



TE POUHERE TAONGA HERITAGE NEW ZEALAND
HERITAGE NEW ZEALAND POUHERE TAONGA

TE TAUĀKĪ O NGĀ TŪMANAKOHANGA WHAKATUTUKI
STATEMENT OF PERFORMANCE EXPECTATIONS 2020–2021



HERITAGE NEW ZEALAND POUHERE TAONGA
TE TAUĀKĪ O NGĀ TŪMANAKOHANGA WHAKATUTUKI
STATEMENT OF PERFORMANCE EXPECTATIONS 2020-2021

1: STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF PERFORMANCE EXPECTATIONS	2
2: HERITAGE NEW ZEALAND POUHERE TAONGA STRATEGIC FRAMEWORK	3
3: HERITAGE NEW ZEALAND POUHERE TAONGA KEY PRIORITY OUTPUTS 2020-2021	9
4: PROSPECTIVE FINANCIAL STATEMENTS 2020-2021	15
Financial planning assumptions	15
Prospective Statement of Comprehensive Revenue and Expense	16
Prospective Statement of Financial Position	17
Prospective Statement of Movements in Equity	18
Prospective Statement of Cash Flows	19
Prospective Statement of Accounting Policies	20
HERITAGE NEW ZEALAND POUHERE TAONGA HERITAGE PROPERTY PORTFOLIO	24

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 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 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 2020-2024 for the strategic context in which this document has been developed. ■



Marian L. Hobbs

THE HON. MARIAN L. HOBBS
Tiamana o te Poari o te Pouhere Taonga
Chair, Heritage New Zealand
Pouhere Taonga Board

20 August 2020



John Clarke

TĀ JOHN CLARKE KNZM CNZM
Tiamana o te Kaunihera Māori o te
Pouhere Taonga
Chair, Māori Heritage Council

Mema o te Poari o te Pouhere Taonga
Member, Heritage New Zealand
Pouhere Taonga Board

20 August 2020

2. HERITAGE NEW ZEALAND POUHERE TAONGA STRATEGIC FRAMEWORK

GOVERNMENT PRIORITIES:

An economy that is growing and working for all of us.

A public sector focused on the current and future wellbeing of New Zealanders and their families.

Enabling people to have the capabilities they need to live lives of purpose, balance and meaning.

Social Capital

Human Capital

Natural Capital

Financial/Physical Capital

ARTS CULTURE & HERITAGE SECTOR – SECTOR STRATEGIC FRAMEWORK PRIORITIES:

All New Zealanders can access and participate in cultural experiences

The cultural sector is supported and growing sustainably

New Zealanders share a distinct and inclusive identity and value our history and traditions; and

New Zealand has a strong public media system that ensures an informed democracy.

Delivery emphasis and focus:

- whole of government approach – external collaboration
- working seamlessly together – internal and external collaboration
- intergenerational outcomes and long-term impacts on future generations
- moving beyond narrow measures of success and considering impacts; and
- delivering our work with a spirit of service.

HERITAGE NEW ZEALAND POUHERE TAONGA:

ORGANISATIONAL PURPOSE

Honouring the past; inspiring our future

PRIMARY OUTCOME

New Zealanders have a greater appreciation of their sense of place, identity and nationhood

STRATEGIC PRIORITIES

Promote significant heritage places recorded on the Heritage List and programmes (National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu and Tohu Whenua)

Conserve, protect, acknowledge and understand heritage through collaboration

Promote and advance the vision of *Tapuwae* to conserve, protect, acknowledge and understand Māori heritage; and

Further develop a modern, innovative and effective organisation.

Delivery emphasis and focus:

- Mātauranga/Knowledge (all New Zealanders can access and contribute to knowledge, information and stories of New Zealand's most important heritage places)
- Penapena Taonga/Conservation (New Zealand's most important heritage places are conserved to high standards for the future)
- Hononga/Engagement (New Zealanders are proud of and value their cultural and national identity)
- Our organisation is supported and well respected as New Zealand's lead heritage agency
- Our people are expert, specialist, motivated, respectful and innovative
- Our systems are fit for purpose and future-focused
- We have an increased focus on the history of Aotearoa New Zealand by children, youth and diverse communities through better access to heritage educational resources; and
- Heritage resilience is emphasised to counter the impact of climate change and other issues.

PART TWO

OVERVIEW

OUR STATEMENT OF PERFORMANCE EXPECTATIONS sets out the key priorities for our activity in the 2020-2021 financial year, how these relate to the priorities of the Arts, Culture and Heritage Sector, and how these will be assessed.

OUR PURPOSE

The purpose of the Heritage New Zealand Pouhere Taonga Act 2014 is the promotion of the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand. Heritage New Zealand Pouhere Taonga is established to give effect to that purpose.

Heritage New Zealand Pouhere Taonga achieves this through:

Heritage identification

- maintaining the New Zealand Heritage List/Rārangi Kōrero
- providing heritage assessments of Crown property to be disposed of, and making recommendations for heritage protection on such land
- supporting owners to identify and reduce risk to National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu.

Archaeological regulation

- administering the regulation of archaeological resources through the archaeological authority process
- making reports available about New Zealand's archaeological resources.

Māori heritage

- supporting iwi and hapū with built heritage conservation projects
- supporting post-settlement outcomes pertaining to heritage.

Heritage property management

- making 42 heritage properties available to the people of New Zealand
- maintaining and conserving 44 properties.

Advising and advocating

- working with local authorities on identifying historic heritage in plans, promoting its protection with appropriate rules, monitoring plan quality, and promoting protection through resource consent processes
- administering the National Heritage Preservation Incentive Fund
- providing advice to the owners of heritage places, including local authorities and iwi/hapū
- maintaining and developing an active support network, including organisational membership

- engaging people in a range of events around the country about New Zealand's outstanding cultural and historical heritage; and
- building a collaborative framework for New Zealand's heritage based on realising its enormous potential to contribute to education, skills development and employment.

