



Statement of Intent

Pānui Whāinga
2006 – 2009



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Joint Statement from the Chairs of the Board and Māori Heritage Council

The NZHPT has the role of guardian of the nation's heritage story. We are charged with identifying, recording and caring for the nation's heritage of significant ancestral sites and buildings, and ensuring that these are passed on to future generations. In doing this, we work with thousands of New Zealanders including our 25,000 members, our 24 branch committees and many other agencies nationally and locally.

Across New Zealand, communities and individuals place high value on the special places where our history happened. By caring for them, the NZHPT contributes to national and regional pride and identity, to economic development through urban regeneration and heritage tourism, and to rich and rewarding urban and rural landscapes that are a pleasure to inhabit.

There are two statutory bodies established under the *Historic Places Act 1993*: the **Board**, which is the governance entity, and the **Māori Heritage Council** which has a national leadership role for Māori heritage. The Board and the Māori Heritage Council are working together to promote the protection, preservation and conservation of our heritage for present and future generations.

In 2005, the NZHPT published its *Strategic Plan 2005-2010* which represents the aspirations of the organisation as a whole and clearly states the outcomes we are seeking in co-operation with other agencies and communities locally and nationally. In

this Statement of Intent, the NZHPT identifies the priority projects and capability improvements that will be delivered consistent with the strategic plan.

The following priority goals have been identified for the term of this Statement of Intent:

- ▶ Increasing New Zealanders' understanding of their heritage and its importance to national and cultural identity
- ▶ Establishing a national network of heritage properties and sites of importance to national identity, including our own
- ▶ Improving the quality of care of heritage by owners and managers
- ▶ Improving statutory compliance and heritage survival rates, and
- ▶ Strengthening operational capability and performance.

The NZHPT greatly appreciates its funding support from the Government and other sources as recognition of the importance of historic heritage throughout New Zealand. The NZHPT will meet its accountabilities to the Government, other funders and the people of New Zealand to expend this funding wisely in achieving excellent heritage outcomes across the nation.

As the saying of Ngāti Tūwharetoa proclaims, *'ko te tūmanako, me haere tahi tātou'*
Let us do this together.



Dame Anne Salmond
Chair Person, New Zealand Historic Places Trust



Tumu te Heuheu
Chair Māori Heritage Council

1.0 Outcomes, objectives and strategies

1.1 Overview

The importance of historic heritage to New Zealand's national identity, economic transformation and community life is increasingly recognised. The NZHPT needs to be effective because its functions and achievements are important to our national and cultural wellbeing and how we are seen by the world.

Over the past five years, the resources available to the NZHPT have increased. Despite this, the gap between expectations and capacity to deliver remains our most difficult over-arching issue. The infrastructure of the organisation has remained inadequate.

The NZHPT intends to be more effective in fulfilling its statutory obligations, meeting stakeholder expectations and managing its assets. This situation requires clear prioritisation, balancing the need to build organisational capability with the requirement to achieve heritage outcomes in the public interest.

The general operational direction of the NZHPT over the next three years will be to:

- ▶ Operationalise the Strategic Plan in accordance with the priorities of the Board and the Māori Heritage Council
- ▶ Reassert the place of key NZHPT properties in a national network of publicly accessible heritage properties and sites of importance to national identity
- ▶ Strengthen service delivery capacity and performance so that heritage is recognised and protected by owners and managers in the context of development and can achieve its full potential to contribute to social cohesion and economic transformation
- ▶ Expand organisational capability and manage the requisite change, and
- ▶ Address operational management, human resources and communication issues.

The operational focus for Year 1 (2006/07) will include the following:

- ▶ Prepare a national strategy for NZHPT properties which identifies how particular properties relate to national identity and the national network
- ▶ Address high priority shortfalls in the delivery of statutory functions to improve statutory compliance and heritage survival
- ▶ Strengthen national heritage guidelines to improve the recognition and care of heritage by owners and managers
- ▶ Design an integrated information system and identify heritage information requirements to meet internal and external needs
- ▶ Improve performance measurement and reporting, and associated performance management, and
- ▶ Address human resources issues including fair remuneration and ensure adequate tools are provided to enable efficient service delivery including office space, ability to travel when required, and appropriate training.

The operational focus in Year 2 (2007/08) and Year 3 (2008/09) will continue to strengthen operational capability and outcome achievement through careful prioritisation, and improved internal and external collaboration.



Bruce Chapman
Chief Executive

1.2 The Role of the New Zealand Historic Places Trust Pouhere Taonga

The New Zealand Historic Places Trust (“the NZHPT”) is New Zealand’s leading national heritage agency and guardian of New Zealand’s national heritage. The NZHPT is established as an autonomous Crown Entity under the *Crown Entities Act 2004*, and is supported by the Government and funded via Vote: Arts, Culture and Heritage through the Ministry for Culture and Heritage.

