



NEW ZEALAND  
HISTORIC PLACES TRUST  
POUHERE TAONGA



Statement of Intent 2011-2014  
Panui Whāinga

## OUR VISION

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

## WHAT WE DO

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

Mandatory responsibilities under the Act:

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

Responsibilities assigned by the Government:

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

Non-discretionary commitments:

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

Discretionary responsibilities to recognise, protect and promote heritage:

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

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**Cover photos:** Students from Wadestown School assist with trialling a new education programme at Old St Paul's Wellington. Images: courtesy of Heritage Connection, Te Unga Mai Trust. Centre: Canterbury Museum, Christchurch. NZHPT staff continue to be involved with earthquake recovery efforts in Canterbury. Image: NZHPT.



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## JOINT STATEMENT:

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

The events that have so severely affected Christchurch and its people over the past six months serve to remind us of the strength of the human spirit. They also remind us of the vulnerability of our heritage places, of the fact that they are finite resources, and that to survive they require ongoing use and investment.

The recovery of Christchurch and the store of heritage treasures its people identify with is but one of the challenges the New Zealand Historic Places Trust (NZHPT) will face over the next three years. The organisation continues to work hard to raise sufficient revenue from a wide range of sources to maintain and develop the network of nationally significant heritage places it cares for on behalf of all New Zealanders as well as meeting its statutory responsibilities for advice and regulation. It must do this in a climate of absolute fiscal restraint and will need to become even more efficient in its operations and innovative in its fundraising activities. It must facilitate and then adapt to new legislation providing improved efficiency in the delivery of its regulatory responsibilities. It must continue to advise on and demonstrate

the means by which our heritage places are able to survive in this economic climate, so that they may continue to be appreciated by all New Zealanders for their contribution to each of us through our sense of place, community and belonging. It must also strive to tell the stories of these places in ways that reach out to a wider range of people of all ages and nationalities.

After more than half a century and significant changes in more recent years, the NZHPT is now well positioned to respond to these challenges. It will be assisted in its endeavours by the fact that New Zealanders now value more highly the places they associate with – the places that make New Zealand unique and remind them that they belong here.

*E kore e mōnehunehu te pūmahara ki ngā momo rangatira o neherā, nā rātou nei i toro te nukuroa o Te Moananui-a-Kiwa me Papatūānuku. Ko ngā tohu a ō rātou tapuwae i kākahutia ki runga i te mata o te whenua – he taonga, he tapu.*

*Time will not dim the memory of the special class of rangatira of the past who braved the wide expanse of the ocean and land. Their sacred footprints are scattered over the surface of the land, treasured and sacred.*

**Sir James Henare, Ngā Puhi**



**Shonagh Kenderdine**

Chair NZHPT Board

Tumuaki a te Poari Te Pouhere Taonga

12 May 2011

**Sir Tumu te Heuheu KNZM**

Chair Māori Heritage Council

Tiamana o te Kaunihera Taonga Tuku Iho Māori

12 May 2011



## CONTEXT, STRATEGIC PRIORITIES AND OUTCOMES

### 1.1 OVERVIEW

New Zealanders are placing increasing importance on the places that symbolise their association with their own nation. Research undertaken on behalf of the NZHPT in 2010 established a benchmark from which to measure the importance of heritage to New Zealanders. The study demonstrated a very high level of concern for our historic places. These places provide a sense of belonging to each of us as individuals, as families, as iwi/hapū and as communities. They tell stories that bind us together as diverse peoples sharing one country, and they provide places of interest to visitors that are increasingly recognised for the cultural and economic development opportunities they present.

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

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

### 1.2 OUR STATUTORY CONTEXT AND ACCOUNTABILITY

The role of the NZHPT, as defined by the *Historic Places Act 1993* (HPA), is "to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand". Over the past 55 years it has become New Zealand's leading national historic heritage agency and is seen by the public as the guardian of this country's national historic heritage.

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

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

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

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

## 1.3 EXPECTATIONS AND CHALLENGES 2011-2014

### Government expectations

The Government's 2011 programme will focus on achieving two key goals:

- > Building the foundations for a stronger economy, and
- > Building better results from the public services New Zealanders rely on.

In support of these goals the Minister for Arts, Culture and Heritage expects that the Board and NZHPT will:

- > provide the Ministry for Culture and Heritage with the NZHPT's updated property prioritisation and maintenance programme for all its properties by 31 July 2011
- > inform the Minister in good time of any deaccessioning plans or any issues that may raise public reaction on the care and protection of heritage properties
- > work on governance and organisational restructure, and the reform of archaeological consulting processes incorporated in the proposed legislative changes
- > have a clear line of sight between its services and the cultural outcomes it is seeking to achieve, stated in simple language and able to be readily reported against

- > look for opportunities to improve strategic coherence and sector effectiveness, and to work constructively with the Ministry to advance this agenda
- > contribute effectively to the recovery efforts in Canterbury
- > in addition to managing within NZHPT's current budgets, to continue to review NZHPT's services with a view to finding more innovative and cost-effective ways of delivering them within existing funding.

### Other stakeholder expectations

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

These expectations include:

- > demonstrating value for money to all funders
- > making regulatory processes faster and more efficient
- > assisting the present NZHPT branch committees with the transition to new regional and national organisational structures for more flexible community heritage advocacy

- > providing through greater identification and registration the increasing importance of historic heritage for all New Zealanders in defining a distinct national identity that is recognised internationally
- > responding to increasing concern from Māori communities to be more active in the protection and management of their heritage and increased expectations to be consulted and assisted
- > responding to increased interest in the heritage of other ethnic groups within New Zealand's culturally diverse community
- > taking a more proactive heritage advocacy role that leads to greater heritage protection in resource management processes
- > presenting and interpreting heritage places managed by the NZHPT to New Zealanders, overseas visitors and the tourism industry to international standards.
- > facilitating, as and where possible, the transition of NZHPT branch committees to new regional and national organisations
- > allocating limited resources to those heritage places that are most significant and most at risk
- > determining the balance between conservation and adaptive reuse of heritage places
- > balancing the funding available against the resources required to maintain the 48 properties cared for by the NZHPT and to present them to meet visitor expectations
- > creating a heightened awareness amongst the wider public of the value and relevance of heritage
- > managing the expectations of a diverse range of stakeholders
- > improving heritage survival rates – through improving the regulatory environment in ways that incentivise private owners to retain and conserve significant heritage places
- > meeting the expectations of Māori to be a relevant organisation to them, to protect and conserve their heritage, and to broaden understanding of Māori heritage amongst the wider public
- > improving the identification of significant heritage to ensure that the NZHPT continues to be an authoritative source of information about places of heritage significance
- > recovering significant archaeological information before its loss from increasing rates of coastal erosion.

