



NEW ZEALAND  
HISTORIC PLACES TRUST  
POUHERE TAONGA



Statement of Intent 2010-2013

Panui Whāinga

## OUR VISION

The vision of the NZHPT Board is that our work will encourage all New Zealanders to value, respect, preserve and appreciate their heritage for the benefit of present and future generations.

## WHAT WE DO

Through the NZHPT's national leadership, we aim to ensure New Zealand's historic heritage is identified and protected. Much of this is done in close cooperation with national and local stakeholders, including communities, iwi, hapū, whānau, individuals and agencies to achieve the best outcomes for heritage. Under the *Historic Places Act 1993* (HPA), we have specific responsibilities that we are charged with on behalf of the Crown.

Mandatory responsibilities under the Act:

- > Administering the HPA's archaeological authority provisions
- > Maintaining the national Register of historic places, historic areas, wāhi tapu and wāhi tapu areas.

Responsibilities assigned by the Government:

- > Administering and allocating the National Heritage Preservation Incentive Fund
- > Assessing and making recommendations for the conservation of historic heritage prior to the disposal of Crown land.

Non-discretionary commitments:

- > Promoting the protection of Māori heritage
- > Managing a portfolio of nationally significant heritage properties
- > Acting in accordance with heritage covenants with private owners
- > Monitoring compliance with archaeological authorities, heritage covenants, interim registration and heritage orders
- > Advocating heritage protection where the NZHPT's involvement is obligatory
- > Responding to enquiries.

Discretionary responsibilities to recognise, protect and promote heritage:

- > Submissions on planning documents and resource consent applications
- > Maintaining relationships with local authorities and Crown agencies to improve heritage protection
- > Achieving heritage protection, by such methods as heritage covenants and heritage orders
- > Heritage education, training and promotion programmes.

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**Cover photos, clockwise from left:** Swaggers race to the Brydone Monument, Harvest Home 2010. Photo: Gregor Richardson; Conservation work at Kikopiri Marae, Ohau. Photo: Dean Whiting, NZHPT; Otago Rail Trail cyclists at Hayes Engineering Works, Oturehua. Photo: NZHPT; Archaeological excavations at an early farmstead, Omata. Photo: Janice Adamson, University of Auckland; The Kens (aka the Topp Twins) feature at Harvest Home 2010, Totara Estate, Oamaru. Photo: Gregor Richardson.



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## JOINT STATEMENT:

# FROM THE CHAIRS OF THE NZHPT BOARD AND MĀORI HERITAGE COUNCIL

New Zealand is rich in historic places that are inseparable from our sense of place and belonging. These places of significance to our many peoples help us to remember, to learn, and to share our stories with others. They provide inspiration for artistic creativity, a foundation for tourism and economic development, a welcome for travellers returning home, and are symbols of who we are as New Zealanders.

For more than 50 years the New Zealand Historic Places Trust (NZHPT) has served as advocate for, and guardian of, the nation's significant heritage places. It is charged by Parliament with identifying, recording and caring for the nation's significant ancestral sites and buildings, and ensuring that these are passed on to future generations. In doing this, it works with thousands of New Zealanders (including its 23,000 members) and many other agencies, nationally and locally. It seeks to empower others to respect, care for, and protect their own special places through creative, intelligent and prudent use of the range of functions entrusted to us. Our collective work on registration, statutory processes, advocacy, education and the conservation and interpretation of the 48 heritage properties the NZHPT administers ensures our heritage can be valued by a larger number of New Zealanders.

Over the past 15 years the organisation has been through great change. Government has both become the majority funder and also significantly increased its funding. The NZHPT has become a Crown Entity. Staff numbers have risen, reflecting the increase in statutory and advocacy work, and properties have been developed as heritage tourism attractions. The organisation is now well positioned to work within the wider regulatory framework for heritage conservation and to meet the demands of increasing visitor numbers and services.

The review of the Historic Places Act (HPA) proposes legislative changes that reflect these circumstances. However, the Board and Council is also concerned that as the organisation is increasingly drawn into the government system, it does not lose the contribution and engagement of its members and other partners or its autonomy, both of which help give the organisation its value.

There are many challenges to be overcome in the three years covered by this Statement of Intent (SOI). In spite of increases in both government and self-generated revenue, the maintenance of NZHPT's heritage properties is not yet financially sustainable. The NZHPT will face greater pressure to demonstrate value for money from all sources of funding, and be expected to improve the efficiency of its regulatory activities while continuing to be a reliable

source of advice and an advocate for significant heritage at risk.

Continued improvements are possible. We will work to increase the current level of self-generated revenue and work towards world class experiences at the NZHPT's heritage destination properties. We will continue to work with local government to improve the efficiency of the regulatory framework and seek creative ways of incentivising historic heritage conservation.



A handwritten signature in black ink that reads "John Acland". The signature is written in a cursive, flowing style.

**John Acland**

Chair NZHPT Board

Tumuaki a te Poari Te Pouhere Taonga

28 May 2010

A handwritten signature in black ink that reads "Sir Tumu te Heuheu". The signature is written in a cursive, flowing style.

**Sir Tumu te Heuheu DCNZM**

Chair Māori Heritage Council

Tiamana o te Kaunihera Taonga Tuku Iho Māori

28 May 2010





## PART ONE:

# CONTEXT, STRATEGIC PRIORITIES AND OUTCOMES

## 1.1 OVERVIEW

New Zealanders are placing increasing importance on the places that symbolise their association with their own nation. These places provide a sense of belonging to each of us as individuals, as families, as iwi/hapū and as communities. They tell stories that bind us together as diverse peoples sharing one country, and they provide places of interest to visitors that are increasingly recognised for the economic development opportunity they present.

This SOI reflects each of these values, setting out our understanding of the environment in which we will operate, the responsibilities imposed by legislation, the expectations of

Government and the Board's strategic priorities. It describes the things we will achieve and how we will achieve them over the next three years.

## 1.2 OUR STATUTORY CONTEXT AND ACCOUNTABILITY

The role of the NZHPT, as defined by the *Historic Places Act 1993* (HPA), is "to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand". Over the past 50 years it has become New Zealand's leading national historic heritage agency and is seen by the public as the guardian of this country's national historic heritage.

While the powers and functions of the NZHPT are established within the HPA, the organisation is governed and managed as an autonomous Crown Entity under the *Crown Entities Act 2004*. The primary source of funding for the organisation is the New Zealand Government through Vote Arts, Culture and Heritage.

Under the *Crown Entities Act 2004*, Board members must comply with the Board's collective duties, their individual duties as members and any directions made by the responsible Minister. The HPA s39(2) states that the Minister must not give a direction to the NZHPT in relation to heritage matters.

