## OPEN MINUTE ITEM ATTACHMENTS

<table>
<thead>
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<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Auckland Council Group quarterly financial report and financial results to 31 March 2018</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Council-controlled organisation third quarter report ending 31 March 2018</td>
<td></td>
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</tbody>
</table>

**Note:** The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Auckland Council parent performance report for the period 1 January 2018 to 31 March 2018

A. 6 June 2018 - Finance and Performance Committee, Item 11 - Auckland Council parent performance report for the period 1 January 2018 to 31 March 2018 presentation
Finance and Performance Committee

Auckland Council Group nine months financial results to 31 March 2018

06 June 2018
Nine months group financial report

- Covers consolidated group results
- For nine-months to 31 Mar 2018
- Parent and CCOs performance results presented separately today
- Actual results compared to original phased Annual Plan

Westgate Town Park
Summary

- Operational expenditure is generally well controlled *(within 0.14% of budget)*
- Operating revenue (net of CRL accounting treatment and vested assets) is close to budget *(within 0.11% of budget)*
- Capital expenditure behind budget *(82% completion of nine months budget)*
- Debt parameters remain within credit agencies financial ratios *(261.5% vs 270%)*
Key performance highlights

- Employee benefits of the Group were favourable against budget by $6 million:

<table>
<thead>
<tr>
<th></th>
<th>(Un)Favourable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Council</td>
<td>23</td>
</tr>
<tr>
<td>Auckland Council Investments Limited Group (Ports of Auckland)</td>
<td>(6)</td>
</tr>
<tr>
<td>Auckland Transport</td>
<td>(5)</td>
</tr>
<tr>
<td>Regional Facilities Auckland</td>
<td>(2)</td>
</tr>
<tr>
<td>Panuku Development Auckland</td>
<td>1</td>
</tr>
<tr>
<td>Budget reclassification</td>
<td>(5)</td>
</tr>
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</table>

- Capital expenditure of the Group for the nine-month period was $240 million behind phased budget.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Phased budget</th>
<th>Variance (Un)Favourable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Transport</td>
<td>436</td>
<td>502</td>
<td>(66)</td>
</tr>
<tr>
<td>Auckland Council</td>
<td>320</td>
<td>377</td>
<td>(57)</td>
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<tr>
<td>Auckland Council Investments Council Group</td>
<td>89</td>
<td>130</td>
<td>(41)</td>
</tr>
<tr>
<td>Panuku Development Auckland</td>
<td>8</td>
<td>46</td>
<td>(38)</td>
</tr>
<tr>
<td>Watercare Services Group</td>
<td>229</td>
<td>257</td>
<td>(28)</td>
</tr>
<tr>
<td>Regional Facilities Auckland</td>
<td>26</td>
<td>43</td>
<td>(17)</td>
</tr>
<tr>
<td>Auckland Tourism, Events and Economic Development</td>
<td>7</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,115</strong></td>
<td><strong>1,355</strong></td>
<td><strong>(240)</strong></td>
</tr>
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</table>

- Regional Facilities Auckland’s revenue was lower against the approved revised budget however, costs have not reduced proportionately.
## Statement of financial performance

<table>
<thead>
<tr>
<th></th>
<th>$ million</th>
<th>Actual</th>
<th>Phased Budget</th>
<th>Variance</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$3,642</td>
<td>$3,748</td>
<td></td>
<td>($106)</td>
<td>- City Rail Link ($229m) budgeted as grant but now accounted for through balance sheet;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- higher vested assets ($119m);</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- reduced regulatory revenues ($5m)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$2,854</td>
<td>$2,850</td>
<td></td>
<td>($4)</td>
<td>- increase to weathertightness provision ($69m);</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- reduced depreciation due to revised useful life of transport assets and delays in completion of projects ($44m);</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- lower employees benefits mainly due to unfilled vacancies ($6m);</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- reduced consultancy and professional fees ($10m)</td>
</tr>
<tr>
<td>Operating Surplus (Deficit) before gains &amp; losses</td>
<td>$788</td>
<td>$898</td>
<td></td>
<td>($110)</td>
<td></td>
</tr>
<tr>
<td>Other gains (losses)</td>
<td>($142)</td>
<td>$35</td>
<td></td>
<td>($177)</td>
<td>negative movement on value of derivatives due to unrealised losses from interest rate swaps</td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>$646</td>
<td>$933</td>
<td></td>
<td>($287)</td>
<td></td>
</tr>
</tbody>
</table>
Statement of financial position

