

STATEMENT OF INTENT

REGIONAL FACILITIES AUCKLAND

1 JULY 2018 TO 30 JUNE 2021

REGIONAL FACILITIES AUCKLAND

OUR PURPOSE

Enriching life in Auckland by engaging people in the arts, environment, sports and events.

OUR AMBITION

To be the organisation that enhances Auckland's reputation for the depth, quality, and diversity of experiences it offers in art, live entertainment, the natural environment, sport and events.

OUR APPROACH

To achieve our ambition, our divisions will work individually and collectively to generate and deliver exceptional programming, experiences and facilities.

E mihi ana ki te rangi, e mihi ana ki te whenua, e mihi hoki ana ki a koutou ngā kaitiaki o Tāmaki Makaurau

Tēnā koutou katoa

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INTRODUCTION

Regional Facilities Auckland (RFA) presents exciting, engaging, and accessible experiences to those who live in and visit our city. We are a council-controlled organisation charged with delivering exciting and creative event programming, high-quality venues and facilities and exhibition of collections and wildlife.

This Statement of Intent represents the objectives, nature, and scope of activities undertaken and the performance metrics by which we are measured. It takes into account Auckland Council's expectations as noted in the Mayor's Letter of Expectations, revised CCO Accountability Policy and refreshed Auckland Plan.

Supporting this is our Strategic Plan, which will enable us to further the work of building a single organisation with six brands that deliver exceptional customer/visitor experiences, grow our commercial revenue base, maintain our assets, develop our people, create future opportunities and address challenges facing the business.

The priorities for 2018-2021 are:

ENHANCE CUSTOMER EXPERIENCES

With over four million customers, visitors and fans to our venues every year, our customer experience initiatives are focused on delivering a better experience at all touchpoints of the customer journey. The expected outcomes of increased visitor satisfaction and visitation to our venues and events will help maximise commercial returns.

OPTIMISE SECTOR NETWORKS

The industry sectors we operate in – performing arts, culture & heritage, natural environment, sports and leisure – contribute to Auckland's social, cultural and environmental wellbeing. Continuing to identify and leverage the strengths in these sectors and across the Council group will allow us to deliver greater opportunities for our customers, Maori and better returns and efficiencies for RFA and the community.

INVEST IN OUR VENUES AND SERVICES

RFA is the trusted steward of assets with a combined value of \$1.3 billion. The renewal of these assets and strategic redevelopment of the zoo's infrastructure, Aotea Centre and the stadiums network is central to our vision to providing Aucklanders with fit-for-purpose venues and creating economic growth.

IMPROVE ORGANISATIONAL SUSTAINABILITY

The improved integration of our operations will contribute to efficiencies resulting in a more secure and viable future for RFA. We will progress the mayoral priority to generate sustainable long-term revenue growth through exploring strategic investment beyond 2020.

The Long Term Plan 2018-28 provides more sustainable long-term funding for operational and capital needs, including investment into Gallery's operations to ensure it continues the delivery of high-quality services, meeting increasing health and safety legislative requirements, and advancing visitor security initiatives.

The main challenges facing our business are:

1. Auckland growth
 - Increasing population and demands on infrastructure
 - Population diversification and inequality
 - Increased funding pressures
2. Aging infrastructure and legacy underinvestment
 - Increasing costs to operate
 - Poor asset and network performance
 - Compromised customer experiences
3. Multiple mature businesses / brands becoming 'one' organisation
 - Segregated operating models
 - Integration of new businesses and venues
 - Underinvestment in sustainable revenue growth
4. Increased competition in a highly volatile market
 - Significant investment by competitors into assets and services in Australasia
 - Increasing competition for events
5. Health, safety and security
 - Underinvestment in a fragmented security infrastructure
 - A rapidly evolving security threat spectrum
 - Increasing number of patrons visiting RFA venues

BOARD GOVERNANCE

RFA has a strong governance structure in place that will oversee the delivery of this Statement of Intent and our strategy. The RFA Board has in place the following sub-committees:

- Audit
- Health, Safety and Risk
- Capital Projects
- Remuneration
- Board Appointments (Auckland War Memorial Museum and MOTAT)

We have a values-based culture that is focused on the delivery of public good and value for money for the Auckland community.

Through RFA's regional and collaborative approach, we will deliver on the commitments contained within this Statement of Intent.



Sir Don McKinnon
Chair



Chris Brooks
Chief Executive Officer

1. PURPOSE OF STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Regional Facilities Auckland Limited (RFAL) and Regional Facilities Auckland (RFA) for the next three years, and the objectives to which these activities will contribute.

This SOI includes information on key deliverables, financial information, and performance measures and targets to enable organisational accountability and transparency.

2. ABOUT RFA

Regional Facilities Auckland Limited's primary activity is to act as a corporate trustee for Regional Facilities Auckland, a charitable trust and a substantive Auckland Council Controlled Organisation.

RFA's role includes:

- Engaging communities in Auckland through cultural, educative and lifestyle opportunities;
- Increasing appreciation of wildlife, natural environment, cultural and maritime heritage; and
- Development and management of our venues, collections and wildlife on a prudent and commercial basis.