The NZHPT must report annually to Parliament in its performance against its SOI. In addition the NZHPT provides a report every six months to its Minister on progress towards achieving performance targets. The NZHPT's Chair and

the responsible Minister sign a Memorandum of Understanding each year specifying performance, reporting and relationship expectations.

## 1.3 EXPECTATIONS AND CHALLENGES 2010-2013

### Government Expectations

The Government's principal expectations of the NZHPT include:

- > Ensuring that financial sustainability is part of the Board's strategy.
- > Demonstrating a strong understanding of price, quality and standards of service, cost drivers and how the Board will manage them.
- > Continuing to review how services can be better and more cost-effectively delivered.
- > Continuing to refine the Capital Asset Management programme for heritage properties.
- > Keeping the Minister informed on key issues.
- > Working with the Ministry on issues arising from the HPA review announced in January 2009.

### Other Stakeholder Expectations

Stakeholders' expectations of the NZHPT, as the national heritage agency, continue to increase both in terms of their diversity and their total demand.

These expectations include:

- > Demand from all funders to demonstrate value for money.
- > Pressure from investors and property owners to make regulatory processes faster and more efficient.
- > Increasing importance of historic heritage for all New Zealanders in defining a distinct national identity that is recognised internationally.
- > Increasing concern from Māori communities to be more active in the protection and management of their heritage and increased expectations to be consulted and assisted.
- > Increased interest in the heritage of other ethnic groups within New Zealand's culturally diverse community.
- > Growing community expectations that the NZHPT will play a stronger heritage advocacy role that leads to greater heritage protection in resource management processes.
- > New Zealanders, overseas visitors and the tourism industry expect to find heritage places managed by the NZHPT presented and interpreted to international standards.

## Risks and Opportunities

The NZHPT is acutely aware of the significant challenges it faces. These include:

- > Adapting to any changes that may result from the HPA review.
- > Continuing to deliver heritage outcomes of a high standard within the climate of uncertainty and restraint associated with the HPA review and the recessionary economic conditions that are forecast to continue throughout the planning period.
- > Achieving and maintaining financial sustainability for the core functions of the organisation.
- > Allocating limited resources to those heritage places that are most significant and most at risk.
- > Considering the balance of conservation and adaptive reuse of heritage resources.
- > Balancing the funding available against the resources required to maintain the 48 properties cared for by the NZHPT and to present them to meet tourist expectations.
- > Creating a heightened awareness amongst the wider public of the value and relevance of heritage.
- > Managing the expectations of a diverse range of stakeholders.
- > Improving heritage survival rates – through improving the regulatory environment in ways that incentivise private owners to retain and conserve significant heritage places.
- > Meeting the expectations of Māori to protect, conserve and broaden understanding of Māori heritage.
- > Managing the risks associated with participating in legal processes while carrying out the organisation's heritage advocacy and protection functions.
- > Improving the identification of significant heritage to ensure that the NZHPT continues to be an authoritative source of information about places of heritage significance.
- > Recovering significant archaeological information before its loss from increasing rates of coastal erosion.

## 1.4 STRATEGIC PRIORITIES 2010-2013

The following strategic priorities have been determined by the Board as being necessary to achieve the NZHPT's outcomes in light of the emerging challenges and strategic context of the organisation.

### Achieving Financial Sustainability

The Board has approved a sustainable financial strategy to be implemented in stages over the next three years. The strategy is necessary to ensure that heritage properties

that are the responsibility of the organisation can be managed sustainably in the long term. The strategy involves a combination of increasing self-generated revenue, reprioritising expenditure to property activities, and



investigating alternative management of some properties.

### **Telling the Stories of Our Places**

Historic places are identified as significant because of their contribution to, or association with, New Zealand's culture and heritage. The stories associated with these places are important and add to the understanding of these places, so one of NZHPT's priorities is ensuring that they are widely available.

### **Achieving Results through Partnerships**

The NZHPT often lacks the authority and, in some cases, the resources to deliver all of the heritage outcomes sought by the community. In particular we will work with those who can assist long-term conservation of heritage, be they property owners, iwi, hapū and whānau, universities, network utility operators, developers, local and central government or volunteers. It is our experience that working in partnership can achieve far greater contributions to heritage outcomes through combined efforts.

### **Enhancing the Economic Viability of Heritage Places**

More of our significant heritage buildings and places will survive to be appreciated by future generations if they continue to perform valued functions. While places in private ownership may have high heritage value, they often reflect "market failure" characteristics. This can lead to under-investment in conservation and ultimately the loss of heritage places that are of great value to the wider community. Ensuring incentives exist that encourage owners to retain and conserve heritage places is therefore a key priority.

### **Achieving Excellence Through Prioritisation**

The demand for our services consistently exceeds our ability to supply. Rather than spreading too thinly our available funding across all of our properties and functions, a key strategic approach will be to deliver the best value for money by being selective about the activities and properties on which we will focus our efforts.

The activities undertaken by the NZHPT will be prioritised and managed at all levels of the organisation by applying the principles of risk, alignment with organisational outcomes, impact, heritage significance and efficiency.

## 1.5 MEDIUM AND LONG-TERM OUTCOMES

The medium and long-term outcomes as defined by the Government, culture and heritage sector and the NZHPT are as follows:

### GOVERNMENT OUTCOMES:

Improving the lives of New Zealanders:

- > Better educated, skilled and culturally aware
- > Capable enterprises and workforce
- > Connected and vibrant communities

### MINISTRY FOR CULTURE AND HERITAGE OUTCOMES:

A thriving culture – succeeding artistically, economically and culturally

<p>Thriving producers and healthy cultural organisations (Create)</p>	<p>Increasing preservation of New Zealand’s culture and heritage and traditions (Preserve)</p>	<p>New Zealanders increasingly value their arts, broadcasting, culture and heritage (Value)</p>
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### NZHPT OUTCOMES:

