Date: Wednesday 17 October 2018  
Time: 9:30am  
Meeting Room: Reception Lounge  
Venue: Auckland Town Hall  
301-305 Queen Street  
Auckland

Komiti ā Pūtea, ā Mahi Hoki /  
Finance and Performance Committee  

OPEN MINUTE ITEM ATTACHMENTS

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<th>PAGE</th>
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</thead>
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<td>Auckland Council and group financial performance for the year ended 30 June 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. 17 October 2018, Finance and Performance Committee, Item 8 - Auckland Council and group financial performance for the year ended 30 June 2018 - PowerPoint presentation</td>
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</tr>
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<td>12</td>
<td>Council-controlled organisation fourth quarter report ending 30 June 2018</td>
<td></td>
</tr>
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<td>B. 17 October 2018, Finance and Performance Committee, Item 12 - Council-controlled organisation fourth quarter report ending 30 June 2018 - Panuku Developments Auckland PowerPoint Presentation</td>
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</tr>
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<td></td>
<td>D. 17 October 2018, Finance and Performance Committee, Item 12 - Council-controlled organisation fourth quarter report ending 30 June 2018 - Regional Facilities Auckland PowerPoint presentation</td>
<td>55</td>
</tr>
</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.
13 Auckland Council parent performance report for the period 1 July 2017 to 30 June 2018
A. 17 October 2018, Finance and Performance Committee, Item 13 - Auckland Council parent performance report for the period 1 July 2017 to 30 June 2018 - PowerPoint Presentation 75

14 2017/2018 Budget Carry Forwards
Finance and Performance Committee

Group Performance Review 2017/2018

17 October 2018
Auckland Council group performance report

- Based on recommendations from both Audit & Risk Committee and Finance & Performance Committee, the Governing Body adopted the Annual Report on 27 September 2018.
- This report presents the regular quarterly performance update for the group, covering the year to 30 June 2018.
- The Auckland Council parent and council-controlled organisations will be reporting their individual performance for the year ended 30 June 2018 to this meeting.
Operating results

Operating surplus before gains and losses $122 million better than budget and $320 million better than last year.

- Vested assets (assets passed to the group at no cost) up by $370 million.
- Depreciation costs down by $60 million (primarily through Auckland Transport).
- Increase in weathertightness provisioning of $83 million to prudently cover expected future claims.
- Change in accounting treatment for Crown contributions for City Rail Link of $229 million (budgeted for as revenue, but went through balance sheet after agreements finalised and signed).
Capital investment

- During the year, the group invested $1,670 million to expand and renew the community and infrastructure assets.
- Net debt only increased by $253 million, which was less than budgeted.
Key performance results the committee may wish to explore

- Capital expenditure of the group for the 12-month period was $269 million behind budget (e.g. Regional Facilities Auckland delivered 79 per cent and Panuku Development Auckland delivered 19 per cent) – Plans in place to improve delivery?
- Regional Facilities Auckland’s performance continued to be behind budget (costs exceeded budget resulting in a $5 million unfavourable variance) – plans in place to meet budget in 2018/2019.
## Fourth Quarter Report

**AC Finance & Performance Committee**

**17 October, 2018**

### Key Focus Areas

<table>
<thead>
<tr>
<th><strong>Customers</strong></th>
<th><strong>Operating Performance</strong></th>
</tr>
</thead>
</table>
| 24/36 | Non-financial performance measures either met or exceeded  

4.4% | PT growth YoY with 91% overall satisfaction  
Local road deaths and serious injuries remain high, Vision Zero approach adopted  

<table>
<thead>
<tr>
<th><strong>Stakeholder/Community</strong></th>
<th><strong>Capital Programme</strong></th>
</tr>
</thead>
</table>
| 84% | Of media coverage positive or neutral  
Industry briefing held to seek feedback from suppliers  
Te Rēa on trains (a NZ first)  
Local Board engagement: RLTP and Transport Capital Fund  

<table>
<thead>
<tr>
<th><strong>Capital Programme</strong></th>
<th>90% of capital plan delivered including:</th>
</tr>
</thead>
</table>
| - Electric Trains | Critical design milestone completed. 15 trains to be delivered by the end of 2019  
- AMETI Eastern Busway | On track for completion 2018  
- Manukau Bus Station | Opened 7 April  
- Puhoi Station Upgrade | Bus Station and Park & Ride opened 6 June  

