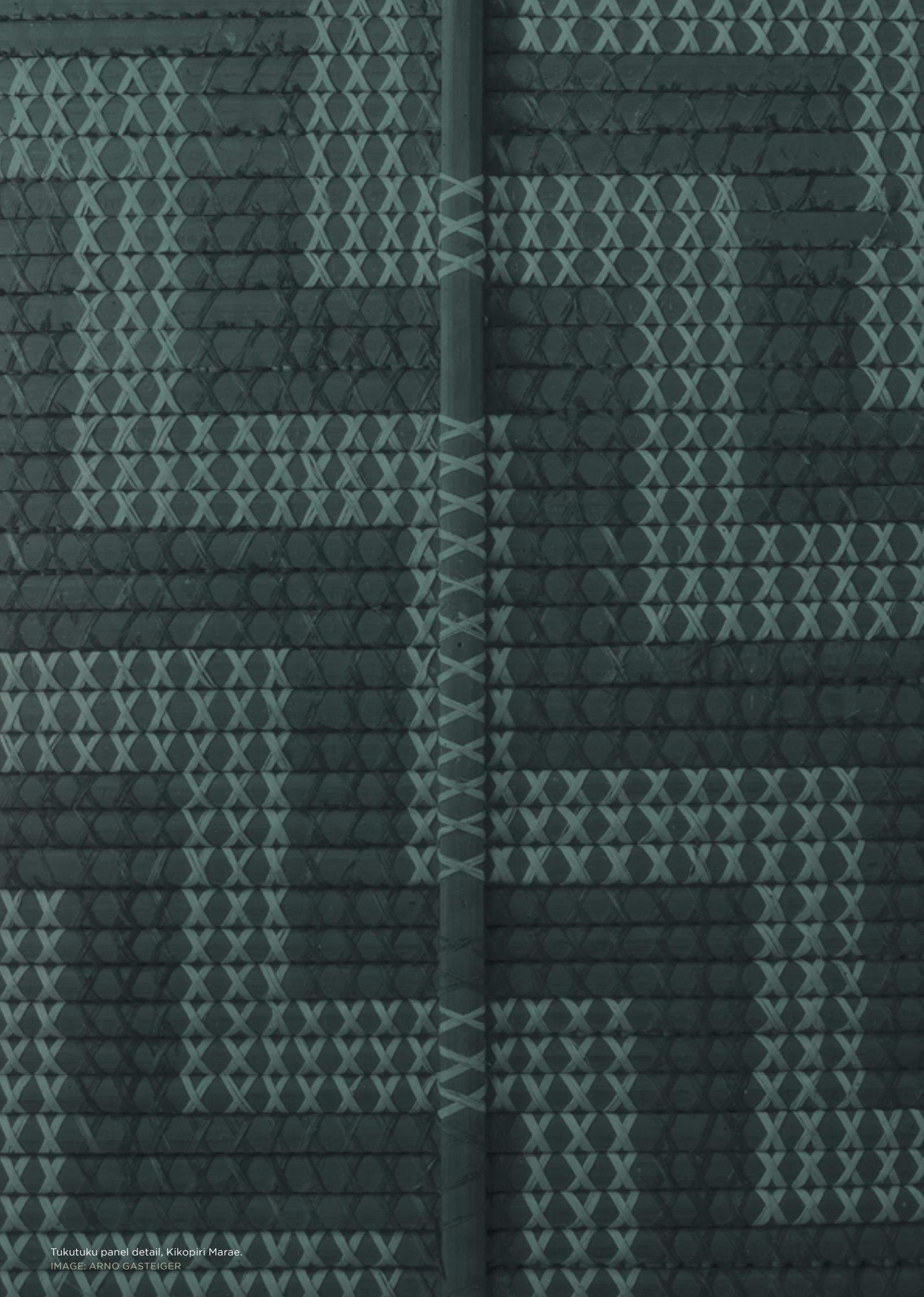




HERITAGE NEW ZEALAND POUHERE TAONGA STATEMENT OF PERFORMANCE EXPECTATIONS 2018-2019





Tukutuku panel detail, Kikopiri Marae.
IMAGE: ARNO GASTEIGER

HERITAGE NEW ZEALAND POUHERE TAONGA STATEMENT OF PERFORMANCE EXPECTATIONS 2018-2019

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1. STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF PERFORMANCE EXPECTATIONS

In accordance with the Crown Entities Act 2004 and FRS-42, Prospective Financial Statements, the Board and the management of the Heritage New Zealand Pouhere Taonga hereby state that:

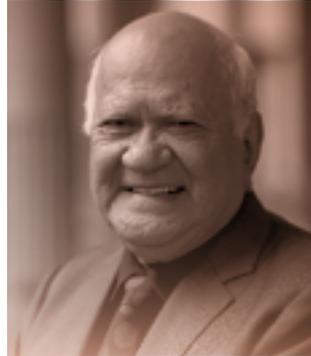
- The Board and the management of Heritage New Zealand Pouhere Taonga have been responsible for the preparation of these Statement of Performance Expectations and Prospective Financial Statements, including the appropriateness of the assumptions underlying them and the judgements used therein.
- The Statement of Performance Expectations and Prospective Financial Statements will be updated in accordance with section 139 of the Crown Entities Act 2004 (as amended by the Crown Entities Amendment Act 2013) obligation to prepare a Statement of Performance Expectations at the start of each financial year.
- Readers of this Statement of Performance Expectations are referred to the *Heritage New Zealand Pouhere Taonga Statement of Intent* 2017-2021 for the strategic context in which this document has been developed. ■



A handwritten signature in black ink, appearing to read 'Wyatt Creech', written in a cursive style.

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

28 June 2018



A handwritten signature in black ink, appearing to read 'John Clarke', written in a cursive style.

SIR JOHN CLARKE KNZM
Chair Māori Heritage Council and
Board member Heritage New Zealand
Heamana a te Kaunihera a Māori a Pouhere Taonga
Mema a te Poari o te Pouhere Taonga

28 June 2018

2. HERITAGE NEW ZEALAND POUHERE TAONGA OUTCOMES

As outlined in the *Heritage New Zealand Pouhere Taonga Statement of Intent 2017-2021*, the work of Heritage New Zealand Pouhere Taonga falls into three broad areas: Knowledge, Conservation and Engagement. While all Heritage New Zealand Pouhere Taonga operations are interrelated, for clarity, the remainder of this document discusses the specific outputs under these three intermediate outcome areas. The following table summarises how the outputs that we are intending to deliver during 2018-19 link to these organisational outcomes as well as those of the sector:

GOVERNMENT'S GOAL FOR THE CULTURAL SECTOR: New Zealand's distinctive culture enriches our lives		
ARTS CULTURE AND HERITAGE SECTOR – SECTOR STRATEGIC FRAMEWORK PRIORITIES:		
<ul style="list-style-type: none"> ■ Fostering an inclusive New Zealand identity ■ Supporting Māori cultural aspirations ■ Front-footing transformative technology ■ Improving cultural asset sustainability ■ Measuring and maximising cultural values. 		
RELEVANT 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 o amuri ake nei Honouring the past; inspiring the future		
PRIMARY OUTCOME: Present and future generations of New Zealanders appreciate their sense of place, identity and nationhood		
STRATEGIC HERITAGE PRIORITIES:		
<ul style="list-style-type: none"> ■ Prioritising and celebrating the most significant places ■ Building support by working with iwi, local authorities, volunteers, owners, members, and communities ■ Promoting the vision of <i>Tapuwae</i> to conserve Māori heritage ■ Prioritising our advocacy with a focus on educating, promoting, advising and regulating 		
HERITAGE PLACES OUTCOMES:		
<p>MĀTAURANGA/KNOWLEDGE People access and contribute to the growing pool of knowledge, information and stories about New Zealand's significant heritage places</p> <p>Key outputs</p> <ol style="list-style-type: none"> 1. Prioritise recognition of significant heritage 2. Capture heritage information 3. Share heritage stories. 	<p>PENA PENA TAONGA/ CONSERVATION New Zealand's significant heritage places are conserved for the future</p> <p>Key outputs</p> <ol style="list-style-type: none"> 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. 	<p>HONONGA/ENGAGEMENT People engage with places that contribute to New Zealand's significant heritage</p> <p>Key outputs</p> <ol style="list-style-type: none"> 1. Celebrate heritage with communities 2. Engage with Landmarks properties 3. Enjoy quality experiences at our heritage destinations.
CAPABILITY:		
OUR PEOPLE Expert Motivated Respectful	OUR SYSTEMS Fit for Purpose Modern	

3. HERITAGE NEW ZEALAND POUHERE TAONGA KEY PRIORITY OUTPUTS 2018-2019¹

3.1 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.

