



# HERITAGE NEW ZEALAND POUHERE TAONGA ANNUAL REPORT PURONGO Ā TAU

FOR THE YEAR ENDED 30 JUNE 2018



## HERITAGE NEW ZEALAND POUHERE TAONGA OUTCOMES:

Present and future generations of New Zealanders appreciate their sense of place, identity and nationhood

### KNOWLEDGE/MĀTAURANGA

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

#### Long-term impact indicator

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

### CONSERVATION/PENA PENA TAONGA

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

#### Long-term impact indicator

*Loss of heritage entered on the New Zealand Heritage List through demolition or destruction is minimised. The conservation measures in district plans meet Heritage New Zealand Standards.*

### 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:

In delivering to these outcomes Heritage New Zealand Pouhere Taonga receives significant support from others.

This assistance across shared aspirations for heritage is vital and gratefully received.

There are the teams of volunteers throughout the country who assist in the management and delivery of services to our heritage properties and in the care and conservation of our collections.

There are the agencies and organisations who directly contribute toward the best heritage outcomes alongside us. Of particular note are Historic Places Aotearoa and their members, the New Zealand Archaeology Association whose members deliver to the regulations associated with archaeology, the International Convention on Monument and Sites (ICOMOS) which sets heritage and historical standards and the many individuals representing local government across New Zealand.

There are the individuals who offer personal financial support to the endeavours of the organisation through generous gifts and bequests.

Auckland Council

Estate of M E Belcher

Chisholm Whitney Family Charitable Trust

Estate of J K H Coulding

Foundation North

Friends of Old St Paul's

James Searle Say Foundation

Mr W & Mrs E Holmes

Mrs N M Leov

Laithwaite's Wine People

Landmark Inc.

Lottery Grants Board

Estate of M H Lovelock

Estate of M McKie

Mainland Foundation

Estate of W S Middlemiss

Perpetual Guardian

Estate of L J Rogers

Stout Trust

Estate of J A Strassmeyer

Thames Coromandel District Council

Estate of R H R Woodhouse

Wellington Community Trust

# HERITAGE NEW ZEALAND POUHERE TAONGA

## ANNUAL REPORT PURONGO Ā TAU 2018

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Cover: *MELANESIAN MISSION, AUCKLAND*

IMAGE: MARCEL TROMP/HERITAGE NEW ZEALAND POUHERE TAONGA





The Board Room at Antrim House, Wellington.  
IMAGE: HERITAGE NEW ZEALAND  
POUHERE TAONGA

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

**THE COMMITMENT OF HERITAGE NEW ZEALAND POUHERE TAONGA** to honour the past and inspire the future through sharing knowledge, conserving and engaging people about places that contribute to our unique heritage is built on the solid foundations of ongoing government and public support. A strong mandate was given in May this year with the Coalition Government's Budget allocation of an extra \$6.3 million in funding over four years to the country's lead heritage organisation.

Backed by significant successes this past year, Heritage New Zealand Pouhere Taonga will continue to be future focused to achieve the Government's wider priorities within the all-of-government well-being framework. Within the Arts, Culture and Heritage sector these are fostering an inclusive New Zealand identity, supporting Māori cultural aspirations, front-footing transformative technology, improving cultural asset sustainability and measuring and maximising cultural values.

The additional Budget funding reflects confidence in Heritage New Zealand Pouhere Taonga, the importance of its work and continued growth in public appreciation of heritage. Prime Minister and Minister for Arts, Culture and Heritage the Rt Hon Jacinda Ardern gave a clear directive that the new funding, on top of current operating funding, will assist in processing archaeological authority applications, protecting built heritage and advising on earthquake-

prone buildings, and identifying and protecting sites of significance to Māori.

These priorities, and more, will be met following a successful restructure of the organisation that took effect from 30 October last year. Plans are underway to introduce transformative technology to showcase and streamline work.

A public awareness survey conducted by Research New Zealand in June this year shows a high level of interest in the protection of historic places and buildings and an awareness of Heritage New Zealand Pouhere Taonga as an organisation. This is a strong reflection of the regulatory work we are charged with under the Heritage New Zealand Pouhere Taonga Act and the organisation's commitment to engagement and promotion of heritage with the wider community.

The signing of a memorandum of understanding with Te Taura Whiri i te Reo Māori (the Māori Language Commission) in late June formalised our commitment to te Reo as part of a wider commitment to Māori heritage and history. This agreement was supported with an organisation launch of Te Rautaki Pouhere Reo, a commitment to having te Reo sit alongside English in written formats and staff having greater knowledge and confidence in speaking this country's original language. The agreement is a continuation of supporting Māori cultural aspirations as

underpinned in the Māori Heritage Council's visionary and guiding document *Tapuwae*.

The commitment of Heritage New Zealand Pouhere Taonga to cultural asset sustainability was evident with the completion of conservation and redevelopment work at the Melanesian Mission at Auckland's Mission Bay. Following 18 months of extensive strengthening and restoration work the property reopened in November last year, complete with an architecturally designed and compatible new restaurant pavilion alongside it. The project deservedly received an 'Excellence Award' in the Heritage and Adaptive Reuses Category at the Property Council New Zealand Awards in June. A new partnership with the Melanesian Mission Trust Board as property co-owners was also formally announced.

The return of the Timeball tower with its timeball to Lyttelton in late June was very pleasing. Following a site blessing ceremony in July last year Cantabrians and visitors will soon be able once again to enjoy the timeball dropping daily above the tower, eight years on from the region's devastating earthquakes. Heritage New Zealand Pouhere Taonga was also delighted at the announcement on 9 September last year to restore ChristChurch Cathedral, having been involved as an advisor to the Government appointed working party during the decision-making process.

Public and private ownership confidence in Heritage New Zealand Pouhere Taonga was highlighted in the announcement in May this year that the wonderful Category 2 listed property 'Chevening' in Wellington would be gifted to the organisation at the end of 2018. This public declaration was a profound endorsement by the owner of the organisation's ability to maintain and care for significant places as part of its growing property portfolio.

As we reflect on this past year, it's important to acknowledge recipients of honours in the New Year and Queen's Birthday lists, with Board and Māori Heritage Council members Sir John Clarke named a Knight Companion of the New Zealand Order of Merit for services to Māori and heritage preservation, Dame Rangimarie (Naida) Glavish named a Dame Companion of the New Zealand Order of Merit for services to Māori and the community, Board member Bryce Barnett named a Member of the New Zealand Order of Merit for his contribution to governance and philanthropy in the Taranaki region, and Māori Heritage Council member Liz Mellish named a Member of the New Zealand Order of Merit for services to Māori and governance.

We also observed, with much sadness, the passing of Dr Cliff Whiting ONZ, of Te Whānau-a-Apanui descent, tōhunga whakairo (master carver), renowned artist, educator, and national Māori arts and heritage advocate in July last year, aged 81. Cliff gave 15 years of service to the (then) New Zealand Historic Places Trust laying the foundations for, and undertaking, the conservation work on marae proudly continued by Heritage New Zealand Pouhere Taonga today. We are fortunate that his son, our Director Kaiwhakahaere Tautiaki Taonga and Kaupapa Māori, Dean Whiting, continues his legacy with us and also through his appointment to the Arts Council of New Zealand for a fixed term from August 2017.

Thank you to all Heritage New Zealand Pouhere Taonga Board and Māori Heritage Council members, staff, volunteers and members, independent heritage groups and all those who continue to make a lasting imprint on the identification, preservation and promotion of our collective heritage. ■



A handwritten signature in black ink, reading 'Wyatt Creech'.

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

26 October 2018



A handwritten signature in black ink, reading 'John Clarke'.

**SIR JOHN CLARKE KNZM CNZM**  
Chair Māori Heritage Council  
Tiamana o te Kaunihera Māori o te Pouhere Taonga

26 October 2018

### THE YEAR IN REVIEW

The Heritage New Zealand Pouhere Taonga Board set four strategic priorities under the *Heritage New Zealand Pouhere Taonga Statement of Intent 2017-21*, which formed the focus for the work programme for the 2017-2018 financial year:

- Prioritising and celebrating the most significant places
- Building support by working with iwi, local authorities, volunteers, owners, members and communities
- Promoting the vision of *Tapuwae* to conserve Māori heritage
- Prioritising our advocacy with a focus on educating, promoting, advising and regulating.

Below we discuss the major achievements for the year under each of these priorities and the way in which we work.

#### THE HERITAGE NEW ZEALAND POUHERE TAONGA

Statement of Performance Expectations 2017-2018 described the organisation's role, functions and annual work programme under three broad outcome areas: Knowledge/Mātauranga, Conservation/Pena Pena Taonga and Engagement/Hononga. Details of performance over the year against these specific measures, and the Board's expectations, are included in the Statement of Service Performance under each outcome area.

#### Prioritising and celebrating the most significant places

National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu is a new initiative. It provides statutory recognition for the places of the greatest heritage value to the people of New Zealand. Landmark status will be reserved for places that form the cornerstones of our national identity. The programme is designed to engage government and New Zealanders with the long-term preservation of our nationally significant sites from natural disasters and other risks. This year, when the Government agreed that Heritage New Zealand Pouhere Taonga should resume work on this programme.

Heritage New Zealand Pouhere Taonga is also collaborating with the Department of Conservation, the Ministry for Culture and Heritage and the Ministry of Business Innovation and Employment on the Landmarks Whenua Tohunga programme. This programme showcases significant heritage places around New Zealand under the Landmarks Whenua Tohunga brand to encourage visitation. In December 2017, 12 sites in Otago became part of Landmarks Whenua Tohunga and work has started on adding the West Coast region to the programme.

In addition to the Landmarks programmes, core work on the recognition and celebration of important places nationwide continued, with the addition of three Category 1 historic places to the New Zealand Heritage List/Rārangi Kōrero (the List): the Wellington Teachers' Training College (Former) in Karori; the Union Steam Ship Company Offices and Stores (Former) in Dunedin's highly significant Warehouse Precinct; and the Ōamaru Harbour Breakwater and Macandrew Wharf in Ōamaru. There were also four List entries raised from Category 2 to Category 1 status due to a re-evaluation of their values.

The work programme of Heritage New Zealand Pouhere Taonga included the conclusion of a major capital project to seismically strengthen the Melanesian Mission building in Auckland's popular Mission Bay, and transform the site into an outstanding heritage venue with first-class hospitality. The facility with accompanying interpretation of the site's interesting Melanesian history opened in November 2017, and subsequently won an Excellence Award in the Heritage and Adaptive Reuses category at the Property Council New Zealand Awards.

The Timeball tower has again become a familiar sight on Lyttelton's skyline. Progress of the reconstruction of the tower was able to be followed online via a camera taking photos at 10-minute intervals during daylight hours. At mid-morning on 28 June viewers could see the Timeball itself bearing its original red and yellow livery being lifted up and placed in its lofty position on the tower. The flagpole will also be returned and, after landscaping the grounds, the Timeball tower and site will formally reopen to visitors in early November to coincide with the 150<sup>th</sup> anniversary of New Zealand becoming the first country to introduce nationwide standard time. The timeball will once again drop daily at exactly 1pm.





2 October 2017



29 December 2017



28 June 2018 (timeball returned)



An onsite camera captures the rise of the Lyttelton Timeball tower. IMAGES: HERITAGE NEW ZEALAND  
POUHERE TAONGA/PROJECT STORY.

In Wellington, repairs and conservation work at Old Government Buildings and an investigation into requirements for strengthening at Turnbull House commenced. In Northland, the installation of fire protection for the Printery at the Pompallier Mission was progressed. Planning for capital fundraising for earthquake repairs and strengthening at Old St Paul's is also well underway.

Fifteen staffed Heritage New Zealand Pouhere Taonga properties were opened on the day the country marks its national day, Waitangi Day. It is a perfect day to open our doors for the public to visit a part of their heritage and history at our properties, joined this year by Fyffe House which had recently reopened after the Kaikōura earthquakes.

#### **Building support by working with iwi, local authorities, owners, members and communities**

Engaging with the community continues to be a priority for the Heritage New Zealand Pouhere Taonga Board and Māori Heritage

Council. Heritage is more likely to be conserved when the public can experience these heritage places and their stories, and when owners and kaitiaki have the skills and support to manage and make decisions about the ongoing care and management of these places.

The level of engagement and support for heritage remains strong. This was demonstrated in a variety of ways:

- by the annual public awareness survey carried out in May 2018 showing 58 percent of New Zealanders rate heritage protection as very important
- almost 229,000 visitors welcomed to Heritage New Zealand Pouhere Taonga-managed properties (with a satisfaction rating of 96 percent of those surveyed)
- 54 (estimated at 30) events undertaken during the financial year in partnership with others.

The New Zealand Archaeological Associations' New Zealand Archaeology Week brings archaeology to the public. Heritage New Zealand Pouhere Taonga was proud to support Archaeology Week on 28 April to 6 May 2018. Staff led a variety of public talks, historic walks and displays throughout the country. A digital walking tour of former historic Christchurch hotels was developed as part of this programme of support. Events during Archaeology Week increase public awareness of finite heritage resources and highlight the importance of protecting our archaeological heritage.

### Promoting the vision of *Tapuwae* to conserve Māori heritage

Promoting the value of Māori heritage to all New Zealanders is a key message in the publication of *Tapuwae* by the Heritage New Zealand Pouhere Taonga Māori Heritage Council; one the organisation has embraced over the year.

Heritage New Zealand Pouhere Taonga has a long history of support and assistance to iwi in the conservation of their heritage places and buildings and this continues, often with Treaty Settlements now referencing this support as a feature of cultural redress.

It is therefore with sadness that the organisation notes the passing of Dr Cliff Whiting ONZ last year. Dr Whiting took part in the first marae conservation project at Manutūke Marae near Gisborne, which became a landmark project in its development of a direction for the conservation of Māori buildings that is perpetuated today by specialist conservation practitioners including, significantly, his son Dean. The approach of invigorating and preserving arts and heritage through reminding Māori of ancestral legacies bound in their places, landscapes and whakapapa, and encouraging people to learn practical skills and knowledge using traditional materials and practices from conservators on-site on marae, resonates today.

In the last year, this kaupapa can be demonstrated through: work at Te Awa I Manukau whareniui, Rotorua; Tangimate waka, Horowhenua; Tokanganui-a-noho whareniui, Te Kūiti; Ōpape Marae, Ōpotiki; Hukanui whareniui, Gordonton; completing the Rangiriri Pā interpretation; and continuing discussion with the National Trust (England) and iwi regarding the potential return of Hinemihi's carvings to her people in New Zealand.

*Heritage New Zealand* magazine and its accompanying newsletter *Heritage Quarterly* have showcased stories associated with quintessentially Māori places that New Zealanders visit but may know little about and the people who continue to care for them. Sharing these stories widely helps ensure that generations will enjoy and value these places now and in the future. Guide Bella's whare still warmly welcomes visitors, and Kāpiti Island is more than a bird reserve – one fierce battle has shaped the history of the island right down to the work of current kaitiaki, and exemplifies a history of manaakitanga between Māori and Pākehā.

