to the Frontlines for Climate Change international fund for a project in the Whangarei District.</p>



Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
	Archaeological Site Predictive Modelling: Stage I: data capture.	The NZHPT is working on data capture with Greater Wellington Regional Council (GWRC) using an archaeological predictive model based on geographical data in the Council's GIS and a NIWA/DOC/GWRC survey to identify sites in the Wellington coastal marine area.

## OUTPUT 2 – HERITAGE SURVIVAL

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

The community increasingly expects that significant heritage will survive allowing present and future generations to understand and appreciate these links to our past. The NZHPT uses its advocacy work, *Resource Management Act 1991* (RMA) processes and HPA provisions such as the archaeological authority process to protect significant heritage wherever possible. Our administration of the Government's National Heritage Preservation Incentive Fund also helps with the physical conservation of nationally important heritage places in private ownership.

Responsibility for the conservation of the 48 properties managed by the NZHPT means that we must lead by example, ensuring that best practice conservation is demonstrated within the organisation's limited resources.

### IMPACT INDICATOR S 1:

*Survival rates for significant heritage places in both public and private ownership are improved.*

The NZHPT aimed to evaluate success in this area through:

- > *increased number of heritage sites protected as a result of NZHPT involvement [establish baseline].*  
**Achieved. Baseline of 336 established.**
- > *decreased number of historic place losses from the Register (Category I and II) [establish baseline].*  
**Achieved. Baseline of 4 established.**
- > *reduced number of demolition consents granted by territorial local authorities where NZHPT opposes demolition [establish baseline].* **Achieved. Baseline of 3 established.**

Developing and maintaining strong working relationships and sharing information and skills are core parts of both the NZHPT's work programme each year, and its approach to building communities that have the capability to manage and conserve heritage.

During the past year we worked with iwi, hapū and whānau to help build their capacity to maintain, conserve and ensure the survival of their heritage places. This included 13 built heritage and two rock art-related projects.

Of significance were:

- > Omanaia Wooden Headboards Conservation Project, Hokianga
- > Taharua Marae Restoration Project, including tukutuku workshop
- > Wairarapa Marae Heritage Survey
- > the NZHPT Rock Art Strategy.

Along with community engagement, heritage survival is dependent on appropriate protection and incentive mechanisms, which allow for conservation work to be undertaken. Sympathetic owners who are willing to carry out work that modifies a place in heritage-appropriate ways are also critical to ensuring the long-term wellbeing for New Zealand's heritage.

Through advice, advocacy and our archaeological authority role, as well as our conservation information and training programmes, the NZHPT works directly with those who matter most – the owners, developers and other authorities who have direct involvement in deciding the future of heritage places.

There were 336 heritage sites protected as a result of NZHPT's involvement for the year.

Of these:

- > 293 archaeological sites have been protected or had damage to them avoided
- > 23 registered places have been listed for protection in regional and district plans under the RMA
- > 15 have been protected by heritage covenants – with seven heritage covenants relating to the NZHPT's involvement in Crown Land Disposal projects, eg the former Lower Hutt Fire Station
- > five other places have been protected as a result of Crown Land Disposal work.

There have been numerous highlights during the year, including:

- > the successful challenge to the consent to demolish Building 5 at Greenlane Hospital
- > the Dunedin City Council declining consent to build next to the Gasworks Museum
- > progress in achieving heritage covenant protection over the Arts Centre, Christchurch
- > a new, compatible addition proposed for the Forrester Gallery, Oamaru
- > a new heritage covenant to protect 1880s cottages in Haines Terrace, Te Aro, Wellington
- > protection through heritage covenant and listing in the district plan for the Pollok School in Franklin District

- > newly registered places listed in district plans as part of plan changes and reviews in Marlborough, Western Bay of Plenty, Hastings, Ashburton, Franklin and Auckland Central.

Unfortunately, two registered Category I and II places have been affected by demolition since 1 July 2009 (three in 2008/09):

- > Arahura Road-Rail Bridge, Westland District (demolished, Category I historic place, although a small portion has been retained as part of an interpretation area near the site)
- > Southland Hospital, Invercargill District (part of the building containing Wards 1-6 was demolished, part of a Category I historic place).

NZHPT reduced the number of demolition consents granted by territorial local authorities where the NZHPT opposes demolition. During the year, four such consents have been granted by territorial local authorities (eight consents in 2008/09):

- > 286-290 Great North Road, Winton (part of a registered historic area)
- > 16 Heaton Street, Christchurch (loss of a historic garden landscape associated with a registered property)
- > Aidanfield Farm Buildings, Christchurch (not registered or listed in the district plan; decision upheld by the High Court)
- > the interim decision of the Environment Court relating to the demolition of the Wong Doo Building, 164-168 Hobson Street, Auckland (not registered).

## Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
S 1.1 Working with iwi, hapū and whānau to assist in their capacity to maintain, conserve and ensure the survival of their heritage places including built heritage, sites and rock art.	Work with selected iwi, hapū and whānau to assist in their capacity to maintain, conserve and ensure the survival of their heritage places. Includes the delivery of 10 Māori built heritage and rock art projects.	Achieved. 13 built heritage and two rock art projects were undertaken.
S 1.2 Developing capability in Māori heritage/taonga conservation.	Develop resources and workshop programme to support Māori built heritage traditional materials use and capability in Māori communities.	Achieved. <ul style="list-style-type: none"> <li>• Hauraki Matariki workshop on tukutuku conservation and construction.</li> <li>• Auckland Museum collaborative workshop as part of the Auckland Heritage Festival.</li> </ul>

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
		<ul style="list-style-type: none"> <li>Taharua Marae Restoration Project, including tukutuku workshop.</li> </ul>
S 1.3 Develop best practice guidelines for heritage protection and conservation.	Prepare new guidelines for writing archaeological final reports, and technical heritage guidelines relating to the Building Code.	<p>Not achieved. The Reports Standards Project has progressed through Stage 2 and the results from this project will inform the proposed guidelines. Guidelines relating to the Building Code were prepared for:</p> <ul style="list-style-type: none"> <li>Earthquake Strengthening of Heritage Buildings</li> <li>Accessibility and Heritage Buildings</li> <li>Fire Safety and Heritage Buildings.</li> </ul>
S 1.4 Heritage Training for Professionals.	Develop programme(s) and resource material.	Achieved. Review completed and draft report being internally reviewed.
	Deliver 50 heritage training events to professionals.	Achieved. 52 events delivered.
	Investigate options for improving capability in heritage trades.	Achieved. NZHPT participated in a gap analysis of heritage professional and trades skills led by Heritage Victoria, Australia; the project is ongoing.