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

KEY STRATEGIC PRIORITIES RELEVANT TO THE KNOWLEDGE INTERMEDIATE OUTCOME:

- 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.

Long-term impact indicator – Knowledge about New Zealand's culture and heritage is increased and accessible.	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2018-2019 Forecast	2019-2020 Forecast	2020-2022 Forecast	2021-2022 Forecast
Increase the total number of reports available in the Archaeological Report Digital Library.	Added 497 (5,828 total ²)	Added 382 (6,210 total)	Add 605 (6,815 total)	Add 300 (7,115 total)	Add 300 (7,415 total)	Add 300 (7,715 total)	Add 300 (8,015 total)
Increase the total number of New Zealand Heritage List reports available.	Added 69 (2,575 total)	Added 153 (2,728 total)	Add 141 (2,859 total)	Add 95 (2,950 total)	Add 100 (3,050 total)	Add 100 (3,150 total)	Add 100 (3,250 total)

¹ In 2018-19 we will be reviewing our performance measures to ensure they remain an optimal reflection of our work.

² Given high numbers of emergency authorities issued it is expected that there will be an increase in the number of reports added to the Digital Library until 2018-19.

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

Heritage New Zealand Pouhere Taonga is continuously developing New Zealand's information and knowledge about its heritage and uses five principal tools to do this:

- National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu
- The New Zealand Heritage List/Rārangī Kōrero³
- The Archaeological Report Digital Library
- Landmarks Whenua Tohunga
- Targeted communications work.

National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu

Heritage New Zealand Pouhere Taonga will progress the most significant heritage for New Zealand to be recognised and acknowledged as being of outstanding national importance. This work will be informed and developed through consultation and will include a full risk assessment that describes how these places will be secured for future generations.⁴

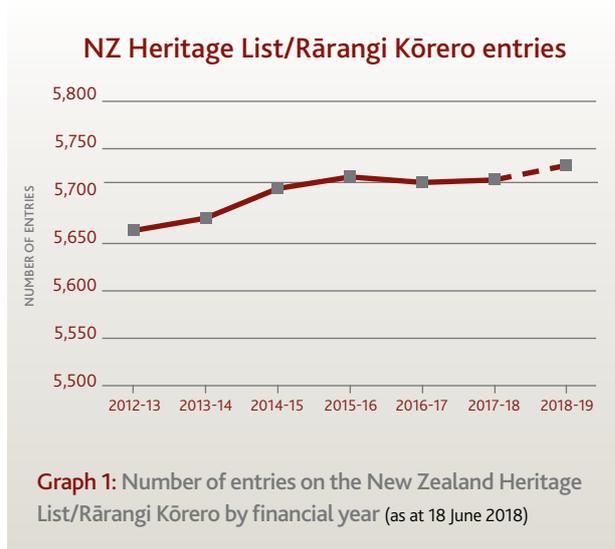
The New Zealand Heritage List/Rārangī Kōrero

Heritage New Zealand Pouhere Taonga is proud to provide New Zealanders with the most comprehensive and authoritative information resource about the nation's historic heritage in the country. The New Zealand Heritage List/Rārangī Kōrero entries include historic places and areas, wāhi tūpuna (ancestral significance), wāhi tapu and wāhi tapu areas (sacred places).

With over 5,700 entries, the New Zealand Heritage List/Rārangī Kōrero is added to and refined continuously through a number of formal processes, such as reviews and technical upgrades (see Graph 1). Demand for engagement with these processes is extremely high, as recognition on the List greatly assists New Zealanders to better understand their heritage. To manage this demand, nominations are advanced following an annual prioritisation process based on significance, risk, impact and efficiency.

Information from the New Zealand Heritage List/Rārangī Kōrero is heavily utilised by local and regional government when developing the heritage schedules for their district and regional plans. This enables better decisions to be made for the management and protection of places of heritage value. The List's information is also useful when applying for grants from central and local government incentive funds, as well as from philanthropic organisations.

Heritage New Zealand Pouhere Taonga will continue to focus on increasing the recognition of places of significance to Māori. We will work with iwi, hapū and whānau to progress new listings and to ensure that the archaeological entries on the List more accurately reflect the extent and nature of their Māori cultural heritage value.



The New Zealand Heritage List/Rārangī Kōrero with map functionality is searchable online at the Heritage New Zealand Pouhere Taonga website (www.heritage.org.nz/the-list). Information on lost heritage once listed, but now removed from the List owing to demolition or destruction, can also be found here.

Archaeological Report Digital Library

Heritage New Zealand Pouhere Taonga is the statutory regulator of the use of archaeological resources. We utilise the archaeological authority process to capture information from sites if their modification cannot be avoided.⁵ The archaeologist responsible for monitoring, and on occasion investigating, the changes to an archaeological site, prepares a report capturing the information about New Zealand's past that would otherwise be lost. These reports are made available through the Archaeological Report Digital Library. Heritage New Zealand Pouhere Taonga will continue to develop regional archaeological research strategies to further enhance its development of this information.

Landmarks Whenua Tohunga

Heritage New Zealand Pouhere Taonga, along with the Ministry for Culture and Heritage, the Department of Conservation and the Ministry for Business, Innovation and Employment, has progressed heritage recognition through a programme that establishes

³ Formerly known as the Register of historic places, historic areas, wāhi tapu and wāhi tapu areas established in 1980, and continued under the Heritage New Zealand Pouhere Taonga Act 2014.

⁴ Refer to 3.3 Intermediate Outcome: Heritage Engagement for further description of National Historic Landmarks and specific outputs.

⁵ Refer to 3.2 Intermediate Outcome: Heritage Conservation for a description of the archaeological authority process and specific outputs.

a network of significant heritage places across the country. The programme has been delivered in Northland and Otago and the lessons from these will be used to inform the delivery of Landmarks Whenua Tohunga for the next regional rollout⁶.

Targeted communications work

Heritage New Zealand Pouhere Taonga shares information about our important heritage places widely, both nationally

and internationally. We promote heritage stories using media features and releases; events and interpretation at our properties; our website; social media platforms; *Heritage New Zealand* and *Heritage Quarterly* (our magazine and newsletter both published quarterly); and our monthly e-newsletter *Heritage This Month*. This year we will further our exploration of digital story-telling by investigating the application of virtual and augmented reality to our work and extending our use of social media platforms.