### **Risks and opportunities**

The NZHPT faces a number of significant challenges over the next three years. These include:

- > continuing to deliver heritage outcomes of a high standard within the climate of fiscal restraint
- > achieving and maintaining financial sustainability for the core functions of the organisation
- > responding to the increased community awareness of seismic risk faced by heritage buildings and the need to create a framework of regulatory policy that facilitates their ongoing economic viability



## 1.4 STRATEGIC PRIORITIES 2011-2014

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

### **Achieving financial sustainability**

The Board has approved a sustainable financial strategy to be implemented in stages over the next two years. The strategy is necessary to ensure that heritage properties that are the responsibility of the organisation can be managed sustainably in the long term. The strategy involves a combination of increasing self-generated revenue, reprioritising expenditure to property activities, and investigating alternative management of some properties.

### **Increasing appreciation and understanding of our shared heritage**

Historic places are identified as significant because of their contribution to, or association with, New Zealand's culture and heritage. Ensuring that the stories associated with these places are shared and understood by New Zealanders and international visitors will be an increased area of focus for our work programme.

### **Achieving results through partnerships**

The NZHPT often lacks the authority and, in some cases, the resources to deliver all of the heritage outcomes sought by the community. In particular we will work with those who can

assist long-term conservation of heritage, whether property owners, iwi, hapū and whānau, local, regional and national heritage groups, universities, network utility operators, developers, local and central government or volunteers. Working in partnership achieves far greater contributions to heritage outcomes through combined efforts.

### **Enhancing the economic viability of heritage places**

More of our significant heritage buildings and places will survive to be appreciated by future generations if they continue to perform valued functions. While places in private ownership may have high heritage value to the community, these values may not be appreciated by the owner, nor may they sometimes be capable of generating an economic return. Both can lead to underinvestment in conservation and ultimately the loss of heritage places that are of great value to the wider community. Ensuring incentives exist that encourage owners to retain and conserve heritage places and that the regulatory framework does not act as a disincentive to conservation is therefore a key priority.

## 1.5 MEDIUM AND LONG-TERM OUTCOMES

The medium and long-term outcomes for the NZHPT form part of the wider outcomes for Ministry for Culture and Heritage. These are defined by the Government, culture and heritage sector and the NZHPT as follows:

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### GOVERNMENT'S GOAL FOR THE CULTURAL SECTOR:

New Zealand's distinctive culture enriches our lives

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### MINISTRY FOR CULTURE AND HERITAGE OUTCOMES:

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

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

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<p><b>Identification</b></p> <p>Places that contribute to New Zealand's culture and heritage are identified and their stories recorded</p> <p><b>Long term impact indicator</b></p> <p><i>The Register is increasingly regarded as the authoritative source of information on New Zealand's significant heritage places</i></p>	<p><b>Survival</b></p> <p>Places that are identified as significant to New Zealand's culture and heritage survive</p> <p><b>Long term impact indicator</b></p> <p><i>Loss of registered heritage through demolition or destruction is minimised</i></p>	<p><b>Appreciation</b></p> <p>New Zealanders appreciate those places that contribute to their sense of place, community and belonging</p> <p><b>Long term impact indicator</b></p> <p><i>Public awareness and understanding of heritage is improved</i></p>
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## PART TWO:

# STATEMENT OF SERVICE PERFORMANCE 2011-2014

## NZHPT KEY PRIORITY OUTPUTS 2011-2014

### 2.1 Outcome 1: Heritage Identification

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

#### Long term impact indicator

The Register is increasingly regarded as the authoritative source of information on New Zealand's significant heritage places. *Measured by an increase in % of respondents who consider the Register as an authoritative source of information on heritage places (stakeholder survey held every 3 years, baseline to be established in 2011-12).*

#### What we are trying to achieve and why

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

The NZHPT holds and gathers information relating to heritage places in New Zealand. Our most significant heritage is recognised through a statutory process and included in

the national NZHPT Register of historic places, historic areas, wāhi tapu and wāhi tapu areas.

The information about heritage places and sites in the Register will increase over time, and we expect to see it recognised as the authoritative source of information on heritage places. It is the most comprehensive information resource about historic heritage available, not only for the NZHPT staff, but for Māori, property owners and developers, local authorities, researchers, students and anyone interested in New Zealand's heritage. Of the 5,600 sites in the Register, most of the information we hold is made easily accessible via the internet through the Register Online ([www.historic.org.nz](http://www.historic.org.nz)).

A key outcome of the archaeological authority process is to record archaeological sites prior to their modification. Where modification of archaeological sites is unable to be avoided, whether through natural or developmental processes, it is essential that the information the sites hold about the history of New Zealand can be captured before it is lost forever.

## What we will do to achieve this and how we will measure our performance

### Identification 1: Enhancing the Register

The NZHPT will continue to identify and register, as appropriate, significant heritage. To make best use of our resources when seeking to add new registrations, we will prioritise the most significant and those places potentially at risk. We will continue to work with iwi, hapū and whānau to progress registrations of interest to Māori, including undertaking two registrations relating to New Zealand's shared heritage with Pacific nations.

Over the coming year we will continue to improve the accuracy of heritage information by further reviewing and upgrading the quality of individual entries in the Register and ensuring that information gathered and recorded meets the quality standards set by the NZHPT Board. We will also undertake a review of the content of the Register in conjunction with the Board. This will ensure that information contained in the Register is robust and can be relied upon by property owners, local government and the Environment Court in decisions concerning the protection and future use of heritage places.

