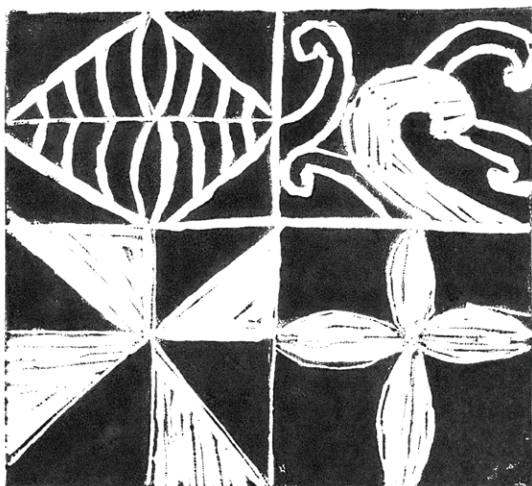


2018/19

G.10 (19)

Te Pūrongo ā-Tau
Annual Report

Manatū Taonga
Ministry for Culture
& Heritage



Manatū Taonga

Ministry
for Culture
& Heritage



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Manatū Taonga | Ministry for Culture and Heritage
PO Box 5364
Wellington 6140

Telephone: 04 499 4229

Email: info@mch.govt.nz

Web: www.mch.govt.nz

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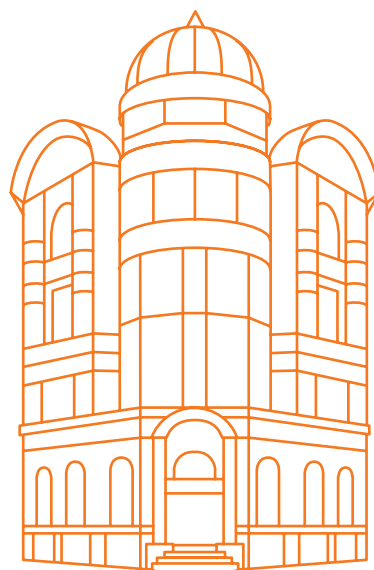
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Armistice Centenary National Ceremony, Pukeahu National War Memorial Park. Photo: Mark Tantrum.

TE PŪRONGO A TE TOIHAU CHIEF EXECUTIVE'S REPORT

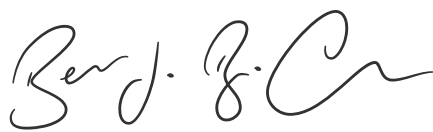
Takua e te tupua o te ata hāpara hei kukume i ngā kawekawe o Urutengāngana. Ko ngā karere whakaara tērā a Tāne nui te rā i tōna whare muramura i a Rorī whā-te-ao. Nā Tāne i kimi nāna i rangahau te māramatanga i te kore, i te pō, tē kitea, ka wehe i reira a Ranginui e tū iho nei a Papaahurewa e takoto nei ake he matutuā i tō rāua kotahi kia puta ko te whai ao, ko te ao mārama. Tēnei ka whakarerea i te mata tuhi ki ngā hau o te rangi hei pupuhi ki ngā iwi o te motu, Tūrou Hawaiki Tahutahu e!

The report demonstrates the good work undertaken by the Ministry over a broad cultural front. The extent of activity has increased with the new capability funding the Ministry received in Budget 2018. New Zealanders now support the Ministry to a total of \$23.3 million, and I am committed to ensuring they receive value for money. Beyond that total, of course, a great deal more funding is made available through Votes Arts, Culture and Heritage and Sport and Recreation to Crown entities and other agencies. These agencies directly support cultural projects and practitioners and deliver cultural experiences to our citizens, and the Ministry is pleased to work closely with them.

Culture makes an important contribution to New Zealanders' wellbeing. I am proud to be leading an organisation which can make a real difference in this area. Capturing and telling the stories of our country, and identifying the connections between us, is at the core of the activities supported by this organisation and these Votes. The following pages detail the kind of work we do in support of our Ministers and in accordance with statutory and other requirements: the production of strategy, policy, history, commemorations, and memorials; the maintenance of cultural relationships; the protection of heritage and elements of our national identity. Te Arataki, our iwi/ Māori engagement strategy, is the platform for a range of initiatives which support Māori cultural aspirations, and help connect all New Zealanders with Māori culture.

I began my term as Chief Executive of the Ministry in February 2019, and am conscious of the very great extent to which the work of the 2018/19 year must be attributed to my predecessors: Paul James, who was Chief Executive of the Ministry until October 2018, and Renee Graham who was acting Chief Executive from that time until I began my term. My thanks to them and, particularly, to the expert and committed staff of the Ministry.

Nāku noa, nā



Bernadette Cavanagh
Tumu Whakarae | Chief Executive



SUPPORTING MĀORI CULTURAL ASPIRATIONS

Iwi are a key partner for the Ministry, reflecting the Treaty of Waitangi. Māori culture, with its importance and uniqueness to New Zealand, is a crucial part of the work we do at the Ministry.

One of our enduring priorities is creating opportunities for New Zealanders to engage with Māori culture – creating an inclusive New Zealand whakapapa.

In response to the growing need for proactive engagement with Māori (including whānau, hapū, iwi, waka & Māori organisations), Te Manatū Taonga established a strategic framework in 2014 - Te Arataki.

Te Rōpū Pou Ārahi is responsible for the implementation of Te Arataki across the Ministry and provides advice to the Chief Executive on the delivery of these outcomes.

In late 2018 the Ministry increased capability within the rōpū by employing both a Kaiārahi Advisor and a Kaiārahi Matua Senior Advisor.

Above: Manatū Taonga People Leaders Noho at Hongoeka Marae in May 2019. Photo: Rebecca Goodbehere.

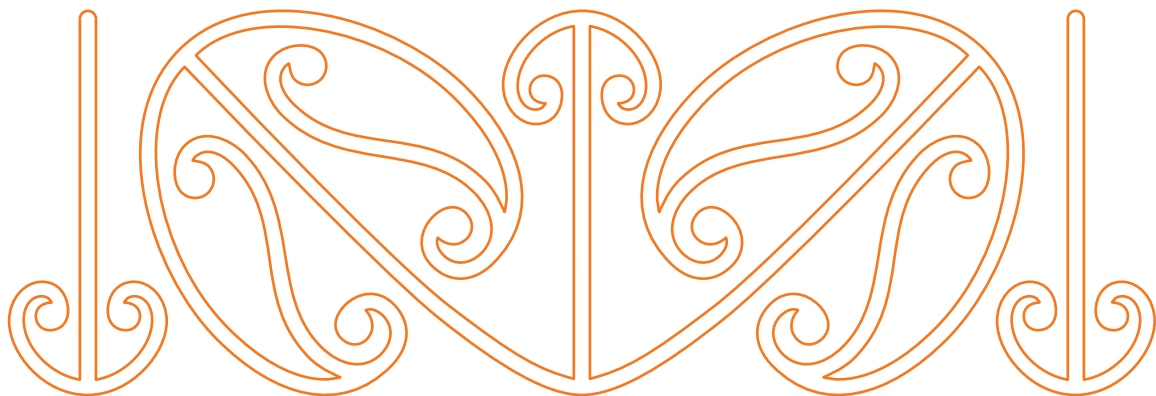
Below: Manatū Taonga staff with copies of *Māori at Work* by Dr. Scotty Morrison. The books were provided by Te Rōpū Pou Ārahi. Photo: Shayne Duncan.

The strategy was updated in early 2019 to reset the following three priorities:

- **He ngākau titikaha** - Striving for confidence across Manatū Taonga
- **He hononga tangata** - Creating opportunities for all New Zealanders to connect with Māori culture through the work we do
- **He hononga Tiriti** - Working collaboratively in line with Te Tiriti to support iwi and Māori priorities by working in partnership with iwi, sector, government and other external agencies.

Our work towards He hononga tangata and He hononga Tiriti is reported in the “Our Performance” section of this report, starting page 8. Our work towards He ngākau titikaha is reported in the “Our Story” section of this report, starting page 62.

Other significant activities that contributed to these outcomes are Te Tai Treaty Settlement Stories, protection of taonga tūturu, and *Tuia – Encounters 250*. More information can be found on these activities in the Vote Arts, Culture and Heritage: Heritage Services section of this report, starting page 33.







TE EKENGA

OUR PERFORMANCE

10	Progress towards our strategic intentions
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Armistice Centenary National Ceremony, Pukeahu National War Memorial Park, 11 November 2018.
Photo: Mark Tantrum.



TE KOKE WHAKAMUA KI Ā MĀTOU WHĀINGA MATUA

PROGRESS TOWARDS OUR STRATEGIC INTENTIONS

Our strategic intentions are based around our overall purpose:

He ngākau titikaha, he hononga tangata — promoting a confident and connected culture

Promoting the importance of culture and heritage for all New Zealanders; our role within the sector, and the breadth and depth of our work.

Confident in what we do, as individuals and as an organisation; as a nation we are confident in our unique place in the world.

Connected across our organisation and across sectors; connecting communities through culture and heritage; connecting the past, present and future.

This document explains:

- Culture's contribution to wellbeing;
- Our contribution to a confident and connected culture;
- Progress towards each of our strategic priorities and related indicators; and
- How we have performed with the services and other outputs that we deliver.

Culture's contribution to social, human, natural and financial wellbeing

Culture is central to our wellbeing and is at the heart of how we see ourselves and who we are. Culture is a driver of wellbeing that manifests itself in many different ways, and is meaningful in different forms to different audiences.

Cultural activities promote engagement between and within communities, building understanding and social inclusion. They are a foundation of what the Living Standards Framework calls 'social capital'. Creativity is the engine of 'human capital', expressing and reflecting who we are. New Zealand's natural environment is central to the wellbeing of iwi and hapū and redress under te Tiriti o Waitangi / the Treaty of Waitangi. For many New Zealanders, engagement with the outdoors – with 'natural capital' – is a fundamental part of who we are.

The cultural sector contributes significantly to GDP and our cultural infrastructure (museums, galleries, performing arts venues and so on) is an integral part of the financial / physical capital of New Zealand.

During 2018/19, the Ministry developed a range of tools and techniques to tell the story of the value of culture within the arts, heritage, media, and sports. These include guidelines on assessing the economic value of culture, a framework to report on cultural agencies' reach into diverse communities, and a public discussion paper on culture's place in the Treasury's Living Standards Framework (commissioned in partnership with the Treasury).

As the Ministry's work on refining indicators and measures of cultural wellbeing progresses, we will be able to tell an increasingly sophisticated story of the value of culture and the reach of the cultural sector. We will know who is benefiting from our investments in culture and who is missing out, so that we can target government interventions. At a high level, however, the evidence is already clear: culture is essential to New Zealanders' wellbeing and identity.

Our contribution to a Confident and Connected Culture

The Ministry is charged with overseeing the government's primary cultural interventions, to ensure these are working to the cultural advantage of New Zealanders and in support of the government's broader goals.

In practice, this means that the Ministry has a number of different roles:

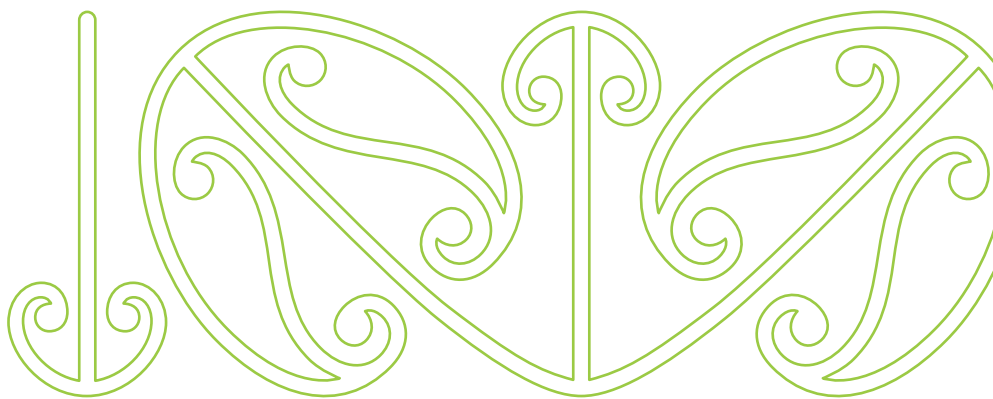
- Delivering cultural services that the government has determined should be located within the Executive (for example, national memorials and commemorations)
- Monitoring the effectiveness of interventions in the cultural sector which are owned or funded by the government (such as Creative New Zealand and Te Papa), and
- Advising Ministers on desirable adjustments to its interventions in the wider sector, given the government's broader goals, and giving effect to their decisions.

The number of potential interventions in the sector is enormous. Our developing understanding of cultural indicators and measures will inform the government's choices among them. We already know the value of culture to New Zealanders on a broad front and what this means in relation to the kinds of partners, within and beyond government, with whom we might usefully work. Better, more effective partnerships will be a key focus for the Ministry in the years to come.

The imperative to serve the cultural needs of all New Zealanders, in their disparate communities with their different life experiences, tastes and perspectives, underlines the policy advice on potential initiatives that the Ministry provides to Ministers. We are looking

particularly at the way in which cultural activity can intersect with health, education and welfare mechanisms to achieve social and cultural outcomes. For example, Creative Spaces can offer vulnerable people places to express themselves through art and engage with others in their community. The Creatives in Schools scheme will give students opportunities to learn from artists – and give artists a new income stream.

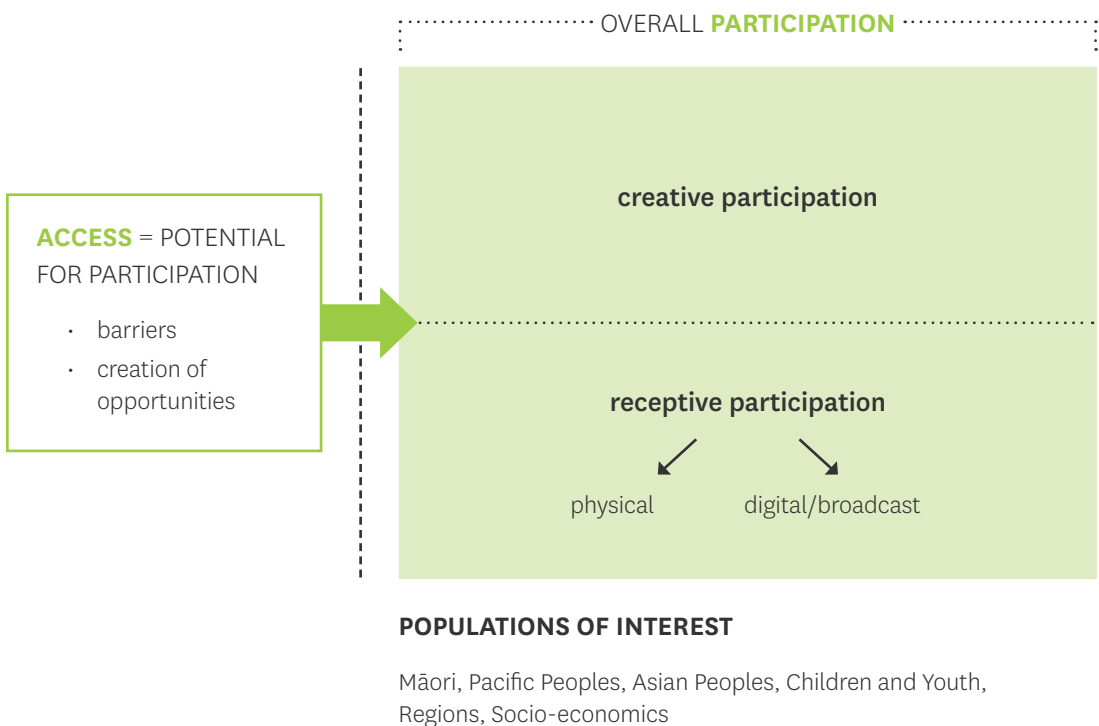
The long-term impact on wellbeing is influenced by other government and non-government cultural organisations, as well as wider economic and social trends. We remain a relatively small agency, very dependent on effective partnerships with both sector and government agencies. An important focus is developing our relationships with our funded agencies and with other (actual and potential) partners. In collaboration we are best placed to ensure that the government's cultural interventions continue to make a difference to the lives of New Zealanders.



STRATEGIC PRIORITY 1 | Access and Participation

All New Zealanders can access and participate in cultural experiences

We recognise that accessible cultural activity is important to individuals and to communities. It creates opportunities for social connection, and generates resilience, inclusivity and a sense of belonging. It contributes to the wellbeing domains of cultural identity, health, social connection, knowledge and skills, and subjective wellbeing.



Access is the potential for participating in cultural experiences. Our focus on access is firstly to identify barriers that prevent certain groups of the population participating. We then aim to create opportunities for the groups which have high barriers to participation.

Participation is actual engagement in cultural experiences, including sport and heritage.

Participation includes:

- *Creative participation.* Activity that makes a cultural or sporting event happen, or creates or preserves a cultural product.¹ This includes activities associated with making, creating, organising, initiating, producing, preserving, facilitating, and otherwise enabling participation (e.g. film distribution, theatre management, curatorial activities, preservation).

¹ Creative participation includes the first four stages of the UNESCO cultural cycle: creation, production, dissemination, and exhibition/reception/transmission. Cultural Reach Indicators Project Report, April 2019

- *Receptive participation.* Activity that involves receiving a cultural or sporting event, product or place. This includes the use of purchase or observation of a cultural experience. Receptive participation includes physical or in-person participation (e.g. attending a New Zealand Symphony Orchestra (NZSO) concert) and not-in-person participation via broadcast (e.g. listening to a NZSO concert on the radio) or digital means (e.g. accessing NZSO recordings on Spotify).

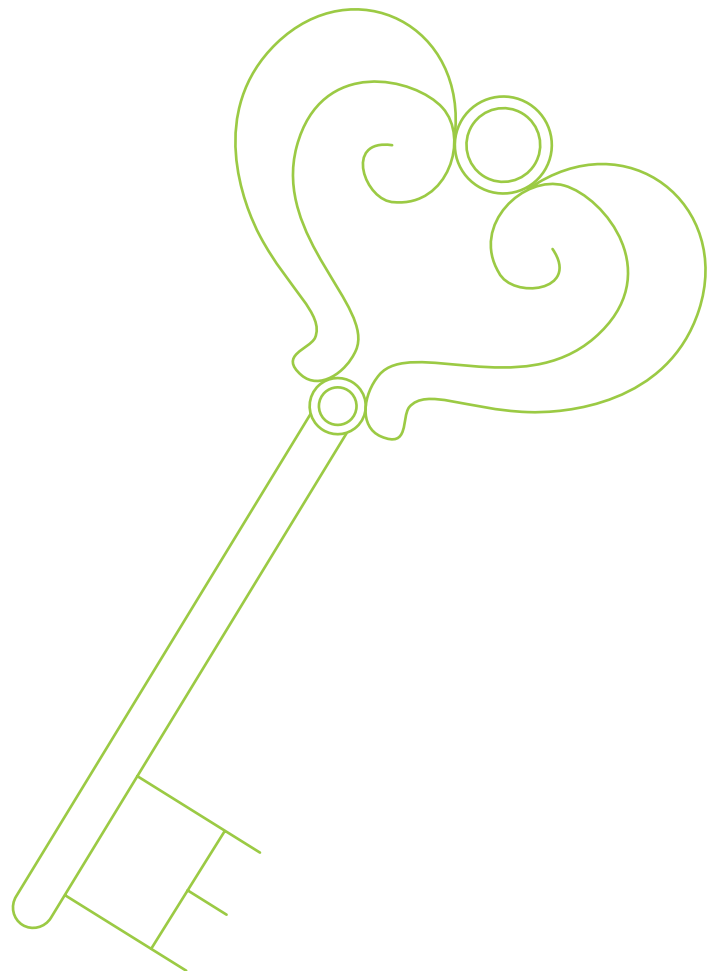
Many of the organisations the Ministry monitors have an explicit responsibility to contribute to cultural access and participation. The extent to which they are fulfilling this role features in our ongoing conversation with them, whether they are funding agencies such as Creative New Zealand, or organisations which have a direct engagement with communities, such as Te Matatini, the Royal New Zealand Ballet, or the New Zealand Symphony Orchestra.

The Ministry's contribution

Through our policy programme we advise the government about investing in culture. Much of our work is in partnership with other agencies and non-government organisations to maximize our impact. We also directly produce content to directly engage with New Zealanders.

The Ministry's Strategic Intentions document outlines the current priorities for improving access and participation. These include data analysis on the reach of the cultural sector, supporting the establishment of a Māori Battalion Museum at Waitangi, Te Tai Treaty Settlement Stories, and increasing the diversity of the arts sector.

Detailed information on progress made in 2018/19 is outlined in the Performance Information for Appropriations section which begins on page 22.



