

# First Quarter Report 2017-18

FOR THE QUARTER ENDED 30 SEPTEMBER 2017



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## EXECUTIVE SUMMARY

Regional Facilities Auckland's (RFA) purpose is to enrich life in Auckland by engaging people in the arts, environment, sports and events. We work in partnership with key stakeholders to present exciting, engaging and accessible experiences to those who live in and visit our city. Our innovative and imaginative programming delights people – every single day – and our collections and venues are some of the best in New Zealand.

RFA's first quarter programme continued the delivery of a diverse array of exhibitions, shows and entertainment as people flocked to experience and enjoy RFA's exciting activities and events across Auckland.

Highlights of the first quarter included:

- the opening of *The Corsini Collection: A Window on Renaissance Florence* at Auckland Art Gallery in September
- the announcement of *Bug Lab*, an immersive and interactive experience developed by Wellington's Academy Award winning Weta Workshop – coming to Auckland Zoo this summer
- Sir Paul McCartney, Ed Sheeran, Sia and other major international touring artists set to play at RFA stadiums this summer
- the opening of the Royal Shakespeare Company production *Matilda the Musical*, winner of over 70 international awards, at The Civic for a New Zealand-exclusive season
- New Zealand Fashion Week at the ANZ Viaduct Events Centre
- the *Auckland Live International Cabaret Season* at the Auckland Town Hall and various other central city venues
- All Blacks v South Africa at QBE Stadium in September.

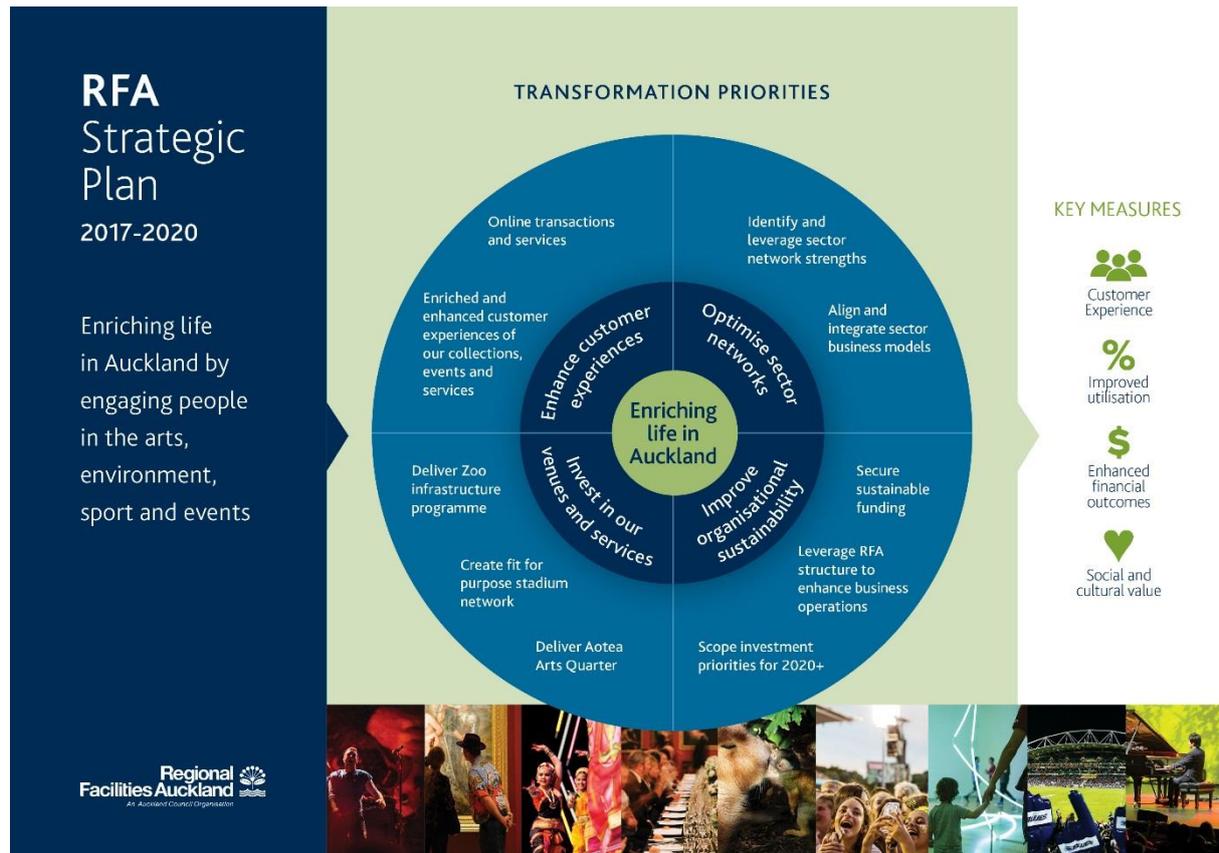
RFA continues to operate in a volatile commercial environment with significant fluctuations occurring with targeted commercial revenue. RFA's budget this year includes a 21% increase in commercial revenue and the first quarter results are indicating that achieving that target will be challenging. Currently we are managing the lower than budgeted commercial revenue by offsetting costs particularly with staff vacancies, and this is applying significant pressure to the overall business. RFA's focus is on the Long-term Plan process with a view to securing sufficient funding to support the financial sustainability of the business.