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
New Zealand's significant heritage is prioritised and recognised by being included in the NZHPT Register. <i>Measured by additions to the Register</i>	82	103	67 <sup>1</sup>	80	80
Information on registered heritage is fit for purpose measured by current Board standards <i>Measured by cumulative % of entries that have a statement of significance</i>	35%	38.5%	39.5% <sup>2</sup>	40.5%	41.5%

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Existing registrations reviewed	19	20	37	46 <sup>3</sup>
Register location information updated	180	129	259	320
Deficient registrations resolved	29	98	86	49 <sup>4</sup>

- 1 A reduction in additions to the Register is proposed while essential work is undertaken to check location information of existing registrations and to remove entries from the Register that have been demolished following the Canterbury earthquakes.
- 2 Following the completion of the Citation Digitalisation Project in 2009, much more effort is now required to add each percentage to this measure (1% is approximately equivalent to 50 upgrade reports and is also influenced by additions to and removals from the Register).
- 3 Includes removing entries from the Register for places that were destroyed as a result of the Canterbury earthquakes.
- 4 At 1 July 2011 it is expected that there will be 334 deficient registrations remaining to be resolved.

## Identification 2: Recovering information

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

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Improve the recovery of information as shown by a decreased proportion of overdue archaeological reports required as part of authorities <i>Measured by the % reduction in the number of overdue reports (biennial audits)</i>	-	20%	-	20%	-

## 2.2 Outcome 2: Heritage Survival

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

### Long term impact indicator:

Loss of registered heritage through demolition or destruction is minimised.

*Measured by the total number of losses of registered sites, buildings or places where the feature lost was a main contributor to the significance.*

### What we are trying to achieve and why

The long term survival of heritage places is vital to achieving the overall NZHPT Outcome as experiencing a sense of place, community and belonging is dependent on physical reminders in our towns, cities and landscapes. The appreciation of heritage places (Outcome 3) by present and future generations is dependent on their survival.

NZHPT actively conserves heritage places by directly managing heritage properties

and through working with the community and owners of heritage to conserve their properties in a sustainable way.

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

The NZHPT cares for 48 nationally significant heritage properties together with their collections of some 80,000 items, constituting one of the largest heritage property portfolios in New Zealand. Many of these are well known and visited properties such as the Kerikeri Stone Store, Pompallier Mission at Russell, Alberton in Auckland, Te Porere Redoubt in Ruapehu District, Old St Paul's in Wellington, Hayes Engineering Works at Oturehua and

Totara Estate near Oamaru. In the long term, conservation of these properties means that, within limited resources, NZHPT contributes directly to the survival and appreciation of these places. We must ensure that best practice conservation is demonstrated as an example to other owners of historic places. As a result of the Canterbury earthquakes, two NZHPT properties were severely damaged. The dismantling of the Timeball Station, Lyttelton and the rebuilding on that site will be an opportunity for NZHPT to lead by example in the recovery process for this region.

A number of factors require working closely with communities and property owners. While there are growing community expectations that significant heritage places will survive, recent events have shown the potential impact of natural disasters on heritage and of regulation on the rights of individual property owners. For these reasons the NZHPT's preferred approach is to engage early and constructively with owners and developers, providing advice and facilitating adaptive reuse to ensure the ongoing economic life for heritage places, encouraging the structural strengthening of buildings and using regulatory approaches as a last resort. NZHPT engages in local and central government processes to encourage heritage survival. In particular, NZHPT will continue to work closely with Civil Defence and the Canterbury Emergency Recovery Authority to assist with the recovery of Canterbury.

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

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

### **What we will do to achieve this and how we will measure our performance**

#### **Survival 1: Conserving NZHPT properties**

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

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
NZHPT properties are maintained in accordance with the 50 year NZHPT Properties Maintenance Plan <i>Measured by % of NZHPT properties that are managed in accordance with the cyclical maintenance plan</i>	<i>Plan prepared</i>	60%	80%	90%	100%
Delivery of deferred maintenance and safety recommendations <i>Measured by % of identified deferred maintenance and safety projects completed</i>	-	25%	50%	75%	100%

### Survival 2: Administering the archaeological authority process

A key statutory function for NZHPT is to regulate the modification of archaeological sites. NZHPT efficiently administers the archaeological authority provisions of the Historic Places Act by processing archaeological authority applications within statutory timeframes, encouraging the avoidance of sites where possible thus ensuring their survival,

investigating reports of site damage and undertaking compliance monitoring. Two key areas of focus for the coming year are: First, to prepare for the implementation of proposed changes to the authority provisions following the review of the Historic Places Act. Second, to continue to process authorities in the greater Christchurch area within the shorter timeframes in accordance with the Canterbury Earthquake (Historic Places Act) Order 2010.

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Archaeological authorities processed within statutory timeframes <i>Measured by % that meet timeframes</i>	98.5%	99%	100% <sup>5</sup>	100%	100%
Archaeological authorities that avoid or protect archaeological sites <i>Measured by % of authorities that avoid or protect sites</i>	21.8%	35% <sup>6</sup>	20%	20%	20%

<sup>5</sup> The review of the *Historic Places Act 1993* is proposing to substantially shorten statutory timeframes for processing archaeological authorities. NZHPT is preparing for the change and expects to meet the new timeframes.

<sup>6</sup> The 2010/11 estimated percentage is substantially higher than the previous year as a larger number of authorities were processed relating to a national infrastructure project where sites were able to be avoided.

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Archaeological Authorities processed	337	453	480	400

### Survival 3: Engaging in protection processes

Over the next three years we will continue to encourage improved survival rates for significant heritage places through a combination of providing conservation advice directly to property owners and through guidelines, providing specialist heritage training to those involved in enhancing heritage survival and protection, giving advice on resource consent applications, submitting on local authority and central government policy documents which affect heritage, negotiating heritage covenants

with property owners, and ensuring heritage is protected through the Crown land disposal process.

The recent devastating earthquakes have shown how vulnerable unstrengthened heritage buildings are. A particular focus over this period will involve providing advice to owners of heritage buildings regarding seismic strengthening, encouraging policy discussions with central government, and strengthening relationships with local government concerning the future management of seismic risk in relation to heritage buildings.

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Heritage sites successfully protected or damage avoided as a result of NZHPT involvement in resource management, archaeological authority, advocacy and Crown land disposal processes. <i>Measured by number of sites protected or avoided</i>	<i>New measure</i>	426	585 <sup>7</sup>	400	400
NZHPT involvement in resource consents is positive for heritage <i>Measured by % resource consents that are positive for heritage where decision known</i>	91%	84%	80%	80%	80%

... continued on the next page.

<sup>7</sup> Two district plan changes supported by NZHPT are expected to add significant numbers of heritage sites to their schedules which will increase the protection afforded to these sites.