At the May meeting of the heritage chairs and officials of Australia and New Zealand, the Chief Executive and Kaihautū led discussions

between our counterpart Australian heritage agencies about the shared nature of heritage protection and engagement with indigenous and historic heritage. The usefulness and practicality of *Tapuwae* as a guiding document for managing delivery of such services in an inclusive way was readily appreciated. The group agreed to implement best practice cultural heritage principles including telling comprehensive heritage stories, inclusion and engagement with indigenous people, and cooperating and collaborating internationally on these matters.

In June 2018, Heritage New Zealand Pouhere Taonga and Te Taura Whiri i te Reo Māori (the Māori Language Commission) signed an agreement to promote and revitalise te Reo and, through the Māori language, celebrate New Zealand's heritage. This agreement will influence a range of activity across Heritage New Zealand Pouhere Taonga, including encouraging staff to learn and use the language, bilingual wayfinding signage and publications.

### Prioritising our advocacy with a focus on educating, promoting, advising and regulating

This priority spans all three outcome areas. Identifying and understanding significant heritage places alongside opportunities to learn about and enjoy these places results in their long-term conservation and survival.

Heritage New Zealand Pouhere Taonga continued to engage with policy and regulatory reviews within central and local government to encourage conservation opportunities for our most significant heritage places. Considerable effort has been put into working alongside councils, providing them with expert advice on both general and specific heritage matters. Due to the risk posed by seismic activity, there continues to be a particular focus on the appropriate management of unreinforced masonry.

Heritage New Zealand Pouhere Taonga made progress on a project to improve public access to archaeological authority reports. A significant number of new reports were also added to the Archaeological Report Digital Library. These valuable reports are a rich and unique source of information on New Zealand's history. They are the final product of the archaeological authority process, which requires any person who wishes to modify or destroy an archaeological site to apply for an authority to do so from Heritage New Zealand Pouhere Taonga. More authority applications overall were received in the 2017-2018 financial year than had been estimated. Emergency authorities in particular were higher than expected, partly as a result of a number of states of emergency being declared in the 2017-2018 financial year.

Heritage New Zealand Pouhere Taonga works to improve conditions for heritage in New Zealand through advice, support, and formal submissions to local and central government policy. An example of our work in this area took place in June 2018, when Heritage New Zealand Pouhere Taonga assisted the Ministry for Culture and Heritage with distribution of a survey regarding



heritage protection mechanisms to its members and iwi. The results from the survey will inform a briefing paper to the Minister for Arts, Culture and Heritage.

Heritage New Zealand Pouhere Taonga continued to provide advice and support for property owners to assist them in their protection and management of heritage places. Seventeen significant heritage places were assisted through the National Heritage Preservation Incentive Fund. In addition, Heritage New Zealand Pouhere Taonga played a larger role in promoting Heritage EQUIP, a fund administered by the Ministry of Culture and Heritage that assists owners of heritage places with earthquake strengthening.

Opportunities to increase understanding of heritage conservation occurred throughout the year through training and workshops. They catered for a wide range of audiences including council staff, infrastructure and community groups covering archaeology, heritage planning, heritage identification, conservation, protection tools and the Heritage New Zealand Pouhere Taonga Act.

Heritage New Zealand supported Rongowhakaata iwi and Historic Places Tairāwhiti to lead a tour of around 70 people to Tāpui Pā, and Ohaku Marae near Gisborne, discussing the traditional and archaeological significance of the area. The Tāpui Pā complex is of particular significance to Rongowhakaata iwi and has archaeological significance for its extensive series of ditch and back defences in mirror images of each other on the interlocking bends of the Te Ārai River.

The Waikato War driving tour app was used as the Local Government Planners Forum conference trip, with a guest speaker from Heritage New Zealand Pouhere Taonga further bringing these places to life.

During 2017-2018, school education visits to our properties rose by 18 percent, and twice as many heritage events and activities were enjoyed by enchanted visitors and participants. Alberton's summer Market Days attracted almost 1,900 visitors in November alone, a new record for attendance at an event here.

### **The way we go about our work: income generation**

Heritage New Zealand Pouhere Taonga continues its commitment to balance core activities required under our legislation against the requirement to generate income from third party sources and to manage these income streams prudently in the best interests of heritage. Self-generated revenue of 20 percent contributes to the significant 80 percent Crown funding allocation that enables the organisation to not only meet core expectations but exceed them.

Self-generated revenue supports spending on discretionary activities such as engagement and the ongoing implementation of asset management programmes, including the conservation and development needs of the properties we care for, and their collections.

Heritage New Zealand Pouhere Taonga was naturally delighted with the allocation of an extra \$6.3 million over four years announced in the Coalition Government's budget on 17 May, seeing this as a governmental vote of confidence in the ability of this small organisation to deliver its services. The new funding will assist in processing archaeological authority applications, protecting built heritage (including advising on earthquake-prone buildings), and identifying and protecting sites of significance to Māori.

Opportunities are available for companies to form mutually beneficial associations with Heritage New Zealand Pouhere Taonga. Cause-related marketing is a relatively new venture for Heritage New Zealand Pouhere Taonga and its partnership with Laithwaite's Wine People continued this year. Our supporters have access to an attractive offer that specifically supports the mission of Heritage New Zealand Pouhere Taonga by generating a modest income stream. It has also acted as a small member acquisition campaign by providing an introduction to Laithwaite's own New Zealand-specific customer base.

### **The way we go about our work: risk management**

In concert with its Audit and Risk Committee, the organisation has refreshed its approach to risk management. Heritage New Zealand Pouhere Taonga now operates a rolling register of risk that is reviewed monthly by the Executive Team and quarterly by the Audit and Risk Committee. The register incorporates action planning to minimise risk and is anchored against the business plans of each part of the organisation. It also includes a refreshed and greatly enhanced coverage of specific health and safety matters.

The organisation is not facing any extreme risk at present but is managing three areas of high risk relating to: its information technology system; its membership offer; and its collections. These matters all have significant, and specific, staff actions underway to address them at present and these are progressing well. In particular, it is anticipated that the information technology system will move to the low risk category within the next reporting period.

This past year was marked by significant moments, not least of which has been the impact of severe storm and flooding events. These events increase pressure on heritage property owners and therefore increase demand on advisory and funding services. Chief Executive Andrew Coleman conducted an internal review of the organisation's structure to ensure it would be better able to respond to such pressures and continue to deliver against an ambitious work programme.

More information about the work and achievements of Heritage New Zealand Pouhere Taonga can be found in the next section of this report, which demonstrates the organisation's efforts to not simply meet, but to exceed, expectations. It reflects an organisation-wide commitment to its vision of honouring the past, and inspiring the future.

***Tairangahia a tua whakarere; Tātakihia ngā reanga ō āmuri ake nei.***

# STATEMENT OF GOVERNANCE

## GOVERNANCE FRAMEWORK

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

## BOARD OF HERITAGE NEW ZEALAND AND MĀORI HERITAGE COUNCIL

### 1. Role

The Board is accountable to key stakeholders for establishing the Heritage New Zealand Pouhere Taonga vision and setting strategies to be adopted to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand. It sets 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.

The Māori Heritage Council has specific statutory functions under the 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 the work of Heritage New Zealand Pouhere Taonga 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. In consultation with the Minister for Māori Development, the Minister must have confidence that three of eight Board members are qualified for appointment with regard to their knowledge of te ao Māori and tikanga Māori.

In addition, the Minister has appointed the Chief Executive of the Ministry for Culture and Heritage as a Special Adviser to the Board. While the Special Advisor is not a member of the Board, they may attend any meetings of the Board or Committee of the Board.

### 3. Appointment of Māori Heritage Council members

The Māori Heritage Council is composed of eight members appointed by the Minister (four of whom must be persons also appointed to the Board, and four, after consultation with the Minister of Māori Affairs, are Māori and collectively have the skills, knowledge, or cultural background appropriate to the functions and powers of the Council).

### 4. Board and Māori Heritage Council members' remuneration

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

### 5. Board and Māori Heritage Council meetings and attendance at meetings

The Board's annual programme is set by the Board in conjunction with the Chief Executive of Heritage New Zealand Pouhere Taonga.

This financial year, the Board held eight meetings and the Māori Heritage Council held nine meetings. Two of these were joint meetings of the Board and the Māori Heritage Council. Four decisions relating to archaeological authorities were agreed by email outside of the ordinary meeting schedule. Of these, three were made by the Māori Heritage Council and one by the Board.



Board and Māori Heritage Council meetings were attended as follows:

BOARD MEMBER	HERITAGE NEW ZEALAND BOARD MEETING ATTENDANCES 1 JULY 2017–30 JUNE 2018
Rt Hon Wyatt Creech	7/8
Sir John Clarke	5/8
Mr Bryce Barnett	4/8
Mr Chris Cochran	8/8
Ms Kim Ngarimu	7/8
Mr David Nicoll	7/8
Mrs Mary Neazor	6/8
Hon Sir Pita Sharples	6/8

MĀORI HERITAGE COUNCIL MEMBER	MĀORI HERITAGE COUNCIL MEETING ATTENDANCES 1 JULY 2017–30 JUNE 2018
Sir John Clarke	5/9
Mr Chris Cochran	9/9
Dame Naida Glavish	5/9
Mr Patrick McGarvey	6/9
Ms Liz Mellish	8/9
Ms Kim Ngarimu	8/9
Hon Sir Pita Sharples	5/9
Mr Paul White	7/9

## 6. Board committees

The Board has five standing committees: the New Zealand Heritage List/Rārangī Kōrero Committee, the Chief Executive Remuneration Committee, the Audit and Risk Committee, the Strategy and Resources Committee and the Property Committee.

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 Audit and Risk Committee and the New Zealand Heritage List/Rārangī Kōrero Committee have one external member each who is not a member of the Board or Māori Heritage Council. These members are appointed for the particular skills and experience they bring. All other committees are made up of only Board or Māori Heritage Council members.

The New Zealand Heritage List/Rārangī Kōrero Committee met in person seven times, the Audit and Risk four times, the Strategy and Resources Committee twice, and the Property Committee also met twice. The Chief Executive Remuneration Committee held the annual meeting in November 2017.

The Archaeology Committee is a committee of the Māori Heritage Council and meets as required to consider applications for archaeological authorities involving sites of interest to Māori. There were 6 decisions made by email outside of ordinary meetings on archaeological authorities.

## 7. Standards of conduct

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

## 8. 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.

## 9. Board members' insurance and indemnity

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

## ORGANISATIONAL HEALTH AND CAPABILITY

### GOOD EMPLOYER COMPLIANCE

Heritage New Zealand Pouhere Taonga 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 intranet 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 10 percent in the 2017-2018 financial year compared to 9 percent in the 2016-2017 financial year. Exit interviews are voluntary; they are a valuable source of information for the organisation.

The key activities of Heritage New Zealand Pouhere Taonga against the seven key elements of being a 'good employer' in 2017-2018 are summarised below:

ELEMENT	HERITAGE NEW ZEALAND ACTIVITY
1. LEADERSHIP, ACCOUNTABILITY AND CULTURE	<p>The Chief Executive provides leadership and consistent messages by:</p> <ul style="list-style-type: none"> <li>■ providing a weekly email to all staff (and Acting Chief Executives in his absence)</li> <li>■ addressing all induction forums for new staff</li> <li>■ emphasising key messages at staff Roopū forums; and</li> <li>■ along with Deputy Chief Executives, actively takes part in staff activities and events, demonstrating the 'mahi tahi' (one team) principle actively promoted by the organisation.</li> </ul> <p>There is a collective responsibility amongst the Executive Leadership Team to provide strategic leadership and accountability for the organisation's activities.</p> <p>Heritage New Zealand Pouhere Taonga is a bicultural organisation and provides regular training to staff in the areas of tikanga and te Reo Māori. All positions in the organisation also have Māori titles which are used on business cards and emails. Staff are also encouraged to speak te Reo when the opportunity arises.</p>
2. RECRUITMENT, SELECTION AND INDUCTION	<p>Heritage New Zealand Pouhere Taonga 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 2017-2018 year two induction forums were held for new staff. These two-day programmes are part of the standard longer-term induction process to provide a clear understanding of the organisation's vision, work and culture. The induction programme is updated and reviewed after each forum and feedback sought from participants.</p>
3. EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT	<p>During 2017-2018 a review of the organisation resulted in a number of new positions being established. Some existing staff were promoted to the new positions. Temporary acting roles to cover vacancies were also provided which enabled staff development.</p> <p>Training and development opportunities are offered to all staff where appropriate and these are identified in the staff member's annual performance plan. A new Training and Development Advisor position was established and this will allow for a more comprehensive approach to professional development.</p> <p>Roopū hui are held annually for staff working in professional disciplines such as architecture and archaeology. Many staff attend conferences and workshops relating to their professional discipline to keep up to date with current practice and to network with stakeholders.</p> <p>An exit interview is offered to all resigning staff. Results are shared with the Chief Executive and action taken where necessary. There has been no particular trend this year.</p>



ELEMENT	HERITAGE NEW ZEALAND ACTIVITY
4. FLEXIBILITY AND WORK DESIGN	<p>While balancing the needs of the organisation's multi-disciplinary approach to our work requires availability of staff during core office hours, part-time and flexible options are considered. A number of staff have flexible working conditions as part of their employment.</p> <p>Heritage New Zealand Pouhere Taonga reviews all job descriptions to ensure they accurately reflect the requirements of the role.</p>
5. REMUNERATION, RECOGNITION AND CONDITIONS	<p>Annual performance reviews are undertaken for all staff which feed into an annual remuneration review. A Chief Executive staff reward scheme enables staff and managers to nominate their colleagues for recognition of outstanding or exceptional work at all levels within the organisation.</p> <p>All permanent staff are offered free membership to Heritage New Zealand Pouhere Taonga which provides them with a quarterly magazine, free access to our properties and reciprocal visiting rights to a number of international heritage organisations.</p>
6. HARASSMENT AND BULLYING PREVENTION	<p>Heritage New Zealand Pouhere Taonga has a zero tolerance of bullying and action is taken promptly in accordance with the Prevention of Harassment, Bullying and Discrimination policy to mediate and address issues at the time they arise.</p>
7. SAFE AND HEALTHY ENVIRONMENT	<p>Heritage New Zealand Pouhere Taonga is absolutely committed to ensuring the health and safety of all staff, volunteers and visitors.</p> <p>The Health and Safety Policy has been reviewed to reflect the requirements of the Health and Safety at Work Act 2015.</p> <p>Management remains a priority in this crucial part of our organisation's responsibilities. Health and safety information is provided at all Board meetings.</p> <p>A log of updated emergency contacts is held for all staff.</p> <p>The Emergency Management Team keep all essential information needed to contact staff when required.</p> <p>All teams are required to have health and safety as an agenda item at their team meetings to ensure issues are identified, addressed and resolved.</p> <p>Heritage New Zealand Pouhere Taonga operates a Health and Safety Committee comprising staff from various parts of the organisation. The Committee meets regularly during the year to promote safety ideas and activities.</p> <p>A safe work environment is promoted through providing staff with:</p> <ul style="list-style-type: none"> <li>■ flu injections</li> <li>■ a Wellbeing allowance</li> <li>■ workplace assessments as required</li> <li>■ civil defence and first aid equipment at all sites</li> <li>■ first aid training to any staff member who wishes to obtain a first aid certificate</li> <li>■ site safe training to staff who require it for their roles</li> <li>■ an employee assistance programme provided by Vitae Ltd. Four percent of staff have accessed Vitae in 2017-2018</li> <li>■ recording accidents and near misses onto an accident register and implementing lessons learned.</li> </ul>

