

Fourth Quarter Report 2015-16

FOR THE QUARTER ENDED 30 JUNE 2016



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EXECUTIVE SUMMARY

Working for Auckland in partnership with key stakeholders, Regional Facilities Auckland (RFA) is at the heart of creating exciting, engaging and accessible experiences by bringing to life the arts, the natural environment, sports and events for those who live in and visit the city.

During the fourth quarter of the 2015/16 financial year, RFA continued to attract new audiences and contribute to the cultural, social and economic wellbeing of our dynamic and vibrant region.

Highlights of the quarter include the opening of Auckland Art Gallery Toi o Tāmaki's critically-acclaimed new exhibition *Space to Dream: Recent Art from South America*; the announcement that Coldplay will play at Mt Smart Stadium in December; the completion of a new event space at the ANZ Viaduct Events Centre; the return of the highly anticipated Aotea Square Ice Rink; the launch of Auckland Live's Pick & Mix winter season of free family entertainment; and the hosting of the international conference of ANZCA (Australian and NZ College of Anaesthetists) across three RFA venues – Aotea Centre, the ANZ Viaduct Events Centre and Auckland Town Hall.

In May, Auckland Art Gallery won top honours at the New Zealand Museum Awards for the exhibition *in Pursuit of Venus [infected]* by New Zealand artist Lisa Reihana. This has been one of the Gallery's most popular exhibitions, drawing 48,800 visitors during its four-month season. In the same month, New Zealand artist Judy Millar was commissioned to create an ambitious new site-specific installation for the Gallery in early 2017, with funds raised by the Auckland Art Gallery Foundation.

Auckland Zoo welcomed the arrival of two new capybara pups and farewelled one-year-old giraffe Zuri, who left to join Wellington Zoo's two female giraffes as part of the highly successful Australasian zoos' breeding programme. The Zoo also hosted students from seven Northland schools as part of The Warehouse Zoofari programme – now in its fourth year. The programme assists children from low-decile schools in Auckland and Northland to experience conservation-based learning at the zoo. The Zoo's significant conservation efforts for threatened New Zealand species continued. This included the breeding and releasing of wētā punga, specialist avian staff contributing 1848 hours in the field helping the Kakapo Recovery Programme, and Ectotherms specialists assisting the Department of Conservation with the rare and highly threatened Cobbled skink.

This year's Auckland Writers Festival at Aotea Centre and Auckland Town Hall drew a record-breaking 65,000 visitors with a programme that saw more than 150 novelists, playwrights, songwriters, scientists, children's writers, critics, editors, historians and poets from New Zealand and around the world share their love of the written word.

FFA announced the Wellington Phoenix will play two games at Mt Smart Stadium and QBE Stadium in the 2016/17 Hyundai A-League football season. The first match will kick off at Mt Smart on 17 December and the second at QBE Stadium in the new year.

The accounting surplus for the year was \$181.5m, which was \$178.7m favourable to a budgeted surplus of \$2.8m. The main reason being an increase in the value of RFA's land and building by \$184.6m.

The operational year-end financial position is marginally unfavourable to budget. The unfavourable result is largely due to the compounding impact of group efficiency savings over the last few years, together with volatility in commercial markets that have impacted RFA's external revenue. External commercial revenue funds 62% of RFA's total operating expenditure.

RFA is has achieved or substantially achieved the majority of its non-financial performance targets for the year.

STRATEGIC ISSUES AND FOCUS AREAS

The key strategic areas of focus remain unchanged from the previous quarter. These include the delivery of the capital programme for the 2015/16 financial year; a review of the existing Auckland Stadiums Strategy; and a continuous review of our revenue sources, customer experience and service delivery mechanisms with a view to implementing new initiatives to meet our revenue growth strategies. Progress on these initiatives are detailed in the body of this report.

HIGHLIGHTS FOR THE LAST QUARTER

AUCKLAND ART GALLERY TOI O TĀMAKI

The Gallery opened the critically-acclaimed *Space to Dream: Recent Art from South America* exhibition in May – the most significant survey of South American art from the 1960s to today to be seen in Australasia. The exhibition is co-curated by the Gallery's principal curator Dr Zara Stanhope and Chilean curator Beatriz Bustos Oyanedel. Open through to September, *Space to Dream* is attracting strong audiences and generating significant media coverage from arts and news media both in New Zealand and overseas.

The Gallery's new website was a finalist in the prestigious Museums Australasia Multimedia and Publication Design Awards (MAPDA) in May. The Gallery was also shortlisted in the same awards for its *Art & Ideas* publication.