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Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
S 1.5 Administer the Archaeological Authority Process (statutory process under Part I of the HPA).	Process archaeological authorities [estimate 305] within statutory timeframes [target 95%] including comprehensive archaeological and Māori values assessments [estimate 30%], avoiding sites where possible [target 20% avoidance], investigate reports of site damage and undertake compliance monitoring.	Achieved. <ul style="list-style-type: none"> <li>• 453 authorities were processed, including 22 under s18 with 98.5% processed within statutory timeframe.</li> <li>• 100% of archaeological authorities affecting Māori heritage included an assessment of Māori values.</li> <li>• 21.8% avoidance of sites.</li> <li>• 138 reports of site damage investigated.</li> <li>• 1,086 instances of compliance monitoring undertaken.</li> </ul>
S 1.6 NZHPT involvement in local authority consents.	Provide heritage conservation advice including s94 approvals [estimate 950] and submissions on RMA processes [estimate 210]. [Target: 60% of decisions are positive for heritage measured where the NZHPT's recommendations are accepted].	Achieved. 1,808 instances of heritage conservation advice given (including preliminary advice and s94 approvals) and 139 submissions; 91% of the decisions were positive for heritage.
S 1.7 NZHPT involvement in the disposal of Crown land.	Provide heritage assessments for land proposed for disposal by Crown agencies through land of potential interest system [estimate 62] and the NZHPT notification process [estimate 300] within agreed timeframes.	Not achieved. Only 42 heritage assessments for disposal and 295 for the notification process were completed as the system changed from mandatory to voluntary part-way through the year.

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Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
	Percentage of assessments that contain comprehensive Māori values assessments [target: 33%].	Not achieved. Only 20% of assessments required a Māori values assessment.
S 1.8 National Heritage Preservation Incentive Fund (NHPIF).	Administer the NHPIF in accordance with Minister-approved policy including allocating 100% of the fund to worthwhile projects.	Achieved. 100% of the fund was allocated to 18 new projects.
S 1.9 Other heritage conservation initiatives to improve heritage protection.	Negotiate heritage protection mechanisms (such as heritage covenants, archaeological site gazettal) and provide conservation advice to improve heritage survival.	Achieved. 15 heritage covenants negotiated and 158 instances of provision of conservation advice.

## IMPACT INDICATOR S 2:

*Heritage conservation provisions in planning documents result in improved survival rates.*

*The NZHPT aimed to evaluate success in this area through:*

- > *increased number of territorial local authorities meet NZHPT heritage management standards. Biennial survey due 2010/11.*

With protection and survival of heritage often dependent on district planning mechanisms, a major component of each year's work programme includes working with and submissions to local authorities. Submissions have been made on second generation district plans around the country.

Iwi management plans are also a focus for NZHPT advice and input and this year included the:

- > Makaawhio Pounamu Resource Management Plan
- > Canterbury Ngai Tahu Papatipu Rūnanga – Iwi Management Plan
- > Takapūneke Conservation Plan
- > Onawe Pa Management Plan.

In addition to substantial work undertaken as part of the HPA review, the NZHPT provided heritage advice on a number of national policy initiatives and legislative reviews including:

the *Overseas Investment Act 2005* review; the National Infrastructure Discussion Document; the *Building Act 2004* review; the Civil Defence review; the Crown Minerals review; and



Minerals Schedule 4 review. We also participated in two National State of the Environment Reporting forums.

A National Heritage Incentives Workshop, held in Auckland in August 2009, attracted over 100 participants from all over New

Zealand. Presentations promoted the need for improved heritage incentives at local and central government and the adoption of methods such as conservation lots, flexible zoning provisions, transferable development rights, incentive grants and tax relief.

### Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
S 2.1 Input on local, district and regional planning documents.	Work with selected territorial local authorities on improved heritage provisions in second generation plans.	Achieved. Substantial work was undertaken with 12 local authorities on their district plan reviews and strategies.
	Provide input on other local, district and regional planning documents including long-term council-community plans, iwi management plans, heritage strategies etc [estimate 130 advice and 79 submissions].	Not achieved. 119 instances of input, including preliminary advice.  Achieved. 179 submissions.
S 2.2 Planning incentives to encourage heritage retention.	Promote incentives as well as regulatory measures involving planning mechanisms to encourage heritage survival.	Achieved. The National Heritage Incentives Workshop was held and the NZHPT is finalising a heritage incentives toolkit.
S 2.3 National policy initiatives.	Provide advice/submissions on improved heritage provisions in national policy statements, national environmental standards and other national policy documents and legislative reviews [estimate 15].	Not achieved. 12 (excluding HPA review work).

## IMPACT INDICATOR S 3:

***An increased number of heritage places managed by NZHPT demonstrate best practice in heritage conservation.***

*The NZHPT aimed to evaluate success in this area through:*

- > *percentage of properties managed in accordance with conservation plans or reserve management plans [target = 18 properties or 37.5% of total properties managed by NZHPT.  
**Not achieved. Actual 12 plans with six drafts received and under review or public consultation].***
- > *percentage of properties maintained in accordance with the 50-year NZHPT Properties Maintenance Plan. **Achieved target of 8.4%.***
- > *percentage of properties managed in accordance with a property management plan.  
**Achieved target of 33%.***

The NZHPT cares for 48 significant heritage properties around the country. These well-known and visited properties include the Kerikeri Stone Store, Pompallier Mission at Russell, Alberton in Auckland, Te Porere Redoubt in Ruapehu District, Old St Paul's in Wellington, Timeball Station in Lyttelton, and Totara Estate near Oamaru. Collectively branded as 'Heritage Destinations', our focus has been on increasing visitation and accessibility to these properties by both New Zealanders and international tourists.

These properties, which include a significant collection of some 80,000 chattels and objects, are one of New Zealand's largest heritage property portfolios. The NZHPT aims to conserve these places and their collections to the level of best conservation practice it can achieve within a limited budget.

Over the year a comprehensive programme of repair and conservation work has been undertaken, including:

- > Alberton benefited from drainage and structural work and roof repairs along with exterior painting
- > plumbing repairs were completed at Highwic
- > interior conservation was completed at Mangungu Mission
- > Old St Paul's received protective glazing, repairs to the Harvey window, and roof repairs were undertaken
- > Thames School of Mines museum building was repaired
- > substantial foundation stabilisation work was completed at Pencarrow Lighthouse
- > interior conservation of the homestead and cottage at Hayes Engineering in Central Otago
- > a rebuild of the retaining wall along with other site work at Lyttelton's Timeball Station
- > The Cuddy had new foundations and repairs to timbers and interior surfaces
- > conservation plans have been prepared for Kemp House, the Kerikeri Mission Station gardens and Alberton properties.

Adequately maintaining the portfolio of heritage properties to ensure these remain for the future is an ongoing issue for NZHPT. The estimated \$2 million required, on an annual basis, to proactively implement the cyclical maintenance plan for these properties, is significantly higher than the annual available funding that has been previously allocated to this area of work. This means there is a backlog of deferred maintenance that will continue to grow until this issue is adequately resolved.

Along with funding from a successful one-off budget increase from the Crown, the Board has reprioritised existing outputs to enable a work programme to be delivered to begin to address these issues over the next three years.

An Occupational and Visitor Safety Audit was undertaken at each property and a large number of issues identified that need to be addressed. This has been factored into the Heritage Destinations work programme with major items being attended to in 2010/11,

large items in 2011/12 and medium and minor items the following year.