We promote this purpose by characterising it in our strategic framework with an expression of New Zealand's cultural heritage: the whakataukī: *Tairangahia a tua whakarere; Tātakihia ngā reanga o amuri ake nei – Honouring the past; Inspiring the future.*

GOVERNMENT PRIORITIES

Each of the Government's priorities for the Arts, Culture and Heritage Sector informed the strategic framework for Heritage New Zealand Pouhere Taonga. The organisation has an important role in delivering these priorities, both independently and in collaboration with others. They are:

All New Zealanders can access and participate in cultural experiences

Heritage New Zealand Pouhere Taonga provides public access to its unique and special collection of heritage properties. In 2020-2021, Heritage New Zealand Pouhere Taonga will open 42 properties to visitors. Our growing portfolio includes the newly-acquired Kate Sheppard House, which will be formally opened to visitors in 2020 for the first time. Prior to the impact of Covid-19, which has included the closure of New Zealand's border to international tourists, our diverse portfolio was expected to attract a record 300,000 visitors in 2020-2021. While the pandemic has forced the revision of those numbers, we still expect a good number of visitors from the domestic market, perhaps in the vicinity of 150,000. This year we will collect disaggregated data from our visitors to help us better understand the needs of those visiting our properties. We will also explore ways to remove barriers that might be preventing others from enjoying the experiences our properties offer.

Our engagement initiatives and events will focus on helping all New Zealanders, especially children and young people, to access heritage experiences. We will continue to extend our reach by growing our social media audiences and developing our capability to provide virtual experiences of our properties for the public to enjoy. We will also continue to develop Tohu Whenua, which links significant heritage places for visits through regional trails that showcase their importance. Working with our partners, we will continue to promote chosen sites to visitors while developing a new series around the Waikato Wars.

The cultural sector is supported and growing sustainably

Heritage New Zealand Pouhere Taonga supports the cultural sector through its high quality advice and guidance, expertise in the conservation of properties entrusted to our care, and advice, funding and support for owners of heritage places across the country.

We will continue to provide strategic support to iwi, hapū, hapori, and whānau, and to groups such as Historic Places Aotearoa, ICOMOS, the New Zealand Archaeological Association, the Antarctic Heritage Trust and volunteers. We recognise the importance of the wide and growing network of support for heritage and the range of organisations that work with heritage on a daily basis. Our advice to government and local authorities will focus on achieving better identification, protection and support for Māori heritage, particularly in district plans. We will work on increasing the reach of our Māori Built Heritage conservation programme by developing regional growth projects with iwi/hapū and aligning with the Oranga Marae programme of Te Puni Kōkiri. These collaborative efforts are designed to contribute to Waves 2 and 3 of the Government's Covid-19 response – kickstarting the economy, and resetting and rebuilding.

A significant proportion of New Zealand's heritage is in the hands of private owners. Through the National Heritage Preservation Incentive Fund, we will continue to support private owners of nationally significant heritage. Our investment priorities for the Fund this year are designed to increase the diversity and geographic spread of places helped by it. This year, a new priority will also help us respond to the growing threat to Māori heritage presented by climate change. These priorities will be applied to complement the Government's second and third waves of response to the virus (kickstart the economy, and reset and rebuild). The 2020 investment priorities are:

- conservation and preservation of sites of significance to Māori; and/or
- conservation and preservation of sites that support regional economic development; and/or
- conservation work to increase the resilience of heritage places against the impacts of climate change, including site stabilisation relating to land and archaeological sites.

In addition, we will also continue to provide support to other funding sources for 'at risk' heritage, such as the Ministry for Culture and Heritage's Heritage EQUIP Fund and the Ministry of Business, Innovation and Employment's Provincial Growth Fund.

We are trusted to care for more of New Zealand's beloved heritage places than ever before. We will continue to maintain them to high conservation standards and will focus this year on adapting Kate Sheppard House in Christchurch and planning for the strengthening of Turnbull House in Wellington. It is our intention to provide an initial public visitor experience for Kate Sheppard House that is focused on the domestic elements of her home; and to plan and fundraise for the wider adaptation of the house to allow for functions and wider use by the University of Canterbury.

Cumulative Visitor Numbers (Staffed Properties)



Graph 1: Visitors to our staffed properties by financial year¹

We will continue to provide support and advice on other significant properties. Our work in developing programmes like National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu will help ensure risk to New Zealand's most significant heritage is reduced. We will continue to support the heritage sector and encourage its sustainable growth by providing leadership in heritage conservation.

New Zealanders share a distinct and inclusive identity and value our history and traditions

The work of Heritage New Zealand Pouhere Taonga is integral to supporting this Government's objective. All of our work is aimed at promoting the value of our distinct history and traditions inclusively to New Zealanders, and those with an interest in New Zealand.

This year we will be working to expand the inclusivity of our work by engaging closely with the development and implementation of the Mātauranga Māori Framework. Our organisation is committed to Maihi Karauna and is in the process of implementing E Tipu Te Waerenga, our Māori Language Plan, which we developed in 2019-2020. We will also develop a multi-media publication called *Pouhere Taonga* to complement our *Heritage New Zealand* magazine and support the development of New Zealanders' engagement with Māori heritage. Emphasising online content, the objective of *Pouhere Taonga* will also be to reach and engage with Māori audiences to continuously improve its content creation.

¹ Note Old St Pauls closed 3 May 2019 for strengthening and upgrade work and is scheduled to reopen in July 2020.

PART TWO

Our indicators are designed to track our progress in making more information about New Zealand's heritage available to New Zealanders, both in terms of tracking the amount of heritage that we increase information about, and the range of people who are engaging with our work.

We have expanded the ways in which New Zealanders can engage with their heritage, and we will maintain and extend that progress over the coming year with the formal launch of our Wallpaper Collection online, together with a new range of merchandise based on this collection for people to purchase. We will build on our work with South Wairarapa District Council to bring Featherston Military Camp to life via virtual reality, by exploring the development of virtual tours of our own properties.

New Zealand has a strong public media system that ensures an informed democracy

Heritage New Zealand Pouhere Taonga works to support this objective by engaging regularly with New Zealand's public media system about our work, and providing key sources of information about heritage for them to draw on to inform the public.

The New Zealand Heritage List/Rārangi Kōrero is a foundational resource for understanding and communicating information about New Zealand's heritage. In many instances, it supports the ability of local authorities to make resource management decisions about the use of resources that impact on heritage. As well as maintaining and adding to this source, Heritage New Zealand Pouhere Taonga supports the decisions it makes on this and its other statutory functions, such as archaeological regulation, by providing timely press releases and fielding interview requests.

We are working to develop a heritage portal to provide an additional information source for the public media system, and our other stakeholders. The feasibility of this initiative will be tested in 2020-2021, and subject to funding requirements, implementation will occur in subsequent years. We also provide content for the media through our social media posts that are designed to inform and educate New Zealanders about their heritage.