Also in May, leading Auckland and Berlin-based New Zealand artist Judy Millar was commissioned to create in early 2017 an ambitious site-specific installation for the Gallery's south atrium with funds raised by the Auckland Art Gallery Foundation.

The Gallery scooped the top award in the Metropolitan – Art category of the ServiceIQ 2016 New Zealand Museum Awards for artist Lisa Reihana's work *in Pursuit of Venus [infected]*. This has been one of the Gallery's most popular exhibitions, drawing 48,800 visitors from 2 May to 30 August 2015.

Also in May, the Gallery's renowned touring exhibition *Gottfried Lindauer (1839-1926) Pilsen Painter of the New Zealand Māori* at the Gallery of West Bohemia in Pilsen won the Czech Committee of ICOM Achievement of the Year award for 2015. Now in its fourteenth year, the awards were entered by 72 museums and galleries across the Czech Republic and included 80 projects.

Artist Fiona Pardington's hugely popular survey exhibition *A Beautiful Hesitation* came to a close in June, after drawing crowds of 35,534. Since the opening of the exhibition in March, Pardington has been made a Knight (Chevalier) in the Order of Arts and Letters by French Prime Minister Manuel Valls. The prestigious honour recognises significant contributions to

the arts in France and throughout the world. *A Beautiful Hesitation* included several works by Pardington documented during her time spent in French museums.

AUCKLAND CONVENTIONS

Auckland Conventions had a very busy fourth quarter, staging 174 events during the period. A highlight was the annual ANZCA (Australian and NZ College of Anaesthetists) conference held across three RFA venues – the Aotea Centre, the ANZ Viaduct Events Centre and Auckland Town Hall. The five-day conference was attended by 1500 medical specialists from around the world.

Other notable events include the Museums Australasia Conference, the Tripartite Economic Summit, the Barfoot and Thompson and Harcourts conferences, the Convene 2016 industry tradeshow, the Kea World Class Awards dinner, McDonald's 40th Anniversary dinner, the Coca Cola Amatil NZ Ltd Awards dinner and graduations by The University of Auckland, Unitec, Otago Polytechnic and Massey University.

During the quarter, Auckland Conventions also opened a new event space, the Rakino Room at the ANZ Viaduct Events Centre, following increased demand for more intimate function space within the city. The new space caters for theatre, classroom, banquet and cocktail events and can host up to 120 people. Twenty percent of the room's rental will be donated to Starship Children's Hospital until June 2017.

AUCKLAND LIVE

In May, Auckland Live celebrated its second birthday as the performing arts arm of RFA with a unique installation of the famous Remo Saraceni giant floor piano at the Aotea Centre. The installation is the first purpose-built, custom-fit walking piano in a public area in New Zealand and is a collaboration between Auckland Live and Auckland Council's Auckland Design Office. It has proved a popular lunchtime and school holiday attraction and has received positive media coverage.

Also in May, the Auckland Writers Festival held its most successful event to date, drawing a record-breaking 65,000 visitors to the Aotea Centre and Auckland Town Hall. Now in its sixteenth year, the festival was headlined by iconic feminist Gloria Steinem leading a programme featuring more than 150 novelists, playwrights, scientists, innovators, poets and thinkers. The festival included the popular two-day schools' programme which drew more than 5,000 students, and culminated with the Ockham New Zealand Book Awards – New Zealand's premier literary awards.

The start of winter saw the return of the Aotea Square Ice Rink and Ice Slide for six weeks over June and July. Aotea Square has transformed into a lively winter wonderland, featuring life-size cut-outs of polar bears, penguins and seals to help set the scene, together with an innovative range of events catering for all ages including the Ice Sports Weekend, Americana Party, Foam Party and an Ice Carnival Weekend.

Auckland Live also launched its winter season of Pick & Mix – a free series of family-friendly weekend performances and workshops at the Bruce Mason Centre, Aotea Centre, Auckland Town Hall and Mangere Arts Centre. The 12-week series features 27 performances by some of the biggest names in Kiwi arts and culture including New Zealand Opera, The New Zealand Dance Company, The Royal New Zealand Ballet, Touch Compass and Strike Percussion.

Other notable highlights during the quarter include The Royal New Zealand Ballet season of the *Wizard of Oz*, the 2016 NZ International Comedy Festival, New Zealand Opera's season of *The Magic Flute*, and performances by international dance company Nederlands Dans Theater at The Civic.