<table>
<thead>
<tr>
<th>$ million</th>
<th>Actual 31/03/2018</th>
<th>Actual 30/6/2017</th>
<th>Movement</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$48,543</td>
<td>$47,359</td>
<td>$1,184</td>
<td>- recognition of rates debtors ($384m); - net increase to property, plant &amp; equipment, intangible assets, investment property and investments in CRLI ($702m); - increase in cash and cash equivalents ($86m)</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$12,132</td>
<td>$11,583</td>
<td>$549</td>
<td>- increased gross debt ($430m); - increased derivative financial instruments ($112m)</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$36,411</td>
<td>$35,776</td>
<td>$635</td>
<td></td>
</tr>
</tbody>
</table>

(Note: debt, net of cash and cash equivalents, increase by $344m)
Capital Expenditure
9 months to 31 March 2018

ICT Projects - $4m
Strategic property developments & other property projects - $25m
Administration renewals - $14m
Town centres, open space and upgrades - $19m
Fleet replacement, community facility booking system and other projects - $13m
Ports of Auckland Projects - $89m
RFA Renewals & other projects - $27m
Economic Growth and visitor economy - $7m
Waste management & regulation - $10m
Waterfront development - $8m
Other minor projects under $1m - $17m

Library collections - $8m
Art facility, Community centre renewals & upgrade - $5m
Library refurbishment & renewals - $4m
Other minor projects under $1m - $5m

Growth and renewal projects - $54m
Flood projects - $10m
Operations and planning management - $19m
Other projects between $1m & $2m - $8m

Parks asset and facility renewals, upgrades and development - $60m
Multi-purpose facilities - $13m
Parks land acquisition - $5m
Other minor projects between $1m & $2m - $6m

Army Bay wastewater treatment plant upgrade - $18m
Mangere wastewater treatment plant - $15m
Warkworth wells water treatment & network improvement - $18m
Pukekohe Trunk Sewer Upgrade - $6m
Pakuranga Island rehabilitation - $17m
Fried Thomas Drive wastewater & Storage Tank - $6m
Walkato Expansion Stage - $6m
Watere wastwater rising Main - $8m
Glen Eden Storage & Pipe Upgrade - $4m
Central & Northern Interceptor - $8m
Water Service Connections & Meters 2018 - $7m
Wynnyard Quarter Wastewater Pump Station - $6m
Water pipe renewal 2018 - $9m
Hunua 4 Watermain - section 11 - $5m
Albany Pinehill Wastewater management - $6m
Strategic Transformation Programme - $6m
Pukekohe wastewater treatment plant upgrade - $3m
Other water and wastewater projects between $1m & $2m - $77m

Annual Plan (nine months budget)* - $1,355m
Total spend - $1,115m (82%)
Variance - $240m (18%)

*Excludes funding for City Rail Limited of $59 million, actual funding made amounted to $85 million
Credit Rating Financial Ratio

<table>
<thead>
<tr>
<th></th>
<th>FY 30 June 2016</th>
<th>FY 30 June 2017</th>
<th>*Mar 18 Annualised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct debt/adjusted operating revenue (%)</td>
<td>270% 241.6%</td>
<td>270% 251.0%</td>
<td>270% 261.5%</td>
</tr>
</tbody>
</table>

- Credit rating triggers
- Direct debt/adjusted operating revenue

* Mar 18 ratio is determined using the actual direct debt as at 31 March 2018 over the annualised operating revenue (indicative only)

✓ Credit ratings reaffirmed in October 2017 by Standard & Poor’s and Moody’s – AA and Aa2 respectively.
X Limited headroom.
Questions
Watercare Services Limited