OUR PRIORITIES

We have four strategic priorities for our delivery. These anchor our strategic framework, and are informed by the priorities for the Arts, Culture and Heritage Sector:

Promote significant heritage places recorded on the New Zealand Heritage List/Rārangi Kōrero, and National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu and Tohu Whenua programmes

This priority links closely to our two statutory identification responsibilities: maintenance and development of the New Zealand Heritage List/Rārangi Kōrero and the National Historic Landmarks programme/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu. This enables us to make efficiencies in the promotion of New Zealand's heritage by combining the focus of our knowledge and engagement workstreams to produce a better quality product for New Zealanders.

We will measure our success with this priority through indicators concerning the amount and quality of information that we can make available to New Zealanders, and their levels of engagement with this information through our events and publications.

This priority is a key support to the Arts, Culture and Heritage strategic priority regarding New Zealanders sharing a distinct and inclusive identity and valuing our history and traditions as it emphasises improving their understanding of our history and enables them to engage with the places that have shaped our identity.

Conserve, protect, acknowledge and understand heritage through collaboration

This priority is unchanged from last year. It represents a core facet of our purpose and activities. What will change, to some degree, is our approach towards achieving it. This year we have identified a Heritage Framework which contains priority projects for collaboration including:

- Māori and marae built heritage
- Heritage information and interpretation
- Heritage skills and education; and
- Heritage properties.

MĀORI AND MARAE BUILT HERITAGE

CONSERVATION – INTERPRETATION –
TOHU WHENUA

The aim of these projects is to deliver conservation of marae and taonga that are in a poor and deteriorating state, to allow stories of wāhi tapu and wāhi tūpuna to be told through modern interpretation and to deliver the Tohu Whenua project for New Zealand Wars and Conflicts.

Iwi, hapū and all New Zealanders will benefit from the outcomes of these projects through an enhanced sense of identity, revitalised traditional arts and craft skills, increased employment opportunities in traditional arts and crafts, and the realisation of future career aspirations.

HERITAGE INFORMATION AND INTERPRETATION

SITES OF HERITAGE SIGNIFICANCE –
INTERPRETATION – HERITAGE DIGITAL PORTAL

The aim of these projects is to deliver modern interpretation of sites that are of heritage significance, to make visible the stories of heritage and history, and to establish a single source heritage portal of New Zealand heritage and history.

All New Zealanders will benefit from the outcomes of these projects through an enhanced sense of identity, the availability and access to New Zealand history through a single source, employment opportunities in research, graphic design and information systems, and the realisation of future career aspirations.

HERITAGE FRAMEWORK

WHAKAPUPUNGIA O MĀNUKA KIA KORE AI E WHATI
BUNDLE UP YOUR MANUKA STICKS SO THEY WON'T SNAP

HERITAGE SKILLS AND EDUCATION

SKILLS – EDUCATION – CURRICULUM – CONFERENCE

The aim of these projects is to take the children and youth of New Zealand on a continuing education and learning programme that focuses on history, heritage, exploration and pioneering. The culmination will be participation at the New Zealand Heritage Conference, where presentations and awards would acknowledge the development of skills and careers.

All New Zealanders will benefit from the outcomes of these projects through an enhanced sense of identity, enhanced skills and education in heritage allied careers (conservation, engineering, building, carving, architecture and archaeology), future employment opportunities and the realisation of future career aspirations.

HERITAGE PROPERTIES

REPAIRS – RESTORATION – CONSERVATION

The aim of these projects is to deliver heritage property maintenance, restoration and building projects of significant properties and places that are in a poor and deteriorating state, to allow those places to 'come to life' and tell their story of history and heritage.

All New Zealanders will benefit from the outcomes of these projects through an enhanced sense of identity, employment opportunities in heritage allied careers (conservation, engineering, building, carving, architecture and archaeology), future employment opportunities and the realisation of future career aspirations.

The results of all our Key Performance Indicators (KPIs), will contribute to understanding the progress we have made with this in 2020-2021 as each of them address the conservation, protection, acknowledgement or understanding of heritage through collaboration in some way. However, some of them are more focused on collaboration than others, particularly those that measure the effect of our work for Māori heritage.

With our work on the Heritage Framework, we are hoping to expand our capacity to deliver against these KPIs to a greater extent, through targeted funding bids to organisations associated with the Framework project's objectives. If this is successful, it will enable us to refine our priorities in out-years which should enable us to make gains in the longer-term KPIs, such as the number of survey respondents who rate their personal interest in the protection of historic places as 'interested'.

Promote and advance the vision of *Tapuwae* to conserve, protect, acknowledge and understand Māori heritage

This year we have refined and intensified this priority, elevating its promotion to advancement. We have been asked to contribute to the Government's development of Mātauranga Māori Te Awe Kōtuku Fund, which will provide an opportunity to meet this strategic priority by embedding the Māori Heritage Council's vision for Māori heritage within it. The Fund itself is likely to open up opportunities to progress the objectives of *Tapuwae* as well.

The *Tapuwae* vision is foundational for our contribution to achieving the Government's goals to revitalise the Māori language as set out in the Maihi Karauna. Our in-house Pouhere Reo programme continues to develop with the completion of E Tipu Te Waerenga, our organisational Māori Language Plan, and the introduction of intermediate te reo classes in late 2020. We will develop strategic support for *Tapuwae* in-

PART TWO

house by evolving our Pouhere Reo planning group into a Te Ao Māori group to maximise connection between our varied workstreams that contribute to the advancement of *Tapuwae*.

As outlined in the consideration of our collaboration priority, our development of a Heritage Framework should enable us to engage with more iwi, hapū or hapori. We are also able to provide baseline figures for our recently introduced KPIs that provide more information about engagement and reach in relation to Māori heritage. This will allow us to target our resources even more effectively in out-years.

Further develop a modern, innovative and effective organisation

Heritage New Zealand Pouhere Taonga has been pleased to see the recognition of the challenge of maintaining our core capability given the very high demand that we experience for our services in its post-Budget letter of expectation. We implemented this strategic priority for the first time last year, and the first year of its operation has proved very beneficial, supporting a revised approach to the insurance of our property portfolio and underlining the importance of the development of our information technology (IT) capability.

We have refined our IT plan over the past year and elected to outsource our IT service provision. Alongside this we have been working to decommission our in-house IT services and take up Infrastructure as a Service (IaaS) in preparation for transferring to the Cloud. This year we will commence reorganising our systems and information storage to make the move to the Cloud as efficient as possible. We have decided to continue our emphasis on this strategic priority for another year to reflect the significant amount of work that is necessary to ensure that we can maintain our core capability within a 21st century context.