## EQUAL EMPLOYMENT OPPORTUNITIES

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

Heritage New Zealand Pouhere Taonga maintains a diverse workforce made up of a wide range of people representing different age groups and ethnicity. As at 30 June 2018, there were 117 full-time equivalent staff members. The average length of service in the organisation is seven years and three months (2017: seven years and nine months). A voluntary EEO survey of staff in June 2018 which had a 77 percent response rate, showed the following:

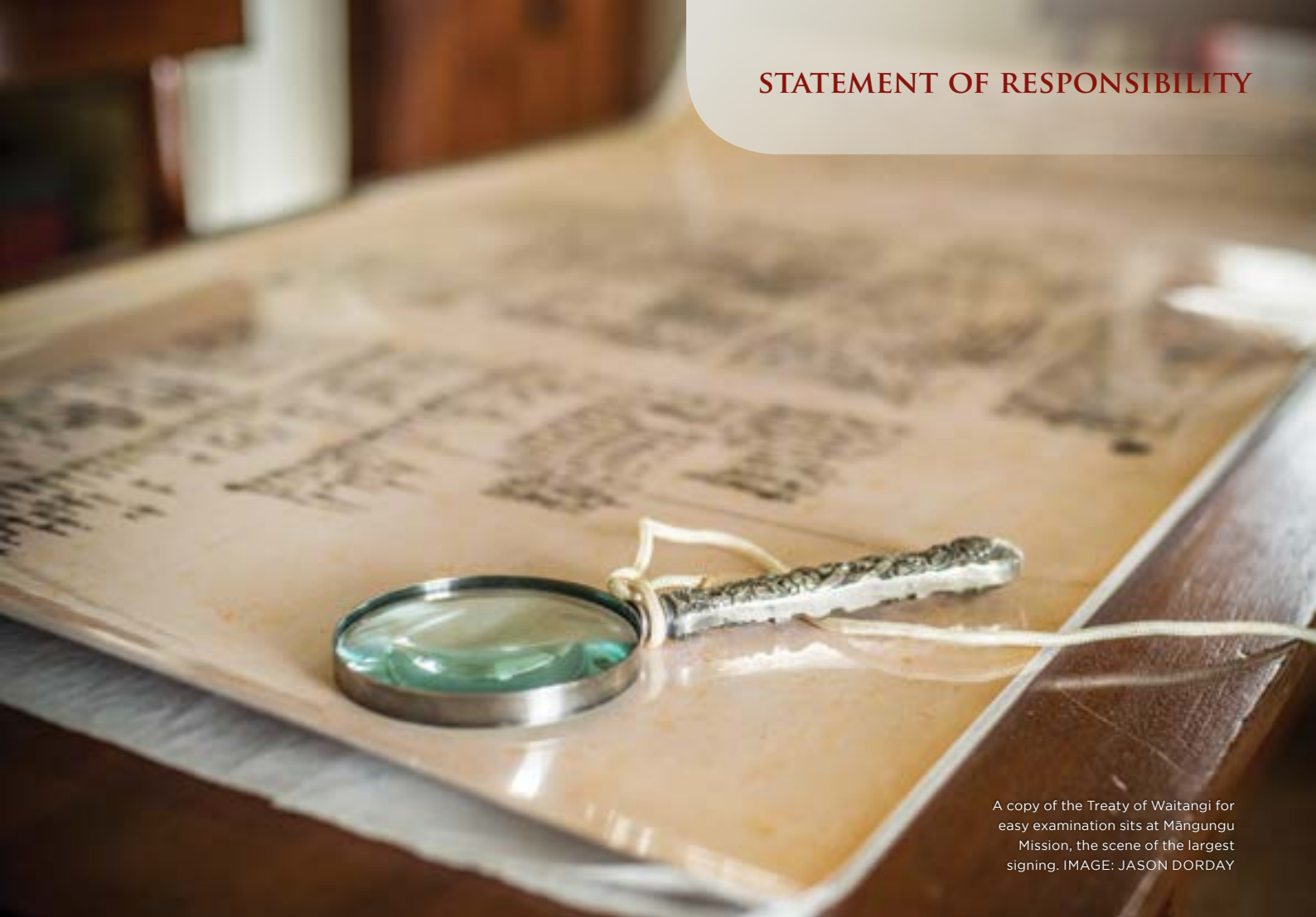
AGE	<30	9%
	30-50	40%
	>50	45%
	Undisclosed	6%
ETHNICITY	Māori	12%
	New Zealand European	76%
	Pacific Island	1%
	Asian	1%
	Other	10%
GENDER	Male	29%
	Female	71%
	Other	0
DISABILITY	Yes	3%
	No	94%
	Prefer not to say	3%

## VOLUNTEERS TO HERITAGE NEW ZEALAND POUHERE TAONGA

In the 2017-2018 financial year, Heritage New Zealand Pouhere Taonga had 245 volunteers who provided approximately 15,349 volunteer hours. We are grateful for the immense contribution of our volunteers. Without their assistance we would be challenged to achieve the outcomes our supporters expect. There were also 15 student placements for a further 210 hours.

The Heritage New Zealand Pouhere Taonga regional and area offices work closely with local volunteer heritage organisations, including Historic Places Aotearoa and other groups whose members may have previously belonged to New Zealand Historic Places Trust Branch Committees to deliver positive heritage outcomes. ■





A copy of the Treaty of Waitangi for easy examination sits at Māngungu Mission, the scene of the largest signing. IMAGE: JASON DORDAY

## STATEMENT OF RESPONSIBILITY

For the year ended 30 June 2018

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

The Board of Heritage New Zealand Pouhere Taonga 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 Pouhere Taonga has provided all end-of-year performance information as requested under section 19A 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 Pouhere Taonga for the year ended 30 June 2018. ■

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

26 October 2018

**SIR JOHN CLARKE KNZM CNZM**  
Heritage New Zealand Pouhere Taonga Board Member

26 October 2018



Mita Harris secures an unusual and treasured kākahu on the shoulders of kaumātua Whitianga Bedggood. Read the full story in the Spring 2018 issue of *Heritage New Zealand*.  
IMAGE: JASON DORDAY

## STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2018

**THERE ARE THREE** key outcome areas where Heritage New Zealand Pouhere Taonga sought to make a difference over the past financial year: Heritage Knowledge/Mātauranga, Heritage Conservation/Pena Pena Taonga and Heritage Engagement/Hononga. While all Heritage New Zealand Pouhere Taonga operations are interrelated, these three broad areas share an overarching outcome for Heritage New Zealand Pouhere Taonga and are in line with the Government's goal for the cultural and heritage sector. ■

## GOVERNMENT'S GOAL FOR THE CULTURAL SECTOR:

New Zealand's distinctive culture enriches our lives

## ARTS CULTURE AND HERITAGE SECTOR – STRATEGIC FRAMEWORK PRIORITIES:

The sector strategic framework identifies five priorities:

- fostering an inclusive New Zealand identity
- supporting Māori cultural aspirations
- front-footing transformative technology
- improving cultural asset sustainability; and
- measuring and maximising cultural values.

## MINISTRY FOR CULTURE AND HERITAGE OUTCOMES:

Cultural activity flourishes in  
New Zealand (Create)

Our culture and heritage can be enjoyed  
by future generations (Preserve)

Engagement in cultural activities  
is increasing (Engage)

## HERITAGE NEW ZEALAND POUHERE TAONGA HERITAGE PURPOSE:

Tairangahia a tua whakarere; tātakihia ngā reanga ō āmuri ake nei

Honouring the past; inspiring our future.

## PRIMARY OUTCOME:

Present and future generations of New Zealanders appreciate their sense of place, identity and nationhood.

## STRATEGIC HERITAGE PRIORITIES:

- Prioritising and celebrating the most significant places
- Building support by working with iwi, local authorities, volunteers, owners, members and communities
- Promoting the vision of *Tapuwae* to conserve Māori heritage
- Prioritising our advocacy with a focus on educating, promoting, advising and regulating.

### KNOWLEDGE/MĀTAURANGA

People access and contribute to the growing pool of knowledge, information and stories about New Zealand's significant heritage places.

#### Key outputs

1. Prioritise recognition of significant heritage
2. Capture heritage information
3. Share heritage stories.

### CONSERVATION/PENA PENA TAONGA

New Zealand's significant heritage places are conserved for the future.

#### Key outputs

1. Actively support heritage owners
2. Actively assist iwi to conserve heritage
3. Promote outcomes from and administer the archaeological authority process
4. Sustain our heritage destinations.

### ENGAGEMENT/HONONGA

People engage with places that contribute to New Zealand's significant heritage.

#### Key outputs

1. Celebrate heritage with communities
2. Engagement with Landmarks properties
3. Quality experiences at our heritage destinations.

## CAPABILITY:

### OUR PEOPLE

Expert  
Motivated  
Respectful

### OUR SYSTEMS

Fit for purpose  
Modern



## HERITAGE NEW ZEALAND KEY PRIORITY OUTPUTS 2017-2018

### INTERMEDIATE OUTCOME 1: HERITAGE KNOWLEDGE/MĀTAURANGA

*People access and contribute to the growing pool of knowledge, information and stories about New Zealand's significant heritage places.*

Key strategic priorities relevant to the Knowledge intermediate outcome:

- Building support by working with iwi, local authorities, volunteers, owners, members and communities
- Promoting the vision of *Tapuwae* to conserve Māori heritage
- Prioritising and celebrating the most significant places.

**HERITAGE NEW ZEALAND POUHERE TAONGA** gathers and makes publicly available information relating to our nation's historic heritage. Access to comprehensive, accurate information about places of significance and why they are important is a vital first step in conserving the finite resource of heritage places (Intermediate Outcome 2) and enabling New Zealanders to engage with their heritage (Intermediate Outcome 3).

Work programme priorities over the past year continued to focus on the most significant heritage places, and working with iwi to conserve Māori heritage.

#### Heritage Knowledge Output 1: Enhance the New Zealand Heritage List/Rārangi Kōrero

The New Zealand Heritage List/Rārangi Kōrero (the List) is an authoritative source for people exploring New Zealand's heritage places. Each year Heritage New Zealand Pouhere Taonga undertakes listing work to enhance the quality and accuracy of the List, and grows the List by adding more places of heritage significance.

At 30 June 2018 there were 2,863 listing reports available on the List Online with the net total of 135 new reports, and 50 percent of List entries have a statement of significance, a 2 percent increase on last year. There were 19 new additions to the List, including eight of significance to Māori.

These additions included the Athfield House and Office, Wellington, as a Category 1 historic place. For nearly 50 years from 1968 it was the home of one of New Zealand's most outstanding and celebrated architects, Sir Ian Charles Athfield (1940-2015), as well as his family and a wider community. For much of this time it has also been Athfield Architects' practice office. The building is highly important in the history of New Zealand domestic architecture, signalling a transition from post-1945 Modernism to the Colonial Revival architecture of the 1970s. Its special nature is enhanced by it being a successful social

experiment in communal city living, of which there are very few enduring New Zealand examples. Athfield viewed it as his most important work.

An important historic area listed this year was Tawatawhiti/Mair's Landing Historic Area, a well-preserved archaeological landscape beside the Hātea River, Whāngārei. The area has very high cultural values because it is a remnant of the field systems of the Māori kāinga of Tawatawhiti on the western side of the Hātea River. It is a remnant of a much larger horticultural landscape that has been destroyed in the creation of the town of Whāngārei. The kāinga is also associated with the nearby maunga of Parihaka. It is the tangible physical presence of Māori in Whāngārei that goes back centuries. In addition to its archaeological, technological, cultural and traditional values, Tawatawhiti/Mair's Landing is also of considerable historical significance, being associated with the Mair family who witnessed and took part in pre-colonial and colonial events that shaped the history of New Zealand.

Heritage New Zealand Pouhere Taonga was privileged to support Ngāti Rangi of Ngāpuhi with the recognition of Te Pakanga o Ōhaeawai as a wāhi tapu area. In June-July 1845, this hillside near Ngāwhā saw a faction of Ngāpuhi successfully defend the pā of Pene Tauī, of Ngāti Rangi, against what was then the largest British force ever assembled in Aotearoa. In 1870, the hapū built the church Te Whare Karakia o Mikaere, which still stands at the site, and reinterred the British soldiers alongside its own fallen defenders in the graveyard around it as a symbol of peace. Heritage New Zealand Pouhere Taonga will continue to support Ngāti Rangi as they build towards the 150<sup>th</sup> commemorations of the consecration of the church in 2020.

A small grave on Kāpiti Island in the Wellington region was also recognised on the List as a wāhi tapu, a place sacred to Ngāti Toa rangatira. Te Rua Tūpāpaku o Te Rangihīroa, close to the boat landing at Waiorua Bay, is the last resting place of the rangatira Te Rangihīroa, who migrated from Kāwhia to the Kāpiti region in

the 1820s. After participating in Te Umupakaroa, the Battle of Waiorua in 1824, which secured Kāpiti Island for Ngāti Toa, Te Rangihiroa signed the Treaty in 1840. While many of his tribe left for the mainland, he lived on here with his family as kaitiaki. After his death in 1842, and the forced acquisition of most of the island by the Crown from 1897, the grave of Te Rangihiroa became the lasting visible remainder of the attachment of Ngāti Toa to the island, in the only part of the land remaining in Māori ownership under the care of the descendants of the rangatira.

An important aspect of the List is that its information is constantly maintained. This involves reviews of existing entries and updating of location information. There were 11 List entries reviewed, meeting this year's forecast. These reviews resulted in five entries being removed from the List.

Ōamaru Harbour Breakwater and Macandrew Wharf, Ōamaru, was one such review which resulted in a change of List category to Category 1 based on an updated assessment of heritage values. The review found the structures to have special historic significance as they underpinned the economic development of Ōamaru, resulting in the outstanding townscape that survives today. They represent New Zealand's heritage of coastal engineering, being essential to the development of the country's best example of a Victorian/Edwardian export port – the Category 1 listed Ōamaru Harbour Historic Area.

### Heritage Knowledge Output 2: Capture heritage information

This year, 605 additional archaeology reports were made available in the Archaeological Report Digital Library, a significant achievement as the Library is prepared for upgrading to provide greater levels of accessibility. Heritage New Zealand Pouhere Taonga received reports for 82 percent of the archaeological authorities that it issued, up 2 percent on the forecast. Among these were three reports documenting the archaeological discoveries during the creation of Pukeahu National War Memorial Park, Wellington. This very significant project produced a wealth

of information about the site's original occupation by Māori, early European domestic life, the site's extensive and continuous military services occupation (since the 1840s), and information about several schools, a church, the Home of the Incurables and the Home of Compassion Crèche.

