I hereby give notice that an ordinary meeting of the Finance and Performance Committee will be held on:

**Date:** Thursday, 19 March 2020  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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**Kōmiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee**

**OPEN AGENDA**

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**MEMBERSHIP**

<table>
<thead>
<tr>
<th>Chairperson</th>
<th>Cr Desley Simpson, JP</th>
</tr>
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<tbody>
<tr>
<td>Deputy Chairperson</td>
<td>Cr Shane Henderson</td>
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<tr>
<td>Members</td>
<td>Cr Josephine Bartley</td>
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<td></td>
<td>IMSB Member Renata Blair</td>
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<td></td>
<td>Cr Dr Cathy Casey</td>
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<td>Deputy Mayor Cr Bill Cashmore</td>
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<td></td>
<td>Cr Fa’anaana Efeso Collins</td>
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<td></td>
<td>Cr Pippa Coom</td>
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<td></td>
<td>Cr Linda Cooper, JP</td>
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<td></td>
<td>Cr Angela Dalton</td>
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<td>Cr Chris Darby</td>
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<td>Cr Alf Filipaina</td>
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<td>Cr Christine Fletcher, QSO</td>
</tr>
</tbody>
</table>

Mayor Hon Phil Goff, CNZM, JP  
Cr Richard Hills  
Cr Tracy Mulholland  
Cr Daniel Newman, JP  
Cr Greg Sayers  
Cr Sharon Stewart, QSM  
IMSB Chair David Taipari  
Cr Wayne Walker  
Cr John Watson  
Cr Paul Young

(Quorum 11 members)

---

**Sandra Gordon**  
Kaitohutohu Mana Whakahaere Matua / Senior Governance Advisor  
12 March 2020

Contact Telephone: (09) 890 8150  
Email: sandra.gordon@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

The purpose of the committee is to:

a) advise and support the mayor on the development of the Long-term Plan (LTP) and Annual Plan (AP)

b) monitor the overall financial management and performance of the council parent organisation and Auckland Council group

c) make financial decisions required outside of the annual budgeting processes.

The committee will establish an annual work programme outlining key focus areas in line with its key responsibilities, which include:

- advising and supporting the mayor on the development of the LTP and AP for consideration by the Governing Body including:
  - local board agreements
  - financial policy related to the LTP and AP
  - setting of rates
  - preparation of the consultation documentation and supporting information, and the consultation process, for the LTP and AP
- monitoring the operational and capital expenditure of the council parent organisation and Auckland Council Group, and inquiring into any material discrepancies from planned expenditure
- approving the financial policy of the council parent organisation
- establishing and managing a structured approach to the approval of non-budgeted expenditure (including grants, loans or guarantees) that reinforces value for money and an expectation of tight expenditure control
- approve the council insurance strategy and annual insurance placement for Council
- performance measures and monitoring
- write-offs
- acquisition of property in accordance with the LTP
- disposals in accordance with the LTP
- recommending the Annual Report to the Governing Body
- funding for achieving improved outcomes for Māori.

Powers

(i) All powers necessary to perform the committee’s responsibilities, including:

   (a) approval of a submission to an external body
   (b) establishment of working parties or steering groups.

(ii) The committee has the powers to perform the responsibilities of another committee, where it is necessary to make a decision prior to the next meeting of that other committee.

(iii) If a decision is a budgetary or financial decision that relates primarily to the Finance and Performance Committee responsibilities, the Finance and Performance Committee has the powers to make associated decisions on matters that would otherwise be decided by other committees. For the avoidance of doubt, this means that matters do not need to be taken to multiple committees for decisions.

(iii) The committee does not have:

   (a) the power to establish subcommittees
   (b) powers that the Governing Body cannot delegate or has retained to itself (section 2)
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apologies</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Declaration of Interest</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Confirmation of Minutes</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Petitions</td>
<td>7</td>
</tr>
<tr>
<td>5</td>
<td>Public Input</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Local Board Input</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Extraordinary Business</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Presentation from the Eden Park Trust Board</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>Auckland Council Group and Auckland Council quarter two performance report to 31 December 2019</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>Waitematā Local Board, One Local Initiative, Ponsonby Park Detailed Business Case</td>
<td>91</td>
</tr>
<tr>
<td>11</td>
<td>MOTAT Annual Plan 2020-2021</td>
<td>115</td>
</tr>
<tr>
<td>12</td>
<td>Auckland War Memorial Museum 2020/2021 levy (Covering report)</td>
<td>175</td>
</tr>
<tr>
<td>13</td>
<td>Approval of the Auckland Regional Amenities Funding Levy 2020-2021</td>
<td>177</td>
</tr>
<tr>
<td>14</td>
<td>Boundary adjustment between 4-10 Mayoral Drive, Auckland and 24 Wellesley Street West, Auckland</td>
<td>239</td>
</tr>
<tr>
<td>15</td>
<td>Finance and Performance Committee Forward Work Programme</td>
<td>251</td>
</tr>
<tr>
<td>16</td>
<td>Summary of Finance and Performance Committee information memoranda and briefings, including the Forward Work Programme - 19 March 2020</td>
<td>259</td>
</tr>
<tr>
<td>17</td>
<td>Consideration of Extraordinary Items</td>
<td></td>
</tr>
</tbody>
</table>
1 **Apologies**

At the close of the agenda no apologies had been received.

2 **Declaration of Interest**

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 **Confirmation of Minutes**

That the Finance and Performance Committee:

a) confirm the ordinary minutes of its meeting, held on Tuesday, 3 December 2019, including the confidential section and the extraordinary minutes of its meetings, held on Tuesday, 10 December 2019 and Wednesday, 12 February 2020, as a true and correct record.

4 **Petitions**

At the close of the agenda no requests to present petitions had been received.

5 **Public Input**

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than **one (1) clear working day** prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5) minutes** speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 **Local Board Input**

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5) minutes** during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **one (1) day's notice** of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.
7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,-

(i) The reason why the item is not on the agenda; and

(ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting."

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

(i) That item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."
Te take mō te pūrongo
Purpose of the report
1. To provide an opportunity for the Eden Park Trust Board funded by the Auckland Council to present to the committee on its performance and financial projections.
2. To provide an update on progress since the 19 March 2019 Finance & Performance Committee meeting.

Whakarāpopototanga matua
Executive summary
3. The Eden Park Trust Board were provided with funding on 19 March 2019 (Resolutions FIN/2019/24, FIN/2019/25, FIN/2019/26 and FIN/2019/27) as follows:
   a) authorise and delegate all necessary powers to the chief executive to:
      i) reach an agreement with Eden Park Trust and ASB Bank for Auckland Council to take over the $40 million loan from ASB Bank to Eden Park Trust together with other facilities provided by ASB Bank to Eden Park Trust before 30 September 2019.
      ii) reach an agreement with Eden Park Trust to consolidate the loans acquired from ASB Bank and Auckland Council loans into one or more new facilities on commercial terms including:
          A) first-ranking security over Eden Park Trust’s assets
          B) a term of up to ten years
          C) an interest rate set at council’s cost of funds plus a margin.
   b) authorise the chief executive to agree a grant to fund capital expenditure of up to $9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.
   c) agree that the chief executives of Auckland Council, Eden Park Trust and Regional Facilities Auckland jointly prepare an operational partnering proposal to be completed by March 2020.
   d) invite Eden Park Trust Board to report to the Finance and Performance Committee on at least a six-monthly basis to outline its performance and financial projections.
   e) initiate discussions with the Government to seek amending the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.
4. In accordance with clause d), representatives of the Eden Park Trust Board will attend the meeting.
5. The Eden Park Trust 2019 Annual Report can be found at the following link - www.edenpark.co.nz/annualreport

Update on previous resolutions
6. Resolution a) – Loan: Auckland Council took over ASB Bank loans and facilities to Eden Park Trust:
   a) On 30 September 2019, Auckland Council took over ASB Bank loans and facilities to Eden Park Trust by paying ASB Bank $40 million (the par value of all amounts outstanding from Eden Park Trust to ASB Bank as at 30 September 2019) and consolidating $6.5 million of existing Council loans into one loan of $46.5 million.
b) The loan is made available by Council to Eden Park Trust under a revolving cash advance facility with a term of 10 years and facility limit of $54 million. The loan’s interest rate is 2.4575% fixed for 10 years with interest paid quarterly. The interest rate reflects a margin of 1.25% over the 10 year interest swap rate on 30 September 2019 of 1.2075%. The loan balance as at 29 February 2020 is $43.3 million. Council also acquired from ASB Bank all security it held over Eden Park’s assets including first ranking mortgages over Eden Park Trust’s land and buildings.

c) Council’s guarantee to ASB Bank was terminated on 30 September 2019.

7. **Resolution b) – Funding:** A Development Funding Agreement was executed with Eden Park Trust in late 2019. The Trust has been drawing down against the grant – a total of $669,283 for replacement of emergency lighting and new turf has been paid to date.

8. **Resolution c) – Operational Partnering Proposal:** An operational partnering proposal has yet not been finalised but work continues between the parties in good faith.

9. **Resolution d) – Eden Park reporting to Finance & Performance Committee:** first reporting to the committee at this meeting, to continue on at least a six-monthly basis.

10. **Resolution e) – Governance:** We are continuing to engage with government officials from the Ministry for Culture and Heritage. The views of the Eden Park Trust trustees and trustee appointers are critical to any changes to the governance of the Eden Park Trust Board, and we are working through some options. We will provide a further report to the Governing Body in due course.

### Ngā tūtohunga

**Recommendation/s**

That the Finance and Performance Committee:

a) thank the representatives of the Eden Park Trust Board for their attendance and the information provided.

### Ngā tāpirihanga

**Attachments**

There are no attachments for this report.

### Ngā kaihaina

**Signatories**

| Authors | Sandra Gordon - Kaitohutohu Mana Whakahaere Matua / Senior Governance Advisor  
| Anita Furniss - Executive Officer - Finance Division |
| Authoriser | Matthew Walker - Group Chief Financial Officer |
Auckland Council Group and Auckland Council quarter two performance report to 31 December 2019

File No.: CP2020/02421

Te take mō te pūrongo
Purpose of the report
1. To provide an update on the financial and non-financial performance for the Auckland Council Group and Auckland Council against the 10-year Budget (as updated by the Annual Budget 2019/2020) for the six months to 31 December 2019.

Whakarāpopototanga matua
Executive summary

3. Approved within the 10-year budget is a $26 billion capital investment programme to address growth pressures on transport, water, environment and community infrastructure over the next decade. It also included additional operating budgets to address areas such as the natural environment.

4. There has been solid capital progress with $1.2 billion of capital investment over the six-month period. This is a $337 million increase compared to the same period last year.

5. There has also been strong operating performance for the six-month period. Direct revenue was $66 million ahead of budget due to positive results from Watercare, Auckland Transport and Regulatory Services. Direct expenditure was in-line with budget. Overall, there was a $61 million favourable result against the net direct operating budget.

6. Full-time equivalents (FTEs) for the Group and Auckland Council increased by 294 and 158 respectively since 30 June 2019. Majority of the increase primarily relates to an uplift in seasonal workers to manage increased demand on services.

7. The Auckland Council Group balance sheet remains healthy, with net debt currently at $9.2 billion. Total assets increased by $1.8 billion over the six-month period resulting in net debt to total assets of 17 per cent.

8. Representatives of the substantive council-controlled organisations (CCOs) boards, chief executives and chief financial officers will be presenting their performance results at the 24 March 2020, Council Controlled Organisations Oversight Committee meeting.

9. The interim statutory accounts for Auckland Council Group for the six months to 31 December 2019 was released to the New Zealand Exchange (NZX) on 28 February 2020 and is attached to this report.

10. The statutory results are prepared according to generally accepted accounting principles for Public Benefit Entities. The Auckland Council Group performance packs in this report consider key management metrics. A reconciliation between the statutory results from the interim report and management performance results is provided as an attachment to this report.

Other key points on Auckland Council Group performance
11. Over the six-month period, development contributions were lower than budget due to changes in the Development Contributions Policy. The change in policy was to support housing developers increase the housing stock in Auckland. These changes allow developers to delay development contributions and has resulted in lower than expected revenue within this period. Future year variances should reduce as timing changes play out and any changes from policy reviews are implemented.
12. Additionally, NZTA capital subsidies were below budget. We are continuing to work with central government on accessing the agreed funding levels.

13. The group is on track to deliver $2.7 billion of capital investment by the end of the financial year. However, lower than anticipated capital revenue may result in upward pressure on debt levels.

14. We expect the group debt to revenue ratio to remain within the internal debt policy limit and be broadly consistent with our 2019/2020 annual budget projection of 253%.

**Key points on Auckland Council performance**

15. Capital expenditure over the six-month period for Auckland Council was $294 million, which was up $58 million from the same period last year. This was largely driven by steady progress on America's Cup capital works and Water Quality Targeted Rate funded projects.

16. Net direct expenditure was broadly on track against budget with strong consenting revenue from Regulatory Services outpacing one-off redundancy costs that will remove duplication and see improved efficiency and enduring savings for the organisation.

17. Auckland Council FTEs have increased primarily due to an uplift in seasonal workers for summer, particularly in leisure, parks and consenting activities. Offsetting these increases was a significant reduction in staff from Finance division as a result of organisational changes. Seasonal FTEs are also expected to reduce in March 2020.

18. Over the six-month period, 19 of 30 reported performance measures have met target. There was a significant improvement in the percentage of assets that are graffiti free, a result of 96 per cent achieved, the highest since 2011.

19. Regulatory performance measures have steadily improved for consent applications processed within statutory timeframes as well as customer satisfaction as a result of ongoing system and process improvements.

**Summary of report attachments**


21. Attachment C is a copy of the interim statutory accounts for the period ended 31 December 2019.

22. Attachment D provides a reconciliation between the statutory results from the interim report and the management performance results.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

23. Progress against the Auckland Climate Action Framework is reported in Attachment B.

24. The decisions being sought in this report will not have a climate change impact.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**

**Local impacts and local board views**

25. The Auckland Council Performance report provides an update on both local and regional projects.

26. The decisions being sought in this report will not have an impact on local boards.

**Tauākī whakaaweawe Māori**

**Māori impact statement**

27. Māori outcomes is one of our group strategic focus areas. Attachment A provides key information and progress of delivery on the agreed programmes.
28. Contribution towards Māori outcomes are also outlined within the Auckland Council Performance pack and reported in Attachment B.

29. The decisions being sought in this report will not have an impact on Māori.

**Ngā tūtohunga**

**Recommendation/s**

That the Finance and Performance Committee:

a) receive the Auckland Council Group and Auckland Council quarterly performance report for the period ended 31 December 2019.

b) receive the Auckland Council Group Interim Report for the period ended 31 December 2019.

**Ngā tāpirihanga**

**Attachments**

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Auckland Council Group performance pack for the period ended 31 December 2019</td>
<td>15</td>
</tr>
<tr>
<td>B</td>
<td>Auckland Council performance pack for the period ended 31 December 2019</td>
<td>33</td>
</tr>
<tr>
<td>C</td>
<td>Auckland Council Group Interim Report for the period ended 31 December 2019</td>
<td>49</td>
</tr>
<tr>
<td>D</td>
<td>Reconciliation of statutory and management results</td>
<td>89</td>
</tr>
</tbody>
</table>

**Ngā kaihaina**

**Signatories**

<table>
<thead>
<tr>
<th>Authors</th>
<th></th>
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<tbody>
<tr>
<td>Authors</td>
<td>David Gurney - Manager Corporate Performance &amp; Reporting</td>
</tr>
<tr>
<td>Authorisers</td>
<td>Pramod Nair – Head of Group Financial Planning</td>
</tr>
<tr>
<td>Authorisers</td>
<td>Nicola Mills - General Manager Financial and Business Performance</td>
</tr>
<tr>
<td>Authorisers</td>
<td>Ross Tucker - General Manager, Financial Strategy and Planning</td>
</tr>
<tr>
<td>Authorisers</td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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Auckland Council Group and Auckland Council quarter two performance report to 31 December 2019
Group Quarterly Performance Pack
2019/2020 Quarter 2
For the 6 months ended 31 December 2019
Finance and Performance Committee
Group financials at a glance

6 months into the second year of the updated 10-year budget

Solid capital progress

- Capital investment of $1.2 billion
  - $337m (39%) increase compared to the same period last year
  - In line with budget (99% of budget including City RailLink investment)

Strong operating performance

- $61 million favourable to budget
  - Exceeded target by 7%
    - Direct Revenue: $66 million favourable against budget of $1.0 billion
  - In line with budget
    - Direct Expenditure: $3 million unfavourable against budget of $1.4 billion

Prudent debt management

- Net debt at $9.2 billion
  - Year-end budget $9.6b
- Net debt to total assets at 17%
  - Year-end projection 17%
- Gross debt to adjusted revenue 245%
  - Year-end projection 253%

Stable credit ratings from
S&P Global Ratings (AA) and Moody's (Aa2)

Outlook

- On track to deliver $2.7 billion of capital investment by the end of the financial year

Risks

- Lower than anticipated capital revenue may result in upward pressure on debt levels
- Debt to revenue ratio to remain within internal debt policy limit and broadly consistent with 2019/2020 annual budget projection
## Group capital performance

### Capital investment & funding sources

<table>
<thead>
<tr>
<th>($ million)</th>
<th>FY 19</th>
<th>FY 20 Quarter 2 YTD</th>
<th>FY 20</th>
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<tr>
<td>Notes</td>
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<tr>
<td>Auckland Council</td>
<td>543</td>
<td>294</td>
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<td>Auckland Transport</td>
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<td>ATEED</td>
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<tr>
<td>Panuku(^1)</td>
<td>93</td>
<td>56</td>
<td>80</td>
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<td>144</td>
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<td>Group delivery assumption adjustment</td>
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<td>City Rail Link investment (Auckland Council share)</td>
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<tr>
<td>Capital funding sources</td>
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<td>Development contributions</td>
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<td>Capital grants and government subsidies</td>
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<td>304</td>
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<td>Asset sales</td>
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<td>Change in net debt</td>
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<td>Operating funding</td>
<td></td>
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### Commentary

**A:** Capital investment was $1.2 billion for the six-month period, which was up 39% or $337 million from the same period last year. This compares to the budget of $1.2 billion with 99% of the budget delivered.

**Key highlights include:**
- Auckland Transport’s strong delivery of roading and public transport infrastructure such as the Rapid Transit Network, the renewal of roading assets and works in downtown Auckland to support America’s Cup 36.
- Watercare’s progress on key infrastructure projects such as the Central and Northern Wastewater interceptors that will provide additional capacity to Auckland’s current and future growth.

**B:** Development contributions were $61 million lower than budget due to a change in the Development Contributions Policy. The change in policy was to support housing developers to increase the housing stock in Auckland. These changes allow developers to delay developer contributions and has resulted in lower than expected revenue within this period. Future variances should reduce as timing changes play out and any changes from policy reviews are implemented.

**C:** The majority of the shortfall in capital grants and government subsidies relates to NZTA capital subsidies. We will continue to work with central government on accessing the agreed funding levels.

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Note: For this and the following pages within the Group Performance Overview, the prior period is defined as the 6 months to 31 December 2018.

