



# ANNUAL REPORT PURONGO Ā TAU



FOR THE YEAR ENDED 30 JUNE 2015

## HERITAGE NEW ZEALAND'S OUTCOMES:

Present and future generations of New Zealanders experience and enjoy a sense of place, identity and nationhood

### KNOWLEDGE/ MĀTAURANGA

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

#### Long-term impact indicator

*Knowledge about New Zealand's culture and heritage is increased and more accessible*

### SURVIVAL/ TIAKINA

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

#### Long-term impact indicator

*Loss of registered heritage through demolition or destruction is minimised and the number of heritage sites protected or where damage is avoided is increased*

### ENGAGEMENT/ HONONGA

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

#### Long-term impact indicator

*Public engagement, awareness and understanding of heritage is increased*

## WE ACKNOWLEDGE THE FOLLOWING INDIVIDUALS AND ORGANISATIONS FOR THEIR SUPPORT:

Auckland Council

Foundation North

Friends of Old St Paul's

Mr W A & Mrs E C Holmes

Lottery Grants Board World War One Commemorations,  
Environment & Heritage Committee

Otago Community Trust

Pub Charity

Thames Coromandel District Council

The Stout Trust

Wellington Community Trust

# HERITAGE NEW ZEALAND POUHERE TAONGA

## ANNUAL REPORT PURONGO Ā TAU 2015

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Cover: *Without vision the people will perish* Kingi Tāwhiao.  
The Tohu Maumahara (symbol of remembrance) at Rangiriri.  
IMAGE: AMANDA TRAYES

## REPORT OF THE CHAIRS OF THE HERITAGE NEW ZEALAND BOARD AND MĀORI HERITAGE COUNCIL

E ngā mana, e ngā reo, e ngā karangatanga maha puta noa i Aotearoa - tēnā koutou, tēnā koutou, tēnā tātou katoa.

Tēnā tātou i ngā mate huhua ō te wā tae atu hoki ki ngā mema o te Poari Kaunihera o Pouhere Taonga kua huri kaweka nei i ā tātou i roto i ngā marama kua mahue ake nei.

Ko Apirana Mahuika, ko Ta Ian Athfield, ko Erima Henare ā ko Manos Nathan hoki ērā Hē kāhui rangatira i hāpai i ngā kaupapa me ngā tikanga o te Pouhere Taonga i roto i ngā tau kua huri.

Moe mai rā koutou.

Takoto i te urunga e kore e nekehia,

Takoto i te moenga e kore e hikitia.

Ka hoki mai ki a tātou e takatū nei i roto i te ao hurihuri.

Tihei mauri ora!

**THIS POROPOROAKI** acknowledges the great loss to Aotearoa/New Zealand this year with the deaths of Sir Ian Athfield, Erima Henare and Manos Nathan, and farewells these three remarkable men. Sir Ian was a member of Heritage New Zealand Pouhere Taonga's Board and Māori Heritage Council from 2010 to 2015 and Erima Henare served alongside him on both Board and Council from his appointment in 2014 until the time of his death. Manos Nathan served on the Māori Heritage Council from 2009 until 2014.

Heritage New Zealand Pouhere Taonga has had a challenging year. It is small, with limited funding, yet charged with a big task; the Act requires Heritage New Zealand Pouhere Taonga to promote the identification, protection, preservation, and conservation of the historical and cultural heritage of New Zealand.

Most decision-making within the organisation is about prioritising resources to cover as much ground as possible. This report covers the first year of operation under the new Heritage New Zealand Pouhere Taonga Act 2014 (HNZPT Act).

The new Act has given rise to additional decision-making responsibilities for the Māori Heritage Council, adding a new category of wāhi tūpuna to complement the pre-existing listing categories of wāhi tapu and wāhi tapu areas. The Council continues to advise the Board on matters of interest to Māori, and on undertaking its work in a culturally appropriate manner.

The five statutory policies required by the new Act – the Heritage List, Archaeology, National Historic Landmarks, Statutory

Advocacy, and Properties Management – are all on track for completion inside the statutory deadline. The Māori Heritage Council, supported by staff, have completed many consultation hui on the draft policies during the early part of 2015.

We thank our volunteer network for their ongoing support for heritage activities up and down New Zealand. Without that commitment from volunteers we could not achieve the level of outcome we do for our past. The reform of this sector under the Heritage New Zealand Pouhere Taonga Act 2014 (HNZPT Act) was not easy for the old Historic Places Trust branch structure. The long established official branches were disestablished and volunteers had to reform as a new structure. While in our first year under the new Act the Board has concentrated on building its base (statutory policy completion etc), we made a point of meeting with the leadership of Historic Places Aotearoa to let them know how strongly the Board supports the volunteer base. Management have for the 2016 year been charged with rebuilding that network of individual volunteer groups throughout New Zealand.

The quality of our magazine *Heritage New Zealand* remains at the high standard it has held for years; it is a "must-read" for anyone interested in the jewels of our past. Management have for the 2016 year been charged with building membership to assure the future.

Heritage New Zealand Pouhere Taonga is responsible for certain regulatory functions. Key functions are the maintenance of the Heritage List and the issuing of archaeological authorities.



Thames School of Mines  
IMAGE: AMANDA TRAYES

Building on the success of the Harcourts case in Wellington the Board has put considerable thought as to how these listings should work to provide as effective a level of protection as practicable given the limited resources available. The List categorises heritage properties as Category 1 or Category 2. The Category 1 status is reserved for outstanding properties with the highest heritage values. Clearly we need to align our policies with district plans to so we can leverage off local authorities planning provisions and actions to maximise protection. For 2016, management have been charged with making this policy happen.

Māori Heritage is unique to New Zealand, and accordingly the protection, promotion and preservation of Māori heritage sites has been prioritised as an area of particular focus for the forthcoming year. A specialist team within Heritage New Zealand

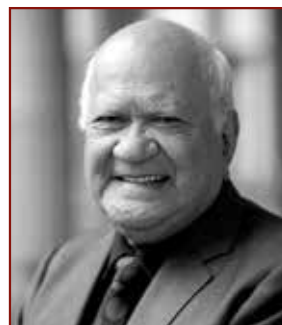
Pouhere Taonga works to preserve and restore built heritage, particularly the special features of whareniui, including whakairo, tukutuku and kōwhaiwhai works. Within the organisation Te Tira is the team of staff charged with progressing Māori heritage interests, and with working across the organisation to ensure that Māori interests are a feature of all of our work.

As Board Chair and Māori Heritage Council Chair we would like to express our thanks to our Board and Council member colleagues for their contribution over the past year, and to all others – staff, volunteers, members and the general public – who have contributed to our work. We welcome Wayne Marriott and Sir Pita Sharples as new conjoint members of the Board and Māori Heritage Council to replace Sir Ian Athfield and Erima Henare, and look forward to improved outcomes for our heritage in 2016. ■



**RT HON WYATT CREECH CNZM**  
Chair Heritage New Zealand Board  
Tumuaki a te Poari o Te Pouhere Taonga

29 October 2015



**JOHN CLARKE CNZM**  
Chair Māori Heritage Council  
Tiamana o te Kaunihera Tuku Iho Māori

29 October 2015



## CHIEF EXECUTIVE'S INTRODUCTION AND YEAR IN REVIEW

This section of the annual report considers the four strategic priorities for the 2014-15 financial year identified by the Heritage New Zealand Pouhere Taonga Board:

- Repositioning the organisation
- Improving the regulatory environment for historic heritage
- Building public support for historic heritage through engagement and appreciation; and
- Achieving financial sustainability.

### REPOSITIONING THE ORGANISATION

A Crown entity since 2004, Heritage New Zealand invested considerable effort to reinforce the new name and changes to our legislation that came into force in May 2014.

Extending relationships has been a feature throughout the year, with Heritage New Zealand staff meeting with many groups and delivering partnership projects in a number of cases. This was achieved through our public engagement, which included events with the former branch committees and other heritage organisations, local and district councils and other Crown bodies.

The positioning of the organisation to be valued as a respected advisor to local and central government, iwi and property owners has continued to develop steadily, especially through the input into second generation district plan reviews. This work is aligned

to national priorities with our major focus on the places of most significance to New Zealand. The interim statutory advocacy policy that was developed in the previous financial year has helped ensure our standard of advice and service remains high and focused on the interests of owners, avoiding regulatory duplication and excessive costs, and seeking early engagement to avoid or minimise delays for owners and other stakeholders.

An example of where Heritage New Zealand collaborated with other agencies was when we deployed a member of staff on board *HMNZS Wellington* to the Auckland Islands as an expert advisor. This was part of a multi-agency operation with the Royal New Zealand Navy to assist a Department of Conservation programme to conserve surviving World War II sites built as part of the military coast watch operation across New Zealand, the Pacific and sub-Antarctic.

## IMPROVING THE REGULATORY ENVIRONMENT FOR HISTORIC HERITAGE

Under the HNZPT Act, Heritage New Zealand is required to deliver five general policy statements by 20 November 2015. This substantial body of work is progressing well, with the first policy statement relating to National Historic Landmarks List provisions approved by the Board on 25 June 2015 at its final meeting in the financial year. The four policy statements continue in the 2015/16 work programme relate to:

- Administration of archaeological site provisions
- Management of properties owned, controlled by or vested in Heritage New Zealand
- Administration of the New Zealand Heritage List/Rārangi Kōrero provisions; and
- Heritage New Zealand's statutory advocacy role.

Heritage New Zealand contributed to other legislative and regulatory matters, including providing input to the review of the Building Act, Resource Management Act and the Canterbury Earthquake Recovery Act.

At a local level, advice and submissions to second generation plans continue with Heritage New Zealand's success rate for submissions exceeding expectations with 89 percent of them contributing to positive outcomes for heritage. Considerable effort has been put into working alongside councils, providing them with expert advice on both general and specific heritage matters. In particular, there has been a focus on regulatory requirements for earthquake strengthening of buildings in our Central and Southern Regions, while our Northern Region staff have been heavily engaged in the Auckland Unitary Plan process.

## BUILDING PUBLIC SUPPORT FOR HISTORIC HERITAGE THROUGH ENGAGEMENT AND APPRECIATION

Engagement activities contribute towards public awareness and interest in New Zealand's cultural heritage, which help define our identity as New Zealanders. This is an area of discretionary activity so Heritage New Zealand often works in partnership with other organisations in this area.

There were 118 outreach events and activities held over the past year managed by staff through our offices and properties, including 14 consultation hui run across the country as part of the development of the policy statements. We welcomed more than 206,923 visitors to our staffed properties with a visitor satisfaction rate of 97%.

The year has seen a growth in the use of digital technology to complement more traditional engagement methods. Heritage New Zealand released its new Heritage Trails app-based tours,

which initially featured the *Path to Nationhood* tours focusing on stories and historic sites in and around the Bay of Islands prior to the Treaty of Waitangi in 1840. There have been over 1,000 downloads of the app since launch in November and this platform allows for more stories to be included over time. *Path to Nationhood* joins the existing *Waikato War Driving Tour* (now migrated to the Heritage Trails platform) and the stand alone *High Street Stories* (Christchurch) augmented reality app in providing additional on-the-go opportunities for the public to learn about and explore their heritage through the mobile technologies already at their fingertips. These apps complement Heritage New Zealand's website which, already optimised for mobile devices, remains a key channel for accessing a wide range of heritage information.

Heritage New Zealand and Ngā Taonga Sound & Vision worked together once again this year in what is becoming an annual collaboration. This year's major project involved a unique historic film tour of seven marae across Te Waipounamu/South Island.

Staff completed Heritage New Zealand's two-year partnership project with Wellington City Council, Cuba Street property owners, and Victoria University School of Architecture to showcase case studies for potential structural solutions for the variety of heritage buildings in one of this city's historic areas.

## ACHIEVING FINANCIAL SUSTAINABILITY

Heritage New Zealand has maintained an emphasis on balancing core mandatory activities, such as processing archaeological authorities, against three factors:

- No expected increase in grant funding
- Increasing self-generated revenue, which currently contributes 20 percent of baseline funding and increased demands for spending on discretionary activities such as engagement; and
- Conservation and development needs of the 48 properties we care for, and their collections.