High-level indicators of access and participation in New Zealand are:

Indicators Aotearoa		
01	Cultural Attendance: In 2016, 66.3% of people aged 15 years and over reported participating in a traditional cultural event or activity at some stage in the previous four weeks. <i>Indicators Aotearoa – Statistics New Zealand (2016)</i>	A long-term measure is being developed for the time people aged 15 years and over spend participating in traditional cultural experiences, such as celebrations or activities. This measure is a proxy in the meantime.
Other indicators		
02	Participation in sport: In 2018, 95% of young people and 73% of adults are taking part in sport or active recreation in any given week. <i>Active NZ Participation Survey – Sport NZ</i>	This is a measure of weekly participation in sport and active recreation. Sport can be in an organised structure or informal. Recreation includes activities such as dance and tramping. The 2017 survey uses a new methodology and resets previous baselines.
03	Māori Participation: In 2013: 70% of Māori adults say it is at least somewhat important for them to be involved in Māori culture 54% of Māori adults think of their ancestral marae as their tūrangawaewae (place of belonging) 62% of Māori adults have been to their ancestral marae 34% of Māori adults have been to their ancestral marae in the last 12 months <i>Te Kupenga survey of Māori wellbeing – Statistics New Zealand</i>	
04	Value of the arts: In 2017, 80% of New Zealanders aged 15 years and over either attended or participated in the arts, or both. <i>Survey of New Zealanders and the Arts – Creative New Zealand</i>	This result shows an increasing trend over previous surveys, which may have shown engagement affected by the economic downturn (2008) and the earthquakes in Christchurch (2010 and 2011).
05	Community Cultural Vitality In 2016: 10.3% of adults belonged to an arts or culture group 18.3% belonged to a religious or spiritual group 31.1% belonged to a sporting or recreation group 4.3% belonged to an environmental, conservation or animal protection group. <i>Wellbeing Statistics – Statistics New Zealand</i>	

STRATEGIC PRIORITY 2 | Sustainable Growth

The cultural sector is supported and growing sustainably

The Ministry helps to ensure a thriving cultural sector, which contributes to the wellbeing domains of increasing jobs and earnings, income and consumption, and knowledge and skills.

The Ministry's contribution

Our primary area of focus at this time is building pathways to employment and enabling sustainable careers in the cultural sector. Our vision is that:

- A** Work in the arts and cultural sector is valued and regarded as 'real work'.
- B** Careers in the cultural sector are sustainable, meaning that workers can earn a viable living to support themselves and their family over the course of their career.
- C** Young people, and their parents, have confidence that they can pursue a sustainable career in the cultural sector
- D** Cultural sector education and training opportunities are well-suited to the work available and effectively prepare graduates for a career in the sector.

Brief detail of the initiatives commencing in 2018/19 is provided on page 26. Bringing significant elements of this work to fruition in 2019/20 will be a priority.

A second key workstream has been the early stages of developing a strategy document setting out the 10 year aspirations for the New Zealand screen sector.

High-level indicators of sustainability in the cultural sector are:

Indicators		
01	Household Cultural Spending: In 2016, \$115.10 or 9.13% of New Zealanders' average weekly household expenditure went towards recreation and culture <i>Household Economic Survey – Statistics New Zealand</i>	Weekly expenditure on cultural activities is a high-level indicator of both participation in and the sustainability of the cultural sector. Spending on cultural activities includes recreational and sporting activities. The comparable 2013 figure was \$107.20.
02	Cultural Incomes: Creative professionals earn a median of \$35,800 per annum after expenses. <i>A Profile of Creative Professionals – Creative NZ</i>	To better understand career sustainability in the arts and creative industries, Creative New Zealand and NZ On Air asked research agency Colmar Brunton to survey a range of creative professionals. income is considerably less than the median income for New Zealanders earning a wage or salary (\$51,800). While creative professionals are earning less than most working New Zealanders, their household income is in line with the national median (\$85,000 vs. \$85,500) and the majority are comfortable or getting by on their current household income.
03	Cultural employment: In the 2013 Census, 71,709 people reported being employed in either the Information, Media and Telecommunications or the Arts and Recreation Services Industries. <i>Census of Population and Dwellings – Statistics New Zealand</i>	This was a small increase on the 2006 figure of 70,332. The numbers employed in arts and recreation increased while those in information, media and telecommunications fell.

STRATEGIC PRIORITY 3 | National Identity

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

New Zealanders having a developed sense of what defines and connects us contributes to the wellbeing domains of cultural identity, social connections, knowledge and skills, and income and consumption.

The Ministry's contribution

The Ministry works in association with monitored national agencies such as Te Papa and Heritage New Zealand towards effective protection of important components of our heritage.

We also have a substantial delivery role in this area ourselves: our responsibilities include administering the Protected Objects Act, capturing at-risk knowledge through oral histories, looking after war graves and memorials throughout the country, and providing public organisations and private owners with assistance to strengthen quake-vulnerable buildings through the Regional Culture and Heritage Fund and Heritage EQUIP respectively.

In addition, current priorities outlined in the Strategic Intentions 2018-22 document include:

- Constructing the Erebus National Memorial
- Delivering the *Tuia – Encounters 250* commemoration
- Enhancing protection for Built Heritage

Detail on progress made in 2018/19 is outlined in the Performance Information for Appropriations section beginning on page 22.



High-level indicators of New Zealanders' national identity are

Indicators Aotearoa		
01	Sense of belonging: In 2016, 88.4% of New Zealanders felt a strong sense of belonging in New Zealand. <i>Indicators Aotearoa – Statistics New Zealand</i>	This result shows people's perceptions of their sense of belonging. This overall indicator is accompanied by a variety of supporting data, such as the importance of Māori culture, sporting or artistic achievement in defining New Zealand. These findings are available on the Statistics New Zealand website. This was the first time this data was collected, and it will be updated in late 2019.
02	Percentage of Te Reo speakers: In 2013, 3.5% of New Zealanders felt confident they could talk about everyday things in te reo Māori. <i>Indicators Aotearoa – Statistics New Zealand</i>	This result shows a declining trend from the 2006 result of 3.9% and 2011 result of 4.1%.
03	Sense of purpose: In 2018, the percentage of New Zealanders who rated their sense of purpose highly was 85.9%. <i>Indicators Aotearoa – Statistics New Zealand</i>	This was a small decrease from the 2016 result of 87.3% and 2013 result of 87.1%.
Other indicators of progress		
04	Indigenous Cultural Vitality: In 2016, just over half (2.03 million) of all adult New Zealanders said they had participated in at least one Māori cultural activity in the last four weeks. <i>Wellbeing Statistics – Statistics New Zealand</i>	The most popular Māori cultural activity was the use of te reo, with 46% of New Zealanders using te reo Māori words or phrases. Other Māori cultural activities that people reported taking part in were watching a Māori TV programme (23%), singing a Māori song (14%), and going to a marae (7%). Just under 2% of New Zealanders said they had participated in kapa haka in the last four weeks. This was the first time this data was collected.
05	Percentage of people with ability to express identity: In 2018, 83.8% of people aged 15 or over felt it was easy or very easy to be themselves in New Zealand <i>Wellbeing Statistics – Statistics New Zealand</i>	This was a small decrease from the 2016 result of 86.9% and 2013 result of 86.3%.
06	Place in the world: In 2018, New Zealand was ranked 35th in the world for its global contribution to culture. <i>Anholt Good Country Index (version 1.3 2018)</i>	This analysis is based on assessing a range of factors, including creatives goods and services exports, freedom of movement and freedom of the press.

NEW PRIORITY | Investing in News and Stories

A new priority is the government's intention to strengthen New Zealand's public media system to ensure an informed democracy. This has related wellbeing domain linkages to the areas of civic engagement and governance, knowledge and skills, and social connections.

Media in New Zealand and overseas are increasingly challenged by new platforms and technologies. This is having an adverse impact on both government-owned and private media organisations, and their ability to contribute effectively to our national identity and ensure New Zealanders have access to high-quality information enabling democratic debate. The declining state of both public and private media indicates that our current media structure is not sustainable.

During 2018/19 we commenced work on options to strengthen public media as well as other initiatives outlined on page 25.

This work will continue to be a policy focus in 2019/20.





Anika Moa interviews Dame Valerie Adams during *Anika Moa Unleashed* for TVNZ OnDemand and Māori Television. Photo: Rogue Productions.

TE ARATAKI

HE HONONGA TANGATA

Creating opportunities for all New Zealanders to connect with Māori culture through the work we do

Promoting the work of the Ministry across New Zealand

The following activities incorporated significant elements of Māori culture:

- Anzac Day at Pukeahu National War Memorial Park in Wellington
- Waitangi Day events in Waitangi and around New Zealand (through the Commemorating Waitangi Day Fund administered by Manatū Taonga)
- Development of the Māori Battalion museum at the Waitangi Treaty Grounds (with the Waitangi National Trust and the Ministry of Business, Innovation and Employment).
- Work with iwi/Māori to progress the Te Tai Treaty Settlement stories.
- The launch of the book *Whitiki! Whiti! Whiti! E!: Maori in the First World War* in Gisborne.
- Cultural support to the *Tuia – Encounters 250* project team and their activities.
- Support for war graves visits in the Bay of Plenty. Following this we facilitated a tikanga workshop to ensure the cultural safety of staff when visiting urupā (graveyards).
- Support for the mana whenua content of the education programme at Pukeahu.
- Youth Summit Enterprise – Te Rōpū Pou Ārahi led a delegation of young staff members to a national conference in Tokoroa to describe the work of Te Manatū Taonga to young aspiring leaders.
- Ministry representation at Nui te Kōrero 2019 (Creative New Zealand National Conference).
- The Ministry has signed relationship agreements with Te Wairoa, Ngai Tai ki Tāmaki, Tamaoho, Ngāti Porou, Ngāti Tūwharetoa and Ngāti Rangī in the past year.
- We have also collaborated with Te Arawa River Iwi Trust to develop an updated work plan for 2018/2019 under their Taonga Tūturu Protocol.



HE HONONGA TIRITI

Working collaboratively in line with Te Tiriti to support iwi and Māori priorities through working in partnership with iwi, sector, government and other external agencies

Oceania Exhibition

Te Rōpū Pou Ārahi is part of an inter-agency group led by the Ministry of Foreign Affairs and Trade to determine appropriate cultural support to accompany taonga to London for the Oceania exhibition.

Te Pūtake o Te Riri

We have been working with Te Puni Kōkiri on the strategic realignment of the annual funding for New Zealand Wars commemorations. Part of this work is connected to our commemorations review/refresh and the establishment of a NZ Wars memorial at Pukeahu.

Wai 262 claim (Māori intellectual and cultural property rights)

We have been working alongside other Crown agencies in support of this work being led by Te Puni Kōkiri.

Maihi Karauna

The Ministry has been involved in the development of the draft Crown Māori Language Strategy (Maihi Karauna) at several levels: The Senior Officials Governance Group, Te Papa Kōrero (CE's group) and Te Rūnanga Reo (Ministers' group).

Maihi Karauna outlines what the Crown will do to support a strong, healthy, thriving Māori language in New Zealand.

The Ministry is a co-convenor of one of the Maihi Karauna's priority areas – Aotearoatanga (national identity) – which connects to our Te Aratiki Strategy. Te Rōpū Pou Ārahi is leading the implementation on behalf of the Ministry.

Ngā tohu Reo Māori Awards 2018 – launch of Aotearoatanga Award

Te Manatū Taonga sponsored the new Aotearoatanga Award, which celebrates initiatives that support the value of te reo Māori as part of our national identity. The Ministry was represented on the judging panel, completed a te reo interview and provided an article in te reo Māori for *He Muka*, Te Taura Whiri's online magazine exclusively in te reo.

Nga Kaihautū Network

A network of Māori managers and advisors from our funded agencies, arts, culture and heritage entities and government who meet regularly to share information, provide agency updates and identify opportunities to collaborate. In 2018/19 we worked together on Te Matatini ki te Ao, with 6 agencies sharing an information tent at the Wellington event. The network has also contributed to the review of the Copyright Act (including taonga and mātauranga Māori) and the reforms to the State Sector Act. The network meets regularly.

Introduction to Engaging with Māori

A workshop delivered by Te Arawhiti in June to approximately 30 staff focusing on guidelines for engagement with Māori. A further workshop is planned for 2019/20.

TE WĀWĀHINGA

PERFORMANCE INFORMATION FOR APPROPRIATIONS



SCOPE

The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

Policy advice

The provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to arts, culture, heritage and broadcasting.

Monitoring of funded agencies

Monitoring the Crown's interests in sector agencies.

Ministerial servicing

Providing negotiated services to the Ministers for Arts, Culture and Heritage and the Minister of Broadcasting, Communications and Digital Media.

Policy advice and funded agency monitoring to support the government's interventions in the cultural sector

In 2018/19 we continued to work on established priorities across all our Ministers' portfolios. Work programme activities were further defined to deliver a range of advice on interventions to promote a more confident and connected culture for New Zealand.

Measuring Cultural Wellbeing and the Value of Culture

The Ministry partnered with other government agencies to accomplish a range of projects to better understand, measure and communicate culture's value. Initiatives directed at establishing a wellbeing framework across government were also completed.

We jointly commissioned with Treasury a public discussion paper on culture, wellbeing and the Living Standards Framework. It was concluded in June 2019. Public feedback on the paper, in the second half of 2019, will inform a refresh of the Living Standards Framework and associated dashboard due for release in 2021.

The Ministry worked with the Crown-funded cultural agencies and Statistics New Zealand to develop the first iteration of a national suite of wellbeing measures. Indicators Aotearoa/Ngā Tūtohu Aotearoa now includes a strong set of indicators of cultural activity and engagement.

We also worked with these agencies to develop a framework to better measure the reach of cultural activities into diverse communities in New Zealand. The framework focuses on Māori, Pacific peoples, children and youth, gender, socio-economic status and location. It will be used by cultural agencies to report on their reach into communities.

Our guidelines setting out how economists can use the Value of Culture framework to measure the total economic value of culture have been completed. Choice Modelling is one of the techniques outlined in the framework. A project to measure the value of several cultural activities using this method will be completed in late 2019.

Related to this work, a joint project with the Australia Council for the Arts has begun. The aim is to better understand how to measure culture's contributions to wellbeing, public value and social inclusion in Australia and New Zealand. The Prime Ministers of New Zealand and Australia welcomed this project in their joint statement on the February 2019 annual Australia-New Zealand Leaders' Meeting. The results will be reported to the Australian Meeting of Cultural Ministers at the end of 2019.

Supporting sustainable arts and wellbeing

A work programme to better support sustainable careers in the cultural sector is underway. It includes further policy development of a number of initiatives, including, increasing access to career development services and affordable legal services, establishing a resale royalty right for visual artists and lifting remuneration levels in the government-funded cultural sector.

The contemporary music focused Crown agencies, industry and artists have worked with us to develop recommendations on what government can do to

enhance the international potential of contemporary popular New Zealand music. This is intended to better support the careers of New Zealand musicians and music businesses.

We established a Creatives in Schools programme with the Ministry of Education and Creative New Zealand. This enables artists and creative professionals to partner with schools and kura to share artistic knowledge and creative practice with students. The first Creatives-in-Schools projects, each lasting from 8 to 20 weeks, will take place in 2020.

The contribution that creative spaces can make to wellbeing was researched in 2018/19. Creative spaces are places where people who face barriers to participation in society can take part in artistic activities in ways that support self-expression, self-development and social connectedness. The research is the first step in building a better understanding of the role of creativity in wellbeing and in starting conversations with central government agencies such as the Ministries of Health and Social Development about a broader range of services that can be delivered to their clients.

The Ministry and Creative New Zealand worked with the Ministry of Business, Innovation, and Employment (MBIE) to revise the Major Events Strategy to ensure it is more inclusive of cultural events, including Māori and Pacific events. The revised fund includes an incubator programme to help homegrown events become established or take the next major step in their growth. The fund will be relaunched in 2019/20.

The Ministry and MBIE have teamed up with the screen sector industry to develop a 10-year strategy to grow their economic and cultural contribution to New Zealand. This industry-led exercise is anticipated to be completed in late 2020.

We continue to collaborate with MBIE to administer the New Zealand Screen Production Grant. The domestic arm of this fund supports local screen productions to tell more New Zealand stories. Productions supported in the last year include *Daffodils*, *Darwin and Newts*, *Born Racer* and *Capital in the 21st Century*.

Strengthening the system for protecting heritage

The 2018/19 year began partway through a stakeholder engagement process which was a key part of our assessment of New Zealand's system for protecting heritage.

The work programme for 2019/20 is focused on addressing vulnerabilities in the current system. The key work-streams we have been progressing relate to improving the regulatory system, funding and incentives to better protect built heritage, and the Crown's role as a manager of heritage.

We will be engaging with stakeholders again in 2019/20 as the proposals are developed.

Access to broadcasting and support of public media

We supported the Public Media Ministerial Advisory Group to deliver advice on the future development of public media and allocation of government funding. The Ministerial group has concluded its work, and the Ministry is now providing policy advice to the Minister on the options.

The Ministry also provided advice on adopting Digital Audio Broadcasting. It was decided that it is not suitable for introduction at this time.

The terrorist attacks of 15 March 2019 increased the priority of work to look at ways to counter violent extremism. We are contributing to a work programme led by the Department of Prime Minister and Cabinet. Work will then resume with the Department of Internal Affairs (DIA) to scope out a review of New Zealand's content regulation system and report back to Cabinet in 2019/20.

Options for increasing levels of captioning and audio description were consulted on with representatives of broadcasters, on-demand providers and disabled peoples organisations. This is following the government response to the 2017 Select Committee inquiry into this matter. Advice is to be provided to Ministers in the second half of 2019.

National Archival and Library Institutions Ministerial Group

The Ministry continued to work alongside DIA and the State Services Commission to support the National Archives and Library Institutions (NALI) Ministerial Group. Feedback from the archival and library sector was sought to better understand the issues and concerns. After submissions closed in August 2018, the Ministerial group met several times to consider the feedback and potential options.

The Co-Chairs of the NALI Ministerial Group agreed that existing arrangements for the institutions are not able to continue. The Ministry has provided policy advice to Ministers as options are considered to strengthen the contributions of national archival and library institutions to New Zealand's history, culture and democracy.

Expanding Tohu Whenua to promote Landmarks of New Zealand

The Ministry continues to work closely with Heritage New Zealand Pouhere Taonga and the Department of Conservation on the Tohu Whenua programme (formerly Landmarks Whenua Tohunga). In 2018/19, the West Coast was launched as the third Tohu Whenua region. There are now a total of 24 sites with Tohu Whenua status in Northland, Otago and the West Coast.

Future expansion of the programme is under consideration, with new sites in existing regions being considered and further regions likely to be launched. Working with iwi to identify suitable sites of significance to Māori is likely to be a focus of any future expansion.

Supporting New Zealand's Heritage at Waitangi

In 2018/19, the Ministry worked closely with Heritage New Zealand Pouhere Taonga and the Waitangi National Trust to support the nomination of the Waitangi Treaty Grounds as New Zealand's first National Historic Landmark under the Heritage New Zealand Pouhere Taonga Act 2014.

The Ministry is working with MBIE to provide support to the Waitangi National Trust during the construction of the museum being built on the Treaty Grounds to commemorate the Māori Battalion. The museum will acknowledge the duty and sacrifice of Māori servicemen who volunteered in service of New Zealand to meet the obligations of citizenship under article three of the Treaty of Waitangi.

The Ministry also provided \$1 million of support to the Waitangi National Trust to help ensure public access to the Treaty Grounds remains free of charge and the range of services provided to visitors is maintained. The Trust was significantly impacted by a sophisticated fraud in 2017. The Ministry's contribution followed careful consideration of the Trust's financial outlook as well as the improvements to financial systems bedded-in since that time.

Repatriation

The Ministry worked alongside Te Papa Tongarewa and the New Zealand Repatriation Research Network (representing major museums) on options to strengthen the approach to progress repatriation of ancestral human remains in museum collections to their source communities within New Zealand. We will provide funding to Te Papa in 2019/20 to support museums in undertaking provenance research and physical repatriations.



Broadway, the main street of Reefton, West Coast. Reefton became a Tohu Whenua site in 2018/19. Photos: Nimmo Photography, Tourism West Coast.

Supporting and monitoring funded entities

We continue to support Ministers to oversee the performance of Crown-funded entities and non-government organisations across the portfolios of arts, culture, heritage, broadcasting, communications and digital media.

We do this by:

- advising Ministers on board appointments for effective governance
- ensuring that performance targets for the funded entities reflect Ministers' expectations
- reviewing the performance of funded entities.

The funded cultural entities have a key role in delivering Ministerial expectations and priorities.