### Heritage Knowledge Output 3: Share heritage stories

New Zealanders explore information on their own terms, and a substantial increase in online and digital activity was noted both in use of the Heritage New Zealand Pouhere Taonga website, and in the number of subscribers to the e-newsletter *Heritage This Month*.

*Heritage New Zealand* magazine, published quarterly, continues to be an extremely popular and informative outreach resource that showcases heritage and history in all its forms. The 20-page *Heritage Quarterly* publication is an insert to the magazine and is also distributed to key stakeholders. It continues to highlight specific Heritage New Zealand Pouhere Taonga staff activities and engagement with heritage owners, iwi, developers, central and local authorities and regional heritage organisations/groups.

Social media is actively maintained through Heritage New Zealand Pouhere Taonga Facebook and Instagram channels, with some properties (Kerikeri Mission Station, the Honey House Café, Pompallier Mission and Printery, Alberton, Highwic, Old St Paul's and Lyttelton Timeball) having individual Facebook pages.

Mainstream media continues to receive regular promotional media releases and responses to heritage issues across the country. Through the Regional Services team at Heritage New Zealand Pouhere Taonga, outreach activities have been held either as the lead organisation or in conjunction with other organisations. Examples in the past financial year have included properties being open free of charge on Waitangi Day, Archaeology Week events, promotional stalls at regional A&P Shows and meetings with local authorities and interest groups on Heritage New Zealand Pouhere Taonga work. ■

Long-term impact indicator – Knowledge about New Zealand's culture and heritage is increased and accessible	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast based on estimate	2017-2018 Actual	Above, below or in line with forecast
Total number of reports available in the Archaeological Report Digital Library increases	5,331 (534 added)	5,828 (497 added)	6,210 (382 added)	6,430 (add 300)	6,815 (605 added)	Above forecast <sup>1</sup>
Total number of NZ Heritage List reports available increases	2,506 (increase of 103)	2,575 (increase of 69)	2,728 (increase by 153)	2,880 (add 137)	2,863 (net increase by 135)	Below forecast <sup>2</sup>

<sup>1</sup> More emergency authority reports were added than expected following the completion of reports resulting from work done in the aftermath of the Canterbury earthquakes.

<sup>2</sup> A total of 156 List reports were completed in 2017-2018 (126 upgrade reports, 19 new listing reports and 11 review reports). The net increase of reports added since the last financial year was 135 (down by two on the estimate of 137). Factors that affected the net increase of reports available were: five of the reports were to remove demolished heritage places from the List; one report was to remove one entry that was amalgamated into another entry; and there were also instances where improved reports were prepared for entries that already had a report.

## HERITAGE KNOWLEDGE OUTPUTS TABLE:

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast based on estimate	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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### KNOWLEDGE OUTPUT 1: ENHANCE THE NEW ZEALAND HERITAGE LIST/RĀRANGI KŌRERO

Performance measures	Additions to the NZ Heritage List (including those of significance to Māori)	25	16	14	19	19	Achieved
	Additions to the NZ Heritage List that are of significance to Māori	11	8	6	11	8	Not achieved <sup>3</sup>
	Percentage of NZ Heritage List entries with a statement of significance <sup>4</sup>	44%	45%	48%	50%	50%	Achieved
	Existing NZ Heritage List entries reviewed	13	25	23	11	11	Achieved

<sup>3</sup> Three proposals will now be completed in the 2018-2019 financial year.

<sup>4</sup> 1 percent is approximately 57 reports. This measure is also influenced by additions and removals from the List.



Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast based on estimate	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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#### KNOWLEDGE OUTPUT 2: CAPTURE HERITAGE INFORMATION

Performance measures	Percentage of authorities (granted and actioned in past decade) where a report has been received (or no report was required) by calendar year	n/a	n/a	81% (2015)	80% (2016)	82% (2017)	Exceeded
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#### KNOWLEDGE OUTPUT 3: SHARE HERITAGE STORIES

Performance measures	Increase in the number of average page views per month of Heritage New Zealand website	66,573	75,569	82,780	77,000	84,855	Exceeded
	Audited readership of <i>Heritage New Zealand</i>	12,098	11,752	11,509	11,500	11,461	Not achieved. <sup>5</sup> Interim figure as at 31 March 2018.
	Number of email recipients of <i>Heritage this Month</i> newsletter averaged over 12 months	12,212	13,151	14,558	15,500	15,873	Exceeded

<sup>5</sup> Audit requirements from Magazine Publishers Association (MPA) changed in June 2016 to a biennial requirement for an independent external audit, interspersed with biannual Publisher Statements in March and September. The Publishers' Statement using the MPA's rules has been used here. The next independent external audit is due 30 September 2018.



The remains of the *Darra*  
on the shore of Quail Island,  
Lyttelton Harbour.  
IMAGE: SHELLEY MORRIS,  
FLICKR 2013.

## INTERMEDIATE OUTCOME 2: HERITAGE CONSERVATION/PENA PENA TAONGA

*New Zealand's significant heritage places are conserved for the future.*

Key strategic priorities relevant to the Conservation intermediate outcome:

- Building support by working with iwi, local authorities, volunteers, owners, members and communities
- Promoting the vision of *Tapuwae* to conserve Māori heritage
- Prioritising our advocacy with a focus on educating, promoting, advising and regulating
- Prioritising and celebrating the most significant places.

**IMPROVING AWARENESS** of significant places and providing expert advice to owners and kaitiaki of New Zealand's heritage places contributes to their long-term conservation. Unfortunately, not all places identified as having heritage values are conserved and each year some are lost to fire, redevelopment and natural disasters. Heritage retention is important for New Zealanders' intergenerational well-being by providing tangible reminders of

previous generations, teaching current generations how they have arrived where they are, and passing on this understanding and connection to future generations.

Heritage New Zealand Pouhere Taonga targets its resources to ensure our most significant heritage and taonga are conserved for New Zealanders now and in the future. Outlined below are the major achievements of the 2017-2018 year.

### Conservation Output 1: Conserve Māori heritage

Heritage New Zealand Pouhere Taonga continues to support iwi and hapū as kaitiaki of their significant places, providing technical advice and expertise including marae-based training and practical skills development opportunities to enable local people to maintain their heritage places into the future.

Six Māori built heritage projects were completed through the year. Some examples of these include:

- Te Awa i Manukau Wharenui, Whakarewarewa Rotorua. Support was provided for the conservation of the wharepuni through a National Heritage Preservation Incentive Fund grant, and technical advice and assistance for the repairs to the structure and conservation of the carvings.
- Tangimate Waka, Horowhenua. This rare waka is one of the few remaining from the region. A series of conservation workshops enabled Ngāti Huia to preserve the waka for display and interpretation in the new Te Awahou Nieuwe cultural centre in Foxton.
- Tōkanganui-a-noho Wharenui, Te Kūiti. A series of conservation workshops assisted the marae community in the conservation of the exterior carvings. This wharenui dates from the early 1870s and is of great significance to Ngāti Maniapoto and the history of Te Kooti in the region. The project included the reinstatement of earlier paint colours from its late 19<sup>th</sup> century appearance.

Heritage New Zealand Pouhere Taonga has developed collaborative relationships with specified iwi to advance a programme of work that involves the engagement, recognition and conservation of Māori heritage. These can be based from a partnership, memorandum of understanding, or enduring relationship over time. Some examples of these that were progressed during the year include:

- With Waikato-Tainui: Heritage New Zealand Pouhere Taonga developed a Reserve Management template for Rangiriri and participated in the design of the symbolic interpretation of the pā with the NZ Transport Agency and the iwi. This has created a space for continued education about the battle of 1863 and subsequent invasion of the Waikato. The site is open and has been given the Te Puni Kōkiri Award for Excellence in Crown-Māori relationships, as well as an Outstanding Award from the International Landscaping Architects World Congress.
- With Te Aitanga a Hauiti: After the recognition of a wāhi tapu area associated with Tupaea of the *Endeavour* who visited Opoutama / Cook's Cove in 1769, Heritage New Zealand Pouhere Taonga is supporting a programme of conservation and interpretation projects at these sites to assist preparations by Te Aitanga a Hauiti's for the 250<sup>th</sup> anniversary of these events in 2019. A grant from the National Heritage Preservation Incentive Fund is contributing to this work.

### Conservation Output 2: Provide heritage advice

Heritage New Zealand Pouhere Taonga continues to provide a wide range of advice to property owners (including private individuals, councils, companies, iwi and Crown agencies) to support them in their protection and management of heritage places.

Through submissions to local and central government policy and plan documents and underlying processes, Heritage New Zealand Pouhere Taonga is able to influence outcomes across whole districts or areas of government. This is a significant component of our work programme. This year, for example, extensive work on the Marlborough Environment Plan was done, involving a significant consultation exercise with iwi and the local community. This built support to provide fuller recognition of Wairau Bar and Lagoons, and Kakapo Bay. Heritage New Zealand Pouhere Taonga also worked with Waitomo District Council to develop their Waitomo Heritage Inventory undertaking three consultation events with the local community and the Te Kuiti, Piopio and Mokau Museum Societies to strengthen appreciation of Waitomo's heritage.

Opportunities to increase understanding of heritage conservation occurred throughout the year through training and workshops for a wide range of audiences including council staff, infrastructure groups and university students covering archaeology, heritage planning, heritage identification, conservation, protection tools and the HNZPT Act. Training arises out of on-the-ground issues, needs, interests and concerns to address, while at the same time proves to be an excellent context for constructive relationship building with these organisations and professionals. Highlights this year included very well received workshops held for local authority staff in the Bay of Plenty and Tasman, and training sessions for staff at Timberlands, Opus, the NZ Transport Agency and the Ministry of Education.

### Conservation Output 3: Administer the National Heritage Preservation Incentive Fund

The Heritage New Zealand Pouhere Taonga Board approved financial support for the owners of 17 significant heritage places through the administration of the National Heritage Preservation Incentive Fund and \$573,000 was allocated on behalf of the Government over the year. For a list of grants allocated from this fund refer to the Heritage New Zealand website at [www.heritage.org.nz/protecting-heritage/national-heritage-preservation-incentive-fund](http://www.heritage.org.nz/protecting-heritage/national-heritage-preservation-incentive-fund).

A new policy for the fund was received from the Ministry for Culture and Heritage. This policy will come into effect in the 2018 funding round. This policy widens eligibility for the fund, allowing owners of Category 2 historic places and wāhi tūpuna to apply for the first time. Work to implement the changes for the 2018 round was completed this year, including the preparation of new guidelines and application forms, and an appropriate investment statement. The website was also updated and a new brochure was released. The impact of the changes will be reported on in the 2018-2019 year.



## Conservation Output 4: Administer the archaeological authority process

The HNZPT Act protects archaeological sites by requiring any person who wishes to modify or destroy one to apply for an authority from Heritage New Zealand Pouhere Taonga. The application for an archaeological authority gives Heritage New Zealand Pouhere Taonga an opportunity to positively influence the outcome of the proposed work. This might mean negotiating a solution where no authority becomes necessary because a site is able to be avoided, or the area of a site proposed to be affected is reduced.

Other ways the archaeological process achieves heritage outcomes is through requiring the site to be thoroughly investigated, recorded and reported on before it is modified or destroyed so this knowledge contributes to improved understanding of our past. The reports produced as a result of the archaeological authority process are made available in the Archaeological Report Digital Library. In the 2017-2018 financial year, 82 percent of authorities issued between 2007 and 2017 have either received a report or did not require a report.

In the 2017-2018 financial year 100 percent of 508 authority applications were processed within the statutory timeframe. Of these, 19 percent resulted in the protection or avoidance of archaeological sites. Emergency archaeological authorities have a statutory timeframe of three or five working days. Eighteen states of emergency were declared in the 2017-2018 financial year, relating to four events and this resulted in 21 emergency archaeological authorities being issued in the 2017-2018 financial year. The remainder of the emergency authorities were Canterbury earthquakes related giving a total of 184 emergency authority applications processed within the required timeframe in 99 percent of instances.

## Conservation Output 5: Conserve Heritage New Zealand Pouhere Taonga properties

Maintaining properties that we care for is another significant part of our work programme because it contributes to public enjoyment, and to the safety of our visitors and staff. Our ongoing maintenance and conservation programme is an opportunity to showcase this type of work for owners of other heritage sites. Projects in 2017-2018 included installing a ramp at the Thames School of Mines, repairing earthquake damage at Old Government Buildings, strengthening the retaining wall at the rear of Antrim House, and developing designs for the strengthening of Old St Paul's and the gables of Highwic.

In November 2017, we opened the newly developed Melanesian Mission site, including the fully strengthened, restored and interpreted Category 1 listed Melanesian Mission building and a new pavilion operating as a restaurant. In doing this we have provided a fresh way for people to enjoy this important historic place, and cemented an invaluable connection with the Melanesian Mission Trust, which has resumed its role as a co-owner of the site.

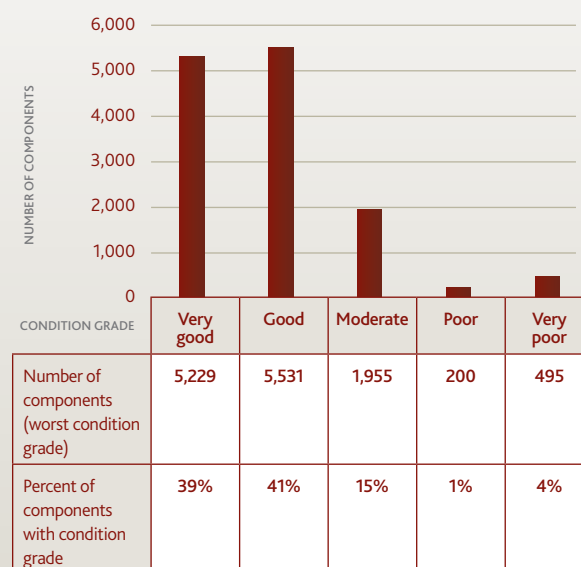
Our work was recognised with a commendation at the New Zealand Property Awards this year.

We restored the Timeball to the Lyttelton skyline this year. The formal reopening of the Timeball tower is expected to take place in early November 2018.