RFA finished the first quarter with net direct expenditure marginally unfavourable to budget by \$0.1m (or 0.1%). This was due to external revenue targets not being met by \$0.6m but offset by deferral of spend by \$0.5m.

As of mid-September, 63% of Auckland Conventions budgeted revenue had been confirmed, and nine stadiums concerts contracted out of a budgeted 12. During 2016/17, we experienced lower than expected attendances at major international theatre shows, which reflects the increasing competition in the market for discretionary spend. There is also a softening

philanthropic environment in New Zealand which is having an impact on the Gallery's projected sponsorship and donations revenue. Auckland Conventions activities is affected by strong competition from the NZ domestic and international markets with those areas seeing significant investment in conventions infrastructure.

## STRATEGIC THEMES AND FOCUS AREAS



RFA has four strategic priorities for 2017-2020 that address the challenges facing our business and continue our journey from transition to transformation.

### ENHANCE CUSTOMER EXPERIENCES

With over four million customers, visitors and fans to our venues every year, our customer experience and digital strategy is focused on delivering a better customer experience at all touchpoints of the customer and client journey.

### OPTIMISE SECTOR NETWORKS

Continuing to identify and leverage the strengths in the sector portfolios within which we work will allow us to deliver greater opportunities for our customers and better returns and efficiencies for RFA.

## INVEST IN OUR VENUES AND SERVICES

RFA is the trusted steward of \$1.3 billion of assets. Our transformational priorities focus on the development of Auckland Zoo, Auckland Stadiums and the Aotea Arts Quarter, creating venues that will be representative of a great global city and underpin future opportunities to advance our community's social and cultural wellbeing and further contribute to Auckland's economic growth.

## IMPROVE ORGANISATIONAL SUSTAINABILITY

Develop a funding and operating model that supports the achievement of RFA's strategic priorities now and into the future. This strategic priority includes engagement with the Long-term Plan process in order to provide long-term financial sustainability to enable appropriate levels of planning and development.

These strategic priorities will ensure RFA meets its objectives and delivers public good outcomes and value for money for the Auckland community.

## HIGHLIGHTS FOR THE LAST QUARTER

### AUCKLAND ART GALLERY TOI O TĀMAKI

*The Corsini Collection: A Window on Renaissance Florence* opened at the Auckland Art Gallery on 2 September 2017. This ticketed exhibition is a collaboration with the Art Gallery of Western Australia in Perth, the Corsini Collection in Florence and the Mondo Mostre company in Rome. The exhibition closes in January 2018.

Judy Millar's *Rock Drop*, a new site-specific commission supported by the Auckland Art Gallery Foundation, opened at the South Atrium in July.

The Gallery's travelling exhibition *The Maori Portraits: Gottfried Lindauer's New Zealand* opened in September at the de Young Fine Arts Museum in San Francisco. It has received major accolades so far including in The Smithsonian, the San Francisco Chronicle, the San Francisco Examiner and the San Francisco Bay Times.

Five recent design projects from The Gallery were shortlisted for the 2017 Designers Institute of New Zealand (DINZ) Best Design Awards. The awards are Australasia's largest annual showcase of excellence in graphic, spatial, product, interactive and motion design.

### AUCKLAND CONVENTIONS

New Zealand Fashion Week 2017 was a huge success for Auckland Conventions this quarter, with more than 70,000 people over seven days attending fashion shows and related events at the ANZ Viaduct Events Centre in August.

The mecca for entrepreneurs, creatives and future thinkers, popular industry event Semi Permanent returned to the Aotea Centre in August. Nearly 4,000 people attended panels, talks, workshops and screenings across three days.

Conventions also hosted several international conferences during the quarter, notably the Australasian Society of Clinical Immunology and Allergy Limited (ASCIA). The conference was attended by 500 per day across four days at the ANZ Viaduct Events Centre in September and featured more than 80 speakers and chairs from Australia and New Zealand. Other highlights of the quarter include the Noel Leeming Managers Conference and the Pricewaterhouse Coopers ball, both at the ANZ Viaduct Events Centre.

## AUCKLAND LIVE

The award-winning international production *Matilda the Musical* opened at The Civic in August for a New Zealand-exclusive season, and runs until 22 October. Performed by The Royal Shakespeare Company, the musical is based on Roald Dahl's bestselling children's novel.