\(^1\) Panuku managed assets and expenditure owned by Auckland Council is added to Panuku financials. Refer to glossary for more details.
Group balance sheet

**Net debt**

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
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<td>YE</td>
<td>10.4b</td>
<td>11.3b</td>
</tr>
</tbody>
</table>

- Actual debt
- Target

**Net debt to total assets**

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td>16%</td>
<td>16%</td>
<td>Q2</td>
<td>YE</td>
<td>17%</td>
<td>17%</td>
</tr>
</tbody>
</table>

- Actual net debt to total assets
- Net debt to total assets target

**Commentary**

Net debt over the six-month period increased by $547 million, primarily driven by $1.2 billion of capital investment and due to reduced cash from development contributions and capital subsidies.

Overall, our total assets increased by $1.8 billion over the same period to $54.7 billion. This has resulted in a net debt to total assets ratio of 17%.

**Gross debt to adjusted revenue**

- Actual results
- Projection
- Internal ceiling
- Policy limit

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>255%</td>
<td>350%</td>
<td>247%</td>
<td>Q2</td>
<td>YE</td>
<td>255%</td>
<td>262%</td>
</tr>
</tbody>
</table>

- Q2 245%  
- YE 255%  

**Notes to gross debt to adjusted revenue:**

Gross debt to adjusted revenue was calculated using the S&P methodology. The calculation adjusts net debt for cash balances, lease obligations, and exchange rate movements. It also adjusts operating revenue for capital revenue, development contributions, and capital grants/subsidies.
Group treasury performance as at 31 December 2019

Key metrics

- No breaches in Treasury Management Policy
- LGFA covenant compliance
- Credit rating (S&P/Moody’s): AA/Aa2
- Average term to maturity of borrowings: 5.64 yrs
- Gross cost of funds: 4.53%
- Forecast borrowing requirement over next 12 months: $1.85b
- Back-up facilities + cash: $1.34b
- Mark to market interest rate swap position: ($1.74b)

Commentary:

- Market interest rates increased during the quarter. This has resulted in a decrease on the mark to market interest rate swap position.
- Subsequent to 31 December 2019, market interest rate dropped due to concerns over the COVID-19 (coronavirus).

Borrowing sources in NZD million

- Local Government Funding Agency: $2,407
- NZD Green Bonds: $350
- NZD borrowings: $1,610
- Foreign currency borrowings: $4,577

Fixed vs floating rate interest cover

Forecast cost of borrowings

Note: The financials provided on this page excludes PGAL
## Group operating performance

### Operating performance

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>FY 19 Actual</th>
<th>FY 20 Quarter 2 YTD</th>
<th>FY 20 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net direct expenditure</strong></td>
<td></td>
<td>681</td>
<td>366</td>
<td>427</td>
</tr>
<tr>
<td><strong>Direct revenue</strong></td>
<td></td>
<td>1,941</td>
<td>1,069</td>
<td>1,003</td>
</tr>
<tr>
<td>Fees &amp; user charges</td>
<td>A</td>
<td>1,333</td>
<td>725</td>
<td>606</td>
</tr>
<tr>
<td>Operating grants and subsidies</td>
<td></td>
<td>308</td>
<td>172</td>
<td>160</td>
</tr>
<tr>
<td>Other direct revenue</td>
<td></td>
<td>300</td>
<td>172</td>
<td>147</td>
</tr>
<tr>
<td><strong>Direct expenditure</strong></td>
<td></td>
<td>2,622</td>
<td>1,435</td>
<td>1,430</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>B</td>
<td>911</td>
<td>498</td>
<td>473</td>
</tr>
<tr>
<td>Grants, contributions &amp; sponsorship</td>
<td></td>
<td>144</td>
<td>112</td>
<td>110</td>
</tr>
<tr>
<td>Other direct expenditure</td>
<td></td>
<td>1,567</td>
<td>825</td>
<td>847</td>
</tr>
</tbody>
</table>

### Commentary

**A:** Direct revenue was $66 million favourable primarily due to strong revenue growth from Regulatory Services, particularly from consenting revenue as a result of increased volumes and complexity of consents and improved productivity from new system and process improvements.

Other direct revenue was also significantly favourable mainly from Watercare as a result of higher infrastructure growth charges than planned and an unbudgeted one-off revenue stream from the Department of Corrections.

**B:** Employee benefits was $25 million unfavourable.

Auckland Council’s employee cost increased as a result of higher staffing to meet increased demand from council services. This was supported by higher regulatory revenue. In addition, Auckland Council has incurred redundancy costs as a result of organisational changes to remove duplication and improve efficiency. Holidays Act remediation payments of $2m were also unbudgeted.

**C:** RFA’s higher employee costs was due to a reclassification from its cost of goods sold expense into employee costs.

**D:** Vested assets revenue for the six months is high at $231 million, with a $97 million variance particularly from Healthy Waters and Auckland Transport.

**E:** Non-directed expenditure of $29 million primarily relates to additional provision for weather Tightness and remediation of issues relating to certain Retrofit Your Home loans.
Other key finance areas

### Ports of Auckland

<table>
<thead>
<tr>
<th>($ million)</th>
<th>12 months to 30 Jun 2019</th>
<th>6 months to 31 Dec 2019</th>
<th>6 months to 31 Dec 2018</th>
<th>Change from prior period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>248.1</td>
<td>123.2</td>
<td>123.6</td>
<td>-0.4</td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>53.9</td>
<td>17.2</td>
<td>24.4</td>
<td>-7.2</td>
</tr>
<tr>
<td>Net debt</td>
<td>488.7</td>
<td>477.7</td>
<td>450.4</td>
<td>27.3</td>
</tr>
<tr>
<td>Net assets</td>
<td>799.8</td>
<td>833.5</td>
<td>753.4</td>
<td>80.1</td>
</tr>
</tbody>
</table>

Financial statements for the 6 months to 31 December 2019 can be found on their website [link].

#### Commentary

Ports of Auckland (POAL) is in the midst of a major investment programme to increase capacity, efficiency and returns. This includes container terminal automation, construction of a car handling facility and capital investment at its Waikato Freight Hub. Overall, net debt has increased as a result of the investment programme.

Container volumes fell compared to the prior year due to a combination of reduced terminal capacity from the automation works and unfavourable market dynamics. A tighter labour market has also resulted in higher operating costs with net profit after tax down by $7.2 million. The impact of the coronavirus on reducing freight volumes is expected to have a further impact on POAL full year results. POAL will not pay an interim dividend and a lower than forecast full-year dividend is expected.

As more capacity is created from the accelerated capital investment, the outlook is projected to improve over the coming year.

### Auckland Int. Airport

<table>
<thead>
<tr>
<th>$</th>
<th>31 Dec 2019</th>
<th>30 Jun 2019</th>
<th>Change</th>
<th>Council value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Price</td>
<td>8.75</td>
<td>9.85</td>
<td>-11%</td>
<td>2.3b</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>($ million)</th>
<th>12 months to 30 Jun 2019</th>
<th>6 months to 31 Dec 2019</th>
<th>6 months to 31 Dec 2018</th>
<th>Change from prior period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>743</td>
<td>375</td>
<td>371</td>
<td>4</td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>524</td>
<td>147</td>
<td>147</td>
<td>-</td>
</tr>
<tr>
<td>Dividend – Council</td>
<td>58.6</td>
<td>30.0</td>
<td>29.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Cash dividend yield1</td>
<td>2.55%</td>
<td>2.61%</td>
<td>2.54%</td>
<td>0.07%</td>
</tr>
</tbody>
</table>

1. Cash dividend yield annualised based on the 31 December 2019 share price of $8.75

#### Commentary

Auckland Council owns approximately 22% of Auckland International Airport Limited (AIAL). Auckland Council aims to ensure an optimal commercial return from the council’s investment in AIAL.

As at 31 December 2019, Auckland Council holds approximately $2.3 billion worth of AIAL shares. Over the 6-month period, AIAL share price has decreased from $9.85 per share to $8.75 per share. Annualised cash dividend yield as at 31 December 2019 was at 2.61%.

Travel restrictions as a result of the coronavirus may have an adverse impact on AIAL full year underlying results. AIAL has provided a slightly reduced profit guidance from their original guidance for the year.

AIAL is a NZX listed company and provides an interim and annual report each year. Financial statements for the 6 months to 31
## Other key performance areas

### Group FTEs

<table>
<thead>
<tr>
<th>Entity</th>
<th>30 June 2019</th>
<th>31 Dec 2019</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>10,806</td>
<td>11,100</td>
<td>294</td>
</tr>
<tr>
<td>Auckland Council</td>
<td>6,548</td>
<td>6,706</td>
<td>158</td>
</tr>
<tr>
<td>ATEED</td>
<td>183</td>
<td>184</td>
<td>1</td>
</tr>
<tr>
<td>Auckland Transport</td>
<td>1,659</td>
<td>1,698</td>
<td>39</td>
</tr>
<tr>
<td>Panuku</td>
<td>203</td>
<td>208</td>
<td>5</td>
</tr>
<tr>
<td>RFA</td>
<td>573</td>
<td>612</td>
<td>39</td>
</tr>
<tr>
<td>Watercare</td>
<td>960</td>
<td>1,011</td>
<td>51</td>
</tr>
<tr>
<td>POAL</td>
<td>680</td>
<td>681</td>
<td>1</td>
</tr>
</tbody>
</table>

### Commentary

Auckland Council Group had a 294 increase in FTEs (2.7%) since 30 June 2019.

Auckland Council FTEs have increased primarily due to an uplift in seasonal workers for summer, particularly in leisure, parks and consenting activities. In addition, FTEs from licensing and compliance, building consents, and regulatory engineering have increased to meet demand from Auckland’s growth. Offsetting these increases is a significant reduction in staff from Finance division as a result of organisational changes. Seasonal FTEs are also expected to reduce in March.

RFA FTEs increased largely due to converting a number of positions from casuals to permanent roles in Auckland Live and additional staff for events and operations in Auckland Stadiums.

Watercare FTEs increased mainly due to taking on staff from Waikato District Council, increases in customer services staff due to seasonal requirements, and additional fixed-term positions from its summer internship programme.

### Key targeted rates & RFT

<table>
<thead>
<tr>
<th></th>
<th>YTD revenue</th>
<th>YTD spend</th>
<th>YTD budget</th>
<th>Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water quality</td>
<td>41.6</td>
<td>27.5</td>
<td>26.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Natural environment</td>
<td>29.6</td>
<td>11.0</td>
<td>10.7</td>
<td>0.3</td>
</tr>
<tr>
<td>City Centre</td>
<td>23.7</td>
<td>5.2</td>
<td>9.3</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Accommodation provider</td>
<td>13.5</td>
<td>6.4</td>
<td></td>
<td>7.1</td>
</tr>
<tr>
<td>Regional Fuel Tax</td>
<td>80.0</td>
<td>26.6</td>
<td></td>
<td>120.6</td>
</tr>
</tbody>
</table>

1. Targeted rate revenues are recognised in full at the start of the financial year.
2. Relates to capital and operating expenditure

### Commentary

The Natural Environment and Water Quality targeted rates provides essential investment towards Auckland’s natural environment and water quality outcomes. More information on these targeted rates are provided in Auckland Council’s strategic focus areas.

The City Centre targeted rate helps fund the development and revitalisation of the city centre with the aim of enhancing the city centre as a place to work, live, visit and do business.

The Accommodation Provider targeted rate (APTR) funds 50% of ATEEDs activities towards growing the visitor economy, including tourism marketing and major events. More information on the APTR is provided in ATEED’s strategic focus area – Destination, which will be presented at the CCO Oversight Committee.

The Regional Fuel Tax (RFT) supports transport expenditure that would otherwise be delayed or not funded. Auckland Transport has 14 key expenditure groups that are funded from a mix of RFT, development contributions, and NZTA funding. Detailed breakdown of the total spend toward the 14 key expenditure groups are provided in the Auckland Transport performance pack, which will be presented at the CCO Oversight Committee.
<table>
<thead>
<tr>
<th>Key financial term</th>
<th>Description</th>
<th>Why is this important</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>The consolidated Auckland Council Group, which includes Auckland Council, the council-controlled organisations (CCOs), subsidiaries, associates and joint ventures.</td>
<td>It provides an aggregated big picture view of the revenue and expenditure for Auckland Council, the CCOs, subsidiaries, associates and joint ventures.</td>
</tr>
<tr>
<td><strong>Panuku Managed Activities (PMA)</strong></td>
<td>The assets and related revenue and expenditure within Auckland Council that are managed by Panuku Development Auckland.</td>
<td>Some of Auckland Council’s assets, revenue and expenditure are managed by Panuku. The quarterly performance reports separate these assets, revenues, and expenditures from Auckland Council’s financials to provide a clearer reflection of Panuku and Auckland Council’s management performance respectively.</td>
</tr>
<tr>
<td><strong>Group delivery assumption</strong></td>
<td>The 10-year capital expenditure timing assumption that was made in the 10-year Budget 2018-2028.</td>
<td>While all projects will be delivered over the decade, not all expenditure will be spent in the specific financial years as initially planned. This includes consideration on the Group’s overall capacity for capital delivery and constraints within Auckland’s physical works market, particularly in the short term.</td>
</tr>
<tr>
<td><strong>Development contributions</strong></td>
<td>The fees that council charge for infrastructure on new developments. These fees are charged if the development requires council to provide new infrastructure for: transport, footpaths, roads and intersections.</td>
<td>Development contributions help fund capital expenditure that is related to providing new infrastructure for developments.</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>The short and long-term borrowings (including bank overdrafts) less cash on hand.</td>
<td>The council borrows from domestic and offshore financial markets via bond issuances which may result in the council holding large amounts of gross debt and cash at certain times.</td>
</tr>
<tr>
<td><strong>Gross debt to adjusted revenue</strong></td>
<td>The Group’s key borrowing metric as measured by S&amp;P. The calculation adjusts net debt for cash balances, lease obligations, and exchange rate movements. It also adjusts operating revenue for capital revenue, development contributions, and capital grants/subsidies.</td>
<td>The Group has a limit of 270% in its treasury management policy and 265% as an internal limit. This ensures that the Group is managing its debt prudently.</td>
</tr>
<tr>
<td><strong>Mark-to-market (MTM) interest rate swap position</strong></td>
<td>The non-realisable gains/losses as a result of market interest rate movements on the Group’s interest rate hedges.</td>
<td>The Group does not speculate on interest rate movements but fixes a portion of its borrowings via interest rate swaps (financial contracts to convert variable interest rates into fixed rates). The MTM interest rate swap position shows the net impact to the Group’s surplus/deficit if it were to not hold the interest rate swaps to maturity but broke the contracts at the reporting date.</td>
</tr>
</tbody>
</table>
### Glossary

<table>
<thead>
<tr>
<th>Key financial term</th>
<th>Description</th>
<th>Why is this important?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net direct expenditure</td>
<td>The operating expenditure less revenue collected from day-to-day operations excluding accounting and finance factors such as depreciation, interest, vested assets and rates income.</td>
<td>Net direct expenditure generally includes operating revenue and costs that each business unit is responsible for managing. It excludes items that are collected and allocated centrally, which is not within each business unit’s control and performance. One-off and non-cash items are also excluded.</td>
</tr>
<tr>
<td>Vested assets</td>
<td>The value of assets that have been gifted/vested to council, normally as a result of a development agreement. Note: This is a non-cash transaction.</td>
<td>Vested assets are classified as an accounting revenue and are non-cash transactions that result in an increase in council assets. It is typically non-controllable and is driven by external development agreements. Council is subsequently responsible for maintaining these assets.</td>
</tr>
<tr>
<td>Full-time equivalents (FTE)</td>
<td>The human resource metric which converts the total hours worked by employees into a standardised measure. One FTE is 40 hours a week.</td>
<td>Unlike headcount, which is the actual number of full-time, part-time and casual employees. FTE shows a standardised measure based on the number of hours worked. For example, two part-time employees working 20-hours a week would equate to one FTE.</td>
</tr>
<tr>
<td>Financial year (FY)</td>
<td>The period between 1 July to 30 June of the following year. E.g. FY20 refers to 1 July 2019 to 30 June 2020.</td>
<td>The council’s financial year begins on 1 July of every year and ends on 30 June of the following year. The council’s Annual Plan and Annual Report are aligned to its financial year.</td>
</tr>
<tr>
<td>Year-to-date (YTD)</td>
<td>The period from the start of the financial year (1 July) and up to the current period. E.g. Q1 YTD refers to the first three months of the financial year.</td>
<td>YTD allows the council to report on its performance and progress within the financial year, typically on a three-monthly basis (quarters).</td>
</tr>
</tbody>
</table>
Auckland Council Group
Strategic Focus Areas
## Auckland Council key strategic focus areas

Key strategic focus areas from the LTP are presented within each organisation’s packs. The below table provides an overview of each organisation’s respective strategic focus areas.

<table>
<thead>
<tr>
<th>Group</th>
<th>Auckland Council</th>
<th>Auckland Transport</th>
<th>Panuku</th>
<th>ATEED</th>
<th>Watercare</th>
<th>RFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Centre Programme</td>
<td>Water Quality Improvement programme</td>
<td>Customer experience</td>
<td>Waterfront development</td>
<td>Economic development</td>
<td>Central Interceptor</td>
<td>Stadia</td>
</tr>
<tr>
<td>36th America’s Cup (AC36)</td>
<td>Natural Environment programme</td>
<td>Road safety</td>
<td>Transform &amp; unlocks</td>
<td>Destination – Visitor attraction</td>
<td>Water supply investment</td>
<td>Zoo development</td>
</tr>
<tr>
<td>City Rail Link</td>
<td>Regulatory</td>
<td>Public transport</td>
<td></td>
<td></td>
<td>Wastewater investment</td>
<td>Aotea Centre development</td>
</tr>
<tr>
<td>Māori outcomes delivered across the group</td>
<td>Waste</td>
<td>Active modes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community investment including One Local initiatives (DLiK)</td>
<td>Key projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Asset management</td>
</tr>
</tbody>
</table>
### Group strategic focus area – City Centre Programme

**Key commentary**

For the 6 months to 31 December 2019, a total of $178.7m was spent on the City Centre programme against a budget of $233.9m.

1. **Highlights**
   - Overall, the major infrastructure programmes in the 36th America’s Cup area and Downtown are on track to meet delivery milestones.
   - The Auckland’s Future in Progress marketing campaign was launched at the media conference led by the Mayor as well as a media briefing on future road closures associated with the City Rail Link in November 2019.
   - A partnership with New Zealand Media and Entertainment was formed in December which provided three local content pieces before Christmas profiling Downtown, Access for Everyone and City Rail Link.
   - The America’s Cup auxiliary works construction programme is on track to be completed by November 2020.

2. **Issues/Risks**
   - Significant cost pressure exists due to cost escalation and the realisation of risks, affordability issues are being managed within the existing programme budget envelopes.
   - Programme risks remain high due to the tight time schedules and significant traffic management requirements. Interfacing challenges between the different programmes of work, including private developments, may lead to delayed access and handover to complete public realm upgrade projects.
   - Operational and customer impacts due to construction – The delivery of city centres projects and the associated road closures will lead to prolonged disruption. This will have significant impact on residents, local businesses and workers over the coming years.

**Strategic context**

Auckland’s city centre is an important ‘economic engine’ for both the region and New Zealand and is experiencing rapid growth. It will also host three key events in 2021: The America’s Cup 36, APEC and Te Matatini. These will provide significant economic, cultural and legacy benefits for Auckland and New Zealand.

The city centre work programme will deliver key stormwater, transport and community infrastructure to support these events and achieve the City Centre Masterplan’s vision. This positions the city centre as Auckland’s cultural, civic, retail and economic heart.