RFA fulfils its role by:

- Delivering exciting, creative and memorable experiences through its exhibitions, programming and delivery of events; and
- Ensuring that its asset portfolio valued at \$1.3 billion, including landmark venues, collections and assets, are maintained through the delivery of capital programmes.

The regional facilities owned and managed by RFA are:

- ANZ Viaduct Events Centre
- Aotea Centre
- Aotea Square (managed only)
- Auckland Town Hall (managed only)
- Auckland Art Gallery
- Auckland Zoo
- Bruce Mason Centre (unit titles) and Killarney Street car park
- Mt Smart Stadium
- QBE Stadium
- Queens Wharf (managed only)
- The Civic Theatre
- Western Springs Stadium
- MOTAT (land owner only)
- The Trusts Arena (land owner only)
- New Zealand Maritime Museum

- Spark Arena (owned and not managed)

RFA advises Auckland Council on levy setting and governance for:

- MOTAT
- Auckland War Memorial Museum

RFA provides operational and/or capital funding to:

- Trusts Arena
- Vodafone Events Centre
- North Shore Events Centre
- Stardome Observatory and Planetarium

While these entities do not have a direct operational connection to RFA, they may choose to collaborate with RFA for mutual benefit.

Under the terms of RFA's deed of trust, the regional focus of the trust does not preclude RFA from carrying out activities outside of Auckland, or that might benefit any area outside of Auckland, if those activities advance the purposes of RFA. To this end, RFA forms partnerships and relationships with other government, community, business and industry organisations in New Zealand and overseas that support the achievement of RFA's objectives.

BUSINESS BRANDS

RFA has six business brands supported by RFA shared services, which includes finance, property, human resources, risk and assurance, information and communications technology, customer experience and project delivery.

The external revenue generated by our brands funds approximately two-thirds of the cost of delivering all our products and services that help achieve the organisational objectives agreed with Auckland Council.

AUCKLAND LIVE

Auckland Live seeks to create a vibrant city where Aucklanders and visitors alike have the opportunity to experience an exciting range of live arts and entertainment.

Auckland Live:

- is a world-class arts and entertainment organisation
- is an industry leader – recognised as a creative hub and catalyst for new ideas
- contributes to a vibrant city where Aucklanders can choose from an exciting range of arts and entertainment options
- energises the Aotea arts quarter, Bruce Mason Centre, and Queens Wharf with events and activities
- grows Auckland's international reputation as a viable market and attracts the big shows to the city.
- is a centre for performing arts development, education, enrichment and high performance professional training.

AUCKLAND CONVENTIONS VENUES AND EVENTS

Auckland Conventions Venues and Events (Auckland Conventions) offers New Zealand's largest portfolio of unique and versatile venues for a wide range of events from large-scale exhibitions and conventions to business meetings and corporate functions.

Auckland Conventions:

- hosts conventions, meetings, commercial exhibitions, functions and dinners across suitable RFA venues
- provides technical equipment hire for conventions, meetings, commercial exhibitions, functions and dinners.
- grows Auckland's international reputation as a viable market and attracts international conventions and commercial exhibitions to the city.

AUCKLAND STADIUMS

Auckland Stadiums champions an integrated approach to developing the region's stadiums network to enable greater financial sustainability and fit for purpose stadiums facilities across the Auckland region.

Auckland Stadiums:

- showcases sports events, concerts, and music festivals in our stadium venues
- supports high-performance sport organisations through the provision of appropriate training and administration facilities
- provides facilities for a significant community sport programme for schools and local and regional clubs.

AUCKLAND ZOO

Auckland Zoo is a leading centre for wildlife conservation with New Zealand's largest collection of native and exotic species. The Zoo is in a unique position to bring people together to keep wildlife safe from future extinction.

Auckland Zoo:

- provides exemplary care for wildlife
- inspires our community to value wildlife
- directs efforts and resources to conserve wildlife in the wild
- ensures all resources are managed efficiently, effectively and sustainably for these purposes.

AUCKLAND ART GALLERY TOI O TĀMAKI

Auckland Art Gallery was established in 1888. The gallery holds New Zealand's most extensive collection of national and international art. Through the presentation of exhibitions, public programmes and thought leadership, the Gallery aims to be a catalyst for creative practice and ideas.

Auckland Art Gallery:

- manages the building and its art collections including curating, research, conservation, external loans and an exhibition programme
- delivers public access, education and outreach programmes

- supplements its funding by attracting revenue through retail, advancement, admissions to paid exhibitions, cafe, events and other commercial services that complement the visitor experience.

NEW ZEALAND MARITIME MUSEUM HUI TE ANANUI A TANGAROA

New Zealand Maritime Museum is a heritage institution first established as Auckland Maritime Museum Hobson Wharf in 1993 and receiving its national title in 1996. It holds and exhibits the largest maritime collection in New Zealand and aspires to explore and unite the people with the sea.

Maritime Museum:

- aims to provide rewarding, enjoyable and unique discovery experiences to Aucklanders of all ages in the area of national, regional and local maritime heritage
- preserves, presents, interprets and celebrates its collection of vessels, artefacts, documents and displays in a way that stimulates interest
- is a place of learning and understanding as they tell the story of our ocean, coastal and harbour seafaring from the earliest Polynesian explorers to the present day.