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

<b>Identification</b>	<b>Survival</b>	<b>Appreciation</b>
<p>Places that contribute to New Zealand’s culture and heritage are identified and their stories recorded.</p> <p><b>Measured by</b> New Zealand’s significant heritage is prioritised and recognised by being included in the Register.</p> <p>Information on registered heritage is fit for purpose measured by current Board standards.</p> <p>Improve the recovery of information by a decreased number of overdue archaeological reports required as part of archaeological authorities.</p>	<p>Places that are identified as significant to New Zealand’s culture and heritage survive.</p> <p><b>Measured by</b> Loss of registered heritage through demolition or destruction.</p> <p>Heritage sites successfully protected or damage avoided as a result of NZHPT involvement in resource management, archaeological authority, advocacy and Crown land disposal processes.</p> <p>NZHPT properties are maintained in accordance with the 50-year NZHPT Properties Maintenance Plan.</p> <p>Delivery of deferred maintenance and safety recommendations.</p>	<p>New Zealanders appreciate those places that contribute to their sense of place, community and belonging.</p> <p><b>Measured by</b> Increase visitor numbers at NZHPT staffed properties.</p> <p>Maintain high level of visitor satisfaction at these properties.</p> <p>Improve the accessibility and usefulness of heritage information as shown by increased use of the Register Online web pages, and improved customer satisfaction as recorded by responses to website feedback form.</p> <p>Improved public awareness and understanding of heritage as shown by improvement in results from public survey undertaken every three years.</p>

## 1.6 ORGANISATIONAL HEALTH AND CAPABILITY

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

Specific objectives for the planning period are to ensure:

- > The organisation both contributes and adapts to changes that may result from the HPA review.
- > Financial sustainability is achieved.
- > Public awareness and perception of the role and functions of NZHPT is improved.
- > Service delivery and property management activities are prioritised.
- > Partnerships to promote the conservation of historic heritage are created and leveraged.
- > Systems and processes are maintained and staff are supported in their work.
- > The application of the "One Team" philosophy is strengthened throughout the organisation.

### How NZHPT will Manage Organisational Health and Capability

NZHPT uses the following tools to manage and monitor organisational health and capability:

- > Development of annual budgets and business plans by operating teams.
- > Regular reports to Board against organisational plan and budget.
- > Provide six-monthly performance reports to Minister.
- > Undertake regular performance reviews for all NZHPT staff.

- > Develop and implement national training programmes to ensure capability is enhanced consistently across the organisation.
- > Deliver prioritised training and development plans to ensure staff capability is fit for purpose.
- > Human resource policies are implemented in accordance with EEO and state sector guidelines.

### Measuring our Progress on Organisational Capability

- > The milestones in the financial sustainability strategy are achieved.
- > Public awareness ratings are maintained or improved year on year.
- > 100% of selected NZHPT properties demonstrate best practice in heritage management by managing change in accordance with conservation plans, reserve management plans and/or property management plans.



## PART TWO:

# STATEMENT OF SERVICE PERFORMANCE 2010-2013

## NZHPT KEY PRIORITY OUTPUTS 2010-2013

### **2.1 Outcome 1: Heritage Identification**

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

#### **What We Are Trying to Achieve and Why**

Identifying New Zealand's significant heritage places is an important first step in managing and conserving this finite resource and is a core statutory function of the NZHPT. A comprehensive, accurate, prioritised and publicly accessible database that records the stories and details of our most significant heritage places is a prerequisite to both their survival and appreciation by present and future generations (Outcomes 2 and 3).

The NZHPT database comprises two elements. The first is the Inventory, a basic record of all known historical and archaeological sites in a standard digital format. The second is the national NZHPT Register of Historic Places, historic areas and wahi tapu areas. This is a more detailed and accurate but smaller record that recognises the most significant sites evaluated and approved for registration by the NZHPT Board under the statutory registration process.

The information available through this database will increase over time, and we expect to see it recognised as a database of national significance. It is the most significant information resource about historic heritage available, not only for the NZHPT staff, but for Māori, owners and developers, local authorities, researchers, students and anyone interested in New Zealand's heritage.

#### **What We Will Do to Achieve This**

Over the next three years we will increase the number of known heritage places recorded in the Inventory. Developed in 2009 it contains all registered heritage, heritage listed on district plans and all recorded archaeological sites. Our first priority is to enter all NZHPT data sources and then non-NZHPT sources of heritage information will be added. This is the only national inventory of its type in New Zealand.

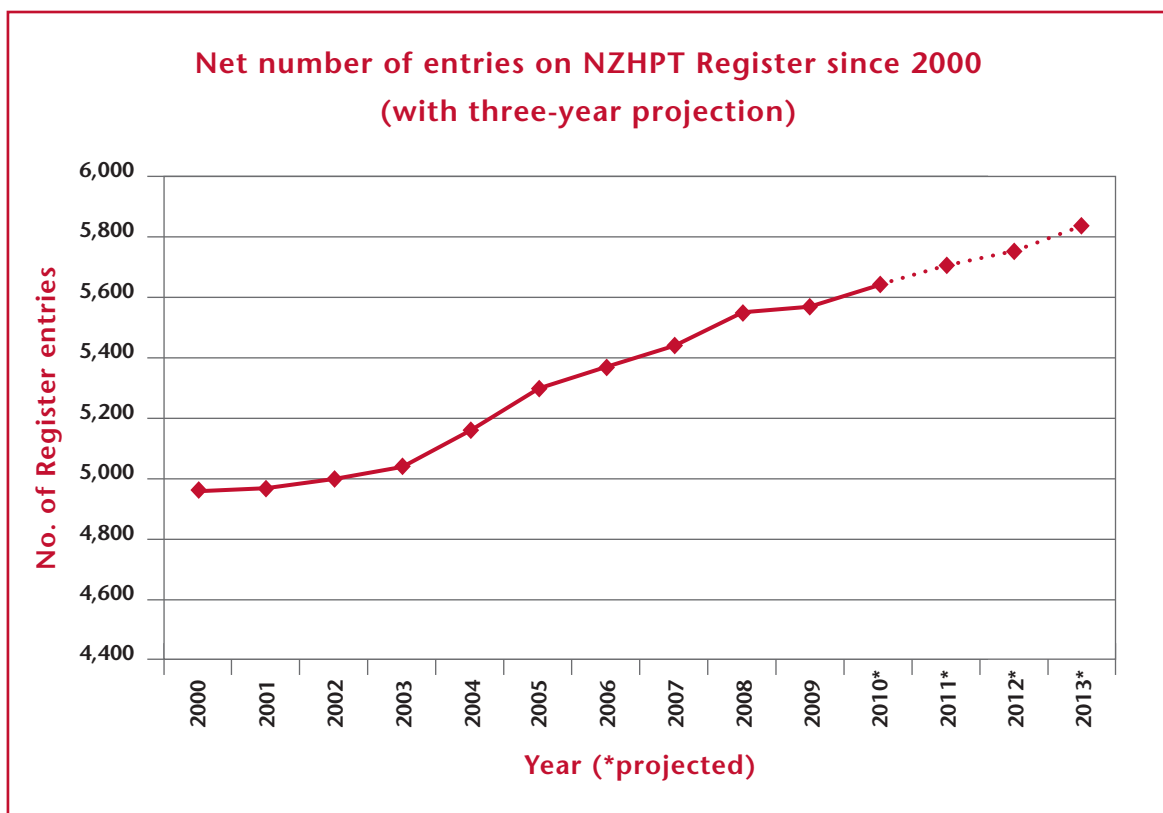
The NZHPT has a list of places that may be of sufficient heritage significance that they should be recognised on the Register. To make best use of our resources when seeking to add new registrations, we will prioritise the recording and recognition work that we undertake.

