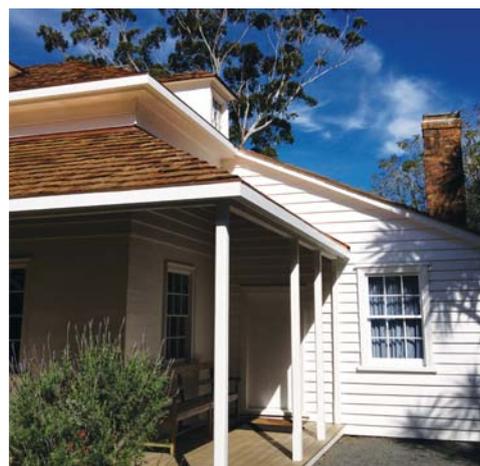




ANNUAL REPORT

Purongo ā Tau

For the year ending 30 June 2013



NZHPT OUTCOMES:

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

Identification/ Mātauranga	Survival/ Tiakina	Engagement/ Hononga
Places that contribute to New Zealand's culture and heritage are identified and their stories recorded.	Places that are significant to New Zealand's culture and heritage survive.	New Zealanders engage with those places that contribute to New Zealand's culture and heritage.

WE ACKNOWLEDGE THE FOLLOWING INDIVIDUALS AND ORGANISATIONS FOR THEIR SUPPORT:

- > Auckland Council
- > Chisholm Whitney Family Charitable Trust
- > Environment Southland
- > Fletcher Construction
- > Friends of Old St Paul's
- > Kiwirail
- > Landmark Inc
- > Lion Foundation
- > Newmont Waihi Gold
- > World War One Commemorations, Environment and Heritage Committee
- > Pub Charity
- > Thames Coromandel District Council
- > The Stout Trust
- > Westfield 227 Newmarket

Cover (clockwise from top left): The newly strengthened Clifden Bridge (Miles Hewton); Te Waimate Mission has been re-roofed (NZHPT); Tohu Maumahara at Rangiriri (NZHPT), whale chaser propellers at Prices Inlet, Stewart Island (NZHPT).



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

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

The 2012/2013 year has been one of great progress but ongoing challenge for the NZHPT. As Canterbury rebuilds, we continued to invest time and resources into recovery and restoration efforts, and there has been much from which we can take heart. While many registered buildings in Canterbury were lost, many remain, saved through hard work and dedication. There are great examples of commitment, patience, courage and investment by owners and trusts to save their heritage buildings. These include Terrace Station in Hororata, the Community of the Sacred Name on Christchurch's Barbados Street, St Luke's Church in Little Akaroa, and Wood's Mill in Addington.

But losses continue, although at a reduced rate. The year saw 21 places removed from the Register as a result of the Canterbury earthquakes, including more of the region's heritage gems such as the Modern Movement Lyttelton Road Tunnel Administration Building (1963).

The NZHPT has provided expert engineering, quality surveying and building conservation advice to hundreds of heritage owners of buildings damaged by the earthquakes. This advice has often reduced owner concerns and suggested more affordable options to retain heritage buildings.

A notable highlight from this time was the Board's confirmation to proceed with the rebuild of the Lyttelton Timeball Tower and restoration of the mechanism after a generous founding donation of \$1 million from Landmark Incorporated. This was the first of many donations the NZHPT hopes to receive for this significant project. Public consultation on the proposal was held in December 2012 and the response was overwhelmingly positive. Reconstruction of Coton's Cottage, which was badly damaged in the Darfield earthquake, has been underway as well and will be completed by early summer 2013.

Beyond Canterbury, other properties cared for by the NZHPT also received considerable attention, including celebrating the 150th anniversary of Highwic in Auckland. We progressed our safety and deferred maintenance programmes, assisted by government funding and the generous support of donors and funding from charitable trusts, all of which are crucial to the NZHPT's ongoing financial sustainability. Major projects included: restoration and painting at Pencarrow Lighthouse; the roofing project at Old St Paul's; a major project at Highwic that saw all exterior painting, window repairs and re-roofing completed; and the restoration and reopening of Clifden Bridge in Southland.

A café was opened in the ground floor of the administration building at Kerikeri Mission Station, to offer an even better visitor service at this hugely significant property.

In a rare move, the Board approved controlled demolition of the derelict Bedggood cottage at Waimate North. A review indicated that it was beyond repair and for safety reasons should be demolished. This has been completed, along with detailed archaeological recording. The rest of the site can now be developed to entice visitors who had been discouraged from visiting in the interest of safety.

Our registration programme continued as one of our priority outputs; identifying and recording the stories of places that contribute to New Zealand's culture and heritage saw 42 new additions to the Register. Registration and identification work generated considerable media interest this year, and we seized opportunities for promoting it and increasing our profile as the authoritative source for heritage place-based information.

Other significant registrations this year included the Kaitia War Memorial, one of the first World War One memorials constructed in New Zealand, and thought to be unique in being fully bilingual in Māori and English. The former Miners' Hall in Runanga on the South Island's West Coast is a significant link to the history of the organised labour movement and the birth of the Labour Party in New Zealand. Te Urewera National Park Visitor Centre at Aniwanui was designed by one of New Zealand's foremost Māori architects, John Scott. The building merges elements of Māori and European architecture and reflects our biculturalism.

The project to resolve deficient registrations (those that were found not to have been properly completed in the 1980s) is nearing an end. Just over 160 remain following the resolution of 103 deficient registrations.

Several were assessed and registered as Category 1 historic places, including St Benedict's Church and Presbytery Complex (Catholic) in Newton, Auckland. It was the headquarters of the first Benedictine mission in this country and demonstrates the international expansion of the Order's activity.

Our recognition of the New Zealand Wars was also reflected in some wonderful new Heritage Appreciation and outreach initiatives. A Tohu Maumahara was unveiled at Rangiriri Pa in November 2012 as a memorial to those who fell in the battle of Rangiriri in 1863.

This project represents more than five years of work in partnership with the Ngaa Muka Development Trust and Waikato Tainui and is part of a wider interpretation package for a number of Waikato War sites. The interpretation, launched in January 2013, includes a downloadable driving tour, audio tour of Rangiriri and education resource, as well as interpretive signage at the four NZHPT Waikato War sites.

In addition to involvement with the Waikato Land Wars and Rangiriri interpretation project, our Māori heritage team continued to help increase public understanding and appreciation of Māori heritage by supporting eight built heritage projects engaging Māori communities across the country in building and traditional arts conservation. Of particular note was providing training and technical expertise to assist Ngati Haua with the conservation of the Category 1 registered Kauwhanganui building at Rukumoana near Morrinsville. This put into effect the Crown's deed of settlement provision to provide assistance to the project.

As we await passage of the *Heritage New Zealand Pouhere Taonga Bill*, we are considering the challenges and opportunities that we have faced in the past year, and will face in the year ahead. The ongoing support of the people of New Zealand, and their sense of not only goodwill but passion for heritage, remains vital to our success.



Shonagh Kenderdine

Chair NZHPT Board

Tumuaki a te Poari Te Pouhere Taonga

31 October 2013

What we know is that people continue to care about heritage – and more so than last year. Simple questions we posed revealed an ongoing and deep connection with New Zealand’s built heritage, and a desire to see it retained and preserved for future generations to enjoy as well. That will present challenges and decisions for all communities. And we will continue to help.



Sir Tumu te Heuheu KNZM

Chair Māori Heritage Council

Tiamana o te Kaunihera Tuku iho Māori

31 October 2013



CHIEF EXECUTIVE'S INTRODUCTION AND YEAR IN REVIEW

Four strategic priorities were established by the NZHPT Board for the 2012/13 year:

- > Improving the regulatory environment for historic heritage
- > Building public support for historic heritage through engagement
- > Achieving financial sustainability
- > Communicating the role of the NZHPT.

Significant achievements were made in all these areas, which were set by the Board in light of emerging challenges and a changing strategic context.

Improving the regulatory environment for historic heritage is vital in the context of two key drivers of change: significant changes in the perception of risk in New Zealand's older commercial building stock; and an increasing gap between the public value of heritage and the value placed on it by private owners in a challenging economic environment. Both trends have the potential for changes in the regulatory environment that put heritage at risk, so engaging with policy and regulatory reviews within both central and local government has been a priority for the NZHPT.

One key area where this has been targeted has been in promoting the NZHPT's stance on seismic strengthening. A submission was made on the Government's review of the Canterbury Earthquakes Royal Commission recommendations covering earthquake-prone building policies. The Government's response acknowledged the risk of earthquakes for New Zealand and the need to learn from the Canterbury earthquake experience to improve life safety as a primary consideration.

The NZHPT has provided input, with the key question being how we can preserve our important heritage buildings while also making them safer. Public safety takes precedence, and we recognise that there may be circumstances relating to their economic viability, any risk to life, the nature of the building and its heritage values that may see some buildings unable to be retained. But there are options that can preserve both life and buildings at a reasonable cost to owners and the community.

Relatively low-cost methods of strengthening are available, especially for smaller commercial buildings, and the NZHPT works with owners and councils to ensure consideration is given to these methods. The NZHPT held regional seminars over the past year for local government and building owners in conjunction with the Society for Earthquake Engineering to help owners understand their options. These seminars have been well attended, reflecting the strong level of interest in communities in preserving their local heritage.