3. REFRESHED AUCKLAND PLAN

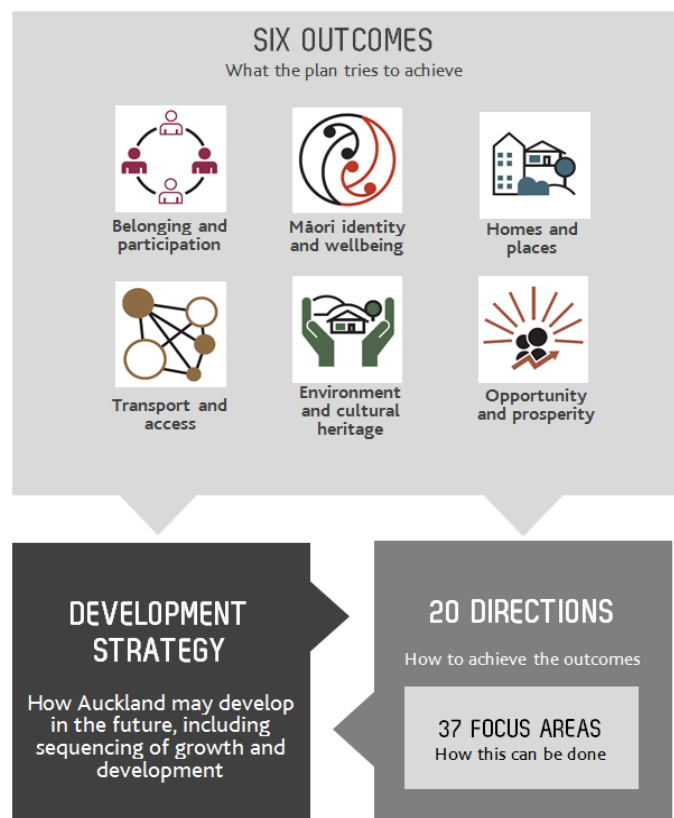
The draft Auckland Plan is the roadmap to how Auckland is expected to grow and change during the next 30 years as it tackles the following challenges faced by the city:






- The rate of population growth and its implications
- How to share prosperity with all Aucklanders
- Reducing environmental degradation

The Auckland Plan sets the direction for tackling these challenges, outlines the values that will shape how the city works together and identifies key organisations that will play important roles in creating a shared future.

It is a thirty-year plan that is underpinned by six outcomes, 20 directions and 37 focus areas to achieve this vision.

Illustrated below are the outcomes that RFA is expected to contribute towards and the relevant directions and focus areas.



				
Belonging and participation	Māori identity and wellbeing	Homes and places	Environment and cultural heritage	Opportunity and prosperity
All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.	A thriving Māori identity is Auckland's point of difference in the world that advances prosperity for Māori and benefits all Aucklanders.	Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.	Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage for its intrinsic value and for the benefit of present and future generations.	Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.
Direction	Direction	Direction	Direction	Direction
<ul style="list-style-type: none"> - Foster an inclusive Auckland where everyone belongs 	<ul style="list-style-type: none"> - Promote Māori success, innovation and enterprise - Recognise and provide for Te Tiriti o Waitangi outcomes - Showcase Auckland's Māori identity and vibrant Māori culture 	<ul style="list-style-type: none"> - Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living 	<ul style="list-style-type: none"> - Ensure Auckland's infrastructure is future-proofed - Ensure Auckland's environment and ecosystems are valued and cared for 	<ul style="list-style-type: none"> - Attract and retain skills, talent and investment
Focus Areas	Focus Areas	Focus Areas	Focus Areas	Focus Areas
<ul style="list-style-type: none"> - Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life - Provide accessible services and social infrastructure that are responsive in meeting peoples' evolving needs - Recognise, value and celebrate Aucklanders' differences as a strength 	<ul style="list-style-type: none"> - Strengthen rangatahi leadership, education and employment outcomes - Celebrate Māori culture and support te reo Māori to flourish 	<ul style="list-style-type: none"> - Create urban spaces for the future, focusing investment in areas of highest population density and greatest need 	<ul style="list-style-type: none"> - Encourage all Aucklanders to be stewards of the environment, and to make sustainable choices - Protect Auckland's significant environments and cultural heritage from further loss 	<ul style="list-style-type: none"> - Harness emerging technologies and ensure equitable access to high quality digital data and services - Increase educational achievement, lifelong learning and training, with a focus on those most in need

4. RFA'S CONTRIBUTION TO COUNCIL'S PLANS AND STRATEGIES

RFA will continue to fulfil its obligations by engaging in activities that contribute to the outcome areas in the refreshed Auckland Plan.