<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Increased number of territorial local authorities meet NZHPT heritage management standards <i>Measured by number of district plans that meet defined standard (biennial assessment)</i>	-	3	-	Undertake assessment	-
NZHPT assessments of land proposed for disposal by Crown agencies are completed within specified timeframes <i>Measured by % of assessments completed within specified timeframes</i>	85%	95%	95%	95%	95%

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Policy submissions relating to plan and policy documents submitted to local authorities and central government	142	191	120	80
Advice given on resource consents and related processes including the Building Act	1,367	1,808	1,450	1,280
Assessments provided as part of disposal of Crown land processes.	335	337	300	260
Covenants negotiated over heritage properties	6	20	15	9
Deliver heritage training events to professionals	56	52	35	25

#### Survival 4: Conserving Māori heritage

The capability to carry out conservation work will be enhanced by working with iwi, hapū and whānau to assist their capacity to maintain, conserve and ensure the survival of their heritage places including built heritage,

sites and rock art. NZHPT will also continue to develop capability in Māori heritage and taonga conservation by producing resources and workshop programmes to support Māori Built Heritage mātauranga/knowledge of place capability in Māori communities.

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Work with iwi, hapū and whānau on Māori built heritage and rock art projects.	7	15	10	8

## Survival 5: Administering the National Heritage Preservation Incentive Fund

The NZHPT will efficiently administer the National Heritage Preservation Incentive Fund

to ensure best value for money while incentivising heritage conservation for private owners in accordance with Minister-approved policy.

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Fund allocated in accordance with the Policy <i>Measured by % Fund allocated in accordance with the Policy</i>	100%	100%	100%	100%	100%
Approved applications monitored and reported <i>Measured by % of approved applications monitored and reported</i>	100%	100%	100%	100%	100%

### 2.3 Outcome 3: Heritage Appreciation

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

#### Long term impact indicator

Improved public awareness and understanding of heritage is improved in results from a public survey undertaken every three years.

*Measured by improvement % of respondents who rate their interest in heritage as very interested or better (survey undertaken every three years next survey scheduled for 2013).*

#### What we are trying to achieve and why

The identification and survival of our significant heritage places are prerequisites for their appreciation by both present and future generations. This is achieved by both experiencing heritage places and having access to the stories that explain their significance. Telling the stories of our heritage places helps us to understand our collective past, develops an appreciation of the value of these places and leads in turn to their

conservation for the benefit of both present and future generations.

Properties cared for by the NZHPT provide perhaps the most important and publicly accessible means of experiencing New Zealand's most significant heritage places. The rebranding of the NZHPT property portfolio as 'heritage destinations' reflects our increased focus on encouraging New Zealanders and international tourists to visit these places. In showcasing our significant properties, the NZHPT engages visitors in an experience that increases their understanding of New Zealand's past, our cultural identity and, for New Zealanders, their place within it.

Building awareness of heritage places and sharing why they are significant is important in achieving the appreciation outcome. We cannot do this alone and must work in partnership with other organisations to achieve this.

NZHPT is working to ensure that all of the heritage stories we record are made more accessible to all New Zealanders and therefore a greater weight is placed on this area of our work.

### What we will do to achieve this and how we will measure our performance

#### Appreciation 1: Experiencing NZHPT properties

Over the next three years we will continue to improve the quality of facilities and interpretation at selected properties in order to increase both visitation and the visitor experience. The NZHPT is also working to build cultural tourism initiatives in partnership with regional and national tourism operators and agencies to expand the wider visitor experience and to contribute to local and regional economic development.

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Increase visitor numbers at NZHPT staffed properties <i>Measured by total number of visitors</i>	204,760	205,000 <sup>8</sup>	210,000	225,000	235,000
Maintain high level of visitor satisfaction at NZHPT staffed properties <i>Measured by % of respondents who rate their visit as "satisfied" or higher</i>	93%	90%	90%	90%	90%

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Improve visitor facilities and interpretation at selected NZHPT properties <i>Measured by number of projects completed</i>	7	8	4	4

#### Appreciation 2: Encouraging heritage appreciation in communities

NZHPT will continue to work with other community based heritage organisations to enhance New Zealanders' appreciation of

heritage. This will include the maintenance and development of relationships with the present Branch Committees and their successor organisations and working together on heritage appreciation initiatives.

<sup>8</sup> The Timeball Station in Lyttelton sustained serious damage in the Canterbury earthquakes of 4 September 2010 and 22 February 2011 and was closed to the public.

Appreciation of and engagement in Māori heritage conservation will be fostered by promoting *Tapuwae* – the Māori Heritage Council’s vision for Māori heritage within Māori communities and the public. We will establish and develop relationships with iwi, hapū and whānau to increase understanding of Māori heritage through appropriate interpretation and events, including those delivered at NZHPT properties.

Over the next three years a number of initiatives will be undertaken in conjunction with the Ministry for Culture and Heritage to enhance our ability to tell New Zealand’s heritage stories. These will draw on both the Register and other digital and web based resources including Te Ara (The Encyclopaedia of New Zealand) and history.net. These may be both thematic and geographic in their scope and will be aimed at schools as well as international and New Zealand visitors.

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Work in partnership to undertake a range of initiatives to enhance heritage appreciation <i>Measured by number of initiatives</i>	-	-	<i>New measure</i>	24

### Appreciation 3: Accessing heritage information

For those heritage places in private ownership, access to the places and their stories is limited to the information that can be imparted through the Register and other media including NZHPT’s website and magazine. The Register Online (see page 10) enables heritage property owners and those working with heritage to access heritage information that we have available about the cultural significance of heritage places including heritage buildings, structures, places of significance to Māori, historic sites, archaeological sites and historic

areas. We will increase access to heritage information by improving the website by completing the e-media strategy including improving public accessibility to the information in the Register.

The work in this area will also see heritage stories reach a wide audience across the country, demographics and ethnicities via *Heritage New Zealand* (our quarterly magazine) and our monthly e-newsletter *Heritage This Month*, website, media features and releases, events and interpretation at NZHPT properties.

