

Tātaki
Auckland
Unlimited



Tātaki Auckland Unlimited Trust

Annual Report for year ended 30 June 2023

He Mihi

Ka tangi te manu kōrero!
Ka rongo te tangi kōrihi!
Ka wāwā mai rā ki roto i te
Wao-nui-a-Tāne! Tūturu whiti!
Whakamaua kia tina!
Haumie hui tāiki e!
E ngā mana, e ngā reo, e ngā
karangatanga maha o te motu,
taku hei iti nei, mā te hau e ripo hei
hari i ngā kupu whakamaanawa e.
Kei ngā mate tuatinitini o te motu
tangihia rā koutou. Haere ki te wā kāinga,
haere ki te kāinga tūturu.
Haere, haere, haere.
Tāmaki Makaurau Tāmaki Herenga
Waka, kei te mihi. Ngā Mana Whenua
me ngā waka ō ngā tai e wha,
e mihi ana.
E tuku mihi maioha tēnei ki ngā
Mataawaka ō te motu ko koutou
te puhariki ō te waka nei
Ki a koutou katoa ngā kaihoe
ō te waka nei mo ngā tangata katoa.
Tēnā koutou katoa.
Mā te mahi ngātahi e taea ai ngā taumata.
Nāku te rourou nāu te
rourou ka ora ai te iwi.
No reira noho ora mai,
Mauri ora.
- Nā te Poari o
(Tātaki Auckland Unlimited)

The bird's cry shall flow endlessly. Hear the melancholy song resonate, sourced from the inner domain of Tāne. A permanent melancholy form. Fixed in alliance, yes fixed in alliance, gathered and woven together!

To all authorities, all voices, the many affiliations, greetings. Let the swirling wind carry esteemed salutations.

We lament the passing of loved ones throughout the land. Return to the home of all time. Farewell, farewell, farewell.

We acknowledge Mana Whenua and their tribal authority in Tāmaki Makaurau Auckland. We also mihi to Mataawaka who have made Auckland their home.

Sincere greetings to all those who decide which direction this waka takes. To you who strive to achieve the best results for all people. Greetings to you all.

We can achieve more by working together. With your basket and my basket, the people will thrive.

Statement of compliance and responsibility

He kōrero mō ngā mahi tikanga, kawenga hoki

The trustee is responsible for preparing Tātaki Auckland Unlimited Trust's (TAUT) financial statements and statement of service performance, and for the judgements made in them.

The trustee of TAUT has the responsibility of establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and service reporting.

In the trustee's opinion, these financial statements and statement of service performance fairly reflect the financial position, operations, and service performance of TAUT for the year ended 30 June 2023.



27 SEPTEMBER 2023

Vicki Salmon

Chair, Tātaki Auckland Unlimited Limited as Trustee of
Tātaki Auckland Unlimited Trust



27 SEPTEMBER 2023

Nick Hill

Chief Executive, Tātaki Auckland Unlimited Limited as
Trustee of Tātaki Auckland Unlimited Trust

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Ngā mea o roto i te pūrongo ā-tau

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Statement from Chair & Chief Executive

This was the first year since the start of the COVID-19 pandemic that Aucklanders and visitors alike were able to enjoy a full programme of exhibitions and events at Tātaki Auckland Unlimited Trust (TAUT) venues.

From getting up close to endangered tigers in their new award-winning habitat, to immersive maritime exhibitions, and soaking in the stunning art of Frida Kahlo; and from being among 40,000 people entertained by British pop superstar Harry Styles, to enjoying world-class comedy, theatre and music at renowned venues, a huge number of people were engaged and enthralled by TAUT-delivered experiences.

With more than 2.08 million tickets issued in the year to 30 June 2023, our visitation numbers reflected the re-opening of Tāmaki Makaurau Auckland. There were record-breaking attendances at the Zoo, sell-out shows and sporting events, and popular exhibitions at Auckland Art Gallery Toi o Tāmaki, and New Zealand Maritime Museum.

Arts, culture, events and sport bring people together, creating vibrancy, building social cohesion, strengthening identity and generating economic benefits. A survey of Auckland residents showed more than 75 per cent considered that TAUT's programmes, events and exhibitions enriched their lives.

During the reporting year, we continued to support Auckland's important cultural sectors by investing in our venues – including Auckland Zoo, the Gallery, and Go Media Stadium, Mt Smart. We continued to work with arts, cultural and sporting sectors in Auckland to establish a single operator of Auckland's stadiums and to create greater integration of Auckland's cultural institutions – to improve experiences for patrons and overall performance.

Great progress was made on a programme of installing bilingual te reo Māori/English signs at TAUT venues, with installation completed or underway at sites including Auckland Town Hall, The Civic, The Cloud and Shed 10, and the

New Zealand Maritime Museum Hui Te Ananui a Tangaroa.

The year also included some major challenges. Severe storms in late January and early February impacted most of our venues – causing concert cancellations and flood damage of varying severity. At Western Springs Stadium, there was major infrastructure damage that required expert investigation. A remediation plan was developed with long-term solutions that will be undertaken in the next financial year.

Auckland Council's well-publicised budget shortfall for the next financial year saw TAUT and its trustee, Tātaki Auckland Unlimited Ltd, being required to save \$34.5 million from the organisation's 2023/24 operating budget. This impacted all parts of the Trust. As communicated to elected members during the budget proposal process, the Trust had to reduce staff numbers, and reduce and stop some activity planned for the coming year. TAUT is also likely to introduce or increase user-pays for some of our facilities and programmes in the coming financial year.

Finally, we would like to acknowledge the late Mark Franklin, the TAU Chair who passed away suddenly in November 2022. Mark had been chair of legacy CCO ATEED, before being named Chair of the newly merged organisation Auckland Unlimited in December 2020. He was one of Auckland's most passionate and highly respected advocates, and made a huge contribution to both ATEED and TAU. Deputy Chair Jennah Wootten admirably stepped up as Acting Chair when Mark was on health leave, and again following his passing until council made a permanent appointment.

TAUT's clear priority remains the efficient delivery – on behalf of council – of an outstanding and diverse range of programmes, events and exhibitions to enrich the lives of all Aucklanders, and the guardianship of renowned venues and facilities.



Vicki Salmon
Chair



Nick Hill
Chief Executive

Highlights



2.08m

ticketed attendees at
Tātaki Auckland Unlimited
Trust venues and events



76,000

Visitors to Frida Kahlo and Diego
Rivera Exhibition at Auckland Art
Gallery



100yrs

Auckland Zoo centenary
celebrations and book



**Captains,
Collectors, Friends
and Adventurers**

exhibition at
NZ Maritime Museum



45

Net promoter score
across all venues¹



**Record
visitation**

at Auckland Zoo and NZ
Maritime Museum



51%

of operating expenses
funded through non-rates
revenue



76%

of Aucklanders agree that
TAUT programmes, events and
exhibition enrich their lives



**South - East
Asia habitat**

Completion of the South East Asia
habitat at Auckland Zoo



Re-opening of the 6000m²

**Viaduct Events
Centre**



Commercial naming
rights agreement for

**Go Media Stadium,
Mt Smart**



Summer in the Square

40,000
visitors

¹ Net promoter score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.

Statement of Service Performance

He kōrero mō ngā mahi ratonga

Who we are: Tātaki Auckland Unlimited

Tātaki Auckland Unlimited Trust (TAUT) is New Zealand's largest enabler of cultural, entertainment, sporting and wildlife experiences, the guardian of some of Auckland's best loved venues, collections and organisations. The organisation's purpose is to enrich cultural and sporting life in Tāmaki Makaurau.

TAUT is a substantive Council Controlled Organisation (CCO) and a wholly owned subsidiary of Auckland Council. Tātaki Auckland Unlimited is the umbrella organisation comprising Tātaki Auckland Unlimited Limited (TAUL) and Tātaki Auckland Unlimited Trust (TAUT).

This statement of service performance relates to the activities of Tātaki Auckland Unlimited Trust only. The statement of service performance for Tātaki Auckland Unlimited Limited can be found in the *TAUL Annual Report 2022-2023*.

What we do: Tātaki Auckland Unlimited Trust

TAUT focuses on pursuing the following strategic outcomes as set out in the TAU Statement of Intent 2022-25:

- Enhancing Auckland as a culturally vibrant city for all
- Expanding economic opportunities for all Aucklanders
- Achieving social, economic, cultural and environmental return on Tātaki Auckland Unlimited's investment
- Enhancing Auckland's local, national and global reputation and appeal
- Increasing capital invested into Auckland for economic and cultural outcomes.

TAUT is responsible for providing a regional approach to running and developing Auckland's arts, culture, heritage, leisure, sport and entertainment venues. These include:

- Auckland Art Gallery Toi o Tāmaki
- New Zealand Maritime Museum Hui Te Ananui a Tangaroa
- Auckland Zoo
- Auckland Live and Auckland Conventions (including Aotea Centre, Aotea Square, Auckland Town Hall, Bruce Mason Centre, The Civic and Queens Wharf)

- Auckland Stadiums (including Go Media Stadium, Mt Smart, North Harbour Stadium and Western Springs Stadium).

The core focus of TAUT's activities is on creating unique, engaging and educative experiences for Aucklanders and visitors to Tāmaki Makaurau. The trust's programmes, exhibitions and events cover the fields of the visual and performing arts, sports, conservation, and cultural and natural heritage, and are aimed at engaging and being accessible to all Aucklanders.

A key part of TAUT's role is to secure international musicals, concerts, sporting events and art exhibitions to drive out-of-town visitation and investment in Auckland's economy. The trust works in partnership with council and key stakeholders to enrich the lives of people in Auckland by engaging them in the arts, the natural environment, sports and a wide range of events.

TAUT is the guardian of Auckland's largest range of cultural places, facilities and collections. The trust ensures its programmes and events are relevant to, and reach, all Aucklanders by tailoring content for under-represented communities, delivering outreach programmes and growing its digital content.

TAUT builds social cohesion, provides curriculum-based and other learning opportunities, inspires young people, tells its stories and connects Auckland's culture with the global community. The trust provides training opportunities in specialist skills of relevance to wildlife management, the performing and visual arts, heritage preservation and high-performance sports events.

Free and subsidised entry to programmes and events is provided across a wide range of its facilities, events and venues - ensuring equality of access. In addition, TAUT's core services are supported by conservation, research, industry and talent development and public engagement.

TAUT acts as a regional voice for arts, culture, heritage, leisure, sports and entertainment issues. It also advocates, co-ordinates and contributes to council's strategic thinking for investing in new collections and arts, cultural, heritage, leisure, sport and entertainment facilities for Auckland.

TAUT is inspired by the cultural aspirations of mana whenua and mataawaka to showcase Tāmaki Makaurau Auckland, help transform the region and bring enduring benefits for Māori. TAUT contributes to these goals by providing Māori artists and entertainers with a platform to showcase their talent, providing opportunities to increase Māori participation in events and activities, and supporting initiatives for te reo Māori to be seen, spoken and learned throughout the organisation.

Sustainability is at the heart of everything TAUT does. The trust is committed to developing and implementing overarching emissions reductions and adaptation plans, and developing water and energy efficiency management plans for its venues and facilities.

Non-Financial performance at a glance

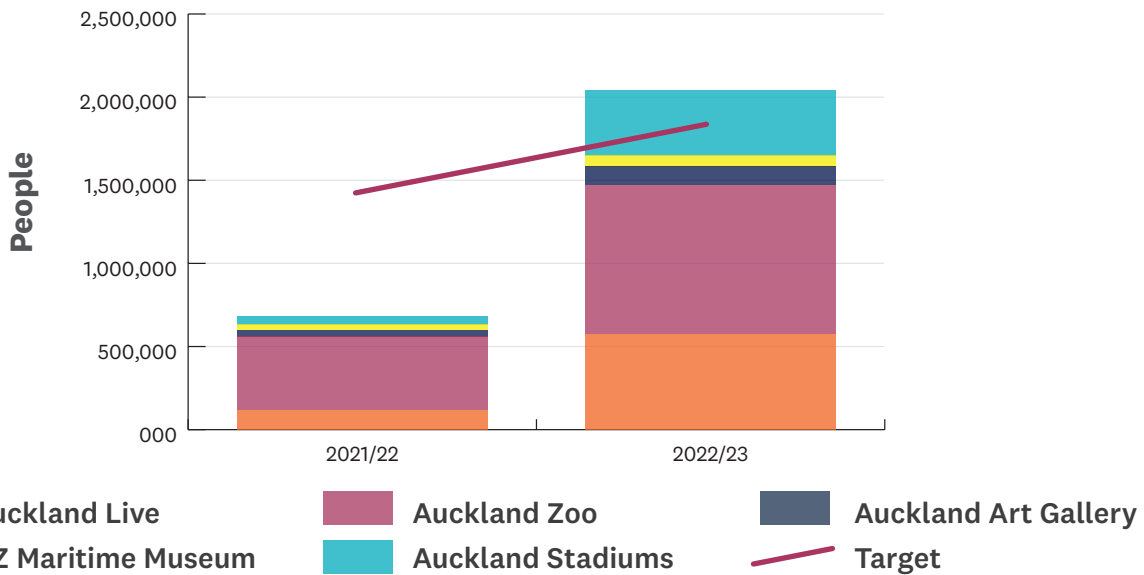
TAUT’s non-financial performance for the 2022-2023 financial year reflected the re-opening of Tāmaki Makaurau Auckland as COVID-19-related restrictions came to an end, allowing TAUT to deliver a full 12 months of exhibitions, shows and events for the first time since 2019.

This full programme of activity was welcomed by Aucklanders. A survey of more than a thousand residents showed that four out of five support having a variety of events, shows and attractions that appeal to Auckland’s diverse population. The same survey of Auckland residents showed more than three quarters

(76 per cent) considered that TAUT’s programmes, events and exhibitions enriched their lives.

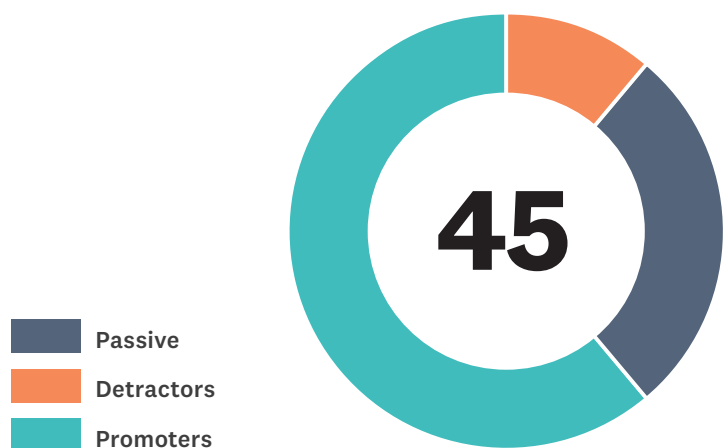
This support was reflected in ticketed visitation. In the year to 30 June 2023, more than two million tickets were issued and redeemed to attend TAUT venues and events, almost trebling the result from last year and exceeding the target of 1.8m. This included record visitation over the year at Auckland Zoo and New Zealand Maritime Museum, and the highest annual attendance at the Auckland Art Gallery since 2017/18 financial year. This result could have been stronger but for the devastating January floods which resulted in the cancellation of three significant concerts and the closure of the Zoo for a number of days and ongoing closure of Western Springs Stadium. In addition to ticketed attendance, thousands more attended free and un-ticketed events and shows over the year.