---

<table>
<thead>
<tr>
<th>Portfolio of works</th>
<th>YTD Actual</th>
<th>Budget</th>
<th>Description</th>
<th>Outlook</th>
</tr>
</thead>
</table>
| Waterfront development (delivered by Panuku) | $16.2m/$28.3m | | Leading transformation from a former industrial area to a vibrant new waterfront city neighbourhood. Panuku facilitates outcomes including new housing, visitor and resident satisfaction; enhanced public amenity and access; place activation and community engagement. | - Westhaven Marine Village – Completion of the Marine Village site has now been indicated by the developer as being September 2020. This new facility will accommodate marine related activities and attract new businesses and visitors to the Westhaven Marina.
- Westhaven Promenade - Stage 2 construction is progressing and due to be completed in September 2020. Discussion and design work are underway to ensure safe integration with connections with the Auckland Harbour Bridge Shared Path and the Westhaven Seawall upgrade.
- New Wynyard Quarter Public Spaces – several new public open spaces will be opened by the end of the financial year. Urunga Plaza off Halsey Street will be an entirely new public space and will link to a new promenade in front of Park Hyatt to Karanga Plaza. Daldy Street Linear Park will create a green connection between Victoria Park and Silo Park. Silo Park Extension will be delivered in time for the America’s Cup event.
- Orams Development (Site 18): New titles for Oram’s Site 18 have been issued and the 325-year lease has been formally registered.
- Dockline Tram - Expressions of interest for third party operators of the Auckland Dockline Tram have closed, with three selected suppliers proceeding to the request for proposal stage. |
<table>
<thead>
<tr>
<th>Portfolio of works</th>
<th>YTD Actual/Budget</th>
<th>Description</th>
<th>Outlook</th>
</tr>
</thead>
</table>
| Downtown programme (delivered by Auckland Transport) | $71m/$91.3m On track | Auckland Council has a 10 year vision to transform the waterfront into an attractive, people friendly environment. Auckland Transport will be delivering the first part of this vision from 2018 to 2021. The transformation will support the 36th America’s Cup, Asia-Pacific Economic Forum, and Te Matatini in 2021. The project includes seismic strengthening to improve the resilience of critical infrastructure on Quay Street water’s edge. | • Construction of the Quay Street strengthening project (seawall) is progressing on track.  
• Construction on the Ferry Basin Redevelopment project breakwater wall piling is scheduled for completion in January 2020.  
• Quay Street Enhancement project is progressing on track. Road closures over the Christmas/New Year period enabled substantial construction.  
• Downtown public space project has begun, with the decommissioning of Pier 3 and start of demolition works.  
• Risks relating to consents have been significantly reduced, with the Seawall Ferry Building appeal period ending mid-January 2020.  
• Current focus is on engaging with key stakeholders with respect to changes to the traffic management plan.  
• Extensive engagement plans are in place for changes to ferry berths, bus stops and road layout. This began in December with minimal complaints received to date. |
| AC36 Auxiliary works | $42.9m/$46.4m On track | Auckland Council and Panuku projects being completed to enable the delivery of the main AC36 infrastructure works. | • Dalby Street Outfall Extension – ground stabilisation works are now complete. 18 of the 35 3.5m diameter pipes have been installed. Project is on track for completion in August 2020.  
• Silo Park Extension – design has commenced on the enhanced Silo Park Extension (new public open space). Demolition of Bulk Storage Terminal tanks was completed by Panuku in November 2019 and the site has been handed over to Wynyard Edge Alliance to complete the park extension.  
• The new SeaLink ferry facility was completed at the end of October 2019.  
• Upgrade of Wynyard Quarter public facilities underway; new toilets and CCTV network extension to accommodate the number of tourists and visitors. |
| AC36 shared infrastructure | $44.9m/$56.7m On track | Construction of essential infrastructure to host the 36th America’s Cup including syndicate base platforms, Hobson Wharf extension, breakwater structures, infill structures and floating infrastructure. | • Construction programme is on track for achieving milestones.  
• Base A – Emirates Team New Zealand base was handed over in May 2019.  
• Bases C, D & E – base building platforms were handed over in August 2019. Mooring handover occurred mid-January 2020. These bases are now ready for the syndicate teams.  
• Hobson Wharf Extension – handed over at the end of November 2019.  
• Bases F & G – base building platforms are on track for delivery by end of February 2020. |
| Midtown / Karangahape quarter | $3.7m/$11.3m Delayed | Delivers improved pedestrian and public spaces around key transport hubs. The programme is aligned with and leverages off development opportunities from the City Rail Link and bus infrastructure. | • Karangahape Road Enhancements – construction of the first three stages is ongoing, with the southern side of Karangahape Road between Symonds Street and Upper Queen Street opened to the public in December 2019.  
• Federal Street Stage 2 – The start of construction has been delayed beyond the first half of 2020 to align phasing with the City Mission HomeGround development. Construction of Federal Street Stage 2 is now targeted for quarter 1 of the 2020/2021 financial year.  
• The upgrade of Albert Street’s urban realm is in progress and on track for completion in late 2020.  
• Lower Queen Street – Construction began in December 2019 for the urban realm upgrade. |
Strategic focus area – 36th America’s Cup (AC36)

**Key commentary**

For the 6 months to 31 December 2019, a total of $44.9 million was spent against the 2019/2020 America’s Cup capital budget of $56.7 million. A total of $101.2 million has been spent against the total AC36 revised budget of $152.8 million. Although the budget spend is behind the phased spend for this time period, the overall infrastructure programme is on track for full delivery on time.

**Highlights**

1. The final America’s Cup World Series regatta will take place 17 to 20 December 2020 in Auckland, as part of the Christmas Race. It will be the last chance to see Emirates Team New Zealand (ETNZ) compete at home before the America’s Cup Match 6 to 21 March 2021. In between the Christmas Race and America’s Cup Match, the Prada Cup Challenger Series (dates to be confirmed by 30 June 2020) will determine who will compete against ETNZ for the cup.
2. Good progress continues to be made on the infrastructure project by Wynyard Edge Alliance, the organisation formed by Auckland Council and the government to deliver the builds, and on the relocation of Wynyard tenants by Panuku.
3. The infrastructure will bring benefits beyond 2021, leaving the Wynyard Quarter with waterfront open space that can be reused for events such as the Ocean Race in 2022.
4. Mana whenua led a whakawātea on 4 December 2019 to bless the Luna Rossa, Challenger of Record, base platform on Hobson Wharf.
5. Demolition of Bulk Storage Terminal Tanks was completed by Panuku in November 2019. The site has been handed over to Wynyard Edge Alliance to complete the remaining team bases and the enhanced Silo Park Extension (new public open space).
6. The focus of the America’s Cup programme is moving from the infrastructure build to the event delivery. ATEED, Auckland Transport, Panuku and the Ministry of Business, Innovation and Employment continue to work closely with America’s Cup Event Limited and relevant stakeholders and agencies on the detailed event and city planning.
7. Panuku is leading works to ensure that Wynyard Quarter is ready to receive the expected number of visitors for the event period, including the upgrade of some current facilities, new toilets at Silo Park and playground, and the extension of CCTV network.
8. All 75 superyacht berths have been allocated to successful applicants and contracts are in place for October 2020 to March 2021.
9. An activation framework led by ATEED has been developed to provide opportunities for third parties to undertake leverage activities outside the race village. The first round of applications closed in November 2019 and the second round will be open in April 2020.
10. The data and evaluation plan was endorsed by the America’s Cup Joint Chief Executive Group in December 2019.

**Issues/Risks**

1. With five teams now involved in the cup, Crown and the council are working with America’s Cup Event Limited on how the two vacant challenger berths could be re-purposed during the event. An alternative use for the bases will be confirmed in advance of the event.

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### Strategic context

The Prada Cup challenger selection series, and the 36th defence of the America’s Cup will focus global attention on Auckland and New Zealand over the first three months of 2021.

The four themes of the hosts’ America’s Cup 36 programme are place, participation, economic wellbeing and storytelling. The programme vision is ‘Ignite the Passion – Celebrate Our Voyages’. This is underpinned by the whakatauki ‘He waka eke noa kia eke panuku, kia eke tangaroa – We’re in this waka together, through all our efforts, we will succeed’.

The expected AC36 programme outcomes comprise a blend of hard and soft benefits that will improve the prosperity of Auckland and New Zealand and enhance the international profile of both.

---

<table>
<thead>
<tr>
<th>Key programme of works</th>
<th>Status</th>
<th>Key deliverable this quarter</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC36 Infrastructure project</td>
<td>On track</td>
<td>Construction of essential infrastructure to host the 36th America’s Cup including syndicate base platforms.</td>
<td>Construction programme is on track to be completed by November 2020. Final basements to be handed over June 2020.</td>
</tr>
<tr>
<td>Enabling third party commercial site negotiations and early works</td>
<td>On track</td>
<td>Negotiations to relocate final Wynyard tenants to alternative sites to allow remaining infrastructure works to commence.</td>
<td>Panuku will relocate the fishing fleet in September 2020 for the event duration.</td>
</tr>
<tr>
<td>AC36 Event (planning and city integration) project</td>
<td>On track</td>
<td>National and city-wide planning and coordination to ensure AC36 events roll out safely and successfully.</td>
<td>Event planning is underway with key agencies and stakeholders being engaged.</td>
</tr>
<tr>
<td>AC36 Legacy and Leverage Project</td>
<td>On track</td>
<td>Identifying, capturing and tracking of benefits related to AC36 pre-, during and post the event.</td>
<td>Leverage and legacy plans, and data and evaluation plan have been endorsed.</td>
</tr>
</tbody>
</table>
### Group strategic focus area – City Rail Link (CRL)

**Key commentary**

For the 6 months to 31 December 2019, a total of $214.8 million was spent towards City Rail Link against a budget of $191.7 million. This project is funded 50 per cent by Auckland Council and 50 per cent by the Crown.

1. The C3 contractor has mobilised to site to build the stations at Aotea, Karangahape and Mount Eden. Advanced works have commenced with the relocation of utilities and the demolition of properties to create the site footprints so that construction works can commence in the third quarter.
2. The order has been placed for the C3 tunnel boring machine, with an anticipated delivery which will enable tunnelling to start in the first quarter of 2021.
3. Works have continued along Albert Street from Wyndham Street to the north direction. Works are forecast to be complete at the end of 2020.
4. The Chief Post Office building has been transferred off the temporary foundations and onto the permanent foundations. The City Rail Link "Walk the Tunnel" event in November was a significant success for the project and it allowed Aucklanders to have the opportunity to see the works undertaken to date.
5. The Christmas rail closures at Mount Eden and Ōtāhuhu were completed successfully with all planned works completed and the railway handed back into operation.

**Issues/Risks**

1. Alongside the existing impacts of construction around Britomart and on Albert Street, there will be major traffic disruption in 2020. This will include several long-term road closures, partial closures and diversions as construction on the underground stations and tunnels begins. Mount Eden Station will also be closed from June 2020 until 2024. A public information campaign will begin in January 2020 to let people know about closures and route changes and suggest better ways to get around town.

<table>
<thead>
<tr>
<th>Contract 1 – Britomart Station/Lower Queen St</th>
<th>Status</th>
<th>Description</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>On track</td>
<td>Building tunnels through and under Britomart Station and Queen Street to the Precinct Properties’ Commercial Bay development so that trains can run in both directions through Britomart. Redeveloping the Britomart station building (the former Chief Post Office) into a more attractive, modernised transport centre.</td>
<td>Works continue within the Chief Post Office building and the Britomart Station including the installation of a station management system, new escalators and architectural and finishing works. Works at street level will continue in particular in Lower Queen Street, Tyler Street, Galway Street and Commerce Street.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract 2 – Albert Street (Customs to Wyndham Street)</th>
<th>Status</th>
<th>Description</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>On track</td>
<td>Building tunnels down the middle of Albert Street between Wyndham Street and Customs Street to connect Britomart to the new Aotea Station. When complete, this contract will transform Albert Street to create a high-quality public space for people and businesses.</td>
<td>Works along Albert Street will continue to focus on completing the installation of utilities and the final finishes of the streetscape. When completed this work will involve widening the footpaths, planting trees, adding bus lanes and making the street more pedestrian-friendly.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract 3 – Stations, tunnels, western link connection and rail system</th>
<th>Status</th>
<th>Description</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>On track</td>
<td>Construction of the underground stations at Aotea and Karangahape Road Square, redevelopment of the Mt Eden Station, construction of the western rail link connection and rail systems.</td>
<td>Site preparation works at Mount Eden, Karangahape and Aotea will continue to allow construction of underground structural elements, including piling and diaphragm walls to commence on a number of sites in the next quarter. Utility diversion works will continue to be undertaken to create the full footprint of the future stations.</td>
<td></td>
</tr>
</tbody>
</table>
Group strategic focus area – Māori outcomes

<table>
<thead>
<tr>
<th>Key commentary</th>
<th>Key Statistics</th>
<th>Strategic context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori outcomes initiatives with LTP funding (Te Toa Taktini)</td>
<td>Initiatives delivered through Māori outcomes LTP funding</td>
<td>The council group is delivering the Māori Outcomes Portfolio to achieve improved outcomes for and with Māori. Adopted strategic priorities are:</td>
</tr>
<tr>
<td>Quarter two, Oct-Dec 2019 – council is on track with approximately $4.7 m spent in quarter two against a forecasted budget of $5.1m (noting that $0.4m of this spend is work completed but not yet entered into finance system); $14.1 million of the annual budget of $14.3 million is already allocated across 44 initiatives, with two initiatives completed. As of December 2019, a further 19 initiatives are in the pipeline for consideration for funding by the Māori Outcomes Steering Group (MOSG). Key highlights this quarter include opening of the Whau café, preparation for Te Matatini regions and adoption by the Mana Whenua Kaitiaki Forum of their 10 year strategic plan. The cross-council MOSG oversees the strategic direction and funding of the Māori Outcome programme. It’s working to lift programme delivery. Delivery risks remain on some key projects and MOSG is working with relevant units to respond. Initiatives delivered through other funding sources</td>
<td>No. of initiatives committed</td>
<td>44</td>
</tr>
<tr>
<td>Across the council group, there were other initiatives that contributed to Māori outcomes in addition to the LTP funding. Key highlights include Auckland Transport’s marae programme (now being assisted by Māori Outcomes funding), and Rō Māori initiatives led by RFA. Further examples are highlighted in each organisation’s pack.</td>
<td>No. of initiatives completed</td>
<td>2</td>
</tr>
<tr>
<td>Performance measures for Māori outcomes LTP funding</td>
<td>Measures for this period</td>
<td>1. Papakāinga &amp; Māori Housing</td>
</tr>
<tr>
<td>Total no. of measures2</td>
<td>Met</td>
<td>2. Whānau &amp; Tamariki Wellbeing</td>
</tr>
<tr>
<td>12</td>
<td>Unmet</td>
<td>3. Marae development*</td>
</tr>
<tr>
<td>Overall financial progress for Māori outcomes LTP funding</td>
<td>N/A</td>
<td>4. Te Reo Māori*</td>
</tr>
<tr>
<td>YTD expenditure</td>
<td>N/A</td>
<td>5. Māori Identity and Culture</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$4.7m</td>
<td>6. Māori Business, Tourism &amp; Employment*</td>
</tr>
<tr>
<td>YTD budget</td>
<td>$5.1m</td>
<td>7. Realising Rangatahi potential</td>
</tr>
<tr>
<td>1. The six performance measures relate to LTP measures that are measured annually at this stage. Te Waka Aanga Mua ki Uta is currently developing an improved performance measure framework to include other measures.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strategic priority areas

<table>
<thead>
<tr>
<th>Strategic priority areas</th>
<th>MO Fund YTD Actual/Budget</th>
<th>Wider key deliverables &amp; outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marae development</td>
<td>$1,056k/$952k On track</td>
<td>The cultural initiatives fund annual contestable grant allocated $762k in FY20 to support marae development. In addition, the marae infrastructure 10-year programme for FY20 continues to deliver the pilot programme ($294k spend ytd), working initially with four marae. Physical works are scheduled to start at Te Kio Marae and Torere. Urgent works have been carried out at seven marae. Auckland Transport is working on infrastructure improvements with Makaurau, Motiwhero and Arapare Marae to improve safety and expand travel choices. Māori Outcomes funding is supporting AT to begin projects at Hoani Waititi marae, Tahuna Pa marae and Whatapaka marae.</td>
</tr>
<tr>
<td>Kaitiakitanga (particularly water)</td>
<td>$41k/$101k Delayed</td>
<td>Development of Te Tauruke-a-Tāwhiri: Auckland’s climate action framework (partly funded by Māori outcomes LTP funding to enable mana whenua and motaaawake contribution to decision-making on climate change actions for Auckland) is progressing well. Rangatira-ki-te-rangatira engagement began between MWKF and new councillors – ongoing relationship established. Watercare is continuing with its mana whenua engagement programme. Mana whenua are being supported to input into the Puhinui Awa Regeneration Strategy and Work Programme. Māori Outcomes funding is supporting Iwi to integrate cultural narrative into the Pāhoi to Pīkari Trail Development.</td>
</tr>
<tr>
<td>Te Reo Māori</td>
<td>$389k/$646k Delayed</td>
<td>The Host agreement for Te Matatini 2021 will be signed January 2020. Council is supporting delivery of the Kinaki - Tāmaki Makaurau Kapa Haka Regionals 2020 in January 2020. Te Matatini 2021 is one of a number of key events in 2021 that will showcase and celebrate Māori Culture. Te Kete Rukuruku project is a significant initiative towards providing Māori names and associated narratives to parks and places across Tāmaki Makaurau. Mana whenua are progressing to establish which iwi will name the parks selected by local boards, and developing partnerships and establishing best practice protocols around mātāuranga management of narratives and names within council and local boards. Mana whenua are working towards handing over names and narratives between Q4 and Q1 FY20/21.</td>
</tr>
</tbody>
</table>
**Attachment A**