AUCKLAND STADIUMS

Auckland Stadiums had a strong fourth quarter with the announcement that British act Coldplay will play at Mt Smart Stadium in December. The band last performed at Mt Smart Stadium in 2012, drawing more than 36,000 people to the event, with 15,000 fans coming from outside Auckland.

In April, Auckland Stadiums completed the new Arena 2 Change Facility Upgrade project at Mt Smart, part of a larger initiative to develop the arena into a boutique 5000 – 8000 capacity rectangular sports stadium. Key upgrades included two new change rooms, expanded public toilet facilities and referee facilities, improved first-aid and drug-testing facilities, and the installation of modern energy-efficient gas-powered water heating, natural ventilation and a dedicated storage area.

Also during the quarter, the FFA announced two new games by the Wellington Phoenix at Mt Smart Stadium and QBE Stadium in the forthcoming 2016/17 Hyundai A-League football season. The first match will kick off at Mt Smart on 17 December and the second at QBE Stadium in the New Year.

Auckland Stadiums continues to enhance its event and service delivery, with a recent waste management report showing significant improvements in the way waste is removed after major events. The report showed that after the AC/DC concert at Western Springs Stadium last year, 85% of waste was diverted from landfill, up from 30%. Auckland Stadiums is now working to establish a waste station at Mt Smart Stadium.

AUCKLAND ZOO

Auckland Zoo welcomed the arrival of two capybara pups to its Rainforest this quarter – the first of this South American species to be born in New Zealand. The two males, Pablo and Pepe, were named through a hugely popular public naming competition, and bring the Zoo's capybara herd to five.

The Zoo also farewelled one-year-old female giraffe Zuri, who was relocated to Wellington Zoo's African Savannah. Zuri is the third giraffe to be transferred from Auckland Zoo this financial year as part of the highly successful Australasian zoos' breeding programme. Zuri's

Auckland to Wellington road trip was documented and shared on social media and captured enormous public and media interest.

As part of The Warehouse Zoofari programme the Zoo hosted seven Northland schools for overnight stays in June. Now in its fourth year, The Zoofari programme assists children from low-decile schools in Auckland and Northland to experience conservation-based learning.

To thank its more than 250 volunteers, during National Volunteer Week in June, the Zoo launched a special programme giving volunteers the opportunity to bring a friend to the Zoo for free, and also offered free entry for all volunteers from around New Zealand.

The Zoo continues to make significant contributions to conservation efforts in New Zealand, with eight Zoo avian specialists contributing 1848 hours towards kakapo recovery this season. New Zealand's world-famous parrot, the kakapo, had a prolific breeding season – great news for this critically endangered species.

Late June saw the Zoo's Ectotherms team release more than 100 wētā punga, bred at its highly successful breeding facility, onto Otata Island in The Noises. The first release of New Zealand's largest insect to this Hauraki Gulf island follows last year's release of 1250 of these unique invertebrates onto neighbouring Noises' island, Motuhorapapa.

This quarter also saw the Ectotherms team collect a second founder population of 12 adult wētā punga from Te Hauturu o Toi (Little Barrier) to diversify genetics and rear a new wētā punga generation.

In addition, the Ectotherms team has been busy assisting the Department of Conservation (DOC) with a tiny population of New Zealand's rare cobble skink, rescued from what remains of its decimated habitat in Westport. These skinks are being held and cared for by Auckland Zoo and working closely with DOC to progress a plan to ensure their future.

At the end of April, Auckland Zoo was on track for a record year for visitation numbers. Unfortunately, two very wet months in May and June, with more than 40 rain affected days, impacted visitation heavily. Despite reduced visit figures in the last two months, the Zoo finishes the financial year in a strong position and is looking forward to building on this success over the next 12 months.

FUTURE OUTLOOK

The 2016/17 financial year will see an exciting and diverse range of events and activities across all RFA venues.

Auckland Live's diverse first quarter line-up includes the New Zealand International Film Festival, award-winning musical *Priscilla Queen of the Desert*, multi-platinum selling vocal sensations Pentatonix, the Royal New Zealand Ballet's season of *Giselle*, English comedian Bill Bailey, and Apple co-founder and technology wizard Steve Wozniak.

Over the next quarter, Auckland Conventions will host New Zealand Fashion Week, the annual Auckland On the Water Boat Show, in addition spring university graduations and a range of corporate events across RFA's venues.

