**Kōmiti Aromātai Whakahaere Kaupapa Kei Raro I Te Maru O te Kaunihera / Council Controlled Organisation Oversight Committee**

**OPEN MINUTE ITEM ATTACHMENTS**

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<td>17</td>
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<td>27</td>
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**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.
AT’s Q1 Performance

- Solid Financial Performance
  - Operating surplus excluding depreciation was $2.1 million favourable to budget
  - Capital expenditure of $153 million is tracking at 95% of budget and is ahead of 2018/19 spend by 22%
  - NZTA capital co-investment was 39% vs. 52% budget assumption

- Of the 25 SOI Key Performance Measures:
  - 12 on track to meet or exceed target
  - 1 is tracking below target
  - 12 measures are not yet reported for the 2019/20 period
General Traffic Congestion Trends

Increased Demand:
- Population growth (1.5% pa 2019)
- Lower unemployment rate (4.2% 2019)
- Big infrastructure projects have area wide impacts – Northern Corridor Improvements, Southern Corridor Improvements and CRL in the City Centre
- Private sector investment also having widespread impacts across the region

Response:
- **New Infrastructure** will add capacity – Western Ring Route AMETI and CRL will offset congestion trend as did Waterview
- **Network Optimisation Programme** provides congestion relief at key customer pain points through low to medium scale interventions. Redoubt Road dynamic lane and supporting Bus and Transit Lanes.
- **Behaviour Change** through Re-mode, Re-time, Reduce and Re-route introduces improved network performance
- **Effective Integrated Planning** ensures multi-modal networks support travel demand and a growing Auckland
- **Joint NZTA/AT Programme Business Case** will ensure joint network operating plan and increased funding
Death and Serious Injury (DSI) Update

- The number of deaths on local roads is trending in the right direction
- After a significant drop in serious injuries in 2018, the number of serious injuries has plateaued in 2019
Public Transport Growth

- AT has implemented major reform, network restructuring and new infrastructure to achieve PT growth experienced to date (63m trips per annum in 2010 to 100m trips per annum 2018/19)
- Construction activities on and around the transport network are likely to further impact growth
- There is limited opportunity to grow rail patronage significantly until CRL opens
- More modest increases reliant on organic growth, communications campaigns and service improvements on the bus/ferry network
- Without increased opex to increase service levels, fares initiatives, or implementing TDM measures, it is unlikely recent growth can be sustained
City Centre Improvements

Downtown Public Space

Jack Up Barge

Quay Street Works
CRL & Karangahape Rd

Karangahape Road Enhancements

Commercial Bay

CRL tunnel under Commercial Bay

Karangahape Road Station

Lower Queen Street Design
Safety Investment Increasing
Rapid Transit Progresses

Eastern Busway Stage 1

Hibiscus Coast Busway Station

Puhinui Station

Albany Park & Ride

Attachment A

Item 8
Tackling Climate Change
Cycling Programme Construction Higher than Ever ...
Strategic Roading Projects in Construction

Murphys Road

Redoubt Road

Matakana Link Road

Medallion Drive Link

Attachment A

Item 8
Internal Focus for Next 12 Months

- Vision Zero Strategy
- Customer Experience Blueprint
- Culture and Transformation Strategy
- Value for Money
- Improving relationships with Ward Councillors, Local Boards, stakeholders and the community
Attachment B

Council Controlled Organisation Oversight Committee
12 December 2019

Item 8

Watercare Services Limited
First Quarter 2019/2020 Update

CCO Oversight Committee meeting
12 December 2019

Minute Attachments
Page 17
Overall highlights and risks from Q1

Highlights:

- **Enterprise Model framework launched:** On 26 September 2019, Watercare signed a 10 year contract with Fulton Hogan and Fletcher Construction to provide water and wastewater infrastructure. The long-term, collaborative nature of the contract is a first for New Zealand and is consistent with Central Governments’ Construction Sector Accord.