**Item 9**

<table>
<thead>
<tr>
<th>Strategic priority areas</th>
<th>YTD Actual</th>
<th>Key deliverables &amp; outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori Business, Tourism &amp; Employment</td>
<td>$293k / $423k Delayed</td>
<td>Tāmaki Herenga Waka Festival will be delivered January 2020. Māori Outcomes funding is supporting ATEED’s Whariki Māori business network to grow its membership and offering. The Southern Initiative’s He Waka Eke Noa is a social procurement initiative that supports Māori businesses to be ready and able to connect with large public and private procurers. It supports buyers to deliver high impact procurement opportunities for diverse suppliers, and advocates strongly for supplier diversity to grow the pool of buyers. Auckland Council and Auckland Transport are participating in He Waka Eke Noa. ATEED is progressing with its 2021 Māori Outcomes programme to drive Māori Outcomes through the significant events coming in 2021. Māori Outcomes funding supported the completion of the Whau cafe and kiosk which successfully opened December 2019. Panuku presented its commercial pipeline to its Mana Whenua Governance Forum which includes both development opportunities as well as disposals properties.</td>
</tr>
<tr>
<td>Realising Rangatahi potential</td>
<td>$36k / $85k Delayed</td>
<td>Rangatahi engagement / Māori education plan programme - a series of pilot initiatives developed in partnership with The Southern Initiative, Democracy Services, Local Boards, Chief Sustainability Office, Healthy Waters and Māori Communities is trialling ways of enhancing rangatahi Māori leadership and participation.</td>
</tr>
<tr>
<td>Māori Identity and Culture</td>
<td>$53k / $495k On track</td>
<td>Panuku are collaborating with Mana whenua to enable a meaningful expression of Māori culture and identity in the Awataha Greenway restoration project in Northcote. Mana whenua artists are part of the design process. The largest spend was in the Māori Cultural Heritage programme, a working partnership with mana whenua to identify, protect and manage sites and places of significance to mana whenua. Council is supporting the Waitakere Arts and Culture Development Trust to establish a Māori Arts Centre.</td>
</tr>
<tr>
<td>Papakāinga &amp; Māori Housing</td>
<td>$47k / $476k On track</td>
<td>The Māori Housing unit continues to provide opportunities, enhanced support, and facilitation for Māori organisations that are developing affordable and papakāinga housing. Three grants ($450k) have been allocated from the cultural initiatives fund to support papakāinga housing projects. Council supported a range of agencies at housing workshop hosted by Ngāti Te Ata at Waitakere. The Mahurehure Maraene and Papakura Maraë are being supported by council to progress their Papakāinga &amp; Māori Housing aspirations.</td>
</tr>
<tr>
<td>Whānau &amp; Tamariki Wellbeing</td>
<td>$5k / $5k On track</td>
<td>Council and Mana whenua are working to deliver a second māra hupara (traditional Māori playground) in Birkenhead War Memorial Park. Auckland Transport contributes to road safety through Te Aro Haepapa programme that delivers driver licensing, child restraint training, speed management, drug and alcohol education and promoting walking and safe cycling. Auckland Transport have released a te reo Māori special edition registered AT Hop card for free weekend travel for 5-15 year olds. The AT Hop card is being distributed to kura kaupapa whānau. Work is also being done through Te Aro Haepapa to provide greater access to AT Hop Cards and enable Māori communities to benefit from Child Free-Fare Weekends.</td>
</tr>
<tr>
<td>Effective Māori participation</td>
<td>$1,157k / $1,575k Delayed</td>
<td>RIMU has analysed the impact of trialled activities to increase voter turnout at the October 2019 elections. Council continue to fund and support the Mana Whenua Kaitiaki Forum with the annual funding level increased to $1.26 million. The Kaitiakianga of Tāmaki Makaurau (Capacity Contracts) initiative enables mana whenua capacity to build relationships with council and contribute to decision-making. Council and mana whenua are progressing their collaboration to co-design and implement an improved Cultural Value Assessment process. $465k invested in a matawaha engagement partnership programme is achieving good results with Māori submissions totalling 18% for the recent water strategy consultation, agreement of a Māori outcomes plan between Western Local Boards and Māori communities, and collaboration between mana whenua and matawaha in Māori engagement for elections 2019 and Auckland Climate Action Framework.</td>
</tr>
<tr>
<td>Organisational Effectiveness (internal)</td>
<td>$314k / $357k On track</td>
<td>Council continues to roll out the delivery of its MAHI strategy.</td>
</tr>
</tbody>
</table>
Auckland Council
Quarter 2 Performance Report
For the 6 months ended 31 December 2019

This report outlines the key performance of the Council, which includes regulatory, community, stormwater, environmental, and corporate support related activities and investments.
Auckland Council Q2 summary*

**Highlights, issues & risks for the quarter**

Teams from across the Council group came together to quickly and effectively manage the city’s response to the fire at Sky City’s International Convention Centre. Our teams kept Aucklanders informed and safe.

Our swift responses when dealing with challenging media issues can impact how our people and communities feel about us. The latest media sentiment results for Nov/Dec 2019 indicated a favourability rating of 54 per cent for the first time in November and then rising to another all-time high of 55 per cent in December.

We have entered a 20-year partnership with kiwi-owned and operated Ecogas Ltd to process weekly food scraps. The service will help with Auckland’s target of reducing the amount of waste going to landfill and help us to grow more food sustainably.

It will be easier and faster for our customers to report maintenance problems as a result of the launch of the new digital platform “Report a Problem”.

**Risks**

Traffic disruption as a result of the multiple construction and roadworks projects is being monitored by working closely with AT and other developers. The ProgressAKL website highlights the future benefits that this short-term disruption will deliver.

We are closely monitoring the situation with the outbreak of coronavirus (COVID-19) to assess the potential impact on our services. We have issued guidelines for our staff following guidance from the Ministry of Health and the World Health Organization.

**Key performance measures highlights**

- 30 of 78 Auckland Council LTP measures have been updated.
- 19 have been met, 11 have not been met.

The percentage of building consent applications processed within 20 statutory working days has steadily improved over the first six months. Our customer satisfaction results have also seen a positive increase over this time.

The number of library items checked out (including e-items) continues to increase. Auckland libraries is in the small group of libraries around the world that achieved more than 2 million e-book checkouts in 2019.

**Financials (million)**

<table>
<thead>
<tr>
<th></th>
<th>YTD actual</th>
<th>YTD budget</th>
<th>Actual vs Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure</td>
<td>294</td>
<td>384</td>
<td>(90)</td>
</tr>
<tr>
<td>Direct revenue¹</td>
<td>206</td>
<td>189</td>
<td>17</td>
</tr>
<tr>
<td>Direct expenditure</td>
<td>687</td>
<td>676</td>
<td>11</td>
</tr>
<tr>
<td>Net direct expenditure²</td>
<td>481</td>
<td>487</td>
<td>6</td>
</tr>
</tbody>
</table>

Overall, we are on track. Capital expenditure was $294 million for the six-month period, up $58m from the same period last year.

Net direct expenditure was on track with a 1.2% variance against budget.

Key highlights include:

- $45 million of America’s Cup capital works delivered, including the demolition of Bulk Storage Terminal tanks that will lead to an enhanced Sfio Park Extension (new public open space).
- $27 million of Water Quality Targeted Rate funded projects delivered, up $23 million from the same period last year, with central city stormwater projects well-underway.

**Looking ahead**

Water conservation efforts across the region to continue as we explore ways of reducing water usage at our facilities.

Consultation with Aucklanders on the Annual Budget 2020/2021 will run from 21 February to 22 March 2020.

Climate actions relating to emissions reduction and building resilience to climate change to continue to be developed across the group.

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*All financials in the Auckland Council section excludes Commercial Property Portfolio, which are assets owned by Auckland Council but managed by Ponuku Ltd.

1. Excludes regional fuel tax.
### Strategic focus area – Water quality programme

#### Key commentary

For the 6 months to 31 December 2019, $27.46 million was invested in water quality improvement projects against a year to date budget of $26.88 million. The slight variance against budget is due to the Daldy Street stormwater project progressing faster than expected.

**Highlights**

- The St Marys Bay and Masefield Beach stormwater project is underway, following successful Environment Court proceedings. A dawn blessing with mana whenua was held for the project in December and physical enabling works have begun. The project is planned to be completed by May 2021.
- The Daldy Street stormwater outfall extension is ahead of schedule with ground stabilisation and pipe laying currently underway. The project is being delivered by the Wynyard Edge Alliance and is planned to be completed by June 2020.
- The Ōrākau town centre transformation has been expanded with targeted rate funding to include more water quality treatment, managing stormwater run-off through rain gardens.
- Construction of the Okahu Bay targeted separation project began in October. The project will separate stormwater and wastewater from 171 properties and construct 4.5km of new stormwater network. The project is planned to be completed by December 2021.
- Contractors are now using a new council digital inspection app to electronically report the condition of systems, reducing staff processing time by 80 per cent.

**Issues/Risks**

- We are working closely with Auckland Transport and other major developers to coordinate traffic management across the multiple construction and roading projects that are on the go simultaneously across the city. The ProgressAKL campaign is also promoting the benefits that this short-term disruption will deliver in the future.
- Early engagement with suppliers and a strategic approach to procurement is helping us to manage increased costs and demand for construction materials, labour and professional services and all programmes are currently on track.

#### Strategic context

Auckland has a significant challenge to address regarding pollution of waterways across the region from overflows, sediment and other pollutants. Many waterways and beaches are unsafe for swimming after storm events, and some beaches have permanent poor water quality warning signage.

The water quality improvement targeted rate programme aims to reduce overflows and contaminants flowing into Auckland’s waterways and harbours, rehabilitate streams to improve their ecological health and reduce bank erosion caused by rural and urban land use changes.

<table>
<thead>
<tr>
<th>Key programmes</th>
<th>Status</th>
<th>Description</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western isthmus water quality improvement programme</td>
<td>On track</td>
<td>Delivery of improved infrastructure to reduce wastewater overflows into Waitemātā Harbour and reduce stormwater volumes into Manukau Harbour.</td>
<td>In addition to the major capital projects currently underway at Daldy Street, Freemans Bay, and St Marys Bay, business cases are being developed for network upgrades and separation in Waterview, Owairaka, Westmere, St Marys Bay, and Herne Bay.</td>
</tr>
<tr>
<td>Contaminant reduction</td>
<td>On track</td>
<td>Programme to reduce the amount of contaminants (including litter, sediment and road pollutants) entering waterways across the region.</td>
<td>The Okahu Bay targeted separation is on track. Additional projects are being finalised including Oway Street improvements and upgrades to Hurstmere Road.</td>
</tr>
<tr>
<td>Urban and rural stream rehabilitation</td>
<td>On track</td>
<td>Stream restoration projects to improve ecological health of streams and reduce flow of contaminants into harbours.</td>
<td>The annual community grant funding to support riparian fencing and planting of private streams has been released for public applications.</td>
</tr>
<tr>
<td>Onsite wastewater systems</td>
<td>On track</td>
<td>Compliance programme to ensure private onsite wastewater systems are regularly inspected and maintained to reduce amount of wastewater overflows.</td>
<td>Consultation on the Waitakere pump out scheme will occur through the 2020/2021 annual plan process. Staff are reviewing the next areas for investigation in conjunction with Safe Networks monitoring.</td>
</tr>
<tr>
<td>Safe networks</td>
<td>On track</td>
<td>Investigate and eliminate sources of faecal contaminants that are discharging from the stormwater network and watercourses at popular swimming spots.</td>
<td>Safe networks staff continue to progress and complete investigations, including 19 outlet screening investigations initiated this quarter. Detailed investigations to identify sources of contamination in sub-catchments are also in progress.</td>
</tr>
</tbody>
</table>
Strategic focus area – Natural environment programme

Key commentary

For the 6 months to 31 December 2019, a total of $1.1 million was invested in the natural environment programme against a budget of $10.7 million.

Highlights

- 10 kilometres of track have been upgraded to meet national kauri dieback standards, with 47 additional tracks in construction and a further 143 tracks being designed. 25 kauri dieback ambassadors spent over 4,300 hours at regional and local parks educating people on how to protect our kauri.
- We are cracking down on people who ignore track closures. Four targeted compliance checks for park track closures took place across the Auckland region. 23 trespass notices, 14 provisional trespass notices and 15 warnings were issued. Escalated enforcement action was initiated in November against an individual with the hearing deferred to March 2020.
- More communities are now looking after the natural environment across approximately 60 per cent of the Tamaki Makaurau region (299,000 ha), supported by funding from the Natural Environment Targeted Rate. For example, Te Horowai o Waiake and the already eradicated has begun with 1,500 traps installed across 400 properties. $900,000 was allocated to top up the Regional Environment and Natural Heritage Grant and provide support for 14 community conservation projects. Educational conservation workshops were delivered to 70 early childhood centres.
- Pest animal and plant control and monitoring has been expanded both on and off council park land, including at 420 known low incidence pest plant sites. 80 feral pigs were eradicated from the Waitakere Ranges.

Issues/Risks

- The blanket consent to upgrade tracks in the Waitakere Ranges Significant Ecological Area is still pending approval, which risks delaying the summer schedule. Construction work is underway in low risk areas to ensure that progress continues across the wider programme.

Key programmes

<table>
<thead>
<tr>
<th>Key programmes</th>
<th>Status</th>
<th>Description</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant pathogen management</td>
<td>On track</td>
<td>Delivering infrastructure and interventions to decrease the risk of spread and reduce the impact of kauri dieback disease.</td>
<td>Construction of tracks has increased as we make the most of dry summer conditions. The surveillance programme for the Gulf Islands and local parks has commenced. Field investigations are being carried out into the effects of phosphate on improving immunity of diseased trees. We are consulting with stakeholders about a research and treatment plan for the next five years.</td>
</tr>
<tr>
<td>Mainland and freshwater</td>
<td>On track</td>
<td>Delivering biodiversity and biosecurity activities across mainland and freshwater ecosystems.</td>
<td>Expanded pest plant and animal control on high value ecological sites within mainland regional parks is on track. Pest fish monitoring, control and user surveys are being done in high priority freshwater lakes (Ratoto and Tamaotua).</td>
</tr>
<tr>
<td>Expanding community action</td>
<td>On track</td>
<td>Supporting an increasing number of community groups, iwi, schools and households to undertake pest control and ecological</td>
<td>The Community Coordination and Facilitation Grant assessments and allocation of grants to community groups is underway with $740,000 to allocate (including some funding from the water quality targeted rate).</td>
</tr>
<tr>
<td>Islands and marine</td>
<td>On track</td>
<td>Delivering biodiversity and biosecurity activities across marine ecosystems and Hauraki Gulf Islands, including pest pathway management.</td>
<td>Plans to eradicate pests from Kauai Island are being developed with iwi and the Department of Conservation prior to community engagement. A busy summer field season for expanded seabird monitoring is underway on the outer Hauraki Gulf Islands.</td>
</tr>
<tr>
<td>Enabling tools</td>
<td>On track</td>
<td>Delivering ICT infrastructure and monitoring framework required to support the natural environment targeted rate programmes.</td>
<td>Development, testing and roll out of a spatial bio database, customer relationship management tool and Auckland Conservation website.</td>
</tr>
</tbody>
</table>

Strategic context

Auckland’s rapid growth is putting pressure on our environment and kauri dieback disease is threatening one of our most iconic species. Many other species are also in rapid decline and need a concerted effort to manage the pests and weeds that threaten them.

The natural environment targeted rate programme will significantly reduce the risk of kauri dieback spreading, provide more support for communities, schools, and private landowners to engage in conservation, and increase the number of significant ecological areas that council is actively managing to control pest plants and animals.
### Strategic focus area – Waste

**Key commentary**

For the 6 months to 31 December 2019, $53.08 million was invested in waste solutions against a budget of $53.02 million.

**Highlights**

- Procurement for the integrated waste collection services (including refuse, recycling and food scraps collections) was approved by the Strategic Procurement Committee in December. The contract is on target to commence in July 2020.
- The food scraps processing contract was signed in December. EcoGas Limited will process kerbside food scraps using anaerobic digestion technology, producing biogas which will be used for sustainable food production. EcoGas Limited will accept food scraps for processing through a two staged rollout beginning in October 2021 and again in October 2022.
- Auckland Council, TRGW Group, and Green Way partnership won the Partnering for Good Award at the NZI Sustainable Business Network Awards 2019. The partnership demonstrates how the building industry can do things differently by rethinking about waste as a resource in deconstruction projects.
- Waste Solutions’ customer satisfaction and customer effort scored 72.3 per cent, an increase compared to 67 per cent for the same period last year. A particularly outstanding month was October with a score of 76 per cent.
- A political working group was established to develop a council submission advocating to increase and expand the waste levy.

**Issues/Risks**

- Identifying overseas markets for the mixed plastic and mixed paper sorted at VSY is challenging. There is a risk that these materials may be land-filled if alternative markets cannot be found. Council staff are looking at local solutions. We are also looking at how VSY can further sort and improve the quality of recycling.

### Strategic context

The Waste Management and Minimisation Plan seeks to reduce waste to landfill volumes, with a focus on reducing construction and demolition waste, the resource recovery network and reducing food waste. We are managing illegal dumping by improving awareness of alternatives and increasing enforcement. Offshore processing of some types of plastic and paper waste has ceased in some countries, creating a need to actively manage recyclables within New Zealand.

<table>
<thead>
<tr>
<th>Key programmes</th>
<th>Status</th>
<th>Description</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource recovery network</td>
<td>On track</td>
<td>Establishing a network of 12 community recycling centres operating throughout the region by 2025.</td>
<td>Eight community recycling centres have been established. A further three in Waiheke, Western Springs and Onehunga are in development and expected to open by 2020/2021.</td>
</tr>
<tr>
<td>Food scraps</td>
<td>On track</td>
<td>Rates-funded, weekly kerbside collection of food scraps provided to all households in urban areas.</td>
<td>The contracts for food scraps collections and processing were awarded in December. The processing contract was awarded to EcoGas Limited based in Reporoa. Procurement of kitchen caddies and kerbside bins for households is underway.</td>
</tr>
<tr>
<td>Construction and demolition</td>
<td>On track</td>
<td>Focus on advocacy, brokerage and strategic influence. Work with industry to support minimisation of Auckland’s increasing volume of landfill waste.</td>
<td>Senior Waste Planning Advisor for Construction and Demolition Waste, Mark Roberts, has been awarded a 2019 Winston Churchill Memorial Trust Fellowship. Mark will travel to North America in April to investigate community-led ‘deconstruction hubs’.</td>
</tr>
<tr>
<td>Illegal dumping and enforcement</td>
<td>On track</td>
<td>Actively enforce litter and illegal dumping infringements under the Litter Act.</td>
<td>94 litter infringement notices were issued in quarter two. In December, a communication and engagement campaign gave people options on how to dispose of the increased amount of waste over the Christmas holiday period.</td>
</tr>
<tr>
<td>Markets for recyclables</td>
<td>On track</td>
<td>All processed, recyclable material is diverted from landfill and recycled through reputable companies.</td>
<td>We are identifying alternative markets and uses for recyclables. Council is involved in the national resource recovery task force analysing the national recycling situation and potential solutions.</td>
</tr>
</tbody>
</table>
Strategic focus area – Regulatory

Key commentary
For the 6 months to 31 December 2019, the increased volume and complexity of consents resulted in fee revenue of $124 million against a budget of $116 million. Despite outsourced costs being above budget to meet demand, overall direct expenditure was on budget.

Highlights

- Process enhancements, closer monitoring and increased staff training and development is helping the continual improvement in statutory processing times. In December, we reached 89% compliance against statutory reporting times for Building Consents and 73% for Resource Consents.
- Project Springfield, our ICT enhancement project, has achieved multiple time savings across process steps (from a few seconds to several minutes). This included the urgent purchase of storage hardware over the Christmas break to address key bottlenecks. Multiplied by the number of consents processed, this means significant time savings.
- We have increased our proactive monitoring (above legislative requirements) of food and alcohol premises with the goal of further reducing potential risks. The initial focus has been revisiting previously non-compliant alcohol premises.
- We achieved 100% completion of our internal audit schedule of accredited functions (Building Consents and Environmental Health). This gives our external accreditors greater confidence in our internal quality systems.

Issues/Risks

- We are continually upskilling our staff to manage consent applications which continue to be more complex, particularly building consents of Residential 3 complexity or above.
- Kāinga Ora (Housing NZ) have recruited a number of skilled staff and may continue to do so as they expand. We are working with Kāinga Ora and have initiated a number of internal actions to retain staff.
- The November Special Assessment of the Building Consents department identified 9 General Non-Compliances. To mitigate this, we have implemented a number of processes and training improvements, with associated internal audits to be done in Feb/March 2020 to ensure compliance.

Strategic context

Regulatory Services ensures that Aucklanders live in secure, healthy, and affordable homes by managing the risk associated with the built form for Auckland.

They also enable Aucklanders to preserve, protect and care for the natural environment and to maximise the many opportunities for Auckland to deliver a better standard of living.

They ensure Aucklanders are kept safe and well through compliance work, animal management, alcohol licensing and environmental health.