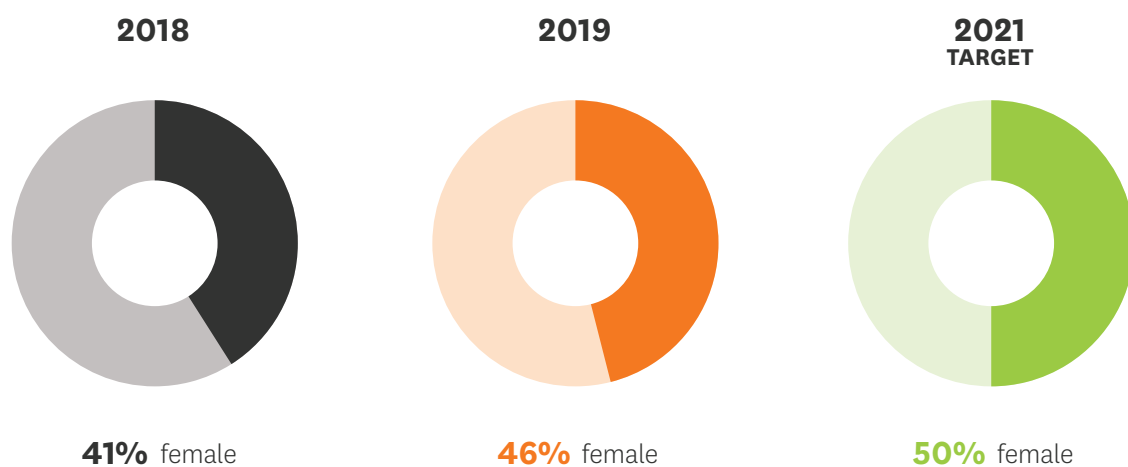
In 2018/19 we supported Te Papa Tongarewa to move to a more sustainable long term funding path and completed moving the non-government organisations to longer-term agreements.

The Ministry supported NZ On Air to implement its new platform-neutral New Zealand Media Fund that is aimed at improving audience access to high-quality content across New Zealand's diverse communities. The Ministry also provided board support for Crown-funded entities and non-government organisations. During the year we held two workshops for new board members with a focus on Crown governance, and updated our governance e-manual, which is available to boards on the Ministry's website.

Advice and support was provided to Ministers for 30 board appointments and reappointments across 9 of the 17 Crown and other entities supported through the Ministers' portfolios. Through these appointments, female board membership increased 5% to 46%. The Ministry is working towards meeting the State Sector target of 50% women on boards by 2021.

We are also focused on increasing the ethnic, age and regional diversity of the candidates for our boards to reflect New Zealand's population. The number of nominations received from Māori and Pacific Island candidates over the year has substantially increased and we are working closely with nominating agencies (such as Te Puni Kōkiri, Ministry for Women and the Office of Ethnic Communities) to identify suitable people.

Female board appointments across Crown-funded entities supported by Ministers' portfolios





HOW WELL WE DELIVERED IT

This section provides an assessment of our delivery against the performance measures set out in the Information Supporting the Estimates for 2018/19.

Policy Advice, Monitoring of Funded Agencies and Ministerial Services

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Ministerial satisfaction with the quality and timeliness of policy advice, monitoring of funded agencies and ministerial services	All Ministers were satisfied, average rating 8 out of 10	80%	All Ministers were satisfied, average rating 8 out of 10

Policy Advice

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Ministerial satisfaction with the timeliness of advice for policy briefings, advice and reports (see Note 1)	All Ministers were satisfied, average rating 8.4 out of 10	80%	All Ministers were satisfied, average rating 8 out of 10
Ministerial satisfaction with the quality of advice for policy briefings, advice and reports	All Ministers were satisfied, average rating 8.1 out of 10	80%	All Ministers were satisfied, average rating 8 out of 10
The average quality of written policy papers to the Ministers, as assessed annually by an expert panel (see Note 2)	72%	75%	7 out of 10
Cost per output hour (see Note 3)	\$150	\$100	\$159

Note 1 — Ministerial satisfaction measures

Our Ministers provided feedback on our performance using a scale between 1 and 10; where 1 shows the Ministry fell well short of expectations and 10 shows the Ministry far exceeded expectations. Responses of 6 or above were assessed as "satisfied".

Note 2 — The quality of written policy papers to Ministers

We use a panel of three principal advisors from the Ministry and one external advisor to review a sample of policy papers. The assessment is based on the Quality Policy Framework criteria required across government.

The result of 7 out of 10 means our advice is of an acceptable quality as assessed under this framework.

Note 3 — Cost per output hour

The Ministry's cost per output hour is greater than the budget standard, but comparable to the previous year. The greater costs are due to additional non-staff costs from increased policy activity (in particular broadcasting matters).

Monitoring of Funded Agencies

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Ministerial satisfaction with the timeliness of advice for agency related briefings, advice and reports (see Note 1)	All Ministers were satisfied, average rating 8 out of 10	80%	All Ministers were satisfied, average rating 8 out of 10
Ministerial satisfaction with the quality of advice for agency related briefings, advice and reports	All Ministers were satisfied, average rating 7.9 out of 10	80%	All Ministers were satisfied, average rating 8 out of 10
Ministerial satisfaction with the quality of advice of board appointments to Crown-connected boards	All Ministers were satisfied, average rating 7.9 out of 10	80%	All Ministers were satisfied, average rating 8 out of 10
The average quality of new board member governance workshops, as assessed by survey of attendees	92%	90%	89%

Note 1 — Ministerial satisfaction measures

Our Ministers provided feedback on our performance using a scale between 1 and 10; where 1 shows the Ministry fell well short of expectations and 10 shows the Ministry far exceeded expectations. Responses of 6 or above were assessed as "satisfied".

Ministerial Servicing

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
% of Parliamentary questions responded to within agreed timeframes	100%	100%	100%
Ministerial satisfaction with the quality of Parliamentary question responses (see Note 1)	All Ministers were satisfied, average rating 7.9 out of 10	90%	All Ministers were satisfied, average rating 8 out of 10
% of speeches and draft replies to Ministerial correspondence provided within agreed timeframes (see Note 2)	60%	95%	72%
Ministerial satisfaction with the quality of speeches and draft replies to Ministerial correspondence	All Ministers were satisfied, average rating 7.9 out of 10	90%	All Ministers were satisfied, average rating 8 out of 10
% of Ministerial and Ministry OIA responses responded to within legislative timeframes	97%	100%	99.5%
Ministerial satisfaction with the quality and robustness of Ministerial OIA responses	All Ministers were satisfied, average rating 7.9 out of 10	90%	All Ministers were satisfied, average rating 8 out of 10

Note 1 — Ministerial servicing

Our Ministers provided feedback on our performance using a scale between 1 and 10; where 1 shows the Ministry fell well short of expectations and 10 shows the Ministry far exceeded expectations. Responses of 6 or above were assessed as “satisfied”.

Note 2 — Ministerial servicing - correspondence

All speeches were delivered within agreed timeframes, but other Ministerial correspondence was at times delayed when volumes were beyond Ministry capacity. The Ministry has increased staffing in this area to improve performance in future.

SCOPE

Management of new memorial projects, national monuments, war and historic graves; promotion of cultural events; administration of legislation and grants; research, writing and publication of New Zealand history and reference works, including the on-line Encyclopedia of New Zealand.

Management of the Pukeahu National War Memorial Park

The sixth international Memorial within Pukeahu was unveiled in December 2018. Situated on the Eastern Terraces of the Park, the US Memorial speaks to the strong relationship between the US and New Zealand forged during the Second World War, when more than 150,000 American service personnel came to New Zealand.

The design for a Pacific Islands Memorial for Pukeahu was selected in 2018. Fabrication is underway, and it is expected that the unveiling will be early in 2020. The memorial symbolises our close relationship with the Pacific and the service of Pacific peoples in the New Zealand Defence Force in the two World Wars and in other conflicts. Organising the unveiling ceremony will see the Ministry working closely with the Ministry for Pacific Peoples and the Ministry of Foreign Affairs and Trade as well as Pacific Island communities.

Education programme

The Ministry has an important role in producing and promoting educational resources, as well as delivering an education programme at the Pukeahu National War Memorial Park. In recent years we have developed content and resources to support the study of a range of projects, including the First World War centenary, Te Tai Treaty Settlement Stories, Ngā Pakanga o Aotearoa (New Zealand Wars) and the *Tuia – Encounters* 250 commemorations.

A number of new 'Classroom conversations' have been added to the NZHistory website to explore these topics and provide teachers with meaningful contexts for learning and teaching suggestions (<https://nzhistory.govt.nz/taxonomy/term/3937>).

Many of these resources and ideas follow a strong place-based pedagogy that uses local history as a way of introducing and teaching bigger concepts. For example, the 'Map of Stories' approach developed to support Te Tai Treaty Settlement Stories brings settlement stories into a local context that better captures the diverse experiences of iwi.

Another successful place-based, inquiry-focused project for schools, 'Walking with an Anzac', came to an end in 2018. During the 2018 school year 60,000 students from Year 5 to Year 10 engaged with a discovery box that used a range of materials, including reproductions of First World War ephemera, to explore 32 individual stories. These provided an authentic context for learning about the impact of the war on schools and their local communities.

New online biographies

Since launching the Suffrage 125 biographies in 2018, the Ministry has established an ongoing Dictionary of New Zealand Biography (DNZB) (<https://teara.govt.nz/en/biographies>) programme, which aims to publish 20-25 new biographies each year. Thirteen were launched in May 2019, including biographies on figures such as Howard Morrison, Nancy Adams, Bruce Biggs, Nikola Nobile, Maurice Shadbolt and Shirley Smith. A further dozen will be published later in 2019 and the 2020 round is currently being commissioned.

These new biographies will add to the more than 3000 DNZB biographies originally published in print form between 1990 and 2000 and subsequently made available online in the early 2000s. The almost 500 biographies on Māori figures are also available in te reo Māori.

Te Tai Treaty Settlement Stories

In late 2018, one of our major digital projects, Te Tai Treaty Settlement Stories (Te Tai), published its first iwi-based audio-visual web story, exploring the history and settlement journey of the Bay of Plenty iwi Ngāti Awa (see <https://teara.govt.nz/en/te-tai>).

Te Tai aims to better inform New Zealanders about Treaty settlements and their impact by connecting and engaging them with a diverse range of settlement stories. The project has a valuable role to play in deepening understanding of New Zealand's bicultural history, the evolving Crown-Māori relationship and Ngā Pakanga o Aotearoa (the New Zealand Wars) in their broadest context. Te Tai presents a package of online resources, including audio-visual oral history interviews, research articles, documentaries, multi-media web stories and educational resources in both English and te reo Māori that enable schools to engage with and explore our history in their own localities. Another key part of the project is capturing first-hand the experiences of key figures involved in early Treaty settlements while they are still with us.

The Ministry is currently working with four other iwi, Ngāti Whātua Ōrakei, Ngāti Porou, Raukawa and Waikato-Tainui, and plans to publish significant new content online in 2019/20.

First World War centenary histories

In June 2019 we launched the tenth print publication produced as part of the First World War Centenary programme in partnership with Massey University and the New Zealand Defence Force. *Whitiki! Whiti! Whiti! E!: Māori in the First World War* (David Bateman Publishing) was written by Senior Māori Historian Dr Monty Soutar.

Whitiki! tells the stories of the more than 2200 Māori who fought in the First World War. They served in Egypt, Malta, Gallipoli, France, Belgium and England between 1914 and 1919, mainly in the Māori Contingent and its successors, the New Zealand Pioneer Battalion and the New Zealand Māori (Pioneer) Battalion. The book also covers the participation of Pasifika recruits in the Pioneer Battalion and explores the impact of the war at home, including the experience of those iwi who opposed the enlistment of their young men because of the legacy of the New Zealand Wars and land confiscation.



The *Whitiki!* book launch in June 2019 coincided with a 100-man guard of honour to commemorate 100 years since the return of NZ Māori (Pioneer) Battalion soldiers in 1919 at the end of WWI. Photo: Leanne Tamaki.



Behind the scenes filming an interview with Layne Harvey for the Ngāti Awa web story on Te Tai. Photo: Leanne Tamaki.



The Te Tai team at Te Mānuka Tūtahi Marae, Whakatane for the launch of the Ngāti Awa web story, November 2018. Photo: Manatū Taonga.



Terracotta Warriors exhibition, 2018/19. Photo: Maarten Holl. Te Papa (128084).

Supporting the Terracotta Warriors touring exhibition to New Zealand

Over a four-month period in 2018/19, New Zealanders in record-making numbers were able to experience the *Terracotta Warriors: Guardians of Immortality* exhibition at Te Papa. The journey of the more than 160 ancient treasures from Xi'an, China to Wellington was supported by the government indemnity scheme for touring exhibitions administered by the Ministry.

The government indemnity scheme helps reduce the costs of insurance for international exhibitions visiting New Zealand. The scheme is based on the principle of accessibility - making significant touring cultural

exhibitions available to New Zealanders. Under the scheme, the government assumes a large part of the risk of presenting exhibitions, minimising the amount of commercial insurance museums and galleries need to buy.

Terracotta Warriors was the first international exhibition to be held in Te Papa's new art gallery, Toi Art. The opportunity to see and explore the history of these Qin dynasty treasures face-to-face was taken up by 198,000 visitors, more than double the attendance originally anticipated.



Media Preview Day for *Terracotta Warriors: Guardians of Immortality*. Photo: Jo Moore. Te Papa (128778).



Opening event of *Terracotta Warriors: Guardians of Immortality*. Photo: Jo Moore. Te Papa (129421).

Management of Grant Schemes

The Regional Culture and Heritage Fund continued its work to support intending and funded applicants and called for applications to a further round commencing in March 2019. Decisions are pending with announcements due in the next financial year. In Budget 2019, a new four-year Multi Year Appropriation (MYA) was secured for the fund. Commencing on 1 July 2019, this MYA will provide for a further \$26.668 million for possible allocation in rounds through to June 2023.

The Heritage Earthquake Upgrade Incentive Programme (Heritage EQUIP) continues to provide funding and advice to support the private owners of heritage buildings to carry out earthquake strengthening. During the year, funding was awarded for 17 projects to a value of \$1.85 million. Extra incentives to better support owners in regional areas were also announced, including new Professional Advice Grants, and initial uptake has been encouraging. Since Heritage EQUIP was established in 2016, almost 40 projects have been supported through \$5.93 million in funding.

National Memorials and Graves

The Ministry manages a triennial programme of inspections and planned repairs for the war graves and memorials included in the Ministry's portfolio for New Zealand. The interpretation at a number of memorials in New Zealand has been updated and improved. Planned maintenance and site development has been completed at key offshore memorials such as New Caledonia, ensuring that they are accessible and cared for.

In response to a groundswell of support from the families of those who died in the 1979 Erebus air accident, the government decided to construct a memorial to the event. The National Erebus Memorial project got underway in 2018 with a national design competition for the memorial. The families will be invited to a ground-breaking ceremony on the 40th anniversary of the accident in November 2019. The memorial is on track to be unveiled in the first half of 2020, and this will be another opportunity for family members to come together.

National Commemorations Programme

Historical anniversaries commemorated in 2018/2019 included the 125th anniversary of New Zealand women gaining the right to vote and the centenary of the devastating 1918 influenza pandemic. In June 2019 the 100th anniversary of New Zealand's signing of the Treaty of Versailles was commemorated, marking the formal close of the First World War centenary and a milestone in the history of New Zealand's foreign relations.

To mark the Women's Suffrage 125 celebration in 2018, the Ministry developed a suite of digital projects. These included a rich audio-visual feature on women, the vote and political activism on the NZHistory website (<https://nzhistory.govt.nz/culture/suffrage125>); the digitisation and updating of the important 1993 centenary publication *Women Together* (<https://nzhistory.govt.nz/women-together>); and the publication of 25 new biographies on women in the Dictionary of New Zealand Biography (<https://teara.govt.nz/en/biographies>).

This new content was celebrated at a breakfast event hosted by Associate Minister for Arts, Culture and Heritage Hon Carmel Sepuloni at Parliament on 28 November 2018, the 125th anniversary of the 1893 election, when New Zealand women became the first in the world to vote in a general election.

Administering Legislation

During the year the Ministry processed 139 applications for and enquiries about the export of protected objects from New Zealand under the Protected Objects Act 1975. These ranged from 19th century watercolours to ngā taonga Māori, vintage cars and aircraft, and scientific samples destined for international research and scientific study. Temporary export permissions were processed to support the loan to and exhibition in Australia of a significant collection of Pacific taonga and wahaika Māori taonga from Te Papa, and an exhibition in South Korea of objects from the famed Antarctic expeditions of the early 20th century.

We also considered 121 applications and enquiries under the Flags, Emblems, and Names Protection Act 1981 on the use of New Zealand's sovereign symbols of nationhood.

The Ministry is also responsible for registering and ensuring appropriate care and custody of newly found taonga tūturu, and publicly notifying and seeking claims for ownership of these taonga. As interim guardians, we organised care for 148 newly found taonga tūturu and informed the public and interested parties of their right to claim ownership of them. During the year the Ministry submitted 9 applications to the Māori Land Court to have ownership of taonga tūturu vested in traditional owners. We have also supported iwi to build capacity and capability to assist in the long-term conservation of taonga tūturu.



Wellington secondary school debaters (from left) Rilke Comer, Amelia Mance, Florence Oakley and Jesse Richardson, with Prime Minister Jacinda Ardern, take part in a student debate at Parliamentary event to mark the centenary of the signing of the Treaty of Versailles. Photo: Shannon Doyle, Digital Ninja Design.



The proposed location of the conservation hub at Ōtākou Marae. Photo: Luke Stenner.

Waka found at Papanui Inlet

In 2013 the remains of a waka were found at Papanui Inlet on the Otago Peninsula.

This area is an extensive archaeological site where many taonga tūturu have been found after being exposed through coastal erosion.

The waka was taken to Ōtākou Marae, where it has been receiving Ministry-funded conservation treatment in a purpose-built space.

Te Rūnanga o Ōtākou are kaitiaki for the waka and oversee all aspects of its care, using their tikanga and ture as the framework.

In mid-2019 Ministry staff had a hui with Te Rūnanga o Ōtākou staff and hapū heritage specialists to discuss

long-term planning for the storage and care of the waka. Te Rūnanga o Ōtākou with their hapū heritage specialist have developed a plan to establish a taonga conservation hub at Ōtākou Marae to manage the care of taonga tūturu being recovered from the Papanui site.

The proposed taonga conservation hub will deliver conservation services for taonga tūturu, provide ongoing care and storage for the waka and other taonga tūturu, and provide opportunities for hapū and iwi members to have conservation training to ensure the future capabilities of Ōtākou papakainga. The Ministry will continue to support this project as it relates to our work around the care of taonga tūturu.



The proposed location of the conservation hub at Ōtākou Marae. Photo: Luke Stenner.



Papanui waka ledge end. Photo: Dilys Johns, Conservation Laboratory, University of Auckland.

TUIA - ENCOUNTERS 250 – BY THE NUMBERS

TUIA 250 VOYAGE

75

day voyage to be welcomed by

14

communities

Supported by an all of government approach

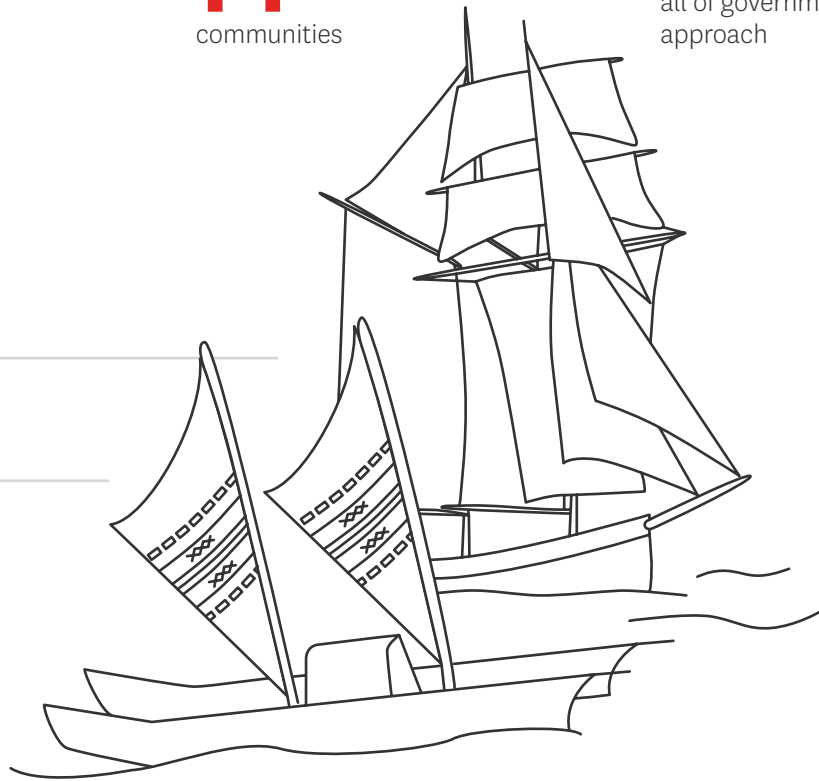
THE FLOTILLA

3

tall ships

3

waka hourua (double hulled voyaging canoes)



LOTTERY FUND

111

applications for funding through Lottery Tuia – Encounters 250

50

community projects funded

Tuia 250

During the year the Ministry continued to build towards *Tuia – Encounters 250* (Tuia 250), the Tier 1 national commemoration for 2019. The commemoration acknowledges 250 years since the first onshore meetings between Māori and Pākehā when James Cook, Tupaia and others on the *Endeavour* arrived in 1769. The intention of the commemoration is to give context to the thousands of years of Pacific voyaging and migration. It will provide a platform for a balanced, honest historical narrative to encourage reflection and debate about our country's future.