Auckland Stadiums will host the 250th New Zealand Warriors' home game at Mt Smart Stadium during the new quarter, which will also mark captain Simon Mannering's 250th NRL appearance. Auckland Stadiums will also continue to support the various community groups and sports organisations based at its three stadiums – Mt Smart, QBE and Western Springs – while gearing up for next summer's outdoor concert and festival season.

Dedicated to presenting the very best of New Zealand contemporary art, the *Walters Prize 2016* exhibition is on at Auckland Art Gallery from July to October 2016. Selected by the Prize's international judge for 2016, Doryun Chong, Deputy Director and Chief Curator of Hong Kong's new M+, the Walters Prize winner will be announced at a gala dinner in September.

Auckland Zoo continues its extensive redevelopment programme in the next quarter, with construction of stage two of the Australian Precinct already underway for a summer opening. Concept planning and designs for the Zoo's biggest development in its history – South East Asia – are expected late in the second quarter of the 2016/17 financial year.

RFA's diverse and exciting range of activities support Auckland Council's goal as one of the world's most liveable cities, supporting social outcomes and economic growth by attracting domestic and international visitors to Auckland.

KEY DELIVERABLES

PROJECT	DELIVERABLE	STATUS	PROGRESS
INFLUENCING SECTOR CHANGE	<p>MUSEUMS SECTOR</p> <p>Close collaboration with the Auckland museums sector and Auckland Council to improve the financial sustainability, standards of service delivery, and cultural and economic benefits to the Auckland community.</p>	Ongoing	RFA continues to work closely with Auckland Council and the museums sector. Two main areas of focus during this quarter has been the finalisation of the museums respective annual plans and a long term strategy for enhanced delivery of cultural and economic benefits.
	<p>STADIUMS SECTOR</p> <p>Close collaboration with the Auckland stadiums sector and Auckland Council to improve the financial sustainability, standards of service delivery, and cultural and economic benefits to the Auckland community.</p>	Ongoing	Discussions with stadium stakeholders are ongoing.
	<p>ARTS AND CULTURAL SECTOR</p> <p>Close collaboration with the Auckland arts and cultural sector and Auckland Council to improve the financial sustainability, standards of service delivery, and cultural and economic benefits to the Auckland community.</p> <p>RFA has planned strategic capital investment into the Aotea Precinct with external parties to enliven and grow the cultural activity of Auckland. An arts and cultural hub seeks synergies in clustering and generates new retail and commercial investment.</p>	Ongoing	<p>The business case for the expansion of the Aotea Centre will be presented to the RFA Board for consideration in the second half of 2017 calendar year.</p> <p>RFA remain an interested party into the Development Proposal for the Civic Administration Building. Panuku has now selected their preferred candidate for the work and conversations continue.</p>
DELIVERY OF KEY CAPITAL PROJECTS	<p>THE CIVIC</p> <p>Completion of renewals to the Civic parapet to maintain the structural integrity of the building FY16 and FY17.</p>	Ongoing	Work continues to be of a high standard. Most major items now complete but programme delayed by a few weeks due to weather issues. Works now on track for completion in late July 2016.
	<p>AOTEA CENTRE</p> <ul style="list-style-type: none"> • Planning and scoping of the Aotea Precinct and Cultural Hub • Weather-tightness and foyer upgrades FY17 to FY19 <p>This will generate new retail and commercial investment.</p>	Ongoing	<p>The Aotea Refurbishment Project consists of the weather-tightness and foyer upgrades. Design work proceeding on foyers which will be fully integrated into existing and completed weather-tightness design. Project is being presented to RFA Board in late August 2016 for decision to proceed, with construction start anticipated by mid-2017.</p> <p>The Aotea Expansion Project consist of the creation of a high performance 'arts hub' through an expanded Aotea Centre. Concept plans will be presented to the RFA Board in late August 2016.</p>