The NZHPT also recognises that strengthening to higher standards may not be possible without some form of financial assistance through incentives.

Some councils are currently offering these in the forms of consent fee waivers, rates relief, low interest loans and tradable development rights.

Another area where we are working to enhance the regulatory environment is through targeted inventory projects, which involves working with councils to identify and research significant heritage in a defined area. The most significant places may also be considered for registration. Local government relies on the Register as a basis for protecting significant heritage in district plans, so the NZHPT has targeted its heritage identification in those areas where second generation district plans are in preparation.

One standout initiative in this area has been our work with Auckland Council. The NZHPT has provided: advice on policy frameworks and area-based methodologies relating to heritage identification and scheduling; general expert advice; place-specific heritage advice; consultation; community involvement in heritage identification processes; and training of several of the Council's new research staff.

Other heritage inventory studies have been undertaken at Portland in Whangarei and in Morrinsville where, previously, little heritage had been recognised. The work provided opportunities to identify new heritage places and gain useful information that can feed into upcoming local authority second generation plans, as well as providing further opportunities to strengthen our working relationships with community networks.

Building public support for historic heritage through engagement has proved to be an area of excellent achievement for the NZHPT this year, with a number of highlights.

The Waikato War driving tour is an exciting new digital resource we have created that gives New Zealanders and tourists a window into the Waikato War of the 1860s – a pivotal conflict of the New Zealand Wars.

The project is a collaboration between the NZHPT and Ngaa Muka, and arises out of the NZHPT's Memorandum of Understanding with Waikato Tainui, as well as a strong commitment to appropriately recognising this hugely significant conflict as it approached its 150th anniversary.

The driving tour includes a smartphone and iPad driving tour app and brochure, new site signage and artwork at key battle sites in the Waikato, a website hosted by Hamilton & Waikato Tourism and an education resource for secondary schools. It is a comprehensive package that is engaging and relevant, and very much a trend-setter in the area of heritage tourism in this country. This is something that we emphasised at TRENZ, the four-day tourism expo held on Auckland's Queen's Wharf in April. This was our third successful appearance at TRENZ, and the feedback we received was excellent.

Other outreach examples include our publications and media work. This year saw the first issue of a new publication *Heritage Quarterly*, which showcases the work we are doing around the nation to identify and protect our historic heritage. We continued to receive great feedback for our flagship publication *New Zealand Heritage*, and have seen a steady increase in readership of our monthly e-newsletter *Heritage This Month*.

Our ongoing partnership with the New Zealand Film Archive helped bring heritage stories to local communities in the Central Region through 'Reel Life in Rural New Zealand' with film screenings in some of our historic woodsheds. Much like our regional seismic strengthening seminars, these community outreach events were well attended, suggesting that community interest in heritage continues to be strong.

The 2012/13 year was the third in a three-year program to enhance the organisation's financial sustainability. The NZHPT continued to: seek to increase self-generated revenue, particularly at the heritage properties we manage; prioritise

and focus on core areas of excellence and on the most significant components of New Zealand's heritage; and explore third party revenue opportunities, including increasing the number and range of public-private partnerships which deliver heritage outcomes.

The operational activities of the NZHPT resulted in a net surplus of \$147,000 for the year (compared to a budget deficit of \$2,363,000). This variance to budget was primarily due to two significant revenue items being received: a bequest of \$832,000 and a donation of \$1,000,000 to kick-start the Timeball Station rebuild.

While some areas of expenditure were higher than anticipated, savings were made in other areas to ensure overall expenditure was slightly below budget for the year. Following the revaluation of our property portfolio, and some items within our chattels collection, a gain on revaluation of \$7,562,000 has been reflected in the financial statements for the year.

Clearly communicating the role of the NZHPT is crucial in the current environment of continuing interest in the future of New Zealand's heritage stock in light of recent

earthquakes, and the transition of our branch committees to new regional heritage organisations. Some confusion about our role as a Crown Entity remains. This year saw significant preparation made for the anticipated passage of the *Heritage New Zealand Pouhere Taonga Bill*, and our rebranding, both of which will assist in clarifying our role. An upgrade to the NZHPT's website included enhancements to its search function. This has already seen searches of the Register Online rise by 43% since it was made accessible to search engines, increasing the ability of users to access information on New Zealand's heritage.

Although touching on only a small portion of our year's work, this summary along with the range of achievements across our three output areas in the next section show we continue to be a Crown Entity that strives to meet and exceed expectations.



Bruce Chapman

Chief Executive



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, practices and guidelines governing the relationship between Board and the Māori Heritage Council.

NZHPT BOARD

1. Role

The Board is accountable to the key stakeholders for establishing the NZHPT's vision and setting the strategies to be adopted to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand and to set the values to be promoted throughout the organisation. The Board also approves the allocation of resources in accordance with the strategic priorities and carries out duties which, under the 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 Board members appointed by the Minister for Arts, Culture and Heritage (three of whom must, in the opinion of that Minister after consultation with the Minister of Māori Affairs, be qualified for appointment having regard to their knowledge of te ao Māori and tikanga Māori).

3. Board Members' Remuneration

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

4. Board Meetings and Attendance at Meetings

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

Board meetings were attended as follows:

Board Members	Board Meetings attended
Mrs Shonagh Kenderdine (Chair)	6
Sir Tumu te Heuheu	5
Mr Ian Athfield	6
Dr Anna Crighton	4
Ms Naida Glavish	3
Mr David Kiddey	5
Dr Apirana Mahuika	4
Mr Allan Matson	6
Mr Brian McGuinness	6

5. Board Committees

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

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

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

The Registration Committee met seven times in the 2012/13 financial year, the Chief Executive's Employment Committee twice, the Audit and Risk Committee three times and the Strategy Committee once.

6. Standards of Conduct

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

7. Conflicts of Interest and Disclosure of Interests

Each Board member has made a full disclosure of their interests and this is updated at every Board meeting. If a conflict of interest exists, the Board member excuses themselves from the discussion, does not take part in any decision or vote, and they do not receive the relevant paper in respect of that interest.

8. Board Members' Insurance and Indemnity

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

9. Evaluation of Board's Performance

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



ORGANISATIONAL HEALTH AND CAPABILITY

GOOD EMPLOYER COMPLIANCE

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

The principle of consultation and involvement in policy development is enshrined in specific policies related to decision-making and roles and responsibilities. One indicator of the effectiveness of human resource policies is turnover, which was 10% this year compared to 16% last year.

Exit interviews do not indicate any particular recurring issues that need to be addressed.

The NZHPT's key activities against the seven key elements of being a 'good employer' in 2012/2013 are summarised below:

Element	NZHPT Activity
1. Leadership, accountability and culture	<p>The Chief Executive provides leadership and consistent messages by holding face-to-face meetings with all staff who are able to attend every two months, addresses all induction forums for new staff and emphasises key messages at all NZHPT staff affinity forums.</p> <p>NZHPT is a bicultural organisation and provides regular training to staff in the areas of tikanga and te reo Māori. All staff are encouraged to participate.</p> <p>A workplace engagement survey was undertaken and yielded valuable information. This was the first year we have participated in this survey and it has set a baseline for future surveys.</p> <p>Organisation-wide discussions about the results are continuing.</p>
2. Recruitment, selection and induction	<p>NZHPT has a robust and transparent recruitment policy and selection process. An interviewee may bring a support person to an interview if desired.</p>

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Element	NZHPT Activity
	<p>During the 2012/13 year a two-day induction forum was held in September and February for all new staff. These two-day programmes are part of the standard longer-term induction process and ensure that a clear understanding of the organisation's vision, work and culture is reinforced.</p>
<p>3. Employee development, promotion and exit</p>	<p>During 2012/13 four vacancies were filled by internal applicants as promotions. A number of temporary acting roles to cover extended leave periods were also provided to enable staff development opportunities.</p> <p>An exit interview is offered to all resigning staff.</p> <p>These interviews have not identified any recurring themes that are of concern.</p>
<p>4. Flexibility and work design</p>	<p>While balancing the needs of the organisation's multi-disciplinary approach to our work which requires availability of staff during core office hours, part-time and flexible options are considered.</p> <p>NZHPT has a policy of monitoring all position descriptions to ensure they accurately reflect job design.</p>
<p>5. Remuneration, recognition and conditions</p>	<p>NZHPT undertakes a transparent, equitable and gender-neutral job evaluation of all roles. All jobs are independently sized, and a market review is undertaken every two years.</p> <p>Annual performance reviews are undertaken for all staff which feeds into an annual remuneration review.</p> <p>A small Chief Executive staff reward scheme enables staff to nominate their colleagues for recognition of outstanding or exceptional work across the organisation.</p> <p>All permanent staff are offered free membership to NZHPT which provides them with free access to our properties and reciprocal visiting rights to a number of international heritage organisations.</p>
<p>6. Harassment and bullying prevention</p>	<p>NZHPT has a zero tolerance of bullying and action is taken promptly to mediate and address issues at the time they arise.</p>

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Element	NZHPT Activity
7. Safe and healthy environment	<p>NZHPT operates a Health and Safety Committee that is made up of staff from various parts of the organisation.</p> <p>The following in particular are provided to ensure a safe work environment is being provided:</p> <ul style="list-style-type: none"> > Workplace assessments for new staff > Civil defence and equipment is supplied to all sites > First aid training is offered to any staff member who wishes to obtain a first aid certificate > Site safe training is provided for those staff who require it for their roles > An employee assistance programme is provided by Vitae Ltd. <p>Ongoing refinements to the organisation's Business Continuity Plan have been made as learnings from the Christchurch earthquakes are reflected upon. A log of emergency contacts is held for all staff and these are updated monthly.</p> <p>The Emergency Management Team have been issued with memory sticks that hold health and safety information and essential documents, including staff contact details.</p>

EQUAL EMPLOYMENT OPPORTUNITIES

The NZHPT maintains a diverse workforce made up of a wide range of people representing different age groups and ethnicity. A voluntary Equal Employment Opportunity (EEO) survey of staff in June 2013, which had a 74% response rate, showed the following:

Age	<30	5.38%
	30-50	46.24%
	>50	48.38%
Ethnicity	Māori	8.79%
	New Zealand European	83.52%
	Other	7.69%
Gender	Male	30.11%
	Female	69.89%

As at 30 June 2013, there were 107 full-time equivalent staff. The average length of service in the organisation is six years, three months (2012: six years, one month).