The NZHPT’s work is shaped by the *Historic Places Act 1993* (“the Act”):

S4: Purpose and principles

- (1) *To promote the identification, protection, preservation, and conservation of the historical and cultural heritage of New Zealand.*
- (2) *In achieving the purpose of this Act, all persons exercising functions and powers under it shall recognise-*
 - a. *The principle that historic places have lasting value in their own right and provide evidence of the origins of New Zealand’s distinct society; and*
 - b. *The principle that the identification, protection, preservation, and conservation of New Zealand’s historical and cultural heritage should-*
 - i. *Take account of all relevant cultural values, knowledge and disciplines; and*
 - ii. *Take account of material of cultural heritage value and involve the least possible alteration or loss of it; and*
 - iii. *Safeguard the options of present and future generations; and*
 - iv. *Be fully researched, documented, and recorded, where culturally appropriate; and*
 - c. *The relationships of Māori and their culture and traditions with their ancestral lands, water, sites, wahi tapu, and other taonga.*

The work of the NZHPT is additionally guided by the *Strategic Plan Mahere Rautaki 2005 – 2010* which outlines the Vision and Mission Statement for the organisation:

Vision: Our heritage is valued, respected and preserved for present and future generations.

Mission: To identify, protect and promote heritage.

Nature and Scope of Functions and Activities

The NZHPT has a range of service delivery responsibilities by which it provides national leadership for the identification and protection of historic heritage and delivers for the Crown those statutory requirements that it is charged with under the Act. These responsibilities can be grouped into four classes, as follows:

- (1) Mandatory responsibilities under the Act
 - ▶ Administering the archaeological authority provisions (Part I)
 - ▶ Maintaining the national Register of historic places, historic areas, wahi tapu and wahi tapu areas (Part II).
- (2) Responsibilities assigned by the Government
 - ▶ Administering and allocating the National Heritage Preservation Incentive Fund
 - ▶ Meeting expectations of the Minister for Arts, Culture and Heritage identified in the current Memorandum of Understanding or Statement of Intent.

(3) 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.

(4) Discretionary responsibilities to recognise, protect and promote heritage

- ▶ Making submissions on planning documents and resource consent applications
- ▶ Achieving heritage protection, by such methods as heritage covenants and heritage orders
- ▶ Delivering heritage education, training and promotion programmes.

Heritage Values

To meet its responsibilities, the NZHPT has derived a set of values that can be ascribed to the heritage of New Zealand. The delivery of the outcomes in this Statement of Intent is shaped by these values.

The heritage places of New Zealand:

- ▶ Are rich, varied and unique
- ▶ Are central to our national identity and well-being, now and in the future
- ▶ Embody the stories of all generations, cultures, traditions and communities
- ▶ Include the heritage places of Māori which are integral to their whakapapa and identity
- ▶ Make a creative contribution to the diversity of our national life
- ▶ Deserve the best recognition and care for the benefit of future generations
- ▶ Are resources for increasing economic growth including tourism.

Organisational Structure

The NZHPT is governed under the *Historic Places Act 1993* ("the Act") by an eleven-member Board of Trustees. The Act also provides for an eight-member Māori Heritage Council.

It operates a decentralised organisational structure as follows:

- ▶ The national office in Wellington provides national service and support functions
- ▶ The NZHPT Māori Heritage team is established within the Trust's staff structure at national, regional and area levels
- ▶ There are regional offices in Auckland, Wellington and Christchurch and area offices in Kerikeri, Tauranga and Dunedin
- ▶ NZHPT owns and manages 15 staffed properties and a further 44 unstaffed properties throughout New Zealand
- ▶ The NZHPT has over 25,000 members, and 24 branch committees throughout New Zealand elected by NZHPT's members.

The NZHPT also works in close co-operation with other stakeholders, communities, individuals and agencies nationally and locally.

1.3 Environmental Scan: Expectations and Challenges

Context

The environment in which the Trust is operating is characterised by a growing interest in heritage, recognition of its social, cultural, environmental and economic benefits, and awareness of its importance to national identity. Despite this, there is constant perceived conflict between heritage protection and development pressures. Stakeholder expectations of the NZHPT are therefore increasing.

The outcomes sought and the outputs produced by the NZHPT, as expressed in this Statement of Intent, constitute the NZHPT's response to the environment in which it is operating. The response includes both a regulatory and an advocacy approach, consistent with the NZHPT's statutory functions.

Expectations

The NZHPT has witnessed many changes in the way in which New Zealanders experience and express their relationship to the historic heritage of the country. Today the expectations of the NZHPT, as the national heritage agency, are complex and widespread:

- ▶ Communities throughout New Zealand are focusing with increasing enthusiasm on heritage for their identity and for economic growth through tourism
- ▶ Historic heritage, particularly the heritage of Māori as the indigenous culture, is of increasing importance for all New Zealanders in defining a distinct national identity recognised internationally
- ▶ Māori communities are increasingly concerned and active in the protection and management of their heritage and expect to be consulted and assisted
- ▶ There is increased interest in the heritage of other ethnic groups within New Zealand's culturally diverse community
- ▶ There are growing community expectations that the NZHPT will play a stronger heritage advocacy role that leads to greater heritage protection in resource management processes
- ▶ New Zealanders, overseas visitors and the tourism industry expect to find publicly accessible heritage places of importance to national and cultural identity presented and interpreted to international standards.

Challenges

In meeting the expectations of the New Zealand public, the NZHPT is acutely aware of the significant challenges it faces. These include:

- ▶ Intensifying processes of subdivision and development in many parts of New Zealand are creating high rates of heritage destruction, widespread community distress and concern, and increasing levels of demand for the NZHPT's services such as archaeological authorities, registration, advice, advocacy and heritage protection
- ▶ Tension between heritage protection and development, and conflict between private property rights and the public interest frequently create controversy in relation to the identification and protection of heritage

- ▶ The methods that can be used to protect Māori heritage are little used, and the scale of services and resources to support protection is small
- ▶ A litigious environment exposes the NZHPT to increased costs and risks in carrying out its heritage protection and advocacy functions
- ▶ Heritage places of importance to national and cultural identity are often unregistered, unprotected, overwhelmed by development, or poorly interpreted
- ▶ The costs of conserving and interpreting heritage properties of importance to national identity, in order to meet the expectations of visitors, are considerable and in most cases exceed the revenue generation potential.