The Clifden Suspension Bridge was closed to pedestrians earlier this year. After an earthquake earlier this year, an engineering report identified potential problems during a visual check of the bridge. Further investigation identified it as a hazard and it has been closed until repairs are undertaken. The bridge's closure once again highlighted the level of local interest in heritage, with the community voicing concern over the bridge's future.

At the other end of the country, the community in and around Russell joined in actively with the hillside stabilisation project at Pompallier – providing what is possibly the only situation where children armed with catapults would be encouraged to be near a historic building. Local school pupils 'shot' seed balls onto the hillside using catapults they had designed and built.

### Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
S 3.1 Repair and maintenance of selected NZHPT properties.	Critical repairs and maintenance completed at 13 selected properties.	Not achieved. Only nine properties had critical repairs and maintenance completed.
S 3.2 Conservation plans for NZHPT properties.	Conservation plans prepared for three properties.	Achieved. One plan has been approved by the NZHPT Board; a further two plans are out for public consultation.

## OUTPUT 3 – HERITAGE APPRECIATION

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

Research shows there is a strong understanding of the importance of heritage in shaping New Zealand's distinct culture. New Zealand's history, and its heritage places, provide a sense of place and the public's engagement with historic places increases their desire to conserve them, both for current and future generations. Cultural tourism will continue to grow in importance. Also, as the World Rowing Championships at Lake Karapiro in 2010 and the Rugby World Cup preparations accelerate, the work done over the past year – and still to come – will see our heritage stand tall for the thousands of travellers from overseas and within New Zealand.

### IMPACT INDICATOR A 1:

*Places managed by the NZHPT are increasingly accessed by domestic and international visitors and contribute to economic development and cultural tourism.*

*The NZHPT aimed to evaluate success in this area through this goal:*

- > maintain visitor numbers at NZHPT staffed properties [target: 180,000 visitors as measured by the average over the last three years. **Achieved. 220,941 visitors (average).**

The NZHPT is working to build cultural tourism initiatives in partnership with regional and national tourism operators and agencies to expand the wider visitor experience and to contribute to local and regional economic development.

This past year, in spite of the economic climate the NZHPT hosted nearly 221,000 visitors, an increase of 8% over the previous financial year. Revenue from properties increased from more than \$1.02 million in 2008/09 to over \$1.16 million.

New or improved interpretation was installed at Old St Paul's, Kerikeri Mission Station, Timeball Station, Opotaka Pa and Te Porere Redoubt. Clark's Mill opened on Sundays in summer (including one operating day each month) and a small café and retail area was

developed at Hayes Engineering for a relatively modest investment. This has proved very successful and will serve as a model for further small-scale café developments at other properties.

The national merchandising project, which aims to upgrade retail spaces and merchandise at the properties, has also generated a significant increase in earned revenue.

NZHPT staff have been actively involved in further expanding links with local tourism networks including:

- > training provided to I-sites staff about heritage tourism
- > participating in Ministry of Culture and Heritage Rugby World Cup meetings

- > working with personnel from all four Northland local authorities concerning sections of the proposed National Cycleway
- > participation in local tourism associations and events advocating for heritage tourism
- > delivering heritage tours
- > providing heritage information.

### Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
A 1.1 Build cultural tourism relationships.	Further expand NZHPT links with local and national tourism networks.	Achieved. Extensive networks developed and expanded at both a national and local level.
A 1.2 Development and interpretation at our properties.	Improve visitor facilities and interpretation at four selected NZHPT properties.	Achieved.

## IMPACT INDICATOR A 2:

*Increasing numbers of New Zealanders understand and value the stories of our heritage places.*

*The NZHPT aimed to evaluate success in this area through:*

- > *improved public awareness and understanding as shown by improvement in results from public survey [establish baseline]. **Achieved. Baseline established.***
- > *average number of NZHPT members maintained. **Not achieved. Average 25,300; Actual: 22,731.***
- > *increased promotion of heritage in the media. **Achieved. 180 media releases nearly 30 up on previous year.***

Heritage education and promotion about heritage places helps New Zealanders and visitors to understand our past and to develop an appreciation of the value of these places. This leads to improving conservation efforts for the benefit of both present and future generations.

A comprehensive programme of media releases, events, publications and web-based information, as well as increasing interpretation at NZHPT sites, continues to enable us to reach a wide audience. The NZHPT's work with other organisations is vital in expanding that exposure.

## Events

In Christchurch, Heritage Week 2009 was themed *Doves and Defences* and saw a number of projects implemented including *Windows Into Our Past*. The windows of 15 registered buildings framed 23 large screen televisions that showed still and moving pictures of Christchurch in times of peace and conflict. Historic Films and Heritage Cinemas also screened archival film prior to feature films at the Academy, Rialto and Regent on Worcester cinemas.

Projects such as working with Tauranga City Council on the Otumoetai Pa project have helped to promote the NZHPT's work while also strengthening relationships with the Council, iwi/hapū and the community.

***Revealing its Secrets – Tauranga's Historic Capital, Otumoetai Pa*** was funded by Tauranga Council and supported by Ngai Tamarawaho and Ngaiterangi. Corresponding open days were over-subscribed and this booklet's print run was exhausted within a week.

Other more unusual events, such as one at Waikeria Prison-Māori appreciation unit, provided an unexpected and rewarding opportunity for NZHPT to provide greater understanding for prison inmates around the procedures and protocols accorded when koiwi (human remains) are exposed.

Other events included: the NZHPT-sponsored public lecture by Sir Neil Cossons during Oamaru's Heritage Week; sponsor support for the Australasian Engineering Heritage Conference in Dunedin; and the Ngā Roimata o Takapūneke Exhibition – co-curated by the Akaroa Museum, Akaroa Civic Trust and the NZHPT – which commemorated the establishment of the Takapūneke Historic Reserve in Akaroa.

## Media Highlights

Around the country a wealth of stories about heritage made the news, inspiring wide interest in the places and people behind them. Releases aim to promote the NZHPT's work and its goal of achieving best outcomes for heritage as well as profiling NZHPT's partnering approach to work and encouraging visitors to our properties.

Archaeology featured prominently, with the archaeological provisions in the HPA reinforced following unintentional damage to a Taranaki pa site and the successful prosecution of two Alexandra men who damaged and modified an archaeological site in Central Otago.

The NZHPT's koiwi tangata guidelines were well-publicised following the discovery of human remains at Castlepoint, as were significant and rare archaeological finds at Torpedo Bay.

The announcement in April that the Queen's Wharf sheds in Auckland were to be demolished prompted a full media debate which included NZHPT advocating for the heritage values of the waterfront buildings. The debate continued into the next financial year with a satisfactory heritage outcome.