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



STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2013

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

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

financial statements and Statement of Service Performance fairly reflect the financial position and operations of the NZHPT for the year ended 30 June 2013.

Shonagh Kenderdine

Chair NZHPT Board

31 October 2013

Sir Tumu te Heuheu KNZM

NZHPT Board Member

31 October 2013



PART 2: STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

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

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

Government's Goal for the Cultural Sector:

New Zealand's distinctive culture enriches our lives

Ministry for Culture and Heritage Outcomes:

Cultural activity flourishes in New Zealand (Create)	Our culture and heritage can be enjoyed by future generations (Preserve)	Engagement in cultural activities increases (Engage)
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NZHPT Outcomes:

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

<p>Knowledge/Mātauranga</p> <p>Places that contribute to New Zealand's culture and heritage are identified and their stories recorded</p> <p>Long-term impact indicator</p> <p><i>Knowledge about New Zealand's culture and heritage is increased and available</i></p>	<p>Survival/Tiakina</p> <p>Places that are significant to New Zealand's culture and heritage survive</p> <p>Long-term impact indicator</p> <p><i>Loss of registered heritage through demolition or destruction is minimised and the number of heritage sites protected or where damage is avoided is increased</i></p>	<p>Engagement/Hononga</p> <p>New Zealanders engage with those places that contribute to New Zealand's culture and heritage</p> <p>Long-term impact indicator</p> <p><i>Public engagement, awareness and understanding of heritage is increased</i></p>
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NZHPT Outputs:

<ol style="list-style-type: none"> 1. <i>Prepare Heritage Inventories</i> 2. <i>Enhance the Register</i> 3. <i>Recover Heritage Information</i> 	<ol style="list-style-type: none"> 1. <i>Conserve NZHPT Properties</i> 2. <i>Conserve Māori Heritage</i> 3. <i>Administer the Archaeological Authority Process</i> 4. <i>Engage in Heritage Protection</i> 5. <i>Administer the National Heritage Preservation Incentive Fund</i> 	<ol style="list-style-type: none"> 1. <i>Encourage Engagement with Heritage in Communities</i> 2. <i>Open NZHPT Properties to the Public</i> 3. <i>Share Heritage Stories</i>
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NZHPT KEY PRIORITY OUTPUTS 2012-2015

2.1 INTERMEDIATE OUTCOME 1:

HERITAGE KNOWLEDGE/ MĀTAURANGA

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

A core part of the NZHPT’s work is identifying places of heritage significance. But the next step is equally important: recording their stories means current and future generations can access comprehensive and accurate information about why places are considered to be significant, enhancing their understanding, and giving them an opportunity to experience and enjoy a sense of place, community and belonging that is our primary outcome.

The Register of historic places, historic areas, wāhi tapu and wāhi tapu areas is widely considered to be the authoritative source of information about New Zealand’s heritage places, reflected perhaps in the higher than projected number of page views each month.

There were 42 new additions to the Register, including 13 Category 1 historic places and three wāhi tapu. A thematic approach to recognise sites associated with the New Zealand Wars was taken to mark the 150th anniversary of the Waikato War (1863-1864). Examples included the New Zealand Wars Memorial, New Plymouth and Te Aukati ki Mangatawhiri wāhi tapu, which marks the point where British troops crossed into the Waikato.

NZHPT also carried out six inventory projects producing over 200 assessments identifying heritage to be considered for scheduling on district plans.

Projects were carried out in Portland in Whangarei, Onehunga in Auckland, Morrinsville, Buller district, Otago region (Gore, Lawrence and Queenstown) and Dunedin. Several assessments from a previous inventory project have been put forward for registration and scheduling.

Enhancements to information saw 46 upgrades of registration information, and more than 90% of Register Online entries now have at

least one associated image. This is thanks to the use of the social media site Flickr to 'crowdsource' images of historic places taken by people willing to share them through the NZHPT's website. The project was selected by the Auditor-General's office as a case study in the successful use of social media in whole-of-government guidance document. For the first time, access to wāhi tapu registrations was made available on the Register Online.

Long-Term Impact Indicator: More knowledge about New Zealand's culture and heritage is increased and accessible:	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Tracking or not in line with trend
Increase in the number of average page views per month of the NZHPT website (including the Register Online)	–	20,810 (Register Online only)	71,280 ¹	60,000	91,826	Tracking in line with trend.
Increase in the percentage of website users who rate their overall experience as satisfactory or better	–	36%	51.6%	70%	51%	Not tracking in line with trend. There was a low response rate of 144 respondents to the website feedback survey, from 365,364 visitors and over 1,100,000 page views.

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1 Measure now includes the Register Online and other web pages associated with telling heritage stories and heritage conservation that contribute to the Heritage Appreciation outcome.

Long-Term Impact Indicator: More knowledge about New Zealand's culture and heritage is increased and accessible:	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Tracking or not in line with trend
						However along with 51% satisfied, a further 28.5% provided a neutral response, suggesting users achieve their purpose for visiting the NZHPT website, 80.6% would recommend the site to others, and 78.2% report that it is easy to find what they were looking for.
Increase in the number of requests for reports from the Archaeological Report Digital Library	171 requests for 696 reports	198 requests for 937 reports	273 requests for 1,334 reports	350 requests for 1,480 reports	228 requests for 1,162 reports	Not tracking in line with trend. This may be in part be because Auckland Council purchased a copy of the complete digital library during this year. As the Council employs seven archaeologists, they will be accessing their own copies of reports now rather than requesting them from us.

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Long-Term Impact Indicator:	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Tracking or not in line with trend
More knowledge about New Zealand's culture and heritage is increased and accessible:						
						There are now four institutions with complete sets of the reports.
Increase in the total number of reports available in the Archaeological Report Digital Library	3,300	3,630	3,946	4,350	4,454	Tracking in line with trend.
Increase in the total number of registration reports available (entries that have a statement of significance)	1,970	2,189	2,248	2,320	2,307	Not tracking in line with trend. Three registrations not completed and the overall number of registrations with reports decreased as registrations were removed from the Register following the Canterbury earthquakes.

Heritage Knowledge Outputs Table:

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Output 1: Prepare Heritage Inventories

Performance Measures		2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
	Number of inventory projects completed and made accessible to district councils	–	–	New measure	6 projects	6 projects	Achieved.
	Number of new site assessments from Heritage Inventory work made available	–	–	New measure	240	236	Not Achieved. While 236 places were assessed through the six inventory projects (four short of our estimate), we also converted six recent registrations into formats required by a local authority in order to meet their district plan requirements.

Output 2: Enhance the Register

Performance Measures		2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
	Additions to the Register (including those of significance to Māori)	82	99	65 ²	45	42 ³	Not achieved. Two wāhi tapu proposals required further information and consultation before being progressed.

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- 2 A reduction in additions to the Register is proposed while essential work is undertaken to check location information about existing registrations and to remove entries from the Register that have been demolished following the Canterbury earthquakes.
- 3 A reduction in additions to the Register is proposed while there is increased focus on the inventory work undertaken.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Output 2: Enhance the Register continued

Performance Measures							Issues raised following notification of a third wāhi tapu area proposal are under investigation.
	Additions to the Register that are of significance to Māori)	8	14	12	6	9 (3 wāhi tapu + 6 historic places)	Achieved.
	Percentage of Register entries with a statement of significance ⁴	35%	38.4%	39.5%	40%	40.7%	Achieved.
Activity Measures	Existing registrations reviewed	20	40	121 ⁵	23	24	Above estimate.
	Register location information updated	129	274	251	190	217	Above estimate.
	Deficient registrations resolved	125	87	59	93	103 ⁶	Above estimate.

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- 4 Following the completion of the Citation Digitalisation Project in 2009, much more effort is required to add each percentage to this measure (1% is approximately equivalent to 50 upgrade reports and is also influenced by additions to and removals from the Register).
- 5 Includes removing entries from the Register for places that were destroyed as a result of the Canterbury earthquakes.
- 6 At June 2013, approximately 170 deficient registrations remain to resolve.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Output 3: Recover Heritage Information

Performance Measures	Number of archaeological reports that are overdue is decreased (biennial audits)	–	232 reports accounted for a 36% reduction	–	30% reduction	38% reduction (248 reports no longer overdue and of these 94 resolved by receiving a report)	Achieved.
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2.2 INTERMEDIATE OUTCOME 2: HERITAGE SURVIVAL/TIAKINA

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

The overall NZHPT Outcome is to see New Zealanders experience a sense of place, community and belonging. Achieving this requires the long-term survival of heritage places; these physical reminders in our towns, cities and landscapes of who we are, and from where we have come as a nation. While there is a strong interest in the community in seeing heritage retained, there are circumstances where loss is unavoidable or can be mitigated.