<i>Performance Measure</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012</i>	<i>2012-2013</i>	<i>2013-2014</i>
Improve the accessibility and usefulness of heritage information available online as shown by: <ul style="list-style-type: none"> <li>&gt; Increased use of NZHPT web pages, (including the Register Online), <i>Measured by average page views per month; and</i></li> <li>&gt; Customer satisfaction is maintained as recorded by responses to website feedback form. <i>Measured by % of users who rate their overall experience as satisfactory or better</i></li> </ul>	-	<i>New measure</i>	48,000 <sup>9</sup>	49,440	50,920
			90%	90%	90%

<i>Outputs</i>	<i>2008-2009 Actual</i>	<i>2009-2010 Actual</i>	<i>2010-2011 Estimated</i>	<i>2011-2012 Forecast</i>
Produce media releases, comment, features and articles.	150	180	180	180

<sup>9</sup> Measure now includes the Register Online and other web pages associated with telling heritage stories and heritage conservation that contribute to the heritage appreciation outcome.



## PART THREE:

# ORGANISATIONAL CAPABILITY

Achieving the organisation's outcomes and outputs requires our systems, people, and financial resources to be appropriately matched. The organisation has 108 permanent staff (FTE equivalents).

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

During 2011/12 priority will be given to assist with the recovery in the Canterbury region. Specifically, additional resources have been contracted to meet the increased conservation architectural and structural engineering capability required, and other workloads have been reallocated to ensure statutory timeframes can be met to process the archaeological authorities within the streamlined timeframes in accordance with the Canterbury Earthquake (Historic Places Act) Order 2010.

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

### How NZHPT will manage organisational health and capability

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

- > development of annual budgets and business plans by operating teams
- > regular reports to Board against organisational plan and budget

- > provide six-monthly performance reports to Minister
- > undertake regular performance reviews for all NZHPT staff
- > strengthening the application of the "One Team" philosophy throughout the organisation
- > develop and implement national training programmes to ensure capability is enhanced consistently across the organisation
- > deliver prioritised training and development plans to ensure staff capability is fit for purpose
- > human resource policies are implemented in accordance with EEO and state sector guidelines.

### Measuring our progress on organisational capability

- > the milestones in the financial sustainability strategy are achieved
- > public perception of the role and functions of NZHPT is accurate
- > reports to the Board and Minister are completed on time and meet expectations regarding content
- > performance management and internal communications policies are observed and implemented.



## PART FOUR:

# PROSPECTIVE FINANCIAL STATEMENTS 2011-2014

## 4.1 STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF PROPOSED SERVICE PERFORMANCE AND THE PROSPECTIVE FINANCIAL STATEMENTS

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

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

## 4.2 FINANCIAL PLANNING ASSUMPTIONS

### 4.2.1 Overview

NZHPT's forecast total income for 2011/12 will be approximately \$16 million. This includes \$13 million from the Crown and \$3 million from NZHPT's membership base, properties, grants and other income.

During the 2011/12 year it will be a priority of the NZHPT to continue delivery of asset maintenance programmes and prioritised service delivery levels within the limited resources available. Alternative revenue streams will continue to be actively pursued to try to reduce this gap.

The major assumptions that have been made in developing this Statement of Intent are:

- total Crown baseline funding for the NZHPT will remain constant over the next 3 years
- the financial impact on the impairment of the Timeball Station, Lyttelton, and Coton's Cottage, Hororata, following the Canterbury earthquakes has been reflected in these prospective statements to the extent of anticipated insurance recovery and the anticipated costs of dismantling the existing structures. As no final decision has yet been made on the extent of rebuild, no allowance has been reflected for future development on these sites

- > additional services required in the Canterbury region following the earthquakes will be absorbed within baseline by reprioritising other activities in that region
- > one-off operating funding of \$3 million as agreed in Budget 2010 will continue to be used to address prioritised deferred maintenance and safety issues over the next two-three years
- > while continuing to maintain delivery of core services in other output classes, there will be continued focus on delivering key projects at a selected number of properties only within the NZHPT portfolio
- > a small portion of deferred and cyclical maintenance will be funded from special funds and reserves in the short term while alternative revenue streams are established
- > to the extent that the ongoing gap in cyclical maintenance cannot be met from ongoing baseline funding and alternative strategies, certain properties currently managed by NZHPT may be either divested or continue to deteriorate
- > the total amount for allocation from the National Heritage Preservation Incentive Fund for the 2011/12 year has been set at \$250,000 (reduced from \$500,000 in 2008/09)
- > membership income will decline slightly due to the uncertainty of the legislation review and the economic climate
- > property income from both functions and merchandising revenue is targeted to increase due to the increased attention given to these areas
- > after factoring in the impact following the one-off donation campaign for Canterbury Earthquake Heritage Buildings Fund in 2010/11, grant and donation income is also targeted to increase over the next two years
- > interest revenue will decline over the next three years as the investment base declines following the delivery of the deferred maintenance projects
- > no changes to the functions of the NZHPT are likely as a result of the legislation review currently underway
- > all existing tagged branch committee funds will be used for transitional purposes to new regional organisations upon the passing of the new legislation governing NZHPT, which is assumed to occur during the 2011-12 financial year
- > outcomes sought by Government remain consistent
- > the NZHPT will remain a going concern.



#### 4.2.2 Government funding

Government has agreed the following funding for NZHPT, forecast for the next three years:

	Estimated out-turn 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 \$000s	Prospective 2013/14 and out-years \$000s
<b>Total Operating Baseline</b>	<b>12,988</b>	<b>12,988</b>	<b>12,988</b>	<b>12,988</b>

#### 4.2.3 Self-generated revenue

NZHPT also relies on self-generated funding (2010/11 estimated \$3.2 million, \$3 million in 2011/12). Sources include membership fees, property income, grants, interest and bequests.

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

	Estimated out-turn 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 \$000s	Prospective 2013/14 \$000s
Membership	540	540	540	540
Magazine advertising and sales revenue	60	60	60	60
Merchandising	410	480	520	520
Property admissions and functions	850	870	900	900
Grants/bequests	500	510	580	580
Interest	440	280	240	240
Sundry/donations	400	300	300	300
Insurance claims	1,500	-	-	-
<b>Total</b>	<b>4,700</b>	<b>3,040</b>	<b>3,140</b>	<b>3,140</b>

#### 4.2.4 Projected expenditure

After allowing for a small increase in operating expenditure for inflation and salary increases across all outputs, it has been assumed that expenditure incurred as a result of a flat baseline revenue will be prioritised to continue the delivery of services accordingly. Activities within the Canterbury region will be reprioritised to assist with earthquake recovery.