## Branch Committees

Branch committee activities have provided opportunities for the community to learn more about local heritage:

- > tours to celebrate Marlborough's Sesqui Centennial in November 2009
- > the Northland Kaipara Harbour tour undertaken by the Northland branch committee was over-subscribed and extremely popular
- > eight heritage boat tours by the Hauraki branch committee, which were held from November 2009 to May 2010, and where 278 people took part



- > Canterbury branch committee with NZHPT staff held a successful fire safety awareness day for Category I owners at Terrace Station where fire sprinklers are being installed with the assistance of the National Heritage Preservation Incentive Fund
- > a four wheel drive excursion to the Nevis Valley with commentary from local historians
- > the Whanganui branch summer heritage visits in the Rangitikei and around Whanganui
- > Nelson branch supported research studies of the Boulder Bank and hop kilns
- > the West Coast branch unveiled the Wallsend winding wheel at Dobson with more than 80 people in attendance and provided financial support to undertake a ground radar survey of the Te Urupā Rua Taniwha at Arahura.

Newsletters produced by the branch committees, and in close association with NZHPT staff, have also added to the information available both to members and the wider community.

## Public Awareness Research

The NZHPT's research project, which explored public awareness, perceptions and understanding both of built heritage and the role of the NZHPT, reported that 80% of respondents had heard of the organisation, and that there is a high level of engagement with heritage. Seventy-five percent of all respondents had visited places or sites they considered to have heritage significance. Two volumes were produced focusing on the total New Zealand population and on an over-sampling of Māori respondents. Multiple baselines were established including that: 34% of the population over the age of 15 can be described as very interested in heritage; 75% had visited a heritage site within the previous 12 months; and that Māori were more than twice as likely to have done voluntary work to promote/protect/preserve heritage places at 36% compared with 16% of the general population. The data will be used to: help determine future public awareness, educational and marketing programmes; provide information and resources to stakeholders who are actively involved in decision-making relating to heritage management and protection; and to help the NZHPT prioritise its work programme.

## Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
A 2.1 Fostering local community appreciation of and engagement in heritage conservation.	Promote <i>Tapuwae</i> – the Māori Heritage Council's vision for Māori heritage.	Achieved. <i>Tapuwae</i> published. Interagency hui throughout North Island held to promote Māori Heritage work and <i>Tapuwae</i> . Promotion is ongoing.
	Deliver 70 events to targeted audiences.	Achieved. 98 events provided.
A 2.2 Provision of advice and information that contributes to understanding of heritage.	Provide advice and information to stakeholders who contribute to improved understanding of heritage.	Achieved. 142 instances of advice or information provided to stakeholders.
A 2.3 Publishing heritage stories.	Deliver heritage stories to the public and NZHPT membership via <i>Heritage New Zealand</i> quarterly magazine (audited circulation of 19,438), the NZHPT website, media releases and feature articles (target 160), and circulation of the <i>Heritage This Month</i> e-newsletter to an average of 6,000 recipients.	Achieved. 4 editions of <i>Heritage New Zealand</i> magazine (including a trial 64-page Summer 2009 issue). 180 media releases/feature articles produced. Pick-up rate of 74%, with 95% reflecting positively or neutrally on NZHPT. 12 <i>Heritage This Month</i> e-newsletters were released; 7,631 average number of recipients.
A 2.4 Establishing and developing relationship with iwi, hapū and whānau to increase understanding of Māori heritage through interpretation at NZHPT heritage destinations.	Ensure Māori heritage is appropriately emphasised in interpretation at selected NZHPT properties.	Achieved. The Tira and/or representatives of local rūnanga are closely involved with all new interpretation and with development of interpretation plans for Waikato wars sites and Fyffe House.

## Outputs:

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
A 2.5 Engaging future generations with heritage.	Form relationships with education sector.	Achieved. Investigated relationships and identified opportunities to be further explored.  A one-day workshop for secondary school history teachers was run in Wellington and sponsored by the Wellington branch committee.  Secondary teachers consulted over Waikato wars sites interpretation plan.
A 2.6 Establish public survey to measure awareness and understanding of heritage.	Develop survey and establish baseline.	Achieved. Undertaken with final report and baselines provided during the year.

## IMPACT INDICATOR A 3:

***Increasing numbers of New Zealanders understand the value of heritage management today for future generations.***

*The NZHPT aimed to evaluate success in this area through:*

- > *increasing awareness of the value of heritage management as measured through public awareness survey (target = 81% recognition of NZHPT and its role). **Not achieved – result = 80%.***

As we identified in the 2009/10 *Statement of Intent*, heritage conservation – particularly where places are likely to be of greater value to future generations – requires a broad acceptance by the community of the need for heritage management strategies today.

Research findings indicate there is a strong interest in heritage conservation. One-third of respondents can be described as “very

interested” in protecting and preserving places and sites that are important to New Zealanders and their heritage.

Eighty percent of respondents said they had heard of the NZHPT. However, there were varying degrees of awareness of our work, highlighting areas where further education and public awareness work can be targeted.

**Outputs:**

Initiatives and Activities	Planned Outputs 2009/10	Actual Outputs
A 3.1 Increase understanding of heritage management and its value.	Develop resources including those accessible online to assist understanding of heritage management.	The new NZHPT corporate website enables more focus on heritage management stories. Media and magazine articles are key to increasing public awareness and understanding.



# FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
<b>INCOME</b>				
Revenue from Crown	2	12,488	12,488	11,988
Additional Crown Funding	2	3,000	0	0
Grants		214	300	287
Property	3	1,227	1,050	1,143
Interest		264	370	458
Membership		678	660	716
Donations and Bequests		333	81	211
Sundry		173	51	130
Total Income		18,377	15,000	14,933
<b>EXPENDITURE</b>				
Audit Fees – External Audit	4	45	45	43
Administration		2,389	2,381	2,509
Personnel	5	7,540	7,516	7,487
Property		1,922	1,755	1,938
Incentive Fund		448	520	502
Rental Costs on Operating Leases		73	129	99
Depreciation and Amortization	10, 11	726	387	386
Communications		600	723	640
Membership		679	629	720
Board Fees	19	114	128	121
Travel & Accommodation		737	780	723
Total Expenditure		15,273	14,993	15,168
Net Surplus (Deficit) For the Year		3,104	7	(235)
<b>OTHER COMPREHENSIVE INCOME</b>				
Gain on Revaluation of Heritage Artefacts	10	0	0	1,154
Restated Gain on Revaluation of Property, Plant and Equipment	10	0	0	14,399
Total Comprehensive Income		3,104	7	15,318

The accompanying notes on pages 40 to 67 form an integral part of these financial statements.

NZHPT successfully applied for a capital bid of \$3,000,000 to undertake safety and deferred maintenance on the properties. This was unbudgeted and has been transferred to a separate fund to be spent over the next three years.