Number of people issued tickets to Tātaki Auckland Unlimited Trust venues and events



Net Promoter Score (NPS) for Tātaki Auckland Unlimited Trust audiences and participants

Additionally, attendees at TAUT venues showed a high degree of satisfaction. Across all the venues, the net promoter score (NPS) for TAUT’s audiences and participants was 45, with almost three in five, ‘promoters’ of the venues. This is lower than the result last year, reflecting the significantly broader range of events and programmes delivered over the year – particularly through the stadiums network. The average NPS was highest among audiences and participants at Auckland Zoo (64), New Zealand Maritime Museum (54) and Auckland Art Gallery (50).



With an ever growing and diversifying customer base, customer service and responding to customer feedback is a key area of focus for TAUT. The trust is committed to the principles of manaakitanga, being welcoming, accessible and responsive to all customers and to ensuring customers, citizens, ratepayers and visitors have the best possible experience.

However, sometimes TAUT doesn't get things right and it receives complaints. Over 2022/23 TAUT adopted a new performance indicator relating to the resolution of customer complaints and is pleased to have been able to resolve 86 per cent of customer complaints within 10 working days, exceeding the target of 80 per cent. This is an area TAUT will continue to strive for further improvement in.



As expressed through the Statement of Intent, the trust has a strong commitment to delivering Māori outcomes and implementing its climate change response in alignment with the expectations set for it by Auckland Council.

Over the year, TAUT delivered 88 programmes and initiatives contributing to the visibility and presence of Māori in Tāmaki Makaurau Auckland. This is down on the result from last year, but significantly exceeds the target of 40 programmes. Programmes and initiatives included the Autaia programme at the Aotea Centre, navigation experiences with Te Toki Voyaging Trust at the NZ Maritime Museum, a 6-week te reo course for staff and volunteers at Auckland Zoo and extensive adoption of karakia and mihi whakatau at Gallery openings and events.

TAUT also worked hard to reduce its carbon footprint. However, over the year, Category 1 and 2 emissions increased by 16.6% from the 2018/19 baseline. The top emission sources across all sites are electricity, natural gas and Category 3 emission - freight air travel long haul. With a significant increase in activity across all sites this year (compared to the previous two COVID-19 impacted years), emissions from all these sources have increased. However, TAUT is proactively working to reduce emissions from these sources through initiatives such as the decarbonisation of the Gallery (removing gas boilers and using waste process heat and electric heat pumps for climate control) and the investigation of solar feasibility across TAUT sites. Our Sustainability Story provides more detail on the ongoing initiatives to reduce greenhouse gas emissions.



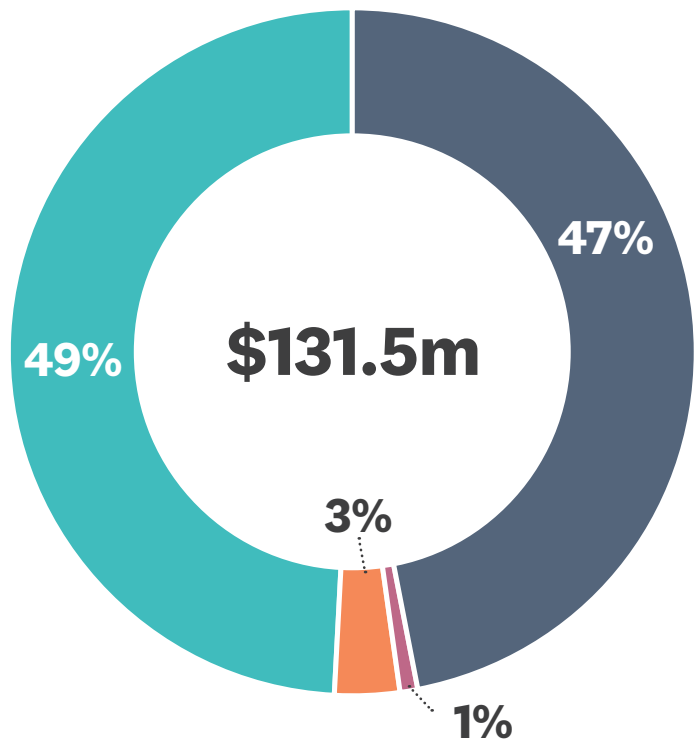
Financial performance at a glance

A summary of TAUT's financial performance for the year ended 30 June 2023

TAUT's total operating revenue (excluding donated artwork and collection items) was \$131.5m. With 53 per cent of revenue through non-rates sources – equating to 51 per cent of expenses – TAUT exceeded its COVID-19 impacted result from last year (33 per cent) and exceeded its SOI target of 47 per cent. Fees and user charges contributed the highest share of non-rates revenue (49 per cent of total operating revenue), with ticketed attendance at its venues and facilities contributing significantly to this. In addition, TAUT sourced operating revenue (4 per cent) from other direct revenue sources such as rentals, leases, grants and subsidies. The remaining 47 per cent of revenue came through ratepayer funding from Auckland Council.

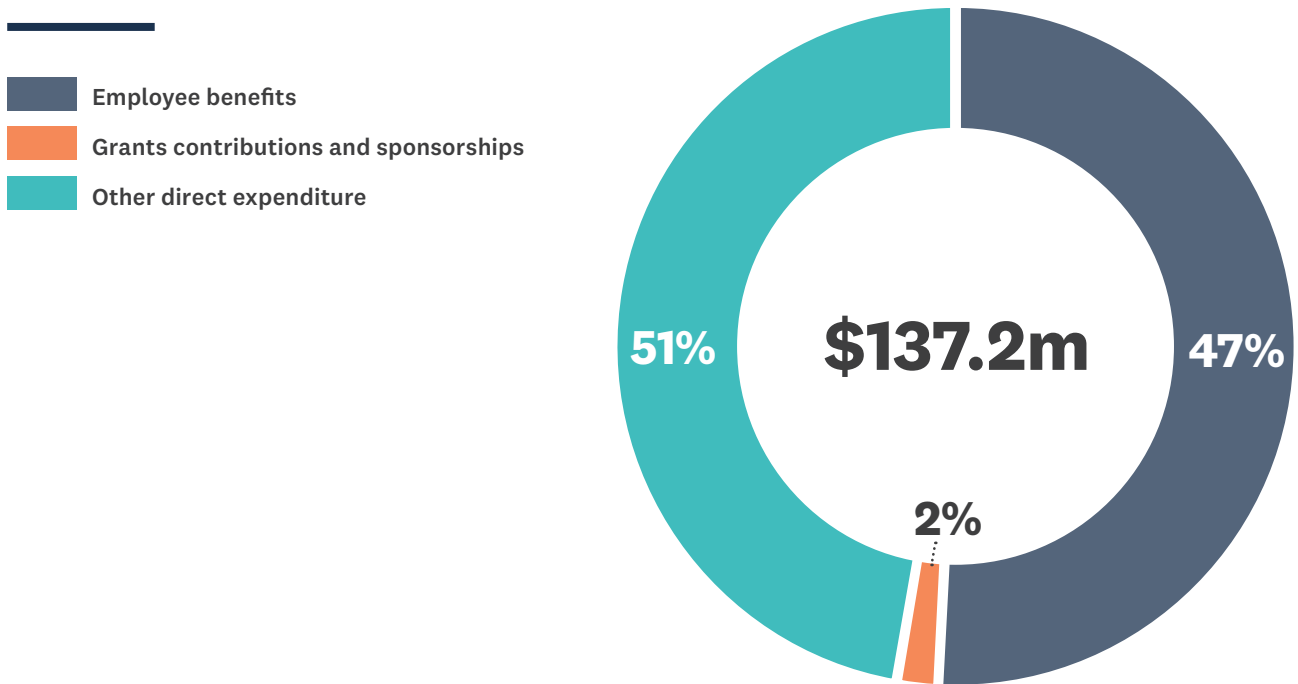
Operating Revenue

- Fees and user charges
- Grants and subsidies
- Other direct revenue
- Funding from Auckland Council



The largest share of TAUT's operating expenses of \$137.2m were other direct expenditure, including the delivery of programmes, campaigns and events (51 per cent). Staff related costs across the workforce of approximately 1,140 employees comprised the second largest share of costs (47 per cent) and a further 2 per cent of expenses were against grants, contributions and sponsorships.

Operating Expenses



In addition, TAUT is the trusted steward of more than \$2.2 billion worth of Auckland's cultural and sporting assets, and a continued significant focus during the year was the \$57.8m capital works programme across multiple TAUT sites. A major capital works project at Go Media Stadium, Mt Smart was completed in 2023 with the public now enjoying the new facilities and experiences. Work continues on a significant Auckland Art Gallery heritage restoration project due for completion in 2024.



Highlights of our year

Māori Engagement

TAUT's commitment to improving outcomes for Māori across Tāmaki Makaurau this year included a range of programmes across all its cultural organisations. They were designed to specifically help raise the visibility and presence of Māori in Auckland. Some directly showcase to, or educate, the public; while others build staff capability and knowledge.

Auckland Live's by-Māori, for-Māori Autaia programme – led by haka theatre company Hawaiki TŪ in partnership with Auckland Live – welcomed 322 students supported by 60 kaiako (teacher) from seven kura kaupapa Māori to Te Pokapū Aotea Centre. The programme supported rangatahi to create an original production performed at Kiri Te Kanawa theatre to audiences of 2800 across the dress rehearsal and public performance.

Auckland Live's free performing arts participatory programme Pick & Mix is aimed at families with children aged 5-9 years. To celebrate Te Wiki o te Reo Māori – Māori Language Week in September 2022, Māori performing arts troupe Te Wehi Haka created and presented The Haka Experience – a weekend of performances and workshops attended by about 400 people.

The Kōanga Festival at Aotea Centre saw Auckland Live partner Te Pou Theatre in a celebration of Māori performing arts; while Auckland Live also created eight videos to showcase across its venues and team that featured Māori artists discussing their values and the importance of Te Wiki o te Reo Māori.

New Zealand Maritime Museum's Ara Moana Waka programme connects students and their whānau with mātauranga waka (knowledge of waka) by showcasing the brilliance of ancestral navigation and construction methods used to create the waka hourua (ocean-going waka) they used to find new lands.

When the Viaduct Events Centre was re-opened for event use in April 2023, TAUT worked with Ngāti Whātua Ōrakei to support a whakawātea (cleansing) ceremony.

Auckland Art Gallery's **Romancing the Collection** exhibition opened with artworks that address the whenua (land) and taiao (natural environment), and honour the mana (power, prestige) of the people depicted in Gottfried Lindauer and Charles F Goldie's Māori portraits.

The exhibition **Urbanise III** featured Māori-led and Māori-focused projects, showcasing the work of Tāmaki Makaurau Auckland-based artist Tira Walsh (Ngāti Wairere, Ngāti Hauā and Tainui).

Kaimahi capability

Building staff capability across TAUT includes incorporating mihi, waiata and correct te reo Maori pronunciation. Kaimahi are encouraged to use the Taki app developed by TAU, which helps people use and learn te reo.

Various events celebrating Auckland Zoo's 100th anniversary included waiata and karakia, and the exhibition and book featured kaupapa Māori work. The Zoo incorporated Māori outcomes in its anniversary exhibition planning.

The New Zealand Maritime Museum instigated **Kōrero mai, kōrero atu** – monthly building of staff capability in te reo; while the Gallery's cultural capability programme for kaimahi included waiata lessons, fortnightly karakia practise and incorporating karakia into daily work life, and incorporating more te reo Māori into internal and external communication.



Highlights of our year

Auckland Art Gallery Toi o Tāmaki

The 2022/23 year was an important one for Auckland Art Gallery as its community moved away from the challenges of COVID-19 restrictions. The Gallery hosted exhibitions and public programmes welcoming about 470,000 visitors, which is the highest annual attendance since 2017/18 financial year – while also achieving against its KPIs in areas of collection management and development, conservation, archives, publishing, digitalisation and retail. In April 2023, the Gallery’s Rainbow Tick accreditation was renewed for a second year.

After three years of planning, in February 2023 **Kia Whakahou, Kia Whakaora: Heritage Restoration Project** began. The project involves replacing the roof of the heritage building, and restoring the external render of the building and window joinery. *Te Toi o Manganakea* – a commissioned artwork by respected artist Graham Tipene – was installed on the scaffolding of the building in May as part of the project.

Frida Kahlo and Diego Rivera: Art and Life in Modern Mexico (October 2022 to January 2023) was one of the biggest ticketed exhibitions in the Gallery’s history, enjoyed by 76,861 visitors.

Tate UK’s Light from Tate: 1700s to Now (March to June 2023) featured artworks by a global cast of artists from the 18th Century to the present, and received exceptional reviews from public and media.

Robin White: Te Whanaketanga | Something is Happening Here (October 2022 to January 2023) showcased one of New Zealand’s most celebrated senior Māori/Pākehā artists included an accompanying publication shortlisted in the Ockham New Zealand Book Awards. The exhibition went on to tour nationally.

Other projects which started or concluded during the reporting year included:

- **Heavenly Beings: Icons of the Christian Orthodox World** (April to September 2022) which will be touring The Museum of Old and New Art in September 2023
- **Kindred: A Leitī Chronicle** (March 2022 to January 2023), a commission by Sione Monū and Manu Vaeatangitau
- **Gilbert & George: The Tāmaki Makaurau Auckland Exhibition 2022** (June to September 2022), which was developed exclusively with the artists Gilbert & George
- Suji Park’s commission **Meonji Soojibga | Dust Collector** (July 2022 to June 2023)
- In July 2022, Taane Mete presented the extraordinary performance artwork **Pōhutakawa** for Matariki; with planning for his second Matariki work in July 2023
- **Walls to Live Beside, Rooms to Own** (September

2022 to March 2023) featured works from the Chartwell Collection including a new commission by Fiona Connor

- The acclaimed live art presentation of Tino Sehgal’s **Yet Untitled 2013** (October to November 2022), which was the first acquisition of a live work for the collection
- In January 2023, Ivi Project’s Creativity in Collaboration Pacific artist residency saw more than 2600 visitors learn about the principles of collective art making
- Tira Walsh’s commission **Urbanize III**, which opened in March 2023
- The first major survey exhibition of Brent Harris’ work to be held in Aotearoa, **Brent Harris: The Other Side**, which opened in May 2023.



Highlights of our year

New Zealand Maritime Museum Hui Te Ananui a Tangaroa

New Zealand Maritime Museum experienced a year of optimism and growth following the re-opening of the borders and the return of international visitors. Cruise ship season had never been busier, with more than 1600 passengers booking a group tour experience at the museum. The museum exceeded its visitation target by more than 65% by financial year end.