NZHPT intends to continue to spend the \$3 million one-off operating revenue received from Crown in the 2009/2010 year to specifically address prioritised deferred maintenance and safety issues at properties within the NZHPT portfolio over the next two-three years. In addition there remains \$0.382 million in capital funding from previous capital allocations to enable current capital projects to be completed.

##### Projected expenditure by output:

	Estimated out-turn 2010/11 \$000s	Prospective 2011/12 \$000s	Prospective 2012/13 \$000s	Prospective 2013/14 \$000s
Heritage Identification	2,500	2,500	2,500	2,500
Heritage Survival	8,055	8,058	8,058	8,058
Heritage Appreciation	6,560	6,820	6,550	6,550
Extraordinary dismantling expenses <sup>10</sup>	850	-	-	-
<b>Total Operating Expenditure</b>	<b>17,965</b>	<b>17,378</b>	<b>17,108</b>	<b>17,108</b>
<b>Capital Expenditure</b>				
<b>Crown funded</b>	<b>300</b>	<b>382</b>	-	-
<b>Capital Expenditure Other funding sources</b>				
<b>Total Expenditure</b>	<b>18,265</b>	<b>17,760</b>	<b>17,108</b>	<b>17,108</b>

<sup>10</sup> This expenditure results from the impairment of Timeball Station, Lyttelton and Coton's Cottage, Hororata following the Canterbury earthquakes.

## 4.3 PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING 30 JUNE 2012

	Actual	Estimated out-turn	Prospective	Prospective	Prospective
	2010	2011	2012	2013	2014
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income</b>					
Government funding	12,488	12,988	12,988	12,988	12,988
Additional crown funding	3,000	-	-	-	-
Grants	214	500	510	580	580
Property	1,227	1,260	1,350	1,420	1,420
Interest	264	440	280	240	240
Membership	678	600	600	600	600
Donations	333	300	200	200	200
Sundry	173	100	100	100	100
Insurance claims	-	1,500	-	-	-
<b>Total Revenue</b>	<b>18,377</b>	<b>17,688</b>	<b>16,028</b>	<b>16,128</b>	<b>16,128</b>
<b>Expenditure</b>					
Audit fees - external audit	45	47	47	47	47
Administration	2,389	2,633	2,483	2,483	2,483
Personnel	7,540	7,950	8,100	8,100	8,100
Property <sup>11</sup>	1,922	3,270	3,320	3,050	2,800
Incentive fund	448	250	250	250	500
Rental costs on operating leases	73	50	50	50	50
Depreciation	726	800	800	800	800
Extraordinary dismantling costs	-	850	-	-	-
Communications	600	580	550	550	550
Membership	679	575	850	850	850
Board fees	114	110	128	128	128
Travel & accommodation	737	850	800	800	800
<b>Total Expenditure</b>	<b>15,273</b>	<b>17,965</b>	<b>17,378</b>	<b>17,108</b>	<b>17,108</b>
<b>Net surplus (deficit) for the year</b>	<b>3,104</b>	<b>(277)</b>	<b>(1,350)</b>	<b>(980)</b>	<b>(980)</b>
<b>Other Comprehensive Income</b>					
Write-back of revaluation on impairment	-	(1,308)	-	-	-
<b>Total Comprehensive Income</b>	<b>3,104</b>	<b>(1,585)</b>	<b>(1,350)</b>	<b>(980)</b>	<b>(980)</b>

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

<sup>11</sup> Includes expenditure to address safety and deferred maintenance issues at NZHPT properties as a result of specific Crown funding received in May 2010. It is anticipated that this funding will be fully expended by June 2014 and NZHPT will be operating back at a breakeven position during the 2015-16 financial year.

## 4.4 PROSPECTIVE STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Actual	Estimated	Prospective	Prospective	Prospective
	2010	out-turn	2012	2013	2014
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>EQUITY</b>					
Accumulated funds	8,781	8,972	9,354	9,424	9,494
Crown Capital Fund	682	382	-	-	-
Branch accumulated funds	249	250	-	-	-
Specified funds & bequests	1,878	1,828	1,730	1,730	1,730
Trust Property Maintenance & Development Fund <sup>12</sup>	3,221	3,102	2,100	1,050	-
Revaluation reserve	36,523	35,215	35,215	35,215	35,215
<b>Total Equity</b>	<b>51,334</b>	<b>49,749</b>	<b>48,399</b>	<b>47,419</b>	<b>46,439</b>
<b>Equity is represented by:</b>					
<b>CURRENT ASSETS</b>					
Cash & cash equivalents	1,421	1,880	1,948	1,768	1,588
Short term deposits	7,823	7,200	6,200	6,200	6,200
Accounts receivable	107	100	100	100	100
Stock on hand	183	220	220	220	220
<b>Total Current Assets</b>	<b>9,534</b>	<b>9,400</b>	<b>8,468</b>	<b>8,288</b>	<b>8,108</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant & equipment	44,306	42,496	42,181	41,481	40,781
Work in progress	46	150	150	150	150
Intangibles assets	405	303	200	100	-
<b>Total Non-Current Assets</b>	<b>44,757</b>	<b>42,949</b>	<b>42,531</b>	<b>41,731</b>	<b>40,931</b>
<b>Total Assets</b>	<b>54,291</b>	<b>52,349</b>	<b>50,999</b>	<b>50,019</b>	<b>49,039</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable and accruals	881	1,000	1,000	1,000	1,000
Provision for Incentive Fund Grants	1,071	700	700	700	700
Employee entitlements	704	600	600	600	600
GST payable	231	230	230	230	230
<b>Total current liabilities</b>	<b>2,887</b>	<b>2,530</b>	<b>2,530</b>	<b>2,530</b>	<b>2,530</b>
<b>NON-CURRENT LIABILITIES</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
<b>Total Liabilities</b>	<b>2,957</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>
<b>NET ASSETS</b>	<b>51,334</b>	<b>49,749</b>	<b>48,399</b>	<b>47,419</b>	<b>46,439</b>

12 This fund includes the one-off \$3 million Crown funding received in May 2010 to enable NZHPT to address specific safety and deferred maintenance issues at NZHPT properties which is anticipated to be fully expended by June 2014.