Legislation

- ▶ The *Local Government Act 2002* requires regional councils and territorial authorities to facilitate a process to identify outcomes sought by their communities, and to adopt Long-Term Council Community Plans that set out how to achieve the outcomes identified. Through this process, in which the NZHPT may participate, heritage outcomes may assume greater regional and local prominence.
- ▶ The *Resource Management Amendment Act 2003* (“RMA”) established that the protection of historic heritage from inappropriate subdivision, use, and development should be recognised and provided for as a matter of national importance. Although the full impact of this measure is yet to be seen, it is expected to increase the weight given to historic heritage in policies, plans and consent processes.
- ▶ Under the *Crown Entities Act 2004* the NZHPT has become an autonomous Crown entity, and in consequence, more demand has been placed on the NZHPT’s governance and accountability performance.

Service Delivery

This Statement of Intent defines how the NZHPT will meet these challenges and deliver on the expectations of the New Zealand public. The increased funding available to the NZHPT from the Crown, third parties and revenue generation within the term of this Statement of Intent creates the ability to better address the expectations placed upon the organisation.

It is anticipated that Year 1 (2006/07) will focus primarily on consolidation of the foundations of organisational capability, – especially improving the human resources environment, systems and guidelines, business information and performance measurement and reporting. High priority shortfalls in the delivery of statutory functions will be addressed, property asset management systems will be established, and a national property strategy will be prepared.

It is anticipated that in subsequent years (Year 2 – 2007/08 and Year 3 – 2008/09) the NZHPT will continue to strengthen operational capability and performance. This will include improving business processes and strengthening outcome achievement through careful prioritisation and improved internal and external collaboration.

1.4 Government Outcomes for Art, Culture and Heritage

Government Priorities

- ▶ Economic Transformation
- ▶ Families – young and old
- ▶ National identity.

Arts, Culture and Heritage Outcomes

The Government, through the Ministry for Culture and Heritage, has defined a series of long term outcomes for the sector. The NZHPT, as the lead historic heritage agency, contributes strongly to the delivery of these outcomes.

The outcomes sought by the Government for the arts, culture and heritage sector are:	The NZHPT contributes to the achievement of these outcomes by:
Insight and enrichment	Providing heritage information and interpretation nationally and locally in a range of media, thereby inspiring public awareness, insight and engagement
Economic prosperity	Promoting the contribution of heritage to sustainable ways of achieving economic growth
A sense of place	Leading the promotion of New Zealand's heritage, thereby building our distinctiveness, our sense of nationhood and our identity internationally
Strong communities	Working with others to identify heritage and advocate its protection nationally and locally, thereby contributing to strong communities which value and benefit from their heritage.

1.5 Heritage and NZHPT Outcomes

Many agencies contribute to heritage outcomes. The table on the following page shows the heritage outcomes defined by NZHPT and how NZHPT contributes to these.

The particular outcomes that the NZHPT is working towards within the term of this Statement of Intent have been defined taking into account the role that the NZHPT is expected to perform and the environment in which it is operating.

The NZHPT will seek to deliver these outcomes over the long term as outlined in the *Strategic Plan Mahere Rautaki 2005 – 2010*.

Although these outcomes are expressed in ways specific to the relevant output classes, much of the NZHPT's work flows across numerous output classes.

Government Outcomes

National Identity

Insight and enrichment Economic prosperity A sense of place Strong communities

Heritage Outcomes	<p>Māori heritage Management by whānau, hapū and iwi of their heritage places with support from the NZHPT</p> <p>Māori heritage is integral to the delivery of all the NZHPT's outcomes</p>	<p>Understanding heritage All New Zealanders are able to appreciate and understand our heritage and its importance to national and cultural identity</p>	<p>A network of heritage properties of significance to national identity Quality heritage experiences accessible for people to enjoy</p> <p>Telling the stories of our history where it happened</p>	<p>Heritage of value to people and communities in all localities Integral to the identity and well-being of our communities and our nation</p> <p>Actively and successfully identified, protected and promoted</p> <p>Valued, respected and contributing to economic transformation</p>		
NZHPT Intermediate Outcomes		<p>Heritage leadership, education, information and advice Increased understanding of heritage and its importance to national and cultural identity</p> <p>Heritage information accessible to and used by other agencies, owners, and communities</p> <p>Improved quality of care of heritage by owners and managers</p>	<p>The NZHPT's heritage properties Each property managed and maintained to defined standards</p> <p>Selected properties conserved and interpreted to exemplary standards</p> <p>A national network of heritage properties and sites of importance to national identity, including our own, established</p>	<p>Significant archaeological sites and information Protected through the HPA authority process wherever possible</p> <p>Improved statutory compliance and archaeological site survival rates</p>	<p>Significant heritage places Protection enhanced through the NZHPT's heritage protection and statutory advocacy work</p> <p>Improved heritage survival rates</p>	<p>Nationally significant heritage in private ownership Conservation assisted by the National Heritage Preservation Incentive Fund</p>
NZHPT Capability		<p>The Register Heritage of importance to local and national identity, including sites at risk, identified and registered</p> <p>The Register is more accurate, nationally consistent and discriminating</p>				

1.6 Financial Planning Assumptions

1.6.1 Overview:

NZHPT's forecast total income for 2005/06 will be approximately \$10 million. This includes \$7.2 million from the government and \$1.2 million from NZHPT's membership base and properties. The balance comprises Special Purpose Funds (including \$0.5 million from government for the National Heritage Preservation Incentive Fund) and bequests and grants that have a tagged purpose and therefore cannot be used for general operating purposes.