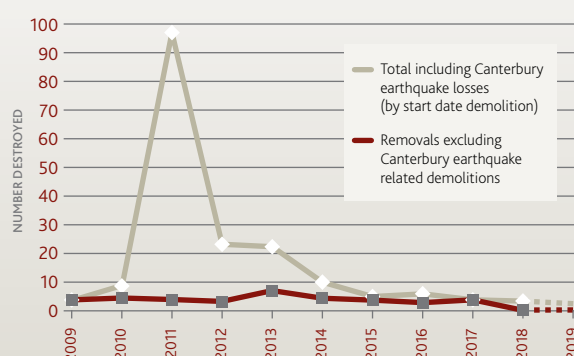
During the year Heritage New Zealand Pouhere Taonga completed condition assessments for Old Government Buildings and Turnbull House, which are now included in the overall condition assessment of our properties (Graph 1). ■

**Graph 1: Current condition of components of Heritage New Zealand Pouhere Taonga managed properties**

Total property asset component condition (assessed by worst condition grade using non-intrusive visual survey)



**Graph 2: Number of heritage places on the NZ Heritage List demolished/destroyed**  
(by calendar year, actuals to 2017, estimated from 2018 shown by the dashed line)



Long-term impact indicator – Loss of heritage entered on the NZ Heritage List, through demolition or destruction, is minimised and the conservation measures in district plans meet Heritage New Zealand Pouhere Taonga standards	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Above, below or in line with forecast
Number of heritage sites on the NZ Heritage List demolished or destroyed reduces (measured in calendar years, refer Graph 2)	10 (2014)	4 (2015)	6 (2016)	4 (2017)	4 (2017)  1 (2011-12)	Above forecast <sup>6</sup>
Percentage of district plans that meet Heritage New Zealand Pouhere Taonga defined standard (triennial assessment) in four areas where district plan provisions include:  1. A Heritage Schedule that contains all properties entered on the List  2. Demolition of scheduled heritage as a non-complying activity <sup>7</sup>  3. Destruction of scheduled Māori heritage as a non-complying activity <sup>8</sup>  4. Regulatory incentives for retention of heritage	n/a	34%  67%  25%  49%	n/a	n/a	n/a	Not measured <sup>9</sup>

6 Four losses occurred in 2017. The fifth place relates to the Hollybrook Stables building, which was demolished between September 2011 and August 2012. It is recorded in this report as 2017 was the year HNZPT was made aware of the loss. HNZPT appears not to have been advised of the loss at the time and the property was screened from public view.

7 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.

8 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.

9 The next assessment is due in 2018-2019. The Heritage New Zealand National Assessment of Resource Management Act Policy and Plan Heritage Provisions is carried out triennially from 2015 (previously biennially) and considers all district plans and is posted on the Heritage New Zealand website. The 2015 assessment is located at [www.heritage.org.nz/resources/research-and-papers/research](http://www.heritage.org.nz/resources/research-and-papers/research).

## HERITAGE CONSERVATION OUTPUTS TABLE:

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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### CONSERVATION OUTPUT 1: CONSERVE MĀORI HERITAGE

Performance measures	Number of Māori built heritage, sites, and rock art projects completed working with specific iwi and hapū	7	6	6	6	6	Achieved
	Establish partnership programme with specified iwi to identify a programme of work involving recognising, conserving and engaging with heritage	-	-	5	5	5	Achieved



Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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#### CONSERVATION OUTPUT 2: PROVIDE HERITAGE ADVICE

Performance measures	Number of heritage sites protected, or damage avoided at a site, as a result of Heritage New Zealand Pouhere Taonga involvement in resource management, advice, archaeological authority, and Crown Land disposal processes	503	462	622	330	231	Not achieved <sup>10</sup>
	Percentage of assessments of land proposed for disposal by Crown agencies completed within specified timeframes (number of assessments)	99.8% (412) <sup>11</sup>	100% (297)	99.6% (267)	100%	100% (269)	Achieved
	Number of cases of heritage advice given to property owners <sup>12</sup>	-	-	648	800	549	Not achieved <sup>13</sup>

10 Tighter auditing restrictions on the inclusion of archaeological sites were put in place this year and have resulted in a lower count. This figure has also been affected by fewer proposed new plans or plan schedules being notified in this period compared with previous years. Crown Land disposal notifications for Canterbury include bulk disposals from Land Information New Zealand for divestment of land within the Waimakariri Residential Red Zone (994 land parcels) and Port Hills Residential Red Zone (322 land parcels).

11 The increase is due to an unexpected high number of disposals coming from a single agency.

12 This figure excludes Crown Land disposal assessments which are reported separately. Property owners include private individuals, companies, iwi, trusts, organisations, Crown agencies and local authorities in their capacity as property owners.

13 First recorded in 2016-2017. This year's figure reflects a drop of approximately 100 on last year. The trends will be used to make more accurate estimates in future years.

## HERITAGE NEW ZEALAND KEY PRIORITY OUTPUTS 2017-2018

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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### CONSERVATION OUTPUT 3: ADMINISTER THE NATIONAL HERITAGE PRESERVATION INCENTIVE FUND

<b>Performance measures</b>	Percentage of Fund allocated, monitored and reported in accordance with the policy <sup>14</sup>	100%	100%	100%	100%	100%	Achieved
	Total number of projects funded	10	16	21	15	17	Exceeded
	Total value of grants approved	\$521,800	\$387,050	\$672,900	\$500,00	\$573,000	Exceeded

<sup>14</sup> For a list of grants allocated from this fund refer to the Heritage New Zealand website at [www.heritage.org.nz/protecting-heritage/national-heritage-preservation-incentive-fund](http://www.heritage.org.nz/protecting-heritage/national-heritage-preservation-incentive-fund).

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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#### CONSERVATION OUTPUT 4: ADMINISTER THE ARCHAEOLOGICAL AUTHORITY PROCESS

Activity measures	Percentage of archaeological authorities processed within statutory timeframes <sup>15</sup>						
	i) Initial acceptance or return	98.1%	99.1%	98.4%	99%	99%	Achieved
	ii) Processed (number of authorities processed)	100% (391)	100% (501)	100% (505)	100% (530)	100% (508)	Achieved
	Percentage of Canterbury Earthquake and emergency authorities processed within statutory timeframes <sup>16</sup> (number of authorities processed)	100% (865)	100% (564)	100% (294)	99% (150)	99% (184)	Achieved
	Percentage of archaeological authorities that avoid or protect archaeological sites <sup>17</sup>	30.2%	22.2%	24.6%	20.0%	19.3%	Not achieved
	Number of archaeological area strategies prepared to guide archaeological work approved as part of authorities	-	-	1 draft	1	0	Not achieved <sup>18</sup>

<sup>15</sup> The HNZPT Act, which came into effect on 20 May 2014 replacing the Historic Places Act 1993, has substantially shortened statutory timeframes for processing archaeological authorities to between 10 and 40 working days depending on the application: i) being acceptance/return (five days to accept/return); and ii) once accepted, 10-40 working days based on application.

<sup>16</sup> Canterbury Earthquake and emergency authorities have a statutory timeframe of three working days, or five working days in the case of a site of interest to Māori.

<sup>17</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.

<sup>18</sup> This year focused on completing the Bay of Plenty research plan as a model, which started in the previous year and took longer than anticipated.

## HERITAGE NEW ZEALAND KEY PRIORITY OUTPUTS 2017-2018

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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### CONSERVATION OUTPUT 5: CONSERVE HERITAGE NEW ZEALAND POUHERE TAONGA PROPERTIES

Activity measures	Maintain 95% of property asset components at or above 'Moderate' condition grade assessed by annual non-intrusive visual survey <sup>19</sup> (refer Graph 1)	95.5%	95.65%	95%	95%	95%	Achieved
	Major capital projects	11 projects	10 projects	6 projects	6 projects	6 projects	Not achieved <sup>20</sup>

<sup>19</sup> The visual surveys were carried out on the properties between October 2017 and January 2018, with the exception of the Kaipara Lighthouse, which was surveyed in June 2018.

<sup>20</sup> Six projects: 1. Thames School of Mines ramp completed 28 June 2018. 2. Old Government Buildings: earthquake damage repair work – considerable plastering work completed and ongoing into 2018-2019. 3. Antrim wall strengthening: project well underway; completion expected September 2018. 4. Pompallier fire protection: project delayed due to technical issues – construction Aug - Sep 2018. 5. Old St Paul's strengthening: multi-year programme of work: engineering detailed design developed. Construction proposed to start May 2019. 6. Highwic gables strengthening: concept developed and detailed design work underway. Construction proposed for 2019-2020 year.



## INTERMEDIATE OUTCOME 3: HERITAGE ENGAGEMENT/HONONGA

*People engage with places that contribute to New Zealand's significant heritage.*

**Key strategic priorities relevant to the Engagement intermediate outcome:**

- Building support by working with iwi, local authorities, volunteers, owners, members and communities
- Prioritising and celebrating the most significant places
- Promoting the vision of *Tapuwae* to conserve Māori heritage.

**THE WORK** accomplished under this outcome area supports and contributes directly towards results achieved under the Knowledge and Conservation outputs. As previously noted, positive heritage outcomes for New Zealand's significant heritage places are greatly enhanced by engaging with people and organisations. We create and foster active engagement through events we hold, partnership projects with other organisations, and working with schools. The engagement events delivered exceeded expectations demonstrating the emphasis we placed on this area of work.

### Engagement Output 1: Heritage engagement with owners and communities

Engagement activities held throughout the year were varied and included involvement in community-based heritage festivals and events with owners. Our Research Your House workshops continued to be popular with sessions held in Dunedin (September 2017), Gore (March 2018) as part of Southland Heritage Week, Palmerston North (November 2017) and Napier (October 2017). We reached nearly 5,000 New Zealanders through our involvement in Beca's Heritage Week in Christchurch (October 2017), the Harbour City Heritage Festival in Dunedin (October 2017), and Canterbury (November 2017) and Wanaka's A&P (March 2018) shows alone. Our engagement to support New Zealanders in adapting their earthquake-prone heritage buildings was also widespread reaching owners from Hutt City, Rangitikei, Manawatu and Hawke's Bay (December 2017).

Heritage New Zealand Pouhere Taonga continued to provide learning opportunities for New Zealanders of all ages about their heritage. We entered into a partnership with Kaikohe School to help 200 people learn about the Northern Wars (March 2018). We provided a presentation to more than 100 people at the Te Awamutu genealogy group (November 2017). We presented on heritage and cultural issues for the Urban Planning School of Architecture and Planning at Auckland University. We also provided support for important commemorative events such as participating in the Alexander Turnbull memorial hikoī and tribute

marking 100 years since Turnbull's death in June this year, and providing a presentation at ANZAC Day commemorations at Hororata attended by 150 people.

Heritage New Zealand Pouhere Taonga continues to work closely with iwi and hapū to provide opportunities for public engagement. One example of this type of work includes the visit by Kerikeri High School children to Kororipo Pā with kaumatua and Heritage New Zealand Pouhere Taonga in June 2018. Another example is the project to run boat tours of the Bay of Islands with commentary by kaumatua, Heritage Northland and Heritage New Zealand about the early Māori settlement of the area and the visit of the *Endeavour* in 1769 in the lead up to the Tuia 250 commemorations.

Last year the New Zealand Archaeological Association initiated New Zealand Archaeology Week and this year we continued our strong support of this event in late April and early May. Heritage New Zealand Pouhere Taonga staff organised and undertook public talks, walking tours and excavations around the country adding greatly to the exposure of New Zealand's archaeological stories. The attendance at these events nationally reflects the wide public interest in the archaeological stories of New Zealand, and Heritage New Zealand Pouhere Taonga will continue to support this event.

### Engagement Output 2: Open Heritage New Zealand properties to the public

Heritage New Zealand Pouhere Taonga recommenced work on the National Historic Landmarks Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu. This programme provides statutory recognition for the places of the greatest heritage value to the people of New Zealand. This year, the Government agreed that HNZPT should resume work on this programme and supported progressing six sites that provide a clear contribution to New Zealand's legacy. These sites include the Waitangi Treaty Grounds, the National War Memorial in Wellington, New Zealand's Parliament, Ōamaru's historic town centre, Ship Cove/Meretoto and Te Rerenga Wairua/Cape Reinga.

Heritage New Zealand Pouhere Taonga continued working with the Department of Conservation, Ministry for Culture and Heritage and the Ministry of Business, Innovation and Employment on the Landmarks Whenua Tohunga programme. This programme showcases significant heritage places around New Zealand to encourage understanding of these places through visitation. Already launched in Northland, the Landmarks Whenua Tohunga pilot project was extended into Otago and formally launched on 15 December 2017. Arrowtown, Bannockburn Sluicings, Dunedin Railway Station, Hayes Engineering Works, Historic Oamaru, Lanarch Castle, Kawarau Suspension Bridge, Olveston, Otago Central Rail Trail, Taieri Gorge Railway, Totara Estate and the TSS *Earnslaw* were the successful heritage places unveiled at the launch.

### Engagement Output 3: Share heritage stories

Almost 229,000 people visited properties cared for by Heritage New Zealand Pouhere Taonga. A high level of satisfaction was reported by 96 percent of visitors surveyed, improving on the level reached in the previous year.

Along with projects to maintain the condition of properties, a number of projects are undertaken each year to enhance the experience of visitors to our properties. This year's main project was an upgrade of photos of our properties for the website, brochures and marketing, and improvements to the interpretation at Melanesian Mission were completed as part of the overall upgrade of the site.

Long-term impact indicator – Public engagement, awareness and understanding of heritage is increased	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Above, below or in line with forecast
Percentage of survey respondents who rate their personal interest in protection of historic places as very interested <sup>21</sup> increases (survey conducted annually)	55%	57%	58%	61%	58%	Below forecast <sup>22</sup>

<sup>21</sup> Before this year, 'very interested' was considered to be a rating of 8 or above out of 10. This year, the survey method changed: 36 percent were "very interested" (marking 9 or 10 on 10-point scale) and 37 percent were "moderately interested" (marking 7 or 8 on 10-point scale). The value recorded here is consistent with the rating used in previous years for comparison.

<sup>22</sup> Before this year, the survey had a sample size of 500 with a margin of error of +/- 5.1 percent at 95 percent confidence level. This year the method changed from a telephone to an online survey, resulting in a bigger survey group (n = 1004) and a smaller margin of error (+/- 3.2 percent at 95 percent confidence level).

## HERITAGE ENGAGEMENT OUTPUTS TABLE:

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/Achieved/Not achieved
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### HERITAGE ENGAGEMENT OUTPUT 1: ENCOURAGE HERITAGE ENGAGEMENT IN COMMUNITIES

Performance measures	Number of initiatives undertaken in partnership with regional organisations, iwi and others to enhance heritage engagement	31	46	31	30	54	Exceeded
	Number of heritage engagement events run (including Māori heritage events)	118	159	143	90	191	Exceeded <sup>23</sup>

### HERITAGE ENGAGEMENT OUTPUT 2: ESTABLISH A NATIONAL HISTORIC LANDMARKS LIST/NGĀ MANAWHENUA O AOTEAROA ME ONA KŌRERO TUTURU

Performance measures	Partner with Ministry for Culture and Heritage and Department of Conservation to progress the national programme for visitor sites	Policy developed	Policy finalised and implemented in October 2015	Northland Landmarks programme launched on 1 December 2016	With partners implement the programme	Otago Landmarks programme launched on 15 December 2017; work on West Coast Landmarks programme commenced	Achieved
	Progress the National Historic Landmarks Proposals	n/a	Six preliminary proposals prepared	Progress six proposals  Review of Oamaru Historic Area completed; work underway on Risk Management Plan for Waitangi Treaty Grounds	Progress preliminary proposals	Ministerial support for resuming programme obtained April 2018 including support for progressing six original proposals	Achieved

<sup>23</sup> This year, Heritage New Zealand Pouhere Taonga had an increased focus on supporting other heritage groups and delivering initiatives in partnership with them.