Heritage New Zealand Pouhere Taonga is committed to providing a high quality service to the government, the heritage sector and the public. We will continue to report on how effective we are at meeting regulatory and advisory timeframes. We will continue to report on how we are maintaining and enhancing the heritage places in our care. We will highlight the changes we are making to the organisation to increase our effectiveness. ■

3. HERITAGE NEW ZEALAND POUHERE TAONGA KEY PRIORITY OUTPUTS 2020-2021

ALL OF THE HERITAGE NEW ZEALAND POUHERE TAONGA

outputs relate to the Crown appropriation 'Management of Historic Places', and are directed towards the 'identification, protection, preservation, and conservation of the historical and cultural heritage of New Zealand'.²

As with the rest of New Zealand, in 2020-2021 Heritage New Zealand Pouhere Taonga will be focusing on kickstarting the economy (Wave 2), and resetting and rebuilding (Wave 3) in both its own operations and collaborative endeavours toward these goals in the wider heritage sector. The organisation had been subject to significant cost pressures even prior to the pandemic, and these were exacerbated by the necessity of closing our properties, which shut down our non-Crown revenue streams. We were delighted to receive support through Budget 2020 to overcome these challenges. This will enable us to stand up the revenue-generating elements (cafés, shops, museums and membership) of our business again and adapt them for the 'new normal'.

As part of our work on Waves 2 and 3, we will continue our revenue project work to secure additional non-Crown funding. This will involve a combination of developing new revenue streams, such as product development and retail, and seeking alternate grant funding sources. We are also working on the development of new products for our members and of sponsorship opportunities. We propose to make grant applications to appropriate funders for the re-roofing of Kemp House in the Kerikeri Mission Station. We will run one fundraising campaign with our members to test their appetite for and ability to support us in the current constrained environment with one of our key property projects for the year.

The pandemic has shown us the importance of being able to deliver our services remotely as effectively as possible. We therefore will continue to ensure that the organisation's IT systems become as current as possible, as soon as possible. We will also concentrate on developing avenues for our stakeholders to connect with our expertise online, and build the ways in which New Zealanders can access their heritage remotely. Our outputs relating to the provision of digital

content and public engagement with the information we provide will assist us in accomplishing and developing this objective.

In 2019-2020, Heritage New Zealand Pouhere Taonga reviewed its KPIs and so has produced results against the following measures for the first time:

- a) the percentage of new List entries and reviews that are endorsed or arose from public applications
- b) disaggregated data (such as age/gender) using tools such as the annual public awareness survey conducted by Research New Zealand
- c) the percentage of archaeological authorities resulting in reports on sites of significance to Māori; and
- d) how well we are meeting statutory timeframes for listing.

The disaggregated data will enable us to understand how well we are succeeding in shifting the emphasis of our property operations firmly into the domestic tourism sphere in response to a proposed marketing campaign focused on raising all New Zealanders' interest in our properties. In addition, the disaggregated data related to our statutory functions of listing and archaeological site regulation will enable us to evaluate better the effectiveness and inclusivity of those processes.

The recovery phase of the pandemic presents opportunities for engagement with the development of the Mātauranga Maori Te Awe Kōtuku Fund, and the potential initiation of a Heritage Framework in collaboration with key stakeholders. Depending on the way in which these opportunities play out, together with the understanding we will gain of the pandemic's impact on current priority outputs in terms of events (particularly when contrasted with digital engagement), we may amend these outputs further in 2021-2022 to reflect these new ways of working.

² Expenditure is set out in the financial accounts on pp.16-19, and performance against the KPIs on pp 10-13.

PART THREE

2020-2021 OUTPUTS

1. ALL NEW ZEALANDERS CAN ACCESS AND PARTICIPATE IN CULTURAL EXPERIENCES

Indicators	Measures	2017-2018 Actual	2018-2019 Actual	2019-2020 Year End Estimate ³	2020-2021 Estimate	Trend
1. Increase in visitor numbers at HNZPT staffed properties	Number of visitors	228,996	296,163	195,000 ⁴	150,000 ⁵	Going Down
	% age; % gender; % nationality	N/A	N/A	Baseline unable to be established: Covid-19 lockdown adversely affected Museums Aotearoa visitor survey	Baseline to be set in 2020-21	New
2. Museums Aotearoa survey respondents who rate the quality of their visit to HNZPT staffed properties as 'satisfied' or higher	Percentage	96% (paper-based survey)	96% (paper-based survey)	Baseline unable to be established: Covid-19 lockdown adversely affected Museums Aotearoa visitor survey	Baseline to be set in 2020-21	New
3. HNZPT partners with others on heritage engagement initiatives	Number of partnerships	54	63	50	50 ⁶	Maintaining
4. HNZPT holds or contributes to events to enhance engagement with heritage	Number of events	191	181	210	230	Going up
	% Māori heritage events	N/A	9%	10%	12%	Going up
	% school education events	31%	51%	25%	25%	Maintaining
5. Increase in engagement in HNZPT's digital and hard copy content	Percentage increase over baseline number of Facebook followers (@HeritageNew Zealand only)	N/A	6,264	8,550	8,500	Baseline set
	Percentage increase over baseline number of webpage views	84,855	86,995	74,718	75,000	Baseline set
	Annual audited magazine circulation (every 2 years)	11,461	11,512	Non-reporting year (survey conducted biennially)	Digital: 1,500 Hardcopy: 11,300	Maintaining

³ Estimates taken in June 2020 unless otherwise stated.

⁴ The decline in visitor numbers reflects the effects of Covid-19.

⁵ The decline in estimated visitor numbers for 2020-2021 reflects the effects of Covid-19.

⁶ HNZPT has a strong focus on building new partnerships, including international partnerships. However, the Covid-19 crisis means that, despite this increased focus, the overall number of partnerships is estimated to remain at current levels for 2020-21.