The Captains, Collectors, Friends & Adventurers exhibition unlocked the museum's hidden treasures revealing some of Aotearoa's legendary mariners and the unexpected links that can be made between people, places, and events. The exhibition, which ran from 30 November to 30 June, included an online and virtual interactive activity for visitors to develop their own collection and reveal their personality as a captain, collector, friend, or adventurer.

The museum's Lotteries Environment and Heritage-funded **digitisation programme** continued, with more than 26,000 taonga and objects now expressed online. A broader range of material is now available and online inquiry rates are increasing along with webpage engagements.

In March, the museum held an open day for the **Kiribati community** – filled with traditional performances, workshops, and stories from those directly connected to the baurua, Taratai (that sits in the museum's Hawaiki gallery), and their navigation traditions. Happy and painful memories were shared and real connections were made between museum staff, its visitors and the Kiribati community.

New bilingual wayfinding and amenity signs were installed throughout the museum as part of its commitment to **te ao Māori**. The museum also worked with Te Papa and Evaluation Associates to deliver ongoing Ngā Kupenga Raupī a Tāwhaki / Aotearoa NZ Histories Curriculum workshops to teachers and kaiako of schools. They help to unpack and understand the refreshed histories curriculum, and led to the museum and Evaluation Associates delivering a workshop to Avondale College's senior staff, Board of Trustees and mana whenua kaumatua.





Highlights of our year

Auckland Zoo

It was a memorable year for Auckland Zoo. In October 2022, the Zoo opened the **Swamp Forest** tropical dome, the final stage of the \$62m South East Asia Jungle Track. Since its completion, the track and Te Puna café have won multiple awards and contributed to the Zoo's busiest year ever, with more than 800,000 visits by the end of the financial year (compared to a previous highest of 718,000).

In the same month, Discovery NZ launched **Wild Heroes** THREE and ThreeNow, a nine-part documentary series focused on the Zoo's conservation mission – and the result of an almost three-year partnership with local producers Magnetic Pictures. Season 1 attracted more than one million viewers in Aotearoa New Zealand, with Season 2 in production.

On 16 December 2022, the Zoo celebrated its **100th birthday**. Mayor Wayne Brown and Peter Thompson (Director Barfoot & Thompson, and Principal Zoo Partner) opened a stunning exhibition, *Auckland Zoo – Celebrating a century of wild life* which celebrated the Zoo's history, achievements and future potential. The Zoo produced an accompanying book, *Auckland Zoo: 100 Years, 100 Stories* at the same time to critical acclaim.

In November 2022, critically endangered **Sumatran tigers** Zayana (F) and Ramah (M) arrived in Auckland from zoos in the USA. Following a carefully managed introduction process, it is hoped the pair will successfully mate and produce cubs in the new year – while their parents continue to delight and inspire the communities who experience the tigers in their immersive Lowlands habitat, or engage with the Zoo online.

Like much of the rest of the North Island, the Zoo was significantly affected by the devastating floods of 27 January. Fortunately, the Zoo teams' quick response and well-practised crisis plans minimised the impact on both staff and animals. Staff continued to do an amazing job in the post-flood clean up to ensure the wellbeing of animals so that the Zoo could re-open to visitors as soon as possible. However, assessment and repairs to damaged physical assets will be a lengthy process that will continue well into the next financial year.

It was another big year for **conservation fieldwork**. The Zoo contributed staff and resources to more than 50 projects in Aotearoa New Zealand and around the world, and hundreds of native and endemic animals back into the wild. Zoos are the third biggest contributors to conservation efforts globally and Auckland Zoo continues to punch above its weight.

Highlights of our year

Auckland Live

Auckland Live and Auckland Conventions, Venues and Events delivered its first full year of annual in-person activities since the pandemic across Tāmaki Makaurau at 11 venues – including a strong line-up of international acts and conference events.



Resident hirers and festivals included The Royal New Zealand Ballet, New Zealand Symphony Orchestra, and New Zealand International Film Festival. Together, they delivered 363 performances to a total audience of more than 225,000.

Auckland Writers Festival delivered two major programmes within the financial year – a delayed programme in August 2022, and a return to its usual format in 2023.

Auckland Arts Festival was able to deliver its first full programme since 2019. Over 18 days, more than 100 events took place including Sydney Theatre Company’s production of *The Picture of Dorian Gray* in partnership with Auckland Live.

Auckland Conventions Venues and Events hosted a series of **significant business events** including the eighth IWG World Conference on Women & Sport in November 2022, which drew 1850 participants from 90 countries (about 80 per cent in person), and the World Avocado Congress 2023 (October 2022) at Aotea Centre, attracting 1160 attendees.

The prestigious FIFA World Cup Draw took place at Aotea Centre in October 2022; and TAUT celebrated the re-opening of the 6000m² **Viaduct Events Centre** in April 2023.

In partnership with LEGO, Auckland Live presented Xmas in the Square with support from Heart of the City and Auckland Council as a part of the overall **Summer in the Square** programme, which delivered a range of

themed activations to about 40,000 visitors.

Renowned **international acts** including Jimmy Carr, Alan Cumming, Bianca Del Rio, Dylan Moran, Sarah Millican, and Yotam Ottolenghi played in venues across the city. **Aotearoa artists** played the much-loved stages of The Civic and Auckland Town Hall including Marlon Williams, Teeks, Reb Fountain, Tami Neilson, and Chris Parker. Local promoters delivered exciting new initiatives including Janda with M9, a ground-breaking hybrid event for Māori voices – and Liberty Stage’s eight shows to more than 10,000 people across the year.

The Civic hosted the world premiere of large-scale original production ***Pacifica the Musical*** in August 2022, and ***Kinky Boots the Musical*** in May 2023 was seen by more than 25,000.

January 2023’s Auckland Anniversary floods rendered the Aotea Centre’s Hunua Rooms unusable for the ***Renaissance – Age of Genius*** exhibition, which was moved to The Civic and extended until 19 February. This allowed more visitors to experience the floor-to-ceiling projections of 500 renaissance masterpieces in the iconic Auckland theatre.

The **Auckland Live Presents** programme demonstrated a commitment to the development of Aotearoa artists. These included activations to support New Zealand Music Month as a UNESCO City of Music, the Auckland Live Cabaret Season – which presented 90 artists over a two-week period in The Civic – and a new digital venue in partnership with DOT DOT featuring Fine Fatale and the Modern Māori Quartet; and a new performing arts partnership was established with Black Grace.

A range of new commissions were delivered in various stages over the year including projects with Binge Culture, Anapela Polataivao, Vela Manusaute, Tim Finn, The Rebel Alliance, Square Sums and Co, Block Collective and Projekt team.

Sector capability building included support for numerous arts organisations, while programmes with a focus on education, greater access and inclusion into the performing arts, were supported including **Auckland Live Morning Melodies** at Bruce Mason Centre, and two seasons of Autaia Haka Theatre projects for kura (schools) with Hawaiki TŪ.

Highlights of our year

Auckland Stadiums

The end of pandemic-related restrictions allowed Auckland Stadiums – which operates Go Media Stadium, Mt Smart, Western Springs, and North Harbour Stadium – to host a range of exciting concerts and sporting events this year.

More than 40,000 fans flocked to **Red Hot Chili Peppers** on 20 January at Mt Smart, and global superstar **Harry Styles**' Mt Smart concert on 7 March was sold out. **Jack Johnson** played to an enthusiastic 8000-strong crowd at Western Springs on 10 December, and **Lorde** and **My Chemical Romance** concerts were delivered at Western Spring's Outer Fields in March.

The **go kart racetrack** at Mt Smart was completed, with racing from 1 September. **Megaland** – one of the world's biggest all-age obstacle courses – returned to Mt Smart in December. The 300m-long course was particularly popular with corporate Christmas groups.

Sporting drama also took centre stage at Auckland Stadiums venues. The **New Zealand Warriors** delighted fans with an emotional homecoming to Mt Smart towards the end of the 2022 NRL season, and large crowds returned for the 2023 season. The stadium's versatility was shown in late March when it hosted an **All Whites** international football friendly against China, a **Moana Pasifika** Super Rugby match, and a NZ Warriors game in a four-day period.

North Harbour Stadium hosted **North Harbour Rugby's Farah Palmer Cup** season and **Bunnings NPC** fixtures, and New Zealand Football's **Chatham Cup and Kate Shepherd Cup** finals. But the stadium's highlight this year was the **FIFA Women's World Cup 2023** Play-Off Tournament being successfully delivered from 17-23 February. The final tournament build-up took place during a state of emergency that was in place across Tāmaki Makaurau following the 27 January storm.

Auckland Stadiums' training facilities were also in demand, hosting the Ireland rugby team as well as the All Blacks, Black Ferns, and Wales women's rugby team.

A major focus for Auckland Stadiums this year was improvements at Mt Smart. This included the installation of LED signage and new seating which significantly improved the look and feel of the East Stand, and enhanced the game day experience for fans. Extensive work started in October on a new athletics track in Mt Smart Arena 2, home of Athletics Auckland, which was officially opened shortly before the year end.

May saw the announcement of a major milestone – a **commercial naming rights partnership** between Auckland Stadiums and Kiwi-owned outdoor advertising company Go Media. The main stadium is now Go Media Stadium, Mt Smart. The initial deal is for one year, but both parties are willing to explore a future multi-year partnership.

Unfortunately, the devastating 27 January storm that hit Auckland caused the cancellation of two Elton John concerts at Mt Smart and the Laneways Festival at Western Springs. The storm also significantly damaged the Western Springs precinct. Expert investigations revealed the extent of initial remediation and long-term future proofing required. The stadium is unlikely to fully re-open until early 2024, and TAU is assisting long-term tenants to find alternative venues until then.



Performance against our SOI KPIs

The table below presents the performance of TAUT against the seven key performance indicators (KPI) set out in the TAU Statement of Intent (SOI) 2022 – 2025. This SOI includes separate KPIs for TAUL and TAUT. Results for the TAUL KPIs are presented separately in the TAUL Annual Report 2022 – 2023.

In summary, of the 7 KPIs:

- 6 were achieved
- 1 was not achieved








Performance status

KPIs have been assessed for 2022/23 according to the criteria below.

Symbol	Status	Definition
	Achieved	Result has met or exceeded target (also includes where baseline has been established)
	Substantially achieved	Result within 2 per cent of target
	Not achieved but progress made	Target not achieved, but improvement over previous year
	Not achieved	Target not achieved and no improvement over previous year
—	No result	Unable to measure



Results for SOI 2022-2025 Key Performance Indicators

Measure	Actual 2021/22	Target 2022/23	Actual 2022/23		Commentary
			Result	Status	
The number of people who are issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events	751,857	1.82m	2.08m		Over 2022/23, 2,084,133 people were issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum or Auckland Stadiums venues and events. The largest shares of tickets were issued for Auckland Zoo (39 per cent), Auckland Live (31 per cent) and Auckland Stadiums (19 per cent) This result is above the target of 1.82 million and significantly above the 2021/22 result, which was impacted by COVID-19 restrictions.
Percentage of Auckland residents surveyed who consider that Tātaki Auckland Unlimited Trust's programmes, events and exhibition enrich their lives	72.6%	70%	76%		Over 2022/23, 76 per cent of Auckland residents agreed that TAUT venues and the events organised at those venues offer enriching life experiences for Aucklanders. This is above the target of 70 per cent and an increase on last year's result of 72.6 per cent when venues and events were significantly impacted by COVID-19 restrictions.
The net promoter score for Tātaki Auckland Unlimited's audiences and participants	54	40	45		Over 2022/23, the net promoter score (NPS) for TAUT's audiences and participants was 45. This is 5 points above our target of 40, but below last year's result of 54. While our NPS across the Zoo, the Auckland Art Gallery, Auckland Live and NZ Maritime Museum remained strong this year, our NPS at Auckland Stadiums dropped as a result of surveying a larger and more diverse range of event types, than was possible in 2021/22.
The percentage of operating expenses funded through non-rates revenues	33%	47%	51%		Over 2022/23, 51 per cent of TAUT's operating expenses were funded through non-rates revenue. This is an increase on last year's result (33 per cent) and above our target of 47%.
Percentage change in greenhouse gas emissions against 2018/19 baseline	-21%	-5%	+16.6%		Over 2022/23, the carbon emissions from TAUT's venues increased by 16.6% to 2,883 tCO ₂ e from the 2018/19 baseline of 2,472 tCO ₂ e (Category 1 and 2 only). This result has not achieved the target of a 5% reduction in emissions and is an increase in emissions from last year when COVID-19 related closures and restrictions resulted in a significantly lower level of emissions (1,961 tCO ₂ e).
The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	101	40	88		Over 2022/23, TAUT delivered 88 programmes that contributed to the visibility and presence of Māori in Auckland, Tāmaki Makaurau. This is above the target of 40, but down on last year's result.
Percentage of customer complaints resolved within 10 working days	N/A	80%	86%		Over 2022/23, 86 per cent of customer complaints were resolved within 10 working days, which is above our target of 80 per cent. This is the first year that complaint resolution has been captured and measured across the organisation.

Notes to the Statement of Service Performance

This Statement of Service Performance (SSP) has been prepared for Tātaki Auckland Unlimited Trust, in accordance with the requirements laid out in sections 66 to 68 of the Local Government Act (2002) and the Auckland Council CCO Accountability Policy. As a council controlled organisation, Tātaki Auckland Unlimited Trust’s role is to enrich the cultural and sporting life of Tamaki Makaurau Auckland, providing benefits for Auckland and Aucklanders, rather than making a profit.

Disclosure of judgements

The service performance information presented in the SSP is based on two key sets of information:

1. The seven key performance indicators (KPIs) set out in the TAU Statement of Intent (SOI) 2022–2025 that relate to Tātaki Auckland Unlimited Trust activity. The Statement of Intent is a requirement of CCOs, as described in Schedule 8 of the Local Government Act 2002. The SOI KPIs are based on the strategy outlined in Part 1 of the SOI which positions TAU to meet the expectations of council and Aucklanders. These KPIs are reviewed and agreed by the board on an annual basis as part of the SOI development process. They are also agreed with Auckland Council.
2. A qualitative description of other key highlights throughout the year that are not necessarily captured through the KPIs. These highlights are reviewed and agreed by the senior leadership team and board before inclusion in the SSP.

Assumptions and judgements used in reporting the KPIs

In preparing the SSP, TAUT has made judgements on the application of reporting standards, and estimates and assumptions. Explanations of these estimates, assumptions and judgements as they relate to the KPIs are described below.