Expenditure allocated by outputs is broken out as follows:

	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
Heritage Identification	2,424	2,897	2,422
Heritage Survival	7,011	6,493	7,053
Heritage Appreciation	5,838	5,603	5,693
<b>Total Operating Expenditure</b>	<b>15,273</b>	<b>14,993</b>	<b>15,168</b>

*The accompanying notes on pages 40 to 67 form an integral part of these financial statements.*

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Note	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
<b>EQUITY</b>				
Accumulated Funds	6	8,781	9,567	8,314
Crown Capital Fund	6	682	0	937
Branch Accumulated Funds	6	249	325	273
Specified Funds & Bequests	6, 7	1,878	2,162	2,088
NZHPT Property Maintenance & Development Fund	6	3,221	95	95
Revaluation Reserve	6	36,523	26,970	36,523
<b>Total Equity</b>		<b>51,334</b>	<b>39,119</b>	<b>48,230</b>
<b>Equity is represented by:</b>				
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents	8	1,421	5,742	2,059
Short-Term Deposits		7,823	0	4,151
Trade & Other Receivables	9	107	100	161
Inventory		183	60	200
<b>Total Current Assets</b>		<b>9,534</b>	<b>5,902</b>	<b>6,571</b>
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	10	44,306	35,727	44,216
Work in Progress		46	0	138
Intangible Assets	11	405	229	549
<b>Total Non-Current Assets</b>		<b>44,757</b>	<b>35,956</b>	<b>44,903</b>
<b>Total Assets</b>		<b>54,291</b>	<b>41,858</b>	<b>51,474</b>
<b>CURRENT LIABILITIES</b>				
Trade & Other Payables	12	881	1,300	1,479
Provision for Incentive Fund Grants	13	1,071	1,000	1,242
Employee Entitlements	14	704	350	720
GST Payable		231	75	(259)
<b>Total Current Liabilities</b>		<b>2,887</b>	<b>2,725</b>	<b>3,182</b>
<b>NON-CURRENT LIABILITIES</b>	14	<b>70</b>	<b>14</b>	<b>62</b>
<b>Total Liabilities</b>		<b>2,957</b>	<b>2,739</b>	<b>3,244</b>
<b>NET ASSETS</b>		<b>51,334</b>	<b>39,119</b>	<b>48,230</b>

The accompanying notes on pages 40 to 67 form an integral part of these financial statements.

## STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
<b>Opening Equity Previously Reported</b>		33,831	39,112	32,412
Prior Period Restatement Adjustment		14,399	0	0
<b>Restated Opening Equity</b>		<b>48,230</b>	0	0
Comprehensive Income For the Year		3,104	7	15,318
Crown Capital Funding	6	0	0	500
<b>Closing Equity</b>		<b>51,334</b>	<b>39,119</b>	<b>48,230</b>

*The accompanying notes on pages 40 to 67 form an integral part of these financial statements.*



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010

Note	Actual 2010 \$000's	Budget 2010 \$000's	Actual 2009 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was received from:			
Government Funding	15,488	12,488	11,988
Grants	361	300	290
Other Operating Activities	2,292	1,842	2,172
Interest	290	370	418
	18,431	15,000	14,868
Cash was applied to:			
Payment of Suppliers	(7,859)	(7,816)	(7,025)
Payment to Employees	(7,448)	(6,790)	(7,227)
Net Goods & Services Tax	490		(334)
	(14,817)	(14,606)	(14,586)
Net Cash from Operating Activities 15	3,614	394	282
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was applied to:			
Purchase of Fixed Assets	(434)	(1,200)	(532)
Purchase Intangibles	(100)	0	(264)
Work in Progress	(46)	0	(138)
Purchase Short-Term Investments	(3,672)	0	(4,151)
Net Cash from Investing Activities	(4,252)	(1,200)	(5,085)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was received from:			
Crown	0	0	500
	0	0	500
Net Increase/(Decrease) in Cash	(638)	(806)	(4,303)
Opening Cash Balance	2,059	6,548	6,362
Closing Cash Balance	1,421	5,742	2,059
Represented by:			
Petty Cash & Imprest Balances	9	7	9
Short-Term Deposits (Less Than 90 days)	1,412	4,135	2,050
Specified Fund & Bequest Deposits	0	1,600	0
	1,421	5,742	2,059

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 40 to 67 form an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## 1. STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

### Reporting Entity

The New Zealand Historic Places Trust/Pouhere Taonga (NZHPT) is domiciled in New Zealand and is a statutory body established under s4 of the *Historic Places Act* 1980 and continued under s38 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 s7 of the *Crown Entities Act* 2004 effective from 25 January 2005. As such, the ultimate parent is the New Zealand Government.

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

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, 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 NZHPT continues to be a going concern.

The financial operations of the NZHPT branch committees have been consolidated into 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.

### *Restatement of Comparatives*

The comparatives for 2009 property, plant and equipment, accumulated depreciation and the revaluation reserve have been restated to incorporate revaluations undertaken last year but not included in the annual published accounts. The impact of this restatement is significant and has impacted on property, plant and equipment (increased \$13,991,000), accumulated depreciation (decreased \$408,000) and the revaluation reserve (increased \$14,399,000) as at 30 June 2009.

## **Adoption of New and Revised Standards and Interpretations**

### **Standards and Interpretations Effective in the Current Period**

#### *NZ IAS 1 (Revised) Presentation of Financial Statements*

*(effective for accounting periods beginning on or after 1 January 2009)*

The NZHPT has adopted NZ IAS 1 retrospectively. The adoption of the Standard does not affect the measurement and recognition of the assets, liabilities, income and expenses of the NZHPT. However some items that were recognised directly in equity are now recognised in other comprehensive income, such as for example revaluation of property, plant and equipment. NZIAS 1 introduces a Statement of Comprehensive Income.

### **Early Adoption of Standards and Interpretations**

#### *NZ IAS 24 (revised) Related Party Disclosures*

*(effective for accounting periods beginning on or after 1 January 2011)*

The NZHPT has elected to early adopt NZ IAS 24. The amendments simplify the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government-related entities) and have been applied at Note 18.

### **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 2013. All recognised financial assets that are currently in the scope of 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 Trust.

All other Standards which are on issue but not yet effective are not expected to apply to operations of the NZHPT.

## 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:* NZHPT is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of NZHPT meeting its objectives as specified in the NZHPT Statement of Intent. Revenue from the Crown is recognised as revenue when earned 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 included as part of the net surplus for the year upon receipt in the Statement of Comprehensive Income. Those with restrictive conditions are transferred to Specified Funds and Bequests from 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.

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

## 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 grants approval committee and the approval has been communicated to the applicant.

## Leases

*Finance Leases:* 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 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 Financial Performance.

## 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 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 after making appropriate provisions for obsolete items.

## Property, Plant and Equipment

Property, plant and equipment asset classes consist of land, buildings, leasehold improvements, furniture and office equipment and motor vehicles.

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 three years.

Heritage artefacts are by nature specialised and are managed by NZHPT to be preserved in perpetuity as required by the HPA. These items are revalued and measured on a fair market value but are not depreciated. NZHPT is in the process of implementing a rolling valuation of significant heritage artefacts to enable a fair value to be reflected.

*Accounting for Revaluations*

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 off-sets 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.

*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 NZHPT and the cost of the item can be measured reliably.

*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 general funds.