Third Quarter 2017/2018 Update

6 June 2018
Performance Summary

Watercare measures its performance across four strategic priorities:

1. Strategic priority one
2. Strategic priority two
3. Strategic priority three
4. Strategic priority four

- Business excellence
- Customer focus
- Financial responsibility
- Fully sustainable
Q3 highlights

- **Improving our digital customer experience:** Newly introduced online services. Watercare customers can now:
  - Report a fault online, 32% now lodged online
  - Apply for a new connection online, 32%
  - Apply to work near our assets online, 23%

- **Utilities Disputes Limited:** Watercare has partnered with Utilities Disputes Limited to provide independent arbitration services to customers. Watercare will receive valuable feedback from the UDL on how to improve customer service and avoid similar disputes occurring in the future.

- **Children’s Education Programme:** Watercare’s illustrated story book was launched with two copies gifted to every Auckland primary and intermediate school.

- **WSAA and Water NZ surveys:** 88 per cent of respondents rated the quality of water they receive as very good or good, compared to 78 per cent for the rest of New Zealand. In the WSAA survey, Watercare ranked in the top five of 38 water companies across Australasia in all of the major categories.
Q3 highlights

- **Central Interceptor (CI):** Procurement and delivery is on schedule. Four short-listed construction consortia announced in March with RFP sent in May. Interactive tender process underway with tenders due mid September 2018.

- **Mangere’s Biological Nutrient Removal (BNR) now operating:** $141m, 4.5 year project, delivered on time, on budget and on scope. This increases Mangere’s capacity by 250,000 people. It produces high-quality wastewater, even during and following heavy rainfall.

- **Leadership training:** 150 people leaders across Watercare have now been through a comprehensive Leadership Programme, which has built our capability to deliver on our strategy and get the best out of our people.

- **Maintenance Services Network (MSN) training facility:** Mangere now has a purpose built training facility that provides realistic environment in which water and wastewater scenarios can be simulated. The facility has attracted interest from other utilities wishing to use the space, and will reduce training time, improve quality and consistency in repairs and increase safety on site.
Q3 highlights

- **Full year revenue forecast**: $23m ahead of budget.

- **Year end debt forecast**: $66m lower than budget.

- **s17A Value for Money**: Watercare continues to work with Council on the Procurement review, and to implement the relevant recommendations arising from the Three Waters and Communications reviews.

- **Alternative financing and funding**: Watercare is continuing to work with the Joint Task Force set up to determine the viability of alternative financing and funding mechanisms, including for the Central Interceptor.

- **Sensitive Expenditure**: Watercare has incorporated the principles set out in the Group Standards on Sensitive Expenditure.
Q3 highlights

- **Huia Water Treatment Plant:**
  - In March, Watercare held drop-in sessions at Lopdell House in Titirangi where 140 members of the public came to talk with staff and subject matter experts about plans to replace the aging Huia water treatment plant.
  - Titirangi Protection Group and others, have challenged the validity of the Huia designation. The Group’s appeal to the High Court was refused in May and the Group has subsequently confirmed they will not appeal to the Court of Appeal (full details to be provided in the Q4 report).

- **Climate Change:** Watercare is developing its climate change strategy, to be completed by mid-to late 2018. It will provide a road-map for Watercare to achieve Net Zero Carbon by 2050 (mitigation). It will also assess the actions Watercare needs in relation to its physical assets, to ensure these remain fit for purpose in a changing climate over the next decades (adaptation).

- **Electric cars:** Five Hyundai Ioniqs added to the Newmarket fleet. The Newmarket fleet is now 30% electric.

- **World Water Day Celebrations:** On 22 March 2018, Watercare hosted 12 guided tours (over 100 visitors) at the Lower Huia Dam. Guests included school groups, engineers and local residents.
Round the Bays – Watercare has provided water to participants for 25 years
Focus of Q4 (April/May/June)

- **Māori Relationships**: Relationship agreement signed with Ngāti Paoa on 11 April 2018.

- **Central Interceptor (CI)**: RFP delivered, on schedule, to four consortia on 10 May 2018. Work continues with the Joint Task Force.