2. THE CULTURAL SECTOR IS SUPPORTED AND GROWING SUSTAINABLY

Indicators	Measures	2017-2018 Actual	2018-2019 Actual	2019-2020 Year End Estimate ⁷	2020-2021 Estimate	Trend
6. HNZPT's heritage properties are cared for	95% of property asset components are maintained at or above moderate condition grade	95%	96%	96% ⁸	95%	Maintaining
7. New Zealand's heritage is protected through district plans Triennial report	2% of plans with heritage schedules that include all New Zealand Heritage List entries located within the district % of plans that protect built heritage from demolition % of plans that protect Māori heritage from destruction % of plans with incentives to encourage the retention and care of heritage places	Not measured in 2017-2018 year	33% 72% 23% 59%	Not measured in 2019-2020 year	Not measured in 2020-2021 year	Going up ⁹
8. Number of heritage places where protection is increased or damage is reduced where HNZPT has advocated for heritage to be considered	Number of places through resource management, advocacy, archaeological authority and Crown land disposal processes	231	185	180	180	Maintaining
9. The archaeological authority process results in information on New Zealand's archaeological heritage	HNZPT receives a report or establishes that no report is required for at least 80% of archaeological authorities processed in the last decade (by calendar year) % of all archaeological authorities that result in receipt of Māori heritage reports ¹¹	82% (2017)	81% (2018)	80% ¹⁰ (2019)	80% (2020)	Maintaining
10. HNZPT supports owners of heritage through the National Heritage Preservation Incentive Fund	Value allocated (number grants made) Minimum \$500,000 granted per year	\$573,000 (17 grants)	\$807,075 (22 grants)	\$859,000 (26 grants)	At least \$500,000	Maintaining ¹²

⁷ Estimates taken in June 2020 unless otherwise stated.

⁸ Estimate taken on 14 February 2020.

⁹ The upward trend reflects increases, in 2018, against most measures in the 2015 Triennial Report.

¹⁰ Estimates taken on 14 February 2020.

¹¹ Percentage of all reports received that relate to archaeological authorities issued for works that potentially may affect sites of interest to Māori. Note that in some instances, the actual work undertaken pursuant to these authorities will not have affected sites of interest to Māori.

¹² This KPI measures the amount of funding that is distributed from a fixed annual budget of \$500,000. Variances between years, including expenditure greater than \$500,000, can reflect the timing of actual expenditure on projects.

2. THE CULTURAL SECTOR IS SUPPORTED AND GROWING SUSTAINABLY

Indicators	Measures	2017-2018 Actual	2018-2019 Actual	2019-2020 Year End Estimate	2020-2021 Estimate	Trend
11. HNZPT has a collaborative relationship with specified iwi, hapū or hapori	Involves a programme of work to recognise, conserve or increase engagement with Māori built and land-based heritage	11	11	5 completed, 6 started and on hold as a result of Covid-19 ¹³	11	Maintaining
12. HNZPT completes regulatory and advisory work in the required timeframes¹⁴	At least 99% completed in required timeframes (number of applications)	100% (961)	100% (778)	99% (845) ¹⁵	99% (at least 800)	Maintaining

¹³ Estimate taken in June 2020.

¹⁴ Includes Crown Land Disposal, archaeological authorities, and (from 2019-2020) review of Listing applications.

¹⁵ Estimate taken on 14 February 2020; Listing review applications included for the first time.

3. NEW ZEALANDERS SHARE A DISTINCT AND INCLUSIVE IDENTITY AND VALUE OUR HISTORY AND TRADITIONS

Indicators	Measures	2017-2018 Actual	2018-2019 Actual	2019-2020 Year End Estimate	2020-2021 Estimate	Trend
13. More of the heritage New Zealanders care about is included on the New Zealand Heritage List/Rārangī Kōrero	Total entries on the New Zealand Heritage List ¹⁶	N/A	N/A	5,777	5,815	Going up
	% of the total List entries of interest to Māori	N/A	N/A	23%	23% ¹⁷	Maintaining
	Annual combined additions/reviews	30	38	50	47	Maintaining
	Annual % endorsed by iwi/hapū	N/A	N/A	6	6	Maintaining
	Annual % public applications for new entries that are processed	N/A	N/A	N/A	50% ¹⁸	Baseline set
14. HNZPT provides access to reports on New Zealand's heritage	Total available	9,678 ¹⁹	10,534 ²⁰	10,900	11,400 ²¹	Going up
15. Research New Zealand public awareness survey respondents who rate their personal interest in the protection of historic places as 'interested' (annual)	Total %	58%	58%	56% ²²	58%	Maintaining
	% age	N/A	N/A	New measure 2019-2020. Baseline to be set	Not less than 46% for each age group ²³	Baseline set
	% gender				Not less than 54% for female/male/other gender identities	
	% nationality				Not less than 50% for all recorded nationality groups ²⁴	

¹⁶ As at 4 July each year. Figure recorded at the beginning of each financial year for the year prior.

¹⁷ 50 additions are required for the figure to increase by 1%.

¹⁸ Clearing deficient registrations will have an impact on the percentage.

¹⁹ 6,815 archaeological reports + 2,863 List reports.

²⁰ 7,612 archaeological reports + 2,922 List reports.

²¹ Estimate taken on 14 February 2020.

²² The survey has a margin of error of +/-3.2% at 95% confidence level. A 2% decline from the previous year is therefore within the margin of error, and does not indicate a significant change.

²³ 18-24yrs; 25-34yrs, 35-44yrs, 45-54yrs, 55-64yrs, 65-74yrs, 75+yrs.

²⁴ European, Māori, Pacific Peoples and Asian.

PART THREE

OUTPUT COSTS

In its Statement of Performance Expectations last year, Heritage New Zealand Pouhere Taonga indicated that it intended to reorganise its output categories on the back of completed testing of its proposed new KPIs. That testing has now been completed and, as a result, we have determined that the output categories identified in the table below can be maintained as they are. Our Statement of Intent 2020-2024 also identifies the continuation of these outputs as areas of delivery emphasis during this period of time.

	2017-2018 Actual (\$000s)	2018-2019 Actual (\$000s)	2019-2020 Prospective (\$000s)	2020-2021 Prospective (\$000s)
Heritage knowledge	2,305	2,814	3,090	3,164
Heritage conservation	8,284	9,279	10,476	10,417
Heritage engagement	6,616	7,707	8,866	9,129
Operating expenditure²⁵ before Canterbury Earthquake Heritage Building Trust grants	17,205	19,800	22,432	22,710
Canterbury Earthquake Heritage Building Trust grants	247	100	50	123
Total operating expenditure	17,452	19,900	22,482	22,833

²⁵ Excludes losses on disposal of property, plant and equipment.

4. PROSPECTIVE FINANCIAL STATEMENTS 2020-2021

FINANCIAL PLANNING ASSUMPTIONS

Heritage New Zealand Pouhere Taonga has forecast total income for 2020-21 as \$23.2 million. This comprises \$17.7 million from the Crown and \$5.5 million from the Heritage New Zealand Pouhere Taonga membership base, properties, grants and other income.

During the 2020-21 year, Heritage New Zealand Pouhere Taonga will focus on retaining its core capability, and resetting and rebuilding the revenue-generating elements of its business (cafés, shops, museums and membership). As demand for our services exceeds our capacity to supply, Heritage New Zealand Pouhere Taonga welcomes the additional funding of \$3.1 million for 2019-2020, and \$3.9 million for 2020-2021 approved in Budget 2020, but will continue to seek alternative revenue streams to maximise our ability to provide services that protect, manage and share New Zealand's heritage places.