KPI	EXPLANATION
<p>The number of people who are issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events</p>	<p>Tātaki Auckland Unlimited Trust manages and supports four cultural organisations (Auckland Zoo, Auckland Art Gallery Toi o Tāmaki, NZ Maritime Museum, Auckland Stadiums) and a range of venues for live shows and events (through Auckland Live). The programmes, exhibitions and events across these venues are aimed at engaging and being accessible to as wide a community as possible. As such, the number of tickets issued to attend these venues and events is an appropriate measure of TAUT’s success in reaching a wide audience of Auckland resident and visitors.</p> <p>Ticketed attendance is measured across TAUT’s venues as follows:</p> <ul style="list-style-type: none"> • Auckland Zoo: entrance tickets purchased online and at the entrance. • Auckland Art Gallery: tickets purchased by international visitors, ticketed public event attendees and tickets issued for ticketed exhibitions. • New Zealand Maritime Museum: tickets issued to all Aucklanders and non-Aucklanders at the entrance. • Auckland Live: tickets sold or issued including through Ticketmaster, Moshtix and others. • Auckland Stadiums: tickets sold through Ticketmaster, Ticketek or the hirer’s ticketing agency of choice for concerts and sporting events. <p>Tickets are counted regardless of value (including free tickets), but those who purchased or received a ticket, but did not attend the venue or event are excluded.</p>

<p>Percentage of Auckland residents surveyed who consider that Tātaki Auckland Unlimited Trust’s programmes, events and exhibition enrich their lives</p>	<p>The core purpose of Tātaki Auckland Unlimited’s activities is enriching cultural and sporting life in Tāmaki Makaurau. As such, it is appropriate that TAUT measure the impact of its venues and the experiences offered within them beyond the numbers of people they attract, to also consider their broader impact on enriching the lives of Auckland residents, whether they are direct users of them or not.</p> <p>This indicator is measured through a survey of Auckland residents undertaken using the Auckland Council People’s Panel. An email survey was sent to 9992 panel members and 1136 responses were received over a seven-day period in early June 2023 – a response rate of 11%. Based on this sample size, the margin of error on results is +/-3%. Respondents were asked which of a pre-defined list of venues they have heard of. Of those they had heard of, respondents were asked the extent to which they agree or disagree that the venue, and the events organised at the venue, offer enriching life experiences for Aucklanders. Those who answered ‘don’t know’ are excluded from the final calculation. The final result represents the share of those who agreed or strongly agreed with the statement across all TAUT venues.</p>
<p>The net promoter score for Tātaki Auckland Unlimited’s audiences and participants</p>	<p>Net Promoter Score (NPS) is a tool that can be used to gauge the loyalty of customer relationships. It serves as an alternative to traditional customer satisfaction that aims to measure the loyalty that exists between a provider and a consumer. An NPS can be as low as -100 (every respondent is a ‘detractor’) or as high as +100 (every respondent is a ‘promoter’). TAUT aims to provide a high-quality customer experience and NPS has been chosen as the key tool to gauge this.</p> <p>Data is collected using two main methodologies:</p> <ul style="list-style-type: none"> • Exit self-completion interviews (tablet-assisted self-completion surveys) for data collected at Auckland Zoo, Auckland Art Gallery and NZ Maritime Museum. • An email survey to ticket-buyers of shows or events at Auckland Stadiums or Auckland Live venues, including free but ticketed shows or events. <p>The NPS is calculated based on responses to a single question: How likely are you to recommend a visit to <venue> to others? The scoring for this answer is based on a 0 to 10 scale. Those who respond with a score of 9 to 10 are ‘promoters’, those who respond with a score of 0 to 6 are ‘detractors’, and responses of 7 and 8 are ‘passives’. The NPS is calculated by subtracting the percentage of customers who are detractors from the percentage of customers who are promoters.</p> <p>All responses collected across the year across all TAUT venues are collated and a NPS is calculated for each venue. These scores are then weighted according to ticketed attendance at each venue, except for the gallery where a broader measure of admissions is used to derive the weighting. For 2022/23, results are calculated based on a total of 37,371 responses across all venues over the year. The margin of error on this aggregated sample size is +/-1%.</p>
<p>The percentage of operating expenses funded through non-rates revenues</p>	<p>Tātaki Auckland Unlimited is committed to demonstrating value for money across all expenditure and to growing existing and building new revenue streams to leverage ratepayer funding. Measurement of the percentage of operating expenses funded through non-rates revenues is a direct measure of our success in growing these non-rates revenue streams.</p> <p>The percentage of operating expenses funded through non-rates revenues is a financial measure taken directly from our audited financial accounts. In 2022/23 \$69.7m of revenue was sourced through non-rates sources, and total operating expenses were \$137.2m – a 51% share.</p>
<p>Percentage change in greenhouse gas emissions against 2018/19 baseline</p>	<p>Tātaki Auckland Unlimited is committed to aligning to Te Tāruke-ā-Tāwhiri: Auckland’s Climate Plan and Auckland Council group’s commitment to reduce emissions by 50% by 2030. This target is in line with limiting climate change to 1.5 degrees of warming and is a milestone to the long-term target of net zero emissions by 2050. Reduction in carbon emissions is also part of the organisation’s commitment to gain Toitū carbonreduce certification. As such, it is required that Tātaki Auckland Unlimited measures its greenhouse gas emissions each year and has an active emissions reduction plan to meet these targets.</p> <p>For reporting in this financial year, the wording of this indicator has changed to a percentage change from the baseline year of 2018/19, rather than a year-on-year percentage change. This change has been made to clarify TAU’s goal of achieving a 20% reduction in greenhouse gas emissions from the 2018/19 baseline, by 2024/25.</p> <p>TAUT accounts for all mandatory carbon emissions and/or removals from facilities over which it has operational control and for its portion of emissions and/or removals from other facilities (e.g. operated but not owned). Venues that TAU does not have direct operational control, but rather acts as a conduit for utility on-charging, funding and/or advisory are excluded from the carbon emissions reporting or are included as ‘downstream leased assets’ in Category 3-5.</p> <p>This measure is for Category 1 and 2 emissions only, which consists of TAU’s electricity and natural gas usage, refrigerant leakage and any fuels combusted onsite. TAU also measures Category 3-5 emissions. However due to the ongoing improvement and growth in scope of emissions measured in Categories 3-5, comparison with baseline Category 1 and 2 emissions only, is the most appropriate measure of progress.</p> <p>TAU’s greenhouse gas emissions inventory has been prepared in accordance with the requirements of the Toitū carbonreduce certification programme, which is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.</p> <p>Data is collated and analysed by the internal TAU Climate Innovation and Sustainability team, supported by team members and representatives from across the business. Once collected, collated and analysed, results are then audited and certified by Toitū Envirocare.</p> <p>Auckland Zoo is under the Toitū net carbonzero certification which involves an additional step to purchase carbon credits to offset mandatory emissions sources to become carbon neutral.</p>

The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau

In 2013, Auckland Council adopted Whiria te Muka Tangata the Māori Responsiveness Framework outlining council's commitment to provide for Māori outcomes and to give effect to strategic objectives and statutory responsibilities. Tātaki Auckland Unlimited is committed to adhering to the common expectations for CCOs' contributions to Auckland Council's objectives and priorities relating to improving outcomes for Māori. Te Mahere Aronga 2021-2024, TAU's Māori Outcomes Plan, outlines how TAU will align with this framework. As such, it is appropriate that TAU measures the number of programmes that contribute to this objective.

The number of programmes contributing to the visibility and presence of Māori in Auckland is measured via an internal process. The programmes run by the Auckland Art Gallery Toi o Tāmaki, Auckland Zoo, New Zealand Maritime Museum, Auckland Live, Auckland Conventions and Auckland Stadiums are captured on a quarterly basis according to a set of pre-determined criteria. Through these criteria, programmes may contribute to raising the visibility and presence of Māori in Auckland either directly (e.g. through directly showcasing to or educating customers/members of the public) or indirectly via staff (e.g. through building staff capability and knowledge).

Activities that occur on an ongoing basis throughout the year are only counted once, and multiple activities that are part of one programme are only counted once, unless there are multiple elements of a public facing programme that reach different audiences. Programmes that have a Māori component but are not strictly contributing to the visibility or presence of Māori are not included.

Percentage of customer complaints resolved within 10 working days

Tātaki Auckland Unlimited is committed to ensuring customers, citizens, ratepayers and visitors have the best possible experience with us. It takes all feedback seriously, works to resolve the issue if it is a complaint, and will use complaints, compliments and suggestions as an opportunity to learn and improve its services, programmes and facilities.

In addition, the CCO Review, recommended that all CCOs report regularly on the nature of the complaints they receive and how long they take to resolve them and that CCOs' Statements of Intent contain a key performance indicator on complaint-handling.

Complaints from across the organisation are logged into an internal tool that is accessed via the TAU intranet. Once the complaint is dealt with, resolution details and a resolution date are provided and the complaint is closed. At the end of each quarter, the percentage of complaints resolved within 10 working days is calculated by comparing the total number of complaints closed within the 10 working day period with the total number of complaints received.





Our finances

Ā tātou pūtea

TAUT finished the year with a total comprehensive income of \$359 million, primarily due to donated artworks of \$187m, and gains on property and art revaluations of \$194m.

The trust continues to take a range of measures to mitigate the revenue impact. Expenditure management included a staff restructure programme at the end of 2023, reduced or deferred spending in areas such as advertising, and deferring unscheduled repairs and maintenance.

TAUT has the privilege of being the kaitiaki (guardian) of some of New Zealand's most loved landmarks – valued by Aucklanders and visitors to the city. It is the trusted steward of more than \$2.2 billion worth of Auckland's cultural and sporting assets. The capital works programme was marginally impacted in the early part of the year due to supply and logistics issues.

A major capital works project at Go Media Stadium, Mt Smart was completed in 2023 with the public now enjoying the new facilities and experiences. Work continues on a significant Auckland Art Gallery heritage restoration project due for completion in 2024.

Future outlook

Tirohanga whakamua

To mitigate the financial impact of a reduced budget in FY24, TAUT has a number of measures to reduce costs over the next year, while continuing to provide enriching arts, cultural, heritage, wildlife and sporting programmes, events and activities.

Impacts of significant weather events

Auckland experienced two significant weather events in January and February 2023. Overall, there was limited flood damage to TAUT's broader property and infrastructure portfolio. However, Auckland Zoo and Western Springs Stadium experienced significant damage due to their proximity to Motions Creek, which overflowed beyond previously recorded flood lines. Most of this flood damage will be covered by insurance.



Significant judgements and estimates used in determining the impact of significant weather events

The most significant assumptions, and associated risks to the estimates provided relate to the extent of the damage to assets, the estimated cost to repair the assets, the timeline for repair and the position of the insurers as the claims are presented. These judgements and estimates will continue to be reviewed as new information becomes available.

Judgement has been exercised in determining whether damage to assets should be treated as impairment losses, derecognition of the assets or repairs and maintenance expenses.

Accounting implications

Clean-up costs

Cost to clean-up assets are recognised in surplus or deficit within Other operating expenses when the clean-up takes place.

Reimbursements of response costs

Reimbursements of recovery costs are recognised in surplus or deficit within Other revenue when approval of the recovery is received from a third party.



Damaged or destroyed assets

Damaged or destroyed assets are impaired to their recoverable service amount based on their value in use, using the restoration cost approach. This is determined by reference to the depreciated replacement cost of the assets less the costs to repair the damage.

Damaged assets held at cost

Where assets are identified as damage or destroyed, a reduction in the asset value to its recoverable service amount is recognised in surplus or deficit within Net other gains and losses.

Assets Type	Actual 2023
Assets held at cost	Net other gains or losses, in surplus or deficit.
Property, plant and equipment held at revalued amount	Other comprehensive revenue to the extent that it does not exceed the amount in the revaluation surplus for the class of asset. Any excess is recognised in Net other gains or losses, in surplus or deficit.
Investment property	Net other gains or losses, in surplus or deficit.

Costs to repair assets

Costs to repair damaged assets to their original condition are recognised in surplus or deficit within Other operating expenses when incurred. Costs that renew the entire asset or improve the economic benefits or service potential of an asset are capitalised to the net book value of the asset.

Insurance proceeds

Insurance proceeds are recognised when recovery is virtually certain. This is when the claim has been accepted by insurers and the group has received confirmation of the reimbursement value. The proceeds are recognised in surplus or deficit within Other Revenue.

The presentation of insurance proceeds in the statement of cash flow depends on the nature of the insured item. The insurance proceeds which relate to damaged or destroyed assets are recognised as cash flows from investing activities. The insurance proceeds which relate to repair and maintenance expenses and normal business interruption are recognised as cash flows from operating activities.

Financial impacts

The TAUT's assets were written down by \$11 million as a result of these weather events and was recognised an impairment against revaluation reserves (refer note 19).

Financial Statements

Ngā pūrongo tahua pūtea

Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2023

Pūrongo o ngā Whiwhinga me ngā Whakapaunga pūtea mō te tau mutu a te 30 o Pipiri 2023

	Note	Actual 2023 \$000s	Budget 2023 \$000s	Actual 2022 \$000s
Revenue				
Commercial revenue	1	64,569	53,526	21,851
Finance income	1	1,750	72	495
Total revenue from exchange transactions	1	66,319	53,598	22,346
Philanthropic revenue		187,128	3,761	4,217
Government subsidies		280	319	7,991
Auckland Council funding	1	104,776	120,213	107,916
Total revenue from non-exchange transactions	1	292,184	124,293	120,124
Total revenue	1	358,503	177,891	142,470
Expenditure				
Employee benefits	2	63,726	70,189	54,154
Depreciation expense	12	52,576	42,467	36,877
Amortisation expense	15	602	-	611
Finance expenditure		1073	-	255
Other expenses	3	69,156	51,541	48,959
Total expenditure		187,133	164,197	140,856
Surplus from continuing operations before tax		171,370	13,694	1,614
Surplus after tax attributable to:				
Tātaki Auckland Unlimited Trust	4	171,370	13,694	1,614
Other comprehensive income				
Gain on property and art revaluations		194,960	0	227,001
Total other comprehensive income		194,960	0	227,001
Total comprehensive income after tax		366,330	13,694	228,615

Explanations of significant variations from budget are detailed in Note 4.

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2023

Pūrongo o te Tahua Pūtea i te 30 o Pipiri 2023

	Note	Actual 2023 \$000s	Actual 2022 \$000s
Assets			
Current assets			
Cash and cash equivalents	5	15,162	34,588
Receivables	6	27,530	38,785
Prepayments		1,860	2,186
GST receivable		(88)	2,051
Derivative financial instruments		(13)	30
Other financial assets	16	50	34
Inventories	7	991	851
Total current assets		45,492	78,525
Non-current assets			
Property, plant and equipment	12	1,678,917	1,551,842
Artwork collections	13	550,843	317,604
Heritage and cultural assets	14	3,794	3,679
Intangible assets	15	2,897	787
Other financial assets	16	511	697
Receivables		751	821
Total non-current assets		2,237,713	1,875,430
Total assets		2,283,205	1,953,955
Liabilities			
Current liabilities			
Payables	8	55,936	96,641
Borrowings and other financial liabilities	17	269	269
Employee entitlements	9	6,967	6,173
Provisions	10	1,613	520
Total current liabilities		64,785	103,603
Non-current liabilities			
Borrowings and other financial liabilities	17	8,515	6,895
Derivative financial instruments		15	16
Total non-current liabilities		8,530	6,911
Total liabilities		73,315	110,514
NET ASSETS		2,209,890	1,843,441
Equity and reserves			
Contributed capital	19	1,053,532	1,053,532
Accumulated surplus / (deficit)	19	242,042	72,687
Restricted equity	19	5,254	3,120
Asset revaluation reserves	19	909,062	714,102
Total equity		2,209,890	1,843,441

The accompanying notes form part of these financial statements.