## HERITAGE NEW ZEALAND KEY PRIORITY OUTPUTS 2017-2018

Type of measure	Output	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Forecast	2017-2018 Actual	Exceeded/ Achieved/ Not achieved
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### HERITAGE ENGAGEMENT OUTPUT 3: OPEN HERITAGE NEW ZEALAND POUHERE TAONGA MANAGED PROPERTIES TO THE PUBLIC

Performance measures	Visitor numbers at Heritage New Zealand Pouhere Taonga staffed properties are maintained	206,923	234,858	227,405	210,000	228,996	Exceeded
	Percentage of respondents who rate their visit to Heritage New Zealand Pouhere Taonga staffed properties as 'satisfied' or higher	97%	97%	97%	97%	96%	Not achieved <sup>24</sup>
	Number of school education-focused programmes/events/tours at properties	-	-	54	50	59	Exceeded
	Number of visitor facility and interpretation projects completed at selected Heritage New Zealand Pouhere Taonga properties	3 projects	7 projects	1 projects	3 projects	1 project	Not achieved <sup>25</sup>

<sup>24</sup> This KPI is measured on a population of 1,333 surveys received. Visitors rate their satisfaction with the visit on a scale of 1-10. Results of 8-10 are treated as 'satisfied or higher'.

<sup>25</sup> Melanesian Mission redevelopment complete. Timeball to be formally reopened in November 2018. Kerikeri Mission Station facilities upgrade underway.



A black and white photograph of an ornate doorway at Antrim House. The doorway features a large central door with a decorative glass panel and two side windows with intricate stained glass designs. The floor is covered with a large, patterned rug. The text "FINANCIAL STATEMENTS & NOTES TO THE ACCOUNTS" is overlaid in red on a white background.

## FINANCIAL STATEMENTS & NOTES TO THE ACCOUNTS

Antrim House doorway.  
IMAGE: GRANT SHEEHAN.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE For the year ended 30 June 2018

	Note	Group Actual 2018	Group Budget 2018	Group Actual 2017
		\$000s	\$000s	\$000s
<b>REVENUE</b>				
Revenue from Crown		12,988	12,988	12,988
Property	2	4,331	4,028	1,793
Grants, donations and bequests		1,859	1,595	1,022
Membership		709	642	641
Interest		362	215	360
Sundry		58	10	4
<b>REVENUE FROM OPERATIONS</b>		<b>20,307</b>	<b>19,478</b>	<b>16,878</b>
<b>EXPENDITURE</b>				
Fees paid to the auditors		64	54	65
Administration		1,820	1,616	1,643
Personnel	4, 23	10,032	9,482	9,097
Property	5	1,780	1,720	1,534
Incentive Fund	23	222	500	673
Insurance premiums		765	682	395
Depreciation and amortisation	12	626	657	475
Loss on granted property, plant and equipment	12, 23	582	-	30
Communications		583	652	520
Membership		653	673	501
Board fees	16	149	136	139
Travel and accommodation		511	502	566
<b>TOTAL OPERATING EXPENDITURE</b>		<b>17,787</b>	<b>16,674</b>	<b>15,638</b>
<b>NET SURPLUS FOR THE YEAR BEFORE CANTERBURY EARTHQUAKE HERITAGE BUILDINGS TRUST GRANTS</b>		<b>2,520</b>	<b>2,804</b>	<b>1,240</b>
Canterbury Earthquake Heritage Buildings Trust grants	23	247	-	46
<b>NET OPERATING SURPLUS FOR THE YEAR</b>		<b>2,273</b>	<b>2,804</b>	<b>1,194</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
Loss on revaluation of property, plant and equipment	7, 12, 23	(1,725)	-	(78)
Loss on transfer of property, plant and equipment	7, 12	-	-	(270)
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>548</b>	<b>2,804</b>	<b>846</b>

## STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Note	Group Actual 2018	Group Budget 2018	Group Actual 2017
		\$000s	\$000s	\$000s
<b>EQUITY</b>				
Accumulated funds	7	39,762	39,279	34,940
Bequests and specified funds	7, 8	4,113	2,951	5,245
Property maintenance & development fund	7	52	-	61
Revaluation reserve	7	41,355	43,837	45,345
Canterbury Earthquake Heritage Buildings Fund and Trust	7	319	13	581
<b>TOTAL EQUITY</b>		<b>85,601</b>	<b>86,080</b>	<b>86,172</b>
<b>Equity is represented by:</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	9	3,386	1,141	5,575
Term deposits	9	9,600	7,720	6,320
Prepayments and receivables	10	649	450	547
Inventories	11	211	290	208
GST receivable		88	150	195
<b>TOTAL CURRENT ASSETS</b>		<b>13,934</b>	<b>9,751</b>	<b>12,845</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	12	73,670	80,601	75,604
Work in progress	12	2,896	320	2,763
<b>TOTAL NON-CURRENT ASSETS</b>		<b>76,566</b>	<b>80,921</b>	<b>78,367</b>
<b>TOTAL ASSETS</b>		<b>90,500</b>	<b>90,672</b>	<b>91,212</b>
<b>CURRENT LIABILITIES</b>				
Payables	13	1,682	616	1,102
Incentive Fund grants	14	1,290	1,544	1,464
Other grants	14	951	1,671	1,627
Employee entitlements	15	910	696	784
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,833</b>	<b>4,527</b>	<b>4,977</b>
<b>NON-CURRENT LIABILITIES</b>	15	<b>66</b>	<b>65</b>	<b>63</b>
<b>TOTAL LIABILITIES</b>		<b>4,899</b>	<b>4,592</b>	<b>5,040</b>
<b>NET ASSETS</b>		<b>85,601</b>	<b>86,080</b>	<b>86,172</b>

## STATEMENT OF MOVEMENTS IN EQUITY For the year ended 30 June 2018

	Note	Group Actual 2018	Group Budget 2018	Group Actual 2017
		\$000s	\$000s	\$000s
<b>Opening Equity</b>		<b>86,172</b>	<b>84,846</b>	<b>62,576</b>
Total Comprehensive Revenue and Expense		548	2,804	846
Crown equity transfer	12, 7	(1,119)	(1,570)	22,750
<b>CLOSING EQUITY</b>		<b>85,601</b>	<b>86,080</b>	<b>86,172</b>



## STATEMENT OF CASH FLOWS For the year ended 30 June 2018

	Note	Group Actual 2018	Group Budget 2018	Group Actual 2017
		\$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		1,659	1,595	822
Other operating activities		5,376	4,679	2,494
Interest		361	215	348
Net Goods and Services Tax		107	-	-
		<b>20,491</b>	<b>19,477</b>	<b>16,652</b>
<b>Cash was applied to:</b>				
Payment of suppliers		(7,157)	(6,990)	(6,655)
Payments to employees		(9,909)	(9,529)	(8,646)
Net Goods and Services Tax		-	-	(46)
		<b>(17,066)</b>	<b>(16,519)</b>	<b>(15,347)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>3,425</b>	<b>2,958</b>	<b>1,305</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash was received from:</b>				
Sale of term investments		11,120	-	6,800
Sale of property, plant and equipment		2,165	-	-
		<b>13,285</b>	<b>-</b>	<b>6,800</b>
<b>Cash was applied to:</b>				
Purchase of term investments		(14,400)	-	(4,200)
Purchase of property, plant and equipment and work in progress		(4,894)	(4,627)	(2,166)
		<b>(19,294)</b>	<b>(4,627)</b>	<b>(6,366)</b>
<b>NET CASH (TO)/FROM INVESTING ACTIVITIES</b>		<b>(6,009)</b>	<b>(4,627)</b>	<b>434</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Cash was received from:</b>				
Crown transfer of cash		395	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>395</b>	<b>-</b>	<b>-</b>
Net (decrease)/increase in cash		(2,189)	(1,669)	1,739
Opening cash balance		5,575	2,810	3,836
<b>CLOSING CASH BALANCE</b>		<b>3,386</b>	<b>1,141</b>	<b>5,575</b>
<b>Represented by:</b>				
Cash and cash equivalents	9	<b>3,386</b>	<b>1,141</b>	<b>5,575</b>

The GST component of operating activities reflects the net GST paid to and received from the Inland Revenue Department.

*Significant non-cash transactions:*

During 2018, five properties vested or controlled or managed by Heritage New Zealand Pouhere Taonga were transferred to the Department of Conservation by way of capital transfer. Refer to note 12 for further details.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATEMENT OF ACCOUNTING POLICIES

For the year ended 30 June 2018

#### Reporting entity

Heritage New Zealand Pouhere Taonga is a statutory body corporate established under section 9 of the Heritage New Zealand Pouhere Taonga Act 2014 and domiciled in New Zealand. It is an Autonomous Crown Entity for the purposes of section 7 of the Crown Entities Act 2004 and its ultimate parent is the New Zealand Government.

The registered office of Heritage New Zealand Pouhere Taonga is at Antrim House, 63 Boulcott Street, Wellington.

The Group includes the Canterbury Earthquake Heritage Buildings Trust which is controlled and managed by Heritage New Zealand Pouhere Taonga. The Trust was established on 1 July 2016 to continue the functions of the Canterbury Earthquake Heritage Buildings Fund, which was transferred to Heritage New Zealand Pouhere Taonga in May 2014 and ceased operating on 30 June 2017 due to a sunset clause in its original deed.

Heritage New Zealand Pouhere Taonga's primary outcome is to ensure present and future generations of New Zealanders experience and enjoy a sense of place, identity and nationhood. Accordingly, Heritage New Zealand Pouhere Taonga (as the parent) and its subsidiary have designated themselves as Public Benefit Entities (PBE) for financial reporting purposes.

The financial statements for Heritage New Zealand Pouhere Taonga are for the year ended 30 June 2018, and were approved by the Board on 26 October 2018.

#### Basis of preparation

The financial statements are prepared on the basis that Heritage New Zealand Pouhere Taonga continues to be a going concern. Accounting policies have been applied consistently throughout the year.

#### Statement of compliance

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

The financial statements have been prepared in accordance with PBE Standards Reduced Disclosure Regime (RDR). The criteria under which an entity is eligible to report in accordance with PBE Standards RDR are the entity is not publicly accountable and has expenses less than \$30 million.

#### Measurement base

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

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all numbers are rounded to the nearest thousand dollars (\$000s).

## Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

### *Basis of Group*

The financial statements of the Canterbury Earthquake Heritage Buildings Trust are prepared for the same reporting period as the parent company, using consistent accounting policies. There are no transactions between the parent and its subsidiary.

### *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.

### *Income tax*

Heritage New Zealand Pouhere Taonga 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 Pouhere Taonga for the preparation of these financial statements.

### *Accounting judgements and major sources of estimation uncertainty*

In applying the accounting policies of Heritage New Zealand Pouhere Taonga, 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.

Estimates and assumptions in relation to the valuation of heritage land, buildings and improvements are a significant risk of causing material adjustments to the carrying amounts of assets (refer note 12).

Management has also exercised critical judgement in the application of accounting policies in relation to grant and bequest income, grant expenditure, and the recognition of assets over which Heritage New Zealand Pouhere Taonga has management and control.

## Changes in accounting policies

There have been no changes in accounting policies.

## Standards issued and not effective and not early adopted

The XRB has issued the following Accounting Standards that are not yet effective and may be applicable to the financial statements of Heritage New Zealand Pouhere Taonga.

- PBE IPSAS 39: Employee Benefits (effective date January 2019)
- PBE IFRS 9: Financial Instruments (effective date January 2019)
- PBE IPSAS 35: Consolidated Financial Statements (effective date January 2019)
- PBE IPSAS 38: Disclosure of Interests in Other Entities (effective date January 2019).

Management has decided not to early adopt these Accounting Standards, which will apply to the year ended 30 June 2020, and is yet to complete an assessment of their impact. In addition, management has decided not to early adopt PBE IPSAS 48: Service Performance Reporting which is effective January 2021. This standard concerns the disclosure of service performance information and will not affect the financial statements.

## 2. REVENUE

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

### Revenue from the Crown

Heritage New Zealand Pouhere Taonga is funded by the Crown for the purposes set out in the Act and the Vote Arts Culture and Heritage appropriations as set out in its Statement of Intent.

As there are no conditions attached to the funding outside of these purposes it is recognised as revenue at the point of entitlement.

### Donations and bequests

Donations and bequests received are recognised as revenue in the period they are received. However, those with restrictive conditions are recorded as Specified Funds and Bequests within equity (refer notes 7, 8).

### Grants received

Grants are recognised when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. Where such an obligation exists, the grants are initially recorded as grants received in advance and recognised when conditions of the grant are satisfied.

### Vested assets

Where a physical asset is gifted or acquired by Heritage New Zealand Pouhere Taonga for nil or nominal cost, the fair value of the asset is recognised as income when control over the asset is obtained.

### Volunteer services

The operations of Heritage New Zealand Pouhere Taonga are reliant on services provided by volunteers. Volunteer services received are not recognised as revenue or expenditure by Heritage New Zealand Pouhere Taonga due to the difficulty of measuring their fair value with reliability.

### Membership subscriptions

Membership subscriptions are recognised in the period received.

### Interest

Interest income is recognised using the effective interest method.

### Merchandise and café sales

Revenue from merchandise and café sales is recognised when the product is sold to the customer.

### Function and event revenue

Revenue from functions and events is recognised at the date the function or event takes place.

### Lease and rental income

Lease and rental income is recognised on a straight-line basis over the lease term.

## PROPERTY INCOME

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
Merchandise and café	1,072	910
Admissions	423	365
Functions and events	229	292
Lease and rental	2,533	151
Grants	74	75
	<b>4,331</b>	<b>1,793</b>



### 3. EXPENDITURE BY OUTPUT

	Group Actual 2018	Group Budget 2018	Group Actual 2017
	\$000s	\$000s	\$000s
Heritage Knowledge	2,305	2,570	2,419
Heritage Conservation	8,284	7,684	7,339
Heritage Engagement	6,616	6,420	5,880
Operating expenditure <sup>26</sup> before Canterbury Earthquake Heritage Buildings Trust grants	17,205	16,674	15,638
Canterbury Earthquake Heritage Buildings Trust grants	247	-	46
<b>TOTAL OPERATING EXPENDITURE</b>	<b>17,452</b>	<b>16,674</b>	<b>15,684</b>

#### Cost allocation to outputs

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 directly attributable to a specific significant activity and indirect costs are costs incurred that cannot practicably be attributed to a specific significant activity.

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

### 4. PERSONNEL

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
<b>Personnel costs</b>		
Salaries and wages	9,461	8,595
Employer KiwiSaver contributions	230	209
Increase in employee leave entitlements	135	28
Other staff costs	206	265
<b>TOTAL PERSONNEL COSTS</b>	<b>10,032</b>	<b>9,097</b>

	Group Actual 2018	Group Actual 2017
<b>\$000s</b>		
<b>Total remuneration and benefits</b>	<b>No. of employees</b>	
100-110	3	2
110-120	3	-
120-130	1	4
130-140	4	4
140-150	-	1
150-160	1	1
160-170	2	-
180-190	-	1
290-300	1	-
	<b>15</b>	<b>13</b>

Employees received \$119,000 in compensation and other benefits in relation to cessation (2017: \$Nil).