As Graph 1 indicates, the Canterbury earthquakes accounted for a significant loss of registered heritage. The effects of this loss continued last year, albeit with a downward trend that hopefully will continue.

The NZHPT has provided heritage conservation advice to owners and CERA on damaged buildings within tight timeframes and provided access to site-specific heritage engineering advice.

This role expanded to providing advice to local authorities for damaged buildings outside of Christchurch, while continuing to provide heritage assessments for CERA on the implementation of the Blueprint Plan for the new Central City designations and precinct developments.

Wider policy discussions occurred with the review, led by the Ministry of Business, Innovation and Employment, about the earthquake-prone building provisions of the *Building Act* 2004 and the reform of the *Resource Management Act* 1991 (RMA). The NZHPT participated in these discussions, with staff speaking at public consultation meetings around the country.

Advice to heritage building owners throughout New Zealand about the effect of seismic strengthening on heritage values included 115 projects relating to heritage buildings, which signals a significant increase in this area of work.

Eight projects relating to Māori-built heritage, sites and rock art projects were completed, as planned, across the country and notably included work on the Rauru Meeting House in Hamburg, Germany. This work programme reflects the strong relationship the NZHPT has with iwi and hapū in supporting their kaitiakitanga role of their historic heritage, and in increasing local skills in conservation.

The NZHPT has also sought to improve heritage provisions in second generation district plans and incentive mechanisms to encourage heritage survival. This work included advocating for improved building safety provisions in district plan heritage provisions prepared under the RMA, such as encouraging earthquake strengthening. As a result, new heritage building safety policies and rules are being introduced into the district plans of Hamilton, Hastings, Napier, Horowhenua, Whanganui and Southland.

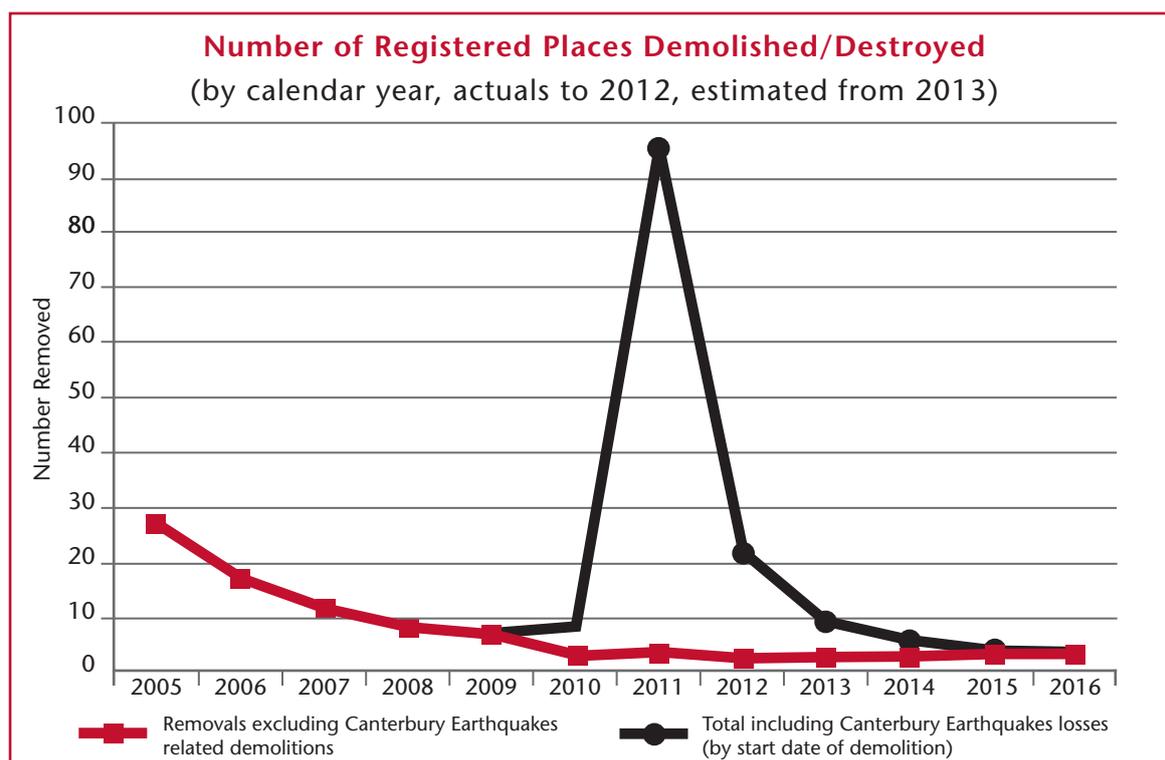
As part of moves to prepare for implementing proposed changes to the HPA that may see

shorter timeframes for processing of archaeological authorities, the NZHPT continued to trial the proposed timeframes. The NZHPT implemented processes to support their achievement, such as weekly tracking sheets, to ensure work due is clearly identified.

A priority over the year was continuing the significant multi-year programme to address deferred maintenance and safety issues at NZHPT properties, made possible by a one-off operating allocation in Budget 2010. The NZHPT cares for 48 nationally significant heritage properties together with their collections of some 80,000 items, constituting one of the largest heritage property portfolios in New Zealand. Significant projects included the completion of safety work at the Clifden Suspension Bridge in Southland, which was also funded through donations by NZHPT members and supporters, and the controlled dismantling of Bedggood Cottage in Northland which had been in poor condition since acquired by the NZHPT in the late 1970s.

Graph 1: Long-Term Trend of Destruction of Registered Heritage⁷

As at July 2013 (estimates for 2013-2016)



⁷ The high numbers of losses during the 2010-2012 years are a direct consequence of the Canterbury earthquakes.

Long-Term Impact Indicator:	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Tracking or not in line with trend
Loss of registered heritage through demolition or destruction is minimised and the number of heritage sites protected or where damage is avoided is increased:						
Number of registered heritage sites demolished or destroyed in a calendar year reduces (see also Graph 1)	8 (2010)	95 (2011)	21 (2012)	23 (estimate)	9 (Jan-Jul 2013)	Tracking lower than expected as demolitions or resulting from the Canterbury earthquakes slow.
Number of heritage sites protected or damage avoided at a site as a result of NZHPT involvement in resource management, archaeological authority, advocacy and Crown land disposal processes increases	New measure	681	497 ⁸	535	492	Not tracking in line with trend as a lower than expected number of heritage sites protected was largely a result of a drop in notified second generation district plans under the RMA (as a consequence of forthcoming reforms under this Act).

8 Two district plan changes supported by NZHPT are expected to add significant numbers of heritage sites to their schedules which will increase the protection afforded to them.

Heritage Survival Outputs Table:

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Survival Output 1: Conserve NZHPT Properties

Performance Measures	Percentage of NZHPT properties maintained in accordance with the 50-year Cyclical Maintenance Plan or Capital Asset Maintenance Plan	50-year Cyclical Plan prepared	60%	92% ⁹	90%	92% ¹⁰	Achieved.
	Percentage of identified deferred maintenance and safety projects completed	–	34%	53%	85%	91% ¹¹	Achieved.

Survival Output 2: Conserve Māori Heritage

Performance Measures	Number of Māori built heritage, sites and rock art projects completed working with specific iwi and hapū	15	10	8	8	8 Kauhanganui Building, Waikato. Te Horo marae, Ruatoria. Muriwai marae, Te Poho o Tamanuhiri Gisborne.	Achieved.
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⁹ Of the 48 properties within the NZHPT portfolio, four (8%) are not being maintained due to prioritisation of funding.

¹⁰ Of the 48 properties within the NZHPT portfolio, four (8%) are not being maintained due to prioritisation of funding.

¹¹ This includes 13% of safety recommendations originally identified that have been resolved in an alternative way.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Survival Output 2: Conserve Māori Heritage ... continued

Performance Measures						Mangakino – Pouakani marae, Taupo. Taharua Wharenui, Paeroa. Te Arawa Anglican Church, Whakarewarewa, Rotorua. Te Houhanga marae, Rahiri wharenui, Dargaville. Rauru Meeting House, Hamburg.	
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Survival Output 3: Administer the Archaeological Authority Process

Performance Measures	Percentage of Archaeological Authorities processed within statutory timeframes ¹²	98.5%	100%	100%	100%	99.5%	Not Achieved. 420 out of 422 archaeological authorities were processed within the statutory timeframe.
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12 Note the current statutory timeframe for processing of authorities is 90 working days. The review of the HPA is proposing to substantially shorten statutory timeframes for processing Archaeological Authorities. The NZHPT is preparing for the change and expects to meet the new timeframes. The implementation date for these changes is not yet known but is expected to be in late 2013 or early 2014.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
Survival Output 3: Administer the Archaeological Authority Process ... continued							
<i>Performance Measures</i>				99.8% Emer- gency Author- ities		99.4%	Not achieved. 505 out of 508 Emergency Authority applica- tions were processed within the statutory timeframe.
	Percentage of Archaeological Authorities that avoid or protect archaeological sites	21.8%	36% ¹³	17% ¹⁴	20%	25.2%	Achieved.
<i>Activity Measures</i>	Number of Archaeological Authorities processed (excluding Emergency Authorities)	453	503	377	400	422	Above estimate.
	Number of Emergency Authorities processed	n/a	62	608	300	508	Above estimate.