**Shonagh Kenderdine**

Chairperson



**Bruce Chapman**

Chief Executive

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

## 4.5 PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Actual	Estimated out-turn	Prospective	Prospective	Prospective
	2010	2011	2012	2013	2014
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Opening Equity</b>	48,230	51,334	49,749	48,399	47,419
<b>Total comprehensive income</b>	3,104	(1,585)	(1,350)	(980)	(980)
<b>Other contributions from Crown</b>	-	-	-	-	-
Closing Equity	51,334	49,749	48,399	47,419	46,439

## 4.6 PROSPECTIVE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Actual	Estimated out-turn	Prospective	Prospective	Prospective
	2010	2011	2012	2013	2014
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash was received from:					
Government funding	15,488	12,988	12,988	12,988	12,988
Grants	361	500	510	580	580
Other operating activities	2,292	3,767	2,250	2,320	2,320
Interest	290	440	280	240	240
	18,431	17,695	16,028	16,128	16,128
Cash was applied to:					
Payment of suppliers	(7,859)	(9,504)	(8,478)	(8,208)	(8,208)
Payment to employees	(7,448)	(8,054)	(8,100)	(8,100)	(8,100)
Net Goods & Services Tax	490	(1)	-	-	-
	(14,817)	(17,559)	(16,578)	(16,308)	(16,308)
<b>Net cash from operating activities</b>	3,614	136	(550)	(180)	(180)

... Continued on the next page.

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

	Actual	Estimated out-turn	Prospective	Prospective	Prospective
	2010	2011	2012	2013	2014
	\$000s	\$000s	\$000s	\$000s	\$000s
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash was applied to:					
Purchase of fixed assets	(434)	(196)	(382)	-	-
Purchase intangibles	(100)	-	-	-	-
Work in progress	(46)	(104)	-	-	-
Purchase short term investments	(3,672)	-	-	-	-
Net cash from investing activities	(4,252)	(300)	(382)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash was received from:					
Crown capital	-	-	-	-	-
Sale short term investments	-	623	1,000	-	-
	-	623	1,000	-	-
Net increase/(decrease) in cash	(638)	459	68	(180)	(180)
Opening cash balance	2,059	1,421	1,880	1,948	1,768
Closing cash balance	1,421	1,880	1,948	1,768	1,588
Represented by:					
Petty cash & imprest balances	9	9	9	9	9
Short term deposits (less than 90 days)	1,412	1,871	1,939	1,759	1,579
Specified fund & bequest deposits	-	-	-	-	-
	1,421	1,880	1,948	1,768	1,588

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

## 4.7 PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES

### FOR THE YEAR ENDED 30 JUNE 2012

#### Reporting Entity

The New Zealand Historic Places Trust Pouhere Taonga (NZHPT) is domiciled in New Zealand and is a statutory body established under section 4 of the *Historic Places Act 1980* and continued under section 38 of the *Historic Places Act 1993*, as amended by the *Crown Entities Act 2004*. The NZHPT became an Autonomous Crown Entity for the purposes of s7 of the *Crown Entities Act 2004* effective from 25 January 2005. As such, the ultimate parent is the New Zealand Government.

NZHPT's primary objective is to identify, protect and promote heritage in New Zealand (as enshrined in its Vision, Mission and Values Statements and Statement of Service Performance). Accordingly, NZHPT has designated itself as a Public Benefit Entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

### **Basis of preparation**

#### **Statement of compliance**

The prospective financial statements have been prepared in accordance with the requirements of *Public Finance Act 1989* and the *Crown Entities Act 2004*, which includes the requirements to comply with New Zealand generally accepted accounting practice (NZ GAAP).

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

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

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

#### **Measurement base**

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

#### **Functional and presentation currency**

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

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

#### **Standards and interpretations effective in the current period. NZ IAS 1 (Revised) Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009)**

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

#### **Early adoption of standards and interpretations. NZ IAS 24 (revised) Related Party Disclosures (effective for accounting periods beginning on or after 1 January 2011).**

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

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

At the date of authorisation of these prospective financial statements, the following Standards and Interpretations were issued but not yet effective.

## NZ IFRS 9 financial instruments

The standard introduces new requirements for the classification and measurement of financial assets and is effective from 1 January 2013. All recognised financial assets that are currently in the scope of IAS 39 will be measured at either amortised cost or fair value. In order for financial assets to be measured at amortised cost, certain criteria must be met.

Initial application of this Standard is not expected to have any material impact on the amounts reported or disclosures made by NZHPT.

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

## Significant accounting policies

The prospective financial statements with the exception of cash flow information are being prepared using the accrual basis of accounting.

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

### Prospective figures

The prospective figures for 30 June 2012 are those approved by the Board at the beginning of the financial year. These figures have been prepared in accordance with NZIFRS and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements. Actual results achieved for the period covered are likely to vary from the information presented and these variations may be material.

### Revenue

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

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

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

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

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

*Donations and Bequests:* Donations and bequests received without restrictive conditions are treated as operating revenue on receipt in the Prospective Statement of Comprehensive Income. Those with restrictive conditions are treated as Other Revenue and transferred to Specified Funds and Bequests from Accumulated Funds. The net on each of these funds from interest earned and payments made is treated in the same manner.

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

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



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

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

### **Grant expenditure**

Non-discretionary grants are those grants awarded where a grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where NZHPT has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the grants approval committee and the approval has been communicated to the applicant.

### **Leases**

**Finance leases:** NZHPT does not enter into finance lease arrangements.

**Operating leases:** Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to NZHPT are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of financial performance.

### **Cash and cash equivalents**

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

### **Debtors and other receivables**

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

### **Inventories**

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

### **Property, plant and equipment**

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

NZHPT has interest in land and buildings in the following categories:

(i) ***NZHPT owned land and historic buildings***

These are properties for which the NZHPT has freehold title.

(ii) ***Vested land and historic buildings***

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

(iii) *Controlled and managed buildings*

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

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

**Revaluations:** Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years. Heritage artefacts are by nature specialised and are managed by NZHPT to be preserved in perpetuity as required by the *Historic Places Act 1993*. These items are revalued and measured on a fair market value but are not depreciated. The NZHPT is in the process of implementing a rolling valuation of significant heritage artefacts to enable a fair value to be reflected.