In recent years the NZHPT has prioritised its limited resources to meet service delivery levels at the expense of investing in organisational development and deferred capital maintenance.

Over the next three years it is a priority to ensure a sustainable financial position is established to enable organisational health to be addressed, capital maintenance programmes to be implemented and prioritised service delivery levels to be sustainable.

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

- ▶ Government funding will remain as announced in Budget 2006
- ▶ NZHPT will remain a going concern
- ▶ Outcomes sought by Government do not change significantly.

1.6.2 Government Funding

In Budget 2006, the Government confirmed the following funding for NZHPT over the next three years:

	2006/07 \$000s Excl GST	2007/08 \$000s Excl GST	2008/09 \$000s Excl GST
Operating	9,403	10,003	10,003
Incentive Fund	500	500	500
Capital	850	2,000	-



1.6.3 Self-Generated Revenue

Approximately 22% of NZHPT's total funding is currently self-generated (2005/06 estimated \$2.213 million). Sources include membership fees, property income, grants, interest and bequests.

While it has been anticipated that self-generated income will increase slightly to \$2.292 million in 2006/07, with the significant increase to baseline funding from Government confirmed in Budget 2006, the ratio will reduce to around 19% in 2006/07. It is the intention of the NZHPT to undertake a review of third party revenue during the 2006/07 year with a view to expanding this where possible and compatible with NZHPT objectives. While self-generated revenue can be expected to increase as a result, until this review has been completed, it is not possible to accurately predict future targets. Planning therefore has been undertaken on the assumption that these streams of funding will be maintained at a level of 19% over the next three years.

	2006/07 \$000s Excl GST	2007/08 \$000s Excl GST	2008/09 \$000s Excl GST
Membership	626	630	630
Property	657	700	700
Grants/Bequests	739	1,000	1,000
Interest	150	150	150
Sundry	120	120	120
Total	2,292	2,600	2,600

1.7 Measuring Performance

The NZHPT is required to meet the accountability and performance reporting requirements of the *Public Finance Act 1989* and the *Crown Entities Act 2004*. Performance measurement and reporting also must be adequate to meet governance and management requirements.

Over the 2006/07 year, NZHPT intends to enhance the quality of its performance reporting. This includes consideration of the Key Performance Indicators (KPIs) used to report the outcomes and outputs that constitute the core business deliverables of the NZHPT, and also consideration of the reporting of financial, human resources, and other aspects of the current state and capability of the organisation.

In the interim, target levels for performance are as set out in Part 2: Statement of Forecast Service Performance 2006/07.



2.0 Statement of Proposed Service Performance 2006-07

2.1 NZHPT Proposed Priority Outputs 2006-09

The delivery of outputs in the next three years to progress these outcomes and goals is set out in the tables below. Achievement of the outputs will be measured primarily in qualitative terms with limited quantitative measures only.

To enable NZHPT to deliver services in a sustainable way in the future, a high priority of NZHPT over the next three years must be on improving organisational capability. For this reason the NZHPT has identified separately the initiatives that are intended to be undertaken to address organisational capability. The costs for these are included in the overhead expense line below. Other overheads include the running costs of the national, regional and area offices and other support services such as human resources, national policy advice, legal and information technology, which are provided to the total organisation rather than to specific outputs.

Māori Heritage is integral to national and cultural identity and to the delivery of all the NZHPT outcomes. Therefore the interests of Māori Heritage will be incorporated in all output classes. In addition, the specific support work that NZHPT intends to undertake to support management by whānau, hapū and iwi of their heritage places has been identified as a separate output.

The table below shows a summary of anticipated costs allocated to each service delivery output during the 2006/07 financial year:

Output class	Operational expenses \$000s	Project expenses fund from special funds received in previous year \$000s	Total Operating Expenses \$000s	Capital Expenditure \$000s	Total Expenditure \$000s	% Total Expenditure \$000s
Leadership, education, information and advice	1,166		1,166		1,166	8.3%
Working with iwi, hapū and whānau	913		913		913	6.5%
Properties	2,645	218	2,863	980	3,843	27.4%
Archaeology	728	290	1,018		1,018	7.2%
Statutory Advocacy	739		739		739	5.3%
Incentive Fund	520		520		520	3.7%
Registration	564	49	613		613	4.4%
Overheads	4,615		4,615	600	5,215	37.2%
Total expenses	11,890	557	12,447	1,580	14,027	100%

2.1.1 Organisational Capability

NZHPT outcomes:

- ▶ The NZHPT: More visible, strategic and innovative.