- **Action 2030 Watercare symposium:** Our inaugural two-day industry symposium was attended by 100 delegates from New Zealand, Australia, Europe, Asia and the US. The event focussed on empowering resilience and the disruptive challenges facing utilities.

- **Central Interceptor, including Grey Lynn Tunnel:** Ghella – Abergeldie (GA) Joint Venture began site establishment in August 2019 at Māngere WWTP and May Rd sites. The Grey Lynn wastewater tunnel (1.4km) has been included in this construction contract, and within the original project budget. The Grey Lynn tunnel has been consented, with no appeals lodged.

- **Big wins, including a global Award:** Watercare’s Wynyard Quarter Pump Station and Army Bay Wastewater Outfall Pipe won big awards at the Civil Contractors New Zealand (CCNZ) Construction Awards. The Army Bay Project also won at the No-Dig Down Under awards and then went on to win the International Project of the Year 2019 at the International No-Dig conference in Florence in early October 2019. Watercare also won the 2019 Infor Global Customer Excellence Award for driving innovation and showcasing exceptional business results.
**Overall highlights and risks from Q1 cont**

**Highlights:**

- Huntia Watermain: The tunnel in Huntia Pass Road is complete. Tunnelling has now commenced from Newmarket to Huntia Pass Road under the Southern Motorway. This is the final stage in a 31km, 11 stage, 8 year project. Completion is due December 2020.

- St Mary's Bay: The stormwater tunnel project, proposed by Healthy Waters in St Mary's Bay and Masefield Beach, was opposed by various residents, but has reached a resolution. A consent order has been obtained from the Environment Court. Watercare assisted Healthy Waters in the process.

- Māori Housing and Papakāinga: Watercare signed a commercial agreement to enable development of Kaihawai Point. This will enable an extra stage of Ngāti te Ata’s development while Watercare progresses the Southwestern Wastewater Scheme.

- 100,000th student: Our free education programme celebrated its 100,000th student (at Long Bay Primary). The programme was launched in 2001 and has been running for 19 years, reaching schools across Auckland.

- Water Utility Consumer Assistance Trust (WUCAT): In FY19, 116 applications were received, worth $150,000 of debt forgiven. FY20 applications are slightly lower than FY19. Q1 numbers (34 this year, 32 last year). The Trust continues to work with non-payers to assist these customers with their bills.

**Risks:**

- **Our water sources:** Above average rainfall in Q1 returned dams to more historically normal levels. Ongoing rainfall, combined with optimised abstractions from Waitakere and Onewa, should provide sufficient water. However, as we move into the warmer months, water demand is increasing and is up on the same time last year.
SOI Commitment: *Explore alternative revenue streams to where these are in the interest of the council group*

- To deliver on this commitment, Watercare is exploring opportunities to form or acquire new commercial entities.

- We are currently actively pursuing an opportunity, which will provide us with access to software and training platforms that we can use internally and externally.

- Further specificity on our activities in these areas will be provided in next year’s SOI, provided the opportunity proceeds.

- We have been, and will continue to keep Council informed of our progress in this area on a no-surprises basis.
Waikato District Council

- The WDC delivers on our SOI commitment to explore alternative revenue streams where these are in the interests of the Council group.
- Since 1 October 2019, Watercare has been delivering safe drinking water, wastewater and stormwater services in the Waikato district. We are now in a 21-month transition period. The contract has the potential to run for up to 28 years and has a strong focus on better environmental outcomes and affordable water services.
- In Waikato, Watercare now supplies to 16,455 homes and businesses in the region and operates:
  - 15 treatment plants
  - 96 pump stations
  - 798 km of water pipes & 322 km of wastewater pipes & 152 km of stormwater pipes.

- 29 Waikato District Council employees are now Watercare employees.
Financial update

- Capital delivery is running at 89%. The majority of the underspend relates to Central Interceptor ($20.1m) as budget was set prior the finalisation of the phasing of delivery.

- Direct revenue is $21m ahead of budget from Infrastructure Growth Charges, vested assets and increased water demand.