RFA's contributions to the refreshed Auckland Plan are outlined in the table below:

AUCKLAND PLAN OUTCOMES	HOW RFA CONTRIBUTES
Belonging and participation	<p>RFA offers venues and services that invite all Aucklanders to engage and enjoy arts, leisure, sports and entertainment events and activities. RFA recognises the importance of accessibility to its venues, including by public transport. Where development of venues is planned, transport interfaces are a priority. When major events are staged at RFA venues, our management works with Auckland Transport to ensure that efficient transport options are available to patrons, often as part of their ticketing. RFA is also planning for the impact of the City Rail Link on its CBD venues. RFA recognises the diversity of Aucklanders and incorporates this into its event programming and exhibitions.</p>
Maori identify and wellbeing	<p>RFA is currently updating its Maori engagement strategy, to fully align with the Auckland Council Group's Maori Responsiveness Framework. This revised strategy will be completed in the first quarter of 2018/19.</p> <p>This strategy will continue to enhance existing relationships with iwi and enter into business relationships in order to create meaningful engagements. This may create employment, and be either cost neutral or generate a profit, which positively increasing the visibility of iwi and enhancing the RFA brand.</p> <p>The increased visibility of iwi in terms of a business, tourism and reputational perspective is consistent with the focus of Independent Maori Statutory Board. RFA remains committed to continuing to develop programmes to support Maori visibility at regional facilities, support Maori business to engage with RFA and support Maori cultural expression.</p>
Homes and places	<p>Developing with a regional perspective a range of fit-for-purpose event venues that are attractive and readily accessible to the residents and businesses of the region and its visitors.</p>
Environment and cultural heritage	<p>Auckland Zoo contributes to local and international breeding, conservation and educational programmes to build understanding of wildlife and conservation. RFA's businesses are committed to minimising the use of water, electricity and associated waste across our venues.</p>
Opportunity and prosperity	<p>Digital advancement is a key initiative for RFA in improving its customer experience.</p> <p>Auckland Art Gallery, Auckland Zoo, NZ Maritime Museum, and Auckland Live offer educational programmes and professional training programmes for young people and young professionals.</p>

5. RFA'S STRATEGIC OBJECTIVES

RFA has four transformation priorities for 2018-2021 that address the challenges facing our business and support our journey from transition to transformation. In accordance to the accountability policy, RFA will continue to work closely with Council on key strategic investments.

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

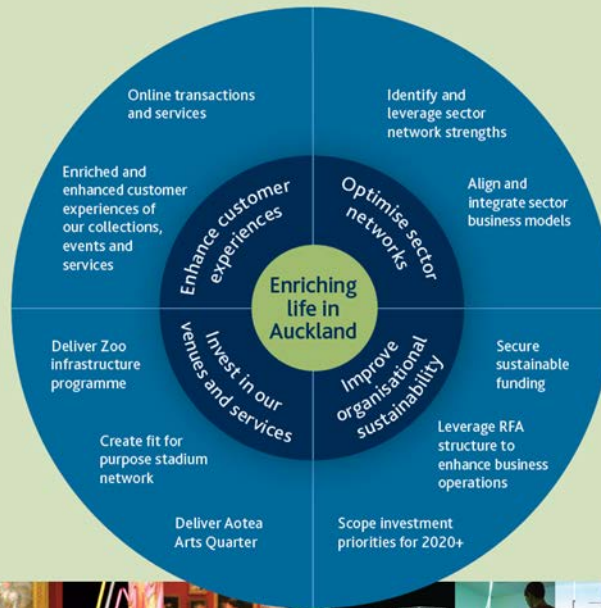
RFA Strategic Plan

2017-2020

Enriching life in Auckland by engaging people in the arts, environment, sport and events

Regional Facilities Auckland
An Auckland Council Organisation

TRANSFORMATION PRIORITIES



KEY MEASURES



Customer experience



Social and cultural value



Financial outcomes



Health and safety



Transformational projects



6. THREE-YEAR WORKPLAN TO DELIVER ON STRATEGIC PRIORITIES

STRATEGIC PRIORITY	DESCRIPTION
OPTIMISE SECTOR NETWORKS	<p>RFA's purpose is to advance the social and cultural wellbeing of Aucklanders and our visitors. We do this by engaging people in the arts, environment, sports and events. In doing so, RFA seeks to work with partners and stakeholders wherever this will benefit the organisation's purpose.</p> <p>COLLABORATION ACROSS THE COUNCIL GROUP</p> <p>RFA works with numerous partners within the broader Council family. RFA, ATEED and Auckland Council work together to develop and deliver significant events for the region and where possible reduce ratepayer funded events and venues competing with each other.]</p> <p>CULTURAL HERITAGE SECTOR REVIEW</p> <p>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 effect greater value for money for ratepayers and better outcomes for the stakeholders.</p> <p>Specifically, RFA will provide input and advice to the Cultural Heritage Sector Review, provide Council with comment on the findings of the review, and will work with Council to assist with implementation of any recommendations subsequently adopted.</p>