- **Mangere’s Biological Nutrient Removal (BNR)**: BNR officially opened by Mayor Goff on 1 June 2018.

- **Glen Eden Wastewater Tank Completion**: Thank you BBQ planned for the community on Saturday, 9 June 2018 at Harold Moody Reserve.

- **Fred Thomas Drive Wastewater Pump Station**: Opening and tour scheduled for Friday, 29 June 2018.
Presentation to Council
6 JUNE 2018

Enriching life in Auckland by engaging people in the arts, environment, sport & events
Finance and Performance Committee
06 June 2018

Attachment B

Item 10

HIGHLIGHTS

- Integration of New Zealand Maritime Museum
- Stadium concert season
- 138,700 visitor nights
- $29.5m visitor spend
- $19.4m contribution to GDP
- Bug Lab at Auckland Zoo
- Manifesto at Auckland Art Gallery
- Commencement of two significant capital projects
- Auckland Zoo South East Asia Precinct
- Aotea Centre Refurbishment
- Ongoing Revenue and Cost challenges
OPERATIONAL PERFORMANCE

- Operational performance to budget
  - Unfavourable $3.4m to 31 March
  - Forecast to be $4.9m unfavourable to 30 June

- Key budget risks included in approved budgets
  - Revenue down $7.7m year to date
  - Expenditure down $4.3m year to date
  - Subject to high degree of market volatility and highly cyclical
  - Venues reaching full capacity
  - Significant capital work planned
  - Budget deficiency for 2017/18 $3.6m. Additional $1.0 million efficiency saving allocated by Auckland Council has put increased pressure on an already tight funding envelope
  - Required revenue forecasts +21% to balance
INITIATIVES IN PLACE

- Design of Business Model
- Further alternative revenue streams
- Staff costs reduced until more confirmation of income
- Deferral of uncommitted funds (marketing, training, professional services)
- Merger of Auckland Conventions under one management
- Commencement of RFA-wide procurement (cleaning, event services)
- Bring maintenance in house
- Leverage off Auckland Council shared services further
Finance and Performance Committee
06 June 2018

Minute Attachments

Attachment B

Item 10

KEY OBSERVATIONS

- $1m efficiency savings per annum brings total ongoing request to $7.9m
- External revenue increased by 48% since 2012
- Significant number of fixed costs
- Little discretionary spend
- Financial impact of loss of VEC
- External non-rates revenue budgeted to meet 72% of costs
- External revenue is highly volatile and cyclical
- RFA's operational funding is less than the fixed salaries and wages costs
- Venues reaching full capacity
- Significant capital works planned
### REGIONAL FACILITIES AUCKLAND

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>55.1</td>
<td>68.2</td>
<td>55.6</td>
<td>-12.6</td>
</tr>
<tr>
<td>Expenses</td>
<td>86.9</td>
<td>95.5</td>
<td>87.8</td>
<td>-7.7</td>
</tr>
<tr>
<td>Net</td>
<td>-31.8</td>
<td>-27.3</td>
<td>-32.2</td>
<td>-4.9</td>
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</table>
**AUCKLAND ART GALLERY**

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<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
<th>Net  $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3.8</td>
<td>5.5</td>
<td>3.4</td>
<td>(2.1)</td>
<td>0.7</td>
</tr>
<tr>
<td>Expenses</td>
<td>11.8</td>
<td>12.4</td>
<td>11.7</td>
<td>(8.3)</td>
<td>(14.4)</td>
</tr>
</tbody>
</table>

**KEY POINTS**

- International visitor charges implemented in Jan (not Sept)
- Corporate sponsorship revenue significantly below budget
- Consequential operational costs estimated by Legacy Council fundamentally optimistic
- Additional $2m sought through LTP
AUCKLAND CONVENTIONS

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>10.2</td>
<td>11.9</td>
<td>9.8</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Expenses</td>
<td>5.7</td>
<td>6.8</td>
<td>5.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Net</td>
<td>4.5</td>
<td>5.1</td>
<td>4.6</td>
<td>(0.5)</td>
</tr>
</tbody>
</table>