Auckland Live's *International Cabaret Season* dialled up the glitz and glam as it unleashed a suite of international and local cabaret provocateurs and cultural icons across the city centre (including Auckland Town Hall, Basement and Q Theatre), over eighteen evocative nights in September.

The ever popular NZ International Film Festival returned to The Civic 20 July to 6 August.

Playful interactive outdoor sculpture Waterlight Graffiti was installed at Aotea Square for two weeks in August. The family-friendly installation encouraged creativity and participation with the creation of disappearing graffiti art in the Square.

In July, the management of Queen's Wharf facilities, including Shed 10 and The Cloud, transferred from Panuku to RFA. RFA will deliver events and activities that enrich Auckland's flourishing social, arts and cultural landscape, with Panuku continuing to lead in the delivery of place making and the future development of the wharf. This is an exciting new chapter in the journey of the people's wharf.

Panuku and RFA work in partnership to ensure greater alignment of events and activations across the central city, including increased efficiencies and synergies in event and facilities management.

## AUCKLAND STADIUMS

Auckland Stadiums is getting ready for another busy summer concert season with an impressive international line-up including Sir Paul McCartney's first New Zealand concert in 24 years, three sold-out shows by Ed Sheeran, global superstar Sia's first-ever New Zealand concert, and the Foo Fighters at Mt Smart Stadium.

In September, QBE Stadium hosted the All Blacks v South Africa rugby match – the first time the two sides had met this year and the first time a ‘tier one’ game has been played at the Stadium.

The NRL will break new ground in early 2018 with the staging of a double-header at Mt Smart Stadium with the Vodafone Warriors and West Tigers hosting fifth-round games against North Queensland. The move means that all 12 of the Vodafone Warriors’ home games will be played in Auckland next season.

## AUCKLAND ZOO

Construction work for Auckland Zoo’s renewal of the South-east Asia precinct, the biggest project of the Zoo’s redevelopment programme to date, commences in late 2017. The \$38m development will significantly upgrade facilities for a range of South-east Asian species including tigers and orangutans. In addition, the Zoo’s discovery and play area, KidZone, will be extended to provide a dedicated learning space for early childhood education programmes.

The Zoo also announced Bug Lab, developed by New Zealand’s world-famous museum, Te Papa, in collaboration with the Academy Award-winning Weta Workshop for the upcoming summer months. The new exhibition offers an extraordinary “bug’s eye” view of the world, featuring giant scale bug models within four magical chambers.

In the same quarter, the Zoo welcomed its latest arrivals, beautiful three-year-old Nepalese red panda Khela from Hamilton Zoo as a mate for the Zoo’s own young male red panda Ramesh, as well as three newborn capybara pups, continuing its excellent record with global conservation work.

In late September, the Zoo achieved carbonNZero certification. This is a huge step forward in supporting the Zoo’s commitment to sustainability and environmental protection. RFA is currently working on setting in place the resources needed to drive and support our strategic commitment to sustainability and achievement of carbon neutrality across the organisation.

## FUTURE OUTLOOK

RFA business divisions Auckland Live and Auckland Stadiums have collaborated to bring another exciting international summer concert season to Auckland for 2017/2018. The upcoming line-up includes Ed Sheeran (three sold-out shows in March 2018), the Foo Fighters (February 2018), and Sir Paul McCartney and Sia (both in December 2017).

One of Auckland’s most famous landmarks will undergo a refresh and expansion in an exciting new development set to rejuvenate the Aotea Arts Quarter. The Aotea Centre will be transformed by two significant capital projects that will ensure the building remains fit for purpose for future generations. Work will commence towards the end of 2017 on the extensive two-year \$35m project which will involve both internal and external refurbishment.

Auckland Art Gallery will welcome avant-garde Japanese artist Yayoi Kusama's *The obliteration room* on 9 December. Entry to the brightly coloured family-friendly participatory installation is free and the exhibition runs until 4 April 2018.

The second quarter includes the Auckland Diwali Festival 2017 (14 – 15 October), the Farmers Santa Parade (26 November), The Very Vintage Day Out (28 – 29 October), Show Me Shorts Film Festival (28 October) and the National Youth Theatre Company's Peter Pan (8 – 9 December).

Auckland Conventions is preparing for a busy second quarter, with upcoming highlights including the annual Auckland on Water Boat Show at the ANZ Viaduct Events Centre, the ASB Live Roadshow, Best Awards dinner and citizenships ceremonies at the Auckland Town Hall.