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**Attachment A**

**16/10/2018**
Customer Improvements

- New quality framework rolled out across the contact centre focussed on customer outcomes
- New team leaders capability framework developed including coaching and specific role capabilities
- Pilot underway to case manage Local Board areas for Elected Members vs current product tag and dispatch model
- New reporting developed giving insights specific to Local Board areas

Customer Improvements

- Future state design of Customer Service Centres to identify desired state look and feel and services offered
- Improvement plan around LGOIMAs underway
- New induction and training model being piloted to deliver an improved onboarding experience, and first point of contact resolution
- Appointment of new EGM Customer Experience
Customer Services Monthly Report – August

Organisational Development & Capability

- New Executive Team structure with appointments made
- Major divisional focus on safety, customer experience, PT, and active modes
- Diversity and Inclusion – a number of staff support networks established
- Rainbow Tick accreditation (received in October)
- Review of internal capacity and capability for RLTP delivery commenced
Capital Programme
2015-18 vs 2018-21

NZTA Funding
AC Funding

$M

ACTUALS 436 579 686 744 903 905
FORECAST 286 403 480 385 430 430
140 176 205 359 474 475

FTE – Supporting Growth

- Supported growth in Public Transport projects and services
- Recent re-focus of FTE on talent pipeline and customer facing staff including Transport Officers and insourcing Customer Service Centres
- FTE likely to grow as we enhance transport services and ramp up capital programme
Supply Chain – Capability and Capacity

- Significant challenges presented by the RLTP scale, complexity and timeframe
- Successful delivery will be dependent on:
  - Excellent and timely communication
  - Great, collaborative working relationships
  - Execution of an “aligned plan” at pace

Key Challenges – Constructible?

- Construction pipeline clear and solid
- Auckland continues to lead growth in non-residential construction – flowing through to neighbouring regions
- Skilled labour remains hard to find

Source: Rider Levett Bucknall second quarter report 2018
Supply Chain – Capability and Capacity

We asked our supply chain partners

- Over 100 professional services and physical works attendees at an AT briefing in August, led by the Chief Executive
- 30 organisations completed survey - key questions around barriers, ways of working and shared outcomes

Key insights:

- Forward work plan / pipeline visibility
- Agile Procurement Model
- AT organisational clarity and decision making
- Alignment between AT and industry on Value for Money outcomes
- Sustainable Procurement outcomes and deliverables

Thank you.
Quarterly Update
Panuku Development Auckland
October 2018
Attachment B

Item 12

Agenda

- Working with Central Government
- Highlights 2017-18
- Financial update
- Progress in 2018-19
Working with central Government
Highlights 2017-18
Wynyard Quarter
Onehunga
Manukau
Attachment B

Haumaru housing for older people
Hobsonville
Property acquisitions

Acquired 25 properties worth $38.7 million
Property disposals

Sales generating $231 million above SOI target

$100 million
Property management

Return of $31 million

$3.8 million above the annual SOI target
Financial update
### Financial Update

#### Panuku CCO

<table>
<thead>
<tr>
<th></th>
<th>Budget Full Year</th>
<th>Actual Full Year</th>
<th>Variance Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue/External funding</td>
<td>36.4</td>
<td>36.1</td>
<td>(0.3)</td>
</tr>
<tr>
<td>AC funding</td>
<td>44.1</td>
<td>26.1</td>
<td>(18.0)</td>
</tr>
<tr>
<td>Expenditure</td>
<td>59.8</td>
<td>52.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Tax</td>
<td>-</td>
<td>(1.7)</td>
<td>1.7</td>
</tr>
<tr>
<td>Net Surplus/(Deficit) After Tax</td>
<td>20.7</td>
<td>11.5</td>
<td>(9.2)</td>
</tr>
</tbody>
</table>

#### Capital

<table>
<thead>
<tr>
<th></th>
<th>Budget Full Year</th>
<th>Actual Full Year</th>
<th>Variance Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panuku CCO</td>
<td>43.4</td>
<td>11.8</td>
<td>(31.6)</td>
</tr>
<tr>
<td>Commercial Property Portfolio</td>
<td>74.0</td>
<td>36.8</td>
<td>(37.2)</td>
</tr>
</tbody>
</table>
2016-17 year - FTE increased by 7
2017-18 staff numbers increased by 20
Attachment B

Item 12

Progress in 2018-19
Key progress 2018-19

- General asset sales target exceeded $24.5m, (target of $24m)
- Avondale Central mixed use site going to market in early 2019
- Manukau – six sites in central Manukau are being taken to the market
- Onehunga – completion of the Framework Plan and acquisition of Port of Onehunga. Laneways project underway.
Māori outcomes