### *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.

## **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 NZIAS 16.

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Computer Hardware	3 years
Leasehold Improvements	5 years
Farm Equipment	5 years
Furniture	5 years
Office Equipment	5 years
Displays & Interpretation	10 years
Land Development	15 years
Building Internal	40 years
Building Structure	100 years

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The residual value and useful life of an asset is reviewed, and adjusted, if applicable, at each financial year-end.

## **Intangible Assets**

### *Software Acquisition and Development*

Acquired computer software 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 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 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 depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where 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 the Statement of Comprehensive Income.

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 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.

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).

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*

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. It is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

## 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 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, Board members are 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 year the NZHPT employed an independent valuer to revalue the NZHPT's property portfolio in line with the Crown accounting policies and Treasury requirements. Due to the nature of the NZHPT's property portfolio it is difficult to obtain market valuation comparisons for many

properties due to restrictions on their use and 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 2010:

- The valuation of historic buildings includes an estimation of the residual values and useful lives of these buildings. 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 10 for further detail.

### Changes in Accounting Policies

There have been no changes in accounting policies.

## 2. REVENUE FROM CROWN

NZHPT has been provided with funding from the Crown for the specific purposes of NZHPT as set out in the HPA 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 (2009 nil).

## 3. PROPERTY INCOME

	Actual 2010 \$000's	Actual 2009 \$000's
Functions	216	252
Admissions	342	336
Rents	175	169
Grants	43	76
Merchandising	451	310
	1,227	1,143

#### 4. AUDIT FEES – EXTERNAL AUDIT

	Actual 2010 \$000's	Actual 2009 \$000's
<b>Audit Fees for Financial Statement Audit:</b>		
Audit New Zealand	0	43
Deloitte – Statutory Audit	45	0
– Financial Restatement	17	0
	62	43

#### 5. PERSONNEL

	Actual 2010 \$000's	Actual 2009 \$000's
Salaries & Wages	7,383	7,195
Government Superannuation Fund	69	15
Increase/(Decrease) Employee Leave Entitlements	(22)	120
Recruitment Costs	31	19
Temporary Staff	14	56
Other Staff Costs	65	82
<b>Total Personnel Costs</b>	<b>7,540</b>	<b>7,487</b>

NZHPT contributed 2% of employees, salary/wages into the Kiwisaver Scheme from 1 April 2009.

## 6. EQUITY

	Actual 2010 \$000's	Actual 2009 \$000's
<b>Accumulated Funds</b>		
Represents balance of general accumulated funds from NZHPT's operations not earmarked for a specific purpose		
Balance at 1 July	8,314	7,541
Surplus/(Deficit)	3,104	(235)
Transfer To Other Equity Funds	(5,223)	(1,220)
Transfer From Other Equity Funds	2,586	2,228
Balance at 30 June	<b>8,781</b>	<b>8,314</b>
<b>Crown Capital Fund</b>		
Represents the balance of funds provided from the Crown to enable NZHPT to address capability issues of a capital nature		
Balance at 1 July	937	1,379
Funding Received	0	500
Amounts Used	(255)	(942)
Balance at 30 June	<b>682</b>	<b>937</b>
<b>Branch Accumulated Fund</b>		
Represents balance of funds raised by NZHPT branch committees for local community projects		
Balance at 1 July	273	290
Surplus/(Deficit)	(24)	(17)
Balance at 30 June	249	273
<b>Specified Funds and Bequests</b>		
NZHPT holds a number of funds and bequests from external sources for which the purpose is restricted		
Balance at 1 July	2,088	2,137
Transfer To	998	1,220
Transfer From	(1,208)	(1,269)
Balance at 30 June (see note 7)	<b>1,878</b>	<b>2,088</b>

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	Actual 2010 \$000's	Actual 2009 \$000's
<b>Property Maintenance &amp; Development Fund</b>		
Funds earmarked specifically to address critical maintenance safety issues at NZHPT properties, including \$3m from Crown		
Balance at 1 July	95	95
Transfer To	4,225	0
Transfer From	(1,099)	0
Balance at 30 June	3,221	95
<b>Property Plant and Equipment Revaluation Reserve</b>		
Represents movements following regular revaluation of NZHPT land, buildings and heritage artefacts		
Opening Balance Previously Reported	22,124	20,970
Prior Period Restatement Adjustment	14,399	14,399
Restated Opening Balance	36,523	
Revaluations	0	1,154
<b>BALANCE AT 30 JUNE</b>	<b>36,523</b>	<b>36,523</b>

## 7. SPECIFIED FUNDS AND BEQUESTS

<b>OTHER FUNDS</b>	<b>30/6/09</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/10</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
National Heritage Incentive Fund	6	500		(506)		0
Ruatuna Fund	12	39	1	(39)		13
Bulk Store and Stone Store Donations	313	6	7	(84)		242
Kemp House General Donations Fund	17		1			18
Branch Committee Fund	29					29
Wellington Inner City Bypass	63			(63)		0
Ewelme Cottage Committee Fund	82		2	(48)		36
Parkinson Trust	30				(1)	29
ASB Community Trust	50	50		(90)		10
Digital Maps Project Kerikeri	22	61			(83)	0
Old St Paul's Floral Festival Funds	29					29
Nikau Foundation	0	20		(20)		0
Others	56	93		(103)	0	46
<b>Total Other Funds</b>	<b>709</b>	<b>769</b>	<b>11</b>	<b>(953)</b>	<b>(84)</b>	<b>452</b>
<b>NZ LOTTERY GRANTS BOARD</b>	<b>30/6/09</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/10</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Archaeology at Papamoa	4	(4)				0
Lottery – Old St Paul's	(31)	31				0
<b>Total Lottery Grants Board</b>	<b>(27)</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BEQUESTS</b>	<b>30/6/09</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/10</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Richardson Bequest	48		2			50
McKay Bequest	214		7			221

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<b>BEQUESTS</b>	<b>30/6/09</b>	<b>Receipts</b>	<b>Interest</b>	<b>Expenditure</b>	<b>Capitalised</b>	<b>30/6/10</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Granville Travers Zohrab	274		9			283
Trust Bequest						
Rosier Bequest	147		5			152
Spencer Bequest	188		6	(13)		181
Bedlington Bequest	2		0			2
Denton Mayor Bequest	5		0			5
OR Lee	40		1			41
Hudson Bequest	302		9	(1)	(80)	230
Stout Bequest	2		0			2
Stringer Bequest	12		0			12
McBurnie Bequest	17		1			18
Williams Bequest	4		0	(3)		1
K Seagar Bequest	76		2			78
Estate of CIC Collett	0	26	1			27
Foulkes Estate	0	100	2			102
Shankland Estate	0	11	0			11
Anderson	0	10	0			10
<b>Total Bequests</b>	<b>1,331</b>	<b>147</b>	<b>45</b>	<b>(17)</b>	<b>(80)</b>	<b>1,426</b>
<b>TOTAL FUNDS &amp; BEQUESTS</b>	<b>2,087</b>	<b>943</b>	<b>56</b>	<b>(970)</b>	<b>(164)</b>	<b>1,878</b>

## 8. CASH AND CASH EQUIVALENTS

	Actual 2010 \$000's	Actual 2009 \$000's
Petty Cash & Imprest Balances	9	9
Cheque & Call Deposits	1,412	2,050
Specified Fund & Bequest Deposits	0	0
<b>Total Cash &amp; Cash Equivalents</b>	<b>1,421</b>	<b>2,059</b>

Investments are on terms ranging from on-call through to 90 days depending on the forecast cash flow requirements. The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

The weighted average effective interest rate for term deposits is 4.90% (2009: 5.42%).