STRATEGIC PRIORITY	DESCRIPTION
<p>OPTIMISE SECTOR NETWORKS</p>	<p>NEW ZEALAND MARITIME MUSEUM</p> <p>NZMM was integrated into RFA's operations from 28 February 2018. RFA will work to expand the museum's impact as a key cultural heritage institution as it leverages the services and expertise that RFA offers in the museum sector.</p> <p>HAMILTON ZOO COLLABORATION</p> <p>RFA will continue to work with Hamilton Zoo on opportunities to collaborate more to improve wildlife conservation and customer experience outcomes.</p> <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. Our transformational projects will ensure our venues, facilities and programmes are attractive locations and precincts with high amenity value for our communities.</p>
<p>INVEST IN OUR VENUES AND SERVICES</p>	<p>In addition to the delivery of essential renewals work to ensure RFA venues are fit-for-purpose for hirers and the Auckland community, there are four priority areas for capital investment in RFA assets in 2018-2021:</p> <p>AUCKLAND STADIUMS – THE VENUE DEVELOPMENT STRATEGY</p> <p>RFA's Venue Development Strategy outlines strategic investment in Auckland's stadium network to ensure it is fit-for-purpose, and able to provide for the full range of opportunities demanded of a city the size of Auckland.</p> <p>The LTP 2018-28 includes investment into essential renewals at Western Springs, QBE Stadium and Mt Smart Stadiums, with the aim of increased utilisation and financial sustainability.</p> <p>AOTEA CENTRE</p> <p>Renewal of the exterior and interior of the Aotea Centre commenced in February 2018, and is due for completion in 2019. This will address the Centre's weather tightness issues, meet compliance requirements and significantly improve patron experience, this being the most significant upgrade provided to the Centre since its opening in 1989.</p> <p>The LTP 2018-28 also includes funding for the proposed expansion of the Centre, with the addition of new studio, convention and administrative spaces as an expansion to the existing venue. It will address the need for high quality, centrally located, flexible and multi-purpose spaces designed to meet the needs of top professionals and emerging artists. The balance of the funding required will be sought as part of future Annual Plans or LTP processes after the completion of the detailed planning process.</p> <p>AUCKLAND ZOO</p> <p>Auckland Zoo infrastructure is aging and, in a number of areas, falls short of community standards. A significant renewals programme is underway at the zoo to address these issues across the site, in response to increasing international standards of animal care, health and safety and improved visitor experiences.</p> <p>The current capital programme at the zoo, the largest in its history, involves a significant upgrade of the central zoo South East Asian precinct and restaurant area. Construction for this project commenced in February 2018, and is due for completion and opening in 2020.</p>
<p>ENHANCE CUSTOMER EXPERIENCES</p>	<p>RFA will increase the depth, breadth and quality of the participant and engagement of our customers and clients. Our strategic initiatives for 2018/2019 are:</p>

ENRICHED AND ENHANCED CUSTOMER EXPERIENCES

RFA will deliver enhanced and enriched customer experiences of our collections, events and services.

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.

IMPROVE ORGANISATIONAL SUSTAINABILITY

SECURE SUSTAINABLE LONG TERM FUNDING

RFA were approved additional operational funding and capital funding as part of the Long Term Plan 2018-2028 to enable a more financially sustainable business model.

REVIEW OF CONVENTIONS BUSINESS

The loss of RFA's key conventions venue, and the changing conventions environment in Auckland is prompting RFA to review the scope of its conventions and commercial events business to focus efforts better on currently unrealised opportunities for the city.

OPERATING MODEL REVIEW

RFA will complete a review of its various operating models and improve integration of business activities and services.

Additional Annual Plan bids, supplemental to the Long Term Plan funding, will be made to Council in response to business cases as they arise.

EFFICIENCY PROGRAMMES

Auckland Council has set efficiency targets for the triennium for the Council group to seek further business efficiencies and value for money. RFA will take the following approach:

MAXIMISE EXTERNAL REVENUE

RFA's external commercial revenue continues to be subject to a high degree of market volatility. 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.

This includes:

- Exploring other revenue opportunities through closer collaboration across the sectors we operate in, partnering with private sector businesses, and leveraging Council Group initiatives
- Enriching events programming and driving revenue growth through pursuing investment opportunities
- Working with various sectors and our business partners to develop philanthropic and sponsorship activities
- Enhancing the customer experience by gaining further customer market intelligence and market insight to connect to new audiences
- Carrying out essential renewals to meet increasing customer expectations;
- Strategic capital investment in existing facilities, and
- Growing the depth and breadth of our revenue base.

STRATEGIC PROCUREMENT

Initiatives across RFA's business divisions and with Auckland Council Group (where appropriate).

REVIEW BUSINESS MODEL

In order to ensure a more effective and efficient RFA that delivers better financial outcomes, better customer experiences and increased opportunities for staff development, a review of the business model will be undertaken.

SHARED SERVICES

RFA will continue to collaborate with the council as one of the largest users of the shared services provided by council. RFA seeks to optimise efficiency and value, remove unnecessary duplication and different approaches to core systems and business processes, to pursue shared back-office delivery where appropriate and to better align our respective investment in information and communications technology. RFA will also continue to retain services which are both operational and strategically important in-house.

SUSTAINABILITY

RFA is uniquely positioned to showcase sustainability leadership to a large and diverse group of Aucklanders.

RFA has had a strong record of leading sustainability initiatives on its sites, in particular Auckland Zoo and Auckland Stadiums and incorporating more sustainable operations through its renewals programme. Auckland Zoo over the last year has achieved the target of CarboNZero. The intent is for this to be delivered across all RFA venues.

CONTRIBUTIONS 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.

RFA is currently updating its Maori engagement strategy to fully align with the Auckland Council Group's Maori Responsiveness Framework. This revised strategy will be completed in the first quarter of 2018/19 .

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 program.

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, and Auckland Live's collaborations and co-presentations with Maori writers, producers and performers.

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's Te Reo Maori Framework.