HERITAGE KNOWLEDGE OUTPUTS TABLE:

Type of Measure	Output	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2019-2019 Forecast
HERITAGE KNOWLEDGE OUTPUT 1: PRIORITISE RECOGNITION OF SIGNIFICANT HERITAGE					
Performance Measures	Additions to the New Zealand Heritage List (including those of significance to Māori).	16	14	20	22
	Additions to the New Zealand Heritage List that are of significance to Māori.	8	6	8	11
	Percentage of New Zealand Heritage List entries with a statement of significance. ⁷	45%	48%	50%	51%
	Existing New Zealand Heritage List entries reviewed.	25 ⁸	23	11	21
HERITAGE KNOWLEDGE OUTPUT 2: CAPTURE HERITAGE INFORMATION					
Performance Measure	Percentage of authorities (granted and actioned in past decade) where a report has been received (or no report was required).	New	81%	81%	80%
HERITAGE KNOWLEDGE OUTPUT 3: SHARE HERITAGE STORIES					
Performance Measures	Increase in the number of average page views per month of Heritage New Zealand Pouhere Taonga webpages (including the List Online).	75,569 ⁹ (14% increase)	82,780 (9% increase)	85,580 (3% increase)	87,300 (2% increase)
	Maintain audited readership of <i>Heritage New Zealand</i> . ¹⁰	11,752	11,509	11,461	11,300
	Number of email recipients of <i>Heritage this Month</i> newsletter averaged over 12 months.	13,151	14,558	15,873	16,000

⁶ Refer to 3.3 Intermediate Outcome: Heritage Engagement for further description of Landmarks Whenua Tohunga.

⁷ Following the completion of the Citation Digitalisation Project in 2009, much more effort is required to add each percentage to this measure (1 percent is approximately equivalent to 50 upgrade reports). This measure is also influenced by additions to and removals from the List.

⁸ Six reviews completed were delayed from the previous year.

⁹ Tracking less than expected due to the fewer numbers of pages available for download following the merging of Heritage New Zealand Pouhere Taonga's two websites, and it is now easier for users to go direct to content rather than clicking through from the home page on the website or searching within it (therefore resulting in less page views).

¹⁰ *Heritage New Zealand* readership is independently audited by ABC in September biennially. Unaudited publisher statements are provided at six month intervals in March and September.

HERITAGE KNOWLEDGE OUTPUT COSTS:

	2015-2016 Actual (\$000s)	2016-2017 Actual (\$000s)	2017-2018 Estimate (\$000s)	2018-2019 Prospective (\$000s)
Heritage Knowledge Output Costs	2,448	2,419	2,312	2,553

3.2 INTERMEDIATE OUTCOME 2: HERITAGE CONSERVATION/PENA PENA TAONGA

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

LONG-TERM CONSERVATION of the nation's most significant heritage places will ensure they can be understood and will deliver our primary outcome of enabling present and future New Zealanders to appreciate a sense of place, identity, and nationhood.

Most of New Zealand's significant heritage places are in private ownership and recognising and taking into account the interests of owners is a key step in the long-term conservation of these sites, particularly where the public – and owners themselves – attach significant value to a place. Protection of heritage places is achieved through the scheduling and identification of heritage properties on district plans together with appropriate provisions to protect those heritage properties. There are other protection mechanisms, such as reserve status, and we will work with the Ministry for Culture and Heritage to identify future measures that improve heritage protection.

We engage in many regional and national activities that focus on finding an appropriate balance between private property rights and public heritage values, including the setting of standards through plans, advisory services to owners and local authorities including councils, provision of financial incentives, regulating archaeological sites, and property ownership.

KEY STRATEGIC PRIORITIES RELEVANT TO THE CONSERVATION INTERMEDIATE OUTCOME:

- 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.

Long term impact indicator – Loss of heritage entered on the New Zealand Heritage List through demolition or destruction is minimised and conservation measures in district plans meet Heritage New Zealand Pouhere Taonga standards.	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast	2021-2022 Forecast
Number of heritage sites entered on the New Zealand Heritage List demolished or destroyed reduces (measured in calendar years, see Graph 2).	5 (2015)	7 (2016)	4 (2017)	3 (2018)	2 (2019)	2 (2020)	2 (2021)
Percentage of district plans that meet Heritage New Zealand Pouhere Taonga defined standard (triennial assessment) ¹¹ in four areas where district plan provisions include:							
i. A heritage schedule that contains all properties entered on the List	34%	n/a	n/a	40%	n/a	n/a	45%
ii. Demolition of scheduled heritage as a non-complying activity ¹²	67%	n/a	n/a	70%	n/a	n/a	73%
iii. Destruction of scheduled Māori heritage as a non-complying activity ¹³	25%	n/a	n/a	28%	n/a	n/a	30%
iv. Regulatory incentives for retention of heritage.	49%	n/a	n/a	50%	n/a	n/a	51%

¹¹ The Heritage New Zealand National Assessment of RMA Policy and Plan Heritage Provisions is carried out triennially, considers 75 district plans and is posted on the Heritage New Zealand Pouhere Taonga website. The 2016 assessment is located at www.heritage.org.nz/resources/research-and-papers/-/media/ab49085e597e4e3d8855b7a7e0a1b95d.ashx

¹² 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.

¹³ 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.

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

Māori heritage

Heritage New Zealand Pouhere Taonga continues to work with iwi, hapū and whānau to assist with the maintenance and conservation of their heritage places, including built heritage sites and rock art. We will develop this capability through workshop training, specialist project and programme advice delivered on marae to assist Māori communities as kaitiaki of their heritage. Work will also be undertaken to support positive Treaty settlement outcomes and to repatriate taonga where appropriate. Heritage New Zealand Pouhere Taonga will continue the partnership programme/hononga mahi with five specified iwi to identify programmes of work affecting heritage relevant to iwi. This may involve the identification of significant Māori heritage, assistance in the conservation of heritage managed by iwi and increasing engagement with heritage.

Working with owners

Heritage New Zealand Pouhere Taonga engages early with owners to assist them with the management of the heritage values of their properties. We work to help public and private owners find the right balance between the need for development and the need to secure significant heritage places for future generations. We strive to maintain relationships with owners of places that are listed on the New Zealand Heritage List to ensure we can provide them with appropriate support and access to incentives for heritage conservation where possible. In the coming year, we are prioritising the upgrading of the information technology tools that assist us in this work.

Administer incentive funds for heritage conservation

Heritage New Zealand Pouhere Taonga will continue to administer and monitor the outcomes of the National Heritage Preservation Incentive Fund in accordance with our investment statement for this Fund. The priorities for this investment statement are conservation for sites of significance to Māori and/or sites that support regional economic development and/or seismic strengthening of heritage buildings by ensuring the provision of a seismic assessment undertaken by an appropriate professional. This Fund is a valuable contributor, alongside Heritage EQUIP, in supporting the private owners of nationally significant heritage places to undertake conservation work on them. We will continue to provide advice and support to owners to enable them to access Heritage EQUIP effectively in support of the Ministry for Culture and Heritage.

In the last year Heritage New Zealand Pouhere Taonga dispensed the final grants from the Canterbury Earthquake Heritage Buildings Fund (CEHB Fund), the operation of which had been transferred to us due to a sunset clause in the CEHB Fund. We will continue to monitor the outcomes.

Developing seismic resilience

Heritage New Zealand Pouhere Taonga is highly cognisant of the need to ensure our built environment is safe for the public, particularly in urban centres that are more vulnerable in the event of a significant natural disaster. We continue to provide advice to heritage building owners throughout the country about structurally upgrading their properties in a way that retains heritage significance. We aspire to extend this to in-house engineering advice. We also contribute to policy discussions within central government to assist in building seismic resilience in a way that contributes strongly to inter-generational well-being. In addition, the recovery of Canterbury and Kaikōura remains a particular focus of the work of Heritage New Zealand Pouhere Taonga.