We intend to improve capability by focusing on the following initiatives:

2006 – 07	2007 – 08	2008 – 09
Address Human Resource priorities: <ul style="list-style-type: none"> • Implement and maintain fair remuneration policies and practices • Prepare and implement a national training and development plan for staff and management • Improve the capability and performance of managers • Address critical capacity issues to improve capability and deliver statutory functions • Improve two-way cascading of organisational communication 		
Improve Business Information Systems and Processes <ul style="list-style-type: none"> • Improve financial and non-financial performance measurement and reporting • Design and implement an integrated information system to ensure that access to business and heritage information meets internal and external needs (including website development) 		
Ensure adequate infrastructure (such as office accommodation, travel and IT equipment) is provided to enable services to be delivered effectively		
Ensure a sustainable financial position is established <ul style="list-style-type: none"> • Review third party revenue and develop a third party revenue plan 		
Improve alliances with other organisations including operational collaboration and funding support.		

Capital Expenditure:

An investment of \$600,000 will be made during 2006/07 to improve existing Information Technology systems.

2.1.2 Heritage Leadership, Education, Information and Advice

NZHPT outcome:

- ▶ Increased understanding of heritage and its importance to national and cultural identity
- ▶ Heritage information accessible to and used by other agencies, owners and communities.

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Establish NZHPT as a publicly respected voice for heritage, including Māori Heritage		
Engage in key national and local issues that require heritage leadership in the media		
Develop the website to improve access to heritage stories and information, particularly for visitors and schools		
Strengthen national heritage guidelines to improve the recognition and care of heritage by owners and managers		
Seek heritage training partnership arrangements, and contribute to heritage training when funded by others or on a cost-recovery basis		
Review Learning Experiences Outside The Classroom programmes and investigate options to extend them	Initiate discussions with other agencies to promote heritage learning	Develop a collaborative programme of heritage education packages
	Prepare a stakeholder strategy	Implement the stakeholder strategy, focusing on key delivery partners and the relationships sought with each
	Host a biennial NZHPT heritage conference	
	Review the NZHPT's publications programme	
Maintain levels of service delivery performance as set out in the key targets on page 15:		

Key Targets:	2006/07	2005/06
Membership		
Attract new members	3,750	2900
85% membership retention (21,250 members renewed membership)	85%	85%
Total membership	25,000	25,500
1% of visitors to properties converted to members	1%	1%
Targeted membership campaigns conducted	7	4
NZHPT profile		
Targeted media campaigns conducted	2	4
Maintain public awareness rate in annual survey	80%	80%
Education		
Provide educational, promotional, or training services to local authorities	19	28
Provide public and professional group education services	60	90
Provide training and education services to marae and iwi	10	10
Respond to general enquiries	7000	7070

2.1.3 Working with iwi, hapū and whānau

Māori heritage is integral to national and cultural identity and to the delivery of all the NZHPT's outcomes. Therefore this output area should also be read in conjunction with deliverables under all other output headings.

NZHPT outcomes:

- ▶ Develop and maintain a durable relationship with whānau, hapū and iwi to assist them to manage their own heritage resources

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Identify the potential for Māori built heritage conservation work in Māori communities through a survey.	Develop workshop programmes that build sustainable built heritage conservation capability in Māori communities	Implement workshop programmes to build sustainable built heritage conservation capability in Māori communities
Develop policy and guidelines for the NZHPT's consultation with iwi	Develop policy and guidelines for a relevant area of Māori heritage, as identified	Review the NZHPT's suite of Māori heritage policies and guidelines and identify any (re)development areas
Develop a programme to build, enhance and maintain relationships with stakeholders in relation to Māori rock art sites	Implement programme to build, enhance and maintain relationships with stakeholders in relation to two Māori rock art sites	Build, enhance and maintain relationships with stakeholders in relation to two Māori rock art sites
Review NZHPT's Māori heritage presentation and promotional materials for use at hui with iwi and hapū and develop a set of promotional materials and resources	Implement a programme to inform iwi and hapū about the NZHPT's role and functions in relation to Māori heritage	Inform iwi and hapū about the NZHPT's role and functions in relation to Māori heritage
Prepare a draft long-term Māori Heritage Strategy	Consult on and refine long-term Māori Heritage Strategy	Implement the long-term Māori Heritage Strategy.

Maintain levels of service delivery performance as set out in key targets below:

Key Targets:	2006/07	2005/06
Develop and maintain relationships with iwi	8	8
Provide marae with specialist conservation advice and assistance	20	20
Manage rock art sites	2	2

2.1.4 The NZHPT's Heritage Properties

NZHPT outcomes:

- ▶ A national network of heritage properties and sites of importance to national identity, including those in the NZHPT's care, established
- ▶ Selected properties conserved and interpreted to exemplary standards
- ▶ Other NZHPT properties managed and maintained to defined standards.