<table>
<thead>
<tr>
<th>Key programmes</th>
<th>Status</th>
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<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Optimisation</td>
<td>On track</td>
<td>Improving the efficiency of our processes, with a focus on timeliness and customer satisfaction.</td>
<td>Project Springfield has delivered multiple speed improvements to our core systems, and has further improvements to deliver. Our Lodgement and Request for Information Agile sprints are developing a suite of recommendations for delivery.</td>
</tr>
<tr>
<td>Culture and Capability</td>
<td>On track</td>
<td>Improving the skills and engagement of our people, with an initial focus on foundational training.</td>
<td>The vision and strategy are being finalised. There is a continued focus within the divisions with programmes and initiatives to enhance culture and capability. Quarterly People Leader forum sessions will enhance leadership capability and equip the group with effective tools.</td>
</tr>
<tr>
<td>Customer and Stakeholder</td>
<td>On track</td>
<td>Improving customer and stakeholder experience, with an initial focus on communication and information sharing.</td>
<td>We are improving our website to make information easier to access and enable customers to more rapidly apply or request the product or service they need.</td>
</tr>
<tr>
<td>Consent Auditing Programme</td>
<td>On track</td>
<td>A programme of works to ensure data relating to resource consent and building consent timeliness is accurately recorded in the system.</td>
<td>Both Building Consents and Resource Consents have staffed dedicated teams who are auditing 100% of completed consents for documentary evidence. Data quality rates are improving with the next milestone an Audit NZ review in February 2020.</td>
</tr>
</tbody>
</table>
## Strategic focus area – Community investment

### Key commentary

For the 6 months to 31 December 2019, Customer & Community had net direct expenditure of $203.9 million against a budget of $204.8 million. Capital expenditure was $89.4 million against a budget of $104.2 million.

#### Highlights

- AKL Paths Digital has had over 400,000 web hits since officially going live, and in response to customer feedback we are adding features to the service content. We have added 270 public drinking fountain locations to support the Wai Auckland partnership, and it’s supported the Kauri Dieback programme and Auckland Transport - Active Transport campaigns.
- We have completed Te Kete Rukuruku programme. This has been developed by and with mana whenua to implement the Māori Language Policy, increase the visibility of Māori names and associated narratives and build and maintain good practice within Council in relation to our matauranga (knowledge) management systems.
- The popularity of eBooks and eAudiobooks continues to grow and exceed expectations. In 2019 approximately 2.6 million eBooks, eAudiobooks and eMagazines were borrowed; a 13% increase on 2018. On OverDrive alone we exceeded 2.2 million checkouts; putting Auckland Libraries in the small group of libraries (37) around the world that achieved more than 2 million eBook checkouts in 2019.

#### Issues/Risks

- Additional security personnel (long and short term) and the upgrade of facilities continues to be a challenge in our community facilities.
- We are assessing our risk exposure relating to seismic and asbestos in our buildings and we have closed Lloyds Institute because of its high seismic risk.

### Strategic context

We are increasing participation and use across all our community and recreational spaces, contributing to community wellbeing and a sense of belonging. These services are provided through the provision of services, programmes, facilities and spaces that are owned or managed by the council, contracted third parties and through community group partnerships. Investment in the community also occurs through grants, leases and partnerships.

Auckland Emergency management builds resilient communities.

Customer Services manages all interactions with our customers.

<table>
<thead>
<tr>
<th>Key programmes</th>
<th>Status</th>
<th>Description</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Programmes</td>
<td>On track</td>
<td>The Sport Facilities Investment Fund is a $120 million, 10-year fund to invest and partner with organisations who are developing significant sport and recreation facilities.</td>
<td>The budget for the fund is $7m. Expressions of interest closed early November and final proposals are due in December. The funding recommendations will go to the Governing Body in March. $1.46m has been paid this year from last year’s allocation.</td>
</tr>
<tr>
<td>Renewal of existing assets</td>
<td>Slight delay</td>
<td>Renewals programme across all local board community assets and community regional assets, including assets required to run the service.</td>
<td>95 projects completed in Q2 ranging from minor fixtures replacement to comprehensive renewals. This included refurbishments at Tupa Library, Grey Lynn and Glen Innes community centres, Stanmore Bay Leisure centre, Parnell Baths and a number of other playground and toilet renewals across the region. Forecasting 88% completion of programme at year-end due to timing delays.</td>
</tr>
<tr>
<td>Growth and development</td>
<td>Slight delay</td>
<td>Growth projects and new development in regional and local parks, play, sports and walkway recreation space and includes public art and Te Waka Tai-ranga-whenua.</td>
<td>14 projects completed in Q2 to add or improve to our existing assets, including Boggust Park improvements, installation of life rings at high risk coastal areas and a new toilet at Fowlds Park.</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>On track</td>
<td>Acquisition of open space programme.</td>
<td>Delivery of $1.6 million represents 3% of the full year budget. This is due to delays in settlements. Forecast for year end is $43.2 million (70%).</td>
</tr>
</tbody>
</table>
### ONE LOCAL INITIATIVE 10 YEAR PROGRAMME

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Process Stage</th>
<th>Targeted Year</th>
<th>Estimated Cost</th>
<th>Cost Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert-Eden Local Board – Chamberlain Park</td>
<td>Masterplan delivery for operation of a reconfigured golf course, driving range, sports fields and park improvements.</td>
<td>FY22</td>
<td>22</td>
<td>1.87</td>
</tr>
<tr>
<td>Devonport-Takapuna Local Board – Lake Road*</td>
<td>Address Lake Road congestion issues.</td>
<td>FY19</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Franklin Local Board – Karaka Sports Park</td>
<td>Park development including multi-sports facility and sports field upgrades.</td>
<td>FY19</td>
<td>38</td>
<td>0.25</td>
</tr>
<tr>
<td>Great Barrier Local Board – Solar and EV infrastructure</td>
<td></td>
<td>FY18</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Henderson-Massey Local Board – Land Acquisition to enable Aquatic Facility &amp; Sports Fields</td>
<td>Acquire land in the North West to prepare for a swimming pool and new sports fields within the Red Hills precinct.</td>
<td>FY18</td>
<td>25.6</td>
<td>25</td>
</tr>
<tr>
<td>Hibiscus &amp; Bays Local Board – Orewa Beach Northern (N) &amp; Southern (S) -</td>
<td>Protects the northern reserve from coastal erosion. Investigation of options for the southern extent of Orewa Beach including Orewa Estuary.</td>
<td>FY18</td>
<td>18</td>
<td>9.3</td>
</tr>
<tr>
<td>Howick Local Board – Flat Bush Library &amp; Community Centre</td>
<td>Design and construction of a library and community centre.</td>
<td>FY18</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Howick Local Board – Flat Bush Aquatic &amp; Recreation Centre</td>
<td>Design and construction of an aquatic and recreation centre.</td>
<td>FY18</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Kaipatiki Local Board – Birkenhead War Memorial Park</td>
<td>Phase 1: Demolition of grandstand – completed. Phase 2: Deliver OU components of the Masterplan.</td>
<td>FY18</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Māngere-Otāhuhu Local Board – Māngere East Precinct</td>
<td>Acquisition of land and planning to enable improvements within the Māngere East precinct.</td>
<td>FY18</td>
<td>6.3</td>
<td>5.3</td>
</tr>
<tr>
<td>Manurewa Local Board – Manurewa War Memorial Park</td>
<td>Development of a multi-purpose facility and sports field upgrades.</td>
<td>FY18</td>
<td>17</td>
<td>0.3</td>
</tr>
<tr>
<td>Maungakiekie-Tāmaki Local Board – Onehunga Transport Interchange*</td>
<td>Assessment of a multi-transport interchange at the current Onehunga train station / car park.</td>
<td>FY18</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Description confirmed or supplied by Auckland Transport  
**Detailed Business Case Phase

### WORKFLOW PIPELINE

<table>
<thead>
<tr>
<th>Stage</th>
<th>Initiate</th>
<th>Plan</th>
<th>Deliver</th>
<th>Close</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>FY20</td>
<td>FY21</td>
<td>FY22</td>
<td>FY24</td>
</tr>
</tbody>
</table>

Current Directorate Owner: Customer & Community Services (Community Facilities)

**OUI scope re-set** - The local board have agreed to retain the 18-hole golf course, development of a local park western side end, creek restoration and delivery of walking tracks / cycleways. The OUI scope and next steps will be confirmed in early 2020.

**Timing on track** - Public consultation on early deliverables completed in December 2019. Preferred design for main project underway.

**Detailed Business Case Phase** - **Timing on track**.

The detailed business case is progressing on track.

**Timing on track** - Investigation and options analysis ongoing for land acquisition. Initial business case progresses on track for the aquatic facility. Masterplan pending for Redhills and sports provision.

**Timing delay for Southern** - Pending outcome of the Environment Court hearing.

**Timing on track for Southern** - Analysis options are being progressed with local board update workshops during first half 2020.

**Timing on track** - The Dimson town centre location has been approved and procurement of the design team is underway.

**Timing on track** - Approved location is Barry Curtis Park. Key findings from community engagement will be shared with the local board in February.

**Timing on track** - Service requirements and detailed business case phase are now underway for the OUI components of the Masterplan implementation plan: Multi-sport facility and swimming pool improvements.

**Timing delays due to land acquisition status** - A critical land acquisition has fallen through and an OUI re-scope has been undertaken. The Local Board has developed five new initiatives. These will be progressed for approval.

**Detailed Business Case Phase** - **Timing on track** - The detailed business case is progressing on track.

**Timing delays due to project clarification** - AT are progressing options investigation with Panuku and will report back to the Local Board within FY20.
# Attachment B

## Item 9

### One Local Initiative 10 Year Programme

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
<th>Phases</th>
<th>Current CCO Owner</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ōrākei Local Board – Meadowbank-Kohimarama Connectivity Project*</td>
<td>Active transport mode connection between Meadowbank &amp; the Glen Innes to Tamaki Drive Shared Path. &amp; Kohimarama and the GUD20.</td>
<td>FY18</td>
<td>Auckland Transport</td>
<td>Cost Risk - The project is at risk due to cost estimates ($15.5M) exceeding current funding provision ($6.6M). A detailed business case will be progressed in early 2020, funded by the Local Board.</td>
</tr>
<tr>
<td>Ōtara-Papatoetoe Local Board – Ngāti Ōrā Park Design and construction of the multipurpose facility in Ngāti Ōrā Park including store and commercial laundry.</td>
<td>FY18</td>
<td>Customer &amp; Community Services (Community Facilities)</td>
<td>Timing on track - Approved as an OLI by the Finance &amp; Performance Committee now progressing to delivery in early February 2020.</td>
<td></td>
</tr>
<tr>
<td>Ōtara-Papatoetoe Local Board – Colin Dale Motorsport Park Remove or reduce the burden of annual charges for Colin Dale Motorsport Park.</td>
<td>FY18</td>
<td>N/A</td>
<td>Project Complete</td>
<td></td>
</tr>
<tr>
<td>Papakura Local Board – Train Station Park &amp; Ride*</td>
<td>Construction of a multi-storey car parking building for Park and Ride at the Papakura Train Station.</td>
<td>FY18</td>
<td>Auckland Transport</td>
<td>Costs exceed RLP budget - Independent costing review presented to the board during December 2019. Funding shortfall options and next steps now under consideration.</td>
</tr>
<tr>
<td>Puketapapa Local Board – Liston Village Provision of housing for the elderly and improvements to the entrance of Monte Cecilia Park.</td>
<td>FY19</td>
<td>Chief Planning Office (Community &amp; Social Policy)</td>
<td>Timing on track - The Local Board supported two development options at the August 2019 business meeting. A follow up workshop was held in December 2019 with a report to the Governing Body proposed for April / May 2020.</td>
<td></td>
</tr>
<tr>
<td>Rodney Local Board – Local Indoor Courts Delivery of local multi-sport indoor court facility at Huapai.</td>
<td>FY19</td>
<td>Customer &amp; Community Services (Service Strategy &amp; Integration)</td>
<td>Detailed Business Case Phase - Timing on track - Service requirements and detailed business case phase are underway for the project.</td>
<td></td>
</tr>
<tr>
<td>Upper Harbour Local Board - Sub-Regional Indoor Courts</td>
<td>Construct a sub-regional four court multi-sport facility. Identify suitable locations including Whenuapai or Hobsonville.</td>
<td>FY19</td>
<td>Customer &amp; Community Services (Service Strategy &amp; Integration)</td>
<td>Detailed Business Case Phase - Timing on track - Service requirements and detailed business case phase are underway for the project.</td>
</tr>
<tr>
<td>Waitākere Ranges Local Board – Glen Eden Town Centre</td>
<td>Refresh the Glen Eden town centre implementation plan. Acquire land and develop a civic space.</td>
<td>FY18</td>
<td>Infrastructure &amp; Environmental Services (Development Programme Office)</td>
<td>Detailed Business Case Phase - Timing on track - The detailed business case is progressing on track.</td>
</tr>
<tr>
<td>Waitakere Local Board – Ponsonby Park Develop full site at 254 Ponsonby Road into a civic space and provide toilet facilities.</td>
<td>FY19</td>
<td>Customer &amp; Community Services (Community Facilities)</td>
<td>Detailed Business Case Phase - Timing on track. The detailed business case is progressing on track. A funding allocation of $5.5m is being sought from the Town Centre Revitalisation funds at the 19 March 2020 Finance &amp; Performance Committee.</td>
<td></td>
</tr>
<tr>
<td>Whau Local Board – Aquatic &amp; Recreation Centre Acquire land and develop an aquatic and recreation facility.</td>
<td>FY19</td>
<td>Customer &amp; Community Services (Community Facilities)</td>
<td>Timing on track - Planning is underway for location options analysis to support land acquisition.</td>
<td></td>
</tr>
<tr>
<td>Waitakere Local Board – Matiatia Masterplan*</td>
<td>Development of a master plan for Matiatia and implementation.</td>
<td>FY18</td>
<td>Auckland Transport</td>
<td>Timing delay - NZTA funding for single stage business case for landside transport improvements has been approved and is being progressed by AT. Non-transport initiatives under consideration for funding by AC / Local Board.</td>
</tr>
</tbody>
</table>

*Description confirmed or supplied by Auckland Transport  
**Detailed Business Case Phase
Other focus areas

Customer experience

Successful launch of online Request for Service has resulted in over 20,000 RFS jobs logged, 20% of these using the new online service. A comprehensive public awareness programme commences this month of this new online service.

Active Recreation’s website refresh implemented on 2 December 2019 resulting in easier access to information and services. Next step will be to incorporate self-service tools for customers.

Customer satisfaction levels remain high across our services with 95% for libraries, 95% for regional parks and 87% for local parks, 85% for community facilities and 84% for venues.

Note – the satisfaction is for July to December YTD, and the 84% for venues is described in the BUZZ Customer Experience Monitor as community hirers.

Climate change

Refinement of Te Taruke a Tawhiri: Auckland’s Climate Action Framework following consultation input progressed alongside various activities to increase elected member and organisational awareness and understanding of Council’s organisational and regional commitments.

A package of climate actions were developed for consideration within the Mayor’s Annual Plan proposal. These included proposals to reduce emissions associated with Auckland Council fleet, replacement of gas boilers in community facilities, a review of the Unitary Plan and a consolidated climate communication and engagement campaign.

Climate actions related to the framework continue to be developed and costed for the climate action lane of the LTP in collaboration with teams across council and COOs. These include actions relating to emissions reduction and building resilience to climate change to deliver against our target to keep within 1.5 degrees of warming.

Climate impact statements are now included in every report to committee and local boards.

Contribution towards Māori outcomes (Auckland Council) * FY19-FY21 priorities

1. Māori Housing & Papakāinga:
The Māori Housing unit continues to provide opportunities, enhanced support, and facilitation for Māori organisations to develop affordable and papakāinga housing. Three grants ($450k total) were allocated in FY19/20 to support papakāinga housing projects.

2. Whānau & Tamariki Wellbeing:
Council and mana whenua are working to deliver a second māra hupara (traditional Māori playground) in Birkenhead War Memorial Park.

3. Marae development:
Cultural Initiatives Fund allocated $762k to support marae projects. Marae Infrastructure Programme delivering the pilot programme and undertaking urgent works at seven marae.

4. Te Reo Māori*:
Council group is supporting planning and delivery of Te Matatini 2021. Council is progressing collaborative design with mana whenua of māra hupara at Birkenhead War Memorial Park. Te Kete Rukuruku is progressing with mana whenua working towards handing over names and narratives between Q4 and Q1 FY20/21.

5. Māori Identity and Culture
The Māori Cultural Heritage programme added an incentives programme for sites of significance located on private land. Council is supporting the Waitakere Arts and Culture Development Trust to establish a Māori Arts Centre.

6. Māori Business, Tourism & Employment*
He Waka Eke Noa - social procurement initiative that supports both Māori businesses and buyers. The Whātu cafe and kiosk were successfully opened December 2019.

7. Realising Rangatahi potential
Rangatahi engagement / Māori education plan programme - trialling ways of enhancing rangatahi Māori leadership and participation.

8. Kaikākātanga (particularly water)*
Mana whenua being supported to input into the Puhinui Awa Regeneration Strategy/Work Programme. Māori Outcomes funding is supporting iwi to integrate cultural narrative into the Pōhio to Pākari Trail Development. Rangatira ki-te-rangatira engagement began between MWKF and new councillors around Te Tārake-ā-Tāwhiri: Auckland’s climate action framework.

9. Effective Māori participation
Council continue to fund and support the Mana Whenua Kaitiaki Forum with the annual funding level increased to $1.26 million. Council and mana whenua are progressing their collaboration to co-design and implement an improved Cultural Value Assessment process.

10. Organisational Effectiveness (Internal)
Council continues to deliver MAHI (council’s internal employment strategy).
## Auckland Council Q2 Financials

### Direct Operating Performance

<table>
<thead>
<tr>
<th></th>
<th>FY 19</th>
<th>FY 20 Quarter 2 YTD</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>Actual</td>
<td>Actual</td>
</tr>
<tr>
<td>Net Direct Expenditure&lt;sup&gt;1&lt;/sup&gt;</td>
<td>A</td>
<td>865</td>
<td>481</td>
</tr>
<tr>
<td>Direct Revenue&lt;sup&gt;2&lt;/sup&gt;</td>
<td>B</td>
<td>347</td>
<td>206</td>
</tr>
<tr>
<td>Fees &amp; User Charges</td>
<td></td>
<td>287</td>
<td>168</td>
</tr>
<tr>
<td>Operating Grants &amp; Subsidies</td>
<td></td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Other Direct Revenue</td>
<td></td>
<td>39</td>
<td>28</td>
</tr>
<tr>
<td>Direct Expenditure&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td>1,212</td>
<td>687</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>C</td>
<td>531</td>
<td>295</td>
</tr>
<tr>
<td>Grants, Contributions &amp; Sponsorship</td>
<td>130</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>Other Direct Expenditure</td>
<td></td>
<td>551</td>
<td>289</td>
</tr>
</tbody>
</table>

### Other Key Operating Lines

- Depreciation and Amortisation: $267 million, $134 million, $140 million, $6 million, $280 million.