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- 13 The 2010/11 estimated percentage is substantially higher than the previous year as a larger number of authorities were processed relating to a national infrastructure project where sites were able to be avoided.
- 14 Excludes Emergency Authorities completed under the Order In Council (Historic Places Act) in relation to the demolition of buildings in Canterbury following the earthquakes in 2010 and 2011.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Survival Output 4: Engage in Protection Processes

Performance Measures	Percentage of resource consents where NZHPT is consulted and the Council decision is positive for heritage	91%	92%	95%	80%	92% ¹⁵	Achieved.
	Percentage of district plans that meet NZHPT defined standard (biennial assessment)	–	4%	–	Under-take assessment	16%	Achieved.
	Percentage of our policy submissions that result in positive heritage outcomes (where decision is known)	–	88%	98%	60%	89% ¹⁶	Achieved.
	Percentage of assessments of land proposed for disposal by Crown agencies completed within specified timeframes	85%	91%	100%	100%	100%	Achieved.

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- 15 This includes all resource consents where NZHPT is consulted and includes responses (submissions, advice, and affected party approvals) where NZHPT has had an impact on the work being proposed as well as those where it supported the proposed work. This measure has been altered from the 2012-15 Statement of Intent to more accurately reflect what is being measured.
- 16 This includes submissions where the NZHPT has had an impact on the provisions being proposed as well as those where NZHPT supported the proposed provisions.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Survival Output 4: Engage in Protection Processes ... *continued*

Activity Measures	Number of policy submissions relating to plan and policy documents submitted to local authorities and central government	191	171	135	80	95	Above estimate.
	Number of occasions advice is given on resource consents and related processes including the Building Act	1,808	1,860	1,516	1,800	1,642	Below estimate. Economic conditions are most likely responsible for the less than expected numbers of advice provided by the NZHPT under the RMA and Building Act.
	Number of assessments provided as part of disposal of Crown land processes	337	308	319	270	353	Above estimate.
	Number of covenants negotiated over heritage properties	20	17	14	10	18	Above estimate.
	Number of heritage training events to professionals delivered	52	51	53	35	50	Above estimate.

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Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Survival Output 5: Administer the National Heritage Preservation Incentive Fund

Performance Measures	Percentage of funds allocated in accordance with the policy	100%	100%	100%	100%	100%	Achieved.
	Percentage of approved applications monitored and reported	100%	100%	100%	100%	100%	Achieved.
Activity Measures	Total number of projects funded	17	8	9	15	17	Above estimate.
	Total value of grants approved	448,000	269,000	213,000	500,000	664,345	Above estimate.

2.3 INTERMEDIATE OUTCOME 3: HERITAGE ENGAGEMENT/HONONGA

New Zealanders engage with those places that contribute to New Zealand’s culture and heritage.

The NZHPT holds a wealth of information about heritage places and is seen as an authoritative source. The portfolio of properties we care for also provide an opportunity to showcase historic places as tourism destinations that support and enhance community wellbeing. Increasingly, this work is being supported through digital or e-media solutions.

This year marked significant investment by the NZHPT in digital tools to increase the reach of New Zealand’s heritage stories. A resource, developed in partnership with Ngaa Muka, now gives visitors a window into the Waikato

War of the 1860s – a pivotal conflict of the New Zealand Wars. This includes a driving tour app for smartphone and iPad users, new site signage and artwork at key battle sites in the Waikato, and an education resource for secondary schools. A further partnership sees these resources hosted on the Hamilton and Waikato Tourism website, supporting local cultural tourism. This driving-tour concept is being repeated in a second project focusing on the history and stories of pre-Treaty Northland, with initial planning having taken place during the year.

The NZHPT continued its presence at the annual tourism trade show, TRENZ, promoting 12 staffed properties, the new Waikato War driving tour, and the new Kerikeri Mission café called The Honey House. This reflects efforts to build cultural tourism initiatives with national as well as regional tourism operators and agencies, and to contribute to local and regional economic development. Events at properties continue to develop, including a Victorian Farm Day at Oamaru's Totara Estate and a plant fair at Highwic in Auckland. Highwic celebrated its 150th anniversary with a number of other events in 2012. These events, at well-presented properties with increasingly sophisticated interpretation and well-trained staff, have no doubt contributed to the increase in visitors.

Online engagement increased, with Facebook connecting the NZHPT with rising numbers of supporters (around 50% increase over the year). It had a pivotal role in public discussions about the future of the Lyttelton Timeball Station. While direct consultation with the community at a public market yielded hundreds of written responses, one posting on Facebook reached over 6,000 people within a 24-hour period.

Other means of information reach include strong use of the website, an average of more than 8,500 subscribers to the e-newsletter *Heritage This Month*, a circulation of more than 13,000 for the quarterly magazine, and the continued programme of media releases and articles that help to tell the stories of New Zealand's heritage places and the NZHPT's work.

Investment in the NZHPT's discretionary outreach work programme saw increased engagement through a range of events. The NZHPT launched the very successful 'Heartland Archaeology' series that was aimed at increasing awareness of NZHPT's archaeological role and strengthening regional rural and small town community networks.

Audiences were also encouraged to do their own research, share their local heritage knowledge and potentially be the NZHPT's local 'eyes and ears'. Over 600 people attended the 14 events that included lectures, field trips and a hands-on interaction with an historic Northland fish weir. Other outreach events saw vegetation cleared from important land-based sites at Project Njord Whaler's base on Stewart Island, and a community heritage symposium held to build capability of local heritage organisations in relation to the proposed unitary plan.

This work has helped the NZHPT in supporting the transition plans of its branch committees. Of the 24 committees nationwide, three remain active with a further six committees in recess. Since 2011, when several committees indicated a desire to transition ahead of the passing of the proposed Heritage New Zealand Pouhere Taonga Bill, 15 committees have transitioned to new regional heritage organisations. Relationships remain strong, with staff in regular communication with groups around the country, including taking part in meetings and providing advice to groups as they grow and develop. Opportunities to work together have resulted in local presentations and meetings including:

- > a seismic strengthening seminar in Christchurch
- > the 75th anniversary celebrations of the construction of Palmerston North's Savage Crescent state houses with the new Historic Places Manawatu-Horowhenua
- > assisting the Whanganui Regional Heritage Trust on the future management of Kawana Mill with Te Atihau Incorporation in Wanganui.

Heritage Engagement Outputs Table:

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Heritage Engagement Output 1: Encourage Heritage Engagement in Communities

Performance Measures	Number of initiatives undertaken in partnership to enhance heritage engagement	–	New measure	40	55	59	Achieved.
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Heritage Engagement Output 2: Open NZHPT Properties to the Public

Performance Measures	Increase in visitor numbers at NZHPT staffed properties	204,760	194,186 ¹⁷	206,680	200,000	215,007	Achieved.
	Maintain the percentage of respondents who rate their visit to NZHPT staffed properties as “satisfied” or higher	93%	96%	93%	92%	94%	Achieved.
Activity Measures	Number of visitor facility and interpretation projects completed at selected NZHPT properties	8 projects	4 projects	4 projects	3 projects	3 projects – Tohu at Rangiriri, Waikato driving tour and education package, Kerikeri Mission café	Achieved.

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17 The Timeball Station in Lyttelton sustained serious damage in the Canterbury earthquakes of 4 September 2010 and 22 February 2011 and was dismantled. The site remains closed to the public.

Type of Measure	Output	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Planned Outputs	2012-2013 Actual	Achieved/ Not Achieved
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Heritage Engagement Output 3: Share Heritage Stories

Activity Measures	Number of media releases, comments, features and articles produced	180	180	211	180	226	Above estimate.
	Audited circulation of <i>Heritage New Zealand</i> (ABC)	16,513	15,819	14, 123 audited	15,500	13,102 as at 30 June 2013	Below estimate. The magazine is a primary benefit of NZHPT membership and therefore its circulation typically reflects trends in membership numbers. Membership fell slightly overall during the year (from 19,876 to 19,708 as at 30 June 2013) despite promotion. More significantly, the NZHPT withdrew <i>Heritage New Zealand</i> from retail outlets during the year because this was not cost-effective under the pricing model for distribution.
	Number of email recipients of <i>Heritage this Month</i> newsletter averaged over 12 months	7,631	7,861	7,850	7,900	8,597	Above estimate.



FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
INCOME				
Revenue from Crown	2	12,988	12,988	12,988
Grants		303	616	367
Property	3	1,321	1,431	1,369
Interest		366	240	332
Membership		569	610	568
Donations and Bequests	25	2,343	259	671
Sundry	25	222	46	220
Income from Operations		18,112	16,190	16,515
EXPENDITURE				
Fees paid to the Auditors	4	53	47	47
Administration		2,573	2,262	1,707
Personnel	5	8,381	8,320	8,084
Property		2,677	3,700	2,730
Incentive Fund		664	500	213
Insurance Premiums		725	739	491
Depreciation and Amortisation	10, 11	436	597	577
Communications		695	647	553
Membership		840	774	770
Board Fees	19	116	131	116
Travel and Accommodation		805	836	843
Total Expenditure		17,965	18,553	16,131
Net (deficit) surplus for the year before exceptional items		147	(2,363)	384

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The accompanying notes on pages 38 to 61 form an integral part of these financial statements.