- Panuku is committed to undertake engagement with Māori
- Developed Mana Whenua outcomes framework
- Working with the Mana Whenua Governance Forum on the framework
- Working collaboratively with CCOs towards priority outcomes
Takapuna – it’s your time ...
Questions?
ATEED Quarterly Report to Auckland Council

For the quarter ending 30 June 2018

David McConnell, Chair
Nick Hill, CE
Joy Buckingham, CFO

Auckland T

Auckland
t Tourism, Events and Economic Development

End of Report
SOI KPI performance for year ending 30 June 2018

Notes: Targets not met:
2.3 Facilitation of the establishment, or significant expansion of multinational and local companies in target sectors. (Result: 4+2, Target: 5)
4.7 Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place). (Result: 73%, Target: 80%)
5.1 Total visits to aucklandnz.com. (Result: 2.1m, Target: 3.8m)
5.2 Percentage of visitors to aucklandnz.com located outside of Auckland. (Result: 45.1%, Target: 50%)
6.1 Percentage Mana Whenua satisfaction with quality of engagement. (Result: 0%, Target: Maintain/Improve)
### ATEED delivers for Auckland over 2017/18

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>104</strong></td>
<td>innovative business in GridAKL, Wynward Quarter</td>
</tr>
<tr>
<td><strong>$256m</strong></td>
<td>new GDP from foreign direct investment and screen production deals</td>
</tr>
<tr>
<td><strong>4500</strong></td>
<td>youth attracted to construction and infrastructure sector via #BuildAKL</td>
</tr>
<tr>
<td><strong>$76m</strong></td>
<td>new GDP from major events portfolio investment</td>
</tr>
<tr>
<td><strong>900+</strong></td>
<td>actively managed businesses through the Regional Business Partner programme</td>
</tr>
<tr>
<td><strong>More than 70</strong></td>
<td>businesses on the Mayoral delegation to Tripartite Economic Summit – Guangzhou</td>
</tr>
<tr>
<td><strong>2500+</strong></td>
<td>entrepreneurs supported</td>
</tr>
<tr>
<td><strong>$29m</strong></td>
<td>worth of business event bids won</td>
</tr>
</tbody>
</table>
### Financial performance for year ending 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>$m</th>
<th></th>
<th></th>
<th>$m</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Forecast</td>
<td>f/(u)</td>
<td>Budget</td>
<td>f/(u)</td>
</tr>
<tr>
<td>External Revenue</td>
<td>14.8</td>
<td>13.8</td>
<td>0.0</td>
<td>15.4</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Operational Expenditure excl. Depreciation</td>
<td>63.3</td>
<td>66.5</td>
<td>3.2</td>
<td>63.2</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Operating Deficit before Depreciation and Council Funding</td>
<td>48.5</td>
<td>51.7</td>
<td>3.2</td>
<td>47.8</td>
<td>(0.7)</td>
</tr>
<tr>
<td>AC Opex Funding</td>
<td>49.1</td>
<td>52.0</td>
<td>(2.9)</td>
<td>47.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2.6</td>
<td>2.7</td>
<td>0.0</td>
<td>1.4</td>
<td>(1.2)</td>
</tr>
<tr>
<td>ATEED Surplus/(Deficit)</td>
<td>3.2</td>
<td>3.0</td>
<td>(0.2)</td>
<td>1.4</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>7.9</td>
<td>6.4</td>
<td>(1.5)</td>
<td>0.7</td>
<td>(7.2)</td>
</tr>
<tr>
<td>AC Capex Funding</td>
<td>7.9</td>
<td>6.4</td>
<td>(1.5)</td>
<td>0.7</td>
<td>(7.2)</td>
</tr>
</tbody>
</table>

- Operating Funding from Auckland Council was more than budget due to transfer of Local Board funding of $1.3m from Auckland Council.
- Depreciation is $1.2m higher than budget due to GridAKL assets capitalised in 2017/18.
- The capex full year actual has increased from budget due to the carry forward of $7.2m underspent capex from FY17 for GridAKL.
Revised ATEED role and priorities

ATEED PURPOSE

AUCKLAND NEEDS

- Right skills
- Investment in jobs
- Accessible jobs
- Resilience

ATEED AREAS OF FOCUS

- Destinations: Supporting sustainable growth of the visitor economy
- Economic development: Supporting business and investment attraction, business growth, innovation and skills