---

1. All financials on this page exclude Panuku Managed Activities.
2. Excludes regional fuel tax.
## Auckland Council Q2 financials

### Capital performance

<table>
<thead>
<tr>
<th></th>
<th>FY 19</th>
<th>FY 20 Quarter 2 YTD</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Auckland Council gross capital expenditure</td>
<td>542.9</td>
<td>293.8</td>
<td>383.9</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>215.2</td>
<td>78.8</td>
<td>116.6</td>
</tr>
<tr>
<td>Development Programme Office</td>
<td>58.5</td>
<td>43.1</td>
<td>52.4</td>
</tr>
<tr>
<td>America's Cup</td>
<td>56.2</td>
<td>44.9</td>
<td>56.3</td>
</tr>
<tr>
<td>Healthy Waters excluding WQTR</td>
<td>104.2</td>
<td>52.7</td>
<td>28.1</td>
</tr>
<tr>
<td>Water Quality Targeted Rate (WQTR) projects</td>
<td>19.1</td>
<td>26.5</td>
<td>24.7</td>
</tr>
<tr>
<td>Corporate property and support services</td>
<td>12.9</td>
<td>10.1</td>
<td>39.6</td>
</tr>
<tr>
<td>Information communication and technology</td>
<td>36.9</td>
<td>13.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Parks, Sports and Recreation</td>
<td>9.0</td>
<td>3.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Libraries and information</td>
<td>13.6</td>
<td>6.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Other Auckland Council capital projects</td>
<td>17.3</td>
<td>13.6</td>
<td>41.9</td>
</tr>
</tbody>
</table>

### Key Commentary

Auckland Council’s overall capital expenditure is within its budget at 77% for the six months to 31 December 2019.

**Key community highlights include:**

- Public Arts projects progressing well, with three projects due to be completed in the next quarter and five on track to be completed in quarter four.
- Full delivery of Coastal programme expected for the current financial year with key projects such as the Hula Domain Seawall and the Shelly Beach recreation reserve already completed.
- Early delivery of Onehunga War Memorial Pool renewal is also expected to be completed in this financial year, but with a slight delay in the renewal of Albany Pool.

America’s Cup construction programme is on track to be completed by November 2020, with final bases targeted for June 2020 delivery.

Majority of Healthy Waters projects are delivering ahead of schedule. However, the emergency renewal of a culvert in Lynn Reserve, which collapsed suddenly was not budgeted for. Staff tracking expenditure closely to ensure overall programme affordability.
## Auckland Council Q2 performance measures

### Key performance indicators

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>FY 20 Quarter 2</th>
<th>Status</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Period</td>
<td>Actual YTD</td>
<td>Target</td>
<td></td>
</tr>
<tr>
<td><strong>Community Services</strong></td>
<td></td>
<td></td>
<td></td>
<td>A declining trend across Auckland for internet sessions at libraries reflecting better and more affordable data plans, as well as greater availability of free WiFi throughout the city. Franklin and Waitākere Ranges internet sessions increased compared to this time last year, suggesting that demand for internet access is greater in rural areas compared to more urban areas where alternative free WiFi may be available.</td>
</tr>
<tr>
<td>The number of internet session at libraries (unique sessions over public computing or public WiFi networks)</td>
<td>1,726,308</td>
<td>3,368,865</td>
<td>4,006,179</td>
<td><strong>Not met</strong></td>
</tr>
<tr>
<td>The number of visits to library facilities</td>
<td>2,854,639</td>
<td>5,500,875</td>
<td>5,362,151</td>
<td><strong>Met</strong></td>
</tr>
<tr>
<td>The number of participants in activities at art facilities, community centres and hire venues</td>
<td>1,591,092</td>
<td>3,692,785</td>
<td>3,031,779</td>
<td><strong>Met</strong></td>
</tr>
<tr>
<td>The number of library items checked out (including e-items)</td>
<td>4,007,425</td>
<td>7,693,223</td>
<td>7,138,544</td>
<td><strong>Met</strong></td>
</tr>
<tr>
<td>The number of website sessions on Auckland Libraries website (corrected for the percentage of bounces, or non-productive page loadings)</td>
<td>1,574,623</td>
<td>2,782,708</td>
<td>3,622,790</td>
<td><strong>Not met</strong></td>
</tr>
<tr>
<td>The percentage of all assets that are graffiti free across the city</td>
<td>96% (FY19)</td>
<td>96%</td>
<td>95%</td>
<td><strong>Met</strong></td>
</tr>
<tr>
<td>The number of active library members (members who have used their membership account at least once in the past 12 months)</td>
<td>414,995</td>
<td>414,843</td>
<td>390,000</td>
<td><strong>Met</strong></td>
</tr>
</tbody>
</table>

30 of 78 Auckland Council LTP measures have been updated and are presented below – 19 has been met / 11 has not been met.
## Auckland Emergency Management

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>Previous</th>
<th>FY20 Quarter 2</th>
<th>Status</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>The percentage of Aucklanders who are prepared for an emergency</td>
<td>64% (FY19)</td>
<td>68%</td>
<td>65%</td>
<td>Met</td>
</tr>
<tr>
<td>The percentage of Aucklanders that have a good understanding of the types of emergencies that could occur in Auckland</td>
<td>83% (FY19)</td>
<td>83%</td>
<td>75%</td>
<td>Met</td>
</tr>
</tbody>
</table>

## Waste services

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>Previous</th>
<th>FY20 Quarter 2</th>
<th>Status</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>The volume of domestic kerbside refuse per capita per annum</td>
<td>134kg</td>
<td>137kg</td>
<td>144kg</td>
<td>Met</td>
</tr>
<tr>
<td>The total number of Resource Recovery Facilities</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>Met</td>
</tr>
</tbody>
</table>

## Stormwater Management

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>Previous</th>
<th>FY20 Quarter 2</th>
<th>Status</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of complaints received about the performance of the stormwater system per 1000 properties connected to Auckland Council's stormwater system</td>
<td>0.28</td>
<td>0.47</td>
<td>3</td>
<td>Met</td>
</tr>
<tr>
<td>The percentage of response time during storms to close storm water manholes that are within three hours</td>
<td>84%</td>
<td>97%</td>
<td>90%</td>
<td>Met</td>
</tr>
<tr>
<td>The median response time to attend a flooding event, measured from the time that Auckland Council receives notification to the time that service personnel reach the site</td>
<td>0.74</td>
<td>0.8</td>
<td>2</td>
<td>Met</td>
</tr>
<tr>
<td>Auckland Council stormwater compliance with resource consents for the discharge for its stormwater system, measured by the number of a) abatement notices, b) infringement notices, c) enforcement orders, and d) successful prosecutions, received in relation to those resource consents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Met</td>
</tr>
</tbody>
</table>
### Key Performance Indicators

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>Previous</th>
<th>FY 20 Quarter 2</th>
<th>Status</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of flooding events that occur and the associated number of habitable floors affected per 1000 properties connect to Auckland Council’s stormwater network</td>
<td>0.04</td>
<td>0.07</td>
<td>0.8</td>
<td>Met</td>
</tr>
<tr>
<td>Regulatory Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The percentage of verified noise complaints issued with a formal notice</td>
<td>98%</td>
<td>96%</td>
<td>99%</td>
<td>Not met</td>
</tr>
<tr>
<td>Percentage of complainants satisfied with the noise control services</td>
<td>51%</td>
<td>47%</td>
<td>60%</td>
<td>Not met</td>
</tr>
<tr>
<td>The percentage of customers satisfied with overall quality of resource consents service delivery</td>
<td>47%</td>
<td>50%</td>
<td>60%</td>
<td>Not met</td>
</tr>
<tr>
<td>The percentage of non-notified resource consent applications processed within 20 statutory days</td>
<td>66%</td>
<td>68%</td>
<td>100%</td>
<td>Not met</td>
</tr>
<tr>
<td>The percentage of non-notified resource consent applications processed within 10 statutory working days</td>
<td>19%</td>
<td>21%</td>
<td>25%</td>
<td>Not met</td>
</tr>
<tr>
<td>The percentage of notified resource consent applications processed within statutory time frame</td>
<td>60%</td>
<td>75%</td>
<td>100%</td>
<td>Not met</td>
</tr>
<tr>
<td>The percentage of cases of non-compliance for menacing dogs that reach compliance within 3 months</td>
<td>94%</td>
<td>94%</td>
<td>90%</td>
<td>Met</td>
</tr>
</tbody>
</table>
## Attachment B

**Item 9**

<table>
<thead>
<tr>
<th>Key performance indicators</th>
<th>Previous period</th>
<th>FY20 Quarter 2</th>
<th>Status</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| Percentage of licensees satisfied with the food and hygiene licensing service              | 84%             | 85%            | 80%    | Met  
Customers are happy with the level of customer service, particularly in taking their specific needs and requirements into account. The one small area for improvement is ease and speed of communication. |
| The percentage of food premises that improve from a D or E grade to an A, B or C grade when revisited | 100%            | 96%            | 95%    | Met  
Performance is tracking above target despite overall volume of D/E grades rising significantly. 62 premises have been revisited year to date compared to 22 last year. |
| Percentage of licensees satisfied with the alcohol licensing service                       | 85%             | 86%            | 85%    | Met  
Customers are very happy with the friendliness of our staff, as well as our quick and easy processes. Manager interviews are also a key driver of satisfaction. The one small area for improvement involves customers that have experienced delays or never received their certificate or licence. |
| The percentage of off-licence premises that pass a Controlled Purchase Operation targeting underage drinkers | 88%             | 96%            | 90%    | Met  |
| The percentage of customers satisfied with the overall quality of building consent service delivery | 46%             | 58%            | 63%    | Not Met  
Customers are satisfied with processing times and their interactions with staff and have noted a perceived reduction in Council-generated requests for information. Frustration remains with the level of communication, as well as continued concerns that some requests for information were satisfied in the initial application. Performance continues to improve, reaching 62% in December. |
| The percentage of building consent applications processed within 20 statutory working days  | 67%             | 87%            | 100%   | Not Met  
Performance has steadily improved throughout the first six months of FY20. Performance improvements have been consistent across the entire region, with several areas now in the mid-90% range. The accuracy of performance information is significantly better than in previous years thanks to the 100% audit of all completed consent applications. We have reduced time to lodge consents by over 25% in FY19, meaning consents reach our technical officers several days earlier. Project Springfield, designed to improve system response times has also been a key contributor to achieving significant time savings. |
| The percentage of building consent applications processed within 10 statutory working days  | 5%              | 9%             | 20%    | Not Met  
Performance has remained below target throughout the first six months of FY20. When the target was set we did not anticipate the rapid increase in consent complexity (particularly in housing), which has made it more difficult for applicants to provide all of the necessary information needed for compliance when they first submit their applications, leading to requests for further information. While we have achieved monthly results as high as 16%, the increased frequency of incomplete applications and slow response times by designers makes achieving this target difficult. Moreover, we have been heavily focused on improving our statutory timeframe performance in order to retain accreditation. Moving forward we have several initiatives in play to improve performance against this measure. |
Item 9

Auckland Council Group and Auckland Council quarter two performance report to 31 December 2019
Attachment C

Item 9

Mihi

Noho mai rā Tāmaki Makaurau,
moana waiplantia,
maunga kākāriki.
Ma i ngā wai kaukau ngā tūpuna,
ki ngā puke kawe i ngā reo o te tini,
i puta ai te kīmōu.
Tū ana he maunga,
takoto ana he raroa,
heke ana he awaawa.
Ko o wahapū te atahaua,
ō tāhuna te mahora,
te tiaio e wēhiki nei i a koe he taonga tuku iho.
Tiakina kia meinga tonu ai koe
ko ‘te tāone taoreere nui o te ao,
manakohia e te iwi pāmanawa’.
Tāmaki Makaurau tirohia te pae tawhiti
he whakairinga tūmanako
mō ngā uri whakaheke o āpōpō,
te toka herenga mō te hunga ka takahi ake
mā ā tomokanga,
te piri e whakawhiti ai
tō iwi ki ngā huarahi o te ora.
Tāmaki Makaurau e toro whakamua,
hikina te mānuka.
Tārei te rangi me te whenua te tūtahi.
Maranga me te rā, he mihia māu me timata,
ka nuri tahi ana ki te po,
whakatārewa ha moemoea ki ngā whenua.
Ko te tūnga matunga māu
ketua i te tāmatua moana,
Towheraha o rangi, kūtea mai ki tō uma.
Tāmaki Makaurau
he tāpuna, unanga kurupounamu koe,
tuaro to rotiro hia nene i te ao.

Tāmaki Makaurau
who bestrides shimmering seas,
and verdant mountains.
From the bathing waters of our forebears,
and hills that echo with voices
that acclaim.
Your mountains stand lofty,
your valleys spread from them
and your streams run freely.
Your harbours are majestic,
your beaches widespread,
the environment that surrounds you is a legacy.
Take care of it so that you will always be known
as ‘the world-class city
where talent wants to be’.
Tāmaki Makaurau looking to the future,
repository of our hopes
for generations to come,
anchor stone for those who venture
through your gateway,
and the bridge that connects
your citizens to life.
Tāmaki Makaurau moving on,
accepting all challenges.
Where even heaven and earth might meet.
Rise with the sun as there is work to be done
and when evening comes,
allow your dreams to glide among the stars.
Perpetual health and growth
is beyond the horizon of cresting waves.
Open your arms and pull them to your embrace.
Tāmaki Makaurau, you are a city
where valued business and enterprise thrives;
let your good name traverse the world.
Ngā Upoko Kōrero

Contents

He karere nā te koromātu
Message from the Mayor ......................................................... 5

He karere nā te tumu whakarae
Message from the Chief Executive ........................................... 6

Hurihanga āhuarangi
Climate change ......................................................................... 7

Tūponotanga e pā ana ki te hurihanga āhuarangi
Climate change risk .................................................................. 9

Tirohanga mō te pāinga ā moni
Financial performance overview .............................................. 13

Tauāki ā-moni whiwhi, ā-whakapaunga pūtea
Statement of comprehensive revenue and expenditure .............. 16

Tauāki mō te tūāhua tahua pūtea
Statement of financial position ................................................... 17

Tauāki mō ngā panonitanga o ngā hua uara
Statement of changes in equity .................................................. 18

Tauāki mō ngā moni utu, whiwhinga rānei
Statement of cash flows ............................................................. 19

He pīto kōrero mō ngā Tauāki Tahua Pūtea
Notes to the Financial Statements ............................................ 20
Section A: Financial performance ........................................... 24
Section B: Financial position ..................................................... 25
Section C: Other disclosures ..................................................... 29

Pūrongo nā te kairotake motuhake
Independent reviewer’s report .................................................. 30

Ngā rerekētanga matua o ngā Pae Tikanga Kaute
Pūtea a IFRS me PBE
Main differences between IFRS and PBE Accounting Standards ........................................... 33
He karere nā te koromātua
Message from the Mayor

Over the next decade, Auckland’s population will grow to over two million people and the equivalent of two Hamiltons worth of new housing developments will be added to our city.

To cater for this growth and ensure Auckland can fulfil its role as New Zealand’s only international and globally competitive city, the Auckland Council Group (the group) is investing at record levels, with $26.2 billion set out in our ten-year budget to address transport congestion, increase the supply and affordability of housing and protect and enhance our environment.

Our annual budget, confirmed last year, further strengthens our focus in these areas, committing new funding to provide free weekend and public holiday travel for children on public transport, ferry fare integration for HOP card users, and financial support for the City Mission’s HomeGround Project, which will help tackle chronic homelessness.

The budgeted $2.7 billion of capital investment in the current financial year is accelerating the delivery of the infrastructure projects we need, including projects set for completion this year to accommodate the tens of thousands of domestic and international visitors expected in 2021, when Auckland hosts APEC, the America’s Cup, Te Matatini and much more.

The group is now focusing on delivering this unprecedented programme of capital investment, while ensuring that its operations remain efficient and effective and provide value for money to ratepayers.

General rates rises have been kept fair and reasonable at an average of 2.5 per cent, necessary to allow us to invest in new and upgraded infrastructure to keep our rapidly growing city moving and ensure we can deliver the services Aucklanders want and need.

$10 million in savings have been achieved in the six months to 31 December 2019 with an additional $13 million forecast to be realised over the remainder of the year.

The retention of the group’s credit ratings with S&P Global Ratings and Moody’s at AA and Aa2 respectively, both with a stable outlook, reflects the group’s prudent fiscal management, balancing the need to increase investment and service delivery with our responsibility to ensure efficiency and value for money for ratepayers.

For New Zealand to succeed Auckland must succeed, and the work being undertaken by the group now is necessary for our region to be a truly world-class place to live, work and play.

Hon Phil Goff
Mayor of Auckland
28 February 2020
He karere nā te tumu whakarae
Message from the Chief Executive

This interim financial report reflects the continued investment in the infrastructure required to support Auckland’s growing and more diverse population.

Our investment in infrastructure has continued at unprecedented levels - $227 million in roads and footpaths, $118 million in public transport, $272 million in water and wastewater infrastructure and $130 million in City Rail Link Limited.

Our growing population doesn’t only require great transport and water infrastructure, but also strong communities to support and encourage diversity, and protection of one of Auckland’s most important assets, our natural environment.

Improvements to the quality of our waterways, tackling the spread of Kaori Dieback, and work to make Auckland pest-free by 2050 are examples of projects funded from the Water Quality and Natural Environment targeted rates introduced in 2018/2019.

In the community space we’re delivering shared paths, upgrading parks and building multi-purpose community facilities that make Auckland a supportive and vibrant place to live.

The council’s declaration of Auckland’s climate change emergency is a core consideration behind all our decisions. In this interim financial report we are making our first climate change risk disclosure. This disclosure is our first step towards being fully accountable for our climate change action, and in future we will continually improve this.

From a financial perspective, our key results are positive. They include:

• Operating surplus of $1,349 million, $135 million more than the same period last year
• Revenue of $3,494 million, $233 million more than the same period last year

• Total net group debt of $9,214 million, an increase of $547 million over the six-month period, against the back drop of total assets increasing over the period by $1,819 million to $54,692 million.

Our focus remains on achieving value for money to ratepayers, and we are on track to deliver on our promise of efficiency savings of $23 million by the end of the financial year.

We’re investing in a growing city and managing our finances responsibly

Stephen Town
Chief Executive
28 February 2020
Hurihanga āhuarangi
Climate change

Climate change is one of the most significant issues we face today. Auckland has already felt some of the impacts from climate change such as rising sea levels, flooding, drought and heat waves. The Governing Body of the Auckland Council Group declared a climate emergency in June 2019, which committed the group to taking the necessary action to manage and mitigate our risks, whilst taking advantage of the opportunities created by climate change.

The group has a number of initiatives underway to address climate change risk. Here are some examples:

- Resilience and emission expectations are being set through the group’s procurement levers.
- We are developing emissions reduction plans that cover our assets, services and travel.
- Zero-waste initiatives are in motion to achieve our plan for Auckland to be zero-waste by 2040.
- We are developing Coastal Management Plans to prepare for the impacts of climate change.
- We have a ‘Million Trees’ programme and an Urban Ngahere (Forest) Strategy that are focused on increasing tree coverage and carbon capture across the region.
- We provide e-bikes in our fleet system. We are addressing the emissions associated with our staffs work-related travel by improving our video and web-conference capabilities and increasing the numbers of electric vehicles and e-bikes in our fleet system.
- We are taking steps to make our largest wastewater treatment plants energy neutral by 2025, and generated over 25% of Watercare’s electricity in 2018/2019 by collecting methane.
- We are supporting ‘Live Lightly’ and development of ‘Future Fit’, a carbon footprint tool.
- We are advocating to central government on its climate-related policy developments such as the Zero Carbon Bill and amendments to the emissions trading scheme and resource management regime.
- We piloted the installation of three solar stations connected to our pumping stations, reservoirs and water treatment plants.
- We have a programme to overhaul delivery of water infrastructure to reduce construction emissions by 40% over the next 4 years.