We will continue to address areas where heritage is under-represented in the Register such as Māori heritage and modern movement architecture.

We will also seek to improve the recovery of archaeological information as conditions of consents to destroy, damage or modify these sites. There are circumstances in which archaeological material of scientific and/or cultural value will be lost through natural processes such as coastal erosion. In these cases, where resources permit, we will

participate in archaeological recovery operations.

Of the 5,600 sites recorded in the Register, most of the information we hold is made easily accessible via the internet through the Register Online ([www.historic.org.nz](http://www.historic.org.nz)). Over the coming year we will improve the accuracy of heritage information by further reviewing and upgrading the quality of this information and ensuring that information gathered and recorded meets the quality standards set by the NZHPT Board. This will ensure that information contained in the Register is robust and can be relied upon by property owners, local government and the Environment Court in decisions concerning the protection and future use of heritage places.



**Note:** In 2004 a project to rectify deficient registrations identified by the Register Audit commenced and is expected to be concluded by 2014.

## How We Will Demonstrate Our Success

	2009-2010 <i>Estimate</i>	2010-2011	2011-2012	2012-2013
New Zealand's significant heritage is prioritised and recognised by being included in the NZHPT Register.	90 <i>additions</i>	115 additions	110 additions	100 additions
Information on registered heritage is fit for purpose measured by current Board standards. <i>Measured by cumulative percentage of entries that have a statement of significance.</i>	37.5%	39%	40%	41%
Improve the recovery of information as shown by a decreased proportion of overdue archaeological reports required as part of archaeological authorities.	<i>Establish baseline</i>	20% reduction in overdue reports between biennial audits	<i>n/a</i>	20% reduction in overdue reports between biennial audits

## 2.2 Outcome 2: Heritage Survival

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

### What We Are Trying to Achieve and Why

The appreciation of heritage places by present and future generations depends in large part on their survival.

A key priority for the NZHPT over the next three years is to undertake a significant programme to address deferred maintenance and safety issues at NZHPT properties. This has been made possible by a one-off operating allocation as agreed in Budget 2010.

The NZHPT is the custodian of 48 heritage properties together with their collections of some 80,000 items, constituting one of the largest heritage property portfolios in New Zealand. Many of these are well known and visited properties such as the Kerikeri Stone Store, Pompallier 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. In the long term, conservation of these properties means that, within limited



resources, the NZHPT contributes directly to heritage survival and we must ensure best practice conservation is demonstrated.

Over the next three years we will continue to encourage improved survival rates for significant heritage places through a combination of advice to owners, assistance with grant applications, the administration of the National Heritage Preservation Incentive Fund, advice and direct assistance with conservation work on Māori built heritage, administration of the Crown land disposal process, statutory advocacy on individual resource consent applications, submissions on local authority planning documents and direct regulation of the modification of archaeological sites.

While there are growing community expectations that significant heritage places will survive, there are also concerns about the impact of regulation on the rights of individual property owners. For these reasons the NZHPT's preferred approach is to engage early and constructively with owners and developers, providing advice and facilitating adaptive re-use to ensure the ongoing economic life for heritage places, to support access to available assistance and use regulatory approaches as a last resort.

The recognition of historic heritage as a matter of national importance under the Resource Management Act (RMA) has required second generation district plans at the local authority level to place greater emphasis on heritage survival. The protection of heritage is often dependent on district planning mechanisms. The NZHPT will continue to seek improved heritage provisions in district plans and planning incentive mechanisms to encourage heritage survival.

The work undertaken under the Identification and Appreciation Outcomes contributes directly to the survival of significant heritage. Improving awareness of the heritage significance of these places, and providing the owners with some tools to conserve them, will ultimately ensure that more of our heritage places survive.

### What We Will Do to Achieve This

For properties in the NZHPT's care, and their collections, we will complete a comprehensive programme of repair and conservation work. While remaining within budget, this work will be done to best practice and will include the preparation of conservation plans, deferred maintenance and completion of work identified in a safety audit undertaken in 2010.

The NZHPT will encourage heritage survival through protection processes by:

- > Efficiently administering the Archaeological Authority process by processing archaeological authority applications within statutory timeframes, avoiding sites where possible, investigating reports of site damage and undertaking compliance monitoring.
- > Advocating the protection of heritage through local authority consents by providing heritage conservation advice, including affected party approvals and submissions on RMA processes.
- > Ensuring heritage protection is taken into account when land is proposed for disposal by Crown agencies by efficiently administering the NZHPT notification process and providing heritage advice to agencies within agreed timeframes.

- > Providing advice and submissions to central government on heritage related issues arising from proposed national policy documents and legislative reviews.
- > Inputting on local, district and regional planning documents by working with selected local authorities on improved heritage provisions in second generation plans and advising on other local, district and regional planning documents including Long-term Community Council Plans (LTCCPs), iwi management plans and heritage strategies.
- > Negotiating heritage protection mechanisms including heritage covenants, archaeological site gazettal and providing conservation advice.
- > Continuing to work with the Auckland community on heritage survival by evaluating the Auckland City @Risk Project and determining best methodology and strategies.

The NZHPT will efficiently administer the National Heritage Preservation Incentive Fund to ensure best value for money and incentivising heritage conservation for private owners through 100% allocation of the fund in accordance with Minister approved policy.

The capability to carry out conservation work will be enhanced by:

- > 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.
- > Developing capability in Māori heritage and taonga conservation by producing resources and workshop programmes to support Māori Built Heritage matauranga/knowledge of place capability in Māori communities.
- > Providing specialist heritage training to those involved in enhancing heritage survival and protection.
- > Investigating options for improving capability in heritage trades.
- > Developing best practice guidelines for heritage protection and conservation by preparing new guidelines.