CROSS CUTTING THEMES

- Māori economic growth
- Enhanced spatial focus
- Sustainability

ATEED PRIORITY PROJECTS

- America's Cup 2021
- Manukau
- APEC 2021

ATEED PRIORITY FRAMEWORK

- Industry led
- Govt/Council aligned
- Creates impact
- Value for money
- Transferable
Restructured and “match fit”

- Refocused leadership and restructuring completed.
- Move to activity-based working.
- New premises with rental savings of $6.2m over 9 years.
- Destination Committee with accommodation sector representatives.
Total FTEs

Dec-16: 241, 45
Mar-17: 244, 56
Jun-17: 206, 16
Sep-17: 190, 184
Dec-17: 184, 184
Mar-18: 167, 184
Jun-18: 170, 184
Sep-18: 170, 184

Auckland Tourism, Events and Economic Development
Auckland Diwali Festival 2018

- Skills - new observer programme
- Healthy menus - working with Auckland Regional Public Health
- Waste - 70% diversion from landfill goal, on-site sorting, compulsory compostable packaging
- 86% attendee satisfaction (2017)
- Visitor nights – 3360 (2017)
- GDP - New money into the regional economy, $429,000 (2017)
Jobs & skills for young Aucklanders

- **BuildAKL**: industry-led campaign attracted 4500 young people (16-24) into employment, education or training
- Received global recognition for ‘Excellence in Economic Development’ – gold award issued by International Economic Development Council (IEDC)
- **CBD Jobs & Skills Hub**: partnership between local and central government, industry, employers and educators
- Connected to Ara (Auckland Airport) and the Tamaki Jobs & Skills Hubs. Two more hubs planned for Northcote and west or south Auckland
- Placed more than 260 jobseekers into work and helped upskill 1250 people since launch in March 2017
Te Haa O Manukau

- Te Haa O Manukau – newly launched cowork and makerspace designed to spark innovation, grow businesses and equip young people, particularly Māori and Pasifika, with skills to reach their full potential
- A Flagship project of The Southern Initiative (TSI), ATEED (via GridAKL), and Panuku Development Auckland
- Aims to stimulate social and community innovation and shape the future of south Auckland’s innovators and entrepreneurs

aucklandnz.com
Ngā mihi
Thank you

aucklandnz.com
## Destination spend 2017/18

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget – SOI FY18 ($m)</th>
<th>Actual ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism incl. i-SITEs</td>
<td>7.0</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>Major Events</strong> incl. Auckland festivals</td>
<td>16.1</td>
<td>14.2</td>
</tr>
<tr>
<td>Auckland Convention Bureau</td>
<td>2.2</td>
<td>2.6</td>
</tr>
<tr>
<td>International Education</td>
<td>0.7</td>
<td>1.1</td>
</tr>
<tr>
<td>External Relations Brand and Marketing</td>
<td>0.9</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26.9</strong></td>
<td><strong>27.7</strong></td>
</tr>
</tbody>
</table>
Risks and issues

*As presented to Audit and Risk Committee (13 September)
Presentation to Council

PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
AND YTD 30 SEPTEMBER 2018

Enriching life in Auckland by engaging people in the arts, wildlife, sport and events
Delivering for Auckland

In 2017/18, RFA delivered the following benefits partially funded by the $27.5m operational funding from Auckland ratepayers:

- Internationally renowned & Auckland-exclusive shows and exhibitions
- 698,045 (FY2017: 683,031) subsidised entries to Auckland Zoo
- Free entry to Auckland Art Gallery for New Zealanders, with a total of 545,782 domestic and international (FY2017: 521,402)
- Free or subsidised community use of venues
- Education and learning programmes for Auckland children and families
- 27 Māori programmes held at Auckland Art Gallery
- Free or subsidised public programmes which contributed to the social and cultural aspirations of Aucklanders
- Wildlife and art conservation
Our Transformational Strategy

Key Deliverables 2017/18

- Optimise Sector Networks
  - Integration of New Zealand Maritime Museum
  - Assumed the management of Queens Wharf facilities including Shed 10 and The Cloud transferred to RFA
  - Venue Development Strategy

- Invest in Our Venues and Services
  - Construction commenced on the South East Asia precinct at Auckland Zoo and the Aotea Centre refurbishment

- Enhance Customer Experiences
  - More online transactions and services
  - Enhance and enrich customer experiences along the complete continuum of our interactions with customers

- Improve Organisational Sustainability
  - Introduction of international visitor charge at Gallery
  - Bug Lab Exhibition at Auckland Zoo
Delivering Māori Outcomes

RFA continues to develop programmes and initiatives to support Māori visibility at regional facilities, support Māori businesses to engage with RFA, and support tikanga Māori cultural expression.