- Direct expenditure is $2.7m or 4.6% over budget.
SOI Key performance indicators - Highlights

13 measures are being met

- Drinking water: 100% compliant with bacterial and protozoal criteria
- Dry weather overflows: Below our limit (0.64 against a target of ≤5)
- Median responses times to call outs and overflows: Within our targets
- Complaints regarding water and wastewater: Within our targets
- Net Promoter Score: 47, up from 37 (Scale is -100 to +100). A score of -10 to +10 for a utility is considered good.
- Resource consents for discharges from sewerage system: Compliant
SOI Key performance indicators - *Cont*

3 measures will be reported at the end of the year, namely:

1. Average number of wet weather overflows (tracking to meet the target)
2. The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average) (tracking to not meet the target, but will depend on population figures at year end).
3. Real percentage water loss from Watercare’s networked reticulation system (tracking above our target).

- To reduce our water loss, we have escalated our proactive leak detection programme and identified and repaired leaks in Māngere and Maungakiekie. Work is now getting underway in Waitakere.
- We have also launched a water theft campaign internally to encourage our people to be vigilant and report any potential illegal water use.
- We are also identifying illegal connections and rectifying these so these customers’ properties are correctly metered and invoiced.
Governance

- **Climate Change**: The Board has established a Committee for Climate Action sub-committee to provide long term stewardship.

- **Board evaluation**: Complete. Action Plan developed to address recommendations.

- **Board Maori/Iwi training**: Curriculum under development.

- **Three new Board members**:

<table>
<thead>
<tr>
<th>Frances Valintine</th>
<th>Hinerangi Raumati-Tu’ua</th>
<th>Dave Chambers</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.jpg" alt="Frances Valintine" /></td>
<td><img src="image2.jpg" alt="Hinerangi Raumati-Tu’ua" /></td>
<td><img src="image3.jpg" alt="Dave Chambers" /></td>
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</tbody>
</table>
Looking ahead to Q2-Q4 of 2019/2020

- Sustainability and climate change: Watercare has retained vector to construct NZ’s largest solar CPV array, which will float on the Rosendale Wastewater Treatment Pond. It is the first floating array in NZ and the first megawatt-scale solar project to be confirmed. It will include more than 2,700 solar panels, and 300 floating platforms, and will amount to a reduction of 145 tonnes of CO2e each year. Work is underway and will be complete early in Q4.

Western Hauraki Water Quality Improvement Programme (Joint programme with Healthy Waters): The programme will commence in November 2019. A networked design will commence for the Healthy Waters stormwater tunnel, work is underway to obtain resource consent to commence separation of the combined system in St Mary’s Bay.

- Sub-regional wastewater servicing – South West (Kingsgate, Clarks Beach, Glenbrook Beach, Waiuku). It includes a new Waiuku WWTP, new outfall pipeline and tidal storage. The project was approved in July 2019 and will cater for population growth in these areas. Design work commenced in Q2.

- Water regulation: Central government has proposed the following for New Zealand:
  - A National Water Code, which will extend regulatory coverage to all water suppliers, and
  - A new Water Services Bill, which will extend regulatory coverage to all water suppliers, and
  - Strengthened government stewardship of wastewater and stormwater services, with Regional Councils remaining primary regulators for the environment.

We are now awaiting the latest Cabinet paper on cost implications and further decisions on the aggregation of drinking water suppliers.

- Water Industry Commission for Scotland (WICS) – the Scottish economic regulator: In Q3-Q4, Watercare, together with Wellington Water, will work with WICS on a benchmarking exercise to prepare for upcoming regulation.