## How We Will Demonstrate Our Success

	2009-2010 <i>Estimate</i>	2010-2011	2011-2012	2012-2013
Loss of registered heritage through demolition or destruction.	0	0	0	0
Heritage sites successfully protected or damage avoided as a result of NZHPT involvement in resource management, archaeological authority, advocacy and Crown land disposal processes. <i>(Measured by number of sites protected or avoided divided by number involved where the outcome is known)</i>	<i>New measure</i>	Determine baseline	State estimate	State estimate
NZHPT properties are maintained in accordance with the 50-year NZHPT Properties Maintenance Plan. <i>(% of NZHPT properties that are managed in accordance with the Cyclical Maintenance Plan)</i>	8.4%	60%	75%	90%
Delivery of deferred maintenance and safety recommendations. <i>(100% of identified deferred maintenance and safety projects to be completed over the next three years)</i>	<i>n/a</i>	25%	60%	100%

### 2.3 Outcome 3: Heritage Appreciation

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

#### What We Are Trying to Achieve and Why

The identification and survival of our significant heritage places are prerequisites for their appreciation by both present and future generations. This is achieved by both access

to significant places and to the stories that explain their significance. Telling the stories of our heritage places helps us to understand our collective past, develops an appreciation of the value of these places and leads in turn to their conservation for the benefit of both present and future generations.

For those heritage places in private ownership, access to the places and their stories is limited to the information that can be imparted through the Register and other media including NZHPT's website and magazine.

The Register Online (see page 11) enables heritage property owners and those working with heritage to access heritage information that we have available about the cultural significance of heritage places including heritage buildings, structures, places of significance to Māori, historic sites, archaeological sites and historic areas. We will continue to improve public accessibility to the Register and the quality of information it contains over the next three years.

Heritage education has an important part to play in achieving the appreciation outcome. NZHPT wants to ensure that the community and decision makers have accurate information on which to base decisions about the retention or loss of heritage. A significant part of this work will include our ongoing activities in which we are partners with other heritage-focused organisations and groups. The work in this area will also see heritage stories reach a wide audience across the country, demographics and ethnicities via *Heritage New Zealand* (our quarterly magazine) and our monthly e-newsletter *Heritage This Month*, website, media features and releases, events and interpretation at NZHPT heritage destinations.

Properties cared for by the NZHPT provide perhaps the most important and publicly accessible means of appreciation for some of New Zealand's most significant heritage places. The recent rebranding of the NZHPT property portfolio as 'heritage destinations' reflects our increased focus on encouraging New

Zealanders and international tourists to visit these places. In showcasing our significant properties, the NZHPT engages visitors in an experience that increases their understanding of New Zealand's past, our cultural identity and, for New Zealanders, their place within it. Over the next three years we will continue to improve the quality of facilities and interpretation at our properties. The NZHPT is also 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.

### What We Will Do to Achieve This

To achieve this outcome over the next three years we will:

- > Increase access to heritage information by improving the website through implementing a three-year e-media strategy.
- > Work towards engaging future generations with heritage by forming relationships with the education sector.
- > Foster local community appreciation of and engagement in heritage conservation by promoting *Tapuwae* – the Māori Heritage Council's vision for Māori heritage.
- > Delivering heritage events to the public and other targeted audiences.
- > Deliver heritage stories to the public and NZHPT membership via the *Heritage New Zealand* magazine, the NZHPT website, media releases and feature articles, and circulation of the e-newsletter.

- > Enhance understanding of New Zealand's commonalities with the Pacific by undertaking the Pacific Waka Wairua Link Thematic Study focussing on traditional knowledge, culture and heritage places.
- > Enhance the visitor experience at our heritage destinations by improving visitor facilities and interpretation at selected NZHPT properties.
- > Establish and develop relationships with iwi, hapū and whānau to increase understanding of Māori heritage through appropriate interpretation and events at NZHPT heritage destinations (properties).
- > Build cultural tourism relationships by further expanding NZHPT links with local and national tourism networks.

### How We Will Demonstrate Our Success

	2009-2010 <i>Estimate</i>	2010-2011	2011-2012	2012-2013
Increase visitor numbers at NZHPT staffed properties.	180,000	205,000	215,000	225,000
Maintain high level of visitor satisfaction at NZHPT staffed properties.	90%	90%	90%	90%
Improve the accessibility and usefulness of heritage information as shown by increased use of the Register Online web pages, and ensure customer satisfaction is maintained as recorded by responses to website feedback form.	20,000 <i>page views per month.</i> <i>Satisfaction Index:</i> <i>Users rate their overall experience as satisfactory or better</i>	20,600 (increase of 3%)  90%	21,218 (increase of 3%)  90%	21,855 (increase of 3%)  90%
Improved public awareness and understanding of heritage as shown by improvement in results from public survey undertaken every three years.	<i>Establish baseline</i>	-	-	Undertake survey

## 2.4 ESTIMATED INPUTS AND ACTIVITIES

Establishing measures for the delivery of particular outcomes and outputs requires assumptions as to the levels of activity and inputs over the planning period. The following assumptions are made and, while not measures of performance, will be tracked.

Staff numbers (FTE equivalents) = 107

### Estimated Levels of Activity

Activities	2008-2009 <i>Actual</i>	2009 -2010 <i>Estimate</i>	2010 -2011 <i>Forecast</i>
Archaeological authorities processed	337	400	345
Existing registrations reviewed	19	30	20
Register location information updated	180	100	170
Deficient registrations resolved	29	125	90
Work with iwi, hapū and whānau on Māori built heritage and rock art projects	9	10	10
Policy submissions relating to plan and policy documents submitted to local authorities and central government	142	130	100
Responses made to resource consents and related processes including the Building Act	1367	1500	1400
Assessments provided as part of disposal of Crown land processes	335	348	300
Covenants negotiated over heritage properties	18	10	10
Deliver heritage training events to professionals	56	50	40





## PART THREE:

# PROSPECTIVE FINANCIAL STATEMENTS 2010/11

## 3.1 STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF PROPOSED SERVICE PERFORMANCE AND THE PROSPECTIVE FINANCIAL STATEMENTS 2010/11

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

- > The Board and the management of New Zealand Historic Places Trust have been responsible for the preparation of these Statement of Proposed Service Performance and Prospective Financial Statements, including the appropriateness of the assumptions underlying them, and the judgments used therein.
- > The Statement of Proposed Service Performance and Prospective Financial Statements will be updated in accordance with the s139 of the *Crown Entities Act 2004* obligation to prepare a Statement of Intent at the start of each financial year.

**Mr John Acland**

Chairman

28 May 2010

**Mr Bruce Chapman**

Chief Executive

28 May 2010

## 3.2 FINANCIAL PLANNING ASSUMPTIONS

### 3.2.1 Overview:

The NZHPT's forecast total income for 2010/11 will be approximately \$15.8 million. This includes \$13 million from the Crown and \$2.8 million from the NZHPT's membership base, properties, grants and other income.