This includes:

- Auckland Zoo’s Māori science programme
- Auckland Art Gallery’s Māori Advisory Group
- Auckland Art Gallery’s Lindauer exhibition
- NZ Maritime Museum’s annual Matariki programme
- NZ Maritime Museum’s Kura Kaupapa Māori Education programmes
- Auckland Conventions’ support for the Tamaki Herenga Waka Festival
- As part of RFA’s overall renewals and capital works programme, bi-lingual signage and incorporation of Māori identity and Te Aranga design principals are being incorporated where appropriate in accordance with Auckland Council Group’s Te Reo Māori Framework
Capital Programmes FY2017/18

Capital spend $46.2m against a budget of $65.5m (including deferrals) – 71% completion

- Auckland Zoo
  - South Est Asia precinct construction commenced
  - Jumuna/Old Elephant House construction commenced with new restaurant/cafe facilities opened 11 October 2018
  - Zoo Administration Building due to complete February 2019

- Aotea Centre
  - Aotea Centre reimbursement commenced
  - Shared Services Facilities for Auckland Town Hall and Aotea Centre
Capital Programmes FY2017/18 continued

- Auckland Town Hall
  - Internal renewals including floor coverings, resurfacing timber floors and Great Hall lighting

- Mt Smart Stadium
  - Essential renewals to meet tenancy obligations, health and safety, and improve visitor experience:
    - Refurbishment of the corporate suites, toilet facilities and other interior improvements
    - Renewal of drainage and water main to prevent flooding
    - Waterproofing of the West Stand seating areas
    - South Stand strengthening
    - Construction and remediation of the entry gates
    - Installation of the ball retention fencing on Field 3
Staff Costs and FTE Numbers

<table>
<thead>
<tr>
<th></th>
<th>30-JUN-18</th>
<th>30-JUN-17</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>$45,194</td>
<td>$44,008</td>
<td>$1,186</td>
</tr>
<tr>
<td>FTEs</td>
<td>561</td>
<td>517</td>
<td>44</td>
</tr>
</tbody>
</table>

- **Increase in staff costs due to:**
  - Cost of living increase of 2%
  - Living wage increase
  - NZMM staff costs from 9 March 2018

- **Increase in FTEs is due to:**
  - Acquisition of NZMM on 9 March 2018 (33 FTEs)
  - Front line staff and staff to deliver capital projects
## Our Finances 2017/18

<table>
<thead>
<tr>
<th>CONSOLIDATED</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>57.3</td>
<td>70.0</td>
<td>(12.7)</td>
</tr>
<tr>
<td>Expenses</td>
<td>90.2</td>
<td>97.4</td>
<td>7.2</td>
</tr>
<tr>
<td>Net (Council Funding)</td>
<td>(32.9)</td>
<td>(27.4)</td>
<td>(5.5)</td>
</tr>
</tbody>
</table>

- RFA works in a volatile, cyclical commercial market and a challenging funding environment
- Revenue targets for 2017/18 not met but still an increase from 2016/17
- Tight expenditure controls to offset revenue shortfall
- Operational performance was unfavourable to budget by $5.49m
- $56.1m of external revenue met 61% of operational costs
- Net asset base increased by $137m to $1.35b
- RFA delivered $46.2m or 71% of the capital programme
Our Finances Q1 2018/19

<table>
<thead>
<tr>
<th>CONSOLIDATED</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12.4</td>
<td>14.3</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Expenses</td>
<td>22.6</td>
<td>24.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Net (Council Funding)</td>
<td>(10.2)</td>
<td>(10.4)</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Quarter 1 Update 2018/19
- Operational performance favourable to budget by $177k
- Capital project works budget of $120.6m (including deferrals) full year of which $17.3m has been spent in Quarter 1
- Visitor numbers at Auckland Zoo 172,818 against a budget of 170,000 year to date
- Visitor numbers at Auckland Art Gallery 110,052 against a budget of 122,200 year to date
### Auckland Art Gallery Toi o Tāmaki