This year work has included finalising the core voyage flotilla (composed of six Māori, Pacific and European vessels) and, in consultation with participating communities, the development of a passage plan. It is intended that the flotilla will visit 14 sites of significance, between Pēwhairangi/Bay of Islands in the north and Whakaraupō Lyttelton in the south, during the period October – December 2019.



Navigating aboard the *Haunui* waka hourua. Photo: Erica Sinclair.

Agency partnership for Tuia 250 enabled broad community benefit

During the year the Ministry continued to work closely with the Department of Internal Affairs on the remaining allocation of \$9 million through the Lottery *Tuia – Encounters 250* fund. 50 community projects aligned with the kaupapa of the commemoration have been supported. Two such projects already underway are located in the Bay of Islands and Wellington respectively.

Mangahāwea Bay, Bay of Islands

Over the past two summers, local hapū Ngāti Kuta and Patukeha have worked with the University of Otago, Department of Conservation and Heritage New Zealand Pouhere Taonga on a project to understand the site of one of New Zealand's earliest known settlements, at Mangahāwea Bay on Moturua Island in the Bay of Islands. With Lottery funding, connections with French Polynesia are being explored through wānanga and archaeological

excavation, uncovering new evidence to support the understanding that Mangahāwea Bay was a place of very early Polynesian settlement. Interpretation and education resources will be produced and markers placed in the Bay and in Ra'iātea in Tahiti.

Orchestra Wellington

Ngā Tūtakitanga Tuatahi – First Meetings is an upbeat bicultural celebration of Aotearoa today. The show was created by dramatist Dave Armstrong in collaboration with taonga puoro artist Rob Thorne and Orchestra Wellington's brass and percussion players. It portrays the first meeting between Māori and Pākehā in Golden Bay, 377 years ago. The show is designed to introduce students to Māori and orchestral instruments and will be performed at 50 schools in the Wellington region between April and October 2019.

Tuia 250 Voyage

Arrivals and departures timeline



28 SEPTEMBER 2019

NOVEMBER



Join the Journey — tuia250.nz

TUIA 250

ENCOUNTERS



DECEMBER

9. Pēwhairangi /
Bay of Islands

07–11* Nov

10. Waitohi /
Picton

21–26 Nov

11. Wairau Te
Waiharakeke /
Blenheim

27–28 Nov

13. Whakaraupō /
Lyttelton

06–10* Dec

14. Te Māhia

15–18 Dec

12. Te Whanganui-a-Tara /
Wellington

30 Nov–03* Dec

* Departing afternoon/evening
Schedule correct as at 30 August 2019



The former Onehunga Post Office. Photo: Ray White Remuera & Megan Jaffe Real Estate.

Onehunga Post Office

The Former Post Office is the oldest surviving building in Onehunga's business centre. It operated as a post office for over 70 years and, although the building was threatened with demolition in the early 1990s, it survived due to community support. In September 2018 the current owners received \$78,118 to complete a comprehensive strengthening project. Once completed, the Post Office will feature space for a ground floor restaurant, with offices or apartments above.



Builder pouring grout down the Post Office chimney. Photo: Anonymous.

Milton Street Substation

In May 2018 one of Christchurch's early electricity substations was awarded \$186,709 in Heritage EQUIP funding to support the seismic strengthening of the building. It is the largest of the ornamental, classically influenced substations built in Christchurch during the 1920s and 1930s. It is a familiar landmark for this part of the city, and much of the architectural detailing on the building is unique. By June 2019 the strengthening and refurbishment work was close to completion.



Milton Street Substation interior. Photo: Clark Mauger.



The Milton Street Substation, Sydenham, Christchurch. Photo: Clark Mauger.

HOW WELL WE DELIVERED IT

This section provides an assessment of our delivery against the performance measures set out in the Information Supporting the Estimates for 2018/19.

Administration of legislation to protect New Zealand and taonga Māori and cultural heritage

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Export applications under the Protected Objects Act are processed within three months of receipt by the Ministry (see Note 1)	98%	100%	98%
Newly found taonga tūturu are publicly notified and interested parties are advised within two months of the Ministry being notified of their finding (see Note 2)	New measure	100%	57%
Applications in relation to the Flags, Emblems, and Names Protection Act 1981 are processed for submission to the Minister within three months of receipt by the Ministry (see Note 3)	Revised measure	100%	22%
Ministerial acceptance of advice in relation to the Flags, Emblems, and Names Protection Act 1981	100%	100%	100%

Note 1 — Export enquiries and applications under the Protected Objects Act

All but two applications were processed within the target timeframe of three months. The two exceptions were due to delays in the receipt of the external expert examiner assessments required by the Act in order for the Ministry to confirm a decision.

Note 2 — Newly found taonga tūturu

35 taonga tūturu were found and collected over many years and notified to the Ministry simultaneously. These cases account for over one third of the Ministry's 2018/19 caseload. Processing this volume of material led to the lower performance of 57% within two months of notification. The Ministry was not informed of these finds within the timeframe required by the Act and will be raising these concerns with the parties involved to ensure better processes are in place for the future. Excluding these, the performance standard was met in 93% of cases.

Note 3 — Applications in relation to the Flags, Emblems, and Names Protection Act 1981

Over the year, two out of nine applications (22%) were submitted to (and subsequently accepted by) the Minister within 90 days. Delays with the seven other applications were primarily due to staff changes, and the bedding in of new staff and updated processes for this workstream during the year.

Promotion of cultural events and significant commemorations

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Ministerial satisfaction with the co-ordination of anniversaries and the non-military commemorations programme (see Note 1)	Good	Rated 'good' or better	Very Good
Ministerial satisfaction with co-ordination of the WW100 programme	Very Good	Rated 'good' or better	Very Good
Social media reach across WW100 programme	243,946	Average monthly reach of 200,000	Average monthly reach of 206,036
Ministerial satisfaction with the co-ordination of the <i>Tuia 250</i> commemoration	New measure	Rated 'good' or better	Fair
Public awareness and understanding of the <i>Tuia 250</i> commemoration (see Note 2)	New measure	Baseline research complete	Baseline research complete (see below)
Social media reach across the <i>Tuia 250</i> commemoration (see Note 3)	New measure	500,000	688,611

Note 1 — Ministerial satisfaction measures

Ministerial satisfaction is assessed on a four-point scale between 'Poor' and 'Very Good'.

Note 2 — Public awareness and understanding of the *Tuia 250* commemoration

The Ministry conducted a survey to measure public views of the *Tuia – Encounters 250* commemoration before major publicity effort had begun. This will be compared with a follow-up survey after the commemoration to assess the Ministry's performance in improving awareness and understanding.

The survey was conducted by Colmar Brunton as at May 2019. The key results were:

- Awareness of the commemoration was 6%
- The majority of New Zealanders agree with the key messages of *Tuia 250*, including:
 - To understand our heritage, it is important to hear the stories of both Maori and later settlers to New Zealand/Aotearoa
 - That it is important to honestly discuss the first encounters between Maori and Europeans, even if it makes us uncomfortable to do so
 - New Zealanders should care for our environment and our oceans.

Note 3 — Social Media Reach

Reach is assessed as the number of people who had any content from or about *Tuia 250* enter their social media platform. This includes posts, check-ins, ads and social information from people who interact (calculated by daily unique users).

Maintain war graves and access to memorials and other places of national significance

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Carry out a programme of inspections and repairs for war graves and memorials within New Zealand in accordance with the Ministry's plan	Revised measure	Achieved	Achieved
Complete maintenance at key offshore memorials as required	Revised measure	Achieved	Achieved
After visiting the National War Memorial, visitors report they have a better understanding of the history and impact of war on New Zealand and how it is commemorated	72%	90%	92%
After visiting the Pukeahu Education Programme, teachers report students have a better understanding or awareness of New Zealand's history, heritage, nationhood or citizenship	100%	90%	100%

Information on and communication of New Zealand and Māori history, society and culture

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Manage annual programme to collect, preserve, and provide information on New Zealand and Māori history, society and culture (see Note 1)	Not achieved	Delivered against plan	Not achieved
Annual number of total visits to the Ministry's websites	10.7 million	11 million	11,125,324
Annual number of page impressions for the Ministry's websites (see Note 2)	28.5 million	30 million	26,408,820
Number of returning visitors to the Ministry's websites	3.9 million	3.5 million	3,660,960
Social media reach for Te Ara and NZHistory (see Note 3)	New measure	Average monthly reach of 150,000	Average monthly reach of 362,036

Note 1 — Manage annual programme to collect, preserve, and provide information on New Zealand and Māori history, society and culture

This measure was not achieved due to delays resulting from more time being spent on iwi engagement and consultation, working through the complexities of multi-media productions, and limited historical capacity.

Note 2—Annual number of page impressions

The total number of visits to Ministry websites has increased but total page views have decreased. This is a positive sign that suggests the public are finding information without having to click through a number of pages on each visit. Another possible cause for the decrease in page impressions is the increase in visits to the Ministry's database webpages (e.g. the suffrage petition on NZHistory), where people are only interested in the content of a specific page.

Note 3—Social Media Reach

Reach is assessed as the number of people who had any content from or about Te Ara or NZHistory enter their social media platform. This includes posts, check-ins, ads and social information from people who interact (calculated by daily unique users).

SCOPE

Management and delivery of an international cultural diplomacy programme through a series of projects and activities primarily focused on Asia and other regions where New Zealand is pursuing free trade agreements.

Administering the Cultural Diplomacy International Development Programme

In 2018/19 the Ministry worked with a range of government agencies to support the Cultural Diplomacy International Programme (CDIP).

A strategic review of CDIP was completed in 2018, and since then we have confirmed a number of significant investments for cultural activity in mid to late 2019, including:

- Tours of the *Tuku Iho: Living Legacy* exhibition to China and Japan, led by the Ministry of Foreign Affairs and Trade
- *Project Rippa*, a cultural festival during the six weeks of Rugby World Cup 2019, led by Tourism New Zealand

HOW WELL WE DELIVERED IT

This section provides an assessment of our delivery against the performance measures set out in the Information Supporting the Estimates for 2018/19.

Cultural Diplomacy International Programme

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Extent to which desired outcomes for these projects have been achieved	100%	80%	N/A
Number of approved projects completed and evaluated (see Note 1)	4	3	0
Ministerial satisfaction with the quality and timeliness of advice is consistently high (see Note 2)	80%	80%	Minister was satisfied, rating of 8 out of 10

Note 1 — Number of completed and evaluated projects

The Ministry is unable to report against desired outcomes and evaluations as the projects were not scheduled for completion in 2018/19. Key projects *Tuku Iho* and *Project Rippa* are scheduled for completion in the 2019/20 financial year. As CDIP operates in a multi-year appropriation, projects are aligned to key opportunities across a multi-year planning timeframe. Our performance measures for 2019/20 have been changed to recognise this.

Note 2 — Ministerial satisfaction measures

Our Ministers provided feedback on our performance using a scale between 1 and 10; where 1 shows the Ministry fell well short of expectations and 10 shows the Ministry far exceeded expectations. Responses of 6 or above were assessed as "satisfied".

SCOPE

Departmental Output Expenses

Provision of activities relating to First World War centenary commemorations.

Final year of the WW100 Programme

2018/19 was the final year of the WW100 programme, capping off the five-year First World War centenary commemoration period.

In November 2018, the Ministry engaged Colmar Brunton to survey and measure the New Zealand public's engagement with the commemoration. The survey showed 93% of New Zealanders aged 15 years+ engaged in the five-year WW100 centenary programme in some way. This high level of engagement held true for young people (15-24), Māori and Pacific Peoples, and amongst those in rural districts and urban centres.

The results of the survey also indicated knowledge of the First World War had increased over the centenary

period; that more New Zealanders believed the war has been relevant in shaping our national identity to some extent; and that the commemorations reinforced for 71% of participants the importance of New Zealand's commitment to peace.

In the year prior to concluding the commemorations with the centenary of the signing of the Treaty of Versailles on 28 June 1919, the Ministry led domestic centenary commemorations for the liberation of the French town of Le Quesnoy and the Armistice that ended hostilities in November 1918 (see case study on page 55).

Through a public engagement campaign called Finding Our Way Back, we highlighted some of the challenges faced by the tens of thousands of New Zealand soldiers and their families as they adjusted to life after the war. The WW100 Programme Office also delivered a second tranche of Walking with an Anzac discovery boxes of First World War ephemera and digital supporting information to 1000 classrooms around the country.

HOW WELL WE DELIVERED IT

This section provides an assessment of our delivery against the performance measures set out in the Information Supporting the Estimates for 2018/19.

First World War Centenary

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Visitor satisfaction with the Great War Exhibition	Rated 'good' or better	Rated 'good' or better	98% of visitors rated 'good' or better
Visitors reporting increased levels of understanding and awareness of New Zealand's military history after visiting the Great War Exhibition	97%	90%	97%
Annual visits to the Great War Exhibition (see Note 1)	80,032	125,000	67,240

Note 1 — Annual visits to the Great War Exhibition

Visitor numbers did not reach the budget standard of 125,000 as a decision was made to close the Great War Exhibition in December 2018.



The final overseas national commemoration of the centenary was held on 4 November 2018, marking 100 years since New Zealand troops liberated the French town of Le Quesnoy. More than 300 descendants of the New Zealand soldiers joined the Le Quesnoy community, a New Zealand Defence Force Contingent and French and New Zealand dignitaries to mark the occasion. Photo: New Zealand Defence Force.



Armistice Centenary National Ceremony, Pukeahu National War Memorial Park, 11 November 2018. Photo: Mark Tantrum.



Armistice Centenary National Ceremony, Pukeahu National War Memorial Park, 11 November 2018. Photo: Elias Rodriguez, Mark Tantrum.

Armistice Centenary

On 11 November 1918 the guns fell silent with the signing of the Armistice on the Western Front. To mark the centenary in 2018, the WW100 Programme Office at the Ministry led a national ceremony at Pukeahu National War Memorial Park and supported the communities around New Zealand which organised over 150 commemorative activities and events.

These commemorations both reflected on the immense losses endured throughout the war and recaptured the sense of hope for the future that was felt when the Great War ended 100 years ago.

Results from the WW100 Final Survey suggest that 23% of New Zealanders engaged in the Armistice centenary in some way, either by attending an event or watching or listening to coverage.

‘In a world where conflict remains all too prevalent, we look to how we can achieve a better future. We think of our commitment as a nation to the ideals of peace, multilateralism and inclusion.

‘We will best honour our forebears by continuing to hold fast to these values as we work for the next generation and for our future.’

– Rt Hon Jacinda Ardern, Prime Minister of New Zealand, address to the Armistice Centenary National Ceremony.

FIRST WORLD WAR CENTENARY – BY THE NUMBERS

13

CENTENARY

anniversaries marked with national commemorations

9,861

NEW ZEALANDERS

registered for the ballot to attend Anzac Day in Gallipoli in 2015

60,000+

CHILDREN WORKED WITH

the Walking with an Anzac school kits in 2018 and 2019 (2,000 classes)

247

FIRST WORLD WAR

diaries and letters were digitised by National Library as part of their WW100 digitisation project

199

GRANTS AWARDED

by Lottery WW100 Commemoration, Environment and Heritage Committee to support community projects

1,297

LAST POST

Ceremonies were held at Pukeahu National War Memorial Park during the centenary

152,896

FIRST WORLD WAR

personnel files were made available online by Archives New Zealand

84

FILMS WITH

New Zealand First World War connections were repatriated as a result of research by Ngā Taonga Sound & Vision

33+

HOURS

of First World War content was funded by New Zealand On Air

1,135

ACTIVITIES LISTED

on the WW100 website by different groups

164,000+

PEOPLE WATCHED

a livestream of one of the domestic national commemorations

400+

NEW ZEALAND FLAGS

were gifted to sub-branches of the Returned & Services League of Australia and other community organisations for use in commemorations

4

YEARS OF WORK

by master carvers, tutors and students of the New Zealand Māori Arts and Crafts Institute who produced an 8-metre tall pou maumahara (memorial carving) which was gifted to the community of Zonnebeke, Belgium

50

TONNES OF CHALK

were dropped on the Bulford Kiwi in the UK as part of a restoration project

48

YOUTH AMBASSADORS

from New Zealand and the Pacific were supported to attend official overseas commemorations by Ministry of Foreign Affairs and Trade and New Zealand Defence Force

96,000

PIECES OF USER-

generated content were added to Auckland War Memorial Museum's Online Cenotaph website



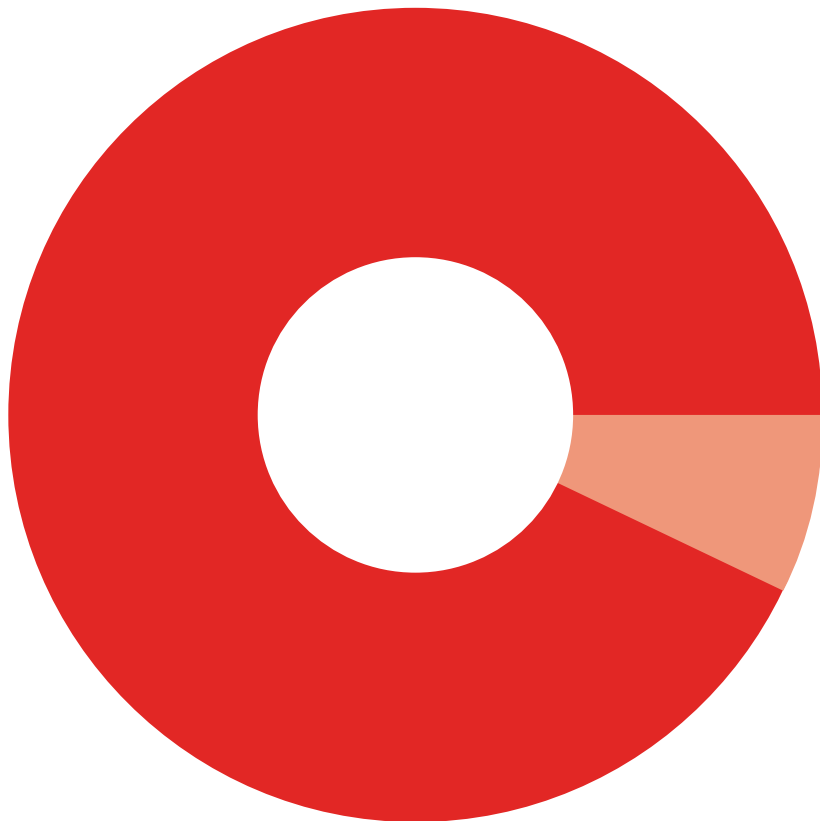
ENGAGEMENT IN THE FIRST WORLD WAR COMMEMORATIONS

93%

Engaged in the First World War centenary commemorations in some way

7%

Did not engage in any way



INVOLVEMENT IN THE FIRST WORLD WAR COMMEMORATIONS BY SUBGROUP

93% All

94% Māori

89% Pacific Peoples

94% Young People (15-24)

94% Rural

93% Urban

FIRST WORLD WAR CENTENARY – WHAT NEW ZEALANDERS SAID

Quotes from the WW100 Final Survey

‘They made me delve a little deeper into family connections. It also made me think about how refugees who are displaced by wars often go on to make amazing contributions to their new countries.’

‘Anzac 2015 was a very special time and connected me more deeply with my family and its history. The Memorial Field was very thought provoking and moving and reinforces our belief that a war on this scale should never happen again. We must always strive for peace. Always.’

‘The field of crosses at Auckland Museum was very moving and poignant. We have collected my great uncle’s cross from the Memorial Field. As he has no known grave at Gallipoli, it feels now as if we have a little piece of him home with us.’

‘As I see the increased involvement by younger families at these ceremonies, I realise the importance of keeping our history alive through such events and that this generation understand the sacrifices made for them and their future.’

‘New Zealand’s identity is not based on one particular thing, it is based on a huge number of things, including participation in wars, but also many many other things like sport, culture, behaviour, politics.’

‘It has made me realise how fast time passes and how quickly people forget or society reverts to ignorance if awareness and education isn’t an ongoing process.’

‘To have families split up so that soldiers go overseas and women/the unable stayed at home to work must have been very heart breaking and difficult. It makes me think of what that would look like today when society is so used to being mostly at peace and focusing on ourselves.’

‘Attending an Armistice Day parade in the small town of Porangahau was very moving as we saw the large number of names, many with the same surname, from this tiny community who died for a very distant war.’

‘Made me realise just how important WW1 was. It really changed everything. I don’t know how we came back from it.’