During the 2010/11 year it will be a priority of the NZHPT to continue delivery of asset maintenance programmes and prioritised service delivery levels within the limited resources available – see note on page 9. While an increase in Crown baseline funding as agreed in Budget May 2008, and a one-off operating allocation as agreed in Budget 2010, will allow a significant amount of deferred maintenance to be addressed and partially address the identified required ongoing amount to continue this prioritised work programme, there remains a shortfall. Alternative revenue streams will continue to be actively pursued to try to reduce this gap.

The major assumptions that have been made in developing this SOI are:

- > While total Crown baseline funding for the NZHPT will remain as announced in Budget 2008, \$250k will be reprioritised from the Incentive Fund to operating baseline.
- > One-off operating funding of \$3 million as agreed in Budget 2010 will be used to address prioritised deferred maintenance and safety issues over the next three years.
- > While continuing to maintain delivery of core services in other output classes, there will be an additional focus on delivering key projects at a selected number of properties only within the NZHPT portfolio.
- > A small portion of deferred and cyclical maintenance will be funded from Special Funds and reserves in the short term while alternative revenue streams are established.
- > To the extent that the ongoing gap in cyclical maintenance is not possible to be met from ongoing baseline funding and alternative strategies, certain properties currently managed by the NZHPT will either be divested or continue to deteriorate.
- > Membership income will decline slightly due to the uncertainty of the legislation review and the economic climate.
- > Property, grant and donation income is targeted to rise due to the increased attention given to these areas.
- > Interest revenue will decline over the next three years as the investment base declines following the delivery of the deferred maintenance projects.
- > The NZHPT will remain a going concern.
- > There are unlikely to be any changes to the functions of the NZHPT resulting from the legislation review currently underway.
- > Outcomes sought by Government remain consistent.

### 3.2.2 Government Funding

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

	Estimated out-turn 2009/10 \$000s	Prospective 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 and out-years \$000s
Operating baseline	11,803	12,553	12,553	12,553
Additional one-off Crown operating funding	3,000	-	-	-
Incentive Fund	500	250	250	250
Crown land disposal	185	185	185	185
<b>Total Operating</b>	<b>15,488</b>	<b>12,988</b>	<b>12,988</b>	<b>12,988</b>
Capital	-	-	-	-

### 3.2.3 Self-Generated Revenue

The NZHPT also relies on self-generated funding (2009/10 estimated \$2.7 million increasing to \$2.9 million in 2010/11). Sources include membership fees, property income, grants, interest and bequests.

While it is the NZHPT's intention to continue to pursue third party revenue options, it is not possible to accurately predict future targets, particularly for grant income, at this point. Planning therefore has been undertaken on the assumption of what can be delivered within agreed Crown funding and conservative third party revenue. Any additional grant funding has not been factored in as the corresponding expenditure for those projects will only be undertaken if the additional grant income is secured.

	Estimated out-turn 2009/10 \$000s	Prospective 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 \$000s
Membership	600	540	540	540
Magazine advertising and sales revenue	60	60	60	60
Merchandising	450	450	500	550
Property admissions and functions	702	800	850	870

... continued on the next page.

... continued	Estimated out-turn 2009/10 \$000s	Prospective 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 \$000s
Grants/bequests	350	450	510	580
Interest	220	340	280	240
Sundry/donations	330	300	300	300
Other sources				
<b>Total</b>	<b>2,712</b>	<b>2,940</b>	<b>3,040</b>	<b>3,140</b>

### 3.2.4 Projected Expenditure

After allowing for a small increase in operating expenditure for inflation and salary increases across all outputs, it has been assumed that any additional expenditure incurred as a result of increased baseline revenue will be prioritised to continue the business improvement capability initiatives, and within the heritage destinations group.

The NZHPT intends to spend the \$3 million one-off operating revenue received from the Crown in the 2009/10 year to specifically address prioritised deferred maintenance and safety issues at properties within the NZHPT portfolio over the next three years. In addition there remains \$0.550 million in capital funding from previous capital allocations to enable current capital projects to be completed.

#### Projected Expenditure by Output:

	Estimated out-turn 2009/10 \$000s	Prospective 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 \$000s
Heritage identification	2,415	2,500	2,500	2,500
Heritage survival	7,100	8,068	8,063	8,058
Heritage appreciation	5,585	6,560	6,555	6,550
<b>Total Operating Expenditure</b>	<b>15,100</b>	<b>17,128</b>	<b>17,118</b>	<b>17,128</b>
<b>Capital expenditure Crown funded</b>	<b>387</b>	<b>550</b>	-	-
<b>Capital expenditure other funding sources</b>	<b>135</b>	-	-	-
<b>Total Expenditure</b>	<b>15,622</b>	<b>17,678</b>	<b>17,118</b>	<b>17,128</b>

### 3.3 PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDING 30 JUNE 2011

	Actual 2009 \$000s	Estimated out-turn 2010 \$000s	Prospective 2011 \$000s
<b>Operating Revenue</b>			
Government funding	11,988	12,488	12,988
Additional Crown funding	-	3,000	-
Grants	290	350	450
Property	1,143	1,152	1,250
Interest	458	220	340
Membership	716	660	600
Donations	208	170	200
Sundry	130	160	100
<b>Total Revenue</b>	<b>14,933</b>	<b>18,200</b>	<b>15,928</b>
<b>Operating Expenditure</b>			
Audit fees – external audit	43	55	45
Administration	2,524	2,310	2,430
Bad and doubtful debts			
Personnel	7,487	7,600	8,000
Property	1,938	1,700	3,320
Incentive Fund	502	500	250
Rental costs on operating leases	99	100	130
Depreciation	386	745	745
Communications	640	675	700
Membership	720	550	600
Board fees	106	115	128
Travel and accommodation	723	750	780
<b>Total Expenditure</b>	<b>15,168</b>	<b>15,100</b>	<b>17,128</b>
<b>Operating Surplus (Deficit) for the Year</b>	<b>(235)</b>	<b>3,100</b>	<b>(1,200)</b>

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

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

<b>Reconciliation of operating surplus/(deficit) between operations and tagged Special Funds</b>			
	<b>Actual 2009 \$000s</b>	<b>Estimated 2010 \$000s</b>	<b>Prospective 2011 \$000s</b>
<b>Net surplus/(deficit) from operations</b>	(169)	(180)	-
Net movement in branch committee operations	(17)	(20)	(20)
Net movement in Special Funds where expenditure is incurred in a different year from when the income was received	(49)	3,300	(1,180)
<b>Net operating surplus/(deficit)</b>	<b>(235)</b>	<b>3,100</b>	<b>(1,200)</b>