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th></th>
<th>Q1 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>VARIANCE</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Revenue</td>
<td>3.7</td>
<td>5.5</td>
<td>(1.8)</td>
<td>0.9</td>
</tr>
<tr>
<td>Expenses</td>
<td>11.9</td>
<td>12.5</td>
<td>0.6</td>
<td>3.1</td>
</tr>
<tr>
<td>Net (Council Funding)</td>
<td>(8.2)</td>
<td>(7.0)</td>
<td>(1.2)</td>
<td>(2.2)</td>
</tr>
</tbody>
</table>

**KEY POINTS**

**FY2018**
- International visitor charges implemented in January (not Sept)
- Corporate sponsorship revenue significantly below budget
- Staff vacancies assisted with reduced costs

**Q1 2019**
- Additional $2m per annum obtained through LTP
- International visitor charges down on budget
- Philanthropic revenue tracking below budget
- Staff vacancies assisted with reduced costs
## Auckland Conventions

### FY 2018

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9.8</td>
<td>11.9</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Expenses</td>
<td>5.5</td>
<td>6.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Net (Profit)</td>
<td>4.3</td>
<td>5.1</td>
<td>(0.8)</td>
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</table>

### Q1 2019

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2.8</td>
<td>3.3</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Expenses</td>
<td>1.4</td>
<td>1.9</td>
<td>0.5</td>
</tr>
<tr>
<td>Net (Profit)</td>
<td>1.4</td>
<td>1.4</td>
<td>0.0</td>
</tr>
</tbody>
</table>

### KEY POINTS

**FY 2018**
- Change in catering suppliers resulted in approx. $1m negative impact on net revenue
- $400k exclusivity premium no longer received
- 21% vs 26% commission
- Merged into Auckland Live to realise further efficiencies

**Q1 2019**
- Conferences during Q1 contributed to revenue however Viaduct Events Centre unavailable from October 2018 and Aotea Centre closed for refurbishment October to March 2019
- Staff vacancies are assisting with reduced costs
## Auckland Live

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th></th>
<th>Q1 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>VARIANCE</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Revenue</td>
<td>14.9</td>
<td>15.9</td>
<td>(1.0)</td>
<td>3.7</td>
</tr>
<tr>
<td>Expenses</td>
<td>18.3</td>
<td>19.0</td>
<td>0.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Net (Council Funding)</td>
<td>(3.4)</td>
<td>(3.1)</td>
<td>(0.3)</td>
<td>(0.8)</td>
</tr>
</tbody>
</table>

### KEY POINTS

**FY 2018**
- Lower attendance at major international shows
- Impact of Aotea Centre refurbishment
- Rocky Horror Picture Show cancelled
- Chicago delayed to 2018/19

**Q1 2019**
- Event activity at Queens Wharf slow
- Staff vacancies assisting with reduced costs
<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th></th>
<th>VARIANCE</th>
<th></th>
<th></th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>12.0</td>
<td>16.1</td>
<td>(4.1)</td>
<td>1.3</td>
<td>1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Expenses</td>
<td>14.1</td>
<td>17.0</td>
<td>2.9</td>
<td>2.2</td>
<td>2.1</td>
<td>(0.1)</td>
</tr>
<tr>
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<td>(2.1)</td>
<td>(0.9)</td>
<td>(1.2)</td>
<td>(0.9)</td>
<td>(0.8)</td>
<td>(0.1)</td>
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</table>

**KEY POINTS**

**FY2018**
- Planned concerts didn’t proceed: Eminem, Katy Perry and second Paul McCartney concert
- Community events down even though facilities available to the public

**Q1 2019**
- Attendance up for three Warriors games
- ARL had five events which were well supported
- Increased revenue resulted in a corresponding increase in costs of sales
Auckland Zoo

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
</tr>
<tr>
<td>Revenue</td>
<td>12.3</td>
<td>16.3</td>
</tr>
<tr>
<td>Expenses</td>
<td>17.0</td>
<td>18.5</td>
</tr>
<tr>
<td>Net (Council Funding)</td>
<td>(4.7)</td>
<td>(2.2)</td>
</tr>
</tbody>
</table>

**KEY POINTS**

**FY2018**
- Visitation was 698,045 (target 731,500 including Bug Lab)
- Adverse weather conditions with 37 budgeted rain affected peak days for the year and 54 actual days
- Bug Lab performed well but not to budget
- Impact of significant renewals work

**Q1 2019**
- Membership revenue down on budget
- Staff vacancies have not been recruited to reduce costs
- Continual impact of significant renewals work
- Entry pricing adjusted
## New Zealand Maritime Museum