Statement of Changes in Equity as at 30 June 2023

Pūrongo o te Panoni Rawa Pūtea i te 30 o Pipiri 2023

	Note	Actual 2023 \$000s	Actual 2022 \$000s
Balance 1 July		1,843,441	1,614,939
Total comprehensive revenue and expenses for the year		366,330	228,615
Owner transactions			
Contribution to restricted reserves	19	(2,000)	-
Movement in restricted equity		2,119	(113)
Balance at 30 June	19	2,209,890	1,843,441

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2023

He Kōrero mō te Kapewhiti Pūtea i te 30 o Pipiri 2023

	Note	Actual 2023 \$000s	Actual 2022 \$000s
Cash flows from operating activities			
Receipts from Auckland Council funding		103,190	106,124
Receipts from commercial revenue		37,131	7,196
Receipts from third parties held in relation to future events		10,535	30,543
Government subsidies received		280	7,991
Net GST received / (paid)		2,139	(1,789)
Interest revenue	1	1,792	480
Payments to suppliers and employees		(131,135)	(102,481)
Interest paid		(1,073)	(255)
Net cash inflow / (outflow) from operating activities		22,859	47,809
Cash flows from investing activities			
Loan repayments received		54	65
Proceeds from sale of asset		80	2,150
Purchase of property, plant and equipment		(39,910)	(36,036)
Purchase of intangible assets		(2,713)	(640)
Net cash inflow / (outflow) from investing activities		(42,489)	(34,461)
Cash flows from financing activities			
Distributions to / (from) restricted reserves		204	(60)
Net cash inflow / (outflow) from financing activities		204	(60)
Net increase / (decrease) in cash and cash equivalents		(19,426)	13,288
Cash and cash equivalents at beginning of the year		34,588	21,300
Cash and cash equivalents at end of the year	5	15,162	34,588

The accompanying notes form part of these financial statements.



Basis of Reporting

Te Takenga Pūrongo




Reporting entity

Tātaki Auckland Unlimited Trust (TAUT) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and domiciled in New Zealand. TAUT was established by deed as a trust with a single corporate trustee, being Tātaki Auckland Unlimited Limited (TAUL) – formerly Regional Facilities Auckland Limited – and started operations on 1 November 2010.

The objectives detailed in the deed of trust are available online at: <https://www.legislation.govt.nz/regulation/public/2010/0253/11.0/DLM3174949.html>

TAUL is a council-controlled organisation (CCO) as defined by Section 6 of the Local Government Act 2002 and is wholly owned by Auckland Council. TAUT is a public sector public benefit entity (PBE) as defined under the External Reporting Board (XRB) Standard A1.

The financial statements of TAUT are for the year ended 30 June 2023. Comparative information is provided for the period from 1 July 2021 to 30 June 2022. The financial statements were authorised for issue by TAUT’s Board on 27 September 2023.

Key	Explanation
	Accounting policies
	Significant judgements and estimates
	Local government disclosures

Basis of preparation

Statement of compliance – The financial statements of TAUT have been prepared in accordance with the Local Government Act 2002. These financial statements comply with International Public Sector Accounting Standards (IPSAS) and other applicable financial reporting standards as appropriate for public benefit entities designated Tier 1.

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



Accounting policies

Accounting policies are applied in the preparation of these financial statements and are noted in the blue text box alongside the appropriate note. These policies have been consistently applied to the opening statement of financial position and reporting period to 30 June 2023, unless otherwise stated.

Measurement base

These financial statements have been prepared on a historical-cost basis, modified by the revaluation of land and buildings and art collections.

Going concern

The financial statements have been prepared on a going-concern basis.

Budget figures

Those figures are approved in the Tātaki Auckland Unlimited Statement of Intent for 2021-2024, which is published on the Tātaki Auckland Unlimited website at:

<https://aucklandunlimited.com/what-we-do/statement-of-intent>

The budget figures were prepared using accounting policies consistent with those adopted by TAUT in preparing these financial statements. TAUT did not include a complete set of forecast financial statements for the 2022/23 financial year in its 2022/23 statement of intent, as required by the Local Government Act 2002. As a result, the comparison of the forecast financial statements with the historical financial statements presented in the annual report is limited to the statement of comprehensive revenue and expenses.

Other accounting policies and judgements



Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for trade and other receivables and payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax 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. Commitments and contingencies are disclosed exclusive of GST.

Income tax

TAUT is registered as a charity under the Charities Act 2005 and is not liable for income tax.

Accounting judgements, estimates and assumptions

In preparing these financial statements, TAUT has made estimates and assumptions 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 discussed within the applicable notes.



Significant judgements relate to:

- assessing the recognition of grants revenue received (Note 1)
- determining the appropriate asset classes and useful lives of property, plant and equipment; estimating the depreciated replacement costs and the residual value of certain assets (Note 12)
- the inherent uncertainty relating to the fair value of artworks, given their unique nature (Note 13)
- determining the discount rate for community loans (Note 16)
- accounting for the operating lease with regard to Spark Arena (Note 21).

Implementation of new and amended standards

Standards issued but not yet effective

TAUT will adopt the following accounting standard in the reporting period after the effective date.

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. These are not expected to have any significant impact on TAUT's financial statements.

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. It is effective for reporting periods beginning on or after 1 January 2022. TAUT has adopted PBE IPSAS 41 Financial Instruments, and the adoption did not result in any significant impact on TAUT's financial statements.

Use of estimates and judgements

Following the impact of COVID-19 in prior years, a number of judgments and estimates were made in the preparation of these financial statements. Judgement was used in determining which information obtained subsequent to period end provided evidence of conditions that existed as at the end of the reporting period.

In particular, asset carrying values have been assessed at balance date. Particular consideration has been given to the provision for doubtful debts, the valuation of land and buildings and the valuation of artworks. These assumptions are based on TAUT's best estimate of the most likely expectations at balance date.

There have been no revisions to the nature and amount of estimates reported in prior periods.

At the time of issuing these financial statements TAUT has not identified any material risk to its ability to continue as a going concern. We continue to monitor the post-COVID-19 impact on the organisation.



Revenue and Expense Results for the Year

Ngā Whiwhinga me ngā Whakapaunga Pūtea o te Tau

Note 1 – Revenue

Pitopito kōrero 1 – Ngā whiwhinga moni

	Actual 2023 \$000s	Actual 2022 \$000s
Commercial revenue from exchange transactions		
Entrance and admission fees	11,667	4,792
Venue hire	15,354	3,816
Food and beverages	10,787	2,162
Membership fees	2,228	756
Sale of goods	4,874	1,951
Rental revenue from property leases	2,991	3,632
Other commercial revenue	16,642	4,682
Gain on disposal of plant and equipment	26	60
Total commercial revenue	64,569	21,851
Finance income		
Interest revenue	1,792	480
Realised foreign exchange gains	(42)	15
Total finance income	1,750	495
Total revenue from exchange transactions	66,319	22,346
Revenue from non-exchange transactions		
Donations and bequests	60	31
Sponsorships	779	381
Grants	2,290	2,400
Gifted artwork and museum collection items	183,999	1,405
Total philanthropic revenue	187,128	4,217
Government subsidies	280	7,991
Total other revenue	187,408	12,208
Auckland Council funding		
Operating funding	61,774	65,408
Capital funding	43,002	42,508
Total Auckland Council funding	104,776	107,916
Total revenue from non-exchange transactions	292,184	120,124
Total revenue	358,503	142,470



Revenue

Revenue is measured at the fair value of consideration received or receivable, net of discounts and GST, when the amount of revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below.

Auckland Council funding

TAUT receives operating and capital funding from Auckland Council. Operational funding is recognised as revenue upon entitlement based on the eligibility of expenditure in accordance with the 2021-2024 Statement of Intent between TAUT and council. Capital funding is a reimbursement for approved capital works as outlined in TAUT's asset management plan and recognised as a related party receivable at the time the capital expense is incurred by TAUT.

Entrance and admission fees

These are recognised on an accrual basis in the period that the corresponding event occurs, on completion of that event.

Donations and bequests

These are recognised when physically received or when it is probable that a reliably measurable amount will be receivable.

Gifted artwork

Where a physical asset is gifted to TAUT or acquired by TAUT for nil consideration or at a subsidised cost, the asset is recognised at fair value and the difference between the considerations provided, and the fair value of the asset is recognised as revenue. The fair value of the donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to retail price of the same or similar asset at time of receipt of asset.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition and age.

Sale of goods

Revenue from the sale of goods is recognised when the risks and rewards of the ownership of the goods pass to the purchaser.

Interest revenue

Interest is recognised on a time-proportion basis using the effective interest method.

Rental revenue from property leases

Lease receipts under operating leases and subleases are recognised as revenue on a straight-line basis over the lease term.



Grants received

TAUT must exercise judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances evident for each grant contract.



Grants

Grants include funding from external third parties. While these grants indicate they are to fund particular projects, the terms of the funding do not preclude the recognition of these funds on receipt of the grant. Other grants and subsidies are recognised as revenue when received.

Grants include:

- various grants to Auckland Art Gallery of \$1.2 million (2022: \$1.2 million)
- various grants to the New Zealand Maritime Museum of \$0.3 million (2022: \$0.4 million).

Note 2 – Employee entitlements

Pitopito kōrero 2 – Ngā tikanga kaimahi

	Actual 2023 \$000s	Actual 2022 \$000s
Salaries and wages	61,637	52,095
Employer contributions to KiwiSaver	1,597	1,353
Other	13	11
Increase / (decrease) in employee holiday pay provision	479	695
Total employee benefits	63,726	54,154

Note 3 – Other expenses

Pitopito kōrero 3 – Ētahi atu whakapaunga

	Actual 2023 \$000s	Actual 2022 \$000s
Other expenses include:		
Fees paid to principal auditor:		
– Audit fees for financial statement audit	288	279
– Fees for review engagement	28	28
Assurance services	-	35
Loss on disposal of assets	425	748
Impairment of flood damaged buildings	2,726	-

Note 4 – Explanations for major variances from TAUT’s budget

Pitopito kōrero 4 – Whakamārama mō ngā rerekētanga o te tahua pūtea a TAUT

**Actual
2023
\$000s**

Budgeted surplus from continuing operations before tax	13,694
<i>Revenue explanations</i>	
Additional commercial revenue achieved	11,043
Less operating funding received from Auckland Council	(2,278)
Capital funding not received from Auckland Council due to deferment of capital programme	(13,158)
Government subsidies not received	(40)
Additional interest received	1,679
Other revenue achieved	180
Additional donations and bequests received	184,104
Sponsorship budget not achieved	(917)
Total operating revenue explanations	180,613
<i>Expenditure explanations</i>	
Higher depreciation due to capital projects completed in previous year	(10,109)
Additional amortisation not budgeted	(603)
Staff restructure costs unbudgeted	196
Lower staff costs*	6,267
Additional grants awarded not budgeted for	392
Higher direct operational cost	(15,281)
Interest paid higher than budgeted for	(1,073)
Unbudgeted impairment of flood damaged buildings	(2,726)
Total operating expenditure explanations	(22,937)
Actual surplus from continuing operations before tax	171,370

* Following the impact of COVID-19 restrictions, staff costs were controlled by a number of initiatives, including a freeze on recruitment and offering staff the option of working reduced hours.

Working Capital

Haupū Pūtea Mahi

Note 5 – Cash and cash equivalents

Pitopito kōrero 5 – Ngā moni me ngā pūtea taurite

	Actual 2023 \$000s	Actual 2022 \$000s
Cash at bank and on hand	92	80
Operating bank account	8	1,047
Ticketing bank account	14,899	33,305
Arts development fund	163	156
Total cash and cash equivalents	15,162	34,588

Cash

Cash comprises bank accounts plus till floats, petty cash floats and a small foreign currency float.

Operating bank account

The operating bank account is part of the Auckland Council set-off arrangement, where settlement of mutual balances arising on inter-group transactions between the council and TAUT is set off for debt and interest purposes.

Ticketing bank account

TAUT operates the ticketing bank account for the deposit of box office ticket sales received from the ticket service provider. Funds are held in this bank account until settlement occurs for performance of shows. These funds are held in trust on behalf of event promoters until settled and do not form part of Auckland Council set-off arrangements.

Arts Development Fund

This represents funds held within an Arts Development Fund, which are treated and disclosed separately. An Arts Development Trust Deed governs the use of this fund.



Restricted cash balances

In accordance with the Local Government Act 2002, TAUT operates a restricted bank account. This bank account is used for the deposit of ticketing box office funds and is accordingly considered to be restricted funds.

Note 6 – Trade and other receivables

Pitopito kōrero 6 – Ngā tauhokohoko me ngā whiwhinga

	Actual 2023 \$000s	Actual 2022 \$000s
Total trade and other receivables comprise:		
Receivables from exchange transactions		
Receivables from sale and supply of goods and services	4,835	4,068
Provision for impairment of trade receivables	(576)	(271)
Trade receivables net	4,259	3,797
Sundry debtors	1,434	1,288
Accrued income	1,480	1,012
Total receivables from exchange transactions	7,173	6,097
Receivables from non-exchange transactions		
Related-party receivables	20,357	32,688
Total receivables from non-exchange transactions	20,357	32,688
Total trade and other receivables	27,530	38,785



Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit loss arising from non-payment.

There is no concentration of credit risk with respect to trade receivables as there is a large number of customers. Related-party receivables are predominantly with entities within the Auckland Council (ultimate parent) group structure. TAUT does not hold any collateral or other credit enhancements over these balances as security.



Provision for impairment of trade receivables

TAUT has determined a provision for impairment of receivables based on an expected credit loss model. We have applied the simplified approach to providing for expected credit losses, which requires the recognition of a lifetime expected loss provision for trade receivables. The calculation of the allowance provision incorporates forward-looking information, such as forecasted economic conditions.

Note 7 – Inventories

Pitopito kōrero 7 – Rārangi taputapu

	Actual 2023 \$000s	Actual 2022 \$000s
Commercial inventory		
Items held for resale	991	851
Total inventory	991	851

The write-down of commercial inventory to net realisable value amounted to \$154,000 (2022: \$37,000). There have been no reversals of write-downs.

Inventory



Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first in, first out (FIFO) method.

The amount of any write-down to net realisable value of inventory is recognised in the surplus or deficit in the period of the write-down.

Note 8 – Payables

Pitopito kōrero 8 – Ngā utunga

	Note	Actual 2023 \$000s	Actual 2022 \$000s
Total payables comprise:			
Payables under exchange transactions			
Creditors		4,802	10,108
Revenue received in advance		8,595	9,302
Accrued expenses		11,783	13,510
Amounts due to third parties in relation to future events		10,535	30,543
Total payables under exchange transactions		35,715	63,463
Payables under non-exchange transactions			
Amounts due to related parties	18	20,221	33,178
Total payables under non-exchange transactions		20,221	33,178
Total payables		55,936	96,641

Payables



Creditors and accrued expenses are recorded at their face value.