<sup>26</sup> Excludes losses on disposal of property plant and equipment.

## 5. PROPERTY EXPENDITURE

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
Repairs and maintenance	975	790
Merchandise	552	492
Other	253	252
	<b>1,780</b>	<b>1,534</b>

## 6. OPERATING LEASES

Future aggregate minimum lease payments to be paid under non-cancellable operating leases for office accommodation.

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
Not later than one year	418	411
Later than one year and not later than five years	595	958
Total non-cancellable operating leases payable	<b>1,013</b>	<b>1,369</b>

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Heritage New Zealand Pouhere Taonga 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 Revenue and Expense.

## 7. EQUITY

	Note	Group Actual 2018	Group Actual 2017
		\$000s	\$000s
<b>ACCUMULATED FUNDS</b>			
Represents the balance of general accumulated funds from Heritage New Zealand Pouhere Taonga operations not earmarked for a specific purpose			
Balance at 1 July		34,940	9,237
Surplus		2,273	1,194
Capital transfer to Crown	12	(1,514)	-
Capital transfer from Crown	12	395	22,750
Transfer from revaluation reserve		2,265	-
Transfer to other equity funds		(2,104)	(1,560)
Transfer from other equity funds		3,507	3,319
<b>BALANCE AT 30 JUNE</b>		<b>39,762</b>	<b>34,940</b>
<b>SPECIFIED FUNDS AND BEQUESTS</b>			
Heritage New Zealand Pouhere Taonga holds a number of funds and bequests from external sources for which the purpose is restricted			
Balance at 1 July	8	5,245	5,750
Restricted funds and interest received during the year	8	2,366	1,410
Funds used during the year	8	(3,498)	(1,915)
<b>BALANCE AT 30 JUNE</b>		<b>4,113</b>	<b>5,245</b>
<b>PROPERTY MAINTENANCE &amp; DEVELOPMENT FUND</b>			
Funds earmarked specifically to address critical maintenance safety issues at Heritage New Zealand Pouhere Taonga properties			
Balance at 1 July		61	1,264
Revenue transferred to the fund during the year		-	201
Expenditure incurred during the year		(9)	(1,404)
<b>BALANCE AT 30 JUNE</b>		<b>52</b>	<b>61</b>
<b>PROPERTY PLANT AND EQUIPMENT REVALUATION RESERVE</b>			
Represents movements following regular revaluation of Heritage New Zealand Pouhere Taonga land, buildings and heritage artefacts			
Balance at 1 July		45,345	45,693
Loss on property transfer	12	(1,514)	(270)
Gains transferred to accumulated funds on disposal		(751)	-
Loss on revaluation of property, plant and equipment	12, 23	(1,725)	(78)
<b>BALANCE AT 30 JUNE</b>		<b>41,355</b>	<b>45,345</b>
<b>CANTERBURY EARTHQUAKE HERITAGE BUILDINGS TRUST</b>			
Balance at 1 July		581	632
Transfer from accumulated funds		(262)	(51)
<b>BALANCE AT 30 JUNE</b>		<b>319</b>	<b>581</b>
		<b>85,601</b>	<b>86,172</b>

## 8. BEQUESTS AND SPECIFIED FUNDS

Grant, donations and bequests with restrictive conditions are recognised in the Statement of Comprehensive Revenue and Expense when received, then recorded as specified funds or bequests within equity. Income or expenditure in relation to these funds is treated in the same manner.

Bequests	1 July 2017	Receipts	Interest	Expenditure	Capitalised	30 June 2018
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Richardson	50	-	1	-	-	51
McKay	259	-	7	-	-	266
Granville Travers Zohrab Trust	234	-	6	-	(60)	180
Rosier	-	-	-	-	-	-
Spencer	167	-	5	-	-	172
O R Lee	54	-	1	-	-	55
Hudson	260	-	8	-	-	268
K Seagar	-	-	-	-	-	-
Estate of CIC Collett	1,079	-	36	-	-	1,115
Foulkes Estate	103	-	3	-	-	106
Fuller	71	-	2	-	-	73
Stout	118	-	4	-	-	122
Lovelock	30	15	-	-	(30)	15
Estate of Hazel C F Gittos	235	-	-	-	(235)	-
I W Mackenzie	103	-	-	-	(103)	-
M I Nicholls	99	-	-	-	(99)	-
Craig	266	-	2	-	(268)	-
Rai Valley	7	9	-	(4)	-	12
G Zoete	49	-	-	-	(49)	-
Ainslie	10	-	-	-	(10)	-
J Leaning	20	-	-	-	(20)	-
Strassmeyer	-	10	-	-	(10)	-
M E Belcher	-	2	-	-	-	2
R H R Woodhouse	-	135	1	-	-	136
Other bequests	65	-	11	-	(4)	72
<b>TOTAL BEQUESTS</b>	<b>3,279</b>	<b>171</b>	<b>87</b>	<b>(4)</b>	<b>(888)</b>	<b>2,645</b>

Specified Funds	1 July 2017	Receipts	Interest	Expenditure	Capitalised	30 June 2018
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Timeball tower, Lyttleton						
Landmark Inc.	1,277	-	18	(2)	(560)	733
Parkinson Memorial Trust	13	-	-	-	-	13
Lottery Grants Board	-	1,312	-	-	(1,312)	-
Stout Trust	-	200	-	-	(200)	-
Holcim	100	-	-	-	(100)	-
Incentive Fund	56	500	-	(222)	-	334
Stone Store, Kerikeri	245	-	8	-	-	253
Kemp House, Kerikeri	23	-	1	-	-	24
Old St Paul's Wellington	36	-	-	-	-	36
Outreach	153	-	-	(144)	-	9
Other	63	69	-	(40)	(26)	66
<b>TOTAL SPECIFIED FUNDS</b>	<b>1,966</b>	<b>2,081</b>	<b>27</b>	<b>(408)</b>	<b>(2,198)</b>	<b>1,468</b>

<b>TOTAL BEQUESTS AND SPECIFIED FUNDS</b>	<b>5,245</b>	<b>2,252</b>	<b>114</b>	<b>(412)</b>	<b>(3,086)</b>	<b>4,113</b>
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## 9. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
Petty cash and imprest balances	11	11
Bank accounts and short-term deposits	3,375	5,564
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3,386</b>	<b>5,575</b>
Term deposits	9,600	6,320
<b>TOTAL CASH, CASH EQUIVALENTS AND TERM DEPOSITS</b>	<b>12,986</b>	<b>11,895</b>

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.

Term deposits comprise fixed-term deposits with original maturities of three months or more.

## 10. PREPAYMENTS AND RECEIVABLES

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
Prepayments	240	210
Debtors and other receivables	409	337
<b>PREPAYMENTS AND RECEIVABLES</b>	<b>649</b>	<b>547</b>

Debtors and other receivables are recorded at amounts due less any provision for uncollectability.

Uncollectability is established when there is objective evidence that Heritage New Zealand Pouhere Taonga will not be able to collect amounts according to the original terms of the receivable. The amount of the provision is the difference between the carrying amount and the present value of the amounts expected to be collected.

## 11. INVENTORIES

Inventories held for commercial use are valued at the lower of cost or net realisable value cost after providing for obsolete items.

Inventories held for non-commercial use are measured at cost adjusted for any loss of service potential.



## 12. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the year ended 30 June 2018 were:

AT VALUATION					
Cost and valuation	Land owned	Land vested	Land controlled & managed	Buildings owned	Buildings vested
	\$000s	\$000s	\$000s	\$000s	\$000s
Opening balance 1 July	13,754	11,893	1,445	15,473	21,723
Additions	-	-	-	3,848	425
Transfers	-	-	-	-	3,481
Disposals	(531)	(36)	-	(2,643)	(1,003)
(Losses)/gains on revaluation	(1,897)	1,851	(101)	(457)	(1,693)
<b>CLOSING BALANCE 30 JUNE 2018</b>	<b>11,326</b>	<b>13,708</b>	<b>1,344</b>	<b>16,221</b>	<b>22,933</b>

ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT					
Opening balance 1 July	-	-	-	310	113
Depreciation/amortisation expense	-	-	-	165	206
Disposals	-	-	-	(18)	(17)
Write-back on revaluation	-	-	-	(457)	(302)
<b>CLOSING BALANCE 30 JUNE 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>NET BALANCE 30 JUNE 2018</b>	<b>11,326</b>	<b>13,708</b>	<b>1,344</b>	<b>16,221</b>	<b>22,933</b>
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At 30 June 2018 Heritage New Zealand Pouhere Taonga had \$2,896,000 of work in progress (\$2017: \$2,763,000). This largely comprises the Lyttelton Timeball tower rebuild and plastering work at Old Government Buildings plus other minor projects.

On 1 July 2018 the following five properties, vested or controlled and managed by Heritage New Zealand Pouhere Taonga, were transferred into the care of the Department of Conservation by way of a \$1,514,000 capital transfer:

- Springvale Bridge
- Gabriel Read Memorial Site
- Whangamarino Redoubt
- Brunner Industrial Site
- Clifden Bridge.

During the year, Heritage New Zealand Pouhere Taonga, sold a 50 percent share in the Melanesian Mission to the Melanesian Mission Trust Board. \$525,000 of the loss on disposal of \$582,000 reflects that Heritage New Zealand Pouhere Taonga granted a 50 percent share of the Melanesian Mission land to the Trust.

	AT VALUATION			AT COST			TOTAL
	Buildings controlled & managed	Heritage artefacts	Land development	Plant & equipment	Displays & interpretation	Other assets <sup>27</sup>	Total assets
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
	2,816	7,936	206	1,586	1,030	223	78,085
	-	-	205	176	20	12	4,686
	-	(3,481)	-	-	-	-	-
	(19)	-	(56)	-	(20)	(65)	(4,373)
	(191)	(50)	(106)	-	-	-	(2,644)
	<b>2,606</b>	<b>4,405</b>	<b>249</b>	<b>1,762</b>	<b>1,030</b>	<b>170</b>	<b>75,754</b>
	56	-	57	1,417	383	145	2,481
	28	-	21	86	103	17	626
	-	-	(2)	-	(9)	(58)	(104)
	(84)	-	(76)	-	-	-	(919)
	-	-	-	1,503	477	104	2,084
	<b>2,606</b>	<b>4,405</b>	<b>249</b>	<b>259</b>	<b>553</b>	<b>66</b>	<b>73,670</b>

<sup>27</sup> Includes intangible assets of \$nil book value (2017: \$nil).

Movements in property, plant and equipment for the year ended 30 June 2017 were:

AT VALUATION					
Cost and valuation	Land owned	Land vested	Land controlled & managed	Buildings owned	Buildings vested
	\$000s	\$000s	\$000s	\$000s	\$000s
Opening balance 1 July	13,778	5,143	1,645	15,391	5,643
Additions	-	6,750	-	82	16,080
Disposals	-	-	(176)	-	-
Losses on revaluation	(24)	-	(24)	-	-
<b>CLOSING BALANCE JUNE 30 2017</b>	<b>13,754</b>	<b>11,893</b>	<b>1,445</b>	<b>15,473</b>	<b>21,723</b>

ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT					
Opening Balance 1 July	-	-	-	154	56
Depreciation/amortisation expense	-	-	-	156	57
Disposals	-	-	-	-	-
Write-back on revaluation	-	-	-	-	-
<b>CLOSING BALANCE 30 JUNE 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310</b>	<b>113</b>

<b>NET BALANCE 30 JUNE 2017</b>	<b>13,754</b>	<b>11,893</b>	<b>1,445</b>	<b>15,163</b>	<b>21,610</b>
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### 2017 Additions

On 30 June 2017, Old Government Buildings and Turnbull House, previously under the care of the Department of Conservation, were vested in Heritage New Zealand Pouhere Taonga. The two properties were recognised in the books at independent market valuations of \$22,000,000 and \$750,000 respectively, and the transfer was made by way of Crown Equity transfer between the two entities.

### 2018 Reclassifications

Old St Paul's stained glass windows have been reclassified from heritage artefacts to vested buildings. These are shown in the 2018 movement schedule as transfers.

### 2018 Capital commitments

Future payments are disclosed as commitments at the point a contractual obligation arises, to the extent that there are equally unperformed obligations.

As at 30 June 2018 Heritage New Zealand Pouhere Taonga had capital commitments totalling \$560,000. These are largely for the completion of the Lyttelton Timeball tower rebuild, but also comprise plastering works at Old Government Buildings and retaining wall strengthening at Antrim House.

### Property, plant and equipment:

Property, plant and equipment comprises land, land development, buildings, leasehold improvements, heritage artefacts and equipment including library items, displays and interpretation, office furniture and equipment.

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

Heritage New Zealand has recognised interests in land and buildings in the following categories:

- (i) *Heritage New Zealand owned land and historic buildings*  
These are properties for which the Heritage New Zealand Pouhere Taonga has freehold title.
- (ii) *Vested land and historic buildings*  
These properties have been formally vested to Heritage New Zealand Pouhere Taonga in terms of the Reserves Act 1977. A vesting order can only be revoked with the agreement of Heritage New Zealand Pouhere Taonga and consequently its 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. These have been included as part of property, plant and equipment on the basis that

AT VALUATION			AT COST			TOTAL
Buildings controlled & managed	Heritage artefacts	Land development	Plant & equipment	Displays & interpretation	Other assets <sup>28</sup>	Total assets
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
2,910	7,966	206	1,524	1,060	206	55,472
-	-	-	62	-	17	22,991
(94)	-	-	-	-	-	(270)
-	(30)	-	-	(30)	-	(108)
<b>2,816</b>	<b>7,936</b>	<b>206</b>	<b>1,586</b>	<b>1,030</b>	<b>223</b>	<b>78,085</b>

29	-	43	1,339	278	107	2,006
27	-	14	78	105	38	475
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56	-	57	1,417	383	145	2,481
<b>2,760</b>	<b>7,936</b>	<b>149</b>	<b>169</b>	<b>647</b>	<b>78</b>	<b>75,604</b>

the risks and rewards relating to this property rest with Heritage New Zealand. However, the Crown can require Heritage New Zealand to return these assets at any stage.

#### Revaluations

Due to the nature of the Heritage New Zealand Pouhere Taonga 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.

Heritage New Zealand Pouhere Taonga employs an independent valuer to revalue its property portfolio in line with the Crown's accounting policies. Land and buildings are revalued at least every five years<sup>29</sup> to ensure that the carrying amount does not differ materially from fair value. In the intervening years, enquiries are made of professional valuers to establish if there are any factors that may have given rise to significant changes in valuations.