‘I was a part of the Rimutaka reenactment crossing. It really opened my eyes to what our men went through before they even got to war.’

‘New Zealand has come a long way and has managed to evolve into a country that reflects on its history.’

‘The Anzac Day Dawn Service ceremony in 2016 at Pukeahu was extremely moving. It wasn’t so much the ceremony, it was the coming together of a community of people to commemorate the fallen.’

“‘We will remember them’ a pledge we, as a country, have made through the years and now 100 years on we still remember them as an important part of our history.’

‘The loss of so many men had an enduring impact on our society, especially in the aftermath. It also created lasting bonds with other nations and embedded us into their histories as well.’

‘It is important to mourn not celebrate or glorify war.’

‘We also attended another celebration at a farm in North Canterbury where we remembered the local farmhands who went to war.’

‘With my class, we researched some of the people whose crosses we had been given. We set the crosses up on our school lawn and held a very moving Anzac ceremony.’

‘Attending an Anzac Day memorial service was very moving and gave me a new appreciation of the sacrifices everyone living in those times made, both at war and at home.’

‘The Great War exhibition made a lasting impression due to the use of photos being turned into colour, making it seem like the events only happened yesterday.’

‘Passing War Memorials is now more poignant.’

‘It was interesting to share views and opinions with others in our community.’

‘I feel so sad that humanity has not learnt from the horrors of war because wars, fighting, death, destruction and the senseless loss of life still exists.’

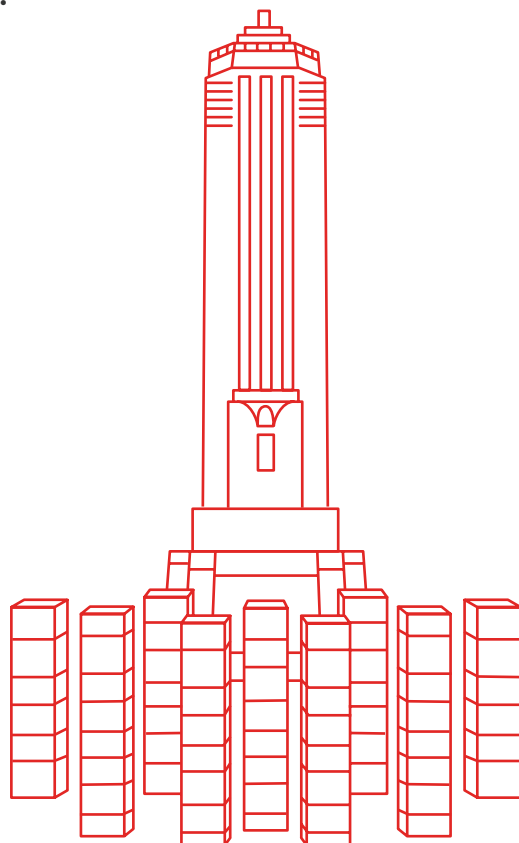
‘I think that glorification of the fighting ignores the stupidity of the whole process of war, and the need to learn other lessons of love and peace.’

‘I have participated in Anzac day parades over the last 75 years and I feel that I learn something new each time.’

‘I can’t help but be utterly appalled at the horrors our men faced, the hardship, starvation, injuries, the deprivation, the death, the sorrow. Unimaginable terror which I hope no-one ever faces again.’

‘I think the so-called commemoration of the World Wars has been over-done & nothing to be celebrated. War is abhorrent.’

‘100 years—opportunity for today’s generation to learn and acknowledge family involvement.’



VOTE SPORT AND RECREATION

Purchase Advice and Monitoring of Sport and Recreation Crown Entities

SCOPE

Provision of purchase advice and monitoring of Sport New Zealand and Drug Free Sport New Zealand, including advice in relation to appointments to boards.

Policy advice and funded agency monitoring to support the government's interventions in the cultural sector

We advised and assisted the Sport and Recreation portfolio Crown Entities on their responsiveness to Ministerial expectations. We strengthened and improved the way we assess the entities performance and provided the Minister with advice on the performance of Sport New Zealand, Drug Free Sport New Zealand, the Sports Tribunal of New Zealand and the Eden Park Trust Board.

In 2018/19 we also made board appointments to Drug Free Sport New Zealand and the Eden Park Trust Board.

HOW WELL WE DELIVERED IT

This section provides an assessment of our delivery against the performance measures set out in the Information Supporting the Estimates for 2018/19.

Purchase advice and monitoring of sport and recreation Crown entities

Performance measures	Actual performance 2018	Budget standard 2019	Actual performance 2019
Briefing reports to be provided during the year	26	20	22
Ministerial satisfaction with the quality and timeliness of advice is consistently high (see Note 1)	All ministers were satisfied, rating 7 out of 10	80%	Minister was satisfied, rating 8 out of 10

Note 1 — Ministerial satisfaction measures

Our ministers provided feedback on our performance using a scale between 1 and 10; where 1 shows the Ministry fell well short of expectations and 10 shows the Ministry far exceeded expectations. Responses of 6 or above were assessed as "satisfied".



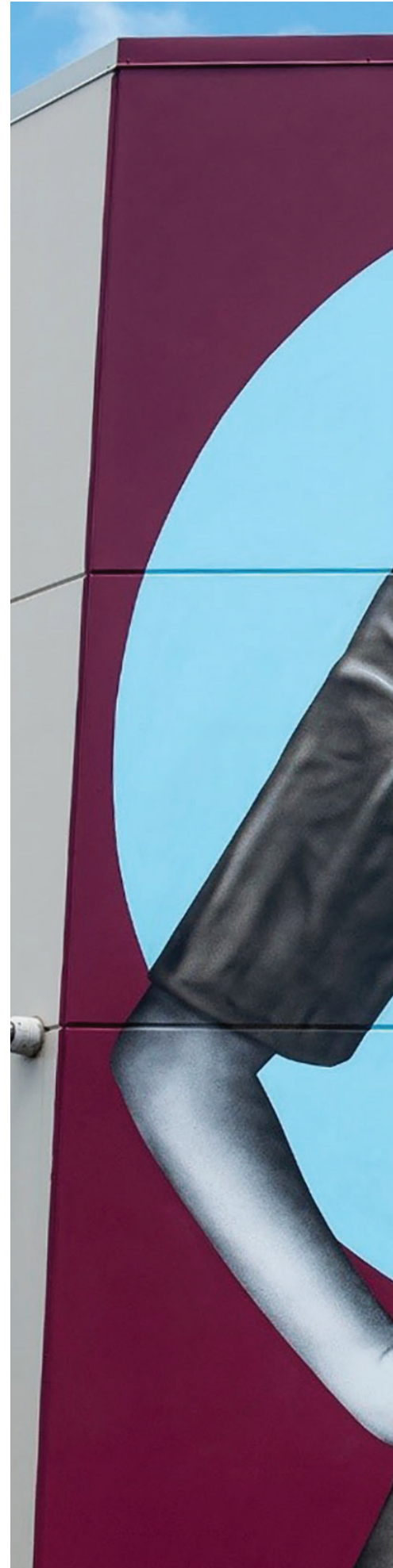
Photo: Sport New Zealand.

TĀ MĀTOU KŌRERO

OUR STORY

- 64 Effective and efficient delivery of our services
- 68 Co-creating our people and culture strategy
- 70 Improving our ability to attract and retain
- 72 Diversity and inclusion
- 74 Capability and engagement measures

Selenaia (2019) by internationally renowned street artist Fin DAC, which graces a city wall in Whāngarei, is part of a street art festival funded by *Tuia – Encounters 250*. *Selenaia* was inspired by the theme 'Tuia te muka Tāngata - Weaving the threads of Humanity'. The work is a portrait of muse Selena Bellingham, a wahine toa of Māori and Filipina heritage. Photo: Yoshi Travel Films.





TE WHAKAHAERE TIKA I Ā MĀTOU RATONGA

EFFECTIVE AND EFFICIENT DELIVERY OF OUR SERVICES

INVESTING IN OUR PEOPLE

The Ministry's underlying baseline remained largely static from 2008 until 2018. Over time, trade-offs were made to balance the Ministry's budget leading to a decline in capacity to deliver the government's work programme. In addition, the ability to develop internal capability and pay people fairly was negatively impacted.

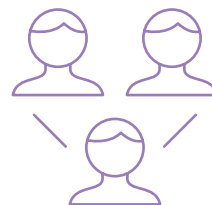
An increase to baseline funding in July 2018 has enabled the Ministry to:



1. Increase people capability and capacity



2. Co-create a people and culture strategy



3. Improve our ability to attract and retain

1. INCREASED PEOPLE CAPABILITY AND CAPACITY

In 2018/19 the Ministry increased its people capability and capacity to deliver on the government's work programme, support growth and meet increased standards for effective support to internal governance (e.g. audit, security, health and safety, Official Information Act response times, etc.). Attention was given to competence in our two sectors (cultural and public), our diversity and our values.

In the 12 months to 30 June 2019 the Ministry expanded from 128 FTE to 150.7 FTE (approximately 18% growth).

When combined with normal rates of turnover, this means 33% of our workforce joined the Ministry in the past year.

The majority of new roles were advertised internally first, aimed at improving career pathways and retaining and growing in-house talent. During 2018/19, 23 people took up new internal opportunities. In addition to these arrangements, many of our people have undertaken secondments or acting roles that provide stretch and development for their careers in the public sector.

Te hono i te iwi nui tonu ki te ahurea o Aotearoa — We will connect more people with New Zealand's culture

The table below summarises the core capabilities we targeted to deliver the government's work programme and align with the Ministry's enduring priorities:

Enduring Priority	Capability recruited in 2018/19
Creating opportunities for New Zealanders to engage with Māori culture – creating an inclusive New Zealand whakapapa	We increased numbers in Te Roopū Pou Ārahi to enable the Ministry to deliver on Te Arataki, the Ministry's iwi/Māori engagement strategy. This increased capacity has enabled us to: - <i>pilot Te Taura Whiri i te Reo Māori Trial of Beginners Te Reo Māori Assessment with our public and cultural sector partners (a tool to help further Maihi Karauna)</i> - <i>Tohu Whenua, a partnership between Manatū Taonga, the Department of Conservation Te Papa Atawhai, Heritage New Zealand Pouhere Taonga, and the Ministry of Business, Innovation and Employment, linking significant places through a series of regional trails that showcase their importance</i> - <i>work with people across the Ministry to improve underlying systems and processes to build internal cultural capability.</i> In addition, we recruited more Māori to various roles in the Ministry, bringing vital knowledge, understanding and experience of Te Ao Māori to our work programme
Valuing Aotearoa's cultural diversity	Additional capability enabled us to focus on improving diversity within the Ministry and across the wider sector.
Investing in culture for the wellbeing and prosperity of New Zealanders	We bolstered our policy capability, recruiting additional staff to support an increased focus by government on arts policy, heritage policy, and media policy. We also increased resources in our sector performance area, where we are building a centre of excellence in Crown Entity monitoring, and established a new Research and Evaluation function to support the provision of high-quality advice on where policy and funding in the cultural sector can have the greatest impact on New Zealanders' wellbeing.
Caring for the nation's taonga and identity	In our Delivery Group we worked to get the balance right between permanent and fixed-term employees, ensuring that we have a workforce capable of flexing along with the size and scale of the commemorations programme. We also increased capacity and capability to ensure proper care, custody and return of taonga tūturu.
Organisational Performance	We increased capacity in our Organisational Performance Group to support growth and meet increased standards for effective internal governance (e.g. audit, security, health and safety).



Manatū Taonga staff at Te Haerenga, Takapūwāhia Marae, Porirua, June 2019. Photos: Mark Tantrum.

Building on work from previous years, key deliverables undertaken by Te Rōpū Pou Ārahi during 2018/19 included:

HE NGĀKAU TITIKAHA

Striving for confidence across Manatū Taonga

Noho Marae/Te Haerenga

In 2019 we facilitated a noho marae for leaders at Hongoeka Marae (May) and a Ministry-wide day at Takapūwāhia Marae (June), where staff experienced marae tikanga and participated in workshops to improve their knowledge and capability.

Te Kuhunga

This four-week introductory programme on Te Reo and tikanga is available to all staff. Between January and June 2019 we delivered four programmes to over 50 staff.

Feedback received following Te Haerenga emphasised the success of these classes from the perspective of all attendees to date. Staff are now using karakia and waiata as part of their regular meetings. Further programmes are planned for 2019/20.

Te Reo Māori Assessment Tool Trial

Te Taura Whiri contracted the New Zealand Council for Educational Research to trial a Te Reo Māori Assessment Tool with some agencies to test its suitability as a measure of Te Reo capability across the Public Sector. In June 2019 the Ministry staff participated in this assessment.

Oko

Our bi-monthly speaker series began in March 2019 and has been well received. Presentations from our treaty partners have included language experts, to Māori historians and Māori musicians. The sessions are open to all Ministry staff and staff of the wider arts, culture and heritage sector.

Engagement Survey – 2018

We worked with the People and Culture team to include a section entitled 'Engaging with Māori' in the Ministry's engagement survey. This was initially a benchmarking exercise, with follow-up surveys planned to monitor any shifts. Our capability build programme will contribute to improved results.

Intranet

Following the high interest from staff in learning te reo and tikanga Māori, Te Rōpū Pou Ārahi have been working alongside the web/digital team to ensure the internal website includes plenty of Māori content to support learning in te Reo and tikanga Māori.

Job advertisements / recruitment

We worked with the People and Culture team to develop bilingual advertisements and identify appropriate websites to attract Māori staff. We recruited more Māori to various roles in the Ministry, bringing vital knowledge, understanding and experience of Te Ao Māori to our work.

Te Rōpu Māori / Pacific staff network

We have been able to establish a monthly forum for Māori and Pacific staff members to come together in a culturally safe environment to talk about matters of importance. In February the network participated in an away day as a collective to experience Te Matatini ki te Ao.

Cultural ceremonies and advice

During 2018/19 Te Rōpū Pou Ārahi have led many cultural ceremonies and events both internally and externally on behalf of the Ministry.

Te Rōpū Pou Ārahi has provided cultural advice and support to Ministers in relation to Chatham Islands and Waitangi National Trust's new heritage status.

In 2018/19 Te Arataki has been included in project planning and reporting through our Work Programme Governance Group process. This raises the framework's visibility, especially at the senior leadership level.

Te Rōpū Pou Ārahi has also provided a Māori lens / perspective to the following Ministry projects:

- Workplace design, with a Māori design company providing options to include a Māori narrative as part of the redesign of our office, including bilingual signage
- Senior Advisor – Position Description
- Culture Narrative
- Diversity Strategy
- Pacific Strategy
- Gender Pay Gap
- Te Arataki as part of Induction.

2. CO-CREATING OUR PEOPLE AND CULTURE STRATEGY

In 2018/19 we took a cross-Ministry approach to co-creating a people and culture strategy designed to deliver on our overarching organisational purpose, strategy and culture through a period of growth and beyond.

The strategy describes how Manatū Taonga is 'promoting a confident and connected culture' through our internal people practices. It is future-focused, expressing where our people aspire to be, and has been enhanced by our stories – 'bright spots' – showing where our people are already living the strategy.

Achieving parts of this strategy will require a step change in how we do things. Other areas describe our strengths, the things that make Manatū Taonga a great place to work, which we want to promote and share more widely.

Collectively, our challenge is to implement and live this strategy consistently every day, making Manatū Taonga an even better place to work.

Manatū Taonga staff at
Te Haerenga, Takapūwāhia
Marae, Porirua, June 2019.
Photo: Mark Tantrum.



THE TEN POINTS OF OUR STRATEGY

1

Ngā rāngai e rua

We operate competently in two sectors

We operate in two sectors — the public sector, and the culture and heritage sector. We are competent and credible in both.

2

He pūmanawa tikanga Māori

We incorporate Māori perspectives

As representatives of the Crown, we are proactive, competent and confident engaging with Māori. We always incorporate Māori perspectives into our work.

3

Ko te whakaata i a Aotearoa

We are reflective of all New Zealanders

We represent and engage with all New Zealanders. To do that well, we are reflective of them.

4

Ko ō tātau kaiārahi

Our leaders are capable and confident

Leaders in Manatū Taonga are capable and confident walking in all the worlds that are core to the Ministry — the public sector, the culture and heritage sector, and Te Ao Māori. Our leaders embody and enable our learning culture.

5

Whakamāhorahora

We value individual difference and knowledge

We respect and value individual difference and knowledge. We bring our whole selves to work and enable others to as well.

6

He pūkenga ka whakamaua, ka tikina mai, ka whakamahia

We hold, borrow and leverage capability

We hold in-house the skills and knowledge central to our work. We leverage our networks and relationships to augment our capability.

7

Ō tātou mātāpono me ngā whanonga

Our values and behaviours guide us

Our values guide the way we behave and work together. They are reflected in our people-policies and processes. They can be heard in all the stories we tell about ourselves.

8

He ahurea ako

We grow as individuals and as a collective

We are supported to be curious, to learn and to enhance our careers. We grow as individuals and as a collective.

9

Ko te whakawhiwhi mahi ki te hunga e hiahiatia ana

We think about our team collectively before we hire

We think about our team collectively before identifying the gaps we need to fill. We consider our sectors, our diversity and our values.

10

He tino wāhi pai ki te mahi

We provide unique opportunities and experiences

Working at Manatū Taonga provides unique opportunities. If you want to have an impact on the public and cultural sectors, there is no better place to be.

3. IMPROVING OUR ABILITY TO ATTRACT AND RETAIN

Increased baseline funding received in 2018 improved our ability to attract and retain people by paying them more fairly, investing in growth and development, and providing a great place to work.

Paying people more fairly

In the past two years our remuneration strategy has prioritised improving our ability to pay our people at rates which are fair and more closely related to market (New Zealand Central Government) rates. This is intended to alleviate a gradual loss of capability and

reduce institutional knowledge loss through turnover and fixed-term arrangements. The increased baseline funding received in 2018 enabled the Ministry to pay more competitive salaries without the need to make trade-offs such as reducing employee numbers.

We have made considerable progress in addressing the difficulties outlined above. Our salary ranges are now aligned with the market, and the average earnings of our people are closer to the median market rates.

Reducing turnover

From 2014 to 2018 the Ministry's core unplanned turnover (permanent staff only) was consistently higher than the Public Service average (12.1% to 30 June 2018). However, our figure has dropped significantly over the last two years and is now 10.2%. This is in part due to our ability to more closely match market salaries and fairly reward existing employees through our annual remuneration review.



Bargaining the collective

In December 2018 the Ministry settled a new Collective Employment Agreement with the New Zealand Public Service Association (PSA), for a two-year term to December 2020. The Agreement was settled in accordance with the government's expectations on employment relations in the state sector.

In particular we:

- Negotiated the rates of salary payable to our people,
- Narrowed the gap between the highest and lowest earners in the organisation,
- Worked to close gender pay gaps and apply the Gender Pay Principles.

The settlement also incorporated changes to our conditions of employment to better align them with the Ministry's values, particularly our family-friendly values. These changes include:

- Annual leave following parental leave is now paid at full value,
- Partner's/paternity leave (10 days) is now paid leave,
- A commitment to support staff who are experiencing or dealing with family violence.

Investing in growth and development

The Ministry has a knowledge-based workforce. We know from internal research our people highly prize the ability to learn and develop. Our learning budget had been reduced significantly over several years, hampering

our ability grow and retain our people capability. In 2018/19 we increased our learning and development budget and prioritised:

- Devolving some of the development budget to Groups to better target individual development needs
- On-boarding to support 18% growth, including improving our annual training calendar and induction for both employees and managers
- Placing greater emphasis and resource in areas identified from training needs analysis and in support of our new people and culture strategy.

Providing a great place to work

In addition to providing fairer pay and better development opportunities, we know a great place to work is also about providing people with flexibility and a work environment which enables them to do their best work.

Working flexibly

Manatū Taonga already has an informal culture of working flexibly; in 2018/19 we improved how we promote flexible work, resulting in a marked increase in formal and informal flexible working arrangements. In December 2018 we were one of several agencies to publicly commit to piloting flexible-by-default by the end of 2019, and we have been spending time with cross-Ministry working groups to ensure we achieve this aim.

Work environment

In 2018/19 we collaborated with groups across Manatū Taonga to design a workspace which will support our growth in numbers and better reflect our culture. Design is now approaching completion, with implementation due to take place during 2019/20.

Left: Tanya Sreelekha, Senior Advisor, IT Operations and Projects and Yogesh Patel, IT Systems Engineer.

Right: Janine Boon, Advisor/Analyst People and Culture.

Photos: Empathy Design.

TAE ANA KI TE KANORAU

DIVERSITY AND INCLUSION

Gender Pay Gap

In late 2018, we formed a working group from across Manatū Taonga to develop a Gender Pay Gap Action Plan. The Plan is our roadmap for how we take our Ministry from good to great in gender pay equity. It is aligned to our People and Culture Strategy, addresses internal drivers of our gender pay gap and incorporates the Public Service Gender Pay Action Plan milestones.