DELIVERY OF KEY CAPITAL PROJECTS <i>continued</i>	AUCKLAND ZOO Upgrade infrastructure to international best practice standards at Auckland Zoo including planning for replacement exhibits. <ul style="list-style-type: none">• African savannah FY16 and FY17• SE Asia precinct FY17 and FY18• Upgrade visitor facilities FY16 through to FY19 This will generate new retail and commercial investment.	Ongoing	African savannah precinct redevelopment was completed and opened to the public at the end of March. Construction of phase II of the Australian precinct development has commenced. The precinct is due to open to visitors in FY17. Outline brief for the new SE Asia precinct developed, and procurement of key specialists for the project is largely complete. This will significantly upgrade facilities for a range of SE Asian species at the Zoo, including orangutans and tigers. It also involves development of a significant visitor precinct including a new central retail catering outlet. Project on track for start to construction in FY17.
	WESTERN SPRINGS STADIUM Commence strategic capital investment (including external party funding) to increase financial sustainability and activity at the stadium.	Ongoing	No strategic capital investment expenditure programmed this financial year as per the LTP. Only essential renewals are currently being undertaken.
	QBE STADIUM Commence strategic capital investment into QBE Stadium to enhance the capability and capacity of the stadium to attract more events FY16 and FY17.	Ongoing	Design work on the proposed West Stand canopy roof has been completed. This project is now on hold pending the outcomes of the broader strategic development plan for stadia across the City.
	MT SMART STADIUM Commence strategic capital investment (including external party funding) to increase financial sustainability and activity at the stadium.	Ongoing	Planning is underway for a programme of strategic capital expenditure. The first significant investment will be the installation of a new LED screen, which will be installed in the 2017 financial year.
	RENEWALS Deliver essential renewals work in accordance to prescribed asset management plans to ensure RFA venues are fit-for- purpose for hirers and the Auckland community.	Ongoing	Essential renewals are being delivered in accordance to adopted Asset Management Plans.
ALTERNATIVE REVENUE STREAMS ACROSS RFA'S BUSINESS TO MINIMISE RATES FUNDING	Continued focus on exploring and growing alternative revenue streams across the business.	Ongoing	RFA continues to use its Production Investment Fund and the Auckland Art Gallery Exhibition Working Capital Fund to support shows and exhibitions which otherwise would not come to Auckland. The implementation of RFA's capital strategy approved in the LTP is expected to generate new revenue streams.
CCO REVIEW	Continue to support the work undertaken by Council's CCO Review.	Completed	There are no other changes affecting RFA from the overall CCO review.

FINANCIAL PERFORMANCE

UNAUDITED RESULTS

OPERATIONAL	FULL YEAR ACTUAL 2015/16	FULL YEAR BUDGET 2015/16	VARIANCE	
	\$000s	\$000s	\$000s	%
INCOME				
Opex funding from Auckland Council	30,867	29,675	1,192	4%
Capex funding from Auckland Council*	25,994	30,716	(4,722)	(15%)
Revenue from services	51,127	48,427	2,700	6%
Grants and subsidy revenue	891	898	(7)	(1%)
Finance income	1,231	981	250	26%
TOTAL INCOME	110,110	110,697	(587)	(1%)
EXPENDITURE				
Personnel costs	34,381	33,504	(877)	(3%)
Cost of sales	17,836	16,380	(1,456)	(9%)
Occupancy and utilities	7,110	6,236	(875)	(14%)
Grants and sponsorship	1,499	9,666	8,167	84%
Shared services charges	5,639	5,667	28	(0%)
Depreciation and amortisation	26,857	19,916	(6,941)	(35%)
Finance costs	288	0	(288)	(0%)
Other expenditure	19,656	16,529	(3,127)	(19%)
TOTAL OPERATING EXPENDITURE	113,266	107,897	(5,369)	(5%)
SURPLUS / (DEFICIT) BEFORE TAX	(3,156)	2,800	(5,956)	(213%)
GAINS RECOGNISED DIRECTLY IN EQUITY**	184,670	0	184,670	0
TOTAL SURPLUS	181,514	2,800	178,714	

*Includes approved deferrals

**Arising on revaluation of land and buildings

CAPITAL	FULL YEAR ACTUAL 2015/16	FULL YEAR BUDGET 2015/16	VARIANCE		ACHIEVEMENT
	\$000s	\$000s	\$000s	%	
EXPENDITURE	25,007	30,716	5,709	19%	■
AC FUNDING	25,994	30,716	4,722	15%	■
EXTERNAL FUNDING					

*Includes approved deferrals

Favourable ■
Unfavourable ■

RFA OPERATIONAL

RFA finished the 2015/16 financial year with an “accounting” surplus of \$181.5m which is \$178.7m favourable to a budgeted surplus of \$2.8m. This is unaudited. This result does not reflect the core operations of the organisation as it includes abnormal or non-cash items such as donated assets, asset write offs, funding for capital works, depreciation, and asset revaluations (\$184.6m in 2015/16)

Of these, the most significant items contributing to the variance are the lower than budgeted capital funding revenue of \$4.7m (due to the delay in delivery of the capital programme) and higher than budgeted depreciation. These have been offset by favourable variances relating to budgeted grants to be paid to the Counties Manukau Pacific Trust (Wero) which were accounted for in the 2014/15 financial year and \$184.6m of increases in the book value of land and buildings.