Revenue in advance is recognised in the statement of comprehensive revenue and expenses in the period the income is earned.

Note 9 – Employee entitlements

Pitopito kōrero 9 – Ngā tikanga kaimahi

	Actual 2023 \$000s	Actual 2022 \$000s
Current portion		
Accrued salaries and wages	1,524	1,006
Annual leave	5,381	5,105
Long-service leave	62	62
Total current portion	6,967	6,173
Total employee entitlements	6,967	6,173



Employee entitlements

Short-term employee benefits, including annual leave, are recognised as an expense over the period in which they accrue. Benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are accrued based on entitlements at current rates of pay.





Note 10 – Provisions

Pitopito kōrero 10 – Ngā whakarato

	Actual 2023 \$000s	Actual 2022 \$000s
Current portion		
Grant commitment	177	108
Other	1,436	412
Total current portion	1,613	520
Total provisions	1,613	520

Movements for each class of provision

	Actual 2023 \$000s		
	Grant commitment	Other	Total
Previous year opening balance	108	412	520
Additional provisions made	150	1,454	1,604
Amounts used / unused amounts released	(82)	(429)	(511)
Closing balance	176	1,437	1,613

	Actual 2022 \$000s		
	Grant commitment	Other	Total
Previous year opening balance	104	1,259	1,363
Additional provisions made	80	1,412	1,492
Amounts used / unused amounts released	(76)	(2,259)	(2,335)
Closing balance	108	412	520

Provisions



Provisions are recognised when the group has a present obligation as a result of a past event, it is probable that there will be a future outflow of resources, and the amount of the provision can be reliably measured.

Provisions are not recognised for future operating losses and are measured at the present value of the expenditures expected to be required to settle the obligation.

Restructuring – A provision for restructuring is recognised when an approved, detailed, formal plan for the restructuring has either been announced to those affected, or for which implementation has already started.

Note 11 – Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

Pitopito kōrero 11 – Aromātai kurutete o te tōpūtanga (tarepa) more mō muri i te utu tāke kingā moniwhiwhi more i ngā whakahaere hinonga

	Actual 2023 \$000s	Actual 2022 \$000s
Net surplus / (deficit) after tax	171,370	1,614
<i>Add / (less) non-cash items</i>		
Depreciation	52,576	36,877
Amortisation	602	611
Bad debts	33	69
Non-cash lease revenue	-	-
Decrease in allowance for impairment of trade receivables	-	(142)
Net (gains) / losses on other financial assets	(133)	(69)
Other non-cash adjustments	(1,746)	(1,735)
Gifted artworks	(183,999)	(1,405)
Total non-cash items	(132,667)	34,206
<i>Add / (less) items classified as investing or financing activities</i>		
(Gain) / loss on disposal of property, plant and equipment	425	748
Impairment of flood damaged property, plant and equipment (Zoo)	2,726	-
Total items classified as investing or financing activities	3,151	748
<i>Add / (less) movements in statement of financial position items</i>		
(Increase) / decrease in other receivables	(910)	866
(Increase) / decrease in accrued income	(469)	(467)
(Increase) / decrease in prepayments	325	(318)
(Increase) / decrease in GST receivable	2,139	(1,789)
(Increase) / decrease in inventories	(140)	(176)
Increase / (decrease) in other payables	(23,424)	15,990
Increase / (decrease) in revenue in advance	(707)	3,144
Increase / (decrease) in accrued expenses	600	715
Increase / (decrease) in provisions	1,094	(575)
Increase / (decrease) in employee benefits	793	910
Increase / (decrease) in capital expenditure accrual	2,329	(1,264)
Increase / (decrease) in net related-party balances	(625)	(5,795)
Net movement in working capital items	(18,995)	11,241
Net cash flow from operating activities	22,859	47,809

Long-term Assets

Ngā Rawa Motuhake

Note 12 – Property, plant and equipment

Pitopito kōrero 12 – Ngā rawa, ngā whare umanga, me ngā taputapui

Cost or valuation	Actual 2023						Closing balance 30 June 2023 \$000s
	Opening balance 1 July 2022 \$000s	Additions * \$000s	Disposal / Impairment t\$000s **	Revaluation \$000s	Transfer (to) / from Auckland Council \$000s	Reclassificatio n between asset classes \$000s	
Land	215,912	-	-	(5,890)	-	-	210,022
Buildings	1,283,662	12,510	(11,084)	115,478	-	-	1,400,566
Plant and equipment	52,535	4,513	(87)	-	-	-	56,961
Office equipment, furniture and fittings	19,076	832	-	-	-	-	19,908
Computer equipment	4,940	646	-	-	-	-	5,586
Motor vehicles	453	100	-	-	-	-	553
Roading and civil structures	2,962	-	-	-	-	-	2,962
Work in progress	23,144	17,758	-	-	-	-	40,902
Total cost	1,602,684	36,359	(11,171)	109,588	-	-	1,737,460

* Additions comprise construction costs incurred to existing buildings.

** Impairment of buildings arising from the flooding at Auckland Zoo and Western Springs Stadium amounted to \$10,634. Of this, \$7,908 was accounted against previously recognised revaluation reserves, while \$2,726 was expensed to the Statement of Comprehensive Revenue and Expenses

Note 12 (continued)

Accumulated depreciation	Actual 2023						Net book value 30 June 2023 \$000s
	Opening balance 1 July 2022 \$000s	Depreciation expense \$000s	Reversal of accumulated depreciation on revaluation \$000s	Depreciation on disposals \$000s	Transfer (to) / from Auckland Council \$000s	Closing balance 30 June 2023 \$000s	
Land	-	-	-	-	-	-	210,022
Buildings	-	44,842	(44,817)	(25)	-	-	1,400,566
Plant and equipment	32,067	5,716	-	(33)	-	37,750	19,211
Office equipment, furniture and fittings	14,196	1,160	-	-	-	15,356	4,552
Computer equipment	3,744	731	-	-	-	4,475	1,111
Motor vehicles	319	44	-	-	-	363	190
Roading and civil structures	516	83	-	-	-	599	2,363
Work in progress	-	-	-	-	-	-	40,902
Total cost	50,842	52,576	(44,817)	(58)	-	58,543	1,678,917

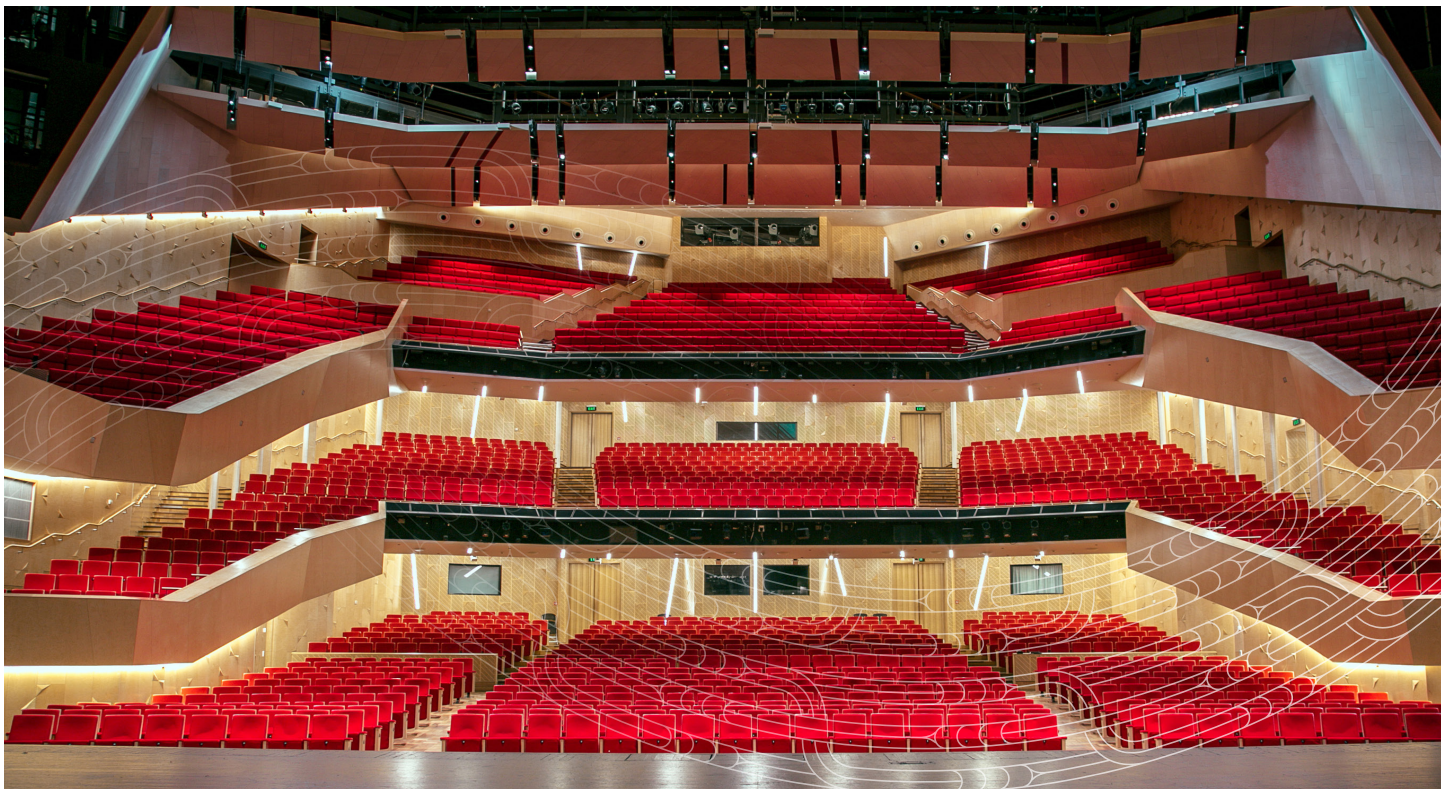
Note 12 (continued)

	Actual 2022						Closing balance 30 June 2022 \$000s
	Opening balance 1 July 2021 \$000s	Additions \$000s	Disposal / impairment \$000s	Revaluation \$000s	Transfer (to) / from Auckland Council \$000s	Reclassification between asset classes \$000s	
Cost or valuation							
Land	210,353	-	-	5,559	-	-	215,912
Buildings	1,026,562	69,455	(3,146)	190,694	-	97	1,283,662
Plant and equipment	46,664	5,968	-	-	-	(97)	52,535
Office equipment, furniture and fittings	17,272	1,804	-	-	-	-	19,076
Computer equipment	3,717	1,223	-	-	-	-	4,940
Motor vehicles	417	50	-	-	(14)	-	453
Roading and civil structures	2,962	-	-	-	-	-	2,962
Work in progress	63,249	(40,105)	-	-	-	-	23,144
Total cost	1,371,196	38,395	(3,146)	196,253	(14)	-	1,602,684

* Additions comprise construction costs incurred to existing buildings.

Note 12 (continued)

	Actual 2022						Closing balance 30 June 2022 \$000s	Net book value 30 June 2022 \$000s
	Opening balance 1 July 2021 \$000s	Depreciation expense \$000s	Reversal of accumulated depreciation on revaluation \$000s	Depreciation on disposals \$000s	Transfer (to) / from Auckland Council \$000s			
Accumulated depreciation								
Land	-	-	-	-	-	-	215,912	
Buildings	-	29,735	(29,499)	(236)	-	-	1,283,662	
Plant and equipment	27,047	5,038	-	(18)	-	32,067	20,468	
Office equipment, furniture and fittings	13,050	1,146	-	-	-	14,196	4,880	
Computer equipment	2,906	838	-	-	-	3,744	1,196	
Motor vehicles	291	37	-	(9)	-	319	134	
Roading and civil structures	433	83	-	-	-	516	2,446	
Work in progress	-	-	-	-	-	-	23,144	
Total cost	43,727	36,877	(29,499)	(263)	-	50,842	1,551,842	



Property, plant and equipment (PPE)

Operational assets – These include land, buildings, plant and machinery, computer equipment, furniture, fittings and equipment, and motor vehicles.

Zoological assets – Zoo animals are valued at a nominal value of \$1, in line with international practice.

Property held to meet service-delivery objectives

Property held to meet service-delivery objectives, rather than to earn rentals or for capital appreciation (i.e. investment property), is recognised as land and buildings under PPE.

As a result, properties leased to third parties under operating leases are not classified as investment property.

Initial recognition – PPE are initially shown at cost or fair value where an asset is acquired at no cost or for a nominal cost. Cost includes any costs directly attributable to the acquisition of the items. Note that in the case of the assets acquired by TAUT on establishment on 1 November 2010, cost was the carrying value of the assets by the previously owning council and CCO.

Subsequent measurement – PPE are measured at cost or fair value, less accumulated depreciation and impairment losses.

Revaluation – Revaluations of PPE are accounted for on a class-of-asset basis. Land and buildings are revalued with sufficient regularity to ensure their carrying amount does not differ materially from fair value and at least once every five years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income. Depreciation rates are adjusted on building revaluations.

Additions – The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to TAUT and the cost of the item can be measured reliably.

Work in progress – Work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Disposals – Gains and losses on disposals are determined by comparing the proceeds on disposal with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.



Depreciation

Land is not depreciated. Depreciation is provided on a straight-line basis on all PPE other than land, 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:

Asset class	Useful life	Rate
Buildings	3 – 100 years	(1.0% – 33%)
Plant and machinery	1 – 39 years	(2.6% – 100%)
Office equipment	1 – 25 years	(4.0% – 100%)
Computer equipment	3 – 8 years	(12.5% – 33%)
Motor vehicles	4 – 10 years	(10.0% – 25%)
Roads and civil structures	3 – 68 years	(1.4% – 33%)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



Depreciated replacement cost

Critical assumptions in estimating depreciated replacement cost for the revaluation of certain PPE are the estimated replacement cost of subject assets, estimated optimisation rates of subject assets and estimated remaining useful life of those assets.



Estimating useful lives and residual values of PPE

At each balance date, TAUT reviews the useful lives and residual values of its PPE. Assessing the appropriateness of useful life and residual value estimates requires TAUT to consider a number of factors such as the physical condition of the asset, expected period of our use of the asset, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciable amount of an asset, therefore affecting the depreciation expense recognised in the surplus or deficit and the asset's carrying amount. TAUT minimises the risk of this estimation uncertainty by:

- physical inspection of assets
- asset-replacement programmes
- review of second-hand market prices for similar assets
- analysis of prior asset sales.

There are no restrictions over the title over any item of PPE. No items of PPE are secured as security for liability.



Revaluation of land and buildings

TAUT revalues land and buildings on a five-year cycle unless the fair value assessment requires revaluation of the entire class of land and buildings. These assets are valued at either market value or depreciated replacement cost. At 30 June 2023, a valuation of land and buildings was undertaken by TAUT's management based on a material change assessment provided by Beca, independent valuers. Land and buildings were revalued at 30 June 2022 by Beca. Beca completed their 2022 valuation using the optimised depreciated replacement cost (ODRC) valuation approach, which included consideration of the impact of COVID-19 on construction costs in complex and specialised construction projects, such as TAUT's buildings during the 2022 financial year.