### **3.4 PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDING 30 JUNE 2011**

	<b>Actual 2009 \$000s</b>	<b>Estimated out-turn 2010 \$000s</b>	<b>Prospective 2011 \$000s</b>
<b>Net operating surplus/deficit for the year</b>	(235)	3,100	(1,200)
<b>Other comprehensive income</b>			
Gain on revaluation of chattels	1,154		
<b>Total comprehensive income for the year</b>	<b>919</b>	<b>3,100</b>	<b>(1,200)</b>
Anticipated adjusted gain on land and buildings to be restated as at 30 June 2009	14,279	-	-
<b>Anticipated adjusted total comprehensive income for the year</b>	<b>15,198</b>	<b>3,100</b>	<b>(1,200)</b>

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



### 3.5 PROSPECTIVE STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Actual 2009 \$000s	Estimated out-turn 2010 \$000s	Prospective 2011 \$000s
<b>EQUITY</b>			
Accumulated funds	8,314	8,656	9,206
Crown Capital Fund	937	550	-
Branch accumulated funds	273	253	233
Specified funds & bequests	2,088	5,253	4,073
Trust Property Maintenance & Development Fund	95	95	95
Revaluation reserve	22,124	36,403	36,403
<b>Total Equity</b>	<b>33,831</b>	<b>51,210</b>	<b>50,010</b>
<b>Equity is represented by:</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,059	2,751	2,321
Short-term deposits	4,151	7,200	6,250
Accounts receivable	161	50	50
Stock on hand	200	185	185
<b>Total Current Assets</b>	<b>6,571</b>	<b>10,186</b>	<b>8,806</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	29,816	44,106	44,014
Work in progress	138	150	150
Intangibles assets	549	303	200
Total non-current assets	30,503	44,559	44,364
<b>Total Assets</b>	<b>37,074</b>	<b>54,745</b>	<b>53,170</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accruals	1,478	1,500	1,500
Provision for Incentive Fund grants	1,242	1,250	1,250
Employee entitlements	720	600	600
GST payable	(259)	125	(250)
<b>Total Current Liabilities</b>	<b>3,181</b>	<b>3,475</b>	<b>3,100</b>
<b>NON-CURRENT LIABILITIES</b>	62	60	60
<b>Total Liabilities</b>	<b>3,243</b>	<b>3,535</b>	<b>3,160</b>
<b>NET ASSETS</b>	<b>33,831</b>	<b>51,210</b>	<b>50,010</b>



**John Acland**  
Chairperson



**Bruce Chapman**  
Chief Executive

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

### 3.6 PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Actual 2009 \$000s	Estimated out-turn 2010 \$000s	Prospective 2011 \$000s
<b>Opening Equity</b>	32,412	48,110	51,210
<b>Total comprehensive income</b>	919	3,100	(1,200)
<b>Other contributions from Crown</b>	500	-	-
<b>Closing Equity</b>	33,831	51,210	50,010
Anticipated movement in Revaluation Reserve after restatement of land and buildings as at 30 June 2009	14,279	-	-
<b>Anticipated Adjusted Closing Equity</b>	48,110	51,210	50,010

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

## 3.7 PROSPECTIVE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Actual	Estimated	Prospective
	2009	out-turn	2011
	\$000s	2010	2011
		\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was received from:			
Government funding	11,988	15,488	12,988
Grants	290	350	450
Other operating activities	2,172	2,268	2,150
Interest	418	220	340
	14,868	18,326	15,928
Cash was applied to			
Payment of suppliers	(7,025)	(6,725)	(8,383)
Payment to employees	(7,227)	(7,722)	(8,000)
Net goods and services tax	(334)	384	(375)
	(14,586)	(14,063)	(16,758)
Net cash from operating activities	282	4,263	(830)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was applied to:			
Purchase of fixed assets	(532)	(510)	(550)
Purchase intangibles	(264)	-	-
Work in progress	(138)	(12)	-
Purchase short-term investments	(4,151)	(49)	-
Net cash from investing activities	(5,085)	(571)	(550)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was received from:			
Crown capital	500	-	-
Sale short-term investments	-	-	950
	500	-	950
Net increase / (decrease) in cash	(4,303)	692	(430)
Opening cash balance	6,362	2,059	2,751
Closing cash balance	2,059	2,751	2,321
Represented by			
Petty cash & imprest balances	9	9	9
Short-term deposits (less than 90 days)	2,050	2,742	2,312
Specified fund & bequest deposits	-	-	-
	2,059	2,751	2,321

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

## 3.8 PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2011

### 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.

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

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

### Basis of Preparation

#### *Statement of Compliance*

The prospective 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 Prospective Financial Statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The Prospective Financial Statements are prepared on the basis that the NZHPT continues to be a going concern.

The prospective financial operations of the NZHPT Branch Committees have been consolidated into these Prospective Financial Statements.

#### *Measurement Base*

The Prospective Financial Statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment. Heritage chattels and artefacts are by nature specialised and are managed by the NZHPT to be preserved in perpetuity as required by the *Historic Places Act 1993*. These items do not have a readily available tradable value and have been measured on an estimated value and are not depreciated. The NZHPT is in the process of implementing a rolling valuation of significant heritage chattels and artefacts to enable a fair value to be obtained where possible.

### *Functional and Presentation Currency*

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

### *Standards, Amendments and Interpretations issued that are not yet effective and have not been early adopted*

There are no standard amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to NZHPT.

### **Significant Accounting Policies**

The Prospective 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 prospective financial performance and prospective financial position have been applied:

#### *Prospective Figures*

The prospective figures for 30 June 2011 are those approved by the Board at the beginning of the financial year. These figures have been prepared in accordance with the NZ IFRS and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

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

#### *Revenue*

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

*Revenue from the Crown:* The NZHPT is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the NZHPT meeting its objectives as specified in this NZHPT SOI. 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 prospective 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:* Donations and bequests received without restrictive conditions are treated as operating revenue on receipt in the Prospective Statement of Financial Performance. Those with restrictive conditions are treated as 'Other revenue' and transferred to 'Specified funds and bequests from accumulated funds'. The net on each of these funds from interest earned and payments made is treated in the same manner.

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

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

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

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

## **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:* The NZHPT does not enter into finance lease arrangements.

*Operating Leases:* Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the NZHPT are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of 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 the NZHPT will not be able to collect amounts according to the original terms of the receivable.

## Inventories

Inventories held for sale or use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value 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.