- Hula water treatment plant replacement project: In August the regional consent applications for Hula were lodged and notified. 469 submissions opposed the consent but none of these raise issues that our experts have not addressed in the Assessment of Environmental Effects and supporting reports. Haring to consider the application will be held in February 2020.
Q1 Report
Auckland Council’s CCO
Oversight Committee
12 December
2019
Henderson

Wilsher Village – 40 apartments
Homestar 7 standard
Wheelchair accessible
Further opportunities to work with Haunamu Housing
Attachment C

Item 8

Waterfront

- Westhaven Promenade Stage 2 - crucial link from Harbour Bridge Path to Wynyard Quarter
- Westhaven Marine Village - new home for marine businesses and services
Panmure

- Purchased two properties to amalgamate with council owned sites
- Mixed use outcomes – integrated community facilities, commercial development and public realm enhancements
Avondale

- Multi-purpose community facility
- New town square and upgrade Crayford Street West
Attachment C

Item 8

- Next laneway project for Onehunga
- DA agreement for Dressmart Onehunga Wharf master planning
Challenges

- Current property market slowed
- Cost pressures and demand for quality firms to deliver - Wynyard Crossing, marina berth developments
The next six months:

- Housing in Henderson and Avondale
- Takapuna Town Square design
- Crown interest in Manukau office space opportunities
- Continue acquisitions in Avondale and Northcote
- Finalise master planning for Airfields Hobsonville and Onehunga Wharf
- Feasibility work with Haumaru Housing
- Wynyard Point planning refresh
Panuku

- Direct revenue is $1.2m below budget
- Direct expenditure is $1.5m behind budget
- Net direct expenditure is $0.3m better

Managed portfolio

- Direct revenue is $1.5m ahead of budget
- Direct expenditure is $0.8m behind budget
- Net direct revenue is $2.3m ahead of budget

Capital spend

- Transform and Unlock $11.6m behind phased budget
- SDF $0.3m ahead of budget
- Expect to achieve target cap-ex expenditure of $114m
ATEED’s Quarterly Report to Auckland Council

For the quarter ending 30 September 2019
Economic Development

- Auckland jobs and skills hubs

Supporting 3 hubs, including the official opening of the Manukau and North hubs on 29 August by the Minister of Employment, Willie Jackson.

Tamaki Employment Precinct Strategy was finalised with the Tamaki Regeneration Company and approved by the ATEED Board.

- Regional Business Partner (RBP) Network - more than 250 companies engaged in Q1.

- Latest Auckland Smart Move campaign attracting high skilled migrants launched in July. The campaign reached more than 121,000 offshore high-skilled professionals and generated more than 8240 leads.
Auckland’s screen sector

- A significant part of ATEED’s work is:
  - Attraction of international productions
  - Management of three film studios
  - Facilitation of permits for all film, television and commercials in public spaces
  - Growing businesses in the sector.
- ATEED played a lead role to attract Amazon Studios’ *The Lord of the Rings*-based television series to Auckland.
- ATEED and the NZFC helped to secure the Netflix original series *Cowboy Bebop*, which will have a crew of 400 people – the largest ever for a television production in Auckland.
- Council’s *Auckland Film Protocol* adopted by the Environment and Community Committee on 10 September following public consultation.
Destination AKL 2025 Industry Leaders’ Group

- Destination AKL 2025 Industry Leaders’ Group continues to meet regularly to progress key areas of implementation.
- This was particularly important during and after the ICC episode.

Go with Tourism

- ATED, in association with Tourism Industry Aotearoa, secured $5.2m of government funding for the Go with Tourism platform to roll out in both the platform and the wider package of initiatives across the country.
- Exploratory meetings with Tourism Australia and Tourism Export Council regarding sub-licensing Go with Tourism in Australia.

International Events Secured

- The World Surf League Challenger Series (Mar 2020) and the FIA World Rally Championship (Sep 2020) were announced.
The inaugural Elemental AKL winter festival was held 1-31 July. There were 67 events across the region, and 120 restaurants that took part through Elemental Feast. The new festival generated more than 1,000 media stories.

Virgin Australia Supercars Championship

The New Zealand round of the Virgin Australia Supercars Championship was held in Pukekohe attracting 113,999 people.