### Table: Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th></th>
<th>VARIANCE</th>
<th>Q1 2019</th>
<th></th>
<th>VARIANCE</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>1.6</td>
<td>1.5</td>
<td>0.1</td>
<td>0.7</td>
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<td>0.0</td>
</tr>
<tr>
<td>Expenses</td>
<td>1.4</td>
<td>1.5</td>
<td>0.1</td>
<td>1.2</td>
<td>1.2</td>
<td>0.0</td>
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<td>(0.0)</td>
<td>0.2</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>0.0</td>
</tr>
</tbody>
</table>

### KEY POINTS

**FY2018**
- Acquired by RFA 9 March 2018

**Q1 2019**
- Admission and shop sales on track
- Costs being monitored closely
RFA Corporate and Property Costs

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th></th>
<th>Q1 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>VARIANCE</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Revenue</td>
<td>3.0</td>
<td>2.9</td>
<td>0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Expenses</td>
<td>22.0</td>
<td>22.2</td>
<td>0.2</td>
<td>6.3</td>
</tr>
<tr>
<td>Net (Council Funding)</td>
<td>(19.0)</td>
<td>(19.3)</td>
<td>0.3</td>
<td>(5.6)</td>
</tr>
</tbody>
</table>

**KEY POINTS**

**FY2018**
- Includes centralised property costs for Auckland Art Gallery, Auckland Live and Auckland Conventions $5.6m
- Compliance and governance costs $5.8m
- RFA+ grant funding and rates $3.9m

**Q1 2019**
- Staff vacancies are assisting with reduced costs
Key Business Challenges

- Market conditions, for example, competition from Spark Arena and other NZ event facilities
- Venues reaching full capacity
- Financial impact of loss of Viaduct Events Centre
- Financial impact of loss of Shed 10 and The Cloud
- Significant capital works programme planned for 2018/19
- Impact of reduced corporate sponsorship dollars
- Adverse weather conditions impacting Auckland Zoo and sporting events attendance
Diverse Line-up Over next Six Months

- Australia v Tongan, Mt Smart Stadium | 20 OCTOBER
- NZ Taiwan Day, Aotea Square | 27/28 OCTOBER
- Taste of Auckland, Queens Wharf | 1-4 NOVEMBER
- Taylor Swift, Mt Smart Stadium | 9 NOVEMBER
- Friday Jams, Western Springs Stadium | 18 NOVEMBER
- The Catherine Tate Live Show, Bruce Mason Centre | 28-29 NOVEMBER
- Auckland Live Digital Stage, Aotea Square | DECEMBER
- APO for Kids Christmas, Auckland Town Hall | 1 DECEMBER
- RNZB Nutcracker, The Civic | 6-15 DECEMBER
- Disney’s Aladdin, The Civic | FROM 3 JANUARY
- Mumford and Sons, Western Springs Stadium | 12 JANUARY
- Fat Freddy’s Drop, Western Springs Stadium | 19 JANUARY
- SIX60, Westerns Springs Stadium | 23 FEBRUARY
- The Magic Flute, Aotea Centre | 8-10 MARCH
Questions

He whakaawe i te iwi ki ngā wheako tūroa
Inspiring people with unforgettable experiences
Auckland Council Parent Performance results

Results to 30 June 2018

David Gurney, Manager Corporate and Local Board Performance
Kevin Ramsay, General Manager Corporate Finance and Property

Finance and Performance Committee, 17 October 2018
Introduction

- Auckland Parent Results
- Content
  - Achievements
  - Challenges
  - Performance measures
  - Financial performance
Achievements

Protecting Great Barrier Island’s biodiversity

Chickens are being used to control plaque skins on Great Barrier Island. The joint Auckland Council and Department of Conservation initiative is significantly cheaper than alternative control methods.

Robotic Process Automation (RPA)

The RPA technology was used to analyse more than 27,000 submissions on the 2018-2028 Long Term Plan and Auckland Plan Refresh.

Solar Rubbish Bins help save resources and time

Large capacity bins with sensors that can safely self-compartmentalise contents which alert contractors so they can be emptied in a timely manner are being used in Mangere Bridge Town Centre, Massey Park Pool, and Papakura Central Park.

Housing First Programme

A year on from Auckland Council’s support of the Housing First programme, 215 adults and families with children have been supported into permanent homes.
Challenges

**Difficulty in recruitment of appropriately skilled staff**

Although the number of full-time equivalents (FTE) has increased by 29 over the past year (6,091 to 6,120) as vacancies in Community Facilities and Community Services are filled, there has been ongoing difficulty in recruiting skilled staff in some front line areas (for example, Regulatory Services).