<i>... continued</i>	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Insurance Settlement from Canterbury Earthquakes		0	0	202
Other Income for Earthquake Related Activity		0	0	190
Expenditure Related to Canterbury Earthquakes		0	0	(873)
Net surplus/(deficit) for the year		147	(2,363)	(97)
OTHER COMPREHENSIVE INCOME				
Gain on Revaluation of Land and Buildings	6, 10	3,771	0	0
Gain on Revaluation of Heritage Artefacts	6, 10	3,791	0	335
Total Comprehensive Income		7,709	(2,363)	238

Expenditure allocated by outputs is broken down as follows:

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Heritage Identification	2,542	2,725	2,379
Heritage Survival	8,789	9,503	8,183
Heritage Appreciation	6,634	6,325	6,442
Total Operating Expenditure	17,965	18,553	17,004

The accompanying notes on pages 38 to 61 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
EQUITY				
Accumulated Funds	6	7,888	9,722	8,210
Crown Capital Fund	6	0	0	163
Branch Accumulated Funds	6	57	0	215
Specified Funds and Bequests	6, 7	4,816	2,373	3,121
NZHPT Property Maintenance and Development Fund	6	2,523	575	3,428
Revaluation Reserve	6	42,967	35,071	35,405
Total Equity		58,251	47,741	50,542
Equity is Represented By:				
CURRENT ASSETS				
Cash and Cash Equivalents	8	820	2,006	1,404
Short-Term Deposits	8	8,045	4,630	6,089
Trade and Other Receivables	9	719	100	1,951
Inventory		218	220	207
GST Receivable		218	0	251
Total Current Assets		10,020	6,956	9,902
NON-CURRENT ASSETS				
Property, Plant and Equipment	10	50,979	43,080	42,884
Work in Progress		273	100	167
Intangible Assets	11	6	0	39
Total Non-Current Assets		51,258	43,180	43,090
Total Assets		61,278	50,136	52,992
CURRENT LIABILITIES				
Trade and Other Payables	12	1,076	1,000	901
Provision for Incentive Fund Grants	13	996	500	651
Employee Entitlements	14	888	600	843
GST Payable		0	230	0
Total Current Liabilities		2,960	2,330	2,395
NON-CURRENT LIABILITIES	14	67	65	55
Total Liabilities		3,027	2,395	2,450
NET ASSETS		58,251	47,741	50,542

The accompanying notes on pages 38 to 61 form an integral part of these financial statements.

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
Opening Equity	50,542	50,104	50,304
Net Comprehensive Income	7,709	(2,363)	238
Closing Equity	58,251	47,741	50,542

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2013

Note	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Government Funding	12,988	12,988	12,988
Grants	243	643	662
Insurance – Canterbury Earthquakes	1,327	0	0
Other Operating Activities	4,458	2,897	2,889
Net Goods and Services Tax	33	0	24
Interest	328	240	323
	19,377	16,768	16,886
Cash was applied to:			
Payment of Suppliers	(8,639)	(9,662)	(8,806)
Payment to Employees	(8,324)	(8,323)	(8,010)
Net Goods and Services Tax	0	(170)	0
	(16,963)	(18,155)	(16,816)
Net Cash from Operating Activities	15	(1,387)	70
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of Fixed Assets	(769)	(490)	(367)
Purchase of Intangibles	0	(100)	0
Work in Progress	(273)	0	(167)
Purchase of Short-Term Investments	(1,956)	0	(35)
Net Cash from Investing Activities	(2,998)	(590)	(569)

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The accompanying notes on pages 38 to 61 form an integral part of these financial statements.

<i>... continued</i>		Actual 2013	Budget 2013	Actual 2012
	Note	\$000	\$000	\$000
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was received from:				
Sale of Short-Term Investments		0	1,956	0
		0	1,956	0
Net (Decrease)/Increase in Cash		(584)	(21)	(499)
Opening Cash Balance		1,404	2,027	1,903
Closing Cash Balance		820	2,006	1,404
Represented By:				
Petty Cash and Imprest Balances		10	10	11
Short-Term Deposits (Less Than 90 Days)		810	1,996	1,393
		820	2,006	1,404

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 38 to 61 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2013

Reporting Entity

The New Zealand Historic Places Trust/Pouhere Taonga (NZHPT) is domiciled in New Zealand and is a statutory body established under section 4 of the *Historic Places Act 1980* and continued under section 38 of the *Historic Places Act 1993*, as amended by the *Crown Entities Act 2004*. The NZHPT became an Autonomous Crown Entity for the purposes of section 7 of the *Crown Entities Act 2004* effective from 25 January 2005. As such, the ultimate parent is the New Zealand Government.

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

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

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

Basis of Preparation

Statement of Compliance

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

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

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

The financial operations of the NZHPT branch committees are included in these financial statements.

Measurement Base

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

Functional and Presentation Currency

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

Adoption of New and Revised Standards and Interpretations

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 has not had 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 have a material impact on the NZHPT.

A new reporting framework has been adopted for Public Sector Entities and is effective from 1 July 2014. As the NZHPT will be adopting these standards when they come into effect it is not possible to implement any further IFRS changes.

Significant Accounting Policies

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

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

Revenue

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

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

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

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

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

Donations and Bequests: All donations and bequests received are recognised in the period they are received. However, those with restrictive conditions are transferred to Specified Funds and Bequests within Accumulated Funds. The net return on each of these funds from interest earned and payments made is treated in the same manner.

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

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

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

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

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 the 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 Comprehensive Income.

Cash and Cash Equivalents

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

Debtors and Other Receivables

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

Inventories

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

Property, Plant and Equipment

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

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

(i) *NZHPT Owned Land and Historic Buildings*

These are properties for which the NZHPT has freehold title.

(ii) *Vested Land and Historic Buildings*

These properties have been formally vested to the NZHPT in terms of the *Reserves Act 1977*.

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

(iii) *Controlled and Managed Buildings*

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

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

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

Heritage artefacts are by nature specialised and are managed by the NZHPT to be preserved in perpetuity as required by the *Historic Places Act 1993*. These items are revalued and measured on a fair market value but are not depreciated. Fair value is determined through a process of rolling valuations. The organ and stained glass windows at Old Saint Pauls are valued at replacement cost which is assumed to be the equivalent of Depreciated Replacement Cost as they are not expected to depreciate significantly.

Accounting for Revaluations

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

Additions

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

Subsequent Costs

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the net surplus for the year.

When revalued assets are sold, the amounts included in the revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land, heritage artefacts and library) at a rate that will write-off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows. Heritage buildings owned, vested or managed in the NZHPT are depreciated in accordance with NZIAS 16.

Computer Hardware	3 years
Leasehold Improvements	5 years
Plant and Equipment	5 years
Displays and Interpretation	10 years
Land Development	15 years
Buildings	100 years

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

Intangible Assets

Software Acquisition and Development

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

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

Staff training costs are recognised as an expense when incurred.

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

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

Amortisation

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

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

Acquired Computer Software	3 years
Developed Computer Software	4 years

Impairment of Non-financial Assets

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

Value in use is 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 the NZHPT would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

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

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

Creditors and Other Payables

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

Employee Entitlements

Short-term Employee Entitlements

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

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

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

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

Long-term Employee Entitlements

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

Superannuation Schemes

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

Provisions

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

Cost Allocation

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

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

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

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

Statement of Cash Flows

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

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

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

Commitments

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

Contingencies

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

Accounting Judgements and Major Sources of Estimation Uncertainty

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

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

Judgements in Applying Accounting Policies

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

Controlled and Managed Buildings

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

Major Sources of Estimation Uncertainty

The valuation of historical land and buildings is subject to considerable estimation uncertainty. During the year the NZHPT employed an independent valuer to revalue its 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 2013:

- > 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.
- > The valuation of the Old St Paul's stained glass windows and organ are of such a specialised nature that market value cannot be reliably determined. Based on this fact and that they are unlikely to depreciate, they have been valued using replacement cost as it is assumed to be equivalent to depreciated replacement cost.

Changes in Accounting Policies

There have been no changes in accounting policies.

2. REVENUE FROM CROWN

The NZHPT has been provided with funding from the Crown for the specific purposes of the NZHPT as set out in the *Historic Places Act 1993* 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 (2012: NIL).

3. PROPERTY INCOME

	Actual 2013 \$000	Actual 2012 \$000
Functions	246	284
Admissions	358	354
Rents	154	145
Grants	47	67
Merchandising	516	519
Total Property Income	1,321	1,369

4. AUDIT FEES

	Actual 2013 \$000	Actual 2012 \$000
Deloitte – Statutory Audit	53	47
Total Audit Fees	53	47

5. PERSONNEL

	Actual 2013 \$000	Actual 2012 \$000
Salaries and Wages	8,112	7,832
Government Superannuation Fund	117	95
Increase/(Decrease) Employee Leave Entitlements	28	3
Recruitment Costs	43	59
Temporary Staff	4	17
Other Staff Costs	77	78
Total Personnel Costs	8,381	8,084

The NZHPT contributed 2% of employees salary/wages into the Kiwisaver Scheme from 1 April 2009. This increased to 3% from 1 April 2013.