KEY POINTS

- $4.8m or 40% revenue confirmed by 30 June 2017 (47% in 2016)
- Change in catering suppliers has resulted in approx. $1m negative impact on net revenue
  - $400k exclusivity premium no longer received
  - 21% vs 26% commission
- Cost base is very low therefore business is highly impacted by revenue
- Merged into Auckland Live to realise further efficiencies
AUCKLAND LIVE

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>13.4</td>
<td>15.7</td>
<td>14.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Expenses</td>
<td>16.7</td>
<td>18.8</td>
<td>17.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Net</td>
<td>(3.3)</td>
<td>(3.2)</td>
<td>(3.2)</td>
<td>-</td>
</tr>
</tbody>
</table>

KEY POINTS

- Lower attendance at major international shows
- Fewer stadium concerts
- Impact of refurbishment
- Was on track to forecast up to $0.7m positive variance, however:
  - Rocky Horror Picture Show cancelled
  - Chicago delayed to 2018/19
**AUCKLAND STADIUMS**

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>13.6</td>
<td>16.1</td>
<td>12.7</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Expenses</td>
<td>13.0</td>
<td>17.0</td>
<td>14.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Net</td>
<td>0.6</td>
<td>(0.9)</td>
<td>(1.9)</td>
<td>(1.1)</td>
</tr>
</tbody>
</table>

**KEY POINTS**

- 12 concerts and festivals planned
- Concerts that did not proceed
  - Eminem
  - Second Paul McCartney
  - Katy Perry
- Mt Smart Stadium naming rights
- New hireage income from portable infrastructure
  - Dunedin has hired turf protection
- Lower than budgeted revenue from events
  - Auckland City Limits, Paul McCartney and Phoenix matches
### AUCKLAND ZOO

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11.3</td>
<td>16.3</td>
<td>12.8</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Expenses</td>
<td>15.1</td>
<td>18.5</td>
<td>17.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Net</td>
<td>(3.8)</td>
<td>(2.2)</td>
<td>(4.3)</td>
<td>(2.1)</td>
</tr>
</tbody>
</table>

**KEY POINTS**

- Visitation target 731,500 (incl Bug Lab)
- Adverse weather conditions
  - Budgeted 37 rain affected peak days for the year, YTD actual 55
- Bug Lab performing well but not to budget
- Impact of significant renewals work
## CORPORATE SERVICES

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual $m</th>
<th>2018 Budget $m</th>
<th>2018 Forecast $m</th>
<th>Variance $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2.8</td>
<td>2.7</td>
<td>2.7</td>
<td>-</td>
</tr>
<tr>
<td>Expenses</td>
<td>24.6</td>
<td>22.0</td>
<td>21.8</td>
<td>0.2</td>
</tr>
<tr>
<td>Net</td>
<td>(21.9)</td>
<td>(19.3)</td>
<td>(19.1)</td>
<td>0.2</td>
</tr>
</tbody>
</table>

### KEY POINTS

- **Includes:**
  - Property costs of Auckland Art Gallery, Auckland Live and Auckland Conventions $7.2m
  - RFA+ grant funding and rates $2.2m
  - Compliance and governance costs $3.9m
- **Currently largest user of Auckland Council Shared Services**
- **Corporate costs to be reallocated as part of 2018-21 Statement of Intent**
CAPITAL PROGRAMME

- Forecasted to complete between $40m-$45m ($65m planned)
- $12m deferral requested by Auckland Council
- Key projects complete or underway
  - Aotea Centre/Town Hall Essential Services Facility
  - Aotea Centre Refurbishment (over 2 years)
  - Auckland Zoo South East Asia Precinct (over 3 years)
  - Mt Smart Stadium essential renewals (over 2 years)
- Western Springs essential renewals
Finance and Performance Committee
06 June 2018

Attachment C

AC Finance & Performance Committee
6 June, 2018
Highlights

- Revenue over budget and
  (Parnure to Pakuranga) resource consent approved
- Eastern Busway (AMET) Project or exceeded
- 24 Statement of Intent targets met
- Bus satisfaction - 90% (up 4%)
One in One Hundred Year Events?