More information about Heritage New Zealand's work and achievements can be found in the next section of this report, which demonstrates that the organisation has sought to not only meet, but exceed expectations. ■



**BRUCE CHAPMAN**

Chief Executive

## STATEMENT OF GOVERNANCE

### GOVERNANCE FRAMEWORK

Heritage New Zealand is an autonomous Crown Entity under the Crown Entities Act 2004 and its governance framework includes:

- Heritage New Zealand Pouhere Taonga Act 2014 (HNZPT Act)
- Crown Entities Act 2004 (CEA)
- Governance policies adopted by the Board, including terms of reference for Board committees
- Principles, practices and guidelines governing the relationship between the Board and the Māori Heritage Council.

### BOARD OF HERITAGE NEW ZEALAND

#### 1. Role

The Board is accountable to the key stakeholders for establishing Heritage New Zealand'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 HNZPT Act, it cannot delegate to management.

It should be noted that the Māori Heritage Council has specific statutory functions under the HNZPT Act relating to the promotion and conservation of many aspects of Māori heritage. While not in a governance role, the Council works very closely with the Board to ensure Heritage New Zealand's work aligns strategically with both bodies' responsibilities and priorities.

#### 2. Appointment of Board Members and composition of Board

The Board is composed of:

- Eight 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's annual programme is set by the Board in conjunction with the Chief Executive.

The Board held seven meetings in this financial year. One of these was a joint meeting with the Māori Heritage Council and one was a Board meeting held by teleconference.





**Board meetings were attended as follows:**

BOARD MEMBERS	BOARD MEETINGS ATTENDED
Rt Hon Wyatt Creech (Chair)	7
Sir Ian Athfield <sup>1</sup>	3
Mr John Clarke	6
Ms Naida Glavish	4
Mr Erima Henare <sup>2</sup>	5
Mr Brian McGuinness	6
Ms Storm McVay	7
Ms Mary Neazor	7

**5. Board committees**

The Board has three committees: the New Zealand Heritage List/Rārangī Kōrero Committee, the Chief Executive's Employment Committee and the Audit and Risk Committee.

The Audit and Risk Committee has one external member who is not a member of the Board or Māori Heritage Council appointed for his 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 and have been approved by the Board since the HNZPT Act came into effect.

The New Zealand Heritage List/Rārangī Kōrero Committee met five times in the 2014-15 financial year, the Chief Executive's Employment Committee three times, and the Audit and Risk Committee four times.

**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 an interest is declared relating to a paper before the Board, the member may be excluded from discussions and decision-making relating to the matter.

**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. ■

<sup>1</sup> Sir Ian Athfield passed away in January 2015.

<sup>2</sup> Mr. Erima Henare passed away in May 2015.



## ORGANISATIONAL HEALTH AND CAPABILITY

### GOOD EMPLOYER COMPLIANCE

Heritage New Zealand 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 organisation's network and hard copies are held at most places of work. Staff and the Public Service Association 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 12% this year compared to 8.5% last year. Exit interviews are voluntary; they are a valuable source of information for the organisation.

**Heritage New Zealand's key activities against the seven key elements of being a 'good employer' in 2014-2015 are summarised opposite:**

ELEMENT	HERITAGE NEW ZEALAND ACTIVITY
<p><b>1. LEADERSHIP, ACCOUNTABILITY AND CULTURE</b></p>	<p>The Chief Executive provides leadership and consistent messages by holding face-to-face meetings around the country with all staff who are able to attend four times a year, addresses all induction forums for new staff and emphasises key messages at staff affinity forums.</p> <p>Heritage New Zealand 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><i>Working Biculturally</i> workshops were held during 2014-15 throughout the organisation to inform and support staff in their roles.</p>
<p><b>2. RECRUITMENT, SELECTION AND INDUCTION</b></p>	<p>Heritage New Zealand has a robust and transparent recruitment policy and selection process. An interviewee may bring a support person to an interview if desired.</p> <p>During the 2014-15 year a two-day induction forum was held in March 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. The induction programme is updated and reviewed after each forum. Feedback from the participants was positive.</p>
<p><b>3. EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT</b></p>	<p>During 2014-15 a number of temporary acting roles to cover extended leave periods were provided to enable staff development opportunities.</p> <p>Training and development opportunities are offered to all staff where appropriate. Affinity forums are held annually for staff working in professional disciplines e.g. archaeology, planning.</p> <p>An exit interview is offered to all resigning staff.</p>
<p><b>4. FLEXIBILITY AND WORK DESIGN</b></p>	<p>While balancing the needs of the organisation's multi-disciplinary approach to its work which requires availability of staff during core office hours, part-time and flexible options are considered.</p> <p>Heritage New Zealand has a policy of monitoring all position descriptions to ensure they accurately reflect job design.</p>
<p><b>5. REMUNERATION, RECOGNITION AND CONDITIONS</b></p>	<p>Heritage New Zealand 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 and managers to nominate their colleagues for recognition of outstanding or exceptional work across the organisation.</p> <p>All permanent staff are offered free membership to Heritage New Zealand which provides them with free access to our properties and reciprocal visiting rights to a number of international heritage organisations.</p>
<p><b>6. HARASSMENT AND BULLYING PREVENTION</b></p>	<p>Heritage New Zealand has a zero tolerance of bullying and action is taken promptly to mediate and address issues at the time they arise.</p>
<p><b>7. SAFE AND HEALTHY ENVIRONMENT</b></p>	<p>Heritage New Zealand is absolutely committed to ensuring the health and safety of all staff, volunteers and visitors. Heritage New Zealand 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:</p> <ul style="list-style-type: none"> <li>■ Workplace assessments as required</li> <li>■ Civil defence and first aid equipment is supplied to all sites</li> <li>■ First aid training is offered to any staff member who wishes to obtain a first aid certificate</li> <li>■ Site safe training is provided for those staff who require it for their roles; and</li> <li>■ An employee assistance programme is provided by Vitae Ltd.</li> </ul> <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

Heritage New Zealand maintains a diverse workforce made up of a wide range of people representing different age groups and ethnicity. A voluntary EEO survey of staff in June 2015, which had a 75% response rate showed the following:

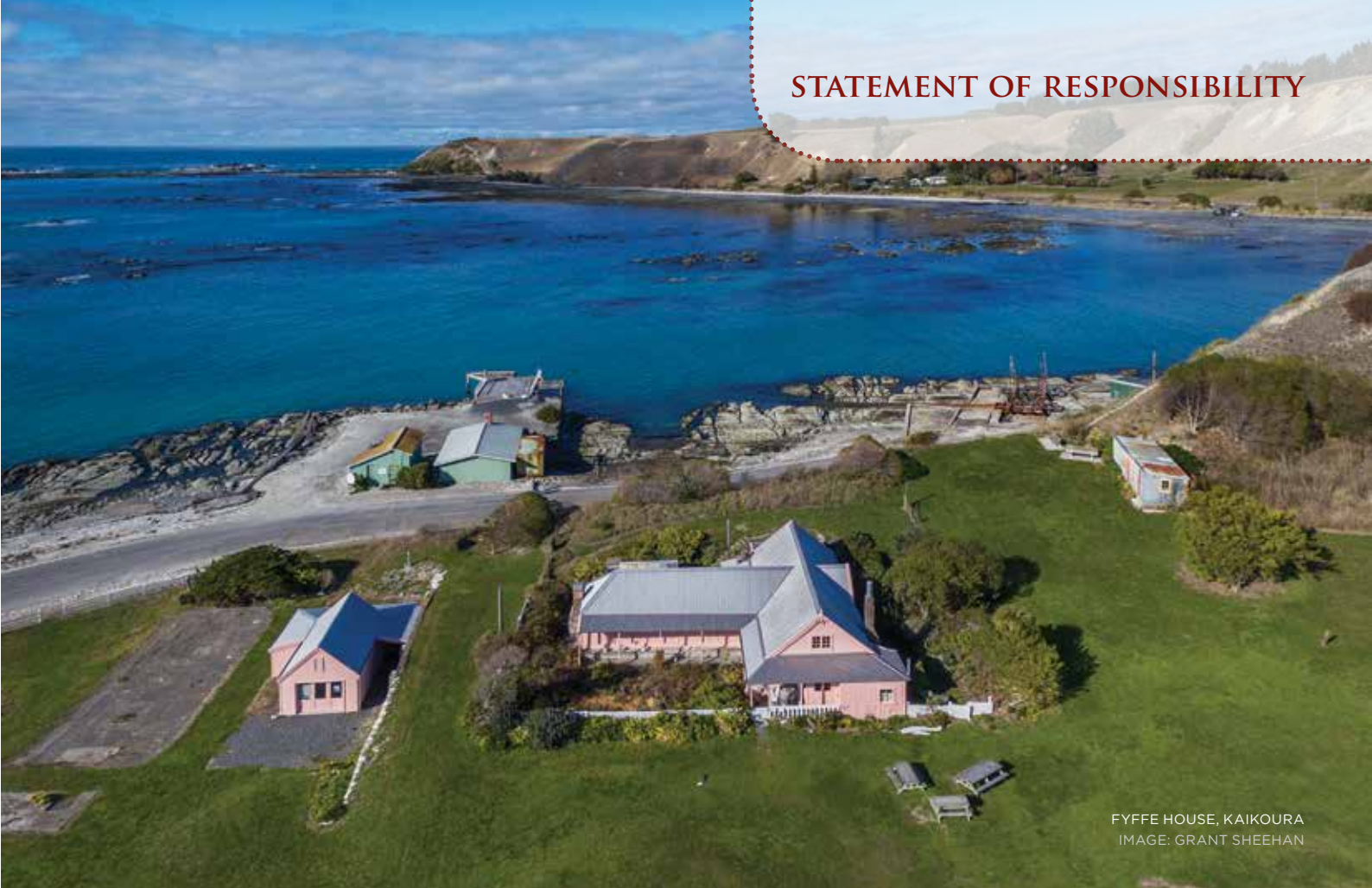
<b>AGE</b>	<30	4%
	30-50	47%
	>50	43%
	Undisclosed	6%
<b>ETHNICITY</b>	Māori	15%
	New Zealand European	66%
	Pacific Island	2%
	Other	17%
<b>GENDER</b>	Male	37%
	Female	62%
	Undisclosed	1%
<b>DISABILITY</b>	Yes	2%
	No	98%

As at 30 June 2015, there were 107 full-time equivalent staff. The average length of service in the organisation is seven years (2014: six years, two months).

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

## VOLUNTEERS TO HERITAGE NEW ZEALAND

In the 2014-15 financial year Heritage New Zealand had 130 volunteers who provided approximately 20,600 volunteer hours. We are grateful for the immense contribution of our volunteers and note that without their assistance we would be challenged to achieve the outcomes which our supporters have come to expect. There were also five student placements for a further 866 hours. ■



FYFFE HOUSE, KAIKOURA  
IMAGE: GRANT SHEEHAN

## STATEMENT OF RESPONSIBILITY

For the year ended 30 June 2015

**IN TERMS OF** the Crown Entities Act 2004, the Board of Heritage New Zealand is responsible for the preparation of Heritage New Zealand's financial statements and Statement of Performance and for the judgements made in them.

The Board of Heritage New Zealand 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.

The Board of Heritage New Zealand has provided all end-of-year performance information as requested under s19A of the Public Finance Act 1989.