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Develop a thematic framework for a network of properties and sites of significance to national identity	Review the property portfolio on a property by property basis and implement approved changes to management arrangements	
Prepare a national strategy for NZHPT properties which identifies how particular properties relate to national identity, the national network, and national and regional cultural tourism initiatives		
Establish consistent property asset management systems	Maintain consistent property asset management systems and information	
Continue critical property maintenance	Continue implementation of the national strategy, addressing urgent property maintenance and capital works	Continue implementation of the national strategy with cyclical maintenance programme and works
Continue key projects at properties owned and/or managed by NZHPT to improve conservation and understanding of heritage of significance to national identity		
Consider opportunities to acquire and/or manage additional properties as part of the national network.		
Maintain levels of service delivery performance as set out in the key targets below:		

Key Targets:	2006/07	2005/06
Properties will have an approved conservation plan (as % of total properties managed by NZHPT)	21 (38%)	14 (25%)
Properties will have a documented deferred maintenance plan	26	16
Properties will have an interpretation plan	7	4
Total visitor numbers to NZHPT staffed properties	155,000	155,000
Maintain high level of visitor satisfaction at staffed properties	9/10	9/10

Capital Expenditure:

In addition to operational service delivery, it is intended to undertake capital works projects at the following properties during 2006/07:

Property	Summary of Capital works 2006/07	Estimated Capital budget from Special Funds	Estimated Capital budget from Crown Capital Funding
Hayes Engineering	House interior repairs and town water supply Works restoration	80,000	32,000
Timeball	Restoration of entrance way Interpretation	135,000	80,000
Fyffe	Restoration rear wall Electrical upgrade		50,000
Clark's Mill	Weather tight Smokey Joes House exterior repairs Paint roof	15,000	6,000
Ophir	Upgrade electrical wiring		5,000
Tōtara	Upgrade stormwater		7,700
Ruatuna	Repairs to Domestic Buildings Conserve outbuildings and fences	30,000	15,000
Highwic	Upgrade sewerage Upgrade electrical Marquee billiard room Toilet upgrade Driveway lights	30,000	33,200
Pompallier Mission	Rainwater collection Visitor toilets		6,500
Kerikeri Mission	Visitor toilets Upgrade Honey House facilities		60,000
Te Waimate	Rainwater system Entrance interpretation Maintenance curator's cottage		20,500
Māngungu Mission House	Reroofing and house painting	70,000	
Kaipara North Head Lighthouse	Maintenance	40,000	
Edmonds' Ruins	Stonewall stabilisation	30,000	
Old St Paul's	Window repairs (including stained glass)		72,600
Antrim House	Roofing and guttering Upgrade electrical system		121,500
Hurworth Cottage	Painting and repairs rental cottage		10,000
Pencarrow Lighthouse	Foundation repairs		30,000
	Total Capital Works	430,000	550,000



2.1.5 Archaeology

NZHPT outcomes:

- ▶ Significant archaeological sites and information protected through the HPA authority process wherever possible
- ▶ Improved statutory compliance and archaeological site survival rates.

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Collaborate with NZAA, iwi and other agencies to identify important and at risk sites, including sites of interest to Māori, and implement registration and protection		
Review current registrations of archaeological sites on a region-by-region basis		
Initiate a collaborative programme of gazettal of post-1900 important and at risk sites	Continue the gazettal programme	
Commence changes to procedure as a result of the review of archaeological provisions	Develop guidelines on the HPA/RMA interface	
Document the compliance monitoring programme	Continue to implement the compliance monitoring programme together with staff training	
Commence preparation of a draft national archaeological research framework	Contribute to delivery of a national archaeological research programme in partnership with external research providers	
Prepare and promote external guidelines on the authority process	Promote best practice standards for archaeological work Continue to develop the archaeological guidelines series	
Enhance the availability of archaeological information on the website		
Administer the archaeological authority process.		
Maintain levels of service delivery performance as set out in the key targets below:		

Key Targets:	2006/07	2005/06
Archaeological authorities processed	256	236
Reports of site damage investigated	62	43
Authorities reviewed under s18 of the <i>Historic Places Act 1993</i>	20	20
Archaeological authority compliance conditions monitored	62	90
Archaeological authorities processed within three months	90%	90%

2.1.6 Statutory Advocacy

NZHPT outcomes:

- ▶ Protection enhanced through the NZHPT's heritage protection and statutory advocacy work
- ▶ Improved heritage survival rates.

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Prepare a draft heritage and urban design guideline in consultation with other agencies	Review and update the NZHPT Urban Design Action Plan	Promote heritage and urban design case studies
Further develop heritage guidelines for dangerous, earthquake-prone and insanitary buildings and dangerous dams in consultation with other agencies	Review the NZHPT internal statutory advocacy manual	
Prepare internal guidance on the heritage provisions of the Overseas Investment Act 2005 in consultation with other agencies	Review the NZHPT <i>Heritage Management Guidelines for Resource Management Practitioners</i>	Review the NZHPT <i>Heritage Guidelines Series</i>
Prepare guidance on insurance for heritage buildings in consultation with other agencies	Prepare draft heritage landscapes guidelines	
Develop State of Heritage reporting frameworks in consultation with other agencies	Establish a national framework for heritage indicators (State of the Environment Reporting)	
Advocate the protection of selected places in RMA processes, including sites of interest to Māori.		
Maintain levels of service delivery performance as set out in the key targets below:		

Key Targets:	2006/07	2005/06
Submissions made on local authority planning documents	105	150
Opinions provided to an owner or local authority on heritage values of a place in relation to resource management and other planning processes (includes PIMs and LIMs)	710	705
Conservation plans and management strategies reviewed	17	36
Covenants negotiated	8	9

2.1.7 Nationally significant heritage in private ownership

NZHPT outcomes:

- ▶ Conservation of heritage in private ownership assisted by the National Heritage Preservation Incentive Fund.