## KEY DELIVERABLES

PRIORITY	DELIVERABLE	STATUS	PROGRESS
OPTIMISE SECTOR NETWORKS	<b>CULTURAL HERITAGE REVIEW</b> RFA will continue to work with Auckland Council and other cultural heritage sector stakeholders (including MOTAT, Stardome Observatory and Planetarium and Auckland War Memorial Museum) to drive greater transparency and value for money for ratepayers.	Ongoing	The review is led by Auckland Council with RFA participation.  RFA management continues to assist Auckland Council and engage with the major museums in relation to the review as required.
	<b>COLLABORATION ACROSS THE COUNCIL GROUP</b> RFA works with Auckland Council and other CCOs to develop and deliver significant events for the region and where possible reduce ratepayer funded events and venues competing with each other.	Ongoing	In July, the management of Queen's Wharf facilities including Shed 10 and The Cloud transferred from Panuku to RFA.  RFA works with ATEED to ensure that event planning is coordinated across the city. These activities range from cost effective management of large events, sharing of resources and reducing duplication of effort.

PRIORITY	DELIVERABLE	STATUS	PROGRESS
continued ... OPTIMISE SECTOR NETWORKS	<p><b>LOCAL PLACE MAKING AND URBAN REGENERATION</b></p> <p>RFA's purpose is to advance the social and cultural wellbeing of Aucklanders. We do this by engaging people in the arts, environment, sports and events.</p> <p>Our transformational projects will ensure our venues, facilities and programmes are attractive locations and precincts with high amenity value for our communities.</p> <p>RFA works with Panuku Development Auckland in the Transform and Unlock areas, including Takapuna, Manukau and the central city.</p>	Ongoing	RFA works collaboratively across the Council group including with Panuku and Auckland Transport. For example, the Civic Administration Building development and shared place making activities on Queen's Wharf.
INVEST IN OUR VENUES AND SERVICES	<p><b>AUCKLAND STADIUMS</b></p> <p>Strategic investment in Auckland Stadiums (Western Springs, QBE Stadiums and Mt Smart Stadium) by exploring opportunities to increase utilisation and financial sustainability.</p>	Ongoing	Essential renewals are currently being carried out across all three Stadiums in accordance with approved Asset Management Plans.
	<p><b>AOTEA CENTRE</b></p> <p>Renewal of the exterior and interior of the Aotea Centre commencing in February 2018 to February 2019 to address weather tightness issues and improve patron experience.</p>	Ongoing	<p>Tenders have been called for the main contractor for the works. Work is scheduled to begin on external works in February 2018.</p> <p>The works will address weather tightness issues, being internal and external facilities up to current compliance standards, and improve the customer experience.</p>
	<p><b>AUCKLAND ZOO</b></p> <p>Invest in Auckland Zoo's aging infrastructure to cater for increasing international standards of animal care, health and safety and improved visitor experiences.</p>	Ongoing	Preliminary design for the South East Asian precinct development is now complete. This project significantly upgrades facilities for a range of species including orangutans and tigers. The construction partner was appointed in the 2016/17 financial year and construction is expected to commence late 2017.

PRIORITY	DELIVERABLE	STATUS	PROGRESS
ENHANCE CUSTOMER EXPERIENCES	<p><b>ENRICHED AND ENHANCED CUSTOMER EXPERIENCES</b></p> <p>RFA will deliver enhanced and enriched customer experiences of our collections, events and services.</p>	Ongoing	RFA has a comprehensive strategy to improve customer experiences across all our businesses, encompassing redeveloped websites, customer insights programmes to drive improvements and engagement, enhancements to an existing business-to-business portal and other online services.
	<p><b>ONLINE TRANSACTIONS AND SERVICES</b></p> <p>RFA will make it easy for customers and clients to engage with us by investing in online services that digitise transactions, services and processes.</p>		
IMPROVE ORGANISATIONAL SUSTAINABILITY	<p><b>SECURE SUSTAINABLE FUNDING</b></p> <p>We will be seeking the opportunity to "make whole" our operational funding level as part of the Long Term Plan process for 2018-2028 to enable a more financially sustainable business model.</p>		RFA have now completed the 10 year budgets in order to achieve outcomes as articulated in the Auckland Plan and Statement of Intent. These budgets and the rationale for any additional funding will need to be considered as part of the LTP deliberations process.
	<p><b>MAXIMISE EXTERNAL REVENUE</b></p> <p>RFA will continue to identify, develop and implement opportunities for increasing external revenue to minimize the cost to ratepayers of delivering activities that enhance Auckland's cultural capital.</p>	Ongoing	<p>The 2017/18 budgets include an increase of external revenue by 21% and for external revenue to cover 72% of the organisation's operational costs.</p> <p>At the end of the first quarter 9 concerts were confirmed out of 12 budgeted, planning was well underway for the Bugs Lab exhibition with Te Papa, and the entry fees for international visitors to the Art Gallery was scheduled to be implemented.</p> <p>We will continue to report progress on these achievable but challenging revenue targets.</p>
	<p><b>STRATEGIC PROCUREMENT</b></p> <p>Initiatives across RFA's business divisions and with Auckland Council Group (where appropriate).</p>	Ongoing	RFA participates in Council group procurements where these add value to our business. This has included food, utilities, printing, professional and technical consultants and physical works contractors.

PRIORITY	DELIVERABLE	STATUS	PROGRESS
continued ... IMPROVE ORGANISATIONAL SUSTAINABILITY	<p><b>REDUCE OVERHEADS</b></p> <p>Initiatives to reduce overheads in non-operating areas while remaining compliant with legislative and shareholder requirements. These will also be in areas which will not have a counterproductive impact on the generation of revenue.</p>	Ongoing	The 2017/18 budgets include targets to reduce operational overheads. These are tracking in line with budget.
	<p><b>SUSTAINABILITY</b></p> <p>RFA is uniquely positioned to showcase sustainability leadership to a large and diverse group of Aucklanders.</p>	Ongoing	<p>In late September, Auckland Zoo successfully achieved Carbon Zero certification.</p> <p>RFA is in the process of establishing an organisation-wide initiative modelled on the Zoo's work that will work towards carbon neutrality across our business.</p>

# UNAUDITED FINANCIAL PERFORMANCE

RFA Consolidated	YTD ACTUAL	YTD BUDGET	VAR \$	VAR %	FULL YEAR
	SEP 2017	SEP 2017			ANNUAL PLAN
	\$000s	\$000s			2018
			\$000s		\$000s
<b>OPERATIONAL</b>					
Fees and user charges:	10,893	10,855	38	35%	54,501
Auckland Art Gallery	540	505	35	7%	3,564
Auckland Zoo	2,082	2,346	(264)	(11%)	14,580
Auckland Conventions	2,801	3,170	(369)	(12%)	10,830
Auckland Live	4,502	3,798	704	19%	13,158
Auckland Stadiums	876	912	(36)	(4%)	11,875
Corporate Services	92	124	(32)	(26%)	494
Grants and subsidies	87	80	7	9%	580
Other revenue	1,909	2,552	(643)	(25%)	12,747
<b>Revenue</b>	<b>12,889</b>	<b>13,487</b>	<b>(598)</b>	<b>(8%)</b>	<b>67,829</b>
Employee benefits	9,245	10,035	790	8%	40,826
Grants, contributions and sponsorship	308	311	3	1%	1,259
Other expenditure:	12,369	12,069	(300)	(3%)	53,179
Cost of Sales	6,112	5,774	(338)	(6%)	27,119
Facilities management	3,703	3,555	(148)	(4%)	14,092
Marketing	453	632	179	28%	2,604
Information Systems	324	399	75	19%	1,583
Travel and entertainment	203	277	74	27%	1,306
Professional Services	284	306	22	7%	1,220
Other	1,290	1,126	(164)	15%	5,254
<b>Direct expenditure</b>	<b>21,922</b>	<b>22,415</b>	<b>493</b>	<b>2%</b>	<b>95,263</b>
<b>Net direct expenditure (income)</b>	<b>9,033</b>	<b>8,928</b>	<b>(105)</b>	<b>1%</b>	<b>27,434</b>
Funding from Auckland Council	(6,500)	(8,842)	(2,342)	26%	(26,957)
Revenue from vested assets	(229)	-	229	-	-
Other non-operating expense (income)	(1)	-	1	-	-
Net finance expense (income)	(148)	(136)	12	9%	(478)
Depreciation and amortisation	6,389	7,918	1,529	19%	31,670
Net losses (gains) on disposal of assets	-	-	-	-	-
Income tax	-	-	-	-	-
<b>Net expenditure (income)</b>	<b>8,544</b>	<b>7,868</b>	<b>(676)</b>	<b>(9%)</b>	<b>31,670</b>
<b>CAPITAL EXPENDITURE</b>					
Total capital expenditure	6,167	16,363	10,196	62%	65,453

## RFA OPERATIONAL

RFA finished the first quarter with net direct expenditure of \$9.0m, which is \$0.1m / 0.1% unfavourable to budget.

Major variances to budget are explained as follows:

- External revenue to date is \$12.9m, which is \$0.6m / 8% unfavourable to budget primarily due to the following factors:
  - Zoo revenue is largely driven by visitation that can be affected by wet weather especially if the “wet” days fall on weekends and school or public holidays. These “peak” days would normally yield high visitation and revenues for the Zoo. In the first quarter the Zoo experienced wet weather on 62 days, 40% of these being peak visitation days. While the weather factor is in line with the previous year, it is above this year’s budgeted expectations. Other contributing factors include low demand for experience products currently offered, especially the Safari Nights and the delay of the Tawharanui schools education programme.
  - Conventions revenue is behind budget in the first quarter in part due to more disruption than envisaged to business activities from capital development works at the Aotea Centre and renewals work at the ANZ Viaduct Events Centre. When the budget was drawn up the timing of these works had not been finalised, so the loss of revenue was not fully factored in. The volatility and cyclical nature of the conventions market is also contributing to the financial performance. Note: More than 70% of 2017/18 event bookings were unconfirmed at the time the budget was being prepared.
  - Other revenue has declined due to lower donations and sponsorship revenue in the first quarter. The sponsorship market has progressively become more challenging due to shifting corporate preferences and public perception. This has impacted both the Auckland Art Gallery and Auckland Zoo. This year the Art Gallery has introduced suggested donations for all visitors, this is expected to be implemented during the second quarter.
  - In contrast Auckland Live revenue has experienced a successful quarter due to high ticket sales from a number of events, including Remix Dance Party, Big Sing National, Romeo and Juliet and the Auckland Symphony Orchestra. This result includes earnings from the Queens Wharf venues, which have also performed well in the first quarter. The Cloud and Shed 10 venues have been under RFA management since 1 July 2017. The revenue from Queens Wharf is expected to come into line with budget around March 2018, due to the annual impact of cruise ship visits and the use of Shed 10 as a customs terminal.
- Direct expenditure is \$21.9m, which is \$0.5m / 2% favourable to budget as a result of lower staff costs, marketing, and other zoo expenditure.
  - Employee-related costs are favourable to budget by \$0.8m / 8% largely due to holding vacant positions across the business to help cover revenue shortfalls to date.

However, this is a short term solution and cannot be expected to sustain revenue or maintain staff health in the longer run. Actual staff headcount reduced by 7 over the first quarter due to exiting staff and open vacancies. This is expected to pick up as recruitment picks up in the areas of visitor safety, project management, business/programme development and facilities management.

- Marketing expenditure is below budget due to the timing of marketing activity for exhibitions and stadiums events.
- Areas where spend has exceeded budget include cost of sales, audit assurance costs, insurance claims, and property maintenance. The cost of sales increases to derive Auckland Live revenue. Property maintenance costs are high as a result of unforeseen lift repairs at Aotea Centre, the timing of annual building warrant of fitness checks and work at the Gallery involving its climate control system and the re oiling of kauri surfaces.
- Other indirect items such as Council funding, vested assets and depreciation have contributed a combined \$0.6m loss to the net expenditure. Council funding appears less than budget since the actual is based on adopted annual plan phasing and not the phasing of the revised budget. This will be resolved before the next quarterly report. Vested assets relates to donated artworks, which due to their nature, are unbudgeted. Depreciation is favourable to budget due to lower capitalisation, which is impacted by the timing and delivery of the capital programme.

## RFA CAPITAL

Capital investment planned for 2017/18 is valued at \$65.5m, including carry forwards of 2016/17 projects (\$8.2m). It is represented by the following major projects:

- Redevelopment of the South East Asia Precinct at Auckland Zoo
- Development of the new plant shared services facility in the Aotea Precinct
- Renewals programme and enabling works for the National Cricket Grounds at Western Springs Stadium
- Refurbishment of Aotea Centre and design work for Aotea Studios Extension of the administration building at the Zoo
- Redevelopment of the Old Elephant House Restaurant at the Zoo
- Essential renewals and development programme for Mt Smart Arena 1 and QBE stadiums.

Expenditure in the first quarter is sitting at \$6.2m, which is \$10.2m / 62% behind budget. The main drivers are:

- The construction of the plant shared services facility will now be completed in February 2018, instead of December 2017 as planned. This is due to technical issues encountered in August, which resulted in additional work and delays. The project aims to remove the Aotea Centre and Town Hall's reliance on the CAB services by March 2018.

- The refurbishment of the interior and exterior of the Aotea Centre is on track to commence in February 2018. The main consultants have now been appointed and, at the time of writing, the procurement of the main contractor was well underway and expected to be concluded by November 2017.
- The Zoo administration building extension project experienced delays due to design challenges. Construction is expected to start in November now that the detailed design is approved.
- The concept design phase for the Jamuna/Old Elephant House Restaurant took longer to allow more discussion on various options. Detailed design is underway. Structural and seismic evaluations have just been completed with physical works due to commence in November.

## PERFORMANCE MEASURES

RFA has an agreed set of performance measures and targets which form the basis for accountability for delivering our key strategic objectives and priorities. The framework for measuring key outcomes aligns to the measures agreed as part of the Long Term Plan 2015-2025 and Annual Plan 2017/18.