In 2020, we completed earthquake repair, strengthening and refurbishment of Old St Paul's in Wellington. This year our capital expenditure focus will be on Kate Sheppard House and, depending on the success of grant applications, the re-roofing and strengthening of Kemp House in the Kerikeri Mission Station. We have significantly reduced our allocations for capital expenditure in order to ensure the maintenance of our operational capability. While we are focused on developing non-Crown revenue streams, we are conscious that the ongoing requirements of maintaining our portfolio may necessitate a bid for capital funding for 2021-2022 if we cannot source funding elsewhere.

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 relating to the impact of Covid-19

Covid-19 is expected to significantly reduce 2020-2021 income from memberships and property visitors (approximately 15% of annual income) as these are affected by international travel restrictions and domestic economic uncertainty. As it is difficult to predict how long it will be before travel restrictions are able to be lifted and the likelihood of a return to higher alert levels, there is considerable uncertainty surrounding our estimates for this income.

The prospective financial statements assume the current alert level one status will remain in place, the return of international visitors in April 2021, and a 40% drop in domestic travel until summer 2020-2021. Partly offsetting these are savings in related expenditure, resulting in an estimated net revenue reduction of \$0.7 million. The prospective financial statements also assume the continuation of significant leases and do not provide for any change in property valuations arising from Covid-19. Management is confident that Heritage New Zealand Pouhere Taonga will continue to be a going concern and meet its cash flow requirements.

Other significant assumptions

- Outcomes sought by the Government remain consistent. Heritage New Zealand Pouhere Taonga will continue to provide leadership as the Government's adviser 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
- 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, such as Kate Sheppard House
- Planning for earthquake strengthening and repurposing of Turnbull House, Wellington will continue in the 2020-2021 year, as we prepare a business case for Treasury regarding this project. However the commencement of work will be dependent on the availability of externally sourced funding
- As a continuation of the Property Rationalisation Project, it is possible there may be changes to the Heritage New Zealand Pouhere Taonga property portfolio during the 2020-2021 financial year. However, no provision has been made for this in the financial statements
- There have been no significant changes in the valuation of properties or collections
- Insurance costs have reduced as the market will no longer offer a sustainable option for earthquake insurance for Turnbull House and Old Government Buildings, forcing us into a self-insurance model for these two properties
- Interest rates for 2020-2021 will be approximately 1.5%
- Due to high demand for its services, and as set out in the letter of expectations, 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
- Heritage New Zealand Pouhere Taonga will continue to manage the Tohu Whenua programme that promotes heritage places to visitors. The budget of \$390,000 for this activity is funded equally by Heritage New Zealand Pouhere Taonga, the Department of Conservation Te Papa Atawhai, and the Ministry for Culture and Heritage/Manatū Taonga; and
- Heritage New Zealand Pouhere Taonga will develop its systems to enable the progression of its IT services from infrastructure-as-a-service to Cloud-based services.

PART FOUR

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ending 30 June

	Actual 2018	Actual 2019	Estimated Outturn 2020	Prospective 2021
	\$000s	\$000s	\$000s	\$000s
REVENUE				
Revenue from the Crown	12,988	13,838	17,720	18,970
Property	1,859	4,673	4,122	3,632
Grants, donations and bequests	4,331	6,263	748	128
Interest	362	398	317	130
Membership	709	738	325	119
Sundry	58	633	417	260
TOTAL REVENUE	20,307	26,543	23,649	23,239
EXPENDITURE				
Fees paid to the Auditors	64	84	80	77
Administration	1,820	1,714	1,914	2,062
Personnel	10,032	11,403	12,052	12,473 ²⁶
Property	1,780	2,110	2,327	3,090
Incentive Fund	222	474	795	515
Insurance premiums	765	1,114	1,526	800
Depreciation and amortisation	626	693	795	898
Asset write-down or loss on sale	582	68	-	-
Asset granted or transferred	-	408	-	-
Communications	583	638	1,207	1,203
Marketing and membership	653	824	1,084	1,005
Board fees	149	135	148	148
Travel and accommodation	511	611	504	439
TOTAL OPERATING EXPENDITURE	17,787	20,276	22,432	22,710
NET (DEFICIT)/SURPLUS FOR THE YEAR BEFORE CEHB FUND AND TRUST	2,520	6,267	1,217	529
Canterbury Earthquake Heritage Buildings Trust grants	247	100	50	123
NET OPERATING (DEFICIT)/SURPLUS FOR THE YEAR	2,273	6,167	1,167	406
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
(Loss) Gain on revaluation of property, plant and equipment.	(1,725)	118	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	548	6,285	1,167	406

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

²⁶ This increase represents people to be taken on for the Tohu Whenua project in 2020-21 and a number of positions that were vacant during 2019-2020 that are now filled.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION As at 30 June

	Actual 2018	Actual 2019	Estimated Outturn 2020	Prospective 2021
	\$000s	\$000s	\$000s	\$000s
EQUITY				
Accumulated funds	39,762	43,296	50,447	51,727
Bequests and specified funds	4,165	7,853	6,484	5,744
Revaluation reserve	41,355	40,978	40,978	40,978
Canterbury Earthquake Heritage Buildings Trust	319	209	144	10
TOTAL EQUITY	85,601	92,336	98,053	98,459
Equity is represented by:				
CURRENT ASSETS				
Cash and cash equivalents	3,386	2,320	2,248	1,973
Short-term deposits	9,600	12,940	10,940	10,940
Prepayments and receivables	649	937	700	700
Stock on hand	211	208	308	308
GST receivable	88	91	91	91
TOTAL CURRENT ASSETS	13,934	16,496	14,287	14,012
NON-CURRENT ASSETS				
Property, plant and equipment	73,670	78,460	88,162	88,588
Work in progress	2,896	1,649	233	325
TOTAL NON-CURRENT ASSETS	76,566	80,109	88,395	88,913
TOTAL ASSETS	90,500	96,605	102,632	102,925
CURRENT LIABILITIES				
Accounts payable and accruals	1,682	1,360	1,354	1,353
Incentive Fund grants	1,290	1,126	1,486	1,501
Other grants	951	765	692	515
Employee entitlements	910	921	1,000	1,000
TOTAL CURRENT LIABILITIES	4,833	4,172	4,532	4,369
NON-CURRENT LIABILITIES				
	66	97	97	97
TOTAL LIABILITIES	4,899	4,269	4,629	4,466
NET ASSETS	85,601	92,336	98,053	98,459