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Administer and allocate the fund in accordance with policy		
Investigate partnerships with other funds that have complementary objectives.		
Maintain levels of service delivery performance as set out in the key targets below:		

Key Targets:	2006/07	2005/06
Applications approved	12	15
Annual allocation of fund, less administration fees, allocated	\$444,000	\$444,000
Approved applications monitored and reported	100%	100%

2.1.8 Registration

Registration of historic places, historic areas, wahi tapu and wahi tapu areas is not an outcome in its own right but a critical lever for NZHPT to progress all other outcomes.

NZHPT outcomes:

- ▶ Heritage of importance to local and national identity, including sites at risk, identified and registered
- ▶ The Register is more accurate, nationally consistent and discriminating.

We intend to progress this outcome by delivering the following proposed outputs:

2006 – 07	2007 – 08	2008 – 09
Review and define information standards for registration		
Review guidelines for registration proposals and assessments for historic places and historic areas	Review guidelines for registration proposals and assessments for wahi tapu and wahi tapu areas	
Review the Register database	Implement outcomes of the review of the Register database	
Review the Register Online	Implement outcomes of the review of the Register Online	
Seek partnerships and funding for national thematic studies	Implement national thematic registration projects	
Work with selected government departments to register government-owned heritage		
	Register World Heritage indicative list sites where appropriate	
Seek partnerships and work collaboratively with local authorities and other agencies for registration		
Progress registrations (including interim registration if appropriate) of historic places, historic areas, wahi tapu, wahi tapu areas, reviews, upgrades and enquiries.		
Maintain levels of service delivery performance as set out in the key targets on page 23:		



Key Targets:	2006/07	2005/06
Additions to Register		
Registrations for historic places and areas confirmed	40	56
Registrations for wahi tapu and wahi tapu areas confirmed	12	12
Strategic research report	3	1
Continuation of “Auckland City at Risk” project	1	1
Maintaining Integrity of Register		
Existing registrations reviewed as per s37 of Historic Places Act	16	22
Upgrading information of existing registrations completed	15	35
Project X registrations confirmed	60	91
Reverse Project X	12	
Technical changes to existing Register entries completed	100	136
Entries in the Register meet current quality standards	11%	10%
Providing Access to Information to the Public		
Register entries are accessible via the www.historic.org.nz website	98%	98%
Unique visitor sessions per month to Register information on the www.historic.org.nz website	16000	16000



3.0 Prospective Financial Statements 2006/07

3.1 Prospective Statement of Accounting Policies For the Year Ended 30 June 2007

Reporting Entity

The New Zealand Historic Places Trust Pouhere Taonga (NZHPT) is a statutory body established under section 4 of the *Historic Places Act 1980* and continued under Section 38 of the *Historic Places Act 1993*, as amended by the *Crown Entities Act 2004*. The NZHPT became an Autonomous Crown Entity for the purposes of Section 7 of the *Crown Entities Act 2004* effective from 25 January 2005. The prospective financial statements have been prepared in accordance with the *Public Finance Act 1989*, the *Financial Reporting Act 1993* and in compliance with FRS-42 Prospective Financial Statements. The financial operations of the Branch Committees of the NZHPT have not 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 fixed assets.

Accounting Policies

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 2007 are those approved by the Board at the beginning of the financial year. These figures have been prepared in accordance with generally accepted accounting practice 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

The NZHPT derives revenue through the provision of outputs to the Crown, from membership subscriptions and income from properties managed.

Crown revenue received for operating purposes is recognised as revenue when earned.

Crown funding received as a capital injection is accounted for in the Statement of Movements in Equity

Membership subscriptions are recognised in the period received.

Other revenue is recognised as income when earned.

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.

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 Financial Performance. All financial instruments are recognised in the Prospective Statement of Financial Position.

Income Tax

The NZHPT is a public authority in terms of the *Income Tax Act 1994* and consequently is exempt from income tax.

Inventories

Inventories are stated at the lower of cost or net realisable value after making appropriate provisions for obsolete items.

Investments

Investments are stated at the lower of cost or net realisable value. Any decreases are recognised in the Prospective Statement of Financial Performance.

Accounts Receivable

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectible debts.

Fixed Assets

Property, Plant and Equipment

Land and buildings are stated at fair value as determined by an independent registered valuer (Beca Valuations Ltd, as at 30 June 2002). Fair value is determined using market-based evidence wherever possible and otherwise depreciated replacement cost. Land and buildings are revalued every five years in accordance with FRS-3. Additions between revaluations are recorded at cost.

The results of revaluing land and buildings are credited or debited to an asset revaluation reserve. Where a revaluation results in a debit balance in the revaluation reserve, the debit balance will be expensed in the Statement of Financial Performance.

The NZHPT has interest in Land and Buildings in the following categories:

(i) *Trust-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.

Costs incurred by the NZHPT in restoring these buildings to their original condition are capitalised. Costs of maintaining these assets once renovation is complete are charged to the period in which they are incurred.

Depreciation

Depreciation is provided on a straight line basis at a rate that will write off the cost of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows. Heritage buildings owned or vested in the NZHPT are depreciated in accordance with FRS-3.

Computer Hardware	3 years
Computer Software	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

Chattels, Artefacts and Library

Chattels, artefacts and library assets are stated at fair value as determined by an independent specialist valuer. Chattels, artefacts and library assets are revalued at least every 5 years¹. Additions between revaluations are recorded at cost. Items donated or bequeathed to the NZHPT are recorded at their fair value. Depreciation has not been provided on these assets, which are managed to be preserved in perpetuity as required by the *Historic Places Act 1993*.