Useful lives of Maritime Museum buildings

The New Zealand Maritime Museum buildings are built on leased land. TAUT is depreciating the value of these buildings over the remaining lease term, which expires on 1 March 2027.

Fair value

The fair value for each asset class for TAUT is represented by the net book value. The fair value of assets not valued during the financial period has been assessed and is not materially different from the net book value.

Impairment

Assets are assessed for indicators of impairment at each financial period. Where an asset's carrying value exceeds its recoverable value (being the greater of fair value less cost to sell or value in use), the asset is written down to its recoverable value, with losses recognised in profit or loss.

Work in progress

Work in progress by asset class is detailed below.

	Actual 2023 \$000s	Actual 2022 \$000s
Buildings	38,432	14,917
Plant and equipment	-	7,805
Artwork	823	-
Other	1,647	422
	40,902	23,144

Note 13 – Artwork collections

Pitopito kōrero 13 – Ngā kohinga toi

TAUT’s fine artwork collections are classified according to the national and cultural significance of the items held, where recognition of the mana and substance of Māori, European and other major cultural heritages are reflected. This is mediated by factors including rarity, provenance, historical connotations and social capital. Public artworks are largely those on display at the Aotea Centre. In some cases, these are attached to, or were specifically commissioned for, the Aotea Centre.

Artwork collections	Moderate significance \$000s	Considerable significance \$000s	Substantial significance \$000s	Public artworks \$000s	Total \$000s
Opening balance 1 July 2021	19,403	68,484	224,564	3,277	315,728
Additions	27	215	-	-	242
Donated / vested	48	730	415	-	1,193
Impairment	-	-	-	-	-
Revaluations	441	-	-	-	441
Reclassifications	-	-	-	-	-
Balance as at 30 June 2022	19,919	69,429	224,979	3,277	317,604
Additions	60	681	243	-	984
Donated / vested	6	280	183,413	-	183,699
Impairment	-	(54)	-	-	(54)
Revaluations	-	-	48,610	-	48,610
Reclassifications	-	-	-	-	-
Balance as at 30 June 2023	19,985	70,336	457,245	3,277	550,843

Revaluation of artwork collections

TAUT collections are recorded at cost or revaluation. Valuations of the fine art collection held at the Auckland Art Gallery are programmed annually to ensure each class of collection is valued at least once every three years. Acquisitions to collections between revaluations are recorded at cost or at fair value if donated.

As the fine art collections have an indefinite life and are not of a depreciable nature, depreciation is not applied to the collections.

In 2023 a portion of the artwork collection has been revalued as per our revaluation policy. The valuation of the artwork collection was completed on a three-year cycle as follows.

- Items in the moderate significance collection were individually revalued by Auckland Art Gallery staff during the 2021/2022 financial year.
- Items in the considerable significance collection were individually revalued by Auckland Art Gallery staff during the 2020/2021 financial year. The revaluation methodology was externally verified by Coupland Art (Auckland).
- Items in the substantial significance collection were individually revalued by Sotheby’s (London) and Coupland Art (Auckland) during the 2022/2023 financial year.

The fair values of artworks are determined by reference to observable prices in an active market and recent transactions on arm’s-length terms.

Public artwork has been recognised at fair value on acquisition. The collection largely comprises artwork attached to buildings or commissioned for specific display areas and is not revalued due to the limited market for these pieces.

The Robertson Collection of international artworks

American philanthropists Julian and Josie Robertson agreed in 2009 to donate a collection of important 19th Century and early 20th Century international artworks (“the Robertson Collection”) to Auckland Art Gallery Toi o Tāmaki (“the Gallery”). This donation was recognised as a contingent asset in last year’s financial statements. Following the death of Julian Robertson in August 2022, the artwork collection was released by the executors of his estate and ownership transferred to the Gallery, with an acquisition date of March 2023. The Robertson Collection is subject to a donor restriction preventing the deaccessioning, exchange, or disposal of these artworks, which ensures continued access to the artworks by the public in the future.

An independent valuation was used to determine the fair value of the collection on acquisition, which was undertaken by Winston Art Group (New York), Their appraisal is based on fair market values, and is inclusive of assumed fees such as buyers premium.

Due to the nature of the artwork included in this donation, the Robertson Collection has been wholly included in the substantial significance category of art assets for TAUT, and will continue to be subject to the valuation methodology as per all artworks held, as outlined above.



Significant judgement

The appraisers of the Robertson Collection, Winston Art Group (New York) have based their judgement on research and the values of the collection are not a representation or a warranty that the collection items will realise those values on the open market. The values provided by Winston Art Group (New York) are based on current information at valuation date, and they do not express an opinion on any future or past values unless specifically stated.

Estimates of value and quality may vary from one appraiser to another, with such variances not necessarily constituting an error on behalf of the appraiser; therefore, statements and data contained in the appraisal cannot be considered a guarantee or warranty of value.

Fair value

The fair value for each asset class of artwork for TAUT is represented by the net book value. The fair value of assets not valued during the financial period has been assessed and is not materially different from the net book value.

Revaluation of the artwork collection of substantial significance as at 30 June 2023 was carried out by Sotheby’s (London) and Coupland Art (Auckland). (2022: revaluation of the artwork collection of moderate significance as at 30 June 2022 was carried out by Auckland Art Gallery in-house curators)

Total fair value of artworks valued by each valuer for the reporting period ending at 30 June:

Name of valuer	Type of valuer	Date performed	Asset class	\$000s
Winston Art Group (New York), Sotheby’s (London); Coupland Art (Auckland)	Independent valuers	June 2023	Artworks in substantial significance collection	457,246
Total 30 June 2023				457,246
Auckland Art Gallery	In-house curators	June 2022	Artworks in moderate significance collection	19,919
Total 30 June 2022				19,919

Artworks in the moderate significance collection and the considerable significance collection are not subject to independent valuation in the current year. However, TAUT management has undertaken a fair-value assessment of these collections to identify any potential impairment. Following the review, the management concluded that there is no impairment to these collections.

Note 14 – Historical and cultural collections

Pitopito kōrero 14 – Ngā kohinga tuku iho, ahurea hoki

The New Zealand Maritime Museum collects, manages and displays the heritage and cultural assets of New Zealand's maritime history. These collections are kept in trust for the nation.

Heritage and cultural assets	Actual 2023 \$000s	Actual 2022 \$000s
Opening balance	3,679	3,399
Additions	68	68
Donated / vested	47	212
Impairment	-	-
Closing balance	3,794	3,679



Heritage and cultural assets

Heritage and cultural assets are carried at cost with any new collection items recognised at cost as additions to the collection, or in the case of donated collection items at fair value on acquisition. Due to the nature of the collection no depreciation will be recognised; however, an impairment assessment will be completed each reporting period. An impairment assessment was completed in June 2023 and no impairment was identified.

Note 15 – Intangible assets

Pitopito kōrero 15 – Ngā rawa ōkiko kore

	Actual 2023 \$000s	Actual 2022 \$000s
Computer software at cost		
Previous year opening balance	5,620	4,981
Additions	2,713	1,626
Disposals	-	(986)
Closing balance	8,333	5,621
Accumulated amortisation and impairment		
Previous year opening balance	4,834	4,223
Amortisation charge	602	611
Amortisation on disposals	-	-
Closing balance	5,436	4,834
Carrying amount	2,897	787

No intangible assets are pledged as security for liabilities and there are no restrictions over the title of intangible assets.



Intangibles

Intangible assets are initially recorded at cost. The cost of an internally generated intangible asset represents expenditure incurred in the development phase only.



Software acquisition and development

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

Costs directly associated with developing software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with developing and maintaining websites are recognised as an expense when incurred where the website is used solely for promoting TAUT's services.

Alternatively, costs associated with developing and maintaining websites are capitalised as an intangible asset where the website is capable of generating revenue through direct orders and sales for TAUT.

Staff training costs are recognised in the surplus or deficit when incurred.

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ends at the date that the asset is derecognised.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation charge for each period is recognised in the surplus or deficit.



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

Acquired software 1 – 8 years, 12.5% – 100%

Developed software 1 – 8 years, 12.5% – 100%.



Borrowings, Risk and Capital Management

Ngā minonga, Whakatūpato me ngā Whakahaere Haupū Rawa

Note 16 – Other financial assets

Pitopito kōrero 16 – Ētahi atu taputapu ā-pūtea

	Actual 2023 \$000s	Actual 2022 \$000s
Current portion		
Community loans	50	34
Total current portion	50	34
Non-current portion		
Community loans	511	697
Total non-current loan portion	511	697
Total other financial assets	561	731

Fair value

Community loans – The purpose of the loans is to develop community assets used for recreational or educational purposes on council-owned land. Fair value on recognition has been determined using cash flows discounted at a rate of 14.18 per cent (2022: 10.53 per cent), based on ASB Bank’s business lending rate at 30 June 2023 of 8.18 per cent (2022: 4.53 per cent), plus the loan recipients’ financial risk factor of 6 per cent (2022: 6 per cent).

Community Loans

	Actual 2023 \$000s	Actual 2022 \$000s
Fair value of the loans at the beginning of the period	731	940
Loans repaid during the period	(37)	(34)
Loans waived during the period	-	(106)
Fair value gain recognised in current year	(133)	(69)
Fair value of the loans at the end of the period	561	731

Community loans



Loans to community organisations made at nil or below-market interest rates are initially recognised at their expected future cash flows, discounted at the current market rate of return for a similar asset or investment. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of comprehensive income as a fair value impairment. Community loans are subsequently measured at amortised cost using the effective interest method less impairment, if any.



Discount rate of 14.18% (2022: 10.53%) for community loans.

Community loans adjusted for fair value are \$561,000 (2022: \$730,000). They have stated interest rates of between 4.5 per cent and 5.0 per cent and mature within 49 years. The face value of the community loans is \$1,690,000 (2022: \$1,690,000).

Note 17 – Borrowings and other financial liabilities

Pitopito kōrero 17 – Ngā minonga me ērā atu take ā-pūtea

	Actual 2023 \$000s	Actual 2022 \$000s
Current portion		
Unsecured loans	-	-
Lease revenue in advance	269	269
Total current portion	269	269
Non-current portion		
Lease revenue in advance	6,626	6,895
Non-current Trade Payables	1,889	-
Total non-current portion	8,515	6,895
Total borrowings	8,784	7,164

Borrowings



Borrowings are financial liabilities classified as ‘other financial liabilities at amortised cost’.

They are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless TAUT has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Lease revenue in advance

The contribution by the third-party operator of Spark Arena has been recognised as lease revenue in advance (refer Note 21). Lease revenue from this leasing arrangement is recognised as revenue on a straight-line basis over the period of the lease. The remaining period of the lease is 24 years.



Note 18 – Financial instruments

Pitopito kōrero 18 – Taputapu ā-pūtea

Financial instrument categories

TAUT's financial assets comprise cash and cash equivalents, trade and other receivables (including community loans) and have been categorised as loans and receivables.

Financial liabilities are trade and other payables (excluding revenue in advance), borrowing, and finance leases.



Financial instruments

Financial assets comprise loans and receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument.

Financial liabilities are initially recorded at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

Financial instruments by category

	Actual 2023 \$000s	Actual 2022 \$000s
Financial assets through other comprehensive revenue and expenses		
Loans and receivables		
Cash and cash equivalents (Note 5)	15,162	34,588
Receivables (Note 6)	27,530	38,785
Community loans (Note 16)	561	731
Total loans and receivables	43,253	74,104
Financial liabilities measured at amortised cost		
Payables (excluding income in advance, GST payable and grants) (Note 8)	27,120	54,161
Amounts due to related parties (Note 8)	20,221	33,178
Borrowings (Note 17)	8,784	7,416
Total borrowings and payables	56,125	94,755

Financial instrument risk

TAUT's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. We have a series of policies to manage the risks associated with the financial instruments and seeks to minimise the exposure on those instruments. TAUT is risk-averse and we manage our exposure to key financial risks by applying policies that do not allow it to enter any transactions which are speculative in nature.

Classification and measurement of financial instruments

TAUT classifies its financial instruments in the following categories:

- at fair value through surplus or deficit (FVTSD)
- at fair value through other comprehensive revenue and expenditure (FVTOCRE)
- at amortised cost.

Note 19 – Equity and reserves

Pitopito kōrero 19 – Ngā ōritenga me ngā mea rāhuitia

	Actual 2023 \$000s	Actual 2022 \$000s
Contributed capital		
Balance at 1 July	1,053,532	1,053,532
Previously unrecognised assets	-	-
Balance at 30 June	1,053,532	1,053,532
Accumulated surplus / (deficit)		
Balance at 1 July	72,687	71,079
Surplus / (deficit) for the year	171,370	1,614
Contribution to restricted reserves	(2,000)	-
Transfers to restricted equity	(15)	(6)
Balance at 30 June	242,042	72,687
Restricted equity		
Balance at 1 July	3,120	3,227
Transfers from accumulated surplus	15	6
Contributions received / (distributions made)	2,119	(113)
Balance at 30 June	5,254	3,120
Asset revaluation reserves		
Balance at 1 July	714,102	487,101
Revaluations gains / (losses) through comprehensive income	194,960	227,001
Balance at 30 June	909,062	714,102
Total equity	2,209,890	1,843,441

Changes in the carrying value of TAUT's equity and reserve balances are shown in the statement of equity. Details on the nature of the specific equity and reserve balances are detailed below.

Contributed capital

Contributed capital represents the amount of net assets initially injected into TAUT on its incorporation on 1 November 2010 as a result of the disestablishment of previous Auckland councils and council-controlled entities, and establishment of Auckland Council and its newly created council-controlled entities.

Accumulated surplus / (deficit)

Accumulated surplus / (deficit) represents the surpluses and deficits earned by the entity that have been retained since TAUT's incorporation on 1 November 2010, plus the current year's surplus and movement.

Restricted equity

TAUT sets aside specific amounts of retained surpluses in relation to its operations at Auckland Zoo. Specifically, restricted equity has been set aside for the Zoo's activities relating to conservation initiatives. As costs are incurred, they are recognised through profit and loss in the period to which they relate, and the corresponding funds are transferred from restricted equity to retained earnings.

Restricted equity also includes trusts and bequest funds administered by Auckland Council for the benefit of Auckland Art Gallery to buy art and for other specified purposes.

Asset revaluation reserve

TAUT operates an asset revaluation reserve to hold movements on the revaluation of non-current assets.

Asset revaluation reserves consist of:

Artwork collection classified as moderate significance
Artwork collection classified as considerable significance
Artwork collection classified as substantial significance
Total artwork collections
Land
Buildings

	Actual 2023 \$000s	Actual 2022 \$000s
	1,725	1,725
	9,535	9,535
	81,510	33,047
	92,770	44,307
	97,206	103,096
	719,086	566,699
Total asset revaluation reserves	909,062	714,102

The asset revaluation reserve is maintained by the class of revalued non-current assets. Movements in the revaluation of items are restricted to the class of non-current assets to which they are allocated, in accordance with PBE IPSAS 17. Certain artworks in the substantial significance collection are initially revalued in foreign currencies, giving rise to foreign exchange differences at year-end. These foreign exchange differences are recognised in other comprehensive revenue and expense, and accumulated in the asset reserve for the artworks collection classified as substantial significance.