THE HON. MARIAN L. HOBBS

Tiamana o te Poari o te Pouhere Taonga
Chair, Heritage New Zealand
Pouhere Taonga Board



ANDREW COLEMAN

Chief Executive
Manahautū



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

PART FOUR

PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 30 June

	Actual 2018	Actual 2019	Estimated Outturn 2020	Prospective 2021
	\$000s	\$000s	\$000s	\$000s
OPENING EQUITY	86,172	85,601	92,336	98,053
EQUITY TRANSFER FROM/(TO) CROWN	(1,119)	450	4,550	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	548	6,285	1,167	406
CLOSING EQUITY	85,601	92,336	98,053	98,459

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

PROSPECTIVE STATEMENT OF CASH FLOWS

For the year ended 30 June

	Actual 2018	Actual 2019	Estimated Outturn 2020	Prospective 2021
	\$000s	\$000s	\$000s	\$000s
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was received from:				
Revenue from Crown	12,988	13,838	17,720	18,970
Grants, donations and bequests	1,659	4,003	748	128
Other operating activities	5,376	6,346	5,101	4,011
Interest	361	398	317	130
Net Goods and Services Tax	107	--	-	-
	20,491	24,585	23,886	23,239
Cash was applied to:				
Payment of suppliers	(7,157)	(8,317)	(10,574)	(9,882)
Payment to employees	(9,909)	(11,360)	(10,854)	(12,215)
Net Goods and Services tax	-	(3)	-	-
	(17,066)	(19,680)	(21,428)	(22,097)
NET CASH FROM OPERATING ACTIVITIES	3,425	4,905	2,458	1,142
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was received from:				
Sale of property, plant and equipment	2,165	63	-	-
Net sale of term investments	-	-	2,000	-
	2,165	63	2,000	-
Cash was applied to:				
Purchase of property, plant and equipment and work-in-progress	(4,894)	(3,144)	(9,080)	(1,417)
Net purchase of term investments	(3,280)	(3,340)	-	-
	(8,174)	(6,484)	(9,080)	(1,417)
NET CASH FROM/(TO) INVESTING ACTIVITIES	(6,009)	(6,421)	(7,080)	(1,417)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was received from:				
Crown transfer of cash	395	450	4,550	-
NET CASH FROM FINANCING ACTIVITIES	395	450	4,550	-
Net decrease in cash	(2,189)	(1,066)	(72)	(275)
Opening cash balance	5,575	3,386	2,320	2,248
CLOSING CASH BALANCE	3,386	2,320	2,248	1,973
Represented by:				
Cash and cash equivalents	3,386	2,320	2,248	1,973

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

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

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

These Prospective Financial Statements for Heritage New Zealand Pouhere Taonga are for the year ended 30 June 2021, and were approved by the Board on 22 July 2020.

Basis of preparation

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

Statement of compliance

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

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

Measurement base

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

Presentation currency and rounding

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

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

Estimates and assumptions in relation to the valuation of heritage land, buildings and improvements are at significant risk of causing material adjustments to the carrying amounts of assets.

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

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 impact of the global Covid-19 pandemic on domestic and international visitor numbers is uncertain and likely to have significant effects on membership and property revenue. Management assumptions in relation to Covid-19 are noted in the financial planning assumptions preceding the financial statements.

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 three 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.²⁷ Consequently, there is a large degree of subjectivity inherent in the valuation process.

²⁷ The Heritage New Zealand Pouhere Taonga portfolio comprises heritage properties with no or little potential occupant or buyer market and therefore an absence of market transactions. In accordance with the Valuation Guidance for Cultural and Heritage Assets prepared by the Treasury Accounting Policy Team, Depreciated Replacement Cost (Summation Approach) is deemed the most appropriate basis for determination of fair value, as fair value of the asset is not able to be reliably determined using market-based evidence due to the specialised or unique nature of the asset.

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

Goods and Services Tax (GST)

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

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

Income tax

Heritage New Zealand Pouhere Taonga is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

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 is 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 an estimate of effort determined by management. 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

The Incentive Fund and other grants awarded by Heritage New Zealand Pouhere Taonga and its subsidiary are discretionary grants. Discretionary grants are those grants where Heritage New Zealand Pouhere Taonga has no obligation to award on receipt of the grant application.

Grants are approved subject to conditions and uplifted only when those conditions have been satisfied. Approved grants are recognised as expenditure and held as an expense provision until they are lifted by the grantee. Where there is doubt that the conditions of a grant will be met, the provision will be reversed until there is confidence that the terms of the grant are likely to be satisfied. If it is determined that all or part of a grant will not be uplifted, the grant is returned to the fund for redistribution.

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.

PART FOUR

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 cost after providing for obsolete items.

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

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. Land and buildings are revalued every three years to ensure that the carrying amount does not differ materially from fair value.

Heritage collections and objects are by nature specialised and are managed by Heritage New Zealand 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. A four year rolling cycle is conducted by registered valuers specialising in art and objects.

In the intervening years, enquiries are made of management and professional valuers to establish if there are any factors that may have given rise to significant changes in 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 renovation is complete is recognised in net surplus when incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the net surplus for the year. When revalued assets are sold, the amounts included in the revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land, heritage artefacts and library), at a rate that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

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

Buildings	100 years
Land development	1-15 years
Plant and equipment	3-10 years
Displays & interpretation	10 years
Other assets	5 years

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

Impairment

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For assets not carried at a revalued amount, the total impairment loss is recognised in the net surplus or deficit for the year.

If an asset's carrying amount exceeds its recoverable amount the carrying amount is written down to the recoverable amount and an impairment loss is recognised. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the net surplus or deficit for the year.

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

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 depend 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.

Commitments

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

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.

Standards issued and not effective and not early adopted

Management has decided not to early adopt the following Accounting Standards issued by the XRB that are not yet effective and may be applicable to the Financial Statements of Heritage New Zealand Pouhere Taonga.