In the Board's opinion, these financial statements and Statement of Service Performance fairly reflect the financial position and operations of Heritage New Zealand for the year ended 30 June 2015. ■

**RT HON WYATT CREECH CNZM**  
Heritage New Zealand Board Member

29 October 2015

**JOHN CLARKE CNZM**  
Heritage New Zealand Board Member

29 October 2015

## STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2015

**THERE ARE THREE** key outcome areas where Heritage New Zealand sought to make a difference: Heritage Knowledge/Mātauranga, Heritage Survival/Tiakina and Heritage Engagement/Hononga. These three headings represent the work of the organisation, all of which share an overarching outcome for Heritage New Zealand and are in line with the Government's goal for the cultural and heritage sector. ■

<b>GOVERNMENT'S GOAL FOR THE CULTURAL SECTOR:</b> New Zealand's distinctive culture enriches our lives		
<b>MINISTRY FOR CULTURE AND HERITAGE OUTCOMES:</b>		
Cultural activity flourishes in New Zealand (Create)	Our culture and heritage can be enjoyed by future generations (Preserve)	Engagement in cultural activities is increasing (Engage)
<b>HERITAGE NEW ZEALAND'S OUTCOMES:</b> Present and future generations of New Zealanders experience and enjoy a sense of place, identity and nationhood		
<p><b>KNOWLEDGE/MĀTAURANGA</b></p> <p>Places that contribute to New Zealand's culture and heritage are identified and their stories recorded</p> <p><b>Long-term impact indicator</b></p> <p>Knowledge about New Zealand's culture and heritage is increased and more accessible.</p>	<p><b>SURVIVAL/TIAKINA</b></p> <p>Places that are significant to New Zealand's culture and heritage survive</p> <p><b>Long-term impact indicator</b></p> <p>Loss of registered heritage through demolition or destruction is minimised and the number of heritage sites protected or where damage is avoided is increased.</p>	<p><b>ENGAGEMENT/HONONGA</b></p> <p>New Zealanders engage with those places that contribute to New Zealand's culture and heritage</p> <p><b>Long-term impact indicator</b></p> <p>Public engagement, awareness and understanding of heritage is increased.</p>
<b>HERITAGE NEW ZEALAND STRATEGIC PRIORITIES:</b> In delivering the outputs below to achieve the outcomes above, the following strategic priorities are used:		
<ul style="list-style-type: none"> <li>■ Implementation of the Heritage New Zealand Pouhere Taonga Act 2014               <ul style="list-style-type: none"> <li>■ Improving the regulatory environment for historic heritage</li> </ul> </li> <li>■ Building public support for historic heritage through engagement and appreciation               <ul style="list-style-type: none"> <li>■ Maintaining financial sustainability.</li> </ul> </li> </ul>		
<b>HERITAGE NEW ZEALAND OUTPUTS</b>		
<ol style="list-style-type: none"> <li>1. Prepare heritage inventories</li> <li>2. Enhance the New Zealand Heritage List/Rārango Kōrero</li> <li>3. Establish a National Historic Landmarks List</li> <li>4. Capture heritage information.</li> </ol>	<ol style="list-style-type: none"> <li>1. Engage in heritage protection</li> <li>2. Conserve Māori Heritage</li> <li>3. Administer the National Heritage Preservation Incentive Fund</li> <li>4. Administer the archaeological authority process</li> <li>5. Conserve Heritage New Zealand's properties.</li> </ol>	<ol style="list-style-type: none"> <li>1. Encourage engagement with heritage in communities</li> <li>2. Open Heritage New Zealand properties to the public</li> <li>3. Share heritage stories.</li> </ol>

## HERITAGE NEW ZEALAND KEY PRIORITY OUTPUTS 2014-2015

### 2.1 INTERMEDIATE OUTCOME 1: HERITAGE KNOWLEDGE/MĀTAURANGA

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

**THE NEW ZEALAND HERITAGE LIST/Rārangi Kōrero** (the List) is an authoritative source of information about New Zealand's heritage places and each year this work programme aims to enhance the quality and accuracy of the List, and expand it with the addition of more places of heritage significance. A major, long-term project was completed this year with the resolution of 999 list entries that had been found technically deficient during a full audit of the List in 2004.

In the year that marked the beginning of commemorations for World War I (WWI), notable themed additions to the List included Featherston Military Training Camp through which over 60,000 people passed who were part of New Zealand's military presence, and Birch Hill Station Cemetery in North Canterbury where there is a stone monument to honour the men and horses who had served in the conflict. Although not previously a nationally well-known site, Birch Hill is also notable for the area providing many of the 8th Regiment's (New Zealand Mounted Rifles) horses.

Other notable additions to the List were a number of Modernist buildings including the Executive Wing of Parliament Buildings (the Beehive), Wellington's Freyberg Pool, and the former Truby King Harris Hospital. A number of historic areas were also added: Dusky Sound Historic Area, Bendigo Historic Area, Serpentine Historic Area, and Lindis Pass Historic Area.

There are now over 2,500 reports available on the List Online and 44% of entries now have a statement of significance, which was slightly ahead of target for the year.

Targeted inventory projects were also undertaken, which involved studying defined areas and identifying potentially significant heritage not captured on the List or scheduled in the local district plan currently. The most significant of these places may also be considered for inclusion on the List at a later time.

The target was met with six projects in Auckland, South Taranaki, Central Otago, Westland and – continuing the WWI focus – completion of the Lower Northern and Northland War Memorial projects. This work was received well by respective local authorities who indicated their appreciation of Heritage New Zealand's expert advice, which will contribute to improved district plans.

A significant step in the implementation of the HNZPT Act was the approval of the first of five national heritage policies. The National Historic Landmarks Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu Policy was approved by the Heritage New Zealand Board at the end of June. This is a new work area for Heritage New Zealand and processes and tools for the policy's implementation have been developed and will be finalised over the coming year.

Long-term impact indicator – Knowledge about New Zealand’s culture and heritage is increased and accessible:	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Forecast	2014-2015 Actual	Trending or not in line with forecast
Number of average page views per month of Heritage New Zealand website increases	55,000 <sup>3</sup>	91,826 <sup>4</sup>	87,878	92,500	66,573	Lower than forecast due to fewer pages available for download following the merging of Heritage New Zealand’s two websites. It is now easier for users to go direct to content rather than clicking through from the Home page on the website or searching within heritage.org.nz resulting in less page views.
Percentage of website users who would recommend the website to others increases	81%	80.6%	82.5%	85%	68.9%	Lower than forecast. The number of responses (less than 200) received are not of sufficient quantity to provide a robust statistic. Respondents observe that since this is the only site to get certain heritage information, a ‘recommendation’ becomes pointless.
Number of requests for reports from the Archaeological Report Digital Library increases	268 requests for 1,319 reports	228 requests for 1,162 reports	283 requests for 3,032 reports	310 <sup>5</sup> requests for 950 reports	287 requests for 1,103 reports	Lower than forecast. Fewer requests now that the key universities hold complete sets of the reports.
Total number of reports available in the Archaeological Report Digital Library increases	3,946 (316 added)	4,454 (508 added)	4,797 (343 added)	5,480 <sup>6</sup> (add 700)	5,331 (534 added)	Lower than forecast due to a backlog of emergency authorities (resulting from the Canterbury earthquake) awaiting processing.
Total number of NZ Heritage List Reports available increases	2,248	2,307	2,403	2,510 (increase by 120)	2,506 (103 added)	Lower than forecast due to the higher than expected number of demolitions resulting in removals of reports from the List.

<sup>3</sup> Measure now includes the New Zealand Heritage List Online and other web pages associated with telling heritage stories and heritage conservation information that contributes to the heritage appreciation outcome.

<sup>4</sup> The large increase was due to improvements to the sitemap so search engines could more easily find the website; enhanced all-of-site search (went live in July 2012) allowing users to more easily find what they were looking for and to stay on the site; and an overall increase in site content including the addition of wāhi tapu information to the List Online.

<sup>5</sup> The research institutions who are key users of the Digital Library have now obtained a full set of all the reports in the Library for direct access at their institutions so it will not be possible for Heritage New Zealand to accurately assess the number of reports that are being accessed in the future.

<sup>6</sup> Given the high numbers of Emergency Authorities issued it is expected that there will be an increase in the number of reports added to the Digital Library.



## HERITAGE KNOWLEDGE OUTPUTS TABLE:

Type of Measure	Output	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/ Achieved/Not Achieved or Met, Above or Below Estimate
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### OUTPUT 1: PREPARE HERITAGE INVENTORIES

<b>Activity measures</b>	Number of inventory projects completed and made accessible to district councils	New measure	6 projects	5 projects	6 projects	7 projects	Met estimate.
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### OUTPUT 2: ENHANCE THE HERITAGE LIST

<b>Performance measures</b>	Additions to the NZ Heritage List (including those of significance to Māori)	65 <sup>7</sup>	42 <sup>8</sup>	28 <sup>9</sup>	22	25	Above estimate.
	Additions to the NZ Heritage List that are of significance to Māori	8	9 (three wāhi tapu and six historic places)	10 (six wāhi tapu, one wāhi tapu area, two historic places and one historic area)	12	11	Not Achieved. One thought to be of significance to Māori was found not to be the case.
	Percentage of NZ Heritage List entries with a statement of significance <sup>10</sup>	39.5%	40.7%	42%	43%	44%	Above estimate.
	Existing NZ Heritage List entries reviewed	121 <sup>11</sup>	24	46	19	13	Not achieved. Reviews (6) associated with Wanganui Collegiate have been delayed.

– CONTD OVER

<sup>7</sup> A reduction in additions to the NZ Heritage List occurred as essential work was undertaken to check location information of existing listings and to remove entries from the List that have been demolished following the Canterbury earthquakes.

<sup>8</sup> A reduction in additions to the List occurred while there is increased focus on inventory work undertaken.

<sup>9</sup> A reduction in additions to the List was due to the continuation of inventory and deficient listings projects.

<sup>10</sup> 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). This measure is also influenced by additions to and removals from the List.

<sup>11</sup> Includes removing entries from the List for places that were demolished as a result of the Canterbury earthquakes.

SURVIVAL OUTPUT 2: ENHANCE THE HERITAGE LIST – CONTD

Type of Measure	Output	2010 -2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Planned Outputs	2013-2014 Actual	Achieved/Not Achieved or Met, Above or Below Estimate
Performance measures	Deficient registrations resolved	59	103	98	84	79	Achieved. Project completed. Variation due to over delivery in previous year – all deficient List entries have been resolved and the project is complete.
	Develop and implement a policy for the NZ Heritage List provisions of the Act by November 2015	n/a	n/a	n/a	Develop a policy for the NZ Heritage List	Underway	The draft policy was publicly notified on 3 February and submissions closed 17 April. The draft policy is being finalised for adoption prior to 20 November 2015.
Activity measures	List entries location information updated	251	217	182	190	210	Above estimate.

OUTPUT 3: ESTABLISH A NATIONAL HISTORIC LANDMARKS LIST

Performance measures	Develop and Implement a policy for the National Historic Landmarks List by November 2015	n/a	n/a	n/a	Develop a policy for the National Historic Landmarks List	Completed	The policy was approved by the Heritage New Zealand Board on 25 June 2015.
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OUTPUT 4: CAPTURE HERITAGE INFORMATION

Performance measures	Number of archaeological reports that are overdue from authority holders is decreased (biennial audits)	-	248 reports no longer overdue and of these 94 reports received being a 38% reduction	n/a	25% reduction	25%	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.

**IMPROVING AWARENESS** of significant places and providing expert advice to assist in their conservation contributes to the long-term conservation of New Zealand’s heritage. Long term, we would expect to see a reduction in the loss of heritage although with the need to ensure safety of life, and the potential financial implications for owners and communities, this hoped-for outcome cannot be taken for granted.

Some loss of heritage is inevitable, even without major events such as the Canterbury earthquakes, so resources need to be targeted in a way that ensures our most precious heritage and taonga are conserved for this and future generations of New Zealanders.

Requests for assessments of land proposed for disposal by Crown agencies exceeded expectations with over 410 assessments being completed (forecast was 250). Despite this increase, staff worked closely with land agents to ensure timeframes were met with 99.8% of the assessments completed within specified timeframes.