Business Event Opportunities Won

The Auckland Convention Bureau won 29 event opportunities with an estimated $8,085,188 of tourism spend.
SOI KPI performance for the quarter ending 30 September 2019

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>Previous Year</th>
<th>Actual</th>
<th>FY 20 Quarter 1 Target</th>
<th>Status</th>
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<tbody>
<tr>
<td>KPI 1: Contribution to regional GDP from ATEED interventions</td>
<td>$103m</td>
<td>No result this quarter</td>
<td>&gt;$103m</td>
<td>No Result this quarter</td>
</tr>
<tr>
<td>Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)</td>
<td>$43.9m</td>
<td>$390,226*</td>
<td>$52.5m</td>
<td>No Result this quarter</td>
</tr>
<tr>
<td>KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure)</td>
<td>3303</td>
<td>823*</td>
<td>3000</td>
<td>Met</td>
</tr>
<tr>
<td>Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure)</td>
<td>244</td>
<td>72*</td>
<td>120</td>
<td>Met</td>
</tr>
<tr>
<td>KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention</td>
<td>1280</td>
<td>No Result this quarter</td>
<td>&gt;1280</td>
<td>No Result this quarter</td>
</tr>
<tr>
<td>KPI 4: Number of visitor nights resulting from an ATEED intervention (LTP measure)</td>
<td>295,282</td>
<td>3,959*</td>
<td>370,000</td>
<td>No Result this quarter</td>
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<tr>
<td>KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED</td>
<td>77%</td>
<td>No Result this quarter</td>
<td>≥77%</td>
<td>No Result this quarter</td>
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*Quarter 1 results representing less than 10 percent of the annual portfolio
Financial performance for the quarter ending 30 September 2019

<table>
<thead>
<tr>
<th></th>
<th>FY19 Actual</th>
<th>FY20 Q1 Actual</th>
<th>FY20 Budget</th>
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<tbody>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>17.9</td>
<td>6.6</td>
<td>5.8</td>
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<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Employee benefits</td>
<td>21.5</td>
<td>5.8</td>
<td>6.2</td>
</tr>
<tr>
<td>Grants, contributions and sponsorship</td>
<td>10.9</td>
<td>1.5</td>
<td>2.4</td>
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<tr>
<td>Other operating expenses</td>
<td>34.2</td>
<td>8.1</td>
<td>7.4</td>
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<td><strong>TOTAL EXPENDITURE</strong></td>
<td>66.6</td>
<td>15.4</td>
<td>16.0</td>
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<td><strong>NET DIRECT EXPENDITURE / (INCOME)</strong></td>
<td>48.7</td>
<td>8.8</td>
<td>10.2</td>
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<tr>
<td>AC operating funding</td>
<td>48.7</td>
<td>8.9</td>
<td>10.2</td>
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<tr>
<td>Depreciation &amp; Amortisation / Divestments</td>
<td>5.0</td>
<td>0.7</td>
<td>0.8</td>
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<table>
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<tr>
<th><strong>CAPITAL EXPENDITURE</strong></th>
<th>FY19 Actual</th>
<th>FY20 Q1 Actual</th>
<th>FY20 Budget</th>
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<td><strong>TOTAL CAPITAL EXPENDITURE</strong></td>
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<tr>
<td><strong>Sources of capital expenditure</strong></td>
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<tr>
<td>Capital funding from Auckland Council</td>
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<tr>
<td>Subsidies and grants - capex</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>TOTAL CAPITAL FUNDING</strong></td>
<td>-</td>
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Risks

- Under-resourcing of the 2021 event programme impacts on Aucklanders negatively, and valuable leveraging and legacy opportunities are missed.
- Uncertainty over key AC36 event delivery parameters compromises the event, and leads to health and safety risks and poor experiences for some Aucklanders.
- Amazon film production crowds out existing and other productions, so Auckland industry doesn’t grow to a critical mass.
- NZICC fire has contributed to loss of business events, and with potential weakening visitor numbers, means demand for increased hotel capacity is weak.
- Uncertainty over cruise infrastructure affects future Auckland bookings and perception that Auckland lacks capacity.
- City fails to cope with all the major events to be held on Saturday 2 November.
Looking ahead
Economic Development