The operational trading result is \$0.95m unfavourable to budget. Items of note:

- Total external revenue for the year from services is favourable to budget. Auckland Art Gallery, Auckland Stadiums and Auckland Live have exceeded budgeted revenue, while Auckland Zoo was marginally behind revenue budget, due to adverse weather in the final quarter of the year. Auckland Conventions revenue closed the year behind budget. This reflects the market volatility within which RFA operates.
- Total operational expenditure is unfavourable to budget primarily due to higher than budgeted cost of sales expenses to drive revenue, associated staff costs, unforeseen repairs and maintenance costs for the ANZ Viaduct Events Centre and Art Gallery, and occupancy costs.

External revenue continues to meet over 62% of the organisation’s total operating expenses.

RFA CAPITAL

The delivery of RFA’s capital programme is behind target by \$5.7m due to timing in delivery of projects at Aotea Centre and the stadiums.




The key capital projects for the year are the African savannah development at Auckland Zoo which opened to the public in late March and The Civic parapet which is progressing to schedule and due for completion in August 2016.








Other capital initiatives managed during the year include the new Galapagos enclosure at Auckland Zoo, investments in to RFA’s digital capabilities to drive customer experiences and increase RFA’s revenue, and updating changing rooms at Mt Smart Stadium to meet tenancy obligations and current standards.

Capital projects underway is stage two of Auckland Zoo’s Australian Precinct renewal which commenced in March and is due for completion in September 2016. Detailed planning is underway for the South East Asia precinct.

PERFORMANCE MEASURES

RFA is has achieved or substantially achieved the majority of its non-financial performance targets for the year.

	Target met
	Not met
	Substantially met

WHAT WE DO (LEVEL OF SERVICE)	HOW WE WILL MEASURE SUCCESS (PERFORMANCE MEASURE)	TARGET 2015/16	ACTUAL 2016	ACHIEVEMENT
We provide live arts and entertainment experiences for Aucklanders and visitors to our city. Leader of arts and entertainment events in New Zealand	Number of publically available performing arts performances programmed by Auckland Live Venues include: Aotea Centre, Auckland Town Hall, The Civic, Aotea Square, Bruce Mason Centre	820	1,264	
	Visitor satisfaction with experiences at Auckland Live venues Venues include: Aotea Centre, Auckland Town Hall, The Civic, Aotea Square, Bruce Mason Centre	90%	89% ^[1]	
	Percentage of patrons who believe Auckland Live provides them with a rich choice of arts and entertainment options	75%	N/A ^[2]	
	Number of free or low cost (\$5 or less) performances available to Aucklanders programmed by Auckland Live	240	280	
	Number of events exclusive to Auckland Live venues	50	76	
We bring people together and help provide identity through memorable stadium events	Number of commercial event days at stadiums Venues include: Mt Smart Stadium, QBE North Harbour Stadium, Western Springs Stadium	779	478 ^[3]	
	Number of community event days at stadiums Venues include: Mt Smart Stadium, QBE North Harbour Stadium, Western Springs Stadium	960	675 ^[3]	
	Visitor satisfaction with experiences at Auckland Stadium venues	88%	82% ^[4]	

WHAT WE DO (LEVEL OF SERVICE)	HOW WE WILL MEASURE SUCCESS (PERFORMANCE MEASURE)	TARGET 2015/16	ACTUAL 2016	ACHIEVEMENT
We care for our collections for current and future generations to enjoy and to bring cultural awareness of art and wildlife to Auckland and its visitors	Total number of visitors to Auckland Zoo	720,000	703,237 ^[5]	
	Total number of visitors to Auckland Art Gallery	450,000	446,639 ^[6]	
	Visitor satisfaction with experiences at Auckland Zoo	95%	91% ^[4]	
	Visitor satisfaction with experiences at Auckland Art Gallery	90%	90%	
	Number of volunteer hours at Auckland Zoo	42,000	38,865 ^[7]	
	Number of volunteer hours at Auckland Art Gallery	1,840	2,104	
	Number of visitors to educational programmes at Auckland Zoo	50,000	53,493	
	Number of visitors to educational programmes at Auckland Art Gallery	40,000	45,373	
	Number of Maori collaborations annually at Auckland Art Gallery	10	12	
	Percentage of visitors reporting an enhanced appreciation of wildlife	80%	81%	
We manage our physical building assets in a way that ensures their long-term existences as a valued part of Auckland's social infrastructure	Visitor satisfaction on the condition our facilities	90%	85% ^[8]	
	Percentage of our assets assessed as in good / very good condition grading (NAMMs)	84%	85%	
Minimising the financial burden on Auckland ratepayers	Percentage of operating costs met through external revenue (excluding Council funding and depreciation)	60%	62%	