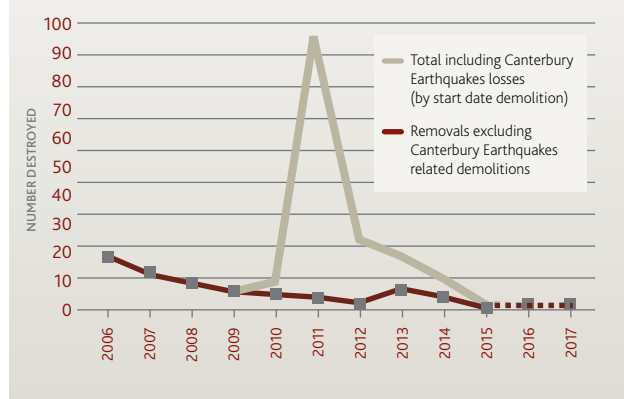
Seven Māori built heritage projects were completed through the year. The projects were:

- Te Hau ki Turanga Whareniui, Wellington. Working with Rongowhakata and Te Papa Tongarewa to provide expertise to help develop conservation techniques to recover 1,840 paint surfaces from the interior kōwhaiwhai panels. The current project stage included removal of painted panel elements from the building and paint sample analysis.
- Te Kauwhanganui Māori Parliament Building, Morrinsville. This programme of work under a settlement relationship agreement continued to assist with conservation of this building and protection of the document collection.
- Koanga Rehua Whareniui, Te Pōti marae, Pipiriki Whanganui River. Traditional building techniques have been used to conserve and repair an early 20th century whareniui. Summer workshops were carried out, with harvesting raupo fibre to repair insulation in the whareniui’s walls and ceiling. This was a collaborative project with UNITEC School of Architecture.
- Putiki Church, Whanganui. Conservation treatments were tested (part of a pilot) on interior painted artwork of the church in preparation of a major project to conserve the building’s interior.
- Te Poho ō Tamanuhiri Whareniui, Muriwai Marae, Gisborne. This was the completion of a three-year work programme to strengthen the building and conserve interior painted art and tukutuku weaving.
- Tokotoru Tapu Church, Manutuke Gisborne. Seismic strengthening of this masonry church required the interior carvings be removed and conserved offsite.
- Te Awhe ō te Rangi Whareniui, Maketu Pā, Maketu. This project focused on conservation of the whareniui’s interior and exterior artwork.

Supporting iwi and hapū as kaitiaki of their significant places means Heritage New Zealand is continuing to provide technical advice and expertise including marae-based training and practical experience that will enable local people to maintain their places into the future.

**Graph 1: Number of heritage places on the New Zealand Heritage List demolished/destroyed**

(by calendar year, actuals to 2014, estimated from 2015 as shown by the dashed line)

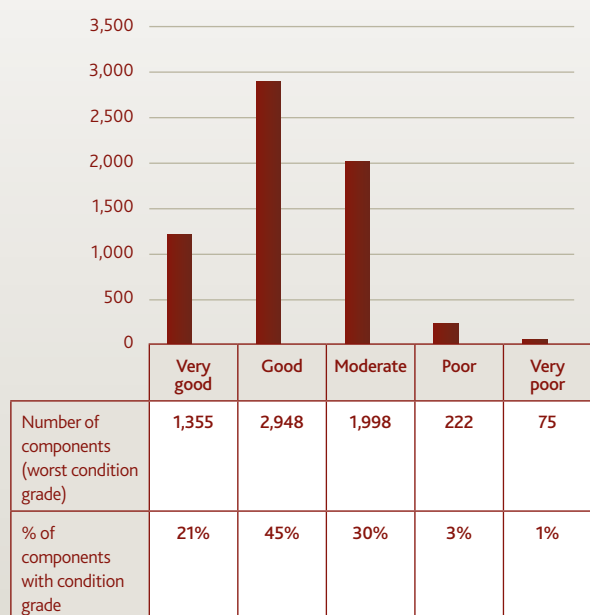


Submissions to local and central government policy and plan documents and their processes is an effective way for Heritage New Zealand to influence positive outcomes across whole districts or areas of government. This amounts to a significant component of our work programme and the expert advice given has been respected and well received.

Heritage New Zealand continues to contribute to government policy reviews relating to disaster management and our built environment, and submissions to local and central government policy and plan documents were another significant component of our work programme.

**Graph 2: Current condition of components of Heritage New Zealand's managed properties as at 30 June 2015**

Total Property Asset Component Condition  
(assessed by worst condition grade using non-intrusive visual survey)



Heritage New Zealand also provided financial support for owners of significant heritage places through the administration of the National Heritage Preservation Incentive Fund. More than \$0.5 million dollars was allocated on behalf of the Government over the year, and Heritage New Zealand also participated in a review of the Fund that was led by the Ministry for Culture and Heritage.

Long-term impact indicator – Loss of heritage entered on the NZ Heritage List through demolition or destruction is minimised and the number of heritage sites protected or where damage is avoided is increased	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Forecast	2014-2015 Actual	Trending or not in line with forecast
Number of heritage sites on the NZ Heritage List demolished or destroyed reduces (measured in calendar years, refer Graph 1)	95 (2011)	22 (2012)	18 (2013)	6 (2014)	10 (2014)	Above forecast. Five were demolished following damage from the Canterbury Earthquakes, one from fire, one from landslide and three from redevelopment.
Number of heritage sites protected, or damage avoided at a site, as a result of Heritage New Zealand involvement in resource management, advocacy, archaeological authority, and Crown land disposal processes increases	497	492	529	550	503	Lower than forecast.

## HERITAGE SURVIVAL OUTPUTS TABLE:

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/Achieved/Not Achieved or Met, Above or Below Estimate
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### SURVIVAL OUTPUT 1: ENGAGE IN PROTECTION PROCESSES

<b>Performance measures</b>	Percentage of resource consent responses where Heritage New Zealand is consulted and the Council decision is positive for heritage (where decision is known).	95%	92% <sup>12</sup>	81% <sup>13</sup>	80%	76%	Not achieved.
	Percentage of district plans that meet Heritage New Zealand defined standard (biennial assessment) <sup>14</sup> in four areas where district plan provisions include:	N/a		N/a			
	i. A Heritage Schedule that contains all properties entered on the List		32%		40%	34%	Not achieved.
	ii. Demolition of scheduled heritage as a non-complying activity <sup>15</sup>		56%		70%	67%	Not achieved.
	iii. Destruction of scheduled Māori heritage as a non-complying activity <sup>16</sup>		17%		20%	25%	Exceeded.

– CONTD OVER

<sup>12</sup> This includes all resource consents where Heritage New Zealand was consulted and includes responses (submissions, advice and affected party approvals) where Heritage New Zealand has had an impact on the work being proposed as well as where it supported the proposed work. This measure was altered from the 2012-15 Statement of Intent to more accurately reflect what is being measured.

<sup>13</sup> This includes all resource consents where Heritage New Zealand is consulted and includes responses (submissions, advice and affected party approvals) where Heritage New Zealand has had an impact on the work being proposed as well as where it supported the proposed work.

<sup>14</sup> The National Assessment of RMA Policy and Plan Heritage Provisions, undertaken biennially, considers all district and unitary plans and the resulting report is posted on the Heritage New Zealand website. The 2013 assessment is located at: [www.heritage.org.nz/resources/research-and-papers/research](http://www.heritage.org.nz/resources/research-and-papers/research)

<sup>15</sup> A district plan is considered to meet this standard where a non-complying activity status is given for the demolition of scheduled heritage or, where a ranking system is used in the schedule, the most highly ranked heritage.

<sup>16</sup> A district plan is considered to meet this standard where a non-complying activity status is given for the destruction of scheduled Māori heritage or, where a ranking system is used in the schedule, the most highly ranked Māori heritage.

SURVIVAL OUTPUT 1: ENGAGE IN PROTECTION PROCESSES – CONTD

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/Achieved/Not Achieved or Met, Above or Below Estimate
Performance measures	iv. Regulatory incentives for retention of heritage		32%		34%	49%	Exceeded.
	Percentage of policy submissions that result in positive heritage outcomes (where decision is known)	98%	89% <sup>17</sup>	92% <sup>18</sup>	70%	89%	Exceeded.
	Percentage of assessments of land proposed for disposal by Crown agencies completed within specified timeframes	100%	100%	99.7%	100%	99.8%	Not achieved. One assessment was three days late due to a staff member being absent. The number of assessments required exceeded expectations for this year by 250 (412 completed).
	Develop and implement a policy for advocacy role by November 2015	n/a	n/a	n/a	Develop a policy for advocacy role	Underway	The draft policy was publicly notified on 3 February and submissions closed 17 April. The draft policy is being finalised for adoption prior to 20 November 2015.

<sup>17</sup> This includes submissions where Heritage New Zealand has had an impact on the provisions as well as those where Heritage New Zealand supported the proposed provisions.

<sup>18</sup> This includes submissions where Heritage New Zealand has had an impact on the provisions as well as those where Heritage New Zealand supported the proposed provisions.

SURVIVAL OUTPUT 1: ENGAGE IN PROTECTION PROCESSES – CONTD

Type of Measure		2011-2012 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Planned Outputs	2013-2014 Actual	Achieved/Not Achieved or Met, Above or Below Estimate
	Number of policy submissions relating to plan and policy documents submitted to local authorities and central government	135	95	55	55 <sup>19</sup>	37	Below estimate. Continued uncertainty with the reform of the RMA has meant less plan reviews have been initiated by local authorities than expected combined with the merging of eight councils in Auckland has meant less submissions in that area (as now covered in one submission).
<b>Activity measures</b>	Number of occasions advice is given on resource consents and related processes including the Building Act	1,516	1,642 <sup>20</sup>	1,207	1,300	1,265 occasions (805 consents)	Below estimate. A reduction in instances of advice is due to the approach being taken in Christchurch where advice is being given on CERA projects covering larger areas of land than previously where we dealt with individual landowners. In addition a change in reporting procedures has meant each consent is only counted once rather than every occasion.

– CONTD OVER

<sup>19</sup> A reduction in submissions is expected due to the current legislative review of the RMA and the proposal to prepare a national template for district plans which is causing local authorities to delay plan reviews until there is greater certainty.

<sup>20</sup> A reduction in instances of advice is expected due to the approach being taken in Christchurch where advice is being given on CERA projects covering larger areas of land than previously where we dealt with individual landowners.

SURVIVAL OUTPUT 1: ENGAGE IN PROTECTION PROCESSES – CONTD

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/ Achieved/Not Achieved or Met, Above or Below Estimate
Activity measures	Number of assessments provided as part of disposal of Crown land processes.	319	353 <sup>21</sup>	294	250	412	Above estimate. Increased disposal of land resulting from Road of National Importance projects has meant an increase in disposal applications being received.
	Number of covenants negotiated over heritage properties	14	18	9	10	10	Met estimate.
	Number of heritage training events to professionals delivered	53	50	41	30	51	Above estimate. Requests for training from a variety of stakeholders on the new legislation exceeded expectations.

SURVIVAL OUTPUT 2: CONSERVE MĀORI HERITAGE

Activity measure	Number of Māori built heritage, sites and rock art projects completed working with specific iwi and hapū	8	8	8	6	7	Above estimate.
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SURVIVAL OUTPUT 3: ADMINISTER THE NATIONAL HERITAGE PRESERVATION INCENTIVE FUND

Performance measures	Percentage of Fund 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.

<sup>21</sup> The increase is due to an unexpected high number of disposals coming from a single agency.



**SURVIVAL OUTPUT 3: ADMINISTER THE NATIONAL HERITAGE PRESERVATION INCENTIVE FUND – CONTD**

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/ Achieved/Not Achieved or Met, Above or Below Estimate
Activity measures	Total number of projects funded	9	17	18	15	10 (includes one offer pending), one offer declined and four applications pending	Met estimate.
	Total value of grants approved	\$213,000	\$664,345	\$633,985	\$500,000 (actually \$621,800 available as includes money returned to Fund for reallocation)	\$512,630 with a further \$9,170 pending. A further \$100,000 was offered but declined	Above estimate.