## 9. TRADE AND OTHER RECEIVABLES

	Actual 2010 \$000's	Actual 2009 \$000's
Debtors & Other Receivables	110	174
Less: Provision for Impairment	(3)	(13)
<b>Total Debtors &amp; Other Receivables</b>	<b>107</b>	<b>161</b>

The carrying value of receivables approximates their fair value. As at 30 June 2010 all overdue receivables have been assessed for impairment and \$2,644 (2009: \$13,000) were assessed as impaired.

## 10: PROPERTY, PLANT AND EQUIPMENT

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

AT VALUATION											AT COST			TOTAL
COST ON VALUATION	Land \$000's	Land Managed \$000's	Buildings \$000's	Buildings Managed \$000's	Heritage Artefacts \$000's	Displays & Interpretation \$000's	Land Development \$000's	Plant & Equipment \$000's	Leasehold Improvements \$000's	Library \$000's				
Opening Balance July 2008	14,792	0	11,053	98	2,213	398	18	836	35	18			29,461	
Additions						367	2	163					532	
Prior Period Revaluation Restatement	1,853	1,679	8,803	1,573		77	6						13,991	
Revaluation Increase					1,154								1,154	
Reclassification & Write-Off Fully Depreciated Assets		49	(949)	709		59	13	(35)	(19)				(173)	
Disposals							0						0	
Balance 30 June 2009	16,645	1,728	18,907	2,380	3,367	901	39	964	16	18			44,965	
Accumulated Depreciation & Impairment Losses														
Opening Balance July 2008			538			32	6	511	14				1,101	
Prior period Write-back of Depreciaiton on Revaluation Restatement			(350)	(7)		(46)	(5)						(408)	
Depreciation Expense			91	4		39	1	86	9				230	
Eliminate on Disposal													0	
Reclassification & Write-Off Fully Depreciated Assets			(188)	11		18	2	(9)	(7)				(173)	
Balance 30 June 2009	0	0	91	8	0	43	4	588	16	0			750	
Net Balance 30 June 2009	16,645	1,728	18,816	2,372	3,367	858	35	376	0	18			44,215	

COST ON VALUATION	AT VALUATION							AT COST			TOTAL
	Land \$000's	Land Managed \$000's	Buildings \$000's	Buildings Managed \$000's	Heritage Artefacts \$000's	Displays & Interpretation \$000's	Land Development \$000's	Plant & Equipment \$000's	Leasehold Improvements \$000's	Library \$000's	Total \$000's
Opening Balance July 2009	16,645	1,728	18,907	2,380	3,367	901	39	964	16	18	44,965
Additions			264			220	23	65			572
Disposals											0
Balance 30 June 2010	16,645	1,728	19,171	2,380	3,367	1,121	62	1,029	16	18	45,537
<b>Accumulated Depreciation &amp; Impairment Losses</b>											
Opening Balance July 2009	0	0	91	8	0	43	4	588	16	0	750
Depreciation Expense			203	31		95	2	150	0		481
Eliminate on Disposal											0
Balance 30 June 2010	0	0	294	39	0	138	6	738	16	0	1,231
Net Balance 30 June 2010	16,645	1,728	18,877	2,341	3,367	983	56	291	0	18	44,306

Some assets have been reclassified to accurately reflect the legal title of NZHPT to such assets.

An independent valuation of the NZHPT's land and buildings was performed by Nigel Hoskin, an appropriately qualified employee of Beca Valuations Ltd. Beca has under its employment property valuers who are qualified to undertake specialised building valuations and 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 New Zealand Institute of Valuers (NZIV). The valuers involved in the 2010 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.

The valuation date was as at 30 June 2009.

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 restriction, 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.

All other asset classes are carried at depreciated historical cost.

## 11. INTANGIBLE ASSETS

	Acquired Software \$000's	Internally Generated Software \$000's	Total \$000's
<b>COST</b>			
Balance at 1 July 2008	580	0	580
Additions	264	0	264
Disposals	0	0	0
Balance at 30 June 2009	844	0	844
Balance at 1 July 2009	844	0	844
Additions	100	0	100
Disposals	0	0	0
Balance at 30 June 2010	944	0	944
<b>ACCUMULATED AMORTISATION &amp; IMPAIRMENT LOSSES</b>			
Balance at 1 July 2008	139	0	139
Amortisation Expense	155	0	155
Disposals	0	0	0
Impairment Losses	0	0	0
Balance at 30 June 2009	294	0	294
Balance at 1 July 2009	294	0	294
Amortisation Expense	245	0	245
Disposals	0	0	0
Impairment Losses	0	0	0
Balance at 30 June 2010	539	0	539
<b>CARRYING AMOUNTS</b>			
At 1 July 2008	441	0	441
At 30 June and 1 July 2009	550	0	550
At 30 June 2010	405	0	405

## 12. TRADE AND OTHER PAYABLES

	Actual 2010 \$000's	Actual 2009 \$000's
Trade Creditors	334	753
Income in Advance	33	0
Accrued Expenses	514	726
Other Payables	0	0
<b>Total Creditors &amp; Other Payables</b>	<b>881</b>	<b>1,479</b>

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.

## 13. PROVISION FOR INCENTIVE FUNDS

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.

	Actual 2010 \$000's	Actual 2009 \$000's
<b>Current provisions are represented by:</b>		
Incentive Funds Grants	1,071	1,242
<b>Total Current Portion</b>	<b>1,071</b>	<b>1,242</b>
<b>Non-current provisions are represented by:</b>	0	0
<b>Total Non-Current Portion</b>	<b>0</b>	<b>0</b>
<b>Total Provisions</b>	<b>1,071</b>	<b>1,242</b>

**Movements for each class of provision are as follows:**

	Incentive Fund \$000's
<b>2009</b>	
Balance at 1 July 2008	1,000
Additional Provisions Made	747
Amounts Used	(260)
Unused Amount Reversed	(245)
<b>Balance as at 30 June 2009</b>	<b>1,242</b>
<b>2010</b>	
Balance at 1 July 2009	1,242
Additional Provisions Made	645
Amounts Used	(628)
Unused Amount Reversed	(188)
<b>Balance as at 30 June 2010</b>	<b>1,071</b>

## 14. EMPLOYEE ENTITLEMENTS

	Actual 2010 \$000's	Actual 2009 \$000's
<b>Current employee entitlements are represented by:</b>		
Accrued Salaries and Wages	252	238
Annual Leave	428	456
Sick Leave	10	7
Long Service Leave	14	19
<b>Total Current Portion</b>	<b>704</b>	<b>720</b>
<b>Non-current employee entitlements are represented by:</b>		
Long Service Leave	70	62
<b>Total Non-Current Portion</b>	<b>70</b>	<b>62</b>
<b>Total Employee Entitlements</b>	<b>774</b>	<b>782</b>

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.