PBE IFRS 9: Financial Instruments
(effective date January 2021)

PBE IPSAS 48: Service Performance Reporting
(effective date January 2021)

Management has determined that these standards will have minimal impact on the financial statements. ■

TE POUHERE TAONGA HERITAGE NEW ZEALAND

(44 NGĀ WHARE ME NGĀ WHENUA)

E PURITIA ANA

(17 NGĀ WHARE ME NGĀ WHENUA)

Te Whare o Alberton

Ngā Maioro o ngā Hōia Pākehā i Alexandra (Pirongia)

Te Whare o Antrim

Te Whare Parakimete o Bedgood

Te Mira a Clark

Ngā Whare Noho o Chevening

Te Whare o Clendon

Te Whare Moroiti o Hurworth

Te Whare o Kate Sheppard

Te Pūtahi Mīhana (Te Whare o Kemp)

Te Pāmu o Ruatuna

Te Whare o te Kaunihera o Te Porowini o Murihiku

Te Pātaka Kōhatu, Kerikeri

Te Mīhana o Waimate

Te Kura Keri Maina o Hauraki

Te Pae o te Teihana Poi Wā

Ngā Whare o Tōtara

E PURITIA TAHITIA ANA

(2 NGĀ WHARE ME NGĀ WHENUA)

Te Whare o Highwic (e puritia tahitia ana me Te Kaunihera o Tāmaki Makaurau)

Te Mīhana o Merenīhia (e puritia tahitia ana me te Melanesian Mission Trust)

E RĪHITIA ANA

(2 NGĀ WHARE ME NGĀ WHENUA)

Te Whare Moroiti o Ewelme

Te Mīhana o Māngungu

NGĀ PUNANGA TAONGA TŪMATAITI

(4 NGĀ WHARE ME NGĀ WHENUA)

Te Tāwharau Toka o Craigmore

Te Pae Toi Toka o Manunui

(i mōhiotia ko Frenchman's Gully Rock Shelter i mua)

The Cuddy

The Levels

NGĀ PUNANGA TAONGA

(16 NGĀ WHARE ME NGĀ WHENUA)

Te Whare Moroiti o Coton

Ngā Horonga Whare o Edmonds

Te Whare Rama Kaipuke o Te Kūrae o te Raki o Kaipara

Ngā Whare Pāmu o Matanaka

Ngā Whare Kāwanatanga o Mua

Old St Paul's

Te Poutāpetā o Ophir

Te Whare Rama Kaipuke o Te Raeakiaki (Pencarrow Head)

Te Mīhana o Pompallier

Te Whare Moroiti o te Riu o Rai

Te Tūwatawata o Rūnanga

Te Pae o te Whare o Seddon

Ngā Maioro o ngā Hōia Pākehā i Te Pōrere

Te Rerenga Mira o Tikirere

Te Whare o Turnbull

Te Whare Hōia o Ōrongomai

PUNANGA MĀORI

(1 TE WHENUA)

Ōpōtaka Pā

NGĀ PAE NEKE ATU I TE KOTAHI TE MOMO

(2 NGĀ WHARE ME NGĀ WHENUA)

Te Whare o Fyffe

(e puritia tahitia ana, e rīhitia tahitia ana mai i te Kaunihera a-Rohe o Kaikōura)

Ngā Whare Pūhanga o Hayes

(he wāhi e purititia ana, he wāhi he Punanga Taonga)

HERITAGE NEW ZEALAND POUHERE TAONGA

HERITAGE PROPERTY PORTFOLIO

(44 PROPERTIES)

OWNED

(17 PROPERTIES)

Alberton

Alexandra (Pirongia) Redoubt

Antrim House

Bedgood Blacksmith Building

Clark's Mill

Chevening Flats

Clendon House

Hurworth Cottage

Kate Sheppard House

Kerikeri Mission House (Kemp House)

Ruatuna Farm

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

PRIVATE HISTORIC RESERVE

(4 PROPERTIES)

Craigmore Rock Shelter

Te Manunui Rock Art Site (formerly Frenchman's Gully Rock Shelter)

The Cuddy

The Levels

HISTORIC RESERVE

(16 PROPERTIES)

Cotons' Cottage

Edmonds Ruins

Kaipara North Head Lighthouse

Matanaka Farm Buildings

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 (Lower Redoubt)

Tikirere Mill Race

Turnbull House

Upper Hutt Blockhouse

MĀORI RESERVE

(1 PROPERTY)

Ōpōtaka Pā

SITES WITH MORE THAN ONE STATUS (2 PROPERTIES)

Fyffe House

(part-owned by Heritage New Zealand and part-leased from Kaikōura District Council)

Hayes Engineering Works

(part-owned by Heritage New Zealand and part Historic Reserve)

Te Whare o Antrim
 Pouaka Poutāpeta 2629,
 Te Whanganui-a-Tara 6140
 Waea 04 472 4341

Antrim House
 63 Boulcott Street, Wellington
 PO Box 2629, Wellington 6140
 Phone 04 472 4341
 information@heritage.org.nz

Te Tari Takiwā o Te Tai Tokerau
 Pouaka Poutāpeta 836,
 Kerikeri 0245
 Waea 09 407 0470

Northland Area Office
 PO Box 836, Kerikeri 0245
 Phone 09 407 0470
 infonorthland@heritage.org.nz

Te Tari Takiwā o Te Raki
 Pouaka Poutāpeta 105-291,
 Tāmaki Makaurau 1143
 Waea 09 307 9920

Northern Regional Office
 PO Box 105-291, Auckland 1143
 Phone 09 307 9920
 infonorthern@heritage.org.nz

Te Tari Takiwā o Te Raki Taha Whakararo
 Pouaka Poutāpeta 13339,
 Tauranga 3141
 Waea 07 577 4530

Lower Northern Area Office
 PO Box 13339, Tauranga 3141
 Phone 07 577 4530
 infolowernorthern@heritage.org.nz

Te Tari Takiwā o Te Pūtahi a Māui
 Pouaka Poutāpeta 2629,
 Te Whanga-nui-a-Tara 6140
 Waea 04 494 8320

Central Regional Office
 PO Box 2629, Wellington 6140
 Phone 04 494 8320
 infocentral@heritage.org.nz

Te Tari Takiwā o Te Tonga
 Pouaka Poutāpeta 4403,
 Ōtautahi 8140
 Waea 03 363 1880

Southern Regional Office
 PO Box 4403, Christchurch 8140
 Phone 03 363 1880
 infosouthern@heritage.org.nz

Te Tari Takiwā o Ōtago me Murihiku
 Pouaka Poutāpeta 5467,
 Ōtepoti 9058
 Waea 03 477 9871

Otago/Southland Area Office
 PO Box 5467, Dunedin 9058
 Phone 03 477 9871
 infodeepsouth@heritage.org.nz

FREEPHONE 0800 HERITAGE

WWW.HERITAGE.ORG.NZ

He mea tautoko nā te kāwanatanga o Aotearoa mā roto i te
 Supported by the New Zealand Government through