- Major storm (January)
- Initial clean up and temporary repairs
  - Debris and tree branches cleared
  - Slips
  - All roads open within 3-4 days
- Permanent repair work required into 2018/19
  - Rebuilding sections of road
  - Slip containment and retaining walls
- Followed the Tasman Tempest (March 2017) and preceded another storm in April 2018
March Madness

- 25% growth in patronage from the month prior (1.9 million more boardings)
- Additional services added
  - 12 Northern Express buses in AM and PM peak
  - New Bus Network services and capacity utilised
- Punctuality above target 96.07%
- PT usage into the CBD higher than car during morning peak
Special Events

- 443 events, including 14 with integrated ticketing
- Over 250,000 trips utilised integrated ticketing
- Penrose train station platform extension delivered in time to support Ed Sheeran concert
  - Over 11,000 people safely cleared in one hour
Train Network Industrial Action

26 March – 2 April 2018

- Customer impact – service frequency reduction during peak services from 10 to 20 minutes
- Dedicated team (from AT and Transdev) managing operations and communications
- Clear communications and surety of 20 minute timetables
- Additional services added to peak periods when possible
- Minimal impact on rail trips (4% lower patronage over the two week period)

Please plan ahead.

Due to BMTU industrial action and planned network maintenance, some services are affected. Please check updated timetables.
Customer Services Improvements

Overview

- Plan implemented in January to improve foundational capabilities and elevate the customer experience
- Review of LGOIMA, VIP and Level 2 case handling
- Improvements proposed in Local Board Reporting

<table>
<thead>
<tr>
<th>WHO WE SPOKE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>★ 6 SMEs</td>
</tr>
<tr>
<td>4 T3/T2 Managers</td>
</tr>
<tr>
<td>4 Call Centre members</td>
</tr>
<tr>
<td>4 Business Support</td>
</tr>
<tr>
<td>4 Councillors</td>
</tr>
<tr>
<td>2 Members of the Public</td>
</tr>
<tr>
<td>1 Reporter</td>
</tr>
<tr>
<td>1 AC LGOIMA manager</td>
</tr>
</tbody>
</table>

Make it Easy
- We continue to increase our digital capability
- Customers have choice in how they contact us and can easily transition between channels
- We reduce complexity across internal and external processes

Side by Side with Customers
- We do what we say we will
- Customers get the information they need when it’s needed
- We seek feedback from our Customers and act on it
- We’re advocates for customers across AT

Operationally fit
- We set and monitor KPI’s for key moments that matter to customers
- We’re transparent about our performance
- We deliver a consistent experience across channels

Enable our People
- You understand the part you play in the big picture
- You’re empowered to improve our customers experience
- You have the tools and skills to do your job
Customer Services Improvements
LGOIMA / VIP and Level 2 Cases

- Moving away from function based to customer based support
- Dedicated Customer Services teams aligned to Local Board areas
Customer Services Improvements

Local Board Reporting Examples

![Graphs showing data](attachment.png)
Organisational Development

- Diversity and inclusion – staff support networks established for Māori, Pasifika, Indian, women, rainbow
- Rainbow Tick accreditation progressing
- First cohort of graduates and cadets (27)
Quarter 3 Report to Auckland Council

Nick Hill, CEO
Steve Armitage, GM Destination
Pam Ford, GM Economic Development
Joy Buckingham, CFO
Q3 Highlights

- America's Cup 36 Host City Appointment Agreement signed 29 March.
- Sale of Auckland Airport, SKYCITY & Princes Wharf i-SITE’s to AIS Tourism Ltd.
- Investment attraction GDP contribution YTD ~$87.2m. Annual KPI exceeded by ~$28m.
- Auckland Convention Bureau secured business events expected to generate tourism spend of ~$13.7m. Annual KPI exceeded.
- Successful Lantern, Pasifika & Tamaki Herenga Waka Festivals.
Statement of Intent (2017-20) KPIs

9/26 annual KPIs already met or exceeded by 31 March:

- GDP contribution of investment deals
- 123 Maori businesses through an ATEED programme
- Business event wins, value and visitor nights generated
- Generated almost double the target number of expressions of interest from skilled migrants.