In 2018/19 RFA will:

- Complete its Maori Responsiveness Plan to ensure it is continuing to support RFA's contributions to Maori outcomes;
 - Assist Council to develop a plan for implementing Te Reo Policy in 2018/19
 - Commit to implement the responses to the findings in the 2017 report commissioned by the Independent Māori Statutory Board (IMSB) 'Assessment of expenditure incurred by Auckland Council to deliver Māori outcomes' where appropriate;
 - Participate in implementing the findings of the current Treaty Audit; and
- Ensure quarterly reporting of the priorities of Te Toa Takitini including the specific project / programme contributions that RFA agree to make and any related performance measures where appropriate.

AUCKLAND COUNCIL BRANDING

RFA will ensure that Council Group branding is used appropriately at its venues and facilities to build Aucklanders' understanding of the value of Auckland Council's rates funding.

LOCAL BOARDS

RFA will continue to work on its already strong engagement and partnership with local boards, and we will participate in the development of local board plans where appropriate and as requested.

7. PERFORMANCE OUTLOOK

RFA has an agreed set of performance measures and targets, which form the basis for accountability to delivering our key strategic objectives and priorities. These will be reported on quarterly and will align to the measures agreed as part of the Long-term Plan 2018-2028.

RFA will continue to work internally and with Council on the development of meaningful performance metrics that measure our performance in alignment with the outcomes and focus areas in the Auckland Plan.

SERVICE LEVEL STATEMENT	MEASURE	2016/17	2017/18	2018/19	2019/20	2020/21	
		ACTUAL	ANNUAL PLAN	LTP	LTP	LTP	
RFA engage people in the arts, environment, sports and events in Auckland	How many people are experiencing RFA's arts, environment and sports venues and events	The number of people who experience Regional Facilities Auckland's arts, environment and sports venues and events	3.2 million	3.3 million	3.5 million	3.7 million	3.9 million
		This includes the following specific targets:					
		Total number of visitors to Auckland Zoo	683,031	731,500	680,000	730,000	760,000
		Total number of visitors to Auckland Art Gallery	521,402	520,000	500,000	515,000	530,000
	Total number of visitors to the NZ Maritime Museum	160,000	150,000	165,000	170,000	185,000	
	How well is RFA engaging audiences and participants	The net promoter score for Regional Facilities Auckland's audiences and participants ⁽¹⁾	16	17	18	19	20
RFA delivers arts, environment, sports and event experiences efficiently	Contributing to the growth of the Auckland region	Percentage of operating costs funded through non-rates revenues	68%	71%	65% ⁽²⁾	65%	65%
Through RFA's arts, environment, sports and events experiences, Auckland's environmental and cultural heritage is embraced by Aucklanders	Embracing environmental and cultural heritage	Percentage of Auckland residents surveyed who value RFA venues and events	Not measured	Baseline to be set	Maintain or improve	Maintain or improve	Maintain or improve
		Number of programmes contributing to the visibility and presence of Maori in Auckland, Tamaki Makaurau	10	12	14	16	18

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

(2) reduction from 2017/18 due to additional operational funding received from Auckland Council

8. SUMMARY OF FINANCIALS

HOW WE FUND OUR OPERATIONS

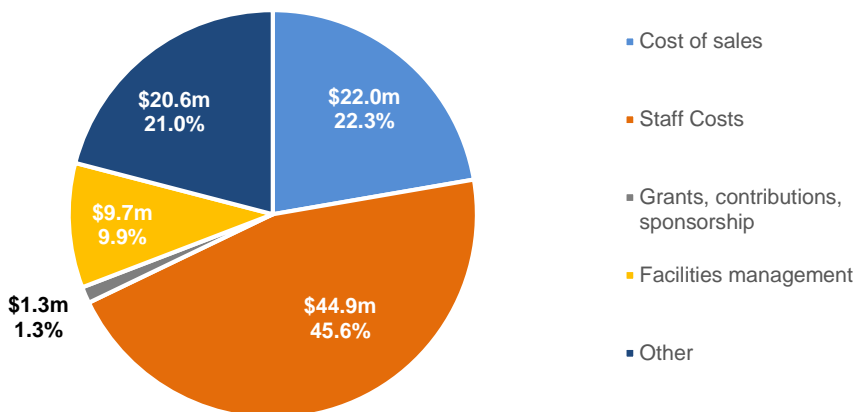


* Excludes Master Services Agreement (2012: \$6.0m, 2019: \$0.8m)

RFA operates a commercial business model. The budgeted external revenue of \$62.5m in 2018/2019 includes revenue earned from commercial activities such as admissions charges, venue hire and event-related services, food and beverage, commissions and exclusivity fees, sponsorship, and property rental. The external revenue amounts to 65% of our total income, with the balance coming from the Auckland Council operational grant.

OUR COST DRIVERS

RFA's key cost drivers are illustrated below.



(Based on 2018/19 LTP)

The following summary of financials supports the delivery of RFA's strategic objectives and performance targets.

The financial information provided in this Statement of Intent for 2018-2021 has been adjusted for CPI. These will be updated each year to reflect the cyclical and volatile nature of RFA's external revenue to balance to the operational funding received from Auckland Council.