The valuations seek to maximise the use of relevant observable inputs and minimise the use of unobservable inputs in establishing fair value of land and buildings. In the instances

where the valuer deems there to be an active and liquid market for an asset, and comparable rental and sales evidence is deemed sufficient to reliably measure fair value of the asset, the valuer has utilised either the capitalised income and/or the direct comparison approach to valuation. However the majority of the Heritage New Zealand Pouhere Taonga portfolio comprises properties for which there is an absence of market transactions, and lack of a potential occupant or buyer market. For the most part, these properties have restrictive zoning and/or are subject to Category 1 heritage classification, thereby restricting the current and future potential uses or development of the property. In accordance with the Valuation Guidance for Cultural and Heritage Assets prepared by the Treasury Accounting Policy Team, depreciated replacement cost (summation approach) has been deemed the most appropriate basis for determination of fair value, as fair value of the asset is not able to be reliably determined using market-based evidence due to the specialised or unique nature of the asset. Where possible, Aon Valuations Services has sought to maximise relevant market-based inputs in the valuation of these assets, by researching sales of surrounding land parcels (and making

<sup>28</sup> Includes intangible assets of \$nil book value (2016: \$15,000).

<sup>29</sup> An independent valuation of Heritage New Zealand Pouhere Taonga's land and buildings was last performed as at 30 June 2018 by Anna Lomas and Alex Robson, appropriately qualified employees of Aon Valuation Services. Aon Valuation Services employs property valuers who are qualified to undertake specialised building valuations and who are members of the Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers. Aon's valuers have recognised tertiary qualifications in the property sector as well as registration through the Valuers' Registration Board and the New Zealand Institute of Valuers (NZIV). The valuation was completed in accordance with NZ Public Benefit Entity International Public Sector Accounting Standard 17 (PBE IPSAS 17), Property Institute of New Zealand Professional Practice Standards including NZVGN 1 Valuations for Financial Reporting, and Valuation Guidance for Cultural and Heritage Assets issued by the Treasury Accounting Policy Team.

appropriate adjustments for the specific characteristics of the subject land), together with applying market-based depreciation rates to the physical improvements' replacement value.

Where land has a designation, restrictive zoning or covenant, Aon Valuation Services has adopted an 'across the fence approach' to valuing the restrictive land. The across the fence approach is where the zoning and highest and best use of land immediately surrounding the subject site is considered, and an allowance or discount applied to the subject for the restrictions on use or future development.

Other key assumptions inherent in the valuation are the estimated construction costs 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 QV Costbuilder publication effective 1 April 2018, historical construction costs for the subject assets, together with Aon's in-house cost database. Estimated total lives and remaining useful lives for assets are based on physical inspection and observation by the valuer, and consultation with Heritage New Zealand Pouhere Taonga employees.

Heritage collections and objects are by nature specialised and are managed by Heritage New Zealand Pouhere Taonga in accordance with its general statement of policy and as required by the Heritage New Zealand Pouhere Taonga Act. These items are revalued and measured on a fair market or replacement value but are not depreciated. The latest valuation as at 30 June 2018, part of a four year rolling cycle, was conducted by registered valuers specialising in art and objects.

Heritage New Zealand Pouhere Taonga 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 property, plant and equipment is recognised as an asset when it is probable that associated future economic benefits or service potential will flow to Heritage New Zealand Pouhere Taonga and the cost can be measured reliably.

## Subsequent costs

Subsequent costs incurred by Heritage New Zealand Pouhere Taonga to restore property and plant to their original condition are capitalised. Expenditure to maintain these assets once renovation is complete is recognised in net surplus when incurred.

## 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 Pouhere Taonga are depreciated in accordance with PBE IPSAS 17.

Buildings	100 years
Land development	15 years
Plant and equipment	3-5 years
Displays & interpretation	10 years
Other assets	3-10 years

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

## Impairment

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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For assets not carried at a revalued amount, the total impairment loss is recognised in the net surplus or deficit for the year.

If an asset's carrying amount exceeds its recoverable amount the carrying amount is written down to the recoverable amount and an impairment loss is recognised. 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.

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 Pouhere Taonga would, if deprived of the asset, replace its remaining future economic benefits or service potential.



### 13. PAYABLES

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
<b>PAYABLES AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS</b>		
Creditors	415	215
Income in advance	215	35
Accrued expenses	1,052	852
<b>TOTAL PAYABLES AND DEFERRED REVENUE UNDER EXCHANGE TRANSACTIONS</b>	<b>1,682</b>	<b>1,102</b>
<b>PAYABLES UNDER NON-EXCHANGE TRANSACTIONS</b>		
Taxes payable (PAYE)	89	77
Grants payable	2,241	3,091
<b>TOTAL PAYABLES UNDER NON-EXCHANGE TRANSACTIONS</b>	<b>2,330</b>	<b>3,168</b>

Short-term payables are recorded at the amount payable.

## 14. INCENTIVE FUND AND OTHER GRANTS

INCENTIVE FUND		
	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
Opening balance	1,464	1,050
Additional accruals made	573	901
Amounts used	(396)	(259)
Unused amounts returned to the Fund	(351)	(228)
<b>CLOSING BALANCE</b>	<b>1,290</b>	<b>1,464</b>

OTHER GRANTS (CANTERBURY EARTHQUAKE HERITAGE BUILDINGS TRUST)		
Opening balance	1,627	2,204
Additional accruals made	334	115
Amounts used	(923)	(623)
Unused amounts returned to the Trust	(87)	(69)
<b>CLOSING BALANCE</b>	<b>951</b>	<b>1,627</b>

All grants awarded by Heritage New Zealand Pouhere Taonga and its subsidiary are discretionary grants.

Discretionary grants are those grants where Heritage New Zealand Pouhere Taonga has no obligation to award on receipt of the grant application. Approved grants are recognised as expenditure when the applicant has progressed to a stage where it can be determined with confidence that the terms of the grant are likely to be met and held as an expense provision until such time as they are lifted by the grantee.

## 15. EMPLOYEE ENTITLEMENTS

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
<b>Current employee entitlements</b>		
Accrued salaries and wages <sup>30</sup>	263	246
Annual leave	577	491
Sick leave	32	12
Long service leave provision	38	35
<b>TOTAL CURRENT EMPLOYEE ENTITLEMENTS</b>	<b>910</b>	<b>784</b>
Non-current long service leave provision	66	63
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>976</b>	<b>847</b>

### Short-term employee entitlements

Employee entitlements that Heritage New Zealand Pouhere Taonga 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 Pouhere Taonga also 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.

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

## 16. KEY MANAGEMENT PERSONNEL

Key management personnel compensation	Head Count 2018	Group Actual 2018	Head Count 2017	Group Actual 2017
		\$000s		\$000s
Board and Māori Heritage Council	12	149	12	139
Leadership Team	13	1,780	9	1,272
<b>TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION</b>	<b>25</b>	<b>1,929</b>	<b>21</b>	<b>1,411</b>

Key management personnel at 30 June 2018 comprises all Board members, Māori Heritage Council members, the Chief Executive and the twelve members of the Leadership Team. The Leadership Team was increased from nine members on 1 November 2017. Two members of the original leadership team left during the year and the compensation figure above includes their remuneration.

These figures include any post-employment, long-term or termination benefits provided to key management personnel.

<sup>30</sup> Includes PAYE and other deductions due to the Inland Revenue.

## 17. BOARD AND MĀORI HERITAGE COUNCIL MEMBER REMUNERATION

	2018 \$000s	2017 \$000s
<b>BOARD</b>		
The Rt. Hon. W Creech, Chair	27	27
Sir John Clarke	13	13
Ms M Neazor	13	13
Mr B McGuinness	-	11
Dame Rangimane (Naida) Glavish	-	11
The Hon Sir Pita Sharples PhD	13	13
Mr W Marriott	-	11
Ms S McVay	-	11
Ms M Ngarimu	13	2
Mr B Barnett	13	2
Mr D Nichol	15	-
Mr C Cochran	13	2
<b>TOTAL BOARD REMUNERATION</b>	<b>120</b>	<b>116</b>

	2018 \$000s	2017 \$000s
<b>MĀORI HERITAGE COUNCIL</b>		
Sir John Clarke, Chair	6	5
Dame Rangimane (Naida) Glavish	3	2
Mr R Bradley	-	2
Ms M Ngarimu	3	3
Mr A Coffin	-	1
Mr W Marriott	-	4
Mr P McGarvey	2	1
The Hon Sir Peter Sharples PhD	2	2
Mr P White	3	1
Mr C Cochran	3	1
Ms E Mellish	7	1
<b>TOTAL MĀORI HERITAGE COUNCIL REMUNERATION</b>	<b>29</b>	<b>23</b>
<b>TOTAL BOARD AND MĀORI HERITAGE COUNCIL REMUNERATION</b>	<b>149</b>	<b>139</b>

Payments of \$2,600 were made to committee members who were not Board members during the financial year (2017 \$6,600). These committee members are appointed by the Board.

No Board members received compensation or other benefits in relation to cessation (2017: \$nil).

Heritage New Zealand Pouhere Taonga 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.



## 18. RELATED PARTY TRANSACTIONS

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

Heritage New Zealand Pouhere Taonga enters into transactions with entities that are under common control of the Crown. These include 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 Pouhere Taonga would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as related party transactions.

However, certain transactions with these entities may not be transacted at an arm's length basis. Such transactions include the 2018 transfer of five properties to the Department of Conservation for \$1,514,000 (refer note 12) and the transfer from that Department of Old Government Buildings and Turnbull House in 2017 for \$22,750,000. The gains and losses on these transactions were recognised directly in equity.

There was a close family member of key management personnel employed by Heritage New Zealand Pouhere Taonga during the 2018 year. Payments to that employee totalled \$11,691.

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

## 19. CONTINGENCIES

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

As at 30 June 2018, potential liabilities resulting from heritage covenants previously negotiated are estimated to be \$20,000 (June 2017: \$20,000).

The Canterbury Earthquake Heritage Buildings Trust has contingent liabilities totalling \$312,000. These are for grants awarded where there is uncertainty as to whether the terms of the grant will be met by the recipient.

There are no other contingent liabilities.

## 20. EVENTS AFTER BALANCE DATE

There were no significant events after balance sheet date (2017: \$1,514,000).

## 21. FINANCIAL INSTRUMENTS

Heritage New Zealand Pouhere Taonga is 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 Revenue and Expense. All financial instruments are recognised in the Statement of Financial Position.

### CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS BY CATEGORY

	Group Actual 2018	Group Actual 2017
	\$000s	\$000s
<b>LOANS AND RECEIVABLES</b>		
Cash and cash equivalents	3,386	5,575
Debtors and other receivables	419	337
Term deposits	9,600	6,320
<b>TOTAL LOANS AND RECEIVABLES</b>	<b>13,405</b>	<b>12,232</b>

### FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Payables	1,682	1,102
Grants payable	2,241	3,091
Employee entitlements	910	784
<b>TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>	<b>4,833</b>	<b>4,977</b>

## 22. FINANCIAL INSTRUMENT RISKS

The activities of Heritage New Zealand Pouhere Taonga expose it to a variety of financial instrument risks, including market risk and credit risk. Heritage New Zealand Pouhere Taonga 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 permit transactions of a speculative nature.

### Fair value interest rate risk

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

### Credit risk

Credit risk is the risk that a third party will default on its obligations to Heritage New Zealand Pouhere Taonga, causing Heritage New Zealand Pouhere Taonga to incur a loss.

Due to the timing of its cash inflows and outflows, Heritage New Zealand Pouhere Taonga invests surplus cash with registered banks.

The maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents (note 9) and net debtors (note 10). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Heritage New Zealand Pouhere Taonga 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.

## 23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Personnel expenditure for 2018 was approximately \$550,000 higher than budget. This was largely due to an increase in personnel resulting from a re-organisation to address functional capacity.

Grants expenditure from the Incentive Fund is significantly below budget for the year. This reflects the reversal of grant accruals due to the cancellation of or withdrawal from contracts.

Grants expenditure from the Canterbury Earthquake Heritage Buildings Trust of \$247,000 was not budgeted in the current year as it was expected that the Trust's funds would be fully allocated in the 2017 financial year. However, a number of grants were not recognised in 2017 as the Trust could not determine with confidence that the terms of the grants were likely to be met.

There was a loss on disposal of assets of \$582,000 recognised in the current year. \$525,000 of this cost reflects that Heritage New Zealand Pouhere Taonga granted 50 percent of the Melanesian Mission Land to the Melanesian Mission Trust Board as part of the sale of a 50 percent interest in that property. The remaining amount relates to losses on other assets as a result of this sale.

The 2018 revaluation of properties resulted in a net revaluation loss of \$1,675,000. The main reason for this loss was a change in the valuation method applied to Antrim House from depreciated replacement cost to a capitalisation of income approach, which resulted in a \$4,400,000 reduction in value. This loss was substantially offset by increases in the value of a number of other properties, including Turnbull House (\$1,550,000) driven largely by increased land values and building costs.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF HERITAGE NEW ZEALAND POUHERE TAONGA GROUP FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

The Auditor-General is the auditor of Heritage New Zealand Pouhere Taonga Group (the 'Group'). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and the statement of service performance, of the Group on his behalf.

#### Opinion

We have audited:

- the financial statements of the Group on pages 34 to 57, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, 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 service performance of the Group on pages 14 to 32.

In our opinion:

- the financial statements of the Group on pages 34 to 57:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the statement of service performance on pages 14 to 32:
  - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2018, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 26 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

## **BASIS FOR OUR OPINION**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE**

The Board is responsible on behalf of the Group for preparing financial statements and statement of service performance that are fairly presented and comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as they determine as necessary to enable them to prepare financial statements and statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Group, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

## **RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF SERVICE PERFORMANCE**

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Group's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We evaluate the appropriateness of the reported statement of service performance within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the statement of service performance of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated statement of service performance. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## OTHER INFORMATION

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 13 but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENCE

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Group.



**SILVIO BRUINSMA**  
for Deloitte Limited

On behalf of the Auditor-General  
Wellington, New Zealand



# HERITAGE NEW ZEALAND POUHERE TAONGA

## HERITAGE DESTINATIONS PORTFOLIO

### (43 PROPERTIES)

#### OWNED (15 PROPERTIES)

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

#### CO-OWNED (2 PROPERTIES)

Highwic (with Auckland City Council)  
Melanesian Mission (with the Melanesian Mission Trust Board)

#### 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 (17 PROPERTIES)

Coton's Cottage  
Edmonds Ruins  
Kaipara North Head Lighthouse  
Matanaka  
Old Government Buildings  
Old St Paul's  
Ophir Post Office  
Pencarrow Head Lighthouse  
Pompallier Mission  
Rai Valley Cottage  
Runanga Stockade  
Seddon House  
Taupō Redoubt and Courthouse  
Te Pōrere Redoubt  
Tikirere Mill Race  
Turnbull House  
Upper Hutt Blockhouse

#### MĀORI RESERVE (1 PROPERTY)

Opotaka Pā

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

Fyffe House (part-owned by Heritage New Zealand  
Pouhere Taonga, part-leased from Kaikōura District Council)  
Hayes Engineering (part-owned by Heritage New Zealand  
Pouhere Taonga, part Historic Reserve)

**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 2018 included on the Heritage New Zealand Pouhere Taonga web site. Heritage New Zealand Pouhere Taonga'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 26 October 2018 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 POUHERE TAONGA OFFICES

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GOVERNMENT THROUGH:

