

Second Quarter Report 2017-18

FOR THE QUARTER ENDED 31 DECEMBER 2017



TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
STRATEGIC THEMES AND FOCUS AREAS	2
ENHANCE CUSTOMER EXPERIENCES	2
OPTIMISE SECTOR NETWORKS.....	2
INVEST IN OUR VENUES AND SERVICES.....	3
IMPROVE ORGANISATIONAL SUSTAINABILITY.....	3
HIGHLIGHTS FOR THE LAST QUARTER	3
AUCKLAND ART GALLERY TOI O TĀMAKI	3
AUCKLAND CONVENTIONS.....	4
AUCKLAND LIVE.....	4
AUCKLAND STADIUMS	5
AUCKLAND ZOO.....	5
FUTURE OUTLOOK	6
KEY DELIVERABLES	7
UNAUDITED FINANCIAL PERFORMANCE	11
RFA OPERATIONAL	12
RFA CAPITAL.....	13
PERFORMANCE MEASURES	15
CONTRIBUTION TO MĀORI OUTCOMES	16
LOCAL BOARD ENGAGEMENT	19
RISK MANAGEMENT	19

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 second 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. RFA's commercial revenue targets remain challenging. The 2017/18 budget requires RFA to achieve a 21% increase in commercial revenue – this is currently not being achieved.

Highlights of the second quarter included:

- Yayoi Kusama's *The obliteration room* opened at Auckland Art Gallery in December 2017 and runs until 2 April
- Opening of *Bug Lab* in December running until August 2018 - an immersive and interactive experience developed by Wellington's Academy Award winning Weta Workshop and Te Papa. This is an important revenue and partnering initiative to enable the Zoo to continue to attract and retain visitation as it embarks on the most significant capital redevelopment
- Sir Paul McCartney and Sia at Mt Smart Stadium in December
- The annual Auckland City Mission Christmas lunch at the ANZ Viaduct Events Centre on 25 December
- Summer in the Square returned to Aotea Square for the sixth year
- *Matilda the Musical*, which opened at The Civic in August, wrapped up on 22 October after a highly successful New Zealand-exclusive season.
- The sold-out Tonga v England Rugby League World Cup semi-final at Mt Smart Stadium at the end of November.

RFA finished the second quarter with net direct expenditure unfavourable to budget by \$2.2m / 13%.

This was largely due to external revenue targets not being met by \$1.7m with lower than expected revenue from corporate sponsorships and donations due to a softening philanthropic environment, rain affected Zoo visitation, and the loss of a budgeted outdoor concert.

Currently we are managing the lower than budgeted commercial revenue by offsetting costs particularly with staff vacancies and essential non committed costs (such as marketing, ICT costs, and staff training).

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. The positive trends in Net Promoter Scores indicates better customer experiences are being achieved.

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 and for ratepayers. RFA continues to progress agreements with New Zealand Maritime Museum to join RFA. With Shed 10 and The Cloud now in our portfolio, improved financial returns are being achieved from those venues.

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, implementing our Venue Development Strategy 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. A particular focus will be on funding for the Art Gallery, health and safety, security and venue maintenance.

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

Yayoi Kusama's *The obliteration room (2002 – present)* opened at Auckland Art Gallery on 9 December 2017. The free family-friendly participatory installation by one of the world's most popular, well-loved artists was developed by Kusama for the Queensland Art Gallery and has toured to London, Buenos Aires, Rio de Janeiro, Brasilia, Sao Paulo, Mexico City, Shanghai, South Korea, Switzerland, France and Dunedin.

Collective Women: Feminist Art Archives from the 1970s to the 1990s opened on 25 November. The exhibition focuses on the history of second wave feminism in Aotearoa New Zealand and the female artists who campaigned for equality for the arts and wider socio-political change.

Free summer screenings of animated short films by AUT Digital Design students were launched at the Gallery's auditorium on 26 December and runs until 1 February.