These milestones are intended to ensure we make substantial progress in eliminating the Gender Pay Gap across the Public Service by 2020.

Current state

Our current overall gender pay gap is 9.4%. This figure is a decrease on the previous year's figure of 11.1% and is lower than the Public Service gender pay gap of 12.2% as at 30 June 2018 (the most recent figure available).

In a relatively small Ministry (160 employees) this figure can fluctuate as people come and go from our organisation. For example, our gap has been as high as 20.5% in June 2014 and low as 4.2% in June 2017.

Drivers of the Gender Pay Gap

Apart from fluctuations due to size, the primary reason for the gender pay gap at Manatū Taonga is occupational segregation. We have few males in roles in our lower pay grades. While 67% of our total staff are women, the gender distribution varies from the highest paid quartile (50% of whom are women) to the lowest paid quartile (86% of whom are women), i.e. there are very few men in our lower-graded positions.

Flexible-by-default

Manatū Taonga is part of a sector-wide community of practice with several other agencies, leading the sector in introducing flexible-by-default during 2019. The community of practice is drafting key tools and guides for cross-sector use. Our approach to commence 'going flexible by default' is being developed in readiness to introduce it to the Ministry by the end of 2019.

Removing the potential for bias from people practices

An area of focus for the Gender Pay Action Plan working group is ensuring remuneration systems and human resource practices are designed to remove bias and ensure transparency. As part of this work we are developing tools, guidance, support and training for both employees and people leaders, and we are working towards embedding this into business as usual.

Gender Balanced Leadership

The Ministry's executive leadership team comprises 60% women and our wider leadership cohort is approximately 50/50 female/male. This has been consistent for some time and an area we are monitoring to ensure continued adherence to the Gender Pay Principles.

Ethnic diversity

Ethnic diversity of our workforce continues to be a priority area of our People and Culture strategy. During 2018/19 we have seen the introduction of improved policies and practices, along with training for reducing unconscious bias. This has helped to improve diversity through recruitment.

Māori employees now make up 13.9% of our workforce, and Pacific Peoples employees 3.5%. While these figures are lower than the overall public service, the percentage of Māori and Pacific employees has increased as staff numbers have risen. Approximately 23% of the people leaders at Manatū Taonga identify as ethnically diverse (non-European).

Networks

Manatū Taonga has been supporting the growth of several employee-led networks, including Te Rōpū Māori/Pacific group, the Women's Network, Kanorau Tīrama – Rainbow Network and an active Social Club. Throughout the year our networks engage with the wider Ministry through events such as Te Wiki o te Reo Māori, Pink Shirt Day and lunch and learn sessions.

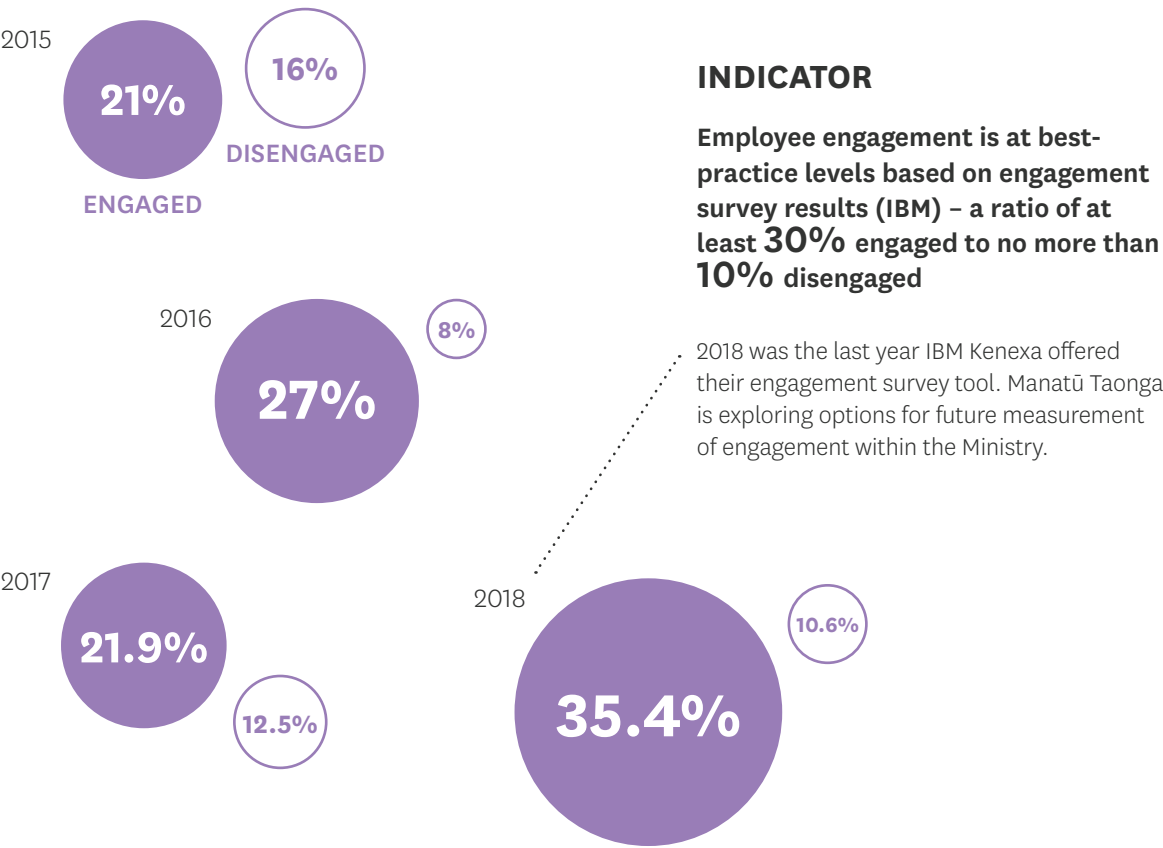


Manatū Taonga Kaiārahi Matua Senior Advisor Lee Belk at Te Haerenga, Takapūwāhia Marae, Porirua, June 2019. Photo: Mark Tantrum.

CAPABILITY AND ENGAGEMENT MEASURES

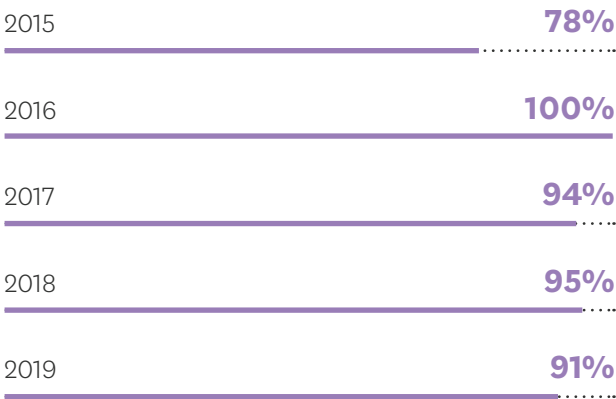
The following measures were used to monitor trends in the Ministry’s organisational capability and health.

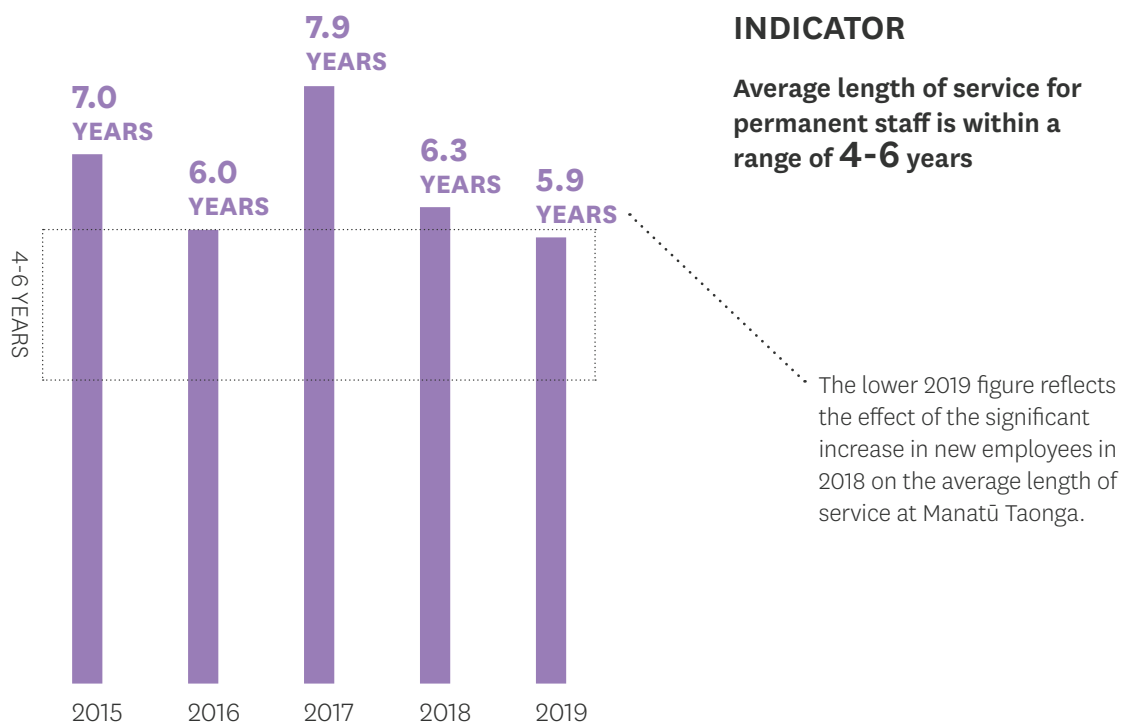
What we want to do: Sustain high levels of engagement for a responsive, productive and focused workforce



INDICATOR

At least **90%** of new permanent staff still in the same role after 12 months



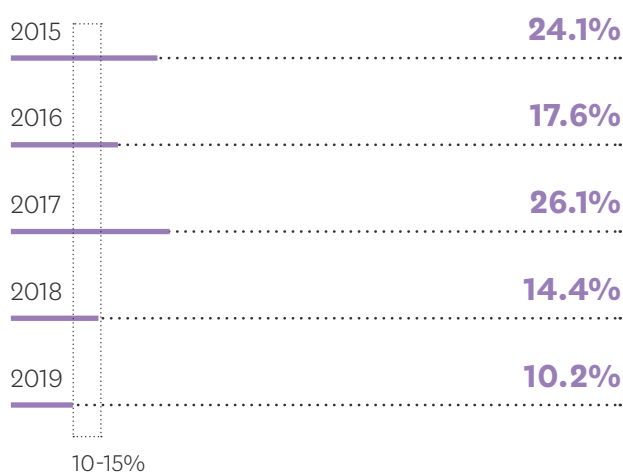


INDICATOR

Unplanned staff turnover is within a range of 10-15%*

The Ministry's core unplanned turnover* for the 12 months ending on 30 June 2019 was 10.2%. This continues to reduce our long-term average (now 18.5% over 5 years) and is a further reduction on our high rate of 26.1% for the year ending 30 June 2017 (the highest of all Public Service departments at that time).

The reduction in turnover is consistent with the increase in numbers of permanent staff in the past 12 months. There has been a slight decrease in actual departures (individuals), and the calculation of these terminations against the increased headcount results in a lower overall turnover.



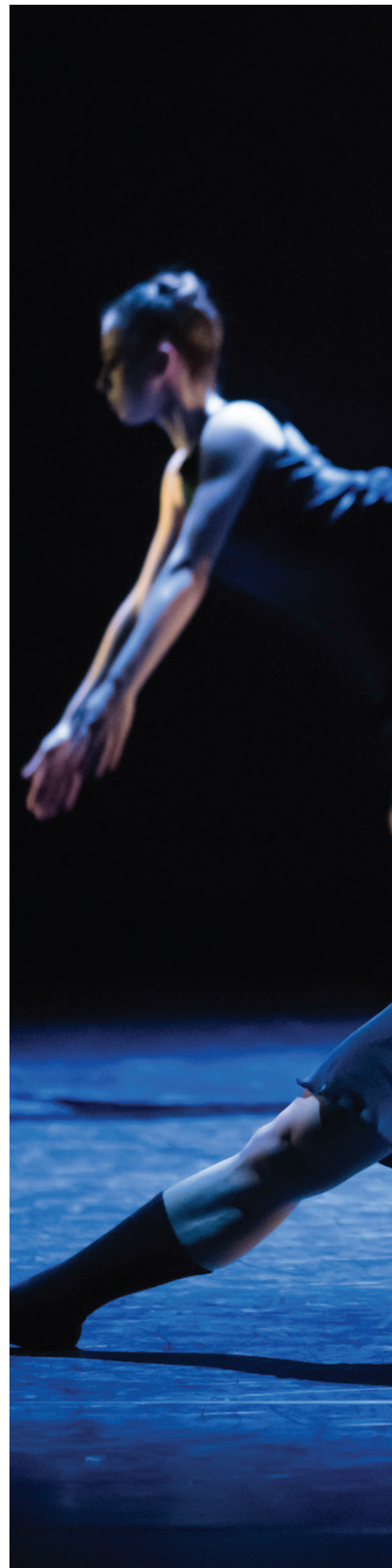
* Unplanned turnover includes only open term (permanent) staff and excludes cessations due to end of fixed term. Figures such as these can fluctuate significantly in smaller organisations such as ours, where individual departures have a greater impact on the total.

NGĀ TAUĀKĪ PŪTEA

FINANCIAL STATEMENTS

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Mayu Tanigaito in *Stand to Reason* by Andrea Schermoly, Royal New Zealand Ballet, 2018. Photo: Stephen A'Court.





NGĀ TAUĀKĪ WĀWĀHINGA

APPROPRIATION STATEMENTS

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Ministry for the year ended 30 June 2019. They are prepared on a GST exclusive basis.



STATEMENT OF BUDGETED AND ACTUAL EXPENSES AND CAPITAL EXPENDITURE INCURRED AGAINST APPROPRIATIONS

For the year ended
30 June 2019

	Actual expenditure 2018 \$000	Appropriation voted* \$000	Actual expenditure 2019 \$000	Location of end-of-year performance information**
VOTE ARTS, CULTURE AND HERITAGE				
Appropriations for output expenses				
Heritage services	9,513	15,988	12,481	1
Policy advice, monitoring of funded agencies and ministerial services MCOA**	6,939	9,946	9,257	1
- Ministerial servicing	899	1,174	1,613	
- Monitoring of funded agencies	2,063	2,685	1,824	
- Policy advice	3,977	6,087	5,820	
First World War Centenary	1,133	2,078	1,224	1
Total Vote Arts, Culture and Heritage	17,585	28,012	22,962	
VOTE SPORT AND RECREATION				
Appropriations for output expenses				
Purchase advice and monitoring of sport and recreation Crown entities	312	455	427	1
Total Vote Sport and Recreation	312	455	427	
Total Vote Arts, Culture & Heritage and Vote Sport and Recreation	17,897	28,467	23,389	
Appropriation for capital expenditure				
Ministry for Culture and Heritage – Permanent Legislative Authority	151	1,000	564	

*This includes adjustments made in the Supplementary Estimates and Cabinet decisions made before 30 June 2019.

**The numbers in this column represent where the end-of-year performance information has been reported for each appropriation administered by the Ministry, as detailed below:

1. The Ministry's 2018/19 annual report.
2. Sport New Zealand's 2018/19 annual report.
3. Drug Free Sport New Zealand's 2018/19 annual report.
4. Te Papa's 2018/19 annual report.
5. To be reported by the Minister for Arts, Culture and Heritage in the 2018/19 Minister's Report on Non-Departmental Appropriations.
6. No reporting due to an exemption obtained under section 15D of the PFA.

	Actual expenditure 2018 \$000	Appropriation voted* \$000	Actual expenditure 2019 \$000	Location of end-of-year performance information**
VOTE ARTS, CULTURE AND HERITAGE				
Appropriations for non-departmental output expenses				
Management of historic places				
Antarctic Heritage Trust	526	526	526	5
Heritage New Zealand	12,988	13,838	13,838	5
	13,514	14,364	14,364	
Museum services				
Museum of New Zealand Te Papa Tongarewa	29,574	29,574	29,574	5
Ngā Taonga	5,020	5,020	5,020	5
	34,594	34,594	34,594	
Performing arts services				
New Zealand Symphony Orchestra	14,646	14,646	14,646	5
Royal New Zealand Ballet	5,384	5,384	5,384	5
Te Matatini	1,948	1,948	1,948	5
New Zealand Music Commission	1,578	2,228	2,228	5
	23,556	24,206	24,206	
Promotion and support of the arts and film				
Creative New Zealand	15,689	15,689	15,689	5
New Zealand Film Commission	5,401	5,401	5,401	5
	21,090	21,090	21,090	
Protection of taonga tūturu				
Museums and conservation service providers	378	622	494	6
	378	622	494	
Public broadcasting services				
NZ On Air	132,266	146,766	146,766	5
Radio New Zealand International	1,900	1,900	1,900	5
Broadcasting Standards Authority	609	609	609	5
	134,775	149,275	149,275	
Total appropriations for output expenses	227,907	244,151	244,023	

	Actual expenditure 2018 \$000	Appropriation voted* \$000	Actual expenditure 2019 \$000	Location of end-of-year performance information**
Appropriation for other expenses to be incurred by the Crown				
Commonwealth war graves	2,595	2,745	2,745	6
Development and maintenance of war graves, historic graves and monuments	1,065	1,741	1,405	6
Treaty of Waitangi Commemorations	283	288	279	6
Contribution to Waitangi National Trust	-	1,000	1,000	6
Total appropriations for other expenses to be incurred by the Crown	3,943	5,774	5,429	
Appropriations for capital expenditure				
Museum of New Zealand Te Papa Tongarewa	3,000	3,000	3,000	4
Museum of New Zealand Te Papa Tongarewa – capital works	10,000	10,000	10,000	4
National War Memorial – capital investment	249	-	-	
National War Memorial Park	3,091	420	301	6
National Erebus Memorial	-	900	-	6
Acquisition and repurposing of heritage properties	-	5,000	450	6
Total appropriations for capital expenditure	16,340	19,320	13,751	
Total non-departmental Vote Arts, Culture and Heritage	248,190	269,245	263,203	

	Actual expenditure 2018 \$000	Appropriation voted* \$000	Actual expenditure 2019 \$000	Location of end-of-year performance information**
VOTE SPORT AND RECREATION				
Appropriations for non-departmental output expenses				
Sports anti-doping	3,239	3,239	3,239	3
Sport and recreation programmes	19,151	19,151	19,151	2
High-performance sport	62,192	62,192	62,192	2
Total appropriation for output expenses	84,582	84,582	84,582	
Appropriations for other expenses to be incurred by the Crown				
Miscellaneous grants	44	44	44	6
Prime Minister's sport scholarships	4,250	4,250	4,250	6
Total appropriations for other expenses to be incurred by the Crown	4,294	4,294	4,294	
Total non-departmental Vote Sport and Recreation	88,876	88,876	88,876	

DETAILS OF DEPARTMENTAL MULTI-YEAR APPROPRIATIONS

For the year ended
30 June 2019

Cultural Diplomacy International Programme

The Ministry has a departmental multi-year appropriation for the Cultural Diplomacy International Programme. This appropriation is for management and delivery of an international cultural diplomacy programme through a series of projects and activities primarily focused on Asia and other regions where New Zealand is pursuing free trade agreements. This appropriation commenced on 1 July 2015 and expires on 30 June 2020.

	Actual 2019 \$000
VOTE ARTS, CULTURE AND HERITAGE	
Cultural Diplomacy International Programme	
Original appropriation	8,345
Cumulative adjustments	-
Total adjusted appropriation	8,345
Cumulative actual expenditure 1 July 2018	2,956
Current year actual expenditure	919
Cumulative actual expenditure 30 June 2019	3,875
Appropriation remaining 30 June 2019	4,470

Performance information for this appropriation has been reported by the Ministry for Culture and Heritage in this Annual Report 2018/19.

DETAILS OF DEPARTMENTAL MULTI-YEAR APPROPRIATIONS

For the year ended
30 June 2019

Earthquake-prone heritage buildings

The Ministry has a non-departmental multi-year appropriation for supporting earthquake strengthening of privately-owned heritage buildings. This appropriation commenced on 1 July 2016 and expires on 30 June 2020.

	Actual 2019 \$000
VOTE ARTS, CULTURE AND HERITAGE	
Earthquake-prone heritage buildings	
Original appropriation	10,200
Cumulative adjustments	-
Total adjusted appropriation	10,200
Cumulative actual expenditure 1 July 2018	344
Current year actual expenditure	998
Cumulative actual expenditure 30 June 2019	1,342
Appropriation remaining 30 June 2019	8,858

New Zealand Screen Production Grant

The Ministry has a non-departmental multi-year appropriation for providing grant assistance or equity investments for New Zealand screen productions that meet the qualifying tests as determined by the New Zealand Film Commission. This appropriation commenced on 1 July 2017 and expires on 30 June 2021.