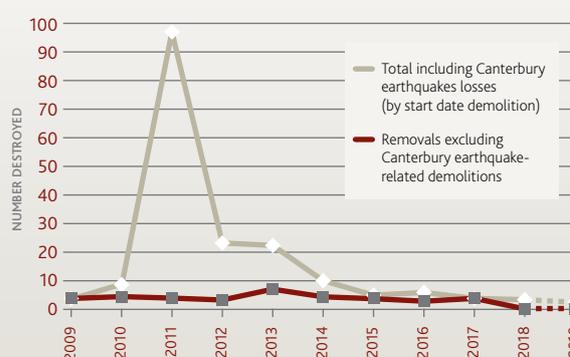
Developing heritage protection

The protection of heritage is highly reliant on district and regional planning mechanisms and their application. Heritage New Zealand Pouhere Taonga seeks improved heritage protection and incentives in second generation district plans, regional plans and annual plans. This is particularly important for the retention of significant heritage; structural strengthening of heritage buildings; and the recognition of Māori heritage. Outcomes from this work are difficult to measure due to the duration of plan development processes but we will seek feedback from councils, iwi and landowners about our input.

Heritage protection will gain more prominence throughout the year. Heritage New Zealand Pouhere Taonga will work with the Ministry for Culture and Heritage to ensure that heritage protection mechanisms are future focused and achieving the best outcomes.

Number of heritage places on the NZ Heritage List demolished/destroyed

(by calendar year, actuals to 2017, estimated from 2018 and 2019 shown by the dashed line)



Graph 2: Long-term trend of destruction of heritage entered on the New Zealand Heritage List (as at 18 June 2018)

Administer the archaeological authority process

A key statutory function for Heritage New Zealand Pouhere Taonga is the regulation of modifications to archaeological sites through the archaeological authority (consent) process. Any activity that may disturb an archaeological site requires an authority from Heritage New Zealand Pouhere Taonga under the Act. We efficiently administer the archaeological authority process by:

- processing archaeological authority applications within statutory timeframes
- encouraging the avoidance of sites where possible, thus ensuring their conservation
- investigating reports of site damage
- undertaking compliance monitoring.

Archaeological sites contain important information about the historical and cultural heritage of New Zealand. The information that results from archaeological work required by an authority brings this history to light and tells us more about our earlier ways of life.

Significant Crown processes

Crown agencies disposing of Crown-owned land require a heritage assessment from Heritage New Zealand Pouhere Taonga as part of the disposal process. Heritage New Zealand Pouhere Taonga also works with them to develop appropriate heritage protection measures for significant heritage that is subject to disposal. This work can involve the entry of places on the New Zealand Heritage List or the implementation of heritage covenants.

Heritage New Zealand Pouhere Taonga properties – ‘Heritage Destinations’

In the past financial year, Heritage New Zealand Pouhere Taonga reorganised the management of its property portfolio to bring the care of these important places back to our regional teams, supported by in-house project advice. This is designed to improve our project performance and engage the portfolio more directly with our other work in heritage protection and promotion.

We are fortunate to care for one of New Zealand’s most important heritage property portfolios,¹⁴ and their associated collections, which include approximately 80,000 items. This property portfolio is known as ‘Heritage Destinations’, reflecting our focus on encouraging New Zealanders and international tourists to visit these places. Heritage New Zealand Pouhere Taonga will continue to improve the role of these places and provide direct benefits to the development of tourism networks and regional economies. Many demonstrate these aspects already, such as the Stone Store and Mission House in Kerikeri, and Pompallier Mission and Printery

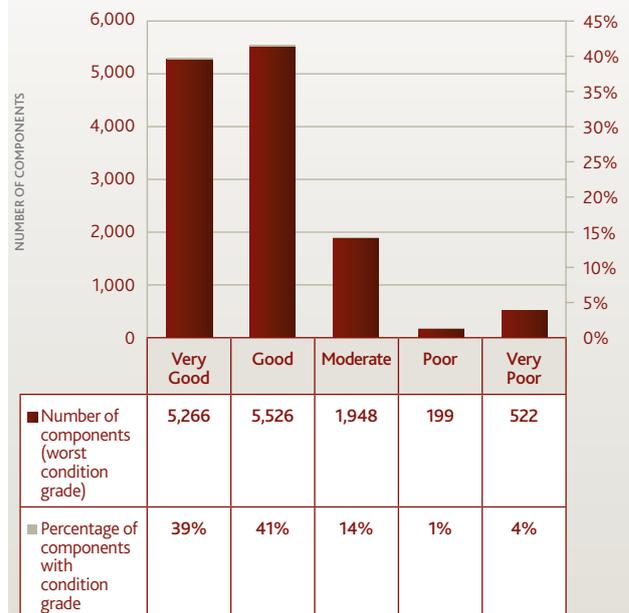
at Russell. We will continue to develop the role of our properties in the Landmarks Whenua Tohunga programme.

The portfolio was extended to include Old Government Buildings and Turnbull House in 2017 as part of ensuring the management of significant heritage properties is placed with the most appropriate agency. We will work towards the structural strengthening of Turnbull House and the development of an integrated visitor experience for Old Government Buildings and Old St Paul’s to give them a higher profile within Wellington’s tourism and economic development offerings.

Heritage New Zealand Pouhere Taonga is proud to maintain its properties in a condition that enables them to contribute strongly to the nation’s intergenerational well-being. Graph 3 shows the current condition of the components of properties managed by Heritage New Zealand Pouhere Taonga as assessed annually and recorded, by component, in our Asset Management System. We will prioritise components graded as Poor or Very Poor (including the recently acquired Turnbull House) as these are within the last 20 percent of their estimated useful life to ensure they are sustained into the future.

Total property asset component condition

(assessed by worst condition grade using non-intrusive visual survey as at 18 June 2018)



Graph 3: Current condition of components of Heritage New Zealand Pouhere Taonga managed properties: Heritage Destinations (as at 8 June 2018)

¹⁴ Refer to the inside back cover of this document for a full list.

HERITAGE CONSERVATION OUTPUTS TABLE:

Type of Measure		2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2018-2019 Forecast
CONSERVATION OUTPUT 1: ACTIVELY SUPPORT HERITAGE OWNERS					
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.	462	622	230 ¹⁵	230
	Percentage of assessments of land proposed for disposal by Crown agencies completed within specified timeframes (number of assessments).	100% (290)	99.6% (267)	100% (280)	99% (285)
	Number of cases heritage advice is given to property owners. ¹⁶	new	648	480	480
	Percentage of National Heritage Preservation Incentive Fund allocated, monitored and reported in accordance with the Policy. Total number of projects funded. Total value of grants approved.	100% 16 \$376,050 ¹⁷	100% 21 \$662,000	100% 17 \$568,000	100% 15 \$500,000
CONSERVATION OUTPUT 2: ACTIVELY ASSIST IWI TO CONSERVE HERITAGE					
Performance Measures	Number of Māori built heritage, sites and rock art projects completed working with specific iwi and hapū.	6	6	6	6
	Establish partnership programme/hononga mahi with specified iwi to identify a programme of work involving recognising, conserving and engaging with heritage.	-	5 specified iwi	5 specified iwi	5 specified iwi

¹⁵ A change to the way protection and avoidance of damage to archaeological sites is counted, following discussions with our auditors in 2017, has led to a significant reduction in this measure which is expected to continue in future years.

¹⁶ Excluding Crown Land disposal assessments which are reported on separately. 'Property owners' include private individuals, companies, iwi, trusts, organisations, Crown agencies and local authorities in their capacity as property owners.