The NZHPT has interest 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 in the NZHPT in terms of the *Reserves Act 1977*.

A vesting order can only be revoked with the agreement of the NZHPT, and consequently the NZHPT's interest is deemed to be permanent.

(iii) *Controlled and Managed Buildings*

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

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. This revaluation is carried out at least every three years. Fair value is determined from market-based evidence by an independent valuer. All other asset classes are carried out at depreciated historical cost.

### *Accounting for Revaluations*

The NZHPT accounts for revaluations of property, plant and equipment on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation

that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in that statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### *Additions*

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

### *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 Statement of Financial Performance.

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 the prospective Statement of Financial Performance in the period in which they are incurred.

## **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land, chattels, 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 or vested in the NZHPT are depreciated in accordance with IAS 16.

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

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 the NZHPT are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

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

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

### *Amortisation*

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

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

Acquired Computer Software	3 years
Developed Computer Software	4 years

### *Impairment of Non-financial Assets*

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

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the prospective Statement of Financial Performance.

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 Financial Performance, a reversal of the impairment loss is also recognised in the prospective Statement of Financial Performance.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the prospective Statement of Financial Performance.

## **Creditors and Other Payables**

Creditors and other payables are initially measured at fair value and paid at scheduled timeframes.

## **Employee Entitlements**

### *Short-term Employee Entitlements*

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

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

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

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

### *Long-term Employee Entitlements*

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

### **Superannuation Schemes**

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

### **Provisions**

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

### **Goods and Services Tax (GST)**

All items in the prospective financial statements are exclusive of GST with the exception of accounts receivable and accounts payable, 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 prospective 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 arrangements as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. 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.

## **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 the sale of goods and services and other sources of revenue that support the NZHPT’s operating activities. Cash outflows include payments made to employees, suppliers and taxes.

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

## **Commitments**

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

## **Contingent Liabilities**

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

## **Changes in Accounting Policies**

There have been no changes in accounting policies since the date of the last audited financial statements.

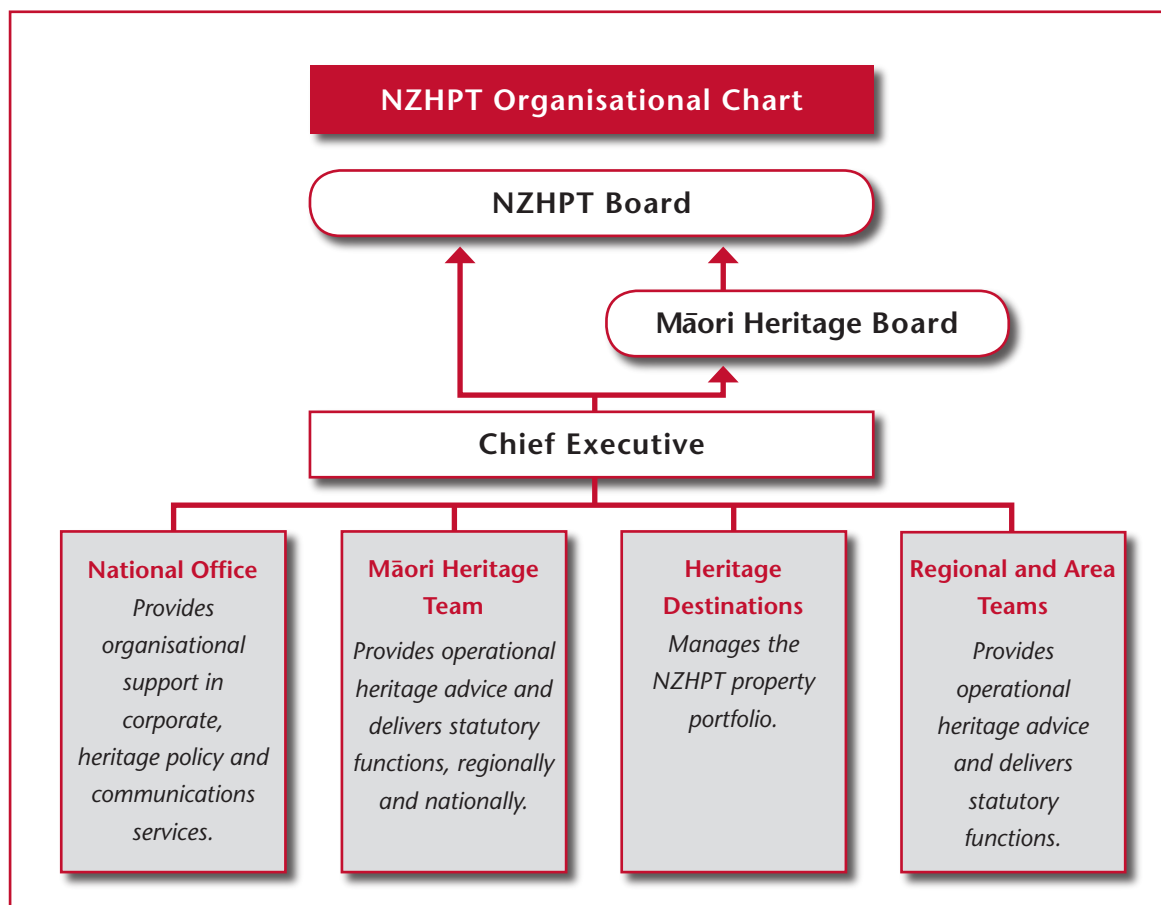
## ORGANISATIONAL STRUCTURE

The NZHPT is governed by a Board that, while taking into account government priorities and desired outcomes, is responsible for the organisation’s strategic direction.

The NZHPT’s Māori Heritage Council has specific statutory functions under the HPA relating to the promotion and conservation of many aspects of Māori heritage. While not in a governance role, the Council works very closely with the Board to ensure the NZHPT’s work aligns strategically with both bodies’ responsibilities and preferences.

The national office in Wellington provides key service, support and policy functions, and a Māori Heritage team operates throughout the management and organisational structure. There are regional and area offices located in Auckland, Wellington, Christchurch, Kerikeri, Tauranga and Dunedin. The Heritage Destinations Group enhances this national presence by caring for and managing 48 historic properties around the country, 17 of which are staffed.

The NZHPT also has over 23,000 members and 20 active branch committees throughout New Zealand.



Learn more about the NZHPT at [www.historic.org.nz](http://www.historic.org.nz).  
Discover historic places cared for by the NZHPT at  
[www.historicplaces.org.nz](http://www.historicplaces.org.nz).



# CONTACT DETAILS

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| [www.historicplaces.org.nz](http://www.historicplaces.org.nz) |

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