	Actual 2019 \$000
VOTE ARTS, CULTURE AND HERITAGE	
New Zealand Screen Production Grant	
Original appropriation	63,940
Cumulative adjustments	25,518
Total adjusted appropriation	89,458
Cumulative actual expenditure 1 July 2018	20,634
Current year actual expenditure	38,306
Cumulative actual expenditure 30 June 2019	58,940
Appropriation remaining 30 June 2019	30,518

Regional Culture and Heritage Fund

The Ministry has a non-departmental multi-year appropriation for providing contributions to capital projects at regional cultural and heritage institutions. This appropriation commenced on 1 July 2016 and expires on 30 June 2019.

	Actual 2019 \$000
VOTE ARTS, CULTURE AND HERITAGE	
Regional Culture and Heritage Fund	
Original appropriation	30,527
Cumulative adjustments	1,070
Total adjusted appropriation	31,597
Cumulative actual expenditure 1 July 2018	12,333
Current year actual expenditure	-
Cumulative actual expenditure 30 June 2019	12,333
Appropriation remaining 30 June 2019	19,264

Performance information for these non-departmental multi-year appropriations has been reported by the Minister for Arts, Culture and Heritage in the 2018/19 Minister's Report on Non-Departmental Appropriations.

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS

For the year ended
30 June 2019

The Ministry has not received any capital injections during the year (2018: nil).

STATEMENT OF EXPENSES AND CAPITAL EXPENDITURE INCURRED WITHOUT, OR IN EXCESS OF, APPROPRIATION OR OTHER AUTHORITY

For the year ended
30 June 2019

There were no instances of expenditure incurred without or in excess of, appropriation for the year ended 30 June 2019 (2018: nil).

STATEMENT OF DEPARTMENTAL CAPITAL INJECTIONS WITHOUT, OR IN EXCESS OF, AUTHORITY

For the year ended
30 June 2019

The Ministry has not received any capital injections during the year without, or in excess of, authority. (2018: nil).

NGĀ TAUĀKĪ PŪTEA

FINANCIAL STATEMENTS





Armistice Centenary National Ceremony, Pukeahu National War Memorial Park, 11 November 2018. Photo: Mark Tantrum.

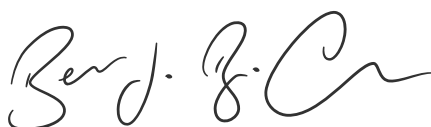
STATEMENT OF RESPONSIBILITY

I am responsible, as Chief Executive of the Ministry for Culture and Heritage for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report; and
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in the annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2019 and its operations for the year ended on that date; and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2020 and its operations for the year ending on that date.



Bernadette Cavanagh
Tumu Whakarae | Chief Executive
30 September 2019

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended
30 June 2019

	Note	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000	Forecast* 2020 \$000
Revenue					
Revenue Crown	2	26,289	25,462	27,097	25,735
Revenue from other departments	2	995	63	947	-
Revenue from third parties	2	863	1,411	1,218	1,842
Total revenue		28,147	26,936	29,262	27,577
Expenditure					
Personnel costs	3	11,548	14,653	14,080	14,835
Other operating expenses	4	7,410	11,767	9,977	12,226
Depreciation and amortisation expenses		177	430	164	430
Capital charge	6	-	86	87	86
Total expenditure		19,135	26,936	24,308	27,577
Net surplus/(deficit)		9,012	-	4,954	-
Other comprehensive revenue and expense		-	-	-	-
Total comprehensive revenue and expense		9,012	-	4,954	-

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000	Forecast* 2020 \$000
ASSETS					
Current assets					
Cash and cash equivalents		5,354	1,827	5,381	1,072
Debtors and other receivables		146	250	149	250
Debtor Crown		7,599	-	2,159	-
Prepayments		506	527	3,475	100
Total current assets		13,605	2,604	11,165	1,422
Non-current assets					
Property, plant and equipment	5	479	608	820	1,173
Intangible assets		60	62	117	252
Total non-current assets		539	670	937	1,425
Total assets		14,144	3,274	12,102	2,847
LIABILITIES					
Current liabilities					
Creditors and other payables	7	1,727	1,327	2,412	900
Provisions	8	8,857	-	2,503	-
Repayment of surplus to the Crown	9	1,413	-	4,954	-
Employee entitlements	10	634	450	706	500
Total current liabilities		12,631	1,777	10,575	1,400
Non-current liabilities					
Employee entitlements	10	66	50	80	-
Total non-current liabilities		66	50	80	-
Total liabilities		12,697	1,827	10,655	1,400
Taxpayers' funds		1,447	1,447	1,447	1,447

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended
30 June 2019

	Note	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000	Forecast* 2020 \$000
Taxpayers' funds					
Balance at 1 July		(6,152)	1,447	1,447	1,447
Total comprehensive revenue and expense for the year		9,012	150	4,954	-
Repayment of surplus to the Crown	9	(1,413)	(150)	(4,954)	-
Balance at 30 June		1,447	1,447	1,447	1,447

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended
30 June 2019

	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000	Forecast* 2020 \$000
Cash flows from operating activities				
Receipts from the Crown	18,302	32,634	32,110	33,334
Receipts from other departments/third parties	1,942	1,474	1,990	1,842
Payments to employees	(11,403)	(14,753)	(13,995)	(14,935)
Payments to suppliers	(6,184)	(20,197)	(18,234)	(19,825)
Goods and services tax (net)	40	-	220	-
Payments for capital charge	-	(86)	(87)	(86)
Net cash flows from operating activities	2,697	(928)	2,004	330
Cash flows from investing activities				
Purchase of property, plant and equipment	(141)	(390)	(477)	(390)
Receipts from sale of property, plant and equipment	-	-	-	-
Purchase of intangible assets	(10)	(40)	(87)	(40)
Net cash flows from investing activities	(151)	(430)	(564)	(430)
Cash flows from financing activities				
Repayment of surplus	-	(3,375)	(1,413)	(3,322)
Net cash flows from financing activities	-	(3,375)	(1,413)	(3,322)
Net increase/(decrease) in cash held	2,546	(4,733)	27	(3,422)
Cash at the beginning of year	2,808	6,560	5,354	4,494
Cash at the end of year	5,354	1,827	5,381	1,072

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 13.
The accompanying notes form part of these financial statements.

STATEMENT OF COMMITMENTS

As at 30 June 2019

Non-cancellable operating lease commitments

The Ministry leases property, plant and equipment in the normal course of its business, with the main commitment relating to the premises.

The Ministry has entered into a lease of the Old Public Trust building, with a commencement date of 31 October 2015 and expiry on 30 October 2030. The lease term includes two further rights of renewal, each for a three-year term, meaning a final expiry date of 30 October 2036.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

	Budget* 2019 \$000	Actual 2019 \$000
Non-cancellable operating lease commitments		
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
Not later than one year	762	762
Later than one year and not later than five years	3,049	3,049
Later than five years	5,592	4,830
Total non-cancellable operating lease commitments	9,403	8,641

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising the option to cancel are included in the statement of commitments as the lower of the remaining contractual commitment and the value of the penalty or exit cost.

The Ministry has \$12,000 of capital commitments relating to an upgrade of document management systems (2018: \$60,000).

	Budget* 2019 \$000	Actual 2019 \$000
Capital commitments		
Later than one year and not later than five years	60	12
Total non-cancellable capital commitments	60	12

The accompanying notes form part of these financial statements.

STATEMENT OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2019

Quantifiable contingent liabilities

The Ministry has no contingent liabilities at 30 June 2019 (2018: nil).

Contingent assets

The Ministry has no contingent assets at 30 June 2019 (2018: nil).

The accompanying notes form part of these financial statements.

NGĀ WHAKAMĀRAMA TAUĀKĪ PŪTEA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 | Statement of accounting policies

Reporting entity

The Ministry for Culture and Heritage (the Ministry) is a government department as defined by section 2 of the Public Finance Act 1989 and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the Public Finance Act 1989. The Ministry's ultimate parent is the New Zealand Crown.

In addition, the Ministry has reported on Crown activities and Trust monies that it administers starting page 112.

The Ministry has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Ministry are for the year ended 30 June 2019. The financial statements were authorised for issue by the Chief Executive of the Ministry on 30 September 2019.

Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and Treasury Instructions.

These financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied. The criteria under which an entity is eligible to report in accordance with Tier 2 PBE Standards are:

- The Ministry is not large as defined in paragraph 38 of XRB A1.
- The Ministry does not have public accountability as defined in paragraph 9 of XRB A1.

These financial statements comply with Tier 2 PBE accounting standards.

Presentation currency and rounding

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

Changes in accounting policies

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

Summary of Significant Accounting Policies

Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into \$NZ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the surplus or deficit.

Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of goods and service tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. 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 receivables or payables in the statement of financial position.

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

Income tax

The Ministry is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Budget and forecast figures

Basis of the budget and forecast figures

The budget figures are those included in the *Estimates of Appropriations (Budget)* for the year ending 30 June 2019. The Budget is 2018 Budget Economic and Fiscal Update (BEFU 2018).

The forecast figures are those included in the *Estimates of Appropriations for the year ending 30 June 2020*. The forecast financial statements have been prepared as required by the Public Finance Act to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2020 forecast figures have been prepared in accordance with PBE FRS 42 *Prospective Financial Statements* and comply with PBE FRS 42.

The forecast financial statements were approved for issue by the Chief Executive on 10 April 2019. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

While the Ministry regularly updates its forecasts, updated forecast financial statements for the year ended 30 June 2020 will not be published.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on a number of assumptions on what may occur during the 2019/20 year. The forecast figures have been compiled on the basis of existing government policies and Ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted on 10 April 2019, were as follows:

- The Ministry's activities and output expectations will expand, primarily due to entering the delivery phase of the *Tuia – Encounters 250* commemoration. Accounting standards require contracts to be accounted for on a stage-of-completion basis, which sees a significant portion of expenditure for the commemoration occurring in the 2019/20 financial year.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred. Remuneration rates are based on current wage and salary costs, adjusted for anticipated remuneration changes.
- Estimated year-end information for 2018/19 was used as the opening position for the 2019/20 forecasts.

The actual financial results achieved for 30 June 2020 are likely to vary from the forecast information presented, and the variations may be material.

Since the approval of the forecast, no significant events have occurred which would have a material impact on forecast revenue and expenditure.

NOTE 2 | Revenue

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

Revenue Crown

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Other revenue

Other departmental and third-party revenue is predominantly derived from work performed on a full cost-recovery basis, contributions to other one-off projects, and reimbursement for costs of staff on secondment to other agencies. Revenue is recognised when earned and is reported in the financial period to which it relates.

The sale of Ministry publications such as history books is recognised when the product is sold to the customer. The recorded revenue is the gross amount of the sale.

NOTE 3 | Personnel costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to the State Sector Retirement Savings Scheme, Kiwisaver, and Government Superannuation Fund are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit as incurred.

	Actual 2018 \$000	Actual 2019 \$000
Salaries and wages	10,763	13,220
Training and development	137	206
Employer contributions to defined contribution plans	325	388
Other personnel costs	323	266
Total personnel costs	11,548	14,080

NOTE 4 | Other operating expenses

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Critical judgements in applying accounting policies

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Ministry. The Ministry has exercised its judgement on the appropriate classification of property and equipment leases, and has determined all lease arrangements to be operating leases. This is after consideration of the fair value of the leased asset and the lease term compared to the economic life of the asset.

	Actual 2018 \$000	Actual 2019 \$000
Fees to Audit New Zealand for audit of financial statements	63	71
Rental and leasing expenses	1,800	1,310
Other occupancy expenses	190	278
Publicity and research	272	663
Professional and specialist services – Consultancy	586	1,133
Professional and specialist services – Contractors	1,412	2,084
Travel and associated expenses	373	499
Information communication technology	711	839
Transfer to agencies*	1,256	1,416
Net foreign exchange losses	-	25
Other operating expenses	748	1,659
Total operating expenses	7,411	9,977

* Transfers to agencies relates to work for the Cultural Diplomacy International Programme, the Tohu Whenua initiative, and payments to landing site trusts for the *Tuia – Encounters 250* commemoration.

NOTE 5 | Property, plant and equipment

Property, plant and equipment consists of the following asset classes: Works of Art, leasehold improvements, office furniture, office equipment and computer equipment.

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$2,000. The value of an individual asset that is less than \$2,000 and is part of a group of similar assets is capitalised. In addition, information communications technology (ICT) assets that individually cost more than \$1,000 each and have a useful life greater than 12 months are capitalised.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Office Furniture	5 – 12 years	8.5% – 20%
Office Equipment	5 – 15 years	6.67% – 20%
Computer Equipment - PC based	3 – 5 years	20% – 33%
Computer Equipment - other than PCs	2 – 5 years	20% – 50%
Artwork	100 years	1%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

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

Impairment

The Ministry does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

	Computer equipment \$000	Office equipment \$000	Office furniture \$000	Leasehold improvements \$000	Works of art \$000	Total \$000
Cost						
Balance at 30 June and 1 July 2017	603	109	374	293	21	1,400
Additions	53	-	74	9	-	136
Disposals	(212)	(13)	(177)	(57)	-	(459)
Work in progress *	-	-	-	4	-	4
Balance at 30 June 2018	444	96	271	249	21	1,081
Additions	410	-	43	6	-	459
Disposals	(53)	-	-	-	-	(53)
Work in progress *	18	-	-	-	-	18
Balance at 30 June 2019	819	96	314	255	21	1,505
Accumulated depreciation and impairment losses						
Balance at 30 June and 1 July 2017	443	63	329	95	3	933
Depreciation expense	94	8	11	15	-	128
Elimination on disposal	(211)	(14)	(177)	(57)	-	(459)
Balance at 30 June 2018	326	57	163	53	3	602
Depreciation expense	97	6	14	16	-	133
Elimination on disposal	(50)	-	-	-	-	(50)
Balance at 30 June 2019	373	63	177	69	3	685
Carrying amounts						
At 30 June and 1 July 2017	160	46	45	198	18	467
At 30 June 2018	118	39	108	196	18	479
At 30 June 2019	446	33	137	186	18	820

There are no restrictions over the title of the Ministry's assets. No assets are pledged as security for liabilities.

* Work in progress relates to installation of database hardware for the Te Tai project (2018: soundproofing at the Old Public Trust Building \$4,400).

NOTE 6 | Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

The Ministry pays a capital charge to the Crown on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2019 was 6% (2017/18: 6%).

NOTE 7 | Creditors and other payables

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

	Actual 2018 \$000	Actual 2019 \$000
Payables and deferred revenue under exchange transactions		
Trade creditors	322	650
Accrued expenses	453	1,156
Total payables and deferred revenue under exchange transactions	775	1,806
Payables and deferred revenue under non-exchange transactions		
GST payable	106	327
PAYE payable	130	161
Deferred Revenue	716	118
Total payables and deferred revenue	1,727	2,412

NOTE 8 | Provisions

A provision for future expenditure of uncertain amount or timing is recognised when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Lease make-good provision

The Ministry leased part of the Dominion Museum Building to provide a venue for the Great War Exhibition. Following the closure of the exhibition in December 2018, the Ministry has undertaken works to make-good the alterations to the premises, remove any fixtures and fittings installed for the exhibition, and restore the building to the condition it was in at the commencement of the lease.

As at 30 June 2019 the majority of make-good actions have been completed. The residual provision is based on an estimate of the remaining works.

The amount provided for is based on the Ministry's judgement after considering the likely range of outcomes. The Ministry's estimate is based on advice from independent project managers. The amount of the final costs could differ materially from the amount provided for at 30 June 2019 below.

	Actual 2018 \$000	Actual 2019 \$000
Lease make-good		
Opening balance	8,857	8,857
Additional provisions made	-	-
Amounts used	-	(6,354)
Closing balance	8,857	2,503
Total provisions	8,857	2,503
Current portion	8,857	2,503
Non-current portion	-	-
Total provisions	8,857	2,503

NOTE 9 | Return of operating surplus

The return of operating surplus to the Crown is required to be paid by 31 October each year.

	Actual 2018 \$000	Actual 2019 \$000
Net surplus/(deficit)	9,012	4,954
Approved retention of surplus	(7,599)	-
Total surplus to return	1,413	4,954

The Ministry recorded a \$4.954 million surplus for the 2018/19 year. The surplus primarily relates to various underspends and rephasing of the Ministry's work programme.

The most significant reasons for the surplus are:

- The rephasing of \$3.012 million expenditure for the *Tuia - Encounters 250* commemoration. While many costs are incurred preparing for the events, the majority of spending will occur during the voyaging event in late 2019. The revenue received for the commemoration is expected to be appropriated in 2019/20 for this purpose.
- The Wellington City Council has made four annual contributions of \$0.500 million (2015, 2016, 2017, 2018) towards amounts previously paid by the Crown to support the establishment and operation of the Great War Exhibition. As this funding was paid to the Exhibition in previous years, this contribution is collected by the Ministry and returned to the Crown.

NOTE 10 | Employee entitlements

Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave and time off in lieu earned but not yet taken at balance date, and retiring and long service leave entitlements expected to be settled within 12 months.

A liability and an expense are recognised for bonuses where the Ministry has a contractual obligation or where there is a past practice that has created a constructive obligation.

The Ministry does not recognise any provision for sick leave as employees are not entitled to accrue sick leave during their period of employment.

Long-term employee entitlements

Employee entitlements that are due to be settled beyond 12 months after the end of the reporting period in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis. The calculations are based on:

- 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 entitlements information; and
- the present value of the estimated future cash flows.

The measurement of the long service and retirement leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

The discount rate is based on New Zealand government bond data at 30 June 2019. The salary inflation factor has been determined after considering historical patterns and after obtaining advice from an independent actuary. The Ministry uses the risk-free discount rates and consumer price index assumptions published annually by The Treasury.

	Actual 2018 \$000	Actual 2019 \$000
Current portion		
Annual leave	559	635
Long service leave	75	71
Total current portion	634	706
Non-current portion		
Long service leave	66	80
Retirement leave	-	-
Total non-current portion	66	80
Total employee entitlements	700	786

NOTE 11 | Financial Instruments

The Ministry is party to financial instruments entered into in the course of its normal operations. All financial instruments are measured at amortised cost in the statement of financial position. All associated revenue and expenses are credit to or charged against the net surplus/deficit.

The carrying amounts of financial assets and financial liabilities in each financial instrument category are as follows:

	Actual 2018 \$000	Actual 2019 \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	5,354	5,381
Debtors and other receivables	146	149
Total financial assets	5,500	5,530
Financial liabilities measured at amortised cost		
Creditors and other payables	1,727	2,411
Total financial liabilities	1,727	2,411

Early adoption of PBE IFRS 9

The early adoption of PBE IFRS 9 Financial Instruments means the Ministry has applied new requirements for the recognition and measurement of financial assets and financial liabilities for financial statements prepared for periods beginning on or after 1 January 2018.

Cash and cash equivalents, and trade and other receivables were previously designated as amortised cost in 2017/18. There are no changes in the designation of these financial assets for MCH in 2018/19 arising from the implementation of PBE IFRS 9.

In adopting this standard, MCH has applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised cost (such as trade and other receivables). This has resulted in greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of impairment. The adoption of PBE IFRS 9 has had no material impact on the financial statements and comparative figures have not been restated.

NOTE 12 | Related party transactions

The Ministry is a wholly owned entity of the Crown. The government significantly influences the roles of the Ministry, as well as being its major source of revenue.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship, on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Transactions with key management personnel and their close family members

Key management personnel compensation

	Actual 2018 \$000	Actual 2019 \$000
Salaries and other short-term employee benefits	1,265	1,133
Other long-term benefits	17	2
Total key management personnel compensation	1,282	1,135

Key management personnel of the Ministry comprise the Minister for Arts, Culture and Heritage, the Minister of Broadcasting, Communications and Digital Media, the Minister for Sport and Recreation, the Chief Executive, and the four members of the Ministry Leadership Team.

The key management personnel compensation stated above reflects remuneration and other benefits of five FTEs, being the Chief Executive and Ministry Leadership Team. It excludes the remuneration and other benefits received by the Minister for Arts, Culture and Heritage, the Minister of Broadcasting, Communications and Digital Media and the Minister for Sport and Recreation. The Ministers' remuneration and other benefits are not received only for their role as a member of key management personnel of the Ministry. The Ministers' remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by the Ministry.

There are no close family members of key management personnel employed by the Ministry.

NOTE 13 | Explanation of major variances against budget

Explanations for major variances from the Ministry's budgeted figures in the Information Supporting the Estimates are as follows:

Statement of comprehensive revenue and expense

Crown revenue

Crown revenue was higher than budget by \$1.635 million. The primary drivers were additional funding of \$3.500 million approved during the year for the *Tuia – Encounters 250* commemoration, offset by lower revenue for cultural diplomacy projects than forecast.

Revenue from other departments

Revenue from other departments was \$0.844 million higher than budget on account of contributions to the final year of the WW100 commemoration, the Te Tai Treaty Settlements Project and revenue from staff secondments to other agencies.