¹⁷ A Board decision was made to hold the remaining fund balance over to assist with anticipated applications resulting from the timing changes for seismic strengthening across the country resulting from the Building Act review. The balance was allocated in the 2016-17 year as expected.

HERITAGE CONSERVATION OUTPUTS TABLE: – CONTD

Type of Measure		2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2018-2019 Forecast
CONSERVATION OUTPUT 3: PROMOTE OUTCOMES FROM AND ADMINISTER THE ARCHAEOLOGICAL AUTHORITY PROCESS					
Performance Measures	Percentage of archaeological authorities processed within statutory timeframes.	99%	98%	100%	99%
	Number of authorities processed.	501	505	515	520
	Number of emergency authorities processed. ¹⁸	564	294	180	125
	Percentage of archaeological authorities that avoid or protect archaeological sites ¹⁹ .	22.2%	24.6%	19%	20%
CONSERVATION OUTPUT 4: SUSTAIN OUR HERITAGE DESTINATIONS					
Performance Measures	Maintain 95% of property asset components at or above 'Moderate' Condition Grade assessed by annual non-intrusive visual survey (Refer Graph 3).	95.6% (10 projects)	95% (6 projects)	95% (6 projects)	95% (6 projects)

HERITAGE CONSERVATION OUTPUT COSTS:

	2015-2016 Actual (\$000s)	2016-2017 Actual (\$000s)	2017-2018 Estimate (\$000s)	2018-2019 Prospective (\$000s)
Heritage Conservation Output Costs	7,307	7,339	8,265	9,974

¹⁸ Emergency authorities completed under the Canterbury Earthquake (Historic Places Act) Order 2011, Hurunui/Kaikōura Earthquakes Recovery (Coastal Route and Other Matters) Order 2016 and under the Heritage New Zealand Pouhere Taonga Act 2014 have a statutory timeframe of three or five working days in the case of a site of interest to Māori in Canterbury and three or five days in the case of a site of interest to Māori in Kaikōura.

¹⁹ The 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 Pouhere Taonga. This target measures the percentage of authorities that provide some form of protection when works will be occurring but does not include avoidance achieved through negotiation which results in no authority being necessary. This measure excludes emergency authorities completed under the Canterbury Earthquake (Historic Places Act) Order 2011 in relation to the demolition of buildings in Canterbury following the earthquakes in 2010 and 2011.

3.3 INTERMEDIATE OUTCOME 3: HERITAGE ENGAGEMENT/HONONGA

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

KNOWING ABOUT and conserving significant heritage places are prerequisites to enable New Zealanders to engage with their heritage (Intermediate Outcomes 1 and 2). Visiting our heritage places, and understanding their stories, helps us 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, including their sense of well-being. The benefits to regional development are real as local communities engage with their own distinct heritage.

KEY STRATEGIC PRIORITIES RELEVANT TO THE ENGAGEMENT INTERMEDIATE OUTCOME:

- Prioritising and celebrating the most significant places
- Building support by working with iwi, local authorities, volunteers, owners, members, and communities.

Long term impact indicator – Public engagement, awareness, and understanding of heritage is increased.	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2018-2019 Forecast	2019-2020 Forecast	2020-2021 Forecast	2021-2022 Forecast
Percentage of survey respondents who rate their personal interest in the protection of historic places as very interested increases (survey conducted annually).	57% ²⁰	58% ²¹	58% ²²	59%	60%	61%	62%

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

In the 2017-18 year, Heritage New Zealand Pouhere Taonga reorganised its outreach and marketing communications work into two new teams, Organisational Development and Regional Services. This was designed to enable, among other things, a more strategic approach and increased delivery effort in engagement. We will develop products and services for, and undertake, a wide range of activities to engage New Zealanders with their heritage, including:

- Events to highlight specific heritage messages, such as those in *Tapuwae*
- Strategic programmes to enhance existing heritage events, such as the New Zealand Archaeological Association’s Archaeology Week
- Support, through involvement in heritage weeks around the country
- Supporting consideration of options around the development of the Prime Minister’s Heritage Awards

²⁰ Survey has a sample size of 500 with a margin of error of 4.7%. 'Very interested' is considered to be a rating of 8 or above out of 10.

²¹ Survey has a sample size of 500 with a margin of error of 4.7%. 'Very interested' is considered to be a rating of 8 or above out of 10.

²² The survey methodology changed from telephone survey to online to obtain a more meaningful sample size and the reduced margin of error. Survey has a sample size of 1004 with a margin of error of 3.2%. 'Very interested' is considered to be a rating of 8 or above out of 10.

- Work with others on the delivery of Tuia 250 and Suffrage 125, particularly on sites of heritage significance
- Train heritage professionals and supporting heritage training programmes
- Create and maintain partnerships to advance heritage protection and regional development objectives
- Continue to work on Crown-owned heritage property rationalisation
- Continue to enhance the visitor experience at our properties with improved interpretation and facilities
- Continue to deliver as required to the National Civil Defence Emergency Management Plan.

Implementing Tapuwae

Tapuwae, the Māori Heritage Council's vision for Māori heritage, provides a strong strategic platform for engaging New Zealanders with Māori heritage. We will support the development of Te Maihi Karauna by establishing and developing an in-house Te Reo programme called *Pouhere Reo*, to enable our staff to develop even stronger relationships with iwi, hapū and whānau in all elements of our work. We will take opportunities to engage New Zealanders with the Te Ao Māori perspective of New Zealand's past. Using events and consultation activities, we will work to build understanding and enjoyment of New Zealand's unique bicultural nature growing our social and cultural capital and strengthening our intergenerational well-being.

Landmarks programmes

In 2017-18, Heritage New Zealand Pouhere Taonga extended the Landmarks Whenua Tohunga programme into Otago working with partners including Ngāi Tahu Runaka, seven territorial authorities, owners, the Ministry for Culture and Heritage and the Department of Conservation. This year we will monitor the success of the programme in Northland and Otago, and deliver Landmarks Whenua Tohunga for another region. There will be strong linkages to the government's regional economic development priorities.

Heritage New Zealand Pouhere Taonga will also progress the first National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu. This is the highest national heritage status and recognises the country's most significant places. It is also an appropriate precursor to aligning with the UNESCO Operational Guidelines for World Heritage and allowing World Heritage Site status, which a number of National Historic Landmark partners are targeting.

Training heritage professionals

We will continue to engage with organisations that offer continuing professional development for people whose work affects heritage in order to improve the baseline knowledge about heritage protection. We will continue to work with New Zealand's

universities to ensure that heritage protection is appropriately and accurately recognised in courses that impact on New Zealand's heritage. We will continue to engage with Toihoukura, Gisborne and Te Puia, Rotorua, to support the development of skills to influence the care, protection, and management of cultural heritage.

Promoting community heritage

We will further develop our relationship with Historic Places Aotearoa and other community heritage groups to achieve higher levels of public involvement with heritage. We will encourage the establishment of partnerships and networks to expand the impact of these groups, and consider the optimal ways to support their development through the targeted use of our resources.

We will continue to provide input for local Heritage Week events around the country and to support local heritage award programmes. We will support the Ministry of Culture and Heritage in the consideration of options around the development of a National Heritage Awards programme to raise the profile of community work for heritage protection.

Growing membership

Heritage New Zealand Pouhere Taonga will review its membership offer to enable an enhanced product to be developed in 2019-20. We have targeted the upgrading of our information technology to enable a better experience of membership and exponentially improve our ability to target activities, areas, products and services of interest to members.

Heritage destinations

Properties cared for by Heritage New Zealand Pouhere Taonga are a vital way for people to experience New Zealand's most significant heritage places. Heritage New Zealand Pouhere Taonga will continue to foster volunteers to help it open and care for these important heritage places. We will continue to systematically enhance the interpretation at our properties and the visitor facilities available at them. We will design event opportunities to grow the place of our properties in the heart of their communities and attract support for our work through them.