- Screen sector industry development
- InvestAKL - Auckland investment platform
- Creative Industries 2030 strategy development
- GRIDAKL promotion and leverage programme
- Circular economy X Labs programme
- Expanded Whariki (Maori network) programme.
Destination

- Elemental AKL – year two
- Auckland visitor survey
- Auckland food strategy
- Sustainability practices across the visitor economy
- Visitor digital experience
2021 Programme

- Integrated, efficient event delivery programme
- Powerful Auckland narrative
- Auckland “platform” to attract:
  - Investment
  - Visitors
  - Talent

Web link for 2021 -
https://www.youtube.com/watch?v=hC6fraP1hXM&feature=youtu.be
Ngā mihi
Thank you
Presentation to Council
FOR THE QUARTER ENDED 30 SEPTEMBER 2019
Issues for Discussion

- Western Springs – Speedway
- Meetings and Conventions in Auckland
- Turf Procurement
- Gallery Revenue Activity
- Drug Testing
- Concert Incident
Enriching life in Auckland by engaging people in the arts, environment, sport and events

Providing for future generations

Ensuring a future Auckland that is rich in experiences

Growing our business, our people and culture

Delivering programmes, events and exhibitions for all Aucklanders

Breathing life into Auckland through our programmes, events and exhibitions

Engaging our community

Reaching our community

Sustaining our organisation

Attachment E

Item 8
**How Do We Compare**

**Benchmarking RFA against 30 comparable institutions**

- **RFA institutions cost 40% less to run**
  - Cost per visitor: $20.74 (RFA) vs. $33.81 (Australasian average)

- **RFA institutions have a third fewer staff**
  - Employees per 100,000 visitors: 18 (RFA) vs. 26 (Australasian average)

- **RFA exhibitions attract more local visitors**
  - Local visitors as a % of catchment: 28% (RFA) vs. 24% (Australasian average)

- **RFA programmes more performing arts events**
  - No. of performances per 10,000 local residents: 8.3 (RFA) vs. 4.9 (Australasian average)

- **RFA venues host more sporting events (professional and community)**
  - No. of events per venue: 183 (Mt Smart Stadium) vs. 28 (Australasian average)

**Institutions Mentioned**

- Allianz Stadium
- Cbus Super Stadium
- Central Coast Stadium
- Coopers Stadium
- GIO Stadium
- McDonald Jones Stadium
- Nib Stadium
- Singapore Sports Hub Stadium
- Suncorp Stadium
- WIN Stadium
- 100/5 Miles Stadium
- National Gallery of Victoria
- Tasmanian Museum and Art Gallery
- National Gallery of Australia
- National Portrait Gallery of Australia
- Christchurch Art Gallery
- The Art Gallery of Western Australia
- Queensland Art Gallery & Gallery of Modern Art
- The Art Gallery of South Australia
- The Art Gallery of NSW
- Museum of Contemporary Art
- Museum of Old and New Art
- Sydney Opera House
- Arts Centre Melbourne
- Queensland Performing Arts Centre
- Wellington Zoo
- Perth Zoo
- Adelaide Zoo
- Melbourne Zoo
- Taronga Zoo (Sydney)
Engaging our Community

In Quarter 1, RFA attracted more than 778,000 visitors to a rich and engaging programme of exhibitions, performances and events including:

- Internationally renowned & Auckland-exclusive shows, sport and exhibitions including:
  - NZ Fashion Week
  - War Horse
  - School of Rock
  - Aotea Square Ice Rink
  - A Place to Paint: Colin McCahon in Auckland exhibition
  - Auckland Zoo 21-day Matariki programme
  - NZ International Film Festival
  - Mitre 10 Cup matches

- Auckland volunteers contributed over 11,800 hours in support of RFA’s activities
Reaching Our Community

In Quarter 1, RFA’s accessible and diverse programme included:

- Delivering free or subsidised events/programmes including:
  - Auckland Zoo’s free Zoobles programme for low decile school students
  - Auckland Live’s free family Pick & Mix performing arts programme (North Shore, central, Whangarei)
  - Auckland Art Gallery’s free Creative Learning Centre

- Providing 440 free or subsidised entries to Auckland Zoo, Auckland Art Gallery and NZ Maritime Museum

- Free and subsidised curriculum-based learning programmes for more than 18,000 students

- Broadcasting free access to RFA content through the innovative digital stage in Aotea Square

- Delivering outreach programmes to more than 2,100 participants in conservation science, visual arts, performing arts and maritime experience
Providing for Future Generations

In Quarter 1, RFA delivered a $18.2m capital investment programme (against the annual budget of $82.9 million, including deferrals) to ensure fit-for-purpose RFA venues for the future.

- **Auckland Zoo**
  - South East Asia Precinct – the largest renewals project ($60m) in the Zoo’s history – will open in stages from January 2020

- **Aotea Precinct**
  - Aotea Centre interior refurbishment complete
  - Aotea Centre weather-tightening works will commence in December 2019
  - Development of an Aotea Square precinct master plan advanced, with partner consultation underway

- **Stadiums**
  - Renewal works on several Mt Smart stands completed and in defects period
  - Reconfiguration North Harbour Stadium main field for baseball completed November 2019
  - Amenity renewals works at Western Springs Stadium underway
### Sustaining Our Business

FINANCES FOR THE QUARTER ENDED 30 SEPTEMBER 2019

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>13.1</td>
<td>13.4</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Commercial revenue</td>
<td>8.5</td>
<td>8.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Admission revenue</td>
<td>1.4</td>
<td>1.6</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>3.2</td>
<td>3.7</td>
<td>(0.5)</td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td>24.8</td>
<td>24.7</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Staff costs</td>
<td>14.0</td>
<td>11.9</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Property costs</td>
<td>4.1</td>
<td>4.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Costs of sales</td>
<td>2.1</td>
<td>4.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Other costs</td>
<td>4.6</td>
<td>4.3</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>NET DIRECT EXPENDITURE</strong></td>
<td>(11.7)</td>
<td>(11.3)</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

- Net direct expenditure includes $392k of capital grants paid to RFA+ organisations which were budgeted for capital funding but not budgeted in the P&L.

- Auckland Zoo and NZ Maritime Museum revenue is a budget risk for RFA due to the business interruption impact of construction.

- Staff costs include costs incurred for events which are recharged to promoters. These costs are budgeted under cost of sales.
**Sustaining Our Business**

**FINANCES FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Art Gallery</td>
<td>(1.5)</td>
<td>0.6</td>
<td>0.9</td>
</tr>
<tr>
<td>Auckland Live and Convention</td>
<td>1.5</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Auckland Stadiums</td>
<td>(2.3)</td>
<td>(0.9)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Auckland Zoo</td>
<td>(0.6)</td>
<td>(0.1)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>New Zealand Maritime Museum</td>
<td>(2.9)</td>
<td>(0.3)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Corporate Direct</td>
<td>(2.3)</td>
<td>(0.5)</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Corporate Indirect</td>
<td>(4.4)</td>
<td>(0.3)</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Corporate Unallocated</td>
<td>(1.1)</td>
<td>(0.4)</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Total Variance</strong></td>
<td>(11.7)</td>
<td>(0.4)</td>
<td>(11.3)</td>
</tr>
</tbody>
</table>

**Corporate Direct**
- Expenditure incurred within Corporate specifically relating to a business division.

**Corporate Unallocated**
- Costs associated with RFAs oversight and funding role relating to MOTAT, Stardome, Eventfinda Stadium, Trusts Arena, Auckland War Memorial Museum.
Focus Areas