We are reducing emissions by running 3 electric buses with plans for more over the coming years.

We are encouraging a shift towards public transport and low emissions options by improving public transport services through roading, busway and rail upgrades. We are adding 15 electric trains which will enable longer trains and providing high cycleways across Auckland.
Tūponotanga e pā ana ki te hurihanga āhuarangi
Climate change risk

Auckland Council Group’s response to climate change risk is outlined in this climate change risk disclosure, which has been prepared for the first time under the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD). The disclosure will develop over time as the group’s response to climate change evolves.

The largest subsidiaries in the group are Watercare Services Limited, Ports of Auckland Limited and Auckland Transport. Their boards have individually responded to climate change risk, and each entity is at different stages of risk assessment and strategy development. We outline examples of their responses separately.

Governance

The Auckland Council Group is governed by the elected Governing Body, local boards and the respective boards of each subsidiary. The Governing Body is made up of the mayor and twenty ward councillors with a focus on Auckland-wide strategic decisions. To enable efficient decision-making, the Governing Body delegates powers to various committees.

The governance of city-wide climate change related matters are the responsibility of two committees:

1. the Environment and Climate Change Committee; and
2. the Audit and Risk Committee.

Local boards set the strategic direction for each local board area and are responsible for local initiatives that address climate change.

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The Watercare Board of Directors has oversight of climate change risk through the organisation’s Enterprise Risk Register which includes the impacts of climate change. In 2020 a Board subcommittee, Committee for Climate Action, will be established to focus on the governance of climate change risk.
Strategy

The Auckland Region is exposed to a range of climate-related risks. These risks form the core of Auckland Council’s climate-related risk exposure. Climate change is being manifested in the region as follows:

Projected Climate changes for Auckland
- Higher temperatures expected
- Number of hot days to increase
- Changes to seasonal distribution of rainfall
- Drought and flooding more common
- Number of windy days to decrease, while intensity of tropical cyclones to increase.

Significant impacts
- Drier soils, changes to river flow (both low flows and floods), and increases in slips
- Ocean acidification, impacting ocean productivity and the development of marine species
- Establishment and proliferation of non-native marine species
- Sea-level rise impacting coastal communities, infrastructure and habitats
- Changes to air quality impacting the health of Aucklanders
- Indigenous biodiversity will be affected both directly by climate changes (e.g. drought and increased temperature) and indirectly by pests and habitat loss.

Risks
- Our natural and human made systems won’t work as well as a result of changing climate conditions or damaging extreme events
- Direct impacts on biodiversity, cultural heritage, productivity or changes in market demands for goods and services
- Unequal distribution of impacts, with those such as the elderly, the very young, those living in poverty or with chronic health issues more likely to be negatively affected.

Opportunities
- Innovation to minimise cost impacts through the transition to a low carbon economy
- Significant cost avoidance from embedding long-term climate change considerations into planning decisions
- Significant cost avoidance from reducing the need for major retrofitting or land-use changes as impacts become more frequent and severe
- Economic activity and employment through supporting new business opportunities that focus on providing services to Auckland that mitigate the effects of climate change.

As part of the next 10-year budget for 2021-2031, Auckland Council will consider a significant investment package as the council’s contribution to climate action. The scope of this work includes actions that either directly or indirectly move us to a zero carbon, climate resilient future. In the meantime we need to continue to act. In 2020/2021 we plan to invest in foundational work for climate change action. This includes developing climate assessment tools and understanding the likely economic impacts of climate change.
Risk Management

We manage risk by identifying, communicating, monitoring and regulating

Auckland Council risks are identified through the council’s top risk register. These are reviewed and reported quarterly to the Audit and Risk Committee.

The climate change adaptation and mitigation risk is assessed as inherently high and has a high residual risk rating.

A climate change risk review report provides assurance that climate change risk is being effectively managed, controls have been identified and the risk rating is appropriate. This also included a review of risks, strategies, plans, policies and commitments (Auckland’s Climate Action Framework and the Climate Change Response (Zero Carbon) Amendment Bill (since adopted as the Zero Carbon Act)).

The climate change risk review identified Auckland’s Climate Action Framework as a key control to delivering Auckland’s integrated climate change actions. This is currently under development, the final framework will be reported to the Environment and Climate Change Committee for adoption after June 2020.

Numerous plans and strategies are in development or have been implemented to address climate change risks, which have been outlined in our climate change risk review. Some of the most significant plans are outlined below:

SEE CLIMATE CHANGE RISK REVIEW REPORT
https://infocouncil.aucklandcouncil.govt.nz/Open/2019/06/AUD_20190605_AGN_0416_AT.PDF

<table>
<thead>
<tr>
<th>Department/Business Unit</th>
<th>Mitigation or Adaptation</th>
<th>What are they doing about climate change – key contexts?</th>
<th>Implemented or in development?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Sustainability Office (part of the Chief Planning Office)</td>
<td>Mitigation &amp; Adaptation</td>
<td>Auckland Climate Change Plan (ACAP)</td>
<td>In development</td>
</tr>
<tr>
<td>Chief Planning Office</td>
<td>Mitigation &amp; Adaptation</td>
<td>Auckland Plan Unitary Plan Regional Policy Statements Infrastructure Strategy</td>
<td>Implemented</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>Mitigation &amp; Adaptation</td>
<td>Waste minimisation and recycling Water efficiency plans</td>
<td>Implemented</td>
</tr>
<tr>
<td>Auckland Emergency Management</td>
<td>Adaptation</td>
<td>Natural Hazards Risk Management Action Plan</td>
<td>In development</td>
</tr>
<tr>
<td>Infrastructure &amp; Environmental Services</td>
<td>Adaptation</td>
<td>Water or stormwater Strategy [50-100-year outlook] Resilient Communities, Catchments and Coasts, RCO project Regional Pest Management Plan</td>
<td>In development</td>
</tr>
</tbody>
</table>
Metrics and Targets

As a member of the New Zealand Climate Leaders Coalition and C40 Climate Leadership Group, Auckland Council has committed to do our part in keeping global temperature rise to well below 2 degrees and make best efforts towards remaining below 1.5 degrees.

Since 2012, Auckland Council has been compiling an inventory of greenhouse gas* (GHG) emissions associated with its business units' operations. The measurement of these GHG emissions has been independently assured by Tolt & Envirosure since 2017, in accordance with ISO 14064-1:2006 - Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

Auckland Council's GHG emission sources have been classified into the following categories:

- **Scope 1** – includes direct emissions from sources owned or controlled by Auckland Council.
- **Scope 2** – includes indirect emissions from the generation of purchased electricity, heat or steam consumed by Auckland Council.
- **Scope 3** – includes indirect emissions that occur as a consequence of our activities, but from sources not owned or controlled by Auckland Council.

Emissions associated with council buildings, such as our pools, libraries and service centres, make up the largest portion of the council’s Scope 1 and 2 emissions. Emissions from the combustion of natural gas (Scope 1) used to heat and cool our buildings has increased in 2018/2019** by 1% but the generation of electricity provided to council buildings (Scope 2) has decreased by 26% from our base reporting year in 2016/2017.

Our second most significant source of Scope 1 emissions is agriculture and other land uses, largely associated with the 21 farms owned and operated by council. We have seen a 6% reduction in our agricultural emissions from 2017/2018 due mainly to an increase in sheep numbers and fewer cattle. Improved supplier reporting and increased scopes of work related to the maintenance of our public spaces, from 2017/2018 has resulted in a 3% increase of our Scope 3 transport and waste emissions.

Watercare has three mitigation targets. A 40% reduction in infrastructure carbon by 2025, 45% reduction in operational emissions by 2030, and Net zero carbon emissions by 2050.

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*Council-controlled organisations and Ports of Auckland are not included in this inventory but maintain separate inventories due to the distinct nature of their respective operations.

**Verification reporting periods:
- 2016/2017 - 1 July 2016 - 30 June 2017
- 2017/2018 - 1 July 2017 - 30 June 2018
Tirohanga mō te pāinga ā moni
Financial performance overview

Auckland Council Group (the group) results reflect the group’s continued commitment to managing its finances prudently while delivering community services and infrastructure to make Auckland a place where people want to work and live. The interim report is unaudited.

Our financial performance compared to the same period last year
Auckland Council Group generated an operating surplus before gains and losses of $1,349 million for the first six months to 31 December 2019, an increase of $335 million or 11% on the same period last year.

Revenue
The group’s revenue was $233 million higher than the prior year. The most notable increases came from the following:

• Rates increased by $93 million, of which $73 million came from general rates due to the 2.5% general rate rise and a 1.7% growth in the rating base. The remaining $20 million was from targeted rates, of which $13 million was from the waste management targeted rate.

• Grants and subsidies increased by $98 million of which $75 million funded downtown construction for America’s Cup 36, APEC and Te Matatini, as well as road and public transport projects.

• Fees and user charges increased overall by $64 million, mainly due to the increase in building and resource consent fees of $20 million as a result of an increasing number of complex consents due to Auckland’s increasing density. In addition, there was a significant increase in revenue from water and wastewater volume growth, water infrastructure growth charges and the continued growth in public transport patronage.

These increases were partly offset by lower development contribution revenue as the group implemented policy changes to support housing developers to increase the housing stock in Auckland. These policy changes allow developers to delay development contributions, resulting in $30 million less revenue in the current period.

Expenditure
The group remains committed to prudently managing its controllable costs to deliver value for ratepayers’ money. Expenditure increased by $98 million compared to the prior year. The largest increases were in the following areas:

• Employee benefits increased by $51 million due to cost of living increases, additional staff recruited to fill vacancies particularly in more complex areas of regulatory control and engineering, and restructure costs due to an ongoing review to ensure that the organisation is future-fit.

• Other operating expenses, which are generally linked to the generation of additional revenue and the provision of advanced levels of service, increased by $49 million. Some of the largest areas that have increased are public transport costs (due to new and revised lease contracts reflecting the increase in patronage), IT licence costs and the costs associated with streetscapes maintenance contracts which were amended to increase the frequency and quality of service. The group recorded additional amounts for a number of provisions during the reporting period, including the weather tightness claims expense of $21 million, a decrease of $41 million compared to the prior year. We also recognised a $7 million provision for remediation of issues relating to certain Retrofit Your Home loans, involving errors in the way that Retrofit Your Home loan payments were calculated along with certain other errors in the retrofit process.

The overall increase in expenditure was partly offset by a $21 million decrease in finance costs, which reflects the effect of declining market interest rates on our long-term debt.

Net other gains and losses
The overall losses within net gains and losses decreased by $135 million compared to the prior year.

The group actively manages its interest rate exposure to provide certainty over interest costs in the medium and long-term through derivatives. Derivatives are valued based on market interest rates and foreign exchange rates as at 31 December 2019. As a result of the movements in interest rates and foreign exchange rates, the group recognised an $18 million gain in the period.
exchange rates between 30 June 2019 and 31 December 2019, the group recognised an unrealised loss of $57 million on offshore debt and its derivatives portfolio. This was $110 million less compared to the same period last year.

The group recorded a gain of $16 million on property sales between 30 June 2019 and 31 December 2019. This was $25 million higher than the same period last year.

**Our financial position compared to 30 June 2019**

The group increased its net asset position by $1,329 million from 30 June 2019. Most of the increase arose from increases in assets, mainly property, plant and equipment, receivables and prepayments, other financial assets and our investment in joint ventures and associates. The increase was partly offset by the increase in net debt. The most significant reasons for the increases are:

**Property, plant and equipment**

Property, plant and equipment increased by $844 million, which includes additions to infrastructure and community assets of $1,005 million and assets vested from developers of $231 million partly offset by disposals and depreciation.

**Receivables and prepayments**

Rates revenue is recognised in full when annual rates notices are issued at the beginning of the financial year. This resulted in an increase in rates receivables of $945 million for rates instalments not yet due.

**Investment in associates and joint ventures**

The increase in the group’s investment in associates and joint ventures mainly relates to capital contributions of $130 million to City Rail Link Limited, to fund construction costs of the City Rail Link.

**Net debt**

Net debt, being borrowings and bank overdraft, net of cash and cash equivalents increased by $547 million. This increase was primarily made up of new long-term debt issuances comprising $750 million of green bonds issued in July 2019, and $877 million from EUR 500 million offshore bonds in September 2019, partly offset by the repayment of maturing debt.

**Our cash flows compared to the same period last year**

During the six-month period to 31 December 2019, the Group spent $1.282 million to build and renew infrastructure and community assets. The most significant areas of capital spend were as follows:

- $475 million was spent on roading and public transport infrastructure such as the City Rail Link, Rapid Transit Network, the renewal of roading assets and works in downtown Auckland to support America’s Cup 36.
- $351 million was spent on water, wastewater and stormwater assets, including new infrastructure such as the central and northern wastewater interceptors and upgrades and expansions at the Pukekohe and Rosedale wastewater treatment plants.
- $372 million was spent on community assets including the development and renewal of local and regional community parks and facilities, downtown community assets, town centre regeneration, redevelopment of the 2005 South East Asia Jungle Track and refurbishment of the Astoria Centre.

This capital spend was funded by net operating cashflows of $716 million with the balance from borrowings.

**Looking ahead**

The group is on track to deliver a record $2.7 billion of capital investment by the end of the financial year. The infrastructure needs of the city and the pace we can deliver at will be a key discussion point with the community in our upcoming consultation on Long-term plan 2021-2031.

Capital investment in transport activity has proceeded rapidly as we deliver on the investments jointly agreed with central government through the Auckland Transport Alignment Project. However, capital subsidies for transport investment have been below budget as we continue to work with the central government on accessing the agreed funding levels.

While Auckland is experiencing strong development activity, due to the change in our development contributions policy we are expecting full year revenue from development contributions for 2019/2020 to be around $100 million lower than budget. The policy change has resulted in developers being able to delay development contributions. Future year variances should reduce as timing changes play out and any changes from regular policy reviews are implemented.

Overall, we expect our year-end debt to revenue ratio to be comfortably within our internal debt policy and broadly consistent with our 2019-2020 annual budget projection.
### Tauāki ā-moni whiwhi, ā-whakapaungā pūtea

**Statement of comprehensive revenue and expenditure**

For the six months ended 31 December 2019

<table>
<thead>
<tr>
<th>SMILLION</th>
<th>NOTE</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2019</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2018</th>
<th>AUDITED 12 MONTHS TO 30 JUN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates</td>
<td>A1</td>
<td>1,871</td>
<td>1,778</td>
<td>1,790</td>
</tr>
<tr>
<td>Fees and user charges</td>
<td></td>
<td>725</td>
<td>661</td>
<td>1,333</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td></td>
<td>341</td>
<td>243</td>
<td>612</td>
</tr>
<tr>
<td>Development contributions</td>
<td></td>
<td>68</td>
<td>98</td>
<td>178</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>251</td>
<td>233</td>
<td>464</td>
</tr>
<tr>
<td>Vested assets</td>
<td></td>
<td>23</td>
<td>239</td>
<td>486</td>
</tr>
<tr>
<td>Finance revenue measured using effective interest method</td>
<td></td>
<td>7</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Other finance revenue</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total revenue excluding other gains</strong></td>
<td></td>
<td>3,494</td>
<td>3,261</td>
<td>4,879</td>
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<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td></td>
<td>456</td>
<td>447</td>
<td>911</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td></td>
<td>464</td>
<td>454</td>
<td>922</td>
</tr>
<tr>
<td>Grants, contributions and sponsorship</td>
<td></td>
<td>112</td>
<td>103</td>
<td>144</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td></td>
<td>854</td>
<td>805</td>
<td>1,633</td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td>217</td>
<td>238</td>
<td>478</td>
</tr>
<tr>
<td><strong>Total expenditure excluding other losses</strong></td>
<td></td>
<td>2,145</td>
<td>2,047</td>
<td>4,088</td>
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<tr>
<td>Operating surplus before gains and losses</td>
<td></td>
<td>1,349</td>
<td>1,214</td>
<td>791</td>
</tr>
<tr>
<td>Net other losses</td>
<td>A2</td>
<td>(41)</td>
<td>(16)</td>
<td>(601)</td>
</tr>
<tr>
<td>Share of surplus in associates and joint ventures</td>
<td></td>
<td>25</td>
<td>21</td>
<td>93</td>
</tr>
<tr>
<td><strong>Surplus before income tax</strong></td>
<td></td>
<td>1,333</td>
<td>1,059</td>
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</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td>17</td>
<td>20</td>
<td>58</td>
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<tr>
<td><strong>Surplus after income tax</strong></td>
<td></td>
<td>1,216</td>
<td>1,039</td>
<td>175</td>
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<tr>
<td><strong>Other comprehensive revenue/(expenditure)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gain on revaluation of financial asset</td>
<td></td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Movement in cash flow hedge reserve</td>
<td></td>
<td>1</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Net gain on revaluation of property, plant and equipment</td>
<td></td>
<td>4</td>
<td>-</td>
<td>41</td>
</tr>
<tr>
<td>Deferred tax written back to revaluation reserve on asset transfer</td>
<td></td>
<td>-</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>Tax on revaluation of property, plant and equipment</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(11)</td>
</tr>
<tr>
<td>Tax on movement in cash flow hedges</td>
<td></td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Share of associates and joint ventures reserves</td>
<td></td>
<td>(2)</td>
<td>(3)</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total other comprehensive revenue</strong></td>
<td></td>
<td>12</td>
<td>(2)</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total comprehensive revenue</strong></td>
<td></td>
<td>1,329</td>
<td>1,034</td>
<td>233</td>
</tr>
</tbody>
</table>

---

1. The comparative financial information for the six months to 31 December 2018 has been restated to reflect the effects of the rescheduling of $4.8 million from employee benefits to other operating expenses described in the Basis of Reporting section.