HERITAGE ENGAGEMENT OUTPUTS TABLE:

Type of Measure	Output	2015-2016 Actual	2016-2017 Actual	2017-2018 Estimate	2018-2019 Forecast
HERITAGE ENGAGEMENT OUTPUT 1: CELEBRATE HERITAGE WITH COMMUNITIES					
Performance Measures	Number of initiatives undertaken in partnership with regional organisations, iwi and others to enhance heritage engagement.	46	31	49	50
	Number of heritage engagement events (including Māori heritage events) run.	159	143	190	160
HERITAGE ENGAGEMENT OUTPUT 2: ENGAGEMENT WITH LANDMARKS PROPERTIES					
Performance Measures	Partner with Ministry for Culture and Heritage and Department of Conservation to progress the Landmarks Tohunga Whenua programme for visitor sites.	new	Northland pilot launched 1 Dec 2016	Otago Landmarks launched 15 Dec 2017	With partners implement 1 additional programme
	Progress potential National Historic Landmarks/ Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu initiatives.	6 preliminary proposals prepared	Progressed preliminary proposals	Progressed preliminary proposals	Progress preliminary proposals
HERITAGE ENGAGEMENT OUTPUT 3: QUALITY EXPERIENCES AT OUR HERITAGE DESTINATIONS					
Performance Measures	Visitor numbers at Heritage New Zealand Pouhere Taonga staffed properties are maintained.	234,858	227,405 ²³	245,000 ²⁴	235,000 ²⁵
	Percentage of respondents who rate their visit to Heritage New Zealand Pouhere Taonga staffed properties as "satisfied" or higher.	97%	97%	97%	97%
	Number of school education-focused programmes/events/tours at Heritage New Zealand properties.	new	54	63	50
	Number of visitor facility and interpretation projects completed at selected Heritage New Zealand Pouhere Taonga properties.	7 projects	1 project	3 projects	4 projects

HERITAGE ENGAGEMENT OUTPUT COSTS:

	2015-2016 Actual (\$000s)	2016-2017 Estimate (\$000s)	2017-2018 Prospective (\$000s)	2018-2019 Prospective (\$000s)
Heritage Engagement Output Costs	5,943	5,880	6,488	8,193

²³ The drop in numbers here was the result of damage to Fyffe House during the 2016 Kaikōura earthquake and the restricted access to Old St Paul's as a result of the demolition of neighbouring buildings due to the same event.

²⁴ Numbers are estimated to be higher than forecast as the closure of Old St Paul's and Pompallier are now taking place in out years, despite the unexpected closure of Fyffe House following the Kaikōura earthquake.

²⁵ Numbers are estimated to reduce due to pending closure of Pompallier for fire protection work in July/August 2018 and Old St Paul's for earthquake repair work from May-October 2019.



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1 Learning about the Treaty of Waitangi at Mangungu Mission. IMAGE: GRANT SHEEHAN

2 Tohu Maumahara, Rangiriri. IMAGE: HERITAGE NEW ZEALAND POUHERE TAONGA

3 Hangi stones near Waikawa. IMAGE: HERITAGE NEW ZEALAND POUHERE TAONGA

4 The Timeball tower returns to the Lyttelton skyline. IMAGE: PROJECT STORY/HERITAGE NEW ZEALAND POUHERE TAONGA

5 Honouring the past, enjoying the present at the Melanesian Mission, Auckland. IMAGE: MARCEL TROMP

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4. PROSPECTIVE FINANCIAL STATEMENTS 2018-2019

4.1 FINANCIAL PLANNING ASSUMPTIONS

HERITAGE NEW ZEALAND POUHERE TAONGA'S forecast total income for 2018-19 is \$20.7 million. This comprises \$13.7 million from the Crown and \$7.0 million from Heritage New Zealand Pouhere Taonga's membership base, properties, grants and other income.

During the 2018-19 year Heritage New Zealand Pouhere Taonga will deliver a more rigorous asset maintenance programme in addition to increasing our capacity to deliver services, prioritised to ensure financial sustainability. As demand for our services exceeds our capacity to supply, Heritage New Zealand Pouhere Taonga welcomes the additional funding announced in the 2018 budget of \$6.3 million over four years – including \$0.75 million for 2018-19. However, we will continue to seek alternative revenue streams to maximise our ability to provide services that protect, manage and share New Zealand's heritage places.

On 17 May 2018 it was announced that the Wellington Apartment Building, Chevening, would be gifted to Heritage New Zealand Pouhere Taonga by its owner, with the transfer to be completed in early July 2018. The building has been fully restored and earthquake strengthened to 100% NBS. It is located centrally and has, until gifting, been fully tenanted. Chevening is to be accompanied by an endowment from a former owner to be used for the upkeep of the property. Consequently, it is envisaged that the building will be a significant asset for Heritage New Zealand Pouhere Taonga. Due to the recency of this event, the financial effect has not been determined and has therefore not been included in these Prospective Financial Statements.

These statements include the financial transactions and balances of the Canterbury Earthquake Heritage Building Trust, which is controlled by Heritage New Zealand Pouhere Taonga. Significant assumptions underlying the preparation of these Prospective Financial Statements are:

- Outcomes sought by Government remain consistent. Heritage New Zealand Pouhere Taonga will continue to provide leadership as the Government's advisor on the care and protection of New Zealand's heritage
- The functions of Heritage New Zealand Pouhere Taonga do not change, but the level of activity within the functions will be prioritised to maximise the outcomes for heritage
- As a continuation of the Property Rationalisation Project, it is anticipated there may be changes to the Heritage New Zealand Pouhere Taonga property portfolio during the 2018-19 financial year. No provision has been made for this in the financial statements
- While maintaining delivery of core services in other output classes, there will be continued focus on delivering key projects at a selected number of properties within the Heritage New Zealand Pouhere Taonga portfolio
- Earthquake repairs and other capital work planned for the Old Government Buildings will continue into the 2018-19 year, funded from lease revenue
- Interpretation and landscaping of the rebuilt Timeball Station Tower, Lyttelton will be completed in the 2018-19 financial year, funded through prior years' grants and donations held as specified funds

- Earthquake strengthening work at Old St Paul's will commence during the 2018-19 year with the majority of the work being undertaken in the following year. Significant fundraising efforts are being undertaken to finance this work
- Planning for work on Turnbull House, Wellington will continue in the 2018-19 year. The commencement of work will be dependent on the availability of externally sourced funding
- Heritage New Zealand Pouhere Taonga will be successful in its bid to obtain grants and donations to fund its major capital projects
- No adjustment has been made for potential increases or decreases in value arising from revaluations of property and heritage chattels. The value of Old Government Buildings has been written down, because the cost of earthquake remedial work is expected to be approximately \$1 million higher than was estimated when the property was transferred from the Department of Conservation. Approximately \$0.4 million of was received from the Department in 2018 in relation to this work
- To the extent that maintenance is unable to be met from ongoing baseline funding and alternative strategies, certain properties currently managed by Heritage New Zealand Pouhere Taonga may be assigned a lower maintenance priority
- Property income from admissions, functions and merchandising revenue is expected to be similar to 2018 levels, despite major capital works at or nearby to some heritage properties
- Interest income is calculated on the assumption that interest rates for 2019 will be similar to 2018
- Heritage New Zealand Pouhere Taonga remains a going concern
- Due to high demand for its services, Heritage New Zealand Pouhere Taonga will continue its efforts to grow non-government revenue sources and opportunities to collaborate with other agencies to maximise the impact of Heritage New Zealand Pouhere Taonga initiatives. These will include accessing grants and donations to fund major capital projects
- During the year, Heritage New Zealand Pouhere Taonga will resume work on the statutory list designed to protect New Zealand's most significant heritage from risks – National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu
- Heritage New Zealand Pouhere Taonga will manage the Landmarks Whenua Tohunga inter-agency programme that promotes heritage places to visitors. The budget of \$520,000 for this activity is funded equally by Heritage New Zealand Pouhere Taonga, the Department of Conservation, the Ministry of Business, Innovation and Employment, and the Ministry for Culture and Heritage
- Heritage New Zealand Pouhere Taonga will move from a legacy stand-alone server-based information technology framework to cloud-based. Planning is well advanced and the result will be a more cost-effective, agile, and generally more secure information technology system and service for the organisation.