**SURVIVAL OUTPUT 4: ADMINISTER THE ARCHAEOLOGICAL AUTHORITY PROCESS**

Performance measures	Percentage of Archaeological Authorities processed within statutory timeframes <sup>22</sup>	100% 99.8% Emergency Authorities	99.5% 99.4% Emergency Authorities	100% 99.99% Emergency Authorities	100%	i) 98.1%* ii) 100%*	i) Not Achieved (Acceptance/ Lodgement) ii) Achieved (Processing).
	Percentage of Archaeological Authorities that avoid or protect archaeological sites <sup>23</sup>	17%	25.2%	23.3%	20%	30.2%	Exceeded. A number of forestry, tracks and authorities for site protection were received.

– CONTD OVER

<sup>22</sup> Note the statutory timeframe for processing of authorities is 90 working days for standard authorities under the Historic Places Act 1993 (HPA) which was in force up until 19 May 2014. The HNZPT Act came into effect on 20 May 2014, replacing the HPA, and shortens the timeframes for authority processing to 20, 30 or 40 working days depending on the application. The statutory timeframe for Emergency Authorities under the Canterbury Earthquake (Historic Places Act) Order 2011 and the HNZPT Act is three or five days in the case of a site of interest to Māori.

\* i) being acceptance/lodgement (five days to accept/return) and ii) once accepted, 20-40 working days based on application.

<sup>23</sup> The HNZPT Act protects all archaeological sites from any work that may modify or destroy the site. Any person wishing to modify or destroy an archaeological site must apply for an authority from Heritage New Zealand. This target measures the percentage of authorities that provide some form of protection when works will be occurring but does not include avoidance achieved through negotiation which results in no authority being necessary. This measure excludes Emergency Authorities completed under the Canterbury Earthquake (Historic Places Act) Order 2011 in relation to the demolition of buildings in

SURVIVAL OUTPUT 4: ADMINISTER THE ARCHAEOLOGICAL AUTHORITY PROCESS – CONTD

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/Achieved/Not Achieved or Met, Above or Below Estimate
<b>Performance Measures</b>	Develop and implement a policy for the archaeological authority provisions of the Act by November 2015.	n/a	n/a	n/a	Develop a policy for archaeological authority provisions	Underway	The draft policy was publicly notified on 3 February and submissions closed 17 April. The draft policy is being finalised for adoption prior to 20 November 2015.
<b>Activity measures</b>	Number of Archaeological Authorities processed (excluding Canterbury Emergency Authorities)	377	422	411	410	391	Below estimate.
	Number of Canterbury Emergency Authorities processed	608	508	877	600	865	Above estimate.

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/Achieved/Not Achieved or Met, Above or Below Estimate
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**SURVIVAL OUTPUT 5: CONSERVE HERITAGE NEW ZEALAND PROPERTIES**

<b>Performance Measures</b>	Maintain 95% of property asset components at or above 'Moderate' Condition Grade assessed by annual non-intrusive visual survey (Refer Graph 2).	85%	92%	95% <sup>24</sup>	95%	95.5%	Exceeded. (11 projects completed)
	Percentage of identified deferred maintenance and safety projects completed	53%	91%	96%	100%	98%	Not achieved. Project completed remaining projects will be completed as 'business as usual' projects.
	Develop and implement a policy for the property provisions of the Act by November 2015	n/a	n/a	n/a	Develop a property policy	Underway	The draft policy was publicly notified on 3 February and submissions closed 17 April. The draft policy is being finalised for adoption prior to 20 November 2015.

<sup>24</sup> It is expected that 5% of selected components for particular properties will be allowed to deteriorate as Heritage New Zealand is unable to fund conservation of all components for all properties. Therefore a prioritised and sustainable work programme is undertaken.

## 2.3 INTERMEDIATE OUTCOME 3: HERITAGE ENGAGEMENT/HONONGA

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

**MUCH OF** this outcome area is funded on a discretionary basis, but this important work programme contributes directly towards the knowledge and survival outputs, as the likelihood of positive heritage outcomes for New Zealand can be greatly enhanced by our ability to influence people and organisations through the opportunities we create and foster for active engagement with these places. The number of events and projects delivered were higher than planned, reflecting public demand, successful partnership experiences, opportunities seized, and staff commitment.

Engagement activities were held across the country with a wide range of traditional events as well as some innovative approaches, such as the new Heritage Trails app, launched for the last summer season with an initial set of six app-based tours of pre-1840 Northland. Collectively titled *Path to Nationhood*, this tour explores early events and the significant places where they occurred.

Other activities included: Heritage New Zealand partnering with PechaKucha Christchurch to hold and present a heritage-themed speaking event to a sold-out crowd of more than 600 at the re-opened Isaac Theatre Royal; a tour to Wellington’s Pencarrow Lighthouse led by New Zealand personality Te Radar; and the ongoing film partnership with Ngā Taonga Sound & Vision which saw events hosted at seven South Island marae.

Properties cared for by Heritage New Zealand enable visitors to engage with some of the country’s most significant sites and each year we aim to improve that visitor experience. One of three projects to improve visitor facilities and enhance interpretation that were completed as scheduled this year was the enhanced garden interpretation at Kerikeri Mission Station. This property’s garden – listed by the New Zealand Gardens Trust – boasts the country’s oldest orchard.

The past financial year saw the Mission Station’s Stone Store, Pompallier Mission and Printery in Russell, and Wellington’s Old St Paul’s included in TripAdvisor’s Top 10 New Zealand landmarks, as voted by visitors and tourists. This acknowledgment reflects the investment made in these sites financially, and efforts of Heritage New Zealand’s staff.

In spite of a slight decline in visitors to staffed properties compared with the previous year, Heritage New Zealand achieved 99.5% of its annual visitor target and visitor satisfaction levels and revenue exceeded targets.

Visitor number reductions reflected decreased numbers at Old St Paul’s – which seems to be the impact of fewer cruise ships visiting the city that season – and a drop in visitors to Hayes Engineering Works that reflected an overall reduction in users of the area’s rail trail.

Collaboration and ongoing partnerships are key to achieving outcomes that would otherwise be beyond our limited resources. Heritage New Zealand continued its partnership with the Victoria University School of Architecture and Wellington City Council launching the Newtown Heritage Project, the next practical application of in the successful approach used in the Cuba Street Heritage Area project. Helping private owners to find innovative solutions to seismic strengthening issues remains the focus and Heritage New Zealand also supported the publication of *Renegotiating the Architecture of Seismic Retrofitting buildings in the Cuba St Heritage Area* in September 2014.

Long-term impact indicator – Public engagement, awareness and understanding of heritage is improved:	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Forecast	2014-2015 Actual	Trending or not in line with Forecast
Percentage of survey respondents who rate their personal interest in heritage as very interested <sup>25</sup> increases (survey conducted annually <sup>26</sup> )	49%	53%	57%	59%	55%	Lower than forecast.

<sup>25</sup> 'Very interested' is considered to be a rating of 8 or above out of 10.

<sup>26</sup> Survey has a sample size of 500 with a margin of error of 4.7%

## HERITAGE ENGAGEMENT OUTPUTS TABLE:

Type of Measure		2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Planned Outputs	2014-2015 Actual	Exceeded/Achieved/Not Achieved or Met, Above or Below Estimate
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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	40	59	37	40	31	Not achieved.
	Number of heritage engagement events run	90	89	146	60	118	Exceeded.

### HERITAGE ENGAGEMENT OUTPUT 2: OPEN HERITAGE NEW ZEALAND PROPERTIES TO THE PUBLIC

Performance measures	Visitor numbers at Heritage New Zealand staffed properties	206,680	215,007	208,046	208,000	206,923	Not achieved.
	Maintain the percentage of respondents who rate their visit to Heritage New Zealand staffed properties as "satisfied" or higher.	93%	94%	93%	93%	97%	Exceeded.
	Number of visitor facility and interpretation projects completed at selected Heritage New Zealand properties	4 projects	3 projects	2 projects	3 projects	3 projects	Achieved.

### HERITAGE ENGAGEMENT OUTPUT 3: SHARE HERITAGE STORIES

Activity measures	Number of media releases, comment, features & articles produced	211	226	172	180	183	Above estimate.
	Audited circulation of Heritage New Zealand	14,123	13,102	12,722	13,250	12,098	Below estimate.
	Number of email recipients of Heritage this Month newsletter averaged over 12 months	8,389	8,597	9,655	9,500	12,212	Above estimate.

## STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2015

	Note	Group Actual 2015	Parent Budget 2015	Group Actual 2014
		\$000s	\$000s	\$000s
<b>REVENUE</b>				
Revenue from Crown	2	12,988	12,988	12,988
Grants		84	419	1,472
Timeball capital campaign	22	0	2,000	0
Property	3	1,490	1,488	1,367
Interest		432	350	407
Membership		617	568	582
Donations and bequests	22	626	302	547
Sundry		191	29	93
<b>REVENUE FROM OPERATIONS</b>		<b>16,428</b>	<b>18,144</b>	<b>17,456</b>
<b>EXPENDITURE</b>				
Fees paid to the auditors	4	56	53	56
Administration	22	1,889	1,918	2,064
Capital fundraising costs		71	100	0
Personnel	5	8,613	8,756	8,209
Property	22	2,270	2,024	2,201
Incentive Fund		424	500	548
Grant payments		852	0	0
Insurance premiums		682	735	775
Depreciation and amortisation	10	457	403	431
Loss on write-off of asset		13	0	30
Communications		523	544	546
Membership		612	607	715
Board fees	17	128	121	120
Travel and accommodation		701	733	684
<b>TOTAL EXPENDITURE</b>		<b>17,291</b>	<b>16,494</b>	<b>16,379</b>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR BEFORE EXCEPTIONAL ITEMS</b>		<b>(863)</b>	<b>1,650</b>	<b>1,077</b>
Gain on consolidation in Canterbury Heritage Buildings Earthquake Fund		0	0	2,131
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(863)</b>	<b>1,650</b>	<b>3,208</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
Gain on revaluation of land and buildings	6, 10	2,255	0	0
Gain on revaluation of heritage artefacts	6, 10	134	0	376
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>1,526</b>	<b>1,650</b>	<b>3,584</b>

Heritage New Zealand does not budget at a group level and as such has provided the parent budgets for comparative purposes. Explanations of major variances against budget not due to the Canterbury Earthquake Heritage Buildings Fund are provided in Note 22.

The accompanying notes on pages 33 to 53 form an integral part of these financial statements.

Expenditure allocated by outputs is broken out as follows:

	Group Actual 2015	Parent Budget 2015	Group Actual 2014
	\$000s	\$000s	\$000s
Heritage Knowledge	2,353	2,477	2,340
Heritage Survival	8,628	7,829	7,970
Heritage Engagement	6,310	6,188	6,069
<b>TOTAL OPERATING EXPENDITURE</b>	<b>17,291</b>	<b>16,494</b>	<b>16,379</b>

The accompanying notes on pages 33 to 53 form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION as at 30 June 2015

	Note	Group Actual 2015	Parent Budget 2015	Group Actual 2014
		\$000s	\$000s	\$000s
<b>EQUITY</b>				
Accumulated funds	6	9,146	8,220	8,244
Specified funds & bequests	6, 7	4,922	6,500	4,897
Heritage New Zealand Property Maintenance & Development Fund	6	1,264	1,850	2,129
Revaluation reserve	6	45,732	43,119	43,343
Canterbury Earthquake Heritage Buildings Fund	6	2,297	0	3,222
<b>TOTAL EQUITY</b>		<b>63,361</b>	<b>59,689</b>	<b>61,835</b>
<b>Equity is represented by:</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	8	3,047	572	6,443
Short-term deposits	8	10,020	9,350	7,520
Trade and other receivables	9	478	700	660
Inventory		244	200	252
GST receivable		123	200	127
<b>TOTAL CURRENT ASSETS</b>		<b>13,912</b>	<b>11,022</b>	<b>15,002</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	10	53,827	51,267	51,372
Work in progress		7	60	49
Intangible assets		30	0	49
<b>TOTAL NON-CURRENT ASSETS</b>		<b>53,864</b>	<b>51,327</b>	<b>51,470</b>
<b>TOTAL ASSETS</b>		<b>67,776</b>	<b>62,349</b>	<b>66,472</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	11	751	900	804
Provision for other grants		1,406	0	1,722
Provision for Incentive Fund grants	12	1,148	1,000	1,143
Employee entitlements	13	1,036	700	907
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,341</b>	<b>2,600</b>	<b>4,576</b>
<b>NON-CURRENT LIABILITIES</b>	13	<b>74</b>	<b>60</b>	<b>61</b>
<b>TOTAL LIABILITIES</b>		<b>4,415</b>	<b>2,660</b>	<b>4,637</b>
<b>NET ASSETS</b>		<b>63,361</b>	<b>59,689</b>	<b>61,835</b>

Explanations of major variances against budget are provided in Note 22. The accompanying notes on pages 33 to 53 form an integral part of these financial statements.