- [1] Capital Renewals programme in RFA's Performing Arts venues has focus on customer and client facing renewals that are expected to increase customer satisfaction.
- [2] Measure to be refined to be more appropriate for measuring RFA's performance in Performing Arts.
- [3] The level of service has not changed. Improvements to data capture methodology reflects a more accurate level of event days. Refreshed targets have been developed for 2016/17
- [4] RFA's capital plan approved in the Long Term Plan 2015-2025 is expected to increase visitor satisfaction.
- [5] Adverse weather conditions has affected Zoo visitation in May and June, resulting in visitation being marginally behind target. The result is within 2% of target and has been recorded as substantially met.
- [6] Result is within 1% of target and has been recorded as substantially met.
- [7] Revised work force planning has resulted in a temporary reduction in volunteer hours. Going forward these should revert back to levels seen in previous years.
- [8] Condition satisfaction is the aggregate result across all venues. This result is influenced by visitor satisfaction ratings with the condition of the Stadiums. RFA's capital plan is expected to increase visitor satisfaction.

CONTRIBUTION TO MĀORI OUTCOMES

RFA's Māori Engagement Strategy aims to enhance existing relationships with iwi and enter into business relationships in order to create meaningful engagement. This may create employment, and be either cost neutral or generate a profit, while positively increasing the visibility of iwi and enhancing the RFA brand.

The increased visibility of iwi in terms of a business, tourism and reputational perspective is consistent with the focus of the Independent Māori Statutory Board. RFA remains committed to continuing to develop programmes to support Māori visibility at regional facilities, support Māori businesses to engage with RFA and support Māori cultural expression.

In addition to the iwi reference and Maori advisory groups operating at Auckland Zoo and Auckland Art Gallery, the following are examples of specific projects for the 2015/16 financial year which align with the goals of RFA's approved Māori Engagement Framework:

INITIATIVE	CONTRIBUTION TO MĀORI OUTCOMES
<p>Auckland Zoo has an established iwi reference group, comprising representatives from Ngati Whatua, Te Kawerau a Maki, and Te Wai Ohua. This group meets two to four times a year as consultants to the Zoo, with representation at the kaumatua level.</p> <p>Te Wao Nui has developed Māori stories and is continuing to enhance this significant component of the experience which is also being actively promoted to international visitors.</p> <p>Bi-cultural signage has been implemented at Auckland Zoo in accordance to its regular renewals programme.</p>	<p>The reference group provides advice and is involved in the planning and delivery of powhiri for significant events such as openings.</p> <p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p>
<p>The Auckland Art Gallery Māori advisory group, Haereawa, was established in 1994 to assist with the implementation of those aspects of the Gallery's strategic plan relevant to Māori and to be an advisory and support group to Gallery management.</p> <p>As previously reported, 44 portraits from Auckland Art Gallery Toi o Tāmaki's Partridge Collection were presented last year in both Berlin and Pilsen, along with four portraits from Museum of New Zealand Te Papa Tongarewa's collection, and historic photographs of Māori from the Auckland Art Gallery, Te Papa and Alexander Turnbull Library. The first time in over 100 years these works left New Zealand.</p> <p>Now, a major exhibition featuring over 100 works based on the touring show and entitled Gottfried Lindauer's New Zealand: The Maori portraits will open at Auckland Art Gallery on 22 October 2016.</p> <p>The exhibition He Iwi Rangatira is currently on display until 21 August 2016. Through the 19th century, Rangatira provided a guiding presence that helped the country's many Iwi to maintain strength in the face of rapid cultural and political upheaval. This Exhibition examines the lifelike way master portraitists Charles F Goldie and Gottfried Lindauer depicted some of our Country's eminent Maori Leaders during this period.</p>	<p>Lindauer is renowned for his life-like portraits of Māori and depictions of typical Māori scenes.</p> <p>The Lindauer paintings are among the most loved and admired works in the Gallery's collection with local and international visitors gravitating to the space permanently dedicated to showing Māori portraits.</p> <p>As New Zealand's leading visual art institution, it is Auckland Art Gallery's role to showcase New Zealand art and culture. These precious taonga give insight to our indigenous history, and by sharing these works we hope to expand understanding and knowledge of New Zealand's unique culture worldwide.</p> <p>These extraordinary paintings also highlight the complex and particular cultural exchanges between Europe and Māori taking place in New Zealand a century ago.</p>