4.2 PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ending 30 June

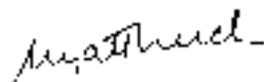
	Actual 2016	Actual 2017	Estimated Outturn 2018	Prospective 2019
	\$000s	\$000s	\$000s	\$000s
REVENUE				
Government funding	12,988	12,988	12,988	13,738
Grants, donations and bequests	765	1,022	172	142
Capital campaigns	-	-	1,670	1,280
Property	1,699	1,793	4,220	4,180
Interest	440	360	350	350
Membership	646	641	740	640
Sundry	114	74	10	400
TOTAL REVENUE	16,652	16,878	20,150	20,730
EXPENDITURE				
Audit fees – external audit	63	65	60	60
Administration	1,862	1,643	1,600	1,610
Award of costs	118	-	-	-
Capital fundraising costs	60	-	-	40
Personnel	8,673	9,097	9,975	11,190
Property	1,745	1,534	1,830	2,600
Incentive fund	371	673	220	800
Insurance premiums	465	395	740	790
Depreciation	460	475	660	740
Asset write-down/loss on transfer	71	30	1,050	-
Property transferred as grant	-	-	525	-
Communications	510	520	595	960
Membership and promotion	514	501	710	1,110
Board and Māori Heritage Council fees	150	139	155	150
Travel & accommodation	636	566	520	670
TOTAL OPERATING EXPENDITURE	15,698	15,638	18,640	20,720
NET SURPLUS FOR THE YEAR BEFORE CEHB FUND AND TRUST	954	1,240	1,510	10
Grant payments CEHB Fund and Trust	1,700	46	370	200
NET OPERATING (DEFICIT)/SURPLUS FOR THE YEAR	(746)	1,194	1,140	(190)
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
Gain (Loss) on revaluation of property, plant and equipment	(39)	(78)	-	-
Loss on transfer of property, plant and equipment	-	(270)	(30)	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(785)	846	1,110	(190)

The accompanying accounting policies form an integral part of these Prospective Financial Statements

4.3 PROSPECTIVE STATEMENT OF FINANCIAL POSITION As at 30 June

	Actual 2016	Actual 2017	Estimated Outturn 2018	Prospective 2019
	\$000s	\$000s	\$000s	\$000s
EQUITY				
Accumulated funds	9,237	34,940	39,584	38,579
Timeball capital fund	1,429	1,390	-	-
Specified funds and bequests	4,321	3,855	3,090	4,105
Property maintenance and development fund	1,264	61	-	-
Revaluation reserve	45,693	45,345	43,276	43,276
Canterbury Earthquake Heritage Buildings Fund and Trust	632	581	210	10
TOTAL EQUITY	62,576	86,172	86,160	85,970
Equity is represented by:				
CURRENT ASSETS				
Cash and cash equivalents	3,836	5,575	3,557	4,160
Term deposits	8,920	6,320	8,320	6,320
Prepayments and receivables	320	547	547	547
Inventories	239	208	208	208
GST receivable	149	195	195	195
TOTAL CURRENT ASSETS	13,464	12,845	12,827	11,430
NON-CURRENT ASSETS				
Property, plant and equipment	53,453	75,604	73,813	78,370
Work in progress	260	2,763	3,690	140
Intangible assets	15	-	-	-
TOTAL NON-CURRENT ASSETS	53,728	78,367	77,503	78,510
TOTAL ASSETS	67,192	91,212	90,330	89,940
CURRENT LIABILITIES				
Payables	622	1,102	1,100	1,100
Incentive Fund grants	1,050	1,464	1,160	1,460
Other grants	2,204	1,627	1,065	565
Employee entitlements	675	784	785	785
TOTAL CURRENT LIABILITIES	4,551	4,977	4,110	3,910
NON-CURRENT LIABILITIES				
	65	63	60	60
TOTAL LIABILITIES	4,616	5,040	4,170	3,970
NET ASSETS	62,576	86,172	86,160	85,970

RT HON WYATT CREECH
Board Chair



ANDREW COLEMAN
Chief Executive



The accompanying accounting policies form an integral part of these Prospective Financial Statements.

4.4 PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 30 June

	Actual 2016	Actual 2017	Estimated Outturn 2018	Prospective 2019
	\$000s	\$000s	\$000s	\$000s
OPENING EQUITY	63,361	62,576	86,172	86,160
EQUITY TRANSFER FROM (TO) CROWN	-	22,750	(1,122)	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	(785)	846	1,110	(190)
CLOSING EQUITY	62,576	86,172	86,160	85,970

The accompanying accounting policies form an integral part of these Prospective Financial Statements

4.5 PROSPECTIVE STATEMENT OF CASH FLOWS

For the year ended 30 June

	Actual 2016	Actual 2017	Estimated 2018	Prospective 2019
	\$000s	\$000s	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was received from:				
Government funding	12,988	12,988	12,988	13,738
Grants, donations and bequests	10	822	1,842	1,422
Other operating activities	3,405	2,494	4,968	5,218
Interest	407	348	350	350
	16,810	16,652	20,148	20,728
Cash was applied to				
Payment of suppliers	(7,683)	(6,655)	(7,970)	(9,493)
Payment to employees	(8,978)	(8,646)	(9,675)	(10,890)
Net goods and services tax	(26)	(46)	-	-
	(16,687)	(15,347)	(17,645)	(20,383)
NET CASH FROM OPERATING ACTIVITIES	123	1,305	2,503	345
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was received from:				
Sale of property, plant and equipment	-	-	2,165	-
Net sale of term investments	1,100	2,600	-	2,000
	1,100	2,600	2,165	2,000
Cash was applied to:				
Purchase of property, plant and equipment	(174)	(81)	(2,670)	(1,620)
Work in progress	(260)	(2,085)	(2,411)	(122)
Purchase term investments	-	-	(2,000)	-
	(434)	(2,166)	(7,081)	(1,742)
NET CASH FROM INVESTING ACTIVITIES	666	434	(4,916)	258
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was received from:				
Department of Conservation, for remedial work at Old Government Buildings	-	-	395	-
NET CASH FROM FINANCING ACTIVITIES	-	-	395	-
Net Increase / (Decrease) in Cash	789	1,739	(2,018)	603
Opening cash balance	3,047	3,836	5,575	3,557
CLOSING CASH BALANCE	3,836	5,575	3,557	4,160
Represented by:				
Cash and cash equivalents	3,836	5,575	3,557	4,160

The accompanying accounting policies form an integral part of these Prospective Financial Statements

4.6 PROSPECTIVE STATEMENT OF ACCOUNTING POLICIES

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.

Heritage New Zealand Pouhere Taonga's registered office 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 Canterbury Earthquake Heritage Buildings Fund was transferred to Heritage New Zealand Pouhere Taonga in May 2014 and has been wound up in the 2017-18 year. The Trust was established on 1 July 2016 to continue the functions of the original fund 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 subsidiaries have designated themselves as Public Benefit Entities (PBE) for financial reporting purposes.