## STATEMENT OF MOVEMENTS IN EQUITY For the year ended 30 June 2015

	Note	Group Actual 2015	Parent Budget 2015	Group Actual 2014
		\$000s	\$000s	\$000s
Opening Equity		61,835	58,039	58,251
Net Comprehensive Revenue and Expense		1,526	1,650	3,584
<b>CLOSING EQUITY</b>		<b>63,361</b>	<b>59,689</b>	<b>61,835</b>

The accompanying notes on pages 33 to 53 form an integral part of these financial statements.

## STATEMENT OF CASH FLOW For the year ended 30 June 2015

	Note	Group Actual 2015	Parent Budget 2015	Parent Actual 2014
		\$000s	\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Cash was received from:</b>				
Government funding		12,988	12,988	12,988
Grants		134	2,721	1,561
Other operating activities		3,038	2,085	2,560
Net goods and services tax		4	0	91
Interest		450	350	403
		<b>16,614</b>	<b>18,144</b>	<b>17,606</b>
<b>Cash was applied to:</b>				
Payment of suppliers		(8,564)	(7,335)	(7,808)
Payment to employees		(8,471)	(8,756)	(8,195)
		<b>(17,035)</b>	<b>(16,091)</b>	<b>(16,003)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(421)</b>	<b>2,053</b>	<b>1,603</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash was applied to:</b>				
Purchase of fixed assets		(468)	(530)	(199)
Purchase intangibles		0	0	(49)
Work in progress		(7)	(60)	(49)
Purchase short-term investments		(2,500)	(1,850)	0
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(2,975)</b>	<b>(2,440)</b>	<b>(297)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Cash was received from:</b>				
Sale of short-term investments		0	0	525
Consolidation of CEHBF		0	0	3,792
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>0</b>	<b>0</b>	<b>4,317</b>
Net increase/(decrease) in cash		(3,396)	(387)	5,623
Opening cash balance		6,443	959	820
<b>Closing Cash Balance</b>		<b>3,047</b>	<b>572</b>	<b>6,443</b>
<b>Represented by:</b>				
Petty cash & imprest balances		10	10	10
Short-term deposits (less than 90 days)		3,037	562	6,433
		<b>3,047</b>	<b>572</b>	<b>6,443</b>

The GST (net) component of operating activities reflects the GST paid and received with the Inland Revenue Department. 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 33 to 53 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2015

#### Reporting entity

Heritage New Zealand Pouhere Taonga is domiciled in New Zealand and is a statutory body corporate established under section 9 of the Heritage New Zealand Pouhere Taonga Act 2014. Heritage New Zealand is an Autonomous Crown Entity for the purposes of section 7 of the Crown Entities Act 2004 as confirmed in section 9(3) of the Heritage New Zealand Pouhere Taonga Act 2014. As such, the ultimate parent is the New Zealand Government.

Heritage New Zealand's registered office is at Antrim House, 63 Boulcott Street, Wellington.

Heritage New Zealand's primary outcome is to ensure present and future generations of New Zealanders experience and enjoy a sense of place, identity and nationhood.

The Canterbury Earthquake Heritage Buildings Fund (CEHBF) was transferred under the control of Heritage New Zealand in May 2014. As Heritage New Zealand substantively controls and manages the Fund it has been consolidated into the Group accounts.

Accordingly, Heritage New Zealand (as the parent) and its subsidiaries have designated themselves as Public Benefit Entities (PBE) for financial reporting purposes.

The financial statements for Heritage New Zealand are for the year ended 30 June 2015, and were approved by the Board on 29 October 2015.

#### 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 have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. The criteria under which an entity is eligible to report in accordance with Tier 2 PBE Standards are the entity is not publicly accountable (as defined) and which have expenses no greater than \$30 million.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There were no material adjustments arising on transition to the new PBE accounting standards.

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

These financial statements are for the the financial operations of Heritage New Zealand Group. The group comprises of Heritage New Zealand Pouhere Taonga and the operations of the Canterbury Earthquake Heritage Buildings Fund which Heritage New Zealand administers. As the operations of the CEHBF is immaterial, the consolidated information only has been disclosed. This is a change from previous years.

##### *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 of the Group is the New Zealand Dollar.

#### Adoption of new and revised standards and interpretations

##### Standards and interpretations in issue not yet adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Heritage New Zealand has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Heritage New Zealand will apply these updated standards in preparing the 30 June 2016 financial statements. Heritage New Zealand expects there will be minimal or no change in applying these updated accounting standards.

##### 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:

#### *Basis of Group*

The Group financial statements comprise the financial statements of Heritage New Zealand and its subsidiaries (the Group) as at 30 June each year.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

There have been no inter-entity balances or transactions.

Investments in subsidiaries held by the parent are accounted for at cost in the financial statements.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the acquiree, the equity issued by the Group, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

#### **Revenue**

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

**Revenue from the Crown:** Heritage New Zealand is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of Heritage New Zealand meeting its objectives as specified in the Heritage New Zealand 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 Heritage New Zealand 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 Heritage New Zealand are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure by Heritage New Zealand 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 Heritage New Zealand 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.

Approved discretionary grants not yet paid are recognised as an expense at the time of committee approval of the grant and held as an accrued expense until such time as they are uplifted by the grantee.

#### **Leases**

**Finance leases:** Heritage New Zealand 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 Heritage New Zealand 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 Heritage New Zealand will not be able to collect amounts according to the original terms of the receivable. The amount of impairment is the difference between the carrying amount and the present value of the amounts expected to be collected.

## 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.

Heritage New Zealand has interests in Land and Buildings in the following categories:

(i) *Heritage New Zealand owned land and historic buildings*

These are properties for which Heritage New Zealand has freehold title.

(ii) *Vested land and historic buildings*

These properties have been formally vested to Heritage New Zealand in terms of the Reserves Act 1977. A vesting order can only be revoked with the agreement of Heritage New Zealand and consequently Heritage New Zealand's interest is deemed to be permanent.

(iii) *Controlled and managed buildings*

These are properties for which Heritage New Zealand has a control and management order from the Crown in terms of the Reserves Act 1977. The Crown can require Heritage New Zealand 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 (at least every two years) to ensure that the carrying amount does not differ materially from fair value.

Heritage collections and objects are by nature specialised and are managed by Heritage New Zealand in accordance with a general statement of policy required by the HNZPT Act 2014.

These items are revalued and measured on a fair market or replacement value but are not depreciated. Fair value is determined through a process of rolling valuations.

### *Accounting for revaluations*

Heritage New Zealand 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 revenue and expense. 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 revenue and expense.

### *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 Heritage New Zealand and the cost of the item can be measured reliably.

### *Subsequent costs*

Costs incurred by Heritage New Zealand 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 Heritage New Zealand are depreciated in accordance with IPSAS 17.

Computer hardware	3 years
Leasehold improvements	5 years
Plant and equipment	5 years
Displays & 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.

#### *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 Heritage New Zealand 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 or deficit for the year.

For assets not carried at a revalued amount, the total impairment loss is recognised in the net surplus or deficit 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 Revenue and Expense, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the net surplus or deficit 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 Heritage New Zealand 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.

Heritage New Zealand 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 Revenue and Expense.

### **Provisions**

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

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **Financial instruments**

Heritage New Zealand 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**

Heritage New Zealand 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 Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Heritage New Zealand for the preparation of these financial statements. There is no group budget figures and as such parent budget figures have been included instead.

## 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 Heritage New Zealand 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 Heritage New Zealand’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 Heritage New Zealand’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 and most likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

### *Controlled and managed buildings*

Properties for which Heritage New Zealand 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 Heritage New Zealand.

### *Major sources of estimation uncertainty*

The valuation of historical land and buildings is subject to considerable estimation uncertainty. This year Heritage New Zealand employed an independent valuer to revalue Heritage New Zealand’s property portfolio in line with the Crown accounting policies and Treasury requirements. Due to the nature of Heritage New Zealand’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 2015:

- The valuation of historic buildings includes an estimation of the residual values and useful lives of these buildings. These estimates impact on the depreciated replacement cost and annual depreciation charges for historic buildings. The estimated useful lives are detailed in the depreciation accounting policy above.
- The valuation of buildings also includes estimations of construction costs. Refer note 10 for further detail.

## Changes in Accounting Policies

There have been no changes in accounting policies.

## 2. REVENUE FROM CROWN

Heritage New Zealand has been provided with funding from the Crown for the specific purposes of Heritage New Zealand as set out in the HNZPT Act and the scope of the Vote Arts Culture and Heritage appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2014: nil).

## 3. PROPERTY INCOME

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
Functions	208	241
Admissions	432	438
Rents	169	162
Grants	60	39
Merchandising	621	487
	<b>1,490</b>	<b>1,367</b>

## 4. FEES PAID TO AUDITORS

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
Deloitte – statutory audit	56	56
Deloitte – accounting advice	6	4
	<b>62</b>	<b>60</b>

## 5. PERSONNEL

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
Salaries & wages	8,249	7,932
Government Superannuation Fund	177	162
Increase/(Decrease) employee leave entitlements	56	(17)
Recruitment costs	43	35
Temporary staff	10	26
Other staff costs	78	71
<b>TOTAL PERSONNEL COSTS</b>	<b>8,613</b>	<b>8,209</b>

Heritage New Zealand contributed 2% of employee's salary/wages into the Kiwisaver Scheme from 1 April 2009. This increased to 3% from 1 April 2013.



## 6. EQUITY

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
<b>ACCUMULATED FUNDS</b>		
Represents balance of general accumulated funds from Heritage New Zealand's operations not earmarked for a specific purpose.		
Balance at 1 July 2014	8,244	7,888
Surplus	1,526	3,584
Transfer to Other Equity Funds	(2,806)	(5,732)
Transfer from Other Equity Funds	2,182	2,504
<b>BALANCE AT 30 JUNE 2015</b>	<b>9,146</b>	<b>8,244</b>
<b>BRANCH ACCUMULATED FUND</b>		
Represents balance of funds raised by Heritage New Zealand's Branch Committees for local community projects.		
Balance at 1 July 2014	0	57
Deficit	0	(57)
<b>BALANCE AT 30 JUNE 2015</b>	<b>0</b>	<b>0</b>
<b>SPECIFIED FUNDS AND BEQUESTS</b>		
Heritage New Zealand holds a number of funds and bequests from external sources for which the purpose is restricted.		
Balance at 1 July 2014	4,897	4,816
Restricted funds received during the year	1,281	1,663
Funds used during the year	(1,256)	(1,582)
<b>BALANCE AT 30 JUNE 2015 (SEE NOTE 7)</b>	<b>4,922</b>	<b>4,897</b>
<b>PROPERTY MAINTENANCE &amp; DEVELOPMENT FUND</b>		
Funds earmarked specifically to address critical maintenance safety issues at Heritage New Zealand properties.		
Balance at 1 July 2014	2,129	2,523
Revenue transferred to the fund during the year	61	471
Expenditure incurred during the year	(926)	(865)
<b>BALANCE AT 30 JUNE 2015</b>	<b>1,264</b>	<b>2,129</b>