OPERATING BUDGETS

Operating budgets (\$million)	Budget*	Forecast	Budget	LTP**	LTP**
	2017/18	2017/18	2018/19	2019/20	2020/21
Revenue	57.0	58.5	62.5	64.4	67.1
Fees and charges:	46.6	50.9	50.5	52.0	54.4
<i>Art Gallery</i>	<i>1.8</i>	<i>2.2</i>	<i>3.3</i>	<i>3.3</i>	<i>3.4</i>
<i>Zoo</i>	<i>11.1</i>	<i>12.2</i>	<i>13.0</i>	<i>13.7</i>	<i>15.2</i>
<i>Conventions</i>	<i>10.8</i>	<i>10.8</i>	<i>11.4</i>	<i>11.7</i>	<i>11.9</i>
<i>Auckland Live</i>	<i>12.8</i>	<i>13.4</i>	<i>15.3</i>	<i>15.6</i>	<i>15.9</i>
<i>Stadiums</i>	<i>9.6</i>	<i>11.0</i>	<i>6.8</i>	<i>7.0</i>	<i>7.1</i>
<i>New Zealand Maritime Museum</i>	<i>0.0</i>	<i>0.8</i>	<i>2.6</i>	<i>2.6</i>	<i>2.7</i>
<i>Corporate</i>	<i>0.5</i>	<i>0.5</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>
Grants and subsidies	1.1	1.2	0.8	0.8	0.9
Other revenue	9.3	6.4	11.2	11.5	11.8
Direct expenditure	84.6	92.2	98.5	98.9	102.2
Employee benefits	42.4	39.4	44.9	45.3	46.5
Grants, contributions, sponsorship	1.3	1.8	1.3	1.3	1.3
Other expenditure	40.9	51.0	52.3	52.3	54.3
<i>Cost of sales</i>	<i>17.0</i>	<i>25.4</i>	<i>22.0</i>	<i>22.3</i>	<i>22.8</i>
<i>Facilities management</i>	<i>11.8</i>	<i>13.2</i>	<i>9.7</i>	<i>9.9</i>	<i>10.0</i>
<i>Marketing</i>	<i>2.7</i>	<i>2.0</i>	<i>3.0</i>	<i>2.8</i>	<i>2.9</i>
<i>Information systems</i>	<i>1.6</i>	<i>1.2</i>	<i>2.0</i>	<i>2.0</i>	<i>2.0</i>
<i>Travel and entertainment</i>	<i>1.5</i>	<i>1.2</i>	<i>1.5</i>	<i>1.2</i>	<i>1.2</i>
<i>Professional services</i>	<i>1.1</i>	<i>1.8</i>	<i>1.9</i>	<i>1.9</i>	<i>1.9</i>
<i>Rates</i>	<i>1.2</i>	<i>1.2</i>	<i>1.4</i>	<i>1.5</i>	<i>1.5</i>
<i>Other</i>	<i>4.1</i>	<i>4.9</i>	<i>10.9</i>	<i>10.7</i>	<i>11.9</i>
Net direct expenditure (income)	27.6	33.7	36.0	34.5	35.1
Funding from Auckland Council	(26.0)	(27.5)	(35.6)	(34.2)	(34.9)
Revenue from vested assets	(1.0)	0.0	0.0	0.0	0.0
Other non-operating expense (income)	0.1	0.0	0.0	0.0	0.0
Net finance expense (income)	(0.7)	(0.5)	(0.4)	(0.3)	(0.3)
Depreciation and amortisation	28.5	28.8	31.0	31.8	33.0
Net losses (gains)	0.0	0.0	0.0	0.0	0.0
Income tax	0.0	0.0	0.0	0.0	0.0
Net expenditure (income)	28.5	34.2	31.0	31.8	33.0

*These budget numbers were adjusted post budget refresh to include Queens Wharf

**As contained in the Long Term Plan 2018-28. Final budgets to be approved by the Board at subsequent SOIs.

Appendix B provides an analysis by RFA Division.

CAPITAL EXPENDITURE

Expenditure (\$million)	Budget	LTP	LTP	LTP
	2017/18	2018/19	2019/20	2020/21
Total capital expenditure	65.45	101.56	42.22	33.84
Sources of capital funding	65.45	101.56	42.22	33.84
Subsidies and grants	-	-	-	-
Funding from Auckland Council	65.45	101.56	42.22	33.84
Asset sales	-	-	-	-
Other	-	-	-	-

Appendix A provides a full capital programme (excluding deferrals from 2017/18).

OTHER FINANCIAL INFORMATION

Current value of assets	The current value of RFA's assets as 30 June 2017 was \$1.3b based on the net asset value of the RFA group as disclosed in the audited financial statements.			
Accounting policies	RFA's accounting policies are consistent with those of the Auckland Council group policies.			
Financial reporting	RFA's financial reporting to the council will be in accordance with the requirements of the COO Manual.			
	Budget	LTP	LTP	LTP
	2017/18	2018/19	2019/20	2020/21
Asset sales (\$million)	N/A	N/A	N/A	N/A
Shareholder equity ratio	95%	95%	95%	95%

9. APPROACH TO GOVERNANCE

Auckland Council works in partnership with its CCOs and the agreed approach to governance, including risk management, is outlined within the CCO Governance Manual which sits alongside this SOI.