INITIATIVE	CONTRIBUTION TO MĀORI OUTCOMES
<p>Lisa Reihana's <i>In Pursuit of Venus</i> has been selected to represent New Zealand at the next 'Olympics' of the international art world – the very prestigious 2017 Venice Biennale.</p>	
<p>Auckland Stadiums provides Māori cultural experiences at major events and continues to actively seek iwi events.</p> <p>Bi-cultural signage has been implemented at Auckland Stadiums in accordance to its regular renewals programme.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p>
<p>During the last quarter, Auckland Live focused on the development of partnerships with Auckland Council's Matariki Festival across the Aotea Quarter Precinct. Auckland Live will present koha-entry readings of two classic Māori theatre texts; <i>Kohanga</i> and <i>Whaea Kairau</i> by playwright Apirana Taylor. In addition, Auckland Live will partner with the Māori theatre company Ruia Taitea Creative to present a season of the award-winning play <i>Purapurawhetu</i> by Briar Grace-Smith. Other initiatives include lighting the Town Hall to reflect the festival's themes and tailored programming of the weekly live music gigs at The Balcony at BOX Café and Bar to support and acknowledge the season.</p> <p>In addition, on behalf of the Auckland Arts Festival, Aotea Centre hosted three powhiri to welcome international artists and companies.</p> <p>These activities support Auckland Live's goals of ensuring Maori cultural expression and visibility are represented in its high-profile central city performing arts venues.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p> <p>Understanding and recognition of Te Ao Māori.</p>
<p>Auckland Conventions has worked with Ngati Whatua o Orakei and Auckland Museum to develop authentic Māori welcome/powhiri experiences as added value to conventions and event packages.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p> <p>RFA embracing the benefits arising from economic partnerships with Māori.</p>
<p>Ngati Whatua o Orakei, Tainui, and RFA have had initial meetings to explore opportunities to collaborate on initiatives to further Maori economic, cultural and social outcomes across the Auckland region.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p> <p>RFA embracing the benefits arising from economic, social and cultural partnerships with Māori.</p>
<p>The IMSB and local Iwi are recognised as key stakeholders in RFA's Aotea Arts and Cultural Precinct and will be consulted as part of the overall development.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p>

LOCAL BOARD ENGAGEMENT

Regular and proactive engagement with the Local Boards remains an important priority and the engagement manager has continued to inform all Boards of RFA activities and developments. Of particular focus is consultation with Local Boards where there are issues or developments relating to facilities in their area. Liaison with the Waitemata Local Board has been active during the quarter following a range of queries from board members. Looking forward, July meetings with the Board are planned to discuss activities in Aotea Square and the ongoing work of the Auckland Stadiums Strategy.

The Director of MOTAT made a presentation to the May forum of the Local Board Chairs. Feedback on the developments and activities at MOTAT was extremely positive.

RFA presented to the Rainbow Advisory and Youth Advisory Panels of Council during the quarter. Discussions during the presentations focused on the ways RFA, through its programmes, events and venues, may best meet the needs of Auckland's diverse populations.

RISK MANAGEMENT

RFA's Enterprise Risk Management Framework sets out the principles and process for risk management. Quarterly risk workshops are undertaken with each of RFA's business units, recorded in RFA's risk database and reported through to the RFA Board and the Health, Safety and Risk Committee on a quarterly basis. Any risks assessed as high are required to have mitigations identified and these are reported to the Board.

Given the significant capital investment planned across RFA's venues over the next 10 years, a Board Capital Projects Sub-Committee has been established. The sub-committee provides the Board with appropriate oversight of projects considered high public interest or risk.

No changes have been made in the last quarter to RFA's risk management, internal audit and external audit approaches. No new risks assessed as high have been identified since the last quarter.

RFA management is currently addressing improvements identified in internal and external audit findings, and progress is reported to RFA's Audit Committee. The current audit issues do not impose any significant financial implications on the Auckland Council Group. Further, in accordance with the continuous disclosure requirement, there are no material items in this period that would require disclosure.