– CONTD OVER

6. EQUITY – CONTD

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
<b>PROPERTY PLANT AND EQUIPMENT REVALUATION RESERVE</b>		
Represents movements following regular revaluation of Heritage New Zealand land, buildings and heritage artefacts.		
Balance at 1 July 2014	43,343	42,967
Gain on revaluation of heritage artefacts	2,389	376
Transfer to Equity following derecognition (see Note 3)	0	0
<b>BALANCE AT 30 JUNE 2015</b>	<b>45,732</b>	<b>43,343</b>
<b>CANTERBURY EARTHQUAKE HERITAGE BUILDINGS FUND</b>		
Balance at 1 July 2014	3,222	0
Gain on acquisition	0	2,131
Transfer from Retained Earnings	(925)	1,091
<b>BALANCE AT 30 JUNE 2015</b>	<b>2,297</b>	<b>3,222</b>
	<b>63,361</b>	<b>61,835</b>

## 7. SPECIFIED FUNDS AND BEQUESTS

Property Funds	1 July 2014	Receipts	Interest	Expenditure	Capitalised	30 June 2015
	\$	\$	\$	\$	\$	\$
<b>TOTAL PROPERTY FUND</b>	<b>2,129,311</b>	<b>60,892</b>	<b>0</b>	<b>(562,528)</b>	<b>(363,694)</b>	<b>1,263,981</b>

Specified Funds	1 July 2014	Receipts	Interest	Expenditure	Capitalised	30 June 2015
	\$	\$	\$	\$	\$	\$
Total Timeball funding (including Landmark and Holcim funds)	1,520,201	0	61,262	(277,015)	0	1,304,448
National Heritage Preservation Incentive Fund	24,760	500,000		(424,195)		100,565
Bulk Store and Stone Store donations	218,902		9,660			228,562
Pub Charity	25,000			(25,000)		0
Kemp House general donations fund	20,229		893			21,122
Branch Committee fund	75,047			(54,914)		20,133
Old St Pauls festival funds	22,858			(500)		22,358
Ministry for Culture and Heritage	0	20,000				20,000
Outreach programme	168,850	42,644		(65,621)		145,873
Total Other Funds	128,571	385,102	1,046	(383,792)	(25,000)	105,927
<b>TOTAL SPECIFIED FUNDS</b>	<b>684,217</b>	<b>947,746</b>	<b>11,599</b>	<b>(954,022)</b>	<b>(25,000)</b>	<b>664,540</b>

– CONTD OVER

7. SPECIFIED FUNDS AND BEQUESTS – CONTD

Bequests	1 July 2014	Receipts	Interest	Expenditure	Capitalised	30 June 2015
	\$	\$	\$	\$	\$	\$
Richardson	43,737	0	1,931	0	0	45,668
McKay	230,560	0	10,178	0	0	240,738
Granville Travers Zohrab Trust	209,185	0	9,252	415	0	218,852
Rosier	177,802	0	7,849	0	0	185,651
Spencer	159,111	0	7,024	0	0	166,135
Bedlington	1,839	0	81	0	0	1,920
O R Lee	48,741	0	2,152	0	0	50,893
Hudson	231,833	0	10,234	0	0	242,067
Stringer	15,047	0	664	0	0	15,711
McBurnie	20,309	0	896	0	0	21,205
Williams	2,161	0	95	0	0	2,256
K Seagar	92,064	0	4,064	0	0	96,128
Estate of CIC Collett	960,867	3,600	42,441	0	0	1,006,908
Foulkes Estate	92,436	0	4,080	0	0	96,516
Shankland Estate	13,226	0	584	0	0	13,810
Anderson	11,792	0	521	0	0	12,313
Yarnell	2,351	0	104	0	0	2,455
Slack	3,511	0	155	0	0	3,666
Appelby	165,747	1,106	7,325	0	0	174,178
Fuller	64,237	0	2,836	0	0	67,073
Fergusson	21,448	0	947	0	0	22,395
Stout	105,362	0	4,651	0	0	110,013
EP Brown	5,420	0	239	0	0	5,659
Rothwell	5,049	0	223	0	0	5,272
Steenon	8,277	0	337	0	0	8,614
BF Scott	0	45,719	1,859	0	0	47,578
AC Anderson	0	12,308	501	0	0	12,809
Willis	0	74,569	2,213	0	0	76,782
<b>TOTAL BEQUESTS</b>	<b>2,692,115</b>	<b>137,302</b>	<b>123,435</b>	<b>415</b>	<b>0</b>	<b>2,953,267</b>
<b>TOTAL SPECIFIED FUNDS AND BEQUESTS</b>	<b>4,896,533</b>	<b>1,085,048</b>	<b>196,296</b>	<b>(1,230,622)</b>	<b>(25,000)</b>	<b>4,922,255</b>

## 8. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
Petty cash and imprest balances	10	10
Cheque and call deposits	3,037	6,433
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,047</b>	<b>6,443</b>
Short-term deposits	10,020	7,520
<b>TOTAL CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS</b>	<b>13,067</b>	<b>13,963</b>

There are no assets recognised in a non-exchange transaction that are subject to restrictions.

## 9. TRADE AND OTHER RECEIVABLES

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
Debtors and other receivables	478	660
Less: provision for impairment	0	0
<b>TOTAL DEBTORS AND OTHER RECEIVABLES</b>	<b>478</b>	<b>660</b>

	2015			2014		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Not past due (prepaid)	288	0	288	398	0	398
Past due 1-30 days	167	0	167	161	0	161
Past due 31-60 days	13	0	13	2	0	2
Past due 61-90 days	0	0	0	1	0	1
Past due over 90 days	10	0	10	98	0	98
<b>TOTAL</b>	<b>478</b>	<b>0</b>	<b>478</b>	<b>660</b>	<b>0</b>	<b>660</b>

All receivables greater than 30 days in age are considered to be past due. The carrying value of receivables approximates their fair value. As at 30 June 2015 all overdue receivables have been assessed for impairment and \$ NIL (2014: NIL) were assessed as impaired.

## 10. PROPERTY, PLANT AND EQUIPMENT

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

	AT VALUATION			
	Land	Land managed	Buildings	Buildings managed
	\$000s	\$000s	\$000s	\$000s
Opening Balance July 2013	17,663	1,516	20,593	2,306
Additions	0	0	241	175
Disposals	0	0	(30)	0
Losses/Gains on revaluation	0	0	0	0
Losses on derecognition	0	0	0	0
<b>BALANCE 30 JUNE 2014</b>	<b>17,663</b>	<b>1,516</b>	<b>20,804</b>	<b>2,481</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>				
Opening Balance July 2013	0	0	8	(1)
Depreciation expense	0	0	207	24
Writeback on revaluation	0	0	0	0
<b>BALANCE 30 JUNE 2014</b>	<b>0</b>	<b>0</b>	<b>215</b>	<b>23</b>
<b>NET BALANCE 30 JUNE 2014</b>	<b>17,663</b>	<b>1,516</b>	<b>20,589</b>	<b>2,458</b>
Opening Balance July 2014	17,663	1,516	20,804	2,481
Additions	0	0	39	393
Disposals	0	0	(11)	0
Losses/Gains on revaluation	1,258	129	238	36
Losses on derecognition	0	0	0	0
<b>BALANCE 30 JUNE 2015</b>	<b>18,921</b>	<b>1,645</b>	<b>21,070</b>	<b>2,910</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>				
Opening Balance July 2014	0	0	215	23
Depreciation expense	0	0	206	25
Writeback on revaluation	0	0	(421)	(48)
<b>BALANCE 30 JUNE 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET BALANCE 30 JUNE 2015</b>	<b>18,921</b>	<b>1,645</b>	<b>21,070</b>	<b>2,910</b>

	AT VALUATION			AT COST			TOTAL
	Heritage artefacts	Displays and interpretation	Land development	Plant and equipment	Leasehold improvements	Library	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
	7,493	1,094	206	1,299	78	18	52,266
	2	0	0	54	0	0	472
	0	0	0	0	0	0	(30)
	376	0	0	0	0	0	376
	0	0	0	0	0	0	0
	<b>7,871</b>	<b>1,094</b>	<b>206</b>	<b>1,353</b>	<b>78</b>	<b>18</b>	<b>53,084</b>
	0	104	12	1,139	25	0	1,287
	0	109	14	59	12	0	425
	0	0	0	0	0	0	0
	<b>0</b>	<b>213</b>	<b>26</b>	<b>1,198</b>	<b>37</b>	<b>0</b>	<b>1,712</b>
	<b>7,871</b>	<b>881</b>	<b>180</b>	<b>155</b>	<b>41</b>	<b>18</b>	<b>51,372</b>
	7,871	1,094	206	1,353	78	18	53,084
	0	0	0	85	0	0	517
	0	0	0	(6)	0	0	(17)
	134	(34)	0	0	0	0	1,761
	0	0	0	0	0	0	0
	<b>8,005</b>	<b>1,060</b>	<b>206</b>	<b>1,432</b>	<b>78</b>	<b>18</b>	<b>55,345</b>
	0	213	26	1,198	37	0	1,712
	0	109	14	67	13	0	434
	0	(148)	(11)	0	0	0	(628)
	<b>0</b>	<b>174</b>	<b>29</b>	<b>1,265</b>	<b>50</b>	<b>0</b>	<b>1,518</b>
	<b>8,005</b>	<b>886</b>	<b>177</b>	<b>167</b>	<b>28</b>	<b>18</b>	<b>53,827</b>

10. PROPERTY, PLANT AND EQUIPMENT – CONTD

An independent valuation of Heritage New Zealand's land and buildings was last performed as at 30 June 2015 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 2015 update valuation for Heritage New Zealand 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 heritage artefacts has been undertaken by a number of specialists reflecting the variety within Heritage New Zealand's collections. The collections valued as at 30 June 2015 on a rolling basis was conducted by registered valuers specialising in art and objects.

Of the total land value, \$9,460,000 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 \$13,296,000 where a restriction of encumbrance is deemed to exist, the land is valued using the accepted method for the valuation of reserve zoned land. This approach assesses a restrictive land value based on fringe rural sales, plus an allowance for the effects of urban locations and amenities and the value of a potential chance of change in the land use. The value of the chance of change is based on the land value of the property assuming no restrictions multiplied by an estimated probability of change.

The probabilities of change that has been applied is 5%. On average the discount applied to the unrestricted value of this land is 78%.

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. TRADE AND OTHER PAYABLES

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
Trade creditors	293	133
Income in advance	32	66
Accrued expenses	426	605
<b>TOTAL CREDITORS AND OTHER PAYABLES</b>	<b>751</b>	<b>804</b>
<b>PAYABLES UNDER EXCHANGE TRANSACTIONS</b>		
Creditors	293	133
Income in advance	32	65
Accrued expenses	426	596
<b>TOTAL PAYABLES UNDER EXCHANGE TRANSACTION</b>	<b>751</b>	<b>794</b>
<b>PAYABLES UNDER NON EXCHANGE TRANSACTIONS</b>		
Taxes payable (GST, PAYE and rates)	70	45
Grants payable	2,554	2,865
<b>TOTAL PAYABLES UNDER NON EXCHANGE TRANSACTION</b>	<b>2,624</b>	<b>2,910</b>

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

## 12. 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.

	\$000s
<b>2014</b>	
Balance at 1 July 2013	996
Additional provisions made	625
Amounts used	(400)
Unused amount reversed	(78)
<b>BALANCE AS AT 30 JUNE 2014</b>	<b>1,143</b>
<b>2015</b>	
Balance at 1 July 2014	1,143
Additional provisions made	622
Amounts used	(419)
Unused amount reversed	(198)
<b>BALANCE AS AT 30 JUNE 2015</b>	<b>1,148</b>

### 13. EMPLOYEE ENTITLEMENTS

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
<b>Current employee entitlements are represented by:</b>		
Accrued salaries and wages	452	367
Annual leave	557	517
Sick leave	20	18
Long service leave	7	5
<b>TOTAL CURRENT PORTION</b>	<b>1,036</b>	<b>907</b>
<b>Non-current employee entitlements are represented by:</b>		
Long service leave	74	61
<b>TOTAL NON-CURRENT PORTION</b>	<b>74</b>	<b>61</b>
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>1,110</b>	<b>968</b>

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

### 14. CAPITAL COMMITMENTS AND OPERATING LEASES

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

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
<b>LEASES PAYABLE</b>		
Not later than one year	289	576
Later than one year and not later than five years	160	410
Later than 5 years	0	0
<b>TOTAL NON-CANCELLABLE OPERATING LEASES PAYABLE</b>	<b>449</b>	<b>986</b>
These leases relate to non-cancellable accommodation and equipment leases and contracted repairs and maintenance.		
<b>LEASES RECEIVABLE</b>		
Not later than one year	97	124
Later than one year and not later than five years	13	80
Later than 5 years	0	0
<b>TOTAL NON-CANCELLABLE OPERATING LEASES RECEIVABLE</b>	<b>110</b>	<b>204</b>

## 15. COMMITMENTS AND CONTINGENCIES

As at 30 June 2015, potential liabilities resulting from heritage covenants previously negotiated are estimated to be \$20,000. (As at 30 June 2014, liabilities resulting from heritage covenants were \$20,000).