6. EQUITY

	Actual 2013 \$000	Actual 2012 \$000
Accumulated Funds		
Represents balance of general accumulated funds from NZHPT's operations not earmarked for a specific purpose		
Balance at 1 July	8,209	8,076
Surplus/(Deficit)	7,709	238
Transfer to Other Equity Funds	(11,960)	(3,126)
Transfer from Other Equity Funds	3,930	3,021
Balance at 30 June	7,888	8,209
Crown Capital Fund		
Represents the balance of funds provided from the Crown to enable NZHPT to address capability issues of a capital nature		
Balance at 1 July	163	516
Funding Received		
Amounts Used	(163)	(353)
Balance at 30 June	0	163
Branch Accumulated Fund		
Represents balance of funds raised by NZHPT branch committees for local community projects		
Balance at 1 July	215	244
Surplus/(Deficit)	(158)	(29)
Balance at 30 June	57	215
Specified Funds and Bequests		
NZHPT holds a number of funds and bequests from external sources for which the purpose is restricted		
Balance at 1 July	3,122	2,977
Tagged Funds Received During the Year	3,626	1,621
Funds Used During the Year	(1,932)	(1,476)
Balance at 30 June (see note 7)	4,816	3,122

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<i>... continued</i>	Actual 2013 \$000	Actual 2012 \$000
Property Maintenance and Development Fund		
Funds earmarked specifically to address critical maintenance safety issues at NZHPT properties, including \$3 million from Crown		
Balance at 1 July	3,428	3,420
Revenue Transferred to the Fund During the Year	772	1,171
Expenditure Incurred During the Year	(1,677)	(1,163)
Balance at 30 June	2,523	3,428
Property Plant and Equipment Revaluation Reserve		
Represents movements following regular revaluation of NZHPT land, buildings and heritage artefacts		
Balance at 1 July	35,405	35,071
Gain on Revaluation of Land and Buildings	3,771	0
Gain on Revaluation of Heritage Artefacts	3,791	335
Balance at 30 June 2013	42,967	35,405
	58,251	50,542

7. SPECIFIED FUNDS AND BEQUESTS

NZ LOTTERY GRANTS BOARD	1/7/12 \$000	Receipts \$000	Interest \$000	Expenditure \$000	Capitalised \$000	30/6/13 \$000
Highwic Re-roofing and Seismic	0	201	0	(201)	0	(0)
Timeball Feasibility, Condition Report and Peer Review	0	35	0	(17)	0	18
Total Lottery Grants Board	0	236	0	(218)	0	18

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OTHER FUNDS	1/7/12 \$000	Receipts \$000	Interest \$000	Expenditure \$000	Capitalised \$000	30/6/13 \$000
National Heritage Incentive Fund	237	500	0	(664)	0	73
Ruatuna Fund	24	36	0	(59)	0	1
Bulk Store and Stone Store Donations	201	0	8	0	0	209
Kemp House General Donations Fund	19	0	1	0	0	20
Branch Committee Fund	29	51	0	0	0	80
Transit New Zealand	24	0	0	(24)	0	0
Ewelme Cottage Committee Fund	38	0	1	(9)	0	30
Timeball Restoration – Parkinson Trust	14	0	0	0	0	14
Old St Paul's Festival Funds	27	1	0	0	0	28
Chisholm Whitney Family Charitable Trust	52	52	0	(52)	0	52
Stout Trust	2	70	0	(72)	0	0
Transpower	0	25	0	(25)	0	0
Pub Charity	50	0	0	(50)	0	0
Friends of Old St Paul's	0	31	0	(16)	(11)	4
SkyCity Auckland Community Trust	0	5	0	(5)	0	0
Environment Southland	0	10	0	(9)	0	1
Landmark	0	1,000	9	0	0	1,009
Others	680	539	16	(597)	(97)	541
Total Other Funds	1,397	2,320	35	(1,582)	(108)	2,062
BEQUESTS	1/7/12 \$000	Receipts \$000	Interest \$000	Expenditure \$000	Capitalised \$000	30/6/13 \$000
Richardson Bequest	52	0	2	(12)	0	42
McKay Bequest	212	0	9	0	0	221
Granville Travers Zohrab Trust Bequest	308	0	11	0	0	319
Rosier Bequest	165	0	6	0	0	171
Spencer Bequest	154	0	7	(8)	0	153
Bedlington Bequest	2	0	0	0	0	2
OR Lee	45	0	2	0	0	47
Hudson Bequest	249	0	10	0	0	259
Stout Trust	2	0	0	(2)	0	0
Stringer Bequest	14	0	1	0	0	15
McBurnie Bequest	20	0	0	0	0	20

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BEQUESTS ... continued	1/7/12	Receipts	Interest	Expenditure	Capitalised	30/6/13
	\$000	\$000	\$000	\$000	\$000	\$000
Williams Bequest	1	0	1	0	0	2
K Seagar Bequest	85	0	3	0	0	88
Estate of CIC Collett	81	832	13	0	0	926
Foulkes Estate	76	13	3	(1)	0	91
Shankland Estate	12	0	1	0	0	13
Anderson	10	0	0	0	0	10
Yarnell Bequest	2	0	0	0	0	2
Slack	3	0	0	0	0	3
Appelby	153	0	6	0	0	159
Fuller	59	0	2	0	0	61
Fergusson	20	0	1	0	0	21
Stout	0	100	1	0	0	101
EP Brown	0	10	0	0	0	10
Total Bequests	1,725	955	79	(23)	0	2,736

8. CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSITS

	Actual 2013	Actual 2012
	\$000	\$000
Petty Cash and Imprest Balances	10	11
Cheque and Call Deposits	810	1,393
Total Cash and Cash Equivalents	820	1,404
Short-Term Deposits	8,045	6,089
Total Cash and Cash Equivalents and Short-Term Deposits	8,865	7,493

9. TRADE AND OTHER RECEIVABLES

	Actual 2013	Actual 2012
	\$000	\$000
Insurance Settlement Receivable	0	1,323
Debtors and Other Receivables	719	628
Less: Provision for Impairment	0	0
Total Debtors and Other Receivables	719	1,951

The carrying value of receivables approximates their fair value. As at 30 June 2013 all overdue receivables have been assessed for impairment and \$ NIL (2012: NIL) 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
	Land \$000	Land Managed \$000	Buildings \$000	Buildings Managed \$000	Heritage Artefacts \$000	Displays & Interpretation \$000	Land Development \$000	Plant & Equipment \$000	Leasehold Improvements \$000	Library \$000	
Opening Balance July 2011	16,560	1,731	18,045	2,312	3,367	950	62	1,220	16	18	44,281
Additions	0	0	280	0	0	0	81	49	0	0	410
Disposals	0	0	0	0	0	0	0	0	0	0	0
Losses/Gains on Revaluation	0	0	0	0	335	0	0	0	0	0	335
Balance 30 June 2012	16,560	1,731	18,325	2,312	3,702	950	143	1,269	16	18	45,026
Accumulated Depreciation and Impairment Losses											
Opening Balance July 2011	0	0	478	68	0	206	11	906	16	0	1,685
Depreciation Expense	0	0	180	22	0	95	6	154	0	0	457
Impairment Losses	0	0	0	0	0	0	0	0	0	0	0
Balance 30 June 2012	0	0	658	90	0	301	17	1,060	16	0	2,142
Net Balance 30 June 2012	16,560	1,731	17,667	2,222	3,702	649	126	209	0	18	42,884
Opening Balance July 2012	16,560	1,731	18,325	2,312	3,702	950	143	1,269	16	18	45,026
Additions	0	0	751	0	0	64	28	30	62	0	935
Disposals	0	0	0	0	0	0	0	0	0	0	0
Losses/Gains on Revaluation	1,103	(215)	1517	(6)	3,791	80	35	0	0	0	6,305
Losses on Derecognition	0	0	0	0	0	0	0	0	0	0	0
Balance 30 June 2013	17,663	1,516	20,593	2,306	7,493	1,094	206	1,299	78	18	52,266
Accumulated Depreciation and Impairment Losses											
Opening Balance July 2012	0	0	658	90	0	301	17	1,060	16	0	2,142
Depreciation Expense	0	0	184	23	0	97	10	79	9	0	402
Writeback on Revaluation	0	0	(834)	(114)	0	(294)	(15)	0	0	0	(1,257)
Balance 30 June 2013	0	0	8	(1)	0	104	12	1,139	25	0	1,287
Net Balance 30 June 2013	17,663	1,516	20,585	2,307	7,493	990	194	160	53	18	50,979

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 2013 update valuation for the 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.

An independent valuation of chattels has been undertaken by a number of specialists reflecting the variety within the NZHPT's collections. The bulk of our collections have been valued on a rolling basis by Art and Object registered valuers. Other items to be valued by other valuers due to their uniqueness are Old St Paul's stained glass windows (Olaf Wehr-Candler of Pukerua Glass Studio Ltd) and organ (by John Hargraves MNZM of South Island Organ Company Limited) and the heritage plant and equipment at Clarks and Hayes (Basil Roberts, Registered Plant and Machinery Valuer with Jones Lang LaSalle).

The valuation date was as at 30 June 2013.