#### Accounting for revaluations

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

#### Additions

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

#### Disposals

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

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

#### Subsequent costs

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

#### Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment (other than land, chattels, artefacts and library), at a rate that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives. Heritage buildings owned or vested in the NZHPT are depreciated in accordance with NZIAS 16. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows on the next page:

Computer hardware	3 years
Leasehold improvements	5 years
Farm equipment	5 years
Furniture	5 years
Office equipment	5 years
Displays & interpretation	10 years
Land development	15 years
Building internal	40 years
Building structure	100 years

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

### Intangible Assets

#### Software acquisition and development

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

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

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

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

#### Amortisation

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

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

Acquired computer software	3 years
Developed computer software	4 years

#### Impairment of non-financial assets

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the net surplus for the year. For assets not carried at a revalued amount, the total impairment loss is recognised in the net surplus for the year.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the prospective statement of comprehensive income, a reversal of the impairment loss is also recognised in the prospective statement of comprehensive income.

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

### **Creditors and other payables**

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

### **Employee entitlements**

#### **Short-term employee entitlements**

Employee entitlements that the NZHPT expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leaves earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

The NZHPT recognises a liability for sick leave to the extent that compensated absences in the coming year are greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent that it will be used by staff to cover those future absences (actuarial basis). The NZHPT recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

#### **Long-term employee entitlements**

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

### **Superannuation schemes**

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the prospective statement of comprehensive income.

**Provisions**

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

**Goods and Services Tax (GST)**

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

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of the receivables or payables in the prospective statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

**Financial instruments**

The NZHPT is a party to financial arrangements as part of its everyday operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. Revenues and expenses in relation to all financial instruments are recognised in the prospective statement of comprehensive income. All financial instruments are recognised in the prospective statement of financial position.

**Income tax**

The NZHPT is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

**Cost allocation**

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

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

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

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

**Prospective Statement of Cash Flows**

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

Operating activities include all activities other than investing and financing activities. The cash inflows include all receipts from sale of goods and services and other sources of revenue that support the NZHPT’s operating activities.

Cash outflows include payments made to employees, suppliers and taxes. Investing activities are those activities relating to the acquisition and disposal of current and non-current securities and any other non-current assets.

## **Commitments**

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

## **Contingent liabilities**

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

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

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

## **Judgements in applying accounting policies**

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

### **Controlled and Managed Buildings**

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

### **Major Sources of Estimation Uncertainty**

The valuation of historical land and buildings is subject to considerable estimation uncertainty. During the 2009/10 year, the NZHPT employed an independent valuer to revalue the NZHPT's property portfolio in line with the Crown accounting policies and Treasury requirements. Due to the nature of the NZHPT's property portfolio, it is difficult to obtain market valuation comparisons for many properties due to restrictions on their use and consequently there is a large degree of subjectivity inherent in the valuation process.

The following are the key assumptions concerning the future, and other major sources of estimation uncertainty used in the development of these prospective financial statements:

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

## **Changes in Accounting Policies**

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

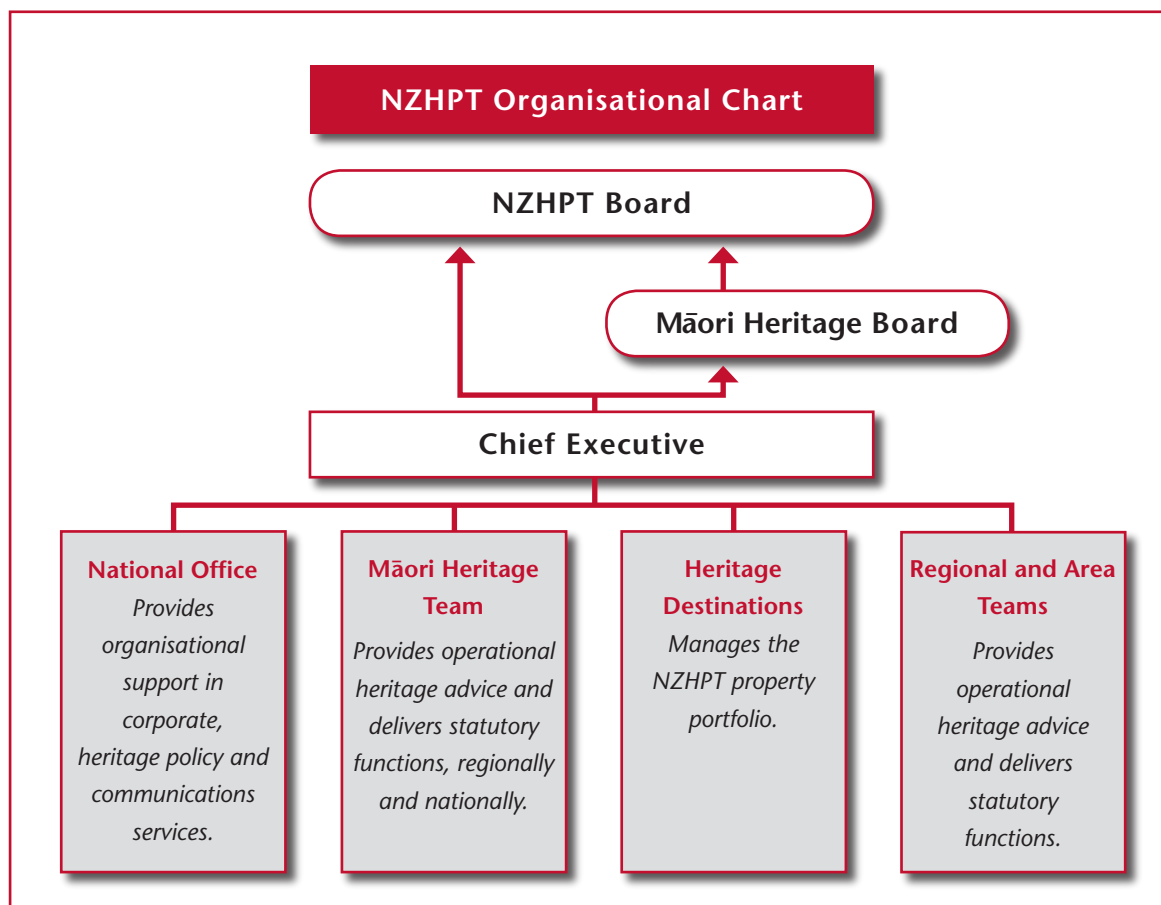
## ORGANISATIONAL STRUCTURE

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

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

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

The NZHPT also has over 20,000 members and 19 active branch committees throughout New Zealand.



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

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