The Canterbury Heritage Buildings Fund has approved further grants of \$2,252,246 as at 30 June 2015 where conditions for full payment have not yet been met. These grants will only be recognised as an expense when all conditions for the grant payment have been met.

There are no other contingent liabilities.

## 16. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

### Related party transactions:

Heritage New Zealand is a wholly owned entity of the Crown. The Government significantly influences the role of Heritage New Zealand in addition to being its major source of revenue.

Heritage New Zealand had a wholly owned non-trading subsidiary – Heritage New Zealand Limited. This has been deregistered in 2015.

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

### KEY MANAGEMENT PERSONNEL COMPENSATION AS AT 30 JUNE 2015

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
<b>BOARD MEMBERS</b>		
Remuneration	128	120
Head count	10	12
<b>LEADERSHIP TEAM</b>		
Remuneration	1,228	1,209
Head count	9	9
<b>TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION</b>	<b>1,357</b>	<b>1,329</b>
<b>TOTAL KEY MANAGEMENT PERSONNEL HEAD COUNT</b>	<b>19</b>	<b>21</b>

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. (2014: NIL)

## 17. BOARD AND MĀORI HERITAGE COUNCIL MEMBER REMUNERATION

Member	2015 \$	2014 \$
Mrs S Kenderdine (Chair from August 2010- May 2014)	0	21,240
The Rt. Hon. W Creech (Chair from May 2014)	27,000	3,105
Mr I Athfield (passed away January 2015)	6,500	10,787
Dr A Crighton (ceased May 2014)	0	9,292
Mrs N Glavish	13,000	10,787
Mr D Kiddey (ceased May 2014)	0	9,292
Mr A Matson (ceased May 2014)	0	9,292
Mr B McGuinness	13,000	10,787
Sir T te Heuheu (ceased May 2014)	0	9,292
Dr A Mahuika (ceased May 2014)	0	9,346
Mr J Clarke (commenced August 2013)	13,000	3,895
Ms S McVay (commenced May 2014)	13,000	1,495
Ms M Neazor (commenced May 2014)	13,000	1,495
Mr E Henare (commenced May 2014 passed away May 2015)	11,035	1,495
Mr M Nathan (ceased May 2014)	0	3,600
Mr G O'Regan (ceased May 2014)	0	3,200
Mr R Bradley (commenced May 2014)	4,050	450
Mr A Coffin (commenced May 2014)	4,950	450
Mr P McGarvey (commenced May 2014)	2,250	450
Ms M Ngarimu (commenced May 2014)	7,650	450
	<b>128,435</b>	<b>120,200</b>

There has been payments of \$3,742 made to committee members appointed by the Board who are not Board members during the financial year.

No Board members received compensation or other benefits in relation to cessation (2014: \$Nil)

Heritage New Zealand 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 \$4,950 was paid for the insurance period 1 July 2014 to 30 June 2015 (2014: \$4,950).

## 18. EMPLOYEE REMUNERATION

Total remuneration and benefits	No of Employees		
	\$000s	2015	2014
100-110		4	3
110-120		4	6
120-130		4	2
130-140		1	1
250-260		0	1
260-270		1	0

The current Chief Executive was appointed in May 2006 and is currently employed in the remuneration band \$260,000-\$270,000 (2014: remuneration band \$250,000-\$260,000).

No employees received compensation and other benefits in relation to cessation. (2014: \$Nil)

## 19. EVENTS AFTER BALANCE SHEET DATE

There were no significant events after the balance sheet date. (2014: None)

## 20. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

	Group Actual 2015	Group Actual 2014
	\$000s	\$000s
<b>LOANS AND RECEIVABLES</b>		
Cash and cash equivalents	3,037	6,433
Debtors and other receivables	580	660
<b>TOTAL LOANS AND RECEIVABLES</b>	<b>3,617</b>	<b>7,093</b>
<b>HELD TO MATURITY INVESTMENTS</b>		
Cash and equivalents – short term deposits	10,020	7,520
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>		
Creditors and other payables	666	804

## 21. FINANCIAL INSTRUMENT RISKS

Heritage New Zealand's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Heritage New Zealand 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. Heritage New Zealand'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 Heritage New Zealand to cash flow interest rate risk. Heritage New Zealand's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. Heritage New Zealand currently has no variable interest rate investments.

Heritage New Zealand 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 Heritage New Zealand, causing Heritage New Zealand to incur a loss.

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

Heritage New Zealand has processes in place to review the credit quality of customers prior to granting of credit.

Heritage New Zealand'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.

Heritage New Zealand 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.

## 22. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

**Timeball capital campaign** - Phased for second half of the year but did not eventuate in this financial year as confirmation of \$1.3 million from Lotteries Grant Board has been received but has not yet accounted for. This will be accounted for as project spend occurs. In addition, an anticipated donation from the Port Company did not eventuate due to a change in their priorities.

**Grants, donations and bequests** – Income received from Community Trusts has been treated as a donation on receipt but as a grant for budgeting purposes. In addition there have been three very successful donation appeals to membership run over the year.

**Administration costs** – legal fees, professional fees and staff training were all under budget as anticipated work was not required.

**Property costs** – increased merchandising costs offset by increased reciprocal incomes and some over-expenditure in property maintenance and development projects.

## 23. ADJUSTMENTS ARISING ON TRANSITION TO THE NEW PBE ACCOUNTING STANDARDS

### Reclassification adjustments

There have been no reclassifications on the face of the financial statements in adopting the new PBE accounting standards.

### Recognition and measurement adjustments

There have been no recognition or measurement adjustments to the 30 June 2014 comparative information resulting from the transition to the new PBE accounting standards. ■

## INDEPENDENT AUDITOR'S REPORT

### **TO THE READERS OF HERITAGE NEW ZEALAND POUHERE TAONGA AND GROUP'S FINANCIAL STATEMENTS AND NON-FINANCIAL PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2015.**

The Auditor-General is the auditor of Heritage New Zealand Pouhere Taonga (“HNZPT”) and its New Zealand domiciled subsidiaries and other controlled entities. The Auditor-General has appointed me, Jacqueline Robertson, using the staff of Deloitte, to carry out the audit of the financial statements and the statement of performance of the group consisting of HNZPT and its controlled entity (collectively referred to as “the Group”), on her behalf.

#### **Opinion on the financial statements and the statement of performance**

We have audited:

- The financial statements of the Group on pages 28 to 53, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expenses, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- The statement of performance of the Group on pages 12 to 27.

In our opinion:

- The financial statements of the Group:
  - Present fairly in all material respects
    - Its financial position as at 30 June 2015; and
    - Its financial performance and cash flows for the year then ended; and
  - Comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Public Sector) (“PBE RDR”).
- The statement of performance:
  - Presents fairly in all material respects, the Group's performance for the year ended 30 June 2015, including for each class of reportable outputs
    - Its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - Its actual revenue and output expenses compared with the forecasts included in the statement of performance expectations for the financial year.
  - Complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 29 October 2015. This 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 explain our independence.

## **BASIS OF OPINION**

We carried out our audit in accordance with 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 the statement of performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgment, are likely to influence readers' overall understanding of the financial statements and statement of 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 performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Group's financial statements and statement of 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 Group'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 adequacy of the disclosures in the financial statements and the statement of performance; and
- The overall presentation of the financial statements and the statement of performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of performance.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **RESPONSIBILITIES OF THE BOARD**

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

- Comply with generally accepted accounting practice in New Zealand
- Present fairly the Group's financial position, financial performance and cash flows; and
- Present fairly the Group's performance.

The Board's responsibilities arise from the Crown Entities Act 2004 and Heritage New Zealand Pouhere Taonga Act 2014.

The Board is also responsible for such internal control as is determined is necessary to enable the preparation of financial statements and statement of 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 the statement of performance in printed or electronic form.

## **RESPONSIBILITIES OF THE AUDITOR**

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

## **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, we have no relationship or interests in the Group.



**JACQUELINE ROBERTSON**

**Deloitte**

On behalf of the Auditor-General

Wellington, New Zealand

### **Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of Heritage New Zealand for the year ended 30 June 2015 included on Heritage New Zealand's web site. Heritage New Zealand's Board is responsible for the maintenance and integrity of the web site. We have not been engaged to report on the integrity of Heritage New Zealand's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 29 October 2015 to confirm the information included in the audited financial statements presented on this web site.

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

# HERITAGE NEW ZEALAND'S HERITAGE DESTINATIONS PORTFOLIO (48 PROPERTIES)

## HERITAGE NEW ZEALAND OWNED (16 PROPERTIES)

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

## CO-OWNED (1 PROPERTY)

Highwic (with Auckland City Council)

## LEASED (2 PROPERTIES)

Ewelme Cottage  
Māngungu Mission House

## PRIVATE HISTORIC RESERVE (4 PROPERTIES)

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

## HISTORIC RESERVE (22 PROPERTIES)

Brunner Industrial Site (Tyneside)  
Clifden Suspension Bridge  
Coton's Cottage  
Edmonds Ruins  
Gabriel Read Memorial Reserve  
Matanaka  
Old St Paul's  
Ophir Post Office  
Pencarrow Head Lighthouse  
Pompallier Mission  
Kaipara North Head Lighthouse  
Rai Valley Cottage  
Rangiriri Redoubt  
Runanga Stockade  
Seddon House  
Springvale Suspension Bridge  
Taupo Redoubt and Courthouse  
Te Porere Redoubt  
Te Wheoro's Redoubt  
Tikirere Mill Race  
Upper Hutt Blockhouse  
Whangamarino Redoubt

## MAORI RESERVE (1 PROPERTY)

Opotaka Pa

## SITES WITH MORE THAN ONE STATUS (2 PROPERTIES)

Fyffe House  
(part owned by Heritage New Zealand, part leased from Kaikoura District Council)  
Hayes Engineering  
(part owned by Heritage New Zealand, part historic reserve)

**Northern Regional Office**

Premier Buildings  
Level 2, 2 Durham Street East  
Private Box 105-291,  
Auckland 1143  
Ph: (64 9) 307 9920  
infonorthern@heritage.org.nz

**Central Regional Office**

Level 7, 69 Boulcott Street  
PO Box 2629  
Wellington 6140  
Ph: (64 4) 494 8320  
infocentral@heritage.org.nz

**Southern Regional Office**

International Antarctic Centre  
38 Orchard Road  
PO Box 4403  
Christchurch Mail Centre 8140  
Ph: (64 3) 357 9629  
infosouthern@heritage.org.nz

**Northland Area Office**

Level 1, 62 Kerikeri Road  
PO Box 836, Kerikeri 0245  
Ph: (64 9) 407 0470  
infonorthland@heritage.org.nz

**Lower Northern Area Office**

Level 1, 28 Wharf Street  
PO Box 13339, Tauranga 3141  
Ph: (64 7) 577 4530  
infolowernorthern@heritage.org.nz

**Otago/Southland Area Office**

Level 4, 109 Princes Street  
PO Box 5467, Dunedin 9058  
Ph: (64 3) 477 9871  
infodeepsouth@heritage.org.nz

**FREE PHONE 0800 HERITAGE**

**WWW.HERITAGE.ORG.NZ**

**SUPPORTED BY THE NEW ZEALAND  
GOVERNMENT THROUGH:**