In October the Gallery appointed Neal Stimler, formerly of The Metropolitan Museum of Art, New York, as its inaugural Head of Public Engagement. Stimler's appointment signifies an exciting phase for the Gallery as it focuses on developing and strengthening its public engagement strategy.

The Gallery is currently investigating implementing a charge for international visitors. This will commence in early 2018.

AUCKLAND CONVENTIONS

Auckland Conventions staged 178 events across all RFA venues during the second quarter. The highest number of events were staged at the ANZ Viaduct Events Centre.

AUT University returned to Aotea Centre for their series of summer graduations, with more than 14,000 graduates, and their families and friends visiting the venue.

Nethui 2017, an important industry event held by Internet NZ which included a well-attended conference, was also held at Aotea Centre. The event drew more than 1100 visitors and received positive media and social media coverage.

In the same quarter, ASB Bank held ASB Live 2017 – a banking conference, at Aotea Centre. More than 1200 people attended.

In keeping with the spirit of the festive season, Conventions once again hosted the annual Auckland City Mission Christmas lunch at the ANZ Viaduct Events Centre on 25 December. More than 2300 people attended the free lunch, with Conventions providing the venue and staff time and support as a way of giving back to the community.

AUCKLAND LIVE

Auckland Live Summer in the Square returned to Aotea Square for the sixth year on 1 December with another diverse, family-friendly line-up of activities and entertainment including retro days, live music, gardening workshops, K-Pop performances, Auckland Town Hall organ tours, and live NZ theatre.

One of the world's leading contemporary circus companies, Cirque Eloize returned to Auckland with Cirkopolis, an energetic fantastical stage show featuring a blend of acrobatics, theatre and dance at The Civic in December.

During the quarter, Live launched the first Accessibility Virtual Tour (AVT) of a New Zealand venue to assist disabled and mobility-impaired visitors to the Auckland Town Hall. The user-centric, innovative online tour is built around 3D images of the Town Hall's Baroque-style interiors. More AVT tours are planned in 2018 for other Auckland Live venues.

Auckland Town Hall turned 106-years-old in early December. The Auckland Council A and Category 1 Heritage NZ listed building was first opened on 14 December 1911 by then-Governor General Lord Islington and bears a striking resemblance to Lambeth Town Hall in London, built at around the same time.

The award-winning international production *Matilda the Musical*, which opened at The Civic in August, wrapped up on 22 October after a highly successful New Zealand-exclusive season.

More than 34,000 people packed the Aotea Arts Quarter in mid-October to enjoy the sights, sounds and tastes of India in celebration of the annual Diwali Festival. The Auckland Town Hall was also lit pink in October for Breast Cancer Awareness Month.

AUCKLAND STADIUMS

Sir Paul McCartney played a one-off New Zealand concert to a crowd of around 30,000 at Mt Smart Stadium on 16 December as part of his worldwide One on One tour.

The annual Taste of Auckland food festival ran at Western Springs Stadium in mid-November, featuring four days of gourmet food, wine, and cooking demonstrations.

Global superstar Sia played to a sell-out crowd at Mt Smart Stadium in a one-off New Zealand concert on 5 December as part of her Nostalgic for the Present Tour, which also toured Australia.

More than 30,000 fans attended the sold-out Tonga v England Rugby League World Cup semi-final at Mt Smart Stadium at the end of November – the biggest crowd for a sporting match at the venue since the Warriors' 1995 season. The majority of fans were dressed in red to support Mate Ma'a Tonga and the event received positive social media and national and international media coverage.

AUCKLAND ZOO

Blockbuster science exhibition Bug Lab opened at Auckland Zoo on 20 December to August 2018 for a special season. The ticketed exhibition was co-created by Te Papa Museum and the Academy Award winning Weta Workshop and is a spectacularly immersive and interactive experience.

The Zoo welcomed two new female cheetah, three new agouti, a new pair of cotton top tamarin monkeys, and a colony of megabats (or little red flying foxes) as part of their ongoing programme of conservation. The Zoo's capybara, Rosita, also gave birth in October to three pups.

Auckland Zoo pest control coordinator Sian Buley visited Samoa to lend her expertise in helping to preserve the native bird population. The project is part of a wider field conservation strategy in the South Pacific, and was created to assist Samoa in their goal to boost the population of their native reptiles, birds and plants, and help save their national bird – the critically endangered manumea.

Three Bornean orangutans were sent to their new temporary home at Orana Wildlife Park in Christchurch while the Zoo builds its long planned-for South East Asian precinct.

FUTURE OUTLOOK

RFA is looking forward to a busy third quarter with major exhibitions and events planned including The Art of Banksy at Aotea Centre, the Foo Fighters and Ed Sheeran at Mt Smart Stadium, the Auckland Arts Festival at various Auckland Live venues across the central city, and the second-ever Auckland City Limits music festival at Western Springs Stadium.

Auckland Conventions will host several major industry events during the quarter, including the USANA Health Sciences 2018 conference at Aotea Centre, the Waka Festival at the ANZ Viaduct Events Centre (VEC), the WCGALP (World Genetics) Conference 2018 at Aotea Centre, the Volvo Ocean Race – Stopover Base at VEC, and the PSANZ 2018 Corporate Communique International meeting also at the VEC.

RFA continues to operate in a volatile commercial environment with significant fluctuations occurring with targeted commercial revenue. RFA's budget this year includes a challenging 21% increase in commercial revenue from the previous year. The second quarter results and forecasted revenue indicate that the external revenue targets may not be achieved this year. Currently we are managing the lower than budgeted commercial revenue by offsetting costs particularly with staff vacancies and essential non committed costs (such as marketing, ICT costs, and staff training). This is applying significant pressure to the overall business and may prove to be counter-productive in the longer term.

RFA is seeking an opportunity to secure sufficient funding to support the financial sustainability of the organisation as part of the Long Term Plan 2018-28 process.

KEY DELIVERABLES

PRIORITY	DELIVERABLE	STATUS	PROGRESS
OPTIMISE SECTOR NETWORKS	<p>CULTURAL HERITAGE REVIEW 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.</p>	Ongoing	<p>The review is led by Auckland Council with RFA participation.</p> <p>RFA management continues to assist Auckland Council and engage with the major museums in relation to the review as required.</p>
	<p>COLLABORATION ACROSS THE COUNCIL GROUP 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.</p>	Ongoing	<p>RFA continues to work closely with the Auckland Council Group. The following are key initiatives:</p> <ul style="list-style-type: none"> • 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. • Working with Panuku on the America’s Cup planning to determine the potential impact it may have on the operations of the ANZ Viaduct Events Centre. • Integration of NZ Maritime Museum into RFA to seek operational efficiencies through economies of scale and ensure value for money for the ratepayer.

PRIORITY	DELIVERABLE	STATUS	PROGRESS
	<p>LOCAL PLACE MAKING AND URBAN REGENERATION</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 continues to work 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>AUCKLAND STADIUMS</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	<p>Essential renewals are currently being carried out across all three Stadiums in accordance with approved Asset Management Plans from 2015-25. These plans are currently being updated to reflect the improved information of asset conditions and health and safety requirements.</p> <p>Further investment is required into existing facilities to address legacy under investment and to meet the increasing requirements of tenants and event hirers. These requirements will be tabled as part of the LTP 2018-28 for Council to consider.</p>
	<p>AOTEA CENTRE</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>The main contractor has been appointed and physical works will commence as planned in February 2018.</p> <p>The works will address weather tightness issues, bring internal and external facilities up to current compliance standards, and improve the customer experience.</p>

PRIORITY	DELIVERABLE	STATUS	PROGRESS
	<p>AUCKLAND ZOO 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	<p>The construction site is now established and the 2-year programme of work for the South East Asia precinct commences in February 2018.</p> <p>This project significantly upgrades facilities for a range of species including orangutans and tigers, and improves the underlying utilities infrastructure.</p>
ENHANCE CUSTOMER EXPERIENCES	<p>ENRICHED AND ENHANCED CUSTOMER EXPERIENCES RFA will deliver enhanced and enriched customer experiences of our collections, events and services.</p> <p>ONLINE TRANSACTIONS AND SERVICES 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>	Ongoing	<p>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>
IMPROVE ORGANISATIONAL SUSTAINABILITY	<p>SECURE SUSTAINABLE FUNDING 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> <p>MAXIMISE EXTERNAL REVENUE 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 10 year budgets in order to best position RFA to achieve outcomes as articulated in the Auckland Plan and Statement of Intent have now been completed.</p> <p>RFA are seeking an opportunity to right size the annual operational funding from Auckland Council to reflect the operating environment as part of the Long Term Plan 2018-28.</p> <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>Key revenue items which will have a significant bearing on the ability for RFA to meet its revenue targets include:</p> <ul style="list-style-type: none"> Ability to secure outdoor concerts. At the time of writing, it is unlikely that the budgeted number of outdoor concerts will be met;

PRIORITY	DELIVERABLE	STATUS	PROGRESS
			<ul style="list-style-type: none"> • The Bug Lab exhibition with Te Papa opened at Auckland Zoo in December; • Securing revenue at our key venues (Aotea Centre and Auckland Zoo) while there are significant capital works about to commence; and • Entry fees for international visitors to the Art Gallery was implemented in late January. <p>We will continue to report progress on these challenging revenue targets.</p>
	<p>STRATEGIC PROCUREMENT Initiatives across RFA's business divisions and with Auckland Council Group (where appropriate).</p>	Ongoing	RFA continues to participate 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.

UNAUDITED FINANCIAL PERFORMANCE

RFA Consolidated	YTD ACTUAL	YTD BUDGET	VAR \$	VAR %	FULL YEAR
	DEC 2017	DEC 2017			ANNUAL PLAN
	\$000s	\$000s	\$000s		2018
					\$000s
OPERATIONAL					
Fees and user charges:	22,905	24,198	(1,293)	(5%)	55,001
Auckland Art Gallery	1,231	1,342	(111)	(8%)	3,564
Auckland Zoo	5,140	6,067	(927)	(15%)	14,580
Auckland Conventions	5,197	5,968	(771)	(13%)	10,830
Auckland Live	8,293	7,054	1,239	18%	13,658
Auckland Stadiums	2,778	3,520	(742)	(21%)	11,875
Corporate Services	267	247	20	8%	494
Grants and subsidies	404	348	56	16%	580
Other revenue	4,174	4,661	(487)	(10%)	12,247
Direct Revenue	27,482	29,207	(1,724)	(6%)	67,829
Employee benefits [1]	18,909	20,022	1,113	6%	40,826
Grants, contributions and sponsorship	620	623	3	-	1,259
Other expenditure:	26,447	24,881	(1,566)	(6%)	53,728
Cost of Sales	13,289	12,149	(1,140)	(9%)	27,119
Facilities management	7,603	7,060	(543)	(8%)	14,092
Marketing	880	1,231	351	28%	2,603
Information Systems	658	791	133	17%	1,583
Travel and entertainment	543	607	64	10%	1,307
Professional Services	501	588	87	15%	1,220
Other	2,973	2,455	(518)	(21%)	5,803
Direct expenditure	45,976	45,526	(450)	1%	95,813
Net direct expenditure (income)	18,494	16,319	(2,175)	(13%)	27,985
Funding from Auckland Council	(16,051)	(16,051)	-	-	(27,506)
Revenue from vested assets [2]	(910)	-	910	-	-
Other non-operating expense (income)	-	-	-	-	-
Net finance expense (income)	(286)	(268)	18	7%	(478)
Depreciation and amortisation	13,381	14,382	1,001	7%	28,763
Net losses (gains) on disposal of assets	20	-	(20)	-	-
Income tax	-	-	-	-	-
Net expenditure (income)	14,648	14,382	(266)	(2%)	28,764
CAPITAL EXPENDITURE					
Total capital expenditure	16,692	26,175	9,483	36%	65,453

[1] Actual employee costs include direct payroll costs relating to event delivery. These are budgeted under 'other operating expenses'

[2] Donated artworks received by the Art Gallery. These are not budgeted.

RFA OPERATIONAL

RFA finished the second quarter with net direct expenditure of \$18.5m, which is \$2.2m / 13% unfavourable to budget.

Major year-to-date variances to budget are explained as follows:

Direct external revenue is \$27.5m, which is \$1.7m / 6% unfavourable to budget.

- Zoo commercial revenue is below budget by \$0.9m due to visitation and associated revenues being heavily impacted by wet weather, especially on “peak visitation” days (i.e. weekends, school break and public holidays). The Zoo has experienced wet weather on 86 days this year – this is 16 days more than the previous year and 42% of these ‘wet’ days occurred on peak visitation days. The second quarter is also a slower season for the Zoo’s experience products, especially Safari Nights and Tawharanui schools education programme.
- Conventions revenue is below budget by \$0.8m due to lower event revenue across all venues (except for Aotea Centre) and lower commission revenue from the new catering contract that came into effect in October 2017. The previous legacy contract had higher commission share and exclusivity payment arrangement which was not secured in the new contracts.
- Stadiums revenue is unfavourable to budget by \$0.7m as a result of fewer concerts than planned. There was one less Paul McCartney concert, which impacted venue hire revenue and lower ticket sales impacted associated revenues such as catering and merchandise.
- In contrast to other businesses, Auckland Live has enjoyed two consecutive successful quarters with a revenue yield that is \$1.2m favourable to budget due to increased number of events and high ticket sales. There were 47 unbudgeted events bringing in combined \$0.6m of unplanned revenue. Matilda the Musical had a successful season and closed ahead of budget by \$0.2m. Positive public response to a number of events prompted the promoters to put on more shows. The Queens Wharf venues are also performing well under RFA management with revenue ahead of budget by \$0.2m.
- Other revenue has declined in the area of sponsorship. The main reasons are lower sponsorship than budgeted for the Corsini art exhibition, a constrained art exhibition program (due to funding pressures) and weakening corporate sector support due to changing preferences and public perception of the Gallery being Crown/Council funded. The Zoo is also experiencing lower rates of sponsorship.

Direct expenditure is \$46.0m, which is unfavourable to budget by \$0.5m / 1% as a result of higher costs associated with revenue (cost of sales) partially offset by savings in employee costs and other expense areas.

- Employee-related costs are favourable to budget by \$1.1m / 6% across the business as a result of deferred recruitment, staff turnover and timing of business reorganisations. The deferred recruitment is an effort by management to offset revenue shortfalls. However, this

can impact business performance and increase staff health and safety and visitor security risks. Recruitment in some areas is underway and staff costs are expected to rise in future months.

- Marketing expenditure is also favourable to budget due to the timing of exhibitions and events. Auckland Conventions is tightly managing costs to achieve their financial targets. Auckland Live is expecting marketing spend to increase in the summer season in relation to their community activation programmes.
- Professional services, ICT and travel & entertainment spend is lower than budget to help manage budget and due to project delays.
- Other expenditure and facilities management is \$1.0m unfavourable to budget due to necessary investment into customer experience initiatives and reactive (unplanned) maintenance works at Aotea Centre, Gallery, Western Springs Stadium and the Civic. This includes re-oiling of kauri surfaces at the Gallery and insurance claims relating to the Civic and Western Springs Stadium.

Council funding and depreciation as indirect items have contributed a combined \$1.0m benefit to the net expenditure. Annual operational funding provided by Council has now been confirmed at \$27.5m to include funding for the Queens Wharf venues, first year of the living wage increase, and correction to the elephant acquisition budgets. Depreciation is behind budget due to the timing of project delivery and capitalisation.

RFA CAPITAL

Capital expenditure is \$16.7m, representing 64% of the funding allocated for this period. The main drivers of the lower than forecast spend are:

- Shared Services Facility for Auckland Town Hall and Aotea Centre - Technical issues experienced in August 2017 resulted in a 5-month delay in the delivery of this project. The completion date is now June 2018.
- Aotea Centre Refurbishment & Expansion - The detailed design for the expansion component will be procured in the next quarter. The refurbishment component of this project is on track, with physical works to commence in February 2018 with the estimated completion date of February 2019.
- Western Springs Stadium renewals – Essential renewals are expected to commence in the third quarter with an estimated completion of physical works expected in December 2018. This includes renewals of toilet blocks, gates, and bus inter changes.
- Zoo Administration building - Undergoing design amendments. This delays the project delivery by 1 month to September 2018. Preliminary site works are expected to begin in February 2018.

The following projects have been completed to date in this financial year:

- Mt Smart Stadium Arena 1 projects:
 - Refurbishment of the corporate suites and toilet facilities and other interior improvements
 - Renewal of drainage and water main to prevent flooding
 - Waterproofing of the West Stand seating areas
- Construction and remediation of entry gates at Mt Smart
- Installation of ball retention fencing at Mt Smart Field 3.



At the request of Council, RFA have deferred approximately \$12m of the 2017/18 capital programme as part of the overall Auckland Council Group requirements. RFA are on track to deliver to the revised \$53m capital programme.

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	Dec 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	540	■
	Visitor satisfaction with experiences at Auckland Live events Venues include: Aotea Centre, Auckland Town Hall, The Civic, Aotea Square, Bruce Mason Centre	90%	90%	■
	Percentage of patrons who believe Auckland Live provides them with a rich choice of arts and entertainment options	77%	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	441	217	■
	Number of community event days at stadiums ^[1] Venues include: Mt Smart Stadium, QBE North Harbour Stadium, Western Springs Stadium	645	237	■
	Visitor satisfaction with experiences at Auckland Stadium venues	82%	83%	■
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	325,532	■
	Total number of visitors to Auckland Art Gallery	450,000	259,991	■
	Visitor satisfaction with experiences at Auckland Zoo	90%	89%	■
	Visitor satisfaction with experiences at Auckland Art Gallery	90%	93%	■
	Number of Maori programmes annually at Auckland Art Gallery	10	12	■
	Percentage of visitors reporting an enhanced appreciation of wildlife ^[2]	80%	77%	■

WHAT WE DO (LEVEL OF SERVICE)	HOW WE WILL MEASURE SUCCESS (PERFORMANCE MEASURE)	ANNUAL TARGET 2017/18	Dec 2017 YTD ACTUAL	PROGRESS
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 [3]	90%	87%	
	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%	60%	

[1] Increased commercial activity at the Auckland Stadiums venues is resulting in reduced capacity for community events at certain times of the year. The advent of the Albany Stadium pool next to QBE Stadium has led to the cessation of the Drive Rush motorsport events to ensure adequate parking capacity at the Stadium. The capital renewals programme has also affected availability of the grounds, etc as work is scheduled to take place during non-commercial peak activity times.

[2] Adverse weather conditions, exhibit closures due to construction and constraints to running experience products are contributing to the low appreciation quotient. The opening of the new Bug Lab exhibition in mid-December is expected to improve this result in future months.

[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 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 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.

RFA continues 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 600 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>On 20th December 2017 the Zoo opened Te Papa's <i>Bug Lab</i> exhibition, which contains a number of stories and interpretation regarding native New Zealand insects and their significance from a mataranga Maori perspective</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>
<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>On 29 November the Gallery was the host venue and a contributor to a forum for Māori Arts Leaders and the Creative Sector: 'Think Tank: with Moana Maniapoto'. The event was nationally significant with over 50 Māori arts and cultural leaders from across the country attending. The day long workshop was funded by Creative New Zealand and facilitated by Moana Maniapoto. The Gallery's Director Rhana Devenport and Haerewa Chair Elizabeth Ellis both addressed the group and Nigel Borell, Curator Māori Art coordinated the day on behalf of the Gallery.</p> <p>On Monday 18 December 2017 curators Nigel Borell and Mary Kisler - co-ordinated and welcomed a Rotorua delegation of WWII servicemen on their visit to the Gallery to view the Corsini exhibition. A group of 15 people included the last living veteran of the 28th Māori Battalion B Company Bom (Robert) Gillies. A short mihi whakatau was held in the exhibition with Hunaara Kaa speaking on behalf of Haerewa with its Chair Elizabeth Ellis accompanied by fellow member Tim Melville also in attendance. During WWII the 28th Māori Battalion helped in defending the region where the Corsini family have their lands, aristocracy and art collection (Florence, Italy).</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 and continues until April.</p> <p>Learning and Outreach is continuing to support Māori youth with its activities. This quarter particular efforts included the team attending Children of Prisoners Week 2017 Hui, held at PILLARS Org. who are the primary social service provider to support children of parent/s in prison. Gallery education resources were used for the Hui's whanau activity (80% children were Māori). The team has also been working closely with Nigel Borell with a view to developing Māori taonga educational touch objects. Waka Angamua, Auckland Council's Māori Responsiveness Team have been advising as the forthcoming Learning and Outreach</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>

INITIATIVE	CONTRIBUTION TO MĀORI OUTCOMES
<p>Programme is developed. Contemporary artist and educator Jasmine I e Hira (Ngāpuhi, Ngāti Kuki Airani) has been appointed as Educator, Outreach Programmes and will begin in February, 2018.</p> <p>A breakfast and workshop that was organised in collaboration with Ngāti Tamaoho Trust based in Otara for Ōtara Bluelight Trust Te Huringa o Te Tai o nga Wāhine Leadership Group (at-risk teenage Māori girls).</p> <p>The gallery is committed to having on display art that reflects Aotearoa's bicultural identity including a range of work by Māori artists. Highlights on display currently include the exhibition "Charles F Goldie: Revealing the Painter and the Subject". The Goldie paintings of Māori subjects are among the most loved and admired works in the Gallery's collection.</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 closed in November.</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 December, the annual Auckland Theatre Awards was presented in the Wintergarden with Auckland Live a key partner in the event. Outcomes for this evening included recognition for Maori/Pacifika artists who have delivered some outstanding performing arts work, including works that have been presented in Auckland Live venues through partnerships.</p> <p>The focus for Auckland Live planning has been the Summer in the Square program which will have a number of events with a Maori focus throughout the December 2017/February 2018 period. Among these is the musical adventure Mata and the Mysterious Musical Maunga and gardening workshops.</p> <p>During Waitangi Weekend several Aotearoa artists will be performing in Aotea Square including Rob Mokaraka who will be performing award-winning Shot Bro; DJ Linda T playing Kiwi tunes; and a closing night party with The Māori Sidesteps.</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 negotiated a 3-year sponsorship arrangement for the Tamaki Herenga Waka Festival for 2018 – 2020.</p> <p>Auckland Conventions worked with Ngati Whatua to provide a proposal for a cultural performance for a Chinese group potentially coming to Auckland.</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>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.</p>	<p>Celebration of Auckland's Māori identity as its point of difference in the world for its visitors.</p>

LOCAL BOARD ENGAGEMENT

During the quarter RFA continued regular liaison with local boards across the region, responding to queries and distributing the first quarter report. Eight boards placed the report on meeting agendas. RFA was represented at management and board level at the December mayoral function for the advisory panels of Auckland Council.

Waitemata Board received the first quarter report, and noted the successful way that the board worked with the RFA Stadiums team to restore the walking track behind Western Springs Stadium. Detailed updates of current developments at RFA facilities will be presented to the board early in 2018.

In November Auckland Council released the report of the most recent elected members' survey. The report made reference to the significant increase in levels of satisfaction with RFA information and engagement with local boards. This was especially pleasing in the context of the slight reduction in overall satisfaction levels with council advice and support to elected members.

The 2018 RFA function for local boards and advisory panels will be held at the Civic in April.

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.