- On track
- Not on track but expected to be met by year end
- Not on track and requires management intervention

WHAT WE DO (LEVEL OF SERVICE)	HOW WE WILL MEASURE SUCCESS (PERFORMANCE MEASURE)	ANNUAL TARGET 2017/18	SEP 2017 YTD ACTUAL	PROGRESS
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	830	199	■
	Visitor satisfaction with experiences at Auckland Live events Venues include: Aotea Centre, Auckland Town Hall, The Civic, Aotea Square, Bruce Mason Centre	90%	91%	■
	Percentage of patrons who believe Auckland Live provides them with a rich choice of arts and entertainment options	77%	76%	■

WHAT WE DO (LEVEL OF SERVICE)	HOW WE WILL MEASURE SUCCESS (PERFORMANCE MEASURE)	ANNUAL TARGET 2017/18	SEP 2017 YTD ACTUAL	PROGRESS
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	441	141	<span style="color: green;">■</span>
	Number of community event days at stadiums Venues include: Mt Smart Stadium, QBE North Harbour Stadium, Western Springs Stadium	645	142 [1]	<span style="color: red;">■</span>
	Visitor satisfaction with experiences at Auckland Stadium venues	82%	84%	<span style="color: green;">■</span>
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	731,500	144,475 [2]	<span style="color: orange;">■</span>
	Total number of visitors to Auckland Art Gallery	450,000	127,387	<span style="color: green;">■</span>
	Visitor satisfaction with experiences at Auckland Zoo	90%	89%	<span style="color: green;">■</span>
	Visitor satisfaction with experiences at Auckland Art Gallery	90%	93%	<span style="color: green;">■</span>
	Number of Maori programmes annually at Auckland Art Gallery	10	5	<span style="color: green;">■</span>
	Percentage of visitors reporting an enhanced appreciation of wildlife	80%	79%	<span style="color: green;">■</span>
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%	87% [3]	<span style="color: orange;">■</span>
	Percentage of Mana Whenua satisfaction with quality of engagement	New Measure	N/A	
Minimising the financial burden on Auckland ratepayers	Percentage of operating costs met through external revenue (excluding Council funding and depreciation)	61%	66%	<span style="color: green;">■</span>

[1] While there are significant community activities across the Auckland Stadiums venues, the increased volume of commercial activities at Auckland Stadiums venues is resulting in reduced capacity for community events at certain times of the year.

[2] Auckland Zoo visitation has been seasonally phased. Although adverse weather conditions, closures due to construction and constraints to running experience products have contributed to the lower visitation to date at the Zoo, the opening of the Bug Lab in December is expected to boost visitation in quarter 3.

[3] 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 improve 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 brands.

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 and Council's Te Toa Takitini approach.

RFA is committed to continuing to develop programmes and initiatives to support Maori visibility at regional facilities, support Maori businesses to engage with RFA, and support tikanga Maori cultural expression. These include Auckland Zoo's Maori science programme, Auckland Art Gallery's Maori Advisory Group, Auckland Art Gallery's Lindauer exhibition, and Auckland Conventions' support for the Tamaki Herenga Waka Festival on Anniversary Day 2017.

As part of RFA's overall renewals and capital works programme, bi-lingual signage and incorporation of Maori identity and Te Aranga design principals are being incorporated where appropriate in accordance with Auckland Council Group's Te Reo Maori Framework.

In 2016, RFA commenced a significant internal initiative to build on our existing organisational capability in Te Reo and tikanga and to ensure that biculturalism is reflected in our everyday work practices.

These and other initiatives form part of RFA's operations rather than specific and discrete projects, and align with the goals of RFA's approved Maori Engagement Framework.

In 2017/18 RFA will review its Maori Engagement Strategy to ensure it is continuing to support RFA's contributions to Maori outcomes. RFA is working with Auckland Council's Te Waka Anga Mua ki Uta through their work in supporting development of Maori responsiveness plans across the group.

INITIATIVE	CONTRIBUTION TO MĀORI OUTCOMES
<p>Auckland Zoo regularly consults with a range of iwi with respect to planned animal translocations, to gain support for the zoo's applications to receive or release native wildlife. The zoo also seeks iwi advice on, and assistance with, the appropriate tikanga associated such animal movements and exhibit openings at the zoo.</p> <p>Auckland Zoo launched its Matarangi Maori education programme 1st July 2017. So far 584 participants have discovered relationships and connections between Aotearoa's animals, plants, people, the things we do and our values... all from a Māori world view.</p> <p>The Te Wao Nui New Zealand species precinct has developed Māori stories and is continuing to enhance this significant component of the experience. This precinct is actively promoted to international visitors and includes bi-cultural signage.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p>