RFA will act in accordance with guidance provided within the CCO Governance Manual.

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009):

PURPOSE	Consider shareholder comments on draft SOI	Consider performance against SOI targets
DATE	May 2018	September 2018
FORM OF PUBLIC NOTIFICATION	Auckland Council website, NZ Herald	Auckland Council website, NZ Herald

The objectives of Regional Facilities Auckland Limited are:

- To ensure that RFA is administered, and its property held, for the purposes set out in RFA's deed of trust
- To undertake any activities, in accordance with the deed of trust, that further those purposes
- To collaborate with Auckland Council, Government, and the governing bodies of entities that hold or own facilities and amenities of regional significance (for which RFA is not responsible), with an aim to improve their financial sustainability and community contribution.

APPENDIX A – DETAILED CAPITAL EXPENDITURE

CAPITAL BUDGET \$000'S	2018/19	2019/20	2020/21
Renewals (Auckland Zoo)	41,176	18,666	15,711
Renewals (Aotea Precinct)	35,643	-	-
Renewals (Western Springs)	5,060	60	60
Renewals (Mt Smart)	2,722	2,830	3,238
Renewals (Technical Services)	2,000	2,000	2,000
Renewals (Event Services)	700	500	700
Renewals (The Civic)	993	7,843	38
Renewals (Bruce Mason Centre)	2,000	1,063	83
Renewals (Art Gallery)	1,800	1,821	4,443
Renewals (QBE Stadium)	2,765	1,266	2,486
RFA Plus	900	600	885
Renewals (Viaduct Events Centre)	82	509	195
Art Gallery Development	313	310	335
Equipment and Public furniture	300	300	300
Renewals (Aotea Centre)	494	133	1,745
Other CAPEX	4,605	4,318	1,624
Total	101,556	42,219	33,843

APPENDIX B – DETAILED OPERATIONAL BUDGETS

Auckland Live

BUDGET \$000'S	2018/19	2019/20	2020/21
Revenue			
External Revenue	16,639	16,990	17,348
Funding	9,490	9,314	9,476
Total Revenue	26,129	26,304	26,824
Expenditure			
Expenditure	20,324	20,395	20,825
Overhead Allocation	5,805	5,909	5,999
Total Expenditure	26,129	26,304	26,824
Operating Surplus/(Deficit)	-	-	-

Auckland Conventions

BUDGET \$000'S	2018/19	2019/20	2020/21
Revenue			
External Revenue*	11,858	12,095	12,337
Funding	2,811	2,855	2,894
Total Revenue	14,669	14,950	15,231
Expenditure			
Expenditure	6,822	6,934	7,073
Overhead Allocation	2,811	2,855	2,894
Total Expenditure	9,633	9,789	9,967
Profit distributed to RFA BUs	(5,036)	(5,161)	(5,264)
Operating Surplus/(Deficit)	-	-	-

*The LTP does not reflect the financial impact of the America's cup on the Viaduct Events Centre

Auckland Zoo

BUDGET \$000'S	2018/19	2019/20	2020/21
Revenue			
External Revenue	13,964	14,660	16,244
Council Funding	8,424	6,962	7,138
Total Revenue	22,388	21,622	23,382
Expenditure			
Expenditure	18,724	17,845	19,507
Overhead Allocation	3,664	3,777	3,875
Total Expenditure	22,388	21,622	23,382
Operating Surplus/(Deficit)	-	-	-

Auckland Gallery

BUDGET \$000'S	2018/19	2019/20	2020/21
Revenue			
External Revenue	4,533	4,624	4,717
Council Funding	13,326	13,553	13,800
Total Revenue	17,859	18,177	18,517
Expenditure			
Expenditure	13,442	13,683	13,957
Overhead Allocation	4,417	4,494	4,560
Total Expenditure	17,859	18,177	18,517
Operating Surplus/(Deficit)	-	-	-

Auckland Stadiums

BUDGET \$000'S	2018/19	2019/20	2020/21
Revenue			
External Revenue	9,933	10,322	10,575
Council Funding	2,048	2,009	2,055
Total Revenue	11,981	12,331	12,630
Expenditure			
Expenditure	10,963	11,284	11,559
Overhead Allocation	1,018	1,047	1,071
Total Expenditure	11,981	12,331	12,630
Operating Surplus/(Deficit)	-	-	-

New Zealand Maritime Museum

BUDGET \$000'S	2018/19	2019/20	2020/21
Revenue			
External Revenue	2,842	2,898	2,955
Council Funding	2,254	2,299	2,343
Total Revenue	5,096	5,197	5,298
Expenditure			
Expenditure	5,026	5,126	5,227
Overhead Allocation	70	71	71
Total Expenditure	5,096	5,197	5,298
Operating Surplus/(Deficit)	-	-	-

Corporate

BUDGET \$000'S	2018/19	2019/20	2020/21
Net Expenditure	20,457	20,824	21,140
Allocated to Business Divisions	(17,786)	(18,153)	(18,469)
Operating Surplus/(Deficit)	2,671	2,721	2,721
Council Funding	2,671	2,721	2,721
Net Operating Surplus/(Deficit)	-	-	-

Note: 2019/20 and 2020/21 Are per the LTP 2018-28.