Of the total land value, \$3,587,000 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 \$15,592,500 where a restriction of encumbrance is deemed to exist, the land is valued using the accepted method for the valuation of reserve zoned land. This approach assesses a restrictive land value based on fringe rural sales, plus an allowance for the effects of urban locations and amenities and the value of a potential chance of change in the land use. The value of the chance of change is based on the land value of the property assuming no restrictions multiplied by an estimated probability of change.

The probabilities of change that are applied range from 5% to 10%. On average the discount applied to the unrestricted value of this land is 70%.

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 2012* 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	Internally Generated Software \$000	Total \$000
COST			
Balance at 1 July 2011	944	0	944
Additions	0	0	0
Disposals	0	0	0
Balance at 30 June 2012	944	0	944
Balance at 1 July 2012	944	0	944
Additions	0	0	0
Disposals	0	0	0
Balance at 30 June 2013	944	0	944
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES			
Balance at 1 July 2011	784	0	784
Amortisation Expense	121	0	121
Disposals	0	0	0
Impairment Losses	0	0	0
Balance at 30 June 2012	905	0	905
Balance at 1 July 2012	905	0	905
Amortisation Expense	33	0	33
Disposals	0	0	0
Impairment Losses	0	0	0
Balance at 30 June 2013	938	0	938
CARRYING AMOUNTS			
At 1 July 2011	160	0	160
At 30 June and 1 July 2012	39	0	39
At 30 June 2013	6	0	6

During 2013 there was no internally generated software, disposal of intangible assets or impairment losses on intangibles.

12. TRADE AND OTHER PAYABLES

	Actual 2013 \$000	Actual 2012 \$000
Trade Creditors	222	578
Income in Advance	34	31
Accrued Expenses	820	292
Total Creditors and Other Payables	1,076	901

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 FUND GRANTS

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

	Incentive Fund \$000
2012	
Balance at 1 July 2011	678
Additional Provisions Made	424
Amounts Used	(241)
Unused Amount Reversed	(210)
Balance as at 30 June 2012	651
2013	
Balance at 1 July 2012	651
Additional Provisions Made	712
Amounts Used	(320)
Unused Amount Reversed	(47)
Balance as at 30 June 2013	996

14. EMPLOYEE ENTITLEMENTS

	Actual 2013 \$000	Actual 2012 \$000
Current Employee Entitlements are Represented by:		
Accrued Salaries and Wages	340	316
Annual Leave	516	504
Sick Leave	15	10
Long Service Leave	17	13
Total Current Portion	888	843
Non-Current Employee Entitlements are Represented by:		
Long Service Leave	67	55
Total Non-Current Portion	67	55
Total Employee Entitlements	955	898

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 (DEFICIT)/SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	2013 \$000	2012 \$000
Net Overall Surplus (Deficit)	147	(97)
Add Non-Cash Items:		
Depreciation	436	577
Impairment	0	0
Provision for Doubtful Debts	0	0
Provision for Provision for Incentive Fund Grants	345	(27)
	928	453
Movements in Working Capital:		
Decrease (Increase) in Trade Debtors	1,232	(45)
(Increase) Decrease in Inventory	(11)	4
Decrease (Increase) in GST Receivable	33	24
Increase (Decrease) in Trade Payables	175	(440)
Increase (Decrease) in Employee Entitlements	57	74
Net Cash Flow from Operating Activities	2,414	70

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 2013 \$000	Actual 2012 \$000
Not Later Than One Year	838	769
Later Than One Year and Not Later Than Five Years	514	399
Later Than Five Years	0	0
Total Non-Cancellable Operating Leases Payable	1,352	1,168

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

Leases Receivable	Actual 2013 \$000	Actual 2012 \$000
Not Later Than One Year	95	116
Later Than One Year and Not Later Than Five Years	112	198
Later Than Five Years	0	0
Total Non-Cancellable Operating Leases Receivable	207	314

17. CONTINGENCIES

As at 30 June 2013 potential liabilities resulting from heritage covenants previously negotiated are estimated to be \$20,000. (As at 30 June 2012, liabilities resulting from heritage covenants were \$20,000.)

There are no other contingent liabilities.

As at 30 June 2012 the insurance claim following the damage to the Timeball Station, Lyttelton has been settled on a replacement basis. In the event that the NZHPT decides not to reinstate, our insurers have the right to retrospectively settle the insurance claim on an indemnity basis, and as such would seek recovery of \$281,434. The Board in June 2013 made the decision to reinstate the tower so this recovery is now unlikely.

18. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

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

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

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

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

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

Key Management Personnel Compensation

	Actual 2013 \$000	Actual 2012 \$000
Salaries and Other Short-term Employee Benefits	1,291	1,245
	1,291	1,245

Key management personnel include all Board members, Māori Heritage Council members, the Chief Executive and the eight members of the Lead Team. There has been no other post-employment, long-term or termination benefits provided to key management personnel (2012: nil).

19. BOARD AND MĀORI HERITAGE COUNCIL MEMBER REMUNERATION

Member:	2013	2012
Mrs S Kenderdine (Chair from August 2010)	24,000	24,000
Mr I Athfield	10,500	10,500
Dr A Crighton	10,500	10,500
Mrs N Glavish	10,500	9,188
Mr D Kiddey	10,500	10,500
Dr A Mahuika	10,500	10,500
Mr A Matson	10,500	10,500
Mr B McGuinness	10,500	10,500
Mr M Nathan	6,000	3,400
Mr G O'Regan	1,600	3,200
Sir T te Heuheu	10,500	10,500
Mr J Tuuta (ceased May 2013)	800	1,600
Mr C Wilson (ceased August 2012)	0	1,600
	116,400	116,488

The NZHPT has effected Directors and Officers Liability and Professional Indemnity Insurance cover during the financial year in respect of the liability or costs of Board members and employees. A premium of \$6,600 was paid for the insurance period 1 July 2012 to 30 June 2013 (2012: \$3,956).

20. EMPLOYEE REMUNERATION

Total Remuneration & Benefits \$000	No of Employees 2013	No of Employees 2012
100 – 110	3	5
110 – 120	7	4
120 – 130	0	1
130 – 140	1	0
230 – 240	0	1
250 – 260	1	0

The current Chief Executive was appointed in May 2006 and is currently employed in the remuneration band \$250,000-\$260,000 (2012: remuneration band \$230-\$240,000).

21. EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date (2012: None).

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 2013 \$000	Actual 2012 \$000
Loans and Receivables		
Cash and Cash Equivalents	820	1,404
Debtors and Other Receivables	719	1,951
Total Loans and Receivables	1,539	3,355
Held to Maturity Investments		
Cash and Equivalents – Equity Investments	8,045	6,089
Financial Liabilities Measured at Amortised Cost		
Creditors and Other Payables	1,076	901

23. FINANCIAL INSTRUMENT RISKS

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

Market Risk

Fair Value Interest Rate Risk

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

Cash Flow Interest Rate Risk

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

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

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the NZHPT, causing the NZHPT to incur a loss.

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

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

The NZHPT's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 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.

The 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

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

The NZHPT is subject to the financial management and accountability provisions of the *Crown Entities Act 2004*, which imposes restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities and the use of derivatives.

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

25. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Donations and Bequests

High levels of response to both donation appeals, a \$1,000,000 donation from Landmark for the restoration of Timeball and unbudgeted bequests of \$931,905.

Sundry Income

Unbudgeted income for salary reimbursement of a seconded staff member (offset by on-charge of a consultant in salaries), reimbursement of Antrim Fence construction and conference income.

Administration

Legal fees substantially over budget due to judicial review, increased district plan and NZTA work, and additional legal advice required while the Senior Legal Advisor was on annual leave.

Property

A number of projects came in under budget while others were not completed in the financial year and are on next year's work programme.

Depreciation and Amortisation

A number of assets and software became fully depreciated during the year.

Incentive Fund

Previously allocated grants were not required in full with the balance being returned to the fund for reallocation.

Cash in Bank

Anticipated loss much smaller than expected and a number of specified funds and bequest expenditure was not as high as anticipated.

Fixed Assets and Revaluations

Old St Paul's stained glass windows, Hayes Engineering plant and Clarks Mill have all been valued independently and brought into the NZHPT's accounts for the first time this year as heritage artefacts totalling \$3,623,000, a write-back of accumulated depreciation of \$1,257,000 and a gain on revaluation of \$2,682,000. The larger increases in buildings were mainly due to the re-measurement of the actual buildings' size and in one instance a reassessment of construction rates. Land saw significant increases in the Auckland and Wellington-based properties being marginally offset by decreases in the values of rural properties as land has become less sought after.

AUDIT REPORT



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
THE NEW ZEALAND HISTORIC PLACES TRUST
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2013**

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

We have audited:

- the financial statements of the Trust on pages 33-61, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information; and
- the non-financial performance information that includes the statement of service performance of the Trust on pages 14-32.

Opinion

In our opinion:

- the financial statements of the Trust on pages 33-61:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Trust's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date; and
- the non-financial performance of the Trust that comprises the statement of service performance on pages 14-32:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Trust's service performance for the year ended 30 June 2013, including for each class of outputs:
 - its performance compared with forecasts in the statement of forecast service performance for the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2013, and is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

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

An audit also involves evaluating:

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

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

Responsibilities of the Board

The Board is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance and outcomes.

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

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

Responsibilities of the Auditor

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

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Jacqueline Robertson

Deloitte

On behalf of the Auditor-General

Wellington, New Zealand

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