INITIATIVE	CONTRIBUTION TO MĀORI OUTCOMES
<p>The Auckland Art Gallery Toi o Tāmaki Māori advisory group, Haerewa, 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>Auckland Art Gallery Toi o Tāmaki touring exhibition Gottfried Lindauer: The Māori portraits opened successfully in September at De Young Museum in San Francisco. Nigel Borell, Curator, Māori Art, travelled with Haerewa members and other gallery staff for the opening ceremonies which included a powhiri and official welcome followed by the blessing of the exhibition. Borell also gave briefings for the De Young staff and press and for the public a curator's lecture, each giving an insight into the history of the artworks, the artist and the sitters. Two talks were also given by descendant Benjamin Pittman. Mamea Media Ltd film crew have documented the trip and the Gallery will soon publish a video story of the extraordinary journey of the portraits.</p> <p>Learning and Outreach is continuing to support our Māori youth through our engagement with MIT Faculty of Creative Arts and Unitec. In this quarter this included introductory visits for arts students as well as visiting the Corsini Collection exhibition and liaising with lecturer Taarati Taiaroa and our Curator, Māori Art Nigel Borell, to attend a Noho Marae for their students. We are developing new relationships and in conversation with Ngāti Tamaoho Trust, Te Huringa o te Tai o Nga Wahine annual camps for Māori teenage girls and RISE 2025 which is a mentoring programme for indigenous women.</p> <p>The Gallery also presented public programmes with a strong Māori focus during the quarter including a series in collaboration with Bridget Williams Books. Topics for the series of winter panel discussions included 'The e-Tangata Story Tellers', 'He Whakaputanga and Te Tiriti o Waitangi – and their Signatories' and 'Tuai: A Traveller in Two Worlds'.</p> <p>In July, the Gallery also opened the extension to the exhibition Charles F Goldie: Revealing the Painter and the Subject. The exhibition includes the long-term loan of the portrait of Chief Wharekauri Tahuna of Te Arawa, a painting that recently garnered New Zealand's greatest auction sale of \$1.2m and is now invested on long-term loan to the Gallery. The Goldie paintings are among the most loved and admired works in the Gallery's collection and are presented in a space permanently dedicated to displaying Māori portraits.</p> <p>Lisa Reihana's 'In Pursuit of Venus [infected]' from the Gallery's collection was the key work featured in the exhibition 'Lisa Reihana: Emissaries' as New Zealand's official pavilion for the 57th International Art Exhibition – La Biennale di Venezia Arte in 2017 which runs through until November.</p>	<p>As New Zealand's leading visual art institution, it is Auckland Art Gallery Toi o Tāmaki's role to showcase New Zealand art and culture.</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 with its regular renewals programme.</p> <p>A formal relationship exists between Mt Smart Stadium and the Tūpuna Taonga o Tāmaki Makaurau Trust, with whom ownership of the stadium resides.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p>
<p>In partnership with Ngati Whatua Auckland Live hosted a full powhiri at Orakei marae for the cast of Matilda. This was a key moment for the Auckland Live team who now weekly meet for waiata practice under the leadership of Auckland Live Producer Reena Snook with the focus on hosting international artists and giving them an understanding of our culture.</p> <p>Pick n Mix delivered free low cost programming to audiences at venues in Aotea Centre, Bruce Mason Centre and Mangere Performing Arts centre featuring Te Rehia Theatre, White Face Crew, Freshmans Dance Crew and a show called Goldilocks and the Three Little Puaka which has resulted in strong activation of venues from Maori Pacifika audiences, particularly attendance at Mangere.</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>

INITIATIVE	CONTRIBUTION TO MĀORI OUTCOMES
The Auckland Live International Cabaret Season supported new premier presentations by Maori/Pacifika artists which were delivered at Basement Theatre. One project by artist Rutene Spooner received strong interest from international promoters.	
Auckland Conventions refers internal conference organisers to Ngati Whatua o Orakei and Auckland Museum for the opportunity to include authentic Maori powhiri in conventions and event packages. Auckland Conventions is in discussions with ATEED regarding ongoing sponsorship of the annual waka festival, which this year took place over Auckland Anniversary Weekend at the ANZ Viaduct Events Centre.	Celebration of Auckland's Māori identity as its point of difference in the world for its visitors. RFA embracing the benefits arising from economic partnerships with Māori.
The IMSB and local Iwi are recognised as key stakeholders in RFA's Aotea Arts Quarter and will be consulted as part of any overall development.	Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.

## LOCAL BOARD ENGAGEMENT

During this quarter RFA's manager, local board engagement, has continued to meet with boards across Auckland, and respond to queries.

While for some local boards their focus is on local decision-making, others are more conscious that their community members provide rates funding for regional facilities, and use them in a range of ways. For example, Auckland Live and Auckland Zoo have responded to queries regarding hire rates for community purposes, and discounts for senior citizens and the disabled.

Nine of the twelve RFA venues, as well as three venues for which RFA has regional responsibilities, are located within the Waitemata Local Board area. Regular engagement with the board ensures members are well informed of developments.

## 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.

RFA's Capital Projects Sub-Committee also provides the Board with appropriate oversight of projects considered high public interest or risk.

RFA is working with Auckland Council on the requested enhanced reporting of risks to Council's Audit & Risk Committee.

No major 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 addresses 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.