These Prospective Financial Statements for Heritage New Zealand Pouhere Taonga are for the year ended 30 June 2019, and were approved by the Board on 28 June 2018.

Basis of preparation

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

Presentation currency and rounding

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

Prospective figures

Accounting policies applied to these Prospective Financial Statements are consistent with the accounting policies adopted by the Board for the preparation of Heritage New Zealand Pouhere Taonga's Annual Financial Statements.

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

Accounting judgements and major sources of estimation uncertainty

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

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

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 Heritage New Zealand Pouhere Taonga has a control and management order under the Reserves Act 1977 have been included as part of property, plant and equipment on the basis that the risks and rewards relating to this property rest with Heritage New Zealand Pouhere Taonga.

Major sources of estimation uncertainty

The valuation of historical land and buildings is subject to considerable estimation uncertainty. Heritage New Zealand Pouhere Taonga employs an independent valuer to revalue Heritage New Zealand Pouhere Taonga's property portfolio in line with the Crown accounting policies and Treasury requirements. Valuations are undertaken at least every five years to ensure that the carrying amount does not differ materially from fair value. However, due to the nature of Heritage New Zealand Pouhere Taonga property portfolio, it is difficult to obtain market valuation comparisons for many properties due to restrictions on their use. 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. 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.
- The valuation of buildings also includes estimations of construction costs.

Significant accounting policies

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

Basis of group

The prospective financial statements of the Canterbury Earthquake Heritage Buildings Trust are prepared for the same reporting period as Heritage New Zealand Pouhere Taonga, using consistent accounting policies. Any inter-entity transactions between the Fund and the Trust have been eliminated on consolidation.

Goods and Services Tax (GST)

All items in the prospective 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.

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.

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 are recognised on a straight-line basis over the lease term.

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 be practicably 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.

Grant expenditure

All grants awarded by Heritage New Zealand Pouhere Taonga and its subsidiaries 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.

Leases

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.

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 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.

Inventories

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

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

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 Pouhere Taonga has recognised interests in land and buildings in the following categories:

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

These are properties for which 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 Pouhere Taonga 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 the risks and rewards relating to this property rest with Heritage New Zealand Pouhere Taonga. However, the Crown can require Heritage New Zealand Pouhere Taonga to return these assets at any stage.

Revaluations

Land and buildings are revalued at least every five years 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.

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. Fair value is determined through a process of rolling valuations.

Accounting for revaluations

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 the 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.

Heritage buildings owned, vested or managed in Heritage New Zealand Pouhere Taonga are depreciated in accordance with Accounting Standard PBE IPSAS 17. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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 are reviewed, and adjusted, if applicable, at each financial year-end.

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

Creditors and other payables

Short-term payables are recorded at the amount payable.

Employee entitlements

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.

Provisions

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

Commitments

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

Contingencies

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

Changes in accounting policies

There are no changes in accounting policies. ■

HERITAGE NEW ZEALAND POUHERE TAONGA

HERITAGE DESTINATIONS PORTFOLIO

OWNED (15 PROPERTIES)

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

CO-OWNED (2 PROPERTIES)

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

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 (16 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
Rūnanga Stockade
Seddon House Site
Te Pōrere Redoubt
Tikirere Mill Race
Turnbull House
Upper Hutt Blockhouse

MĀORI RESERVE (1 PROPERTY)

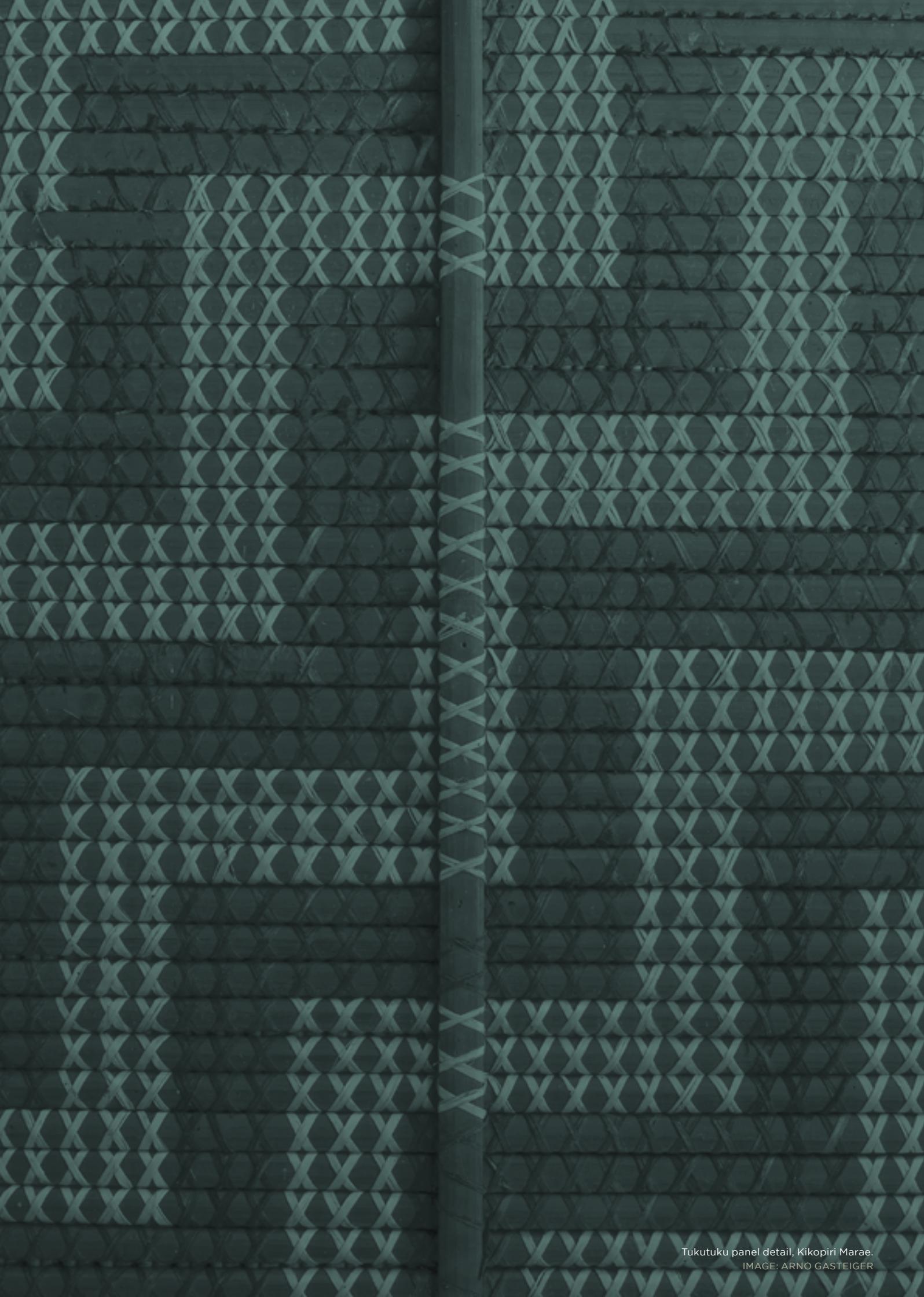
Opotaka Pā

SITES WITH MORE THAN ONE STATUS (2 PROPERTIES)

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

SITES PROPOSED FOR TRANSFER TO IWI UNDER TREATY SETTLEMENT LEGISLATION (1 PROPERTY)

Taupō Redoubt and Courthouse



Tukutuku panel detail, Kikopiri Marae.
IMAGE: ARNO GASTEIGER

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