Contribution towards Māori Outcomes

- All areas of the business with direct customer service responsibilities have implemented te reo Māori, waiata and tikanga Māori staff training.
- Auckland Art Gallery Toi o Tāmaki has implemented bilingual naming, signage and announcements.
- Auckland Zoo has adopted a bilingual signage policy for the its wayfinding system.
- Foundation Te Ao Māori employee learning programme that includes Treaty of Waitangi and te reo courses has commenced.
- Internationally renowned artist Lisa Reihana has been commissioned to create a unique world-class Māori digital media work for Aotea Centre.
- Aotea Centre’s new wayfinding includes English, Māori & Braille.
- New Zealand Maritime Museum continues to develop educational programmes tailored to Kura kaupapa Māori (primary school) in partnership with Te Toki Voyaging Trust.
- In July, Auckland Live presented the New Zealand play Ngā Puke.
Focus Areas

Sustainability and Climate Change

CARBON EMISSIONS
- Independent audit of RFA’s organisation-wide emissions inventory, and Emissions Management & Reduction Plan completed. “Carbon Reduce” certification for RFA should be received prior to Christmas, along with CarboNZero certification once again for Auckland Zoo

GREEN BUILDINGS
- With two thirds of RFA’s operational emissions associated with electricity and gas use at our venues, there is a renewed focus on improving operational efficiency and transitioning away from gas use
- A Green Building Standards document has been developed and will be used by project managers through the delivery of capital works projects

WASTE
- Auckland Zoo has contracted a waste services provider to undertake hand-sorting of all the Zoo’s waste onsite for a one year period. With this initiative in place, the Zoo anticipates waste to landfill volumes to reduce by 87% compared to its 2015/16 baseline
- The U2 concerts at Mt Smart Stadium saw the largest deployment of the Globelet reusable cup scheme to date. It eliminated the need for 110,000 single-use cups, and the refund scheme raised $4,000 for two charities, MusicHelps and Sustainable Coastlines. Given the success of this initiative, RFA intends to establish a longer term partnership with Globelet
Focus Areas

Connected RFA

- Connected RFA is our new way of working to ensure long-term success through greater collaboration across the business.
- New matrix operating model to leverage our expertise, knowledge & experience to further growth.
- Focus on increasing revenue to reinvest in enhanced public good programmes, curatorial, collections, conservation & social responsibility areas.
Diverse Line-up Over Next Six Months

- **Tuatara Baseball season**, North Harbour Stadium  |  UNTIL 26 JANUARY
- **A Place to Paint: Colin McCahon in Auckland**, Auckland Art Gallery  |  UNTIL 27 JANUARY
- **Denmark Design**, Auckland Art Gallery  |  UNTIL 2 FEBRUARY
- **Tākiri: An Unfurling**, New Zealand Maritime Museum  |  UNTIL 7 JUNE
- **Roald Dahl’s Revolting Rhymes & Dirty Beasts**, Bruce Mason Centre  |  21 – 23 DECEMBER
- **Alice in Wonderland LIVE**, Bruce Mason Centre  |  9 – 12 JANUARY
- **RNZ Ballet: Hansel & Gretel**, Bruce Mason Centre  |  13 & 14 DECEMBER
- **Fat Freddy’s Drop**, Western Springs Stadium  |  18 JANUARY
- **Billy Idol**, Western Springs Stadium Outerfields  |  19 JANUARY
- **Queen + Adam Lambert**, Mt Smart Stadium  |  7 FEBRUARY
- **Gladys Knight**, The Civic  |  13 FEBRUARY
- **Elton John – Farewell Yellow Brick Road Tour**, Mt Smart Stadium  |  16, 18, 20 FEBRUARY
- **SIX60**, Western Springs Stadium  |  22 FEBRUARY
- **The Book of Mormon**, The Civic  |  6 – 22 MARCH
- **Snow White**, Aotea Centre  |  11 – 15 MARCH
- **Auckland Arts Festival**, various venues  |  11 – 29 MARCH
- **Louis Tomlinson**, Queens Wharf  |  23 APRIL
Questions

He whakaawae te iwi ki ngā wheako tūroa
Inspiring people with unforgettable experiences

Attachment E