Foreign exchange movements on artwork collection classified as substantial significance

Opening balance
Movement
Closing balance

	Actual 2023 \$000s	Actual 2022 \$000s
	(5,659)	(5,659)
	12,706	- (*)
	7,047	(5,659)

* Non-revaluation year

On exhaustion of the asset revaluation reserve of a particular class of non-current assets, any further devaluation is taken to profit or loss and is not offset by any remaining revaluation reserves of other classes of non-current assets, in accordance with PBE IPSAS 17.

**Equity**

Equity represents the shareholder's interest in TAUT and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- contributed capital
- accumulated surplus / (deficit)
- restricted equity
- property revaluation reserve.

Restricted reserves

A component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the parent.

Restricted reserves are those subject to specific conditions accepted as binding by TAUT and which we may not revise without reference to the courts or a third party.

Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Restricted reserves include those restricted by TAUT's decision.

Auckland Council may alter restricted reserves without reference to any third party or the courts. TAUT's objectives, policies and processes for managing capital are explained in Note 20.

Note 20 – Capital management

Pitopito kōrero 20 – Ngā whakahaere ā-pūtea

The capital structure of TAUT consists of net debt (borrowings as detailed in Note 17 offset by cash and cash equivalents) and equity, which comprises:

- contributed equity
- accumulated surplus / (deficit)
- restricted equity
- property revaluation reserve.

Equity is represented by net assets.



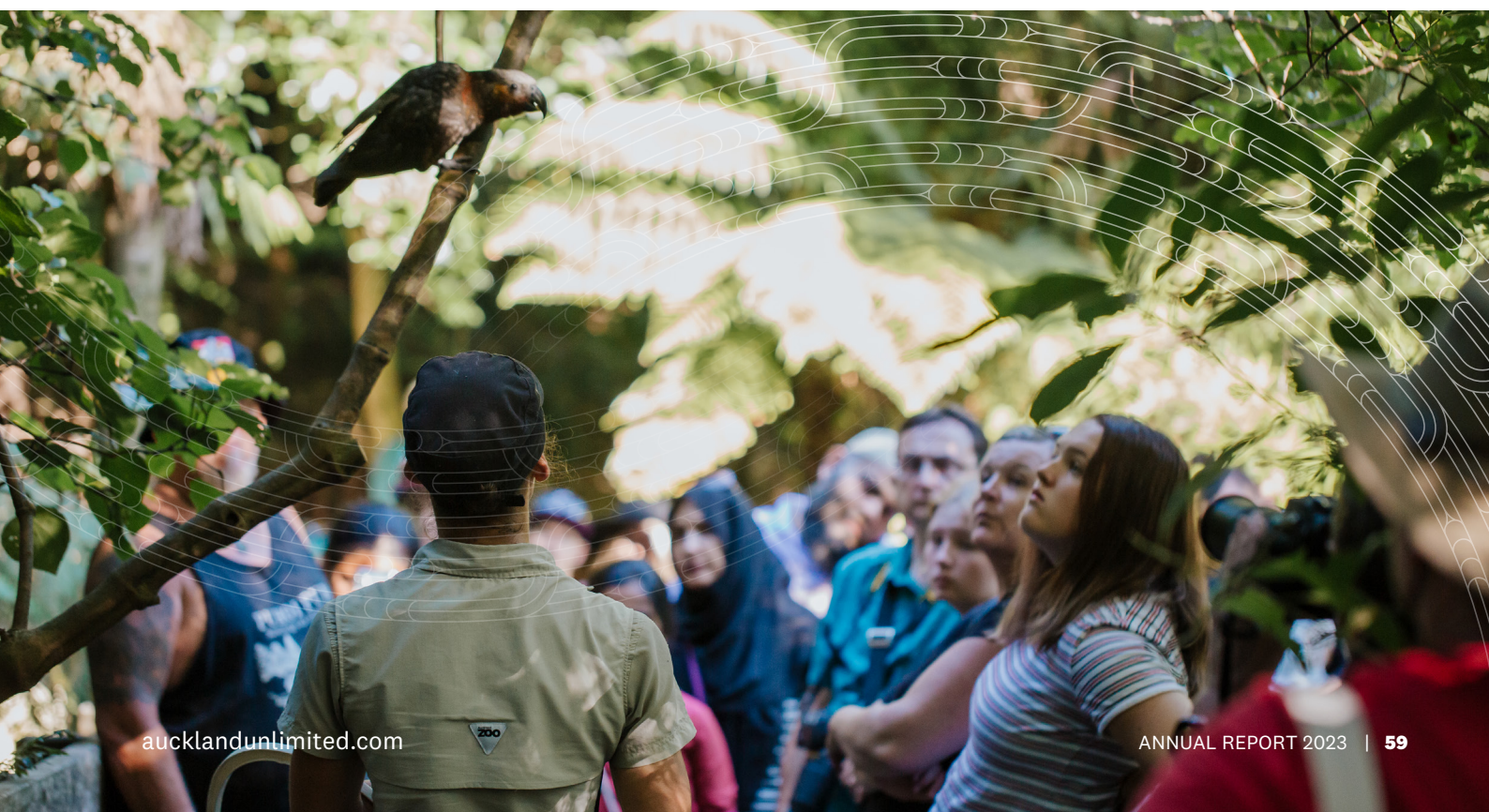
The Local Government Act 2002 (the Act) requires TAUT to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. TAUT's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the parent. Intergenerational equity requires today's ratepayers to meet the costs of using TAUT's assets and does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, TAUT has in place asset management plans for major classes of assets, detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.



The Act requires the ultimate parent (Auckland Council) to make adequate and effective provision in its long-term plan (LTP) and annual plan (where applicable) to meet the expenditure needs of those plans. The Act sets out the factors that TAUT is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the parent's LTP.

TAUT has only one lender of debt, which is Auckland Council, and is precluded from borrowing from any party other than the council through its debt arrangement.



Other Disclosures

Ētahi atu whakaaturanga

Note 21 – Capital commitments and operating leases Pitopito kōrero 21 – Ngā taputapu matua me ngā	Actual 2023 \$000s	Actual 2022 \$000s
Capital commitments		
Buildings	27,103	24,921
Plant and equipment	2,745	1,875
Intangibles	166	204
Total capital commitments	30,014	27,000

Capital commitments represent capital expenditure contracted at balance date but not yet incurred.

Operating leases as lessees

TAUT leases property, plant and equipment in the normal course of its business. The majority of these leases have non-cancellable terms of six months to nine years. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows.

	Actual 2023 \$000s	Actual 2022 \$000s
Not later than one year	1,815	1,116
Later than one year and not later than five years	2,276	2,683
Later than five years	-	-
	4,091	3,799

The total minimum future sublease amount expected to be received under non-cancellable subleases at balance date is \$1. This relates to a sublease to Auckland Zoological Park.

Leases can be renewed at TAUT's option; rents are set with reference to current market rates for items of equivalent age.

Operating leases as lessors

TAUT leases property in the normal course of its business. Most of these leases have non-cancellable terms of six months to nine years. The contribution by the third-party operator of Spark Arena has been recognised as an operating lease, and the remaining period of the lease is 24 years. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows.

	Actual 2023 \$000s	Actual 2022 \$000s
Not later than one year	1,965	2,015
Later than one year and not later than five years	5,237	6,535
Later than five years	4,910	5,196
	12,112	13,746



Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease revenue under an operating lease is recognised as income on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

Significant judgement

The development and operations of Spark Arena are governed by a development agreement. This “build, own, operate, transfer” contract specifies that the residual interests at the end of the contract reside with TAUT. Our interests in Spark Arena have been recognised as an asset and the asset is independently revalued in line with our land and building valuation process (refer Note 12). The initial contribution to the building development by the third party has been recognised in the cost of the building asset and as lease revenue in advance, which is recognised on a straight-line basis over the period of the development agreement.

The original contribution by Auckland City Council to build the Spark Arena asset has been recognised as a building asset, and associated contribution by the operator has been recognised as a liability under the current PBE accounting standards and is accounted for on the following basis.

- Recognition of asset: the building has been recognised as an asset with a restriction on title as TAUT does not hold the title at balance date. Beca has independently revalued the building in accordance with Auckland Council’s valuation policy for buildings. The building and associated improvements are depreciated over its estimated remaining useful life (currently estimated at between 31 and 78 years).
- Recognition of liability: unearned lease revenue is recognised as finance income over the remainder of the lease period on a straight-line basis.

Note 22 – Contingencies

Pitopito kōrero 22 – Tikanga tūpono

Contingent liabilities 2023

There are no contingent liabilities in 2023 (2022: nil).

Contingent assets 2023

New Zealand Centre for Conservation and Medicine

Certain leases and subleases for land and a building between Auckland Zoo and Auckland Zoological Park Charitable Trust (Inc) started on 6 July 2007 for 34 years and 363 days. The building, owned by the Trust, is used by Auckland Zoo as a national wildlife conservation and support facility providing specialist teaching, research and veterinary services and may revert at the end of the lease to TAUT. Due to the current uncertainties as to the nature of the building’s condition or use at the end of the lease, the fair value attributable to TAUT’s interest in the property cannot be determined and has not been recognised.

2022: The same contingency existed for the New Zealand Centre for Conservation and Medicine.

Architectural and building services claim.

TAUT has issued a claim against a consultant for the Aotea Centre development project relating to project design faults. The final claim amount at 30 June 2023 has not yet been quantified.



Note 23 – Related party transactions

Pitopito kōrero 23 – Ngā kurutete a te hunga hāngai



Related include associates, key management personnel and elected representatives of Auckland Council and their close family members and entities controlled by them. Key management personnel are the chief executive and executive leadership team. The elected representatives of the council are the mayor and councillors. Close family members include spouses or domestic partners, children and dependents.

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 it is reasonable to expect the council would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Auckland Council Group (such as funding and financing flows) where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required to be disclosed

The ultimate parent of TAUT is Auckland Council (100 per cent). Transactions arising from operational and capital funding between TAUT and the Auckland Council Group are at arm's length.

Auckland Council also provides support services to TAUT, which include financial and support services. These costs are incurred as part of the council's general overheads and are not allocated or invoiced to TAUT. Accordingly, no support service expense is recognised by TAUT. These costs are not reflected in the statement of comprehensive revenue and expenses, as they are incurred by the council. TAUT has no expectation that it will have to reimburse the council for expenditure relating to the current financial year.

Remuneration

	Actual 2023	Actual 2022
Number of full-time employees	561	514
Number of all other employees	579	530
Full-time equivalent (FTE) number of all other employees	116	96
Number of employees receiving total annual remuneration of less than \$60,000	651	647

Note: the above numbers reflect full-time employees and casual employees as at 30 June 2023 and 30 June 2022.

The full-time equivalent (FTE) numbers of all other employees are those casual and part-time employees who were contracted at 30 June 2023.

Employee numbers and remuneration bands

Total annual remuneration by band for employees as at 30 June 2023 is detailed below as per the banding stipulated in the Local Government Act 2002.

	Actual 2023 \$000s	Actual 2022 \$000s
< \$60,000	651	647
\$60,000 – \$79,999	232	210
\$80,000 – \$99,999	122	88
\$100,000 – \$119,999	58	38
\$120,000 – \$139,999	30	24
\$140,000 – \$159,999	16	16
\$160,000 – \$179,999	15	6
\$180,000 – \$219,999	9	7
\$220,000 – \$379,999	7	8
Total employees	1,140	1,044

Director fees and key management personnel

A management fee has been charged to Tātaki Auckland Unlimited Trust to reflect the share of costs relating to the Tātaki Auckland Unlimited Limited executive leadership team. Management fee for 2023 of \$1,544,000 (2022 Management fee \$1,996,000). A trustee fee has been charged to Tātaki Auckland Unlimited Trust to reflect the Trust's share of costs relating to the Tātaki Auckland Unlimited Directors. Trustee fee 2023: \$221,528 (2022: \$221,026).

Note 24 – Severance payments

Pitopito kōrero 24 – Ngā utu tapahitanga

For the period ended 30 June 2023, TAUT made 6 severance payments totalling \$100,929 (2022: 3 payments totalling \$108,207).

Note 25 – Subsequent events occurring after balance date

Pitopito kōrero 25 – Ngā tūāhuatanga whai muri i te rā tapeke

There were no significant events subsequent to 30 June 2023 (2022: none)

Independent Auditor's Report

To the readers of Tātaki Auckland Unlimited Trust's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Tātaki Auckland Unlimited Trust (the Trust). The Auditor-General has appointed me, René van Zyl, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 29 to 63, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, 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; and
- the performance information of the Trust on pages 10 to 12, and 21 to 25.

In our opinion:

- the financial statements of the Trust on pages 29 to 63:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information of the Trust on pages 10 to 12, and 21 to 25 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2023.

Our audit was completed on 27 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to other matters. In addition, we outline the responsibilities of the Trustee and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Inherent uncertainties in the valuation of donated artwork

The Trust received a collection of high-value artwork donations during the financial year. In considering the valuation of the artwork, the Trust engaged an expert to conclude on their fair value by referring to the comparable sales data. Note 13 on page 51 of the annual report outlines that the valuation is subject to inherent uncertainties because of the unique nature of the individual artworks and judgements involved.

Inherent uncertainties in the measurement of greenhouse gas emissions

The Trust has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Disclosures on pages 22 and 24 of the annual report outline the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

Comparison of forecast financial statements with historical financial statements

The budget figures note on page 33 outlines that the Trust presented forecast financial information with the historical financial statements that was limited to the statement of comprehensive revenue and expenses.

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 opinion.

Responsibilities of the Trustee for the financial statements and the performance information

The Trustee is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustee is also responsible for preparing the performance information for the Trust.

The Trustee is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustee is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustee intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Trustee's responsibilities arise from the Local Government Act 2002 and the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are 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 these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information. For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

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 financial statements and the performance information, 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 Trust's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 financial statements and the performance information 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 Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee 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 Trustee is responsible for the other information. The other information comprises the information included on pages 2 to 9, 13 to 20, 26 to 28 and 69 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, 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 Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a review engagement in respect of the Trust's six-monthly reporting as at 31 December 2022 to Auckland Council, which is compatible with those independence requirements.

Other than the audit and the review engagement, we have no relationship with, or interests in, the Trust.



René van Zyl
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Our Portfolio



Auckland Art Gallery
Toi o Tāmaki



Auckland Conventions



Auckland Live



Auckland Stadiums



Auckland Zoo



New Zealand Maritime Museum
Hui Te Ananui A Tangaroa

Our Venues

Aotea Centre & Square | Auckland Art Gallery Toi o Tāmaki | The Civic
Auckland Town Hall | Bruce Mason Centre | Go Media Stadium, Mt Smart
New Zealand Maritime Museum Hui Te Ananui A Tangaroa | Western Springs
North Harbour Stadium | Queens Wharf | Viaduct events Centre



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