2. The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.
## Statement of financial position

**As at 31 December 2019**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>173</td>
<td>280</td>
<td>294</td>
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<tr>
<td>Receivables and prepayments</td>
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<tr>
<td>Derivative financial instruments</td>
<td>B5</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>175</td>
<td>61</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>49</td>
<td>48</td>
<td>48</td>
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</tr>
<tr>
<td>Non-current assets held-for-sale</td>
<td>2</td>
<td>13</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td><strong>1,829</strong></td>
<td><strong>1,582</strong></td>
<td><strong>935</strong></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables and prepayments</td>
<td>56</td>
<td>9</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>B5</td>
<td>367</td>
<td>274</td>
<td>441</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>B2</td>
<td>145</td>
<td>126</td>
<td>131</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>B1</td>
<td>49,040</td>
<td>47,247</td>
<td>48,196</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>665</td>
<td>613</td>
<td>640</td>
<td></td>
</tr>
<tr>
<td>Investment property</td>
<td>711</td>
<td>776</td>
<td>629</td>
<td></td>
</tr>
<tr>
<td>Investment in associates and joint ventures</td>
<td>1,968</td>
<td>1,767</td>
<td>1,850</td>
<td></td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td><strong>52,863</strong></td>
<td><strong>50,823</strong></td>
<td><strong>51,938</strong></td>
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<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td><strong>54,692</strong></td>
<td><strong>52,405</strong></td>
<td><strong>52,873</strong></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>9</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Payables and accruals</td>
<td>876</td>
<td>631</td>
<td>869</td>
<td></td>
</tr>
<tr>
<td>Employee entitlements</td>
<td>95</td>
<td>82</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>B4</td>
<td>959</td>
<td>1,078</td>
<td>1,172</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>B5</td>
<td>12</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Previsions</td>
<td>B3</td>
<td>151</td>
<td>145</td>
<td>171</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td><strong>2,142</strong></td>
<td><strong>1,941</strong></td>
<td><strong>2,330</strong></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables and accruals</td>
<td>116</td>
<td>100</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>Employee entitlements</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>B4</td>
<td>8,379</td>
<td>7,486</td>
<td>7,286</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>B5</td>
<td>1,923</td>
<td>1,190</td>
<td>1,839</td>
</tr>
<tr>
<td>Previsions</td>
<td>B3</td>
<td>272</td>
<td>399</td>
<td>299</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td><strong>12,779</strong></td>
<td><strong>10,423</strong></td>
<td><strong>11,501</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td><strong>14,921</strong></td>
<td><strong>12,564</strong></td>
<td><strong>13,831</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td><strong>40,371</strong></td>
<td><strong>39,841</strong></td>
<td><strong>39,042</strong></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>26,732</td>
<td>26,732</td>
<td>26,732</td>
<td></td>
</tr>
<tr>
<td>Accumulated funds¹</td>
<td>3,052</td>
<td>2,605</td>
<td>1,788</td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>10,587</td>
<td>10,504</td>
<td>10,522</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td><strong>40,371</strong></td>
<td><strong>39,841</strong></td>
<td><strong>39,042</strong></td>
</tr>
</tbody>
</table>

¹The Other financial assets and Accumulated funds balances for the comparative period as at 31 December 2018 were restated by $5 million for the impact of adoption of P&L IFRS 9 Financial Instruments.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.
### 1 July 2019 to 31 December 2019

<table>
<thead>
<tr>
<th></th>
<th>Contributed Equity</th>
<th>Accumulated Funds</th>
<th>Reserves</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 July 2019</strong></td>
<td>26,732</td>
<td>1,788</td>
<td>10,522</td>
<td>39,042</td>
</tr>
<tr>
<td>Surplus after income tax</td>
<td>-</td>
<td>1,316</td>
<td>-</td>
<td>1,316</td>
</tr>
<tr>
<td>Other comprehensive revenue</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total comprehensive revenue</strong></td>
<td>-</td>
<td>1,316</td>
<td>13</td>
<td>1,329</td>
</tr>
<tr>
<td>Transfers to/from reserves</td>
<td>-</td>
<td>(52)</td>
<td>52</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2019</strong></td>
<td>26,732</td>
<td>3,052</td>
<td>10,587</td>
<td>40,371</td>
</tr>
</tbody>
</table>

### 1 July 2018 to 31 December 2018

<table>
<thead>
<tr>
<th></th>
<th>Contributed Equity</th>
<th>Accumulated Funds</th>
<th>Reserves</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 July 2018</strong></td>
<td>26,732</td>
<td>1,667</td>
<td>10,403</td>
<td>38,802</td>
</tr>
<tr>
<td>Adjustment on adoption of PBE IFRS 9</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Adjusted balance as at 1 July 2018</strong></td>
<td>26,732</td>
<td>1,672</td>
<td>10,403</td>
<td>38,807</td>
</tr>
<tr>
<td>Surplus after income tax excluding PBE IFRS 9 adjustment above</td>
<td>-</td>
<td>1,039</td>
<td>-</td>
<td>1,039</td>
</tr>
<tr>
<td>Other comprehensive revenue</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Total comprehensive revenue</strong></td>
<td>-</td>
<td>1,039</td>
<td>(5)</td>
<td>1,034</td>
</tr>
<tr>
<td>Transfers to/from reserves</td>
<td>-</td>
<td>(106)</td>
<td>106</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2018</strong></td>
<td>26,732</td>
<td>2,005</td>
<td>10,504</td>
<td>39,841</td>
</tr>
</tbody>
</table>

### 1 July 2018 to 30 June 2019

<table>
<thead>
<tr>
<th></th>
<th>Contributed Equity</th>
<th>Accumulated Funds</th>
<th>Reserves</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 July 2018</strong></td>
<td>26,732</td>
<td>1,667</td>
<td>10,403</td>
<td>38,802</td>
</tr>
<tr>
<td>Adjustment on adoption of PBE IFRS 9</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Adjusted balance as at 1 July 2018</strong></td>
<td>26,732</td>
<td>1,672</td>
<td>10,403</td>
<td>38,807</td>
</tr>
<tr>
<td>Surplus after income tax excluding PBE IFRS 9 adjustment above</td>
<td>-</td>
<td>175</td>
<td>-</td>
<td>175</td>
</tr>
<tr>
<td>Other comprehensive revenue</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total comprehensive revenue</strong></td>
<td>-</td>
<td>175</td>
<td>60</td>
<td>235</td>
</tr>
<tr>
<td>Transfers to/from reserves</td>
<td>-</td>
<td>(59)</td>
<td>59</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at 30 June 2019</strong></td>
<td>26,732</td>
<td>1,788</td>
<td>10,522</td>
<td>39,042</td>
</tr>
</tbody>
</table>

1 The opening balance for the comparative period 1 July 2018 to 31 December 2018 was restated for the impact on adoption of PBE IFRS 9 Financial Instruments.

The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.
Statement of cash flows

For the six months ended 31 December 2019

<table>
<thead>
<tr>
<th>TABLE</th>
<th>MILLION</th>
<th>NOTE</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2019</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2018</th>
<th>AUDITED 12 MONTHS TO 30 JUN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers, rates, grants and other services</td>
<td></td>
<td></td>
<td>2,465</td>
<td>2,233</td>
<td>4,328</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td></td>
<td>6</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Dividends received</td>
<td></td>
<td></td>
<td>33</td>
<td>32</td>
<td>65</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td></td>
<td></td>
<td>(1,541)</td>
<td>(1,318)</td>
<td>(2,682)</td>
</tr>
<tr>
<td>Income tax refund</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>(14)</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td></td>
<td>(217)</td>
<td>(239)</td>
<td>(446)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td></td>
<td></td>
<td>C3</td>
<td>746</td>
<td>707</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of property, plant and equipment, investment property and intangible assets</td>
<td></td>
<td></td>
<td>68</td>
<td>43</td>
<td>168</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment, investment property and intangible assets</td>
<td></td>
<td></td>
<td>(1,152)</td>
<td>(917)</td>
<td>(1,899)</td>
</tr>
<tr>
<td>Acquisition of other financial assets</td>
<td></td>
<td></td>
<td>(117)</td>
<td>(23)</td>
<td>(18)</td>
</tr>
<tr>
<td>Proceeds from sale of other financial assets</td>
<td></td>
<td></td>
<td>21</td>
<td>126</td>
<td>132</td>
</tr>
<tr>
<td>Investment in joint ventures</td>
<td></td>
<td></td>
<td>(136)</td>
<td>(30)</td>
<td>(65)</td>
</tr>
<tr>
<td>Advances to external parties</td>
<td></td>
<td></td>
<td>(60)</td>
<td>(2)</td>
<td>(31)</td>
</tr>
<tr>
<td>Net cash outflow from investing activities</td>
<td></td>
<td></td>
<td>(1,370)</td>
<td>(803)</td>
<td>(1,713)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td></td>
<td></td>
<td>2,234</td>
<td>830</td>
<td>2,462</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td></td>
<td></td>
<td>(1,716)</td>
<td>(1,021)</td>
<td>(2,282)</td>
</tr>
<tr>
<td>Proceeds from derivative financial instruments</td>
<td></td>
<td></td>
<td>7</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Payment for derivative financial instruments</td>
<td></td>
<td></td>
<td>(28)</td>
<td>(40)</td>
<td>(60)</td>
</tr>
<tr>
<td>Net cash inflow from financing activities</td>
<td></td>
<td></td>
<td>497</td>
<td>(235)</td>
<td>146</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents and bank overdraft</td>
<td></td>
<td></td>
<td>(127)</td>
<td>(331)</td>
<td>(319)</td>
</tr>
<tr>
<td>Opening cash and cash equivalents and bank overdraft</td>
<td></td>
<td></td>
<td>291</td>
<td>610</td>
<td>610</td>
</tr>
<tr>
<td>Closing cash and cash equivalents and bank overdraft</td>
<td></td>
<td></td>
<td>164</td>
<td>279</td>
<td>291</td>
</tr>
</tbody>
</table>

1The comparative financial information for the 12 months to 30 June 2019 has been restated to reflect the effects of the reclassification of $30 million from financing activities to investing activities to better reflect the nature of the transaction.

2The accompanying notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.
He pito kōrero mō ngā Tauākī
Tahua Pūtea

NOTES TO THE FINANCIAL STATEMENTS
He pito kōrero mō ngā Tauākī Tahua Pūtea

Notes to the Financial Statements

Basis of reporting

Auckland Council (the council) is a local authority domiciled in New Zealand and governed by the following legislation:

- Local Government Act 2002 (LGA 2002);
- Local Government (Auckland Council) Act 2009 (LGACA 2009); and

The council is an FMG Reporting Entity under the Financial Markets Conduct Act 2013 (FMCA 2013).

The council’s principal address is 135 Albert Street, Auckland Central, New Zealand.

The Auckland Council Group (the group) consists of the council, its council-controlled organisations, subsidiaries, associates and joint ventures. All entities are domiciled in New Zealand.

Significant council-controlled organisations and subsidiaries comprise of:

- Auckland Tourism, Events and Economic Development Limited
- Auckland Transport
- Panuku Development Auckland Limited
- Regional Facilities Auckland
- Watercare Services Limited
- Ports of Auckland Limited

The primary objective of the group and the council is to provide services and facilities to the Auckland community for social benefit rather than to make a financial return. Accordingly, the council has designated itself and the group as public benefit entities (PBEs) and applies New Zealand Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.

Statement of compliance

These interim financial statements are for the six months ended 31 December 2019 and have been prepared for the group only and are to be read in conjunction with the annual report for the year ended 30 June 2019. They are prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with PBE IAS 34 Interim Financial Reporting. The financial results for the six-month period ended 31 December 2019 are unaudited however they have been subject to a review by the Auditor-General pursuant to the NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity.

Basis of preparation

The interim financial statements are presented in New Zealand dollars (NZD), which is the functional currency of each of the group’s entities, and are rounded to the nearest million dollars, unless otherwise stated. All items in the interim financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST.

The interim financial statements have been prepared on a going concern basis and the accounting policies applied are consistent with those used at 30 June 2019 except as described below.

Implementation of new and amended accounting standards by the group

PBE Standards on interests in other entities:

- PBE IPSAS 34 Separate Financial Statements;
- PBE IPSAS 35 Consolidated Financial Statements;
- PBE IPSAS 36 Investments in Associates and Joint Ventures;
- PBE IPSAS 37 Joint Arrangements; and
- PBE IPSAS 38 Disclosure of Interests in Other Entities.
The New Zealand Accounting Standards Board issued these standards to incorporate the equivalent standards issued by the International Public Sector Accounting Standards Board into PBE Standards. These standards replace PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates and PBE IPSAS 8 Investments in Joint Ventures.

The group adopted these standards with effect from 1 July 2019. The key changes introduced by the new standards and the expected impact on the group are as follows:

(a) Control: The new standards introduce an amended definition of control including extensive guidance on this definition, which if applicable result in consolidation of entities that are not owned by virtue of shareholding.

The adoption of new standards has not resulted in the consolidation of additional entities.

(b) Investment entities: The standards introduce the concept of an "investment entity". They exempt investment entities from consolidating controlled entities and instead, require investment entities to recognise controlled entities at fair value through surplus or deficit.

These requirements do not apply to the group, as neither the council nor any of its controlled entities meet the definition of an investment entity.

(c) Joint arrangements: PBE IPSAS 37 introduces a new classification of joint arrangements, sets out the accounting requirements for each type of arrangement (joint operations and joint ventures), and removes the option of using the proportionate consolidation method.

The group has reclassified its interests in jointly controlled entities as joint ventures under the new standards and will continue to account for these interests using the equity method of accounting.

(d) Disclosures of interests in other entities: The standards require PBEs to disclose information of their interests in other entities, including some additional disclosures that are not currently required under PBE IPSAS 6, 7 and 8.

This will result in additional disclosures for the group regarding the group’s controlled entities, associates and joint arrangements.

Impairment of Revalued Assets (Amendments to PBE IPSAS 21 Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets)

The amendments change the scope of PBE IPSAS 21 and PBE IPSAS 26 to include assets measured at revalued amounts under the revaluation model in PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets ("revalued assets"). As a result of the amendments, revalued assets are subject to the same impairment assessment requirements as assets that are measured using the cost model. Consequential amendments were also made to PBE IPSAS 17 and PBE IPSAS 31.

Other than extending the scope of the group’s accounting policy on impairment to include revalued assets, there have been no other changes to the group’s financial statements as a result of these amendments. The adoption of these amendments resulted in an immaterial impact on the group’s interim financial statements.

PBE IPSAS 39 Employee Benefits

PBE IPSAS 39 replaces the previous standard on employee benefits. PBE IPSAS 25 Employee Benefits. PBE IPSAS 39 is based on IPSAS 39, which was issued by the IPSASB to update its standards for the amendments to IAS 19 by the IPSASB during the 2011-2015 period.

The new standard:

- amends the short-term employee benefit definition to be those employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service;
- removes the option to defer the recognition of certain actuarial gains and losses arising from defined benefit plans (the "corridor approach");
- eliminates some of the presentation options for actuarial gains and losses arising from defined benefit plans;
- introduces the net interest approach, which is to be used when determining the defined benefit cost for defined benefit plans, and
- structures the disclosures for defined benefit plans according to explicit disclosure objectives for defined benefit plans.

As the group does not have material defined benefit plans the new standard has not impacted the group’s interim financial statements.
Comparatives
Apart from the matters disclosed below, there has been no change to balances and disclosures reported in the prior period.

Restatement of opening accumulated funds
Following the finalisation of PBE IFRS 9 Financial Instruments opening adjustments, a fair value adjustment of $5 million was applied to the opening balance of Other financial assets which resulted in an increase in opening Accumulated funds of the same amount for the comparative period as at 31 December 2018.

Restatement of Statement of comprehensive revenue and expenditure
$4.8 million of cost recoveries have been reclassified from Employee benefits to Other operating expenses to reflect the nature of these costs accordingly for the comparative period six months to 31 December 2018.

Restatement of Statement of cash flows
A $30 million loan to an external party has been reclassified from financing activities to investing activities to reflect the nature of the transaction for the comparative period 12 months to 30 June 2019.

Significant accounting policies
Accounting policies that are considered critical to the portrayal of the group's financial condition and results, and contain judgements, estimates and assumptions about matters that are inherently uncertain have been included in the notes to these interim financial statements. These accounting policies are consistent with those used at 30 June 2019 with the exception of property, plant and equipment which now takes into account the amendments to PBE IPSAS 21 and PBE IPSAS 26. The accounting policies include judgements on the timing of recognition of rates revenue, the useful lives and fair values of property, plant and equipment, and the fair values of financial instruments and provisions.
A1 Revenue
Rates revenue is recognised in full at the point of issuance of the rates notice and measured at the amount assessed, which is the fair value of the cash received or receivable.
Sources of revenue are consistent with prior periods.

A2 Net other gains and losses

<table>
<thead>
<tr>
<th></th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2019</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2019</th>
<th>AUDITED 12 MONTHS TO 30 JUN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gains/(losses) from financial instruments and derivatives</td>
<td>(57)</td>
<td>(167)</td>
<td>(663)</td>
</tr>
<tr>
<td>Net gains/(losses) on other</td>
<td>16</td>
<td>(5)</td>
<td>12</td>
</tr>
<tr>
<td>Total net other gains and losses</td>
<td>(41)</td>
<td>(170)</td>
<td>(651)</td>
</tr>
</tbody>
</table>
Finance and Performance Committee
19 March 2020

He pito kōrero mō ngā Tauākī Tahua Pūtea
Notes to the Financial Statements

Section B: Financial position

B1 Property, plant and equipment

Accounting policy

The property, plant and equipment of the group and Auckland Council are classified into three categories:

- **Infrastructure assets** include land under roads and systems and networks integral to the city’s infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
- **Operational assets** include property, plant and equipment used to provide core council services, either as a community service for administration, or as a business activity. Other operational assets include landfills, motor vehicles, office equipment, library books and furniture and fittings; and
- **Restricted assets** include property and improvements where the use or transfer of title outside of the group or Auckland Council is legally restricted.

*Initial recognition and subsequent measurement*

Property, plant and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. Subsequent costs that extend or expand the asset’s future economic benefits or service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment, if any, and is not depreciated.

*Useful lives*

The useful lives used to calculate the depreciation of property, plant and equipment are as follows:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Estimated useful life (years)</th>
<th>Asset class</th>
<th>Estimated useful life (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td><strong>Operational (continued)</strong></td>
<td></td>
</tr>
<tr>
<td>Land and road formation</td>
<td>Indefinite</td>
<td>Marnas</td>
<td>1 to 100</td>
</tr>
<tr>
<td>Roads</td>
<td>8 to 100</td>
<td>Rolling stock</td>
<td>3 to 35</td>
</tr>
<tr>
<td>Water and wastewater</td>
<td>3 to 200</td>
<td>Wharves</td>
<td>4 to 100</td>
</tr>
<tr>
<td>Machinery</td>
<td>3 to 200</td>
<td>Works of art</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Stormwater</td>
<td>10 to 200</td>
<td>Other operational assets</td>
<td>1 to 100</td>
</tr>
<tr>
<td>Other infrastructure</td>
<td>10 to 120</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational</strong></td>
<td></td>
<td><strong>Restricted</strong></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>Indefinite</td>
<td>Parks and reserves</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Buildings</td>
<td>1 to 100</td>
<td>Buildings</td>
<td>5 to 100</td>
</tr>
<tr>
<td>Train stations</td>
<td>6 to 60</td>
<td>Improvements</td>
<td>3 to 100</td>
</tr>
<tr>
<td>Bus stations and shelters</td>
<td>10 to 40</td>
<td>Specified and cultural</td>
<td>Indefinite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>heritage assets</td>
<td></td>
</tr>
</tbody>
</table>

*Disposals*

Gains and losses on the disposal of property, plant and equipment are recognised in surplus or deficit. Any amounts included in the asset revaluation reserve in respect of the disposed assets are transferred to accumulated funds on disposal.

*Impairment*

Property, plant and equipment that is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in surplus or deficit for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.
Revaluation

Infrastructure assets (except land), restricted assets (except improvements and specified cultural and heritage assets) and operational assets (except other operational assets) are revalued with sufficient regularity, and at least every three years to ensure that their carrying amounts do not differ materially from fair value. The carrying values of revalued assets are assessed at each reporting period to ensure that they do not differ materially from the assets’ fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on an asset class basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for each class of asset. Revaluation losses that result in a debit balance in an asset class’ revaluation reserve are recognised in surplus or deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expenditure.

<table>
<thead>
<tr>
<th></th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2019</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2018</th>
<th>AUDITED 12 MONTHS TO 30 JUN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions</td>
<td>1,236</td>
<td>947</td>
<td>2,251</td>
</tr>
<tr>
<td>Net disposals and transfers to non-current assets held-for-sale</td>
<td>2</td>
<td>(25)</td>
<td>4</td>
</tr>
<tr>
<td>Capital commitments</td>
<td>2,353</td>
<td>1,419</td>
<td>2,450</td>
</tr>
<tr>
<td>Share of capital commitments from joint ventures (CRL)</td>
<td>871</td>
<td>92</td>
<td>73</td>
</tr>
</tbody>
</table>

There have been no material changes in fair value for property, plant and equipment between 30 June 2019 and 31