Personnel costs

Personnel costs were \$0.573 million lower than budget. This was due to a longer lead time for filling a range of new positions than anticipated, vacancy lag and some positions being covered by contractors.

Other operating expenses

Other operating expenditure was \$1.790 million less than budget, mainly due to the timing of expense recognition, particularly on significant contracts associated with the *Tuia – Encounters 250* commemoration, where the bulk of expenditure will be recognised in the 2019/20 financial year.

Statement of financial position

Cash

Cash at 30 June 2019 is higher than budgeted by \$3.554 million due to funding received for some activities that will be completed in 2019/20, the most significant being the *Tuia – Encounters 250* commemoration. There were also higher payables at year-end than expected. This is offset by a Crown Debtor balance of \$2.159 million because some funding has not yet been received (see below).

Crown Debtor

A nil Crown Debtor amount was budgeted against an actual closing balance of \$2.159 million. This represents the balance of funds to be drawn down in relation to the provision to complete the make-good of the Dominion Museum Building.

Prepayments

Prepayments were higher than budget due to amounts paid in advance:

- \$2.146 million for the *Tuku Iho: Living Legacy* and *Project Rippa* activities under the timing of expense recognition under the Cultural Diplomacy International Programme
- \$1.233 million for vessels participating in the *Tuia – Encounters 250* commemoration in late 2019.

Provisions

The Ministry's provision for costs to make-good the Dominion Museum Building was budgeted at nil this year, in the expectation of that process being completed. A balance of \$2.503 million remains as the final stages of this project continue into 2019/20.

NOTE 14 | Events after the balance date

No event has occurred since the end of the financial period (not otherwise dealt with in the financial statements) that has affected, or may significantly affect, the Ministry's operations or position as at 30 June 2019 (2018: nil).

NGĀ WHAKAMĀRAMA TAUĀKĪ PŪTEA Ā-HINONGA

NON-DEPARTMENTAL STATEMENTS AND SCHEDULES

For the year ended 30 June 2019

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that the Ministry manages on behalf of the Crown.



SCHEDULE OF NON-DEPARTMENTAL REVENUE

For the year ended
30 June 2019

	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000
VOTE ARTS, CULTURE AND HERITAGE			
Broadcasting Standards Authority – fines	6	-	7
Miscellaneous	1,963	-	1,250
Total non-departmental revenue	1,969	-	1,257

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 8.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES

For the year ended
30 June 2019

	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000
VOTE ARTS, CULTURE & HERITAGE AND VOTE SPORT & RECREATION			
Grants, subsidy and benefit expenses	26,778	51,639	47,425
Other operating expenses	319,460	318,090	333,101
Depreciation – buildings	254	426	933
GST input expense	51,731	55,523	53,460
Total non-departmental expenses	398,223	425,678	434,919

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 8.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

SCHEDULE OF NON-DEPARTMENTAL ASSETS

As at 30 June 2019

	Note	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000
Assets				
Current assets				
Cash and cash equivalents	7	6,737	7,395	10,680
Debtors and other receivables	7	4,760	20	1,760
Total current assets		11,497	7,415	12,440
Non-current assets				
Property, plant and equipment				
Land	3	4,360	31,780	4,360
Buildings	2	38,745	7,606	38,159
Leasehold improvements	4	636	614	590
Total non-current assets		43,741	40,000	43,109
Total non-departmental assets		55,238	47,415	55,549

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 8.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES

As at 30 June 2019

	Note	Actual 2018 \$000	Budget* 2019 \$000	Actual 2019 \$000
Liabilities				
Current liabilities				
Creditors and other payables	7	427	-	329
Grants payable	5	2,219	10,000	-
Provisions	6	24,409	-	44,502
Total current liabilities		27,055	10,000	44,831
Total non-departmental liabilities		27,055	10,000	44,831

* The statement of accounting policies provides explanations of these figures, which are not subject to audit.

Explanations of major variances against budget are provided in Note 8.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2019

Contingent liabilities

The Ministry, on behalf of the Crown, has no contingent liabilities (2018: nil).

Contingent assets

The Ministry, on behalf of the Crown, has no contingent assets (2018: nil).

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS

As at 30 June 2019

The Ministry, on behalf of the Crown, has no non-cancellable capital or lease commitments (2018: nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2019.



Preparing to set sail on the *Haunui waka hourua*. Photo: Erica Sinclair.

NGĀ KŌRERO MŌ NGĀ TAUĀKĪ PŪTEA Ā-HINONGA

NOTES TO THE NON-DEPARTMENTAL SCHEDULES AND STATEMENTS

NOTE 1 | Statement of accounting policies

Reporting entity

These non-departmental schedules and statements present financial information on public funds that are managed by the Ministry on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2019. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2019.

Basis of preparation

The non-departmental schedules and statements have been prepared in accordance with the accounting policies of the Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with New Zealand generally accepted accounting practice (Tier 1 Public Sector Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Goods and services tax

All items in the financial statements, including appropriation statements, are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. In accordance with Treasury Instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

Property, plant and equipment

Property, plant and equipment administered by the Ministry on behalf of the Crown includes land, non-residential buildings and leasehold improvements. These assets are carried at fair value less subsequent impairment losses and, for non-land assets, less subsequent accumulated depreciation. Land and buildings are revalued every three years. If it is established during the intervening period that an item of plant, property or equipment's carrying value may be materially different from its fair value, a revaluation will be sought.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

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

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its estimated useful life.

The Ministry, on behalf of the Crown, currently depreciates non-residential buildings at 2% per annum. Leasehold improvements are depreciated at 6.67% per annum.

Impairment

The Ministry does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the

carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is also recognised in the surplus or deficit.

Budget figures

The budget figures are those included in the Estimates of Appropriations (Budget) for the year ending 30 June 2019. The Budget is 2018 Budget Economic and Fiscal Update (BEFU 2018). The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- Useful lives of non-residential buildings (see Note 2)
- Revaluation and impairment of non-residential buildings (see Note 2)
- Provisions (see Note 6)

Trust Monies

The Ministry administers trust monies on behalf of the Crown under Part VII of the Public Finance Act 1989. Under the Act, and by delegation from the Secretary to the Treasury, trust money can only be invested on deposit with New Zealand registered banks or in New Zealand Government stock. Trust money is also managed so that there is no significant concentration of credit risk. Interest rate risk is managed by investing across a wide range of maturity dates, subject to liquidity requirements.

NOTE 2 | Non-residential Buildings

	Massey Memorial \$000	National War Memorial \$000	Canterbury Earthquake Memorial \$000	Pukeahu National War Memorial Park \$000	Total Buildings \$000
Cost or valuation					
Balance at 30 June / 1 July 2017	700	7,575	-	-	8,275
Additions	-	55	9,528	-	9,583
Work in progress	-	285	-	-	285
Revaluation	(202)	(2,568)	-	-	(2,770)
Reclassification	-	-	-	23,418	23,418
Balance at 30 June 2018	498	5,347	9,528	23,418	38,791
Additions	-	14	-	6	20
Work in progress	-	-	-	281	281
Balance at 30 June 2019	498	5,361	9,528	23,705	39,092
Accumulated depreciation and impairment losses					
Balance at 30 June / 1 July 2017	28	292	-	-	320
Depreciation expense	14	148	46	-	208
Depreciation reversal on revaluation	(42)	(440)	-	-	(482)
Balance at 30 June / 1 July 2018	-	-	46	-	46
Depreciation expense	21	146	191	529	887
Balance at 30 June 2019	21	146	237	529	933
Carrying amounts					
At 30 June and 1 July 2017	672	7,283	-	-	7,955
At 30 June 2018	498	5,347	9,482	23,418	38,745
At 30 June 2019	477	5,215	9,291	23,176	38,159

The National War Memorial and Massey Memorial were revalued as at 30 June 2018 by Aon Risk Solutions (an independent registered valuer) using depreciated building cost in accordance with the New Zealand Accounting Standards Board's Public Benefit Entity standards. The Ministry on behalf of the Crown revalues the memorials every three years. The balance of the revaluation reserve at 30 June 2019 is nil (2018: nil). The cumulative value of revaluations in this asset class is \$2.664 million.

NOTE 3 | Land

	Massey Memorial \$000	National War Memorial \$000	Pukeahu National War Memorial Park \$000	Total Buildings \$000
Cost or valuation				
Balance at 30 June / 1 July 2017	815	4,500	21,960	27,275
Additions	-	-	3,000	3,000
Revaluation	(405)	(550)	(1,542)	(2,497)
Reclassification			(23,418)	(23,418)
Balance at 30 June / 1 July 2018	410	3,950	-	4,360
Balance at 30 June 2019	410	3,950	-	4,360

The National War Memorial, Pukeahu National War Memorial Park and the Massey Memorial were revalued as at 30 June 2018 by Aon Risk Solutions (an independent valuer) using market-based evidence in accordance with NZ IAS PBE accounting standards.

The Ministry on behalf of the Crown revalues the land every three years. The balance of the revaluation reserve at 30 June 2019 is nil (2018: nil).

NOTE 4 | Leasehold Improvements

	Pukeahu National War Memorial Park \$000	Total Buildings \$000
Cost or valuation		
Balance at 30 June / 1 July 2017	695	695
Additions	-	-
Revaluation	-	-
Balance at 30 June / 1 July 2018	695	695
Balance at 30 June 2019	695	695
Accumulated depreciation and impairment losses		
Balance at 30 June / 1 July 2017	13	13
Depreciation expense	46	46
Balance at 30 June / 1 July 2018	59	59
Depreciation expense	46	46
Balance at 30 June 2019	105	105
Carrying amounts		
At 30 June and 1 July 2017	682	682
At 30 June and 1 July 2018	636	636
At 30 June 2019	590	590

NOTE 5 | Grants Payable

Grant expenditure

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

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

Grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

The most significant grant schemes operated by the Ministry are:

1. The Regional Culture and Heritage Fund (RCHF)
The RCHF is a capital fund of last resort for the performing arts sector and the broader art gallery, museums, and whare taonga sectors. The grants are for the purpose of renovating, restoring, adding to, and constructing buildings in which cultural and/or heritage activities take place.
2. The Heritage Earthquake Upgrade Incentive Programme (Heritage EQUIP)
The Heritage EQUIP scheme provides information and funding to assist private building owners to seismically strengthen their earthquake-prone heritage buildings.
3. New Zealand Screen Production Grants – Domestic (NZSPG)

Details of these grants are provided in Note 6: Provisions next page.

A summary of the expenses and liabilities associated with RCHF and EQUIP follows:

	Heritage EQUIP \$000	RCHF \$000	Total Grants \$000
Grants Payable			
Balance at 30 June / 1 July 2017	-	5,949	5,949
Grants expensed during period	344	1,506	1,850
Payments made during period	(131)	(5,449)	(5,580)
Balance at 30 June / 1 July 2018	213	2,006	2,219
Grants expensed during period	998	-	998
Payments made during period	(1,211)	(2,006)	(3,217)
Balance at 30 June 2019	-	-	-

NOTE 6 | Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

New Zealand Screen Production Grants – Domestic (NZSPG)

The purpose of the NZSPG scheme is to build the sustainability, scale and critical mass of the domestic film industry and support the development of New Zealand creatives. The scheme also provides cultural benefits to New Zealand by supporting the creation of New Zealand content and stories. NZSPG grants are administered by the New Zealand Film Commission.

NZSPG grants are non-discretionary in nature as they are available for any applicants that meet the scheme's eligibility criteria. The amount of each grant is calculated based on a percentage of the "qualifying New Zealand production expenditure" incurred by the applicant.

Change in accounting policy for NZSPG

This set of Non-Departmental Statements and Schedules has been prepared using a new method for recognising NZSPG expenditure.

Previously the Ministry recognised expenditure on NZSPG grants after the screen production was completed and the final amount of qualifying New Zealand production expenditure approved.

The new method is to recognise expense progressively as the grant is earned by the applicant. Expenditure is now based on estimates provided by each applicant, recognised on a straight-line basis across forecast production timetables.

There is no change to the actual grants earned by and paid to applicants. The effect of the new method is that expenditure may be recognised in an earlier accounting period. The earlier recognition is considered to better reflect the obligation of the Crown during the period that eligible content is being produced.

NZSPG grants payable have been reclassified as a provision due to the greater level of estimation inherent in this new method.

Changes to balances published in the Ministry's 2017/18 annual report are detailed below:

Line Item	Published in 2018 \$000	Corrected in 2019 \$000	Revised balance \$000
Correction to opening Grants Payable liability as at 1 July 2017	10,177	(4,228)	5,949
Correction to opening Provision liability as at 1 July 2017	-	22,012	22,012
Provision liability as at 30 June 2018	3,000	21,409	24,409
Grants, subsidy and benefit expenses for the year ended 30 June 2018	23,152	3,626	26,778

Public Works Act

Claims have been made to the Ministry on behalf of the Crown, under the Public Works Act 1981, for compensation resulting from the acquisition of the easement taken under section 18 of the National War Memorial Park (Pukeahu) Empowering Act 2012, enabling part of the Park to be constructed on land owned by the claimants. Landscaping related to the Park has been undertaken on this land.

Section 18 of the National War Memorial Park (Pukeahu) Empowering Act 2012 entitles the landowners to compensation under the Public Works Act 1981 for the taking of this easement. The compensation claimed is \$4.604 million. This amount is accruing interest and the total claim therefore expected is approximately \$6 million.

There is uncertainty over the claims process. There are a number of steps that have yet to take place to assess and agree the compensation payable. The Ministry has provided for \$3.000 million, being the mid-point between nil and the amount claimed. This acknowledges the wide range in possible outcomes as at 30 June 2019.

	NZSPG Grants \$000	Public Works Act \$000	Total Provisions \$000
Balance at 1 July 2017	22,012	-	22,012
Additional provisions made	20,634	3,000	23,634
Amounts used	(21,237)	-	(21,237)
Balance at 30 June / 1 July 2018	21,409	3,000	24,409
Additional provisions made	38,306	-	38,306
Amounts used	(18,213)	-	(18,213)
Balance at 30 June 2019	41,502	3,000	44,502
Current portion	41,502	3,000	44,502
Non-current portion	-	-	-
Total provisions	41,502	3,000	44,502

NOTE 7 | Financial Instruments

The activities managed by the Ministry on behalf of the Crown involve financial instruments in the course of normal operations. All financial instruments are measured at amortised cost in the statement of financial position. All associated revenue and expenses are credit to or charged against the net surplus/deficit.

The carrying amounts of financial assets and financial liabilities in each financial instrument category are as follows:

	Actual 2018 \$000	Actual 2019 \$000
Financial assets measured at amortised cost		
Cash and cash equivalents	6,737	10,680
Debtors and other receivables	4,760	1,760
Total financial assets	11,497	12,440
Financial liabilities measured at amortised cost		
Creditors and other payables	427	329
Total financial liabilities	427	329

Early adoption of PBE IFRS 9

The early adoption of PBE IFRS 9 Financial Instruments means the Ministry has applied new requirements for the recognition and measurement of financial assets and financial liabilities for financial statements prepared for periods beginning on or after 1 January 2018.

Cash and cash equivalents, and trade and other receivables were previously designated as amortised cost in 2017/18. There are no changes in the designation of these financial assets in 2018/19 arising from the implementation of PBE IFRS 9.

In adopting this standard, the Ministry has applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised cost (such as trade and other receivables). This has resulted in greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of impairment. The adoption of PBE IFRS 9 has had no material impact on the financial statements and comparative figures have not been restated.

NOTE 8 | Explanations of major variances against budget

The major variances from the Ministry's non-departmental estimated figures in the Main Estimates are as follows:

Schedule of non-departmental revenue and expenses

Grant, Subsidy and Benefit Expenses

Grant, subsidy and benefit expenses were \$4.214 million lower than budgeted. The main area of lower expenditure was the Regional Culture and Heritage Fund (RCHF) where no grants were awarded against a budget of \$15.014 million. Unspent funding was transferred into a new multi-year appropriation. A new round of RCHF grants were approved in July 2019.

This lower spending was offset by increased provision for NZ Screen Production Grants (NZSPG), with \$38.306 million recognised against a budget of \$29.200 million. See Note 6 for further details on the NZSPG scheme.

Other Operating Expenses

Other operating expenses were \$15.011 million higher than budget due to additional funding approved during the year. This includes funding to broadcasting entities of \$14,500 million and a \$1.000 million contribution to the Waitangi National Trust, offset by small underspends in the maintenance of War Graves and care of Taonga Tūturu.

Schedule of non-departmental assets

Cash and Cash Equivalents

Cash at 30 June is higher than budgeted by \$3.285 million due to funding received for expenditure that will be incurred in 2019/20, the most significant being funding for the Acquisition of Heritage Properties.

Debtors and Other Receivables

Debtors and other receivables are \$1.740 million higher than budgeted, due to a prior grant that is expected to be returned.

Property, Plant and Equipment

The value of land was \$27.420 million lower than budget due to a revaluation and reclassification of some land assets to the non-residential buildings class. The value of buildings was \$30.553 million higher than budget for the same reason. The revaluation and reclassification took place after the budget was set.

Schedule of non-departmental liabilities

Current Liabilities

Provisions were \$44.502 million higher than budget, primarily due the change in accounting policy described in Note 6 above. This has meant an increased number of Screen Production Grants being provided for at 30 June 2019. In addition, the budget assumed \$3.000 million of Public Works Act claims recorded in the prior financial year would be settled.

STATEMENT OF TRUST MONIES

For the year ended
30 June 2019

	Opening balance 2018 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenditure \$000	Closing balance 2019 \$000
New Zealand Historical Atlas	162	-	-	1	(57)	106
New Zealand History Research	707	-	(98)	21	-	630
New Zealand Oral History Awards	1,359	-	(75)	44	-	1,328
Dictionary of New Zealand Biography	10	-	-	-	(10)	-
War History	48	-	-	1	(28)	21
National War Memorial Endowment fund	8	-	-	-	(8)	-
Total	2,294	-	(173)	67	(103)	2,085

New Zealand Historical Atlas Trust

This trust was established to hold New Zealand Lottery Grants Board funds, donations and royalties from sales, to be used for the production of the New Zealand Historical Atlas and subsidiary volumes.

New Zealand History Research Trust

This trust was established to hold New Zealand Lottery Grants Board funds to be used to make awards to individuals and groups for historical research and writing projects.

New Zealand Oral History Awards

This trust was established to hold funds from the Government of the Commonwealth of Australia, gifted to New Zealand in 1990 specifically to gather oral histories of importance to this country. The income from these funds is used to promote oral history in New Zealand.

Dictionary of New Zealand Biography Trust

This trust was established to hold funds from the New Zealand Lottery Grants Board, sales of publications, and private sponsorship or fundraising for the production of the Dictionary of New Zealand Biography and subsidiary volumes. All remaining funds were distributed during 2018/19 and the trust has been closed.

War History Trust

This trust was established to hold funds bequeathed to the Ministry by the estate of Mr J B Watson, a long-time supporter of research into New Zealand's military history. The funds and any interest income are to be used for the researching and writing of works on New Zealand's involvement in overseas conflicts.

National War Memorial Endowment Fund

This trust holds funds donated to the RNZRSA to be applied and previously managed by the National War Memorial Advisory Council for certain activities at the National War Memorial. All remaining funds were distributed during 2018/19 and the trust has been closed.

INDEPENDENT AUDITOR'S REPORT

To the readers of Ministry for Culture and Heritage's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of the Ministry for Culture and Heritage (the Ministry). The Auditor-General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 92 to 111, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Ministry for the year ended 30 June 2019 on pages 10 to 18 and 24 to 60
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2019 on pages 80 to 87 and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 114 to 131 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019;
 - the schedules of expenses; and revenue for the year ended 30 June 2019;
 - the statement of trust monies for the year ended 30 June 2019; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry on pages 92 to 111:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime
- the performance information of the Ministry on pages 10 to 18, 24 to 60, and 80 to 87:
 - presents fairly, in all material respects, for the year ended 30 June 2019:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry on pages 80 to 87 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 114 to 131 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019; and
 - expenses; and revenue for the year ended 30 June 2019; and
 - the statement of trust monies for the year ended 30 June 2019.

Our audit was completed on 30 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Estimates and Supplementary Estimates of Appropriations 2018/19, and the 2018/19 forecast financial figures included in the Ministry's 2017/18 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

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

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information within the Ministry's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 to 131, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry.

A handwritten signature in black ink, appearing to read 'Rehan', with a stylized flourish underneath.

Rehan Badar
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa



The Carillon Tower seen through the Belgian Memorial Wreath at the Pukeahu National War Memorial. Photo: Mark Tantrum.



New Zealand Government

Cover (clockwise from top left): Linocut prints made by Martha van Drunen, Emma Jean Kelly, Matene Haimona, and Malama Mahe. The artworks were made at a printmaking lesson taught by Julie Moonlight, as part of the Matariki celebrations for Manatū Taonga staff in July 2019.