Risks addressed during Q2

- 36th America’s Cup
- GridAKL – Lysaght operations managed inhouse
- Studio Management – AFS & KFS
- Restructuring
# Financial performance

<table>
<thead>
<tr>
<th></th>
<th>$’m</th>
<th></th>
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<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Forecast</td>
<td>Variance f/(u)</td>
<td>Budget</td>
<td>Variance f/(u)</td>
<td>Full Year Forecast</td>
<td>Full Year Budget</td>
</tr>
<tr>
<td><strong>Operational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Revenue</td>
<td>11.5</td>
<td>11.3</td>
<td>0.2</td>
<td>12.3</td>
<td>(0.8)</td>
<td>14.8</td>
<td>15.4</td>
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<tr>
<td>AC Funding</td>
<td>37.0</td>
<td>39.9</td>
<td>(2.9)</td>
<td>38.0</td>
<td>(1.0)</td>
<td>51.3</td>
<td>47.8</td>
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<tr>
<td><strong>Operational expenditure excl. depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>47.5</td>
<td>50.1</td>
<td>2.6</td>
<td>50.0</td>
<td>2.5</td>
<td>65.9</td>
<td>63.2</td>
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<tr>
<td><strong>Capex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>1.7</td>
<td>1.1</td>
<td>(0.7)</td>
<td>1.1</td>
<td>(0.7)</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>AC Funding</td>
<td>6.9</td>
<td>5.9</td>
<td>(0.9)</td>
<td>6.6</td>
<td>(6.3)</td>
<td>6.5</td>
<td>0.2</td>
</tr>
</tbody>
</table>

**Actuals vs Forecast**
- December forecast accounts for deferrals from FY17 and reprioritised funding where applicable.
- Opex $2.6m lower than forecast. Depreciation $0.7m higher than forecast.

**Actuals vs Budget**
- Revenue below budget due to delayed opening and thus rental for two new GridAKL buildings.
- Capex full year forecast above budget due to the carry forward of underspent capex from FY17
Refocussing ATEED

- Last year 77% of staff believed change to ATEED was necessary.
- Change structure to:
  - Simplify and remove duplication
  - Free up resources and prioritise better
  - Work as a single team
  - Partner more effectively with CCOs and others.
- Change managed within existing head count and salary budgets. Not about cuts.
- Executive Team restructure completed by July (2 roles outstanding).
- All changes completed by end of this financial year.
Looking Forward

Q4

- Implementation of the Destination Strategy and 3 Year Plan.
- Formation of the Destination Committee of ATEED’s Board.
- Vision for successful AC36 and APEC events.
- Delivery of Techweek.
- Confirmed new office, fit for ATEED’s refocused purpose.
aucklandnz.com/ateed
Agenda

- Programme update highlights – Transform & Unlock
- Strategic Focus Areas
- Financial Performance to end of March 2018
Waterfront – Eastern Viaduct

- The Eastern Viaduct on the city’s waterfront is Auckland’s newest public space.
- Public car parking was removed from the area to improve safety and prioritise access for pedestrians and cyclists.
Manukau - Barrowcliffe

Auckland Mayor Phil Goff recently announced a major new housing development in the heart of Manukau.

A residential neighbourhood of up to 300 new homes.
Putney Way - Manukau

- The upgrade of Putney Way into a pedestrian-friendly main street for central Manukau has begun.
Onehunga – East-West Link and Light Rail

- Directional setting on East-West Link
- Decision on Light Rail
- Oranga – HLC Housing Programme
The High Level Project Plan for Avondale won a national award.