**Customer Satisfaction decline in Waste Collection**

Decline in customer satisfaction and target not met for the overall reliability of waste collection services.

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**Building a training school that provides upskilling for our staff and career progression opportunities (Resource Consents)**

Simplify staff recruitment process. Council is also reviewing its approach to recruitment (Building Consents).

**This was as a result of significant service changes which impacted a high number of Aucklanders. These teething issues were largely resolved and it is expected satisfaction should increase**
Service performance - LTP performance measures

68 measures reported
34 reached target, 34 did not.

- Building and resource consents processing times did not meet target and have also resulted in a Modified Audit Opinion by Audit NZ
- Noise complaints responded to within 30 minutes for urban areas or 60 minutes for rural areas did not meet target
- Domestic kerbside refuse per capita per annum target not achieved

- Consent processing times now improving
- Contractors reviewed due to noise complaint responsiveness
- Food waste service will contribute to reducing domestic kerbside refuse
## Financial performance

<table>
<thead>
<tr>
<th></th>
<th>YTD Act</th>
<th>YTD Bud</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>576</td>
<td>569</td>
<td>7</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>2,173</td>
<td>2,202</td>
<td>29</td>
</tr>
<tr>
<td>Net operating expenditure</td>
<td>1,598</td>
<td>1,634</td>
<td>36</td>
</tr>
<tr>
<td>Rates revenue</td>
<td>1,718</td>
<td>1,722</td>
<td>(4)</td>
</tr>
<tr>
<td>Net operating surplus/(deficit)</td>
<td>120</td>
<td>88</td>
<td>32</td>
</tr>
<tr>
<td>Net non-operating revenue/(expenditure)</td>
<td>(344)</td>
<td>172</td>
<td>(516)</td>
</tr>
<tr>
<td>Net surplus/(deficit)</td>
<td>(224)</td>
<td>260</td>
<td>(484)</td>
</tr>
</tbody>
</table>

- Dividends up
- Regulatory down
- Parks, Sports, Recreation revenue down

Savings include:
- Staff vacancies across the organisation
- Professional services
- Repairs and maintenance

- Treasury book value adjustments and CRL asset reclassification to Investment

- $463 million capital expenditure for FY2017/18, which was 76% of the revised budget.
Budget carry-forwards

Finance and Performance Committee meeting
17 October 2018
Carry-forward process

• Part of Auckland Council’s year-end process
• Review of actual results against budget
• Considers unspent project budgets for carry-forward to 2018/19 and future years
• Both opex and capex is considered
Opex carry-forward criteria

Opex carry-forwards are permitted under specific circumstances:

a) Unexpected timing changes
b) Locally driven initiatives (LDI)
c) Specific purpose funding (e.g. reserve or targeted rate)
d) Contractual/compliance arrangements (e.g. grants)
e) High public interest
Capex carry-forward criteria

Capex carry-forwards are assessed based on the following criteria:

a) Must relate to a specific project and not a generic programme of works.

b) Project must be fully scoped, planned and has the Planning Gateway approval to enter the Execution and Delivery Phase.

c) Can be one-off renewal projects that are physically underway at year-end with the aim to be completed shortly after year-end.

d) Ongoing development and renewal programme budgets cannot be carried forward unless they meet the requirement of the point c) above.

e) Savings and unused contingencies of completed projects cannot be carried forward and cannot be used to offset other projects.

f) The total whole-of-life project cost cannot be changed unless there is an approved variation. The revised capital budget represents a timing change only.
2017/18 carry-forward summary

- $397m of capex underspend against Annual Plan 2017/18 and the approved increases through the year
- $140m forecast capex underspend already captured in LTP
- Further requests for $165m group capex carry-forwards ($95m from parent, $71m from CCOs)
- $44m of the capex is to be carried forward to 2018/19 and $121m to future years
- $15m opex to be carried forward to 2018/19 ($10m from parent, $5m from CCOs)
Other changes

- Bring forward of budget for:
  - $20m: Acceleration of works in Wynyard Quarter to align with America’s Cup
  - $15m: Supporting business transformation and improvement initiatives
- Superyacht marina – $12m additional capex funded via an increase in revenue

Financial implications

- Carry-forwards and bring-forwards impact on timing only
- Due to 2017/18 underspend the borrowing levels and ratios are forecast not to exceed those set for any year of the LTP
- Superyacht marina budget request expected to be self-funding and have a favourable financial impact compared to the LTP