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

	2010 \$000's	2009 \$000's
Net Overall Surplus (Deficit)	3,104	(235)
<b>Add Non-Cash Items:</b>		
Depreciation	726	386
Provision for Doubtful Debts	(10)	13
Provision for Incentive Fund Grants	(171)	242
	<b>3,649</b>	<b>406</b>
<b>Movements in Working Capital:</b>		
Decrease (Increase) in Trade Debtors	64	(65)
Decrease (Increase) in Inventory	17	(155)
Increase (Decrease) in GST	490	(334)
Increase (Decrease) in Trade Payables & Accounts	(606)	430
<b>Net Cash Flow from Operating Activities</b>	<b>3,614</b>	<b>282</b>



## 16. 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 2010 \$000's	Actual 2009 \$000's
Not Later Than One Year	746	423
Later Than One Year and Not Later Than Five Years	186	188
Later Than Five Years	0	0
<b>Total Non-Cancellable Operating Leases Payable</b>	<b>932</b>	<b>611</b>

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

Leases Receivable	Actual 2010 \$000's	Actual 2009 \$000's
Not Later Than One Year	83	93
Later Than One Year and Not Later Than Five Years	369	369
Later Than Five Years	0	0
<b>Total Non-Cancellable Operating Leases Receivable</b>	<b>452</b>	<b>462</b>

## 17. CONTINGENCIES

As at 30 June 2010 potential liabilities resulting from heritage covenants previously negotiated are estimated to be \$20,000. There are no other contingent liabilities. (As at 30 June 2009, liabilities resulting from heritage covenants were \$20,000 and there were no other contingent liabilities).

Notification has been received that NZHPT is one of the beneficiaries of the CIC Collett Estate. Due to the uncertainty of the timing and value of distribution from this estate, only income that has been distributed to date has been recognised in these financial statements.

## 18. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

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

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 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 NZHPT. The terms and conditions of those arrangements are no more favourable than NZHPT would have adopted if there were no relationship to key management personnel.

### Key Management Personnel Compensation

	Actual 2010 \$000's	Actual 2009 \$000's
Salaries & Other Short-Term Employee Benefits	1,115	1,114
Post-Employment Benefits	0	0
Other Long-Term Benefits	0	0
Termination Benefits	0	0
<b>Total Key Management Personnel Compensation</b>	<b>1,115</b>	<b>1,114</b>

Key management personnel include all Board Members, Māori Heritage Council Members, the Chief Executive and the 8 members of the Lead Team.

## 19. BOARD AND MĀORI HERITAGE COUNCIL MEMBER REMUNERATION

Member:	2010 \$	2009 \$
Mr J Acland (chair from January 2008)	24,000	28,000
Dr H Allen*	0	0
Mr I Athfield	7,875	0
Prof J Binney	0	11,200
Mr E Clark	10,500	12,100
Mrs A Crighton	10,500	12,250
Mrs T Davis	0	11,750
Mr R Edwards	0	2,800
Dr M Kawharu	10,500	11,200

*... continued on the next page.*

Member:	2010 \$	2009 \$
Mr D Kiddey	10,500	0
Mr A Mahuika	10,500	0
Mr A Matson	10,500	0
Mr M Nathan	2,800	
Mr G O'Regan	2,800	1,200
Mr G Russell	0	12,250
Dr C Royal	0	800
Mr M Spedding	0	10,675
Mr T te Heuheu	10,575	4,900
Mr J Tuuta	1,600	
Mr C Wilson	1,200	
Mr W Vercoe	0	14,000
	113,850	120,525

- \* Dr Harry Allen's term expired in August 2006, with the passing of the *Historic Places Amendment Act 2006*. He has continued in an advisory capacity to the Registration Committee of the Board.

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 \$5,028 was paid for the insurance period 1 July 2009 to 30 June 2010 (2009: \$4,988).

## 20. EMPLOYEE REMUNERATION

Total Remuneration & Benefits \$000's	No of Employees 2010	No of Employees 2009
100 – 110	6	5
110 – 120	3	3
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 (2009: remuneration band \$230-240,000).

## 21. EVENTS AFTER BALANCE SHEET DATE

As a result of the Christchurch Earthquake in September 2010, two NZHPT owned buildings suffered significant damage. There was no material impact on the total value of asset portfolio.

## 22. 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 2010 \$000's	Actual 2009 \$000's
<b>Loans &amp; receivables</b>		
Cash & Cash Equivalents	1,421	2,059
Debtors & Other Receivables	107	161
<b>Total Loans &amp; Receivables</b>	<b>1,528</b>	<b>2,220</b>
<b>Financial assets at fair value through equity</b>		
Cash & Equivalents – Equity Investments	5,680	3,025
<b>Financial liabilities measured at amortised cost</b>		
Creditors & Other Payables	881	1,479

## 23. FINANCIAL INSTRUMENT RISKS

NZHPT's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. 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

The interest rates on NZHPT's investments are disclosed in Note 8.

#### *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. 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 NZHPT to cash flow interest rate risk. NZHPT's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. NZHPT currently has no variable interest rate investments.

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 NZHPT to incur a loss.

Due to the timing of its cash inflows and outflows, NZHPT invests surplus cash with registered banks. NZHPT's investment policy limits the amount of credit exposure to any one institution.

NZHPT has processes in place to review the credit quality of customers prior to granting of credit.

NZHPT's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 8) and net debtors (note 9). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

NZHPT has no significant concentrations of credit risk, as it has a small number of credit customers and only invests funds with registered banks with specified Standard and Poor's credit ratings.

## **24. CAPITAL MANAGEMENT**

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

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.

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

# AUDIT REPORT



## AUDIT REPORT

### TO THE READERS OF THE NEW ZEALAND HISTORIC PLACES TRUST FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

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

#### Unqualified opinion

In our opinion:

- The financial statements of the Trust on pages 35 to 67:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Trust's financial position as at 30 June 2010; and
    - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Trust on pages 9 to 34:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 15 October 2010, and is the date at which our opinion is expressed.

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

#### Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance.

If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

#### **Responsibilities of the Board and the Auditor**

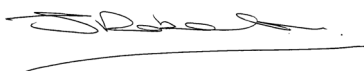
The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Trust's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the *Crown Entities Act 2004* and the *Historic Places Act 1993*.

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

#### **Independence**

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

In addition to the audit, we carried out additional assurance work relating to the restatement of the 30 June 2009 property, plant and equipment, which is compatible with those independence requirements. Other than the audit and this additional assurance work, we have no relationship with or interests in the Trust.



#### **Jacqueline Robertson**

Deloitte

On behalf of the Auditor-General

Wellington, New Zealand

# CONTACT DETAILS

## **New Zealand Historic Places Trust**

### ***Pouhere Taonga***

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## **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 2010 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 15 October 2010 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.