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.

Provision for Employee Entitlements

Provision is made in respect of the NZHPT’s liability for annual leave, long service and retirement leave.

Annual leave liability which is expected to be settled within 12 months of reporting date is measured at nominal values on an actual entitlement basis at current rates of pay. Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, are calculated on an actuarial basis.

¹ The most recent valuation of Artefacts and Chattels was undertaken in 2003.

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.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Donations and Bequests

Donations and bequests received without restrictive conditions are treated as operating revenue on receipt in the Statement of Financial Performance. 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.

Changes in Accounting Policies

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

3.2 Prospective Statement of Financial Position As at 30 June 2007

	Prospective 2007 \$000s	Estimated Actual 2006 \$000s	Actual 2005 \$000s
EQUITY			
Accumulated Funds	6,690	5,485	4,918
Specified Funds & Bequests	2,969	3,576	3,160
Trust Property Maintenance & Development Fund	95	95	95
Revaluation Reserve	12,249	12,249	12,249
Total Equity	22,003	21,405	20,422
Equity is represented by:			
CURRENT ASSETS			
Petty Cash & Imprest Balances	5	5	9
Cheque & Call Deposits	1,446	2,396	1,389
Specified Fund & Bequest Deposits	1,450	1,412	1,319
Accounts Receivable	250	220	219
Stock on Hand	24	24	24
Total Current Assets	3,175	4,057	2,960
NON-CURRENT ASSETS			
Fixed Assets	19,589	18,129	18,232
Total Non-Current Assets	19,589	18,129	18,232
Total Assets	22,764	22,186	21,192
CURRENT LIABILITIES			
Accounts Payable and Accruals	375	470	466
Employee Entitlements	200	195	195
GST Payable	150	80	74
Total Current Liabilities	725	745	735
NON-CURRENT LIABILITIES			
	36	36	35
Total Liabilities	761	781	770
NET ASSETS	22,003	21,405	20,422



Dame Anne Salmond
Chairperson



Bruce Chapman
Chief Executive

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

3.3 Prospective Statement of Movements in Equity For the year ended 30 June 2007

	Prospective 2007 \$000s	Estimated 2006 \$000s	Actual 2005 \$000s
Opening Equity	21,405	20,422	19,957
Crown Capital Funding	800	350	-
Operating Surplus/(Deficit) for the year to Accumulated Funds	280	217	(123)
Net movement in Accumulated Funds for Capitalised Expenditure	125	-	-
Net Movement in Special Funds for Capitalised Expenditure	(125)	-	-
Net Movement in Special Funds for items recognised in Statement of Service Performance	(482)	416	588
Closing Equity	22,003	21,405	20,422

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

3.4 Prospective Statement of Financial Performance For the year ended 30 June 2007

	Prospective 2007 \$000s	Estimated 2006 \$000s	Actual 2005 \$000s
Operating Revenue			
Government Funding	9,903	7,788	6,708
Grants	789	555	924
Property	657	745	756
Interest	150	198	174
Membership	626	518	597
Donations	65	82	118
Sundry	55	115	238
Total Revenue	12,245	10,001	9,515
Operating Expenditure			
Audit Fees - External Audit	36	36	28
Administration	2,408	1,894	1,863
Bad & Doubtful Debts	5	7	5
Personnel	6,454	4,903	4,426
Property	1,812	950	1,233
Asset Costs	133	141	119
Depreciation	120	103	126
Communications	230	180	160
Membership	438	437	435
Board Fees	128	128	51
Travel & Accommodation	683	589	604
Total Expenditure	12,447	9,368	9,050
Operating surplus (deficit) for the year	(202)	633	465

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

The operating surplus/(deficit) results partially the timing of expenditure against income received in different years and which have been tagged as Special Funds in equity. The following table shows a breakdown of operating surplus/(deficit) between operations and tagged funds:

Reconciliation of operating surplus/(deficit) between operations and tagged special funds			
	Prospective 2007 \$000s	Estimated 2006 \$000s	Actual 2005 \$000s
Net surplus from operations (Note: 2007 surplus relates to grant money raised to undertake capital expenditure)	280	216	(123)
Net movement in Special Funds where expenditure is incurred in a different year from when the income was received	(482)	416	588
Net operating surplus/(deficit)	(202)	633	465

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

3.5 Prospective Statement of Cash Flows For the year ended 30 June 2007

	Prospective 2007 \$000s	Estimated 2006 \$000s	Actual 2005 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Government Funding	9,903	7,788	6,708
Grants	789	556	924
Other Operating Activities	1,373	1,529	1,616
Interest	150	165	155
	12,215	10,038	9,403
Cash was applied to			
Payment of Suppliers and Employees	(10,577)	(8,151)	(8,456)
Net Goods and Services Tax	(970)	(771)	(558)
	(11,547)	(8,922)	(9,014)
Net cash from operating activities	668	1,116	389
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of Fixed Assets	1,580	20	11
Net cash from investing activities	1,580	20	11
Net increase / (decrease) in cash	(912)	1,096	378
Opening Cash Balance	3,813	2,717	2,339
Closing Cash Balance	2,901	3,813	2,717
Represented by			
Petty Cash & Imprest Balances	5	5	9
Cheque & Call Deposits	1,446	2,396	1,389
Specified Fund & Bequest deposits	1,450	1,412	1,319
	2,901	3,813	2,717



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

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