- Senior project leader John Carter won the Best Practice Award.
- District/Strategic Planning and Guidance for the plan he wrote for the area at the New Zealand Planning Institute awards.
Panmure project given the green light

- To improve transport connections to and from the town centre, reinvigorate the main street and reconnect the community with its surrounding natural features over the next 15 – 20 years
Takapuna

- Planning committee approves “change of use” for Anzac Street carpark site.
  - The heart of Takapuna will come to life with well-designed public spaces, new homes and employment opportunities.
Strategic focus areas

- Funding of development programme
- Working with Central Government
- America’s Cup 36
- Mana Whenua engagement
- Potential further priority development locations
- Financial Performance end of March 2018
### Development Budget

<table>
<thead>
<tr>
<th></th>
<th>Full Year Budget</th>
<th>Committed to Projects</th>
<th>Actual Expenditure</th>
<th>RAG</th>
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<td><strong>$000</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Development Expenditure</td>
<td>3,987</td>
<td>1,352</td>
<td>584</td>
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<tr>
<td>Development capital expenditure</td>
<td>7,344</td>
<td>7,777</td>
<td>5,325</td>
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*Note: RAG indicates the status of the budget, with '*' indicating an approved budget.*
Strategic Development Fund

<table>
<thead>
<tr>
<th>$000</th>
<th>Cumulative SDF spend to date</th>
<th>Full year Budget</th>
<th>Actual YTD</th>
<th>Comments</th>
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<tr>
<td>Strategic Development Fund (SDF)</td>
<td></td>
<td></td>
<td></td>
<td>RAG *</td>
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<tr>
<td>Development capital expenditure</td>
<td>49,821</td>
<td>36,764</td>
<td>15,651</td>
<td>The Panuku Board approved the acquisition of strategic properties and sites in Northcote, Avondale and Onehunga that will contribute to the activation of the areas and support regeneration of the town centres.</td>
</tr>
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</table>
## Financial performance - Operational

<table>
<thead>
<tr>
<th>$'m</th>
<th>Budget YTD</th>
<th>Actuals YTD</th>
<th>Variance YTD</th>
<th>Full year budget</th>
<th>Full year forecast</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Operational</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Revenue/External funding</td>
<td>27.4</td>
<td>27.0</td>
<td>(0.4)</td>
<td>36.4</td>
<td>35.5</td>
<td>(0.9)</td>
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<tr>
<td>AC funding</td>
<td>26.6</td>
<td>18.3</td>
<td>(8.3)</td>
<td>44.1</td>
<td>27.4</td>
<td>(16.7)</td>
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<tr>
<td>Expenditure excluding depreciation</td>
<td>36.6</td>
<td>30.6</td>
<td>6.0</td>
<td>49.0</td>
<td>44.1</td>
<td>4.9</td>
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<tr>
<td>Fair value decrease / (increase) on investment property</td>
<td>-</td>
<td>(5.2)</td>
<td>5.2</td>
<td>-</td>
<td>(5.2)</td>
<td>5.2</td>
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<tr>
<td>Depreciation</td>
<td>8.1</td>
<td>5.6</td>
<td>2.5</td>
<td>10.8</td>
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<tr>
<td>Tax</td>
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<td>-</td>
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<td>Net Surplus/(Deficit) After Tax</td>
<td>9.3</td>
<td>14.3</td>
<td>5.0</td>
<td>20.7</td>
<td>16.0</td>
<td>(4.7)</td>
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</table>
## Financial performance – capital

<table>
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<tr>
<th></th>
<th>Budget YTD</th>
<th>Actuals YTD</th>
<th>Variance YTD</th>
<th>Full year budget</th>
<th>Full year forecast</th>
<th>Variance</th>
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<tr>
<td>Capital</td>
<td>20.8</td>
<td>8.2</td>
<td>12.6</td>
<td>43.4</td>
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<td>28.4</td>
</tr>
<tr>
<td>Expenditure</td>
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<td>8.5</td>
<td>26.2</td>
<td>9.5</td>
<td>16.7</td>
</tr>
<tr>
<td>AC funding</td>
<td>13.6</td>
<td>5.1</td>
<td>8.5</td>
<td>26.2</td>
<td>9.5</td>
<td>16.7</td>
</tr>
<tr>
<td>External funding</td>
<td>7.2</td>
<td>3.1</td>
<td>4.1</td>
<td>17.2</td>
<td>5.5</td>
<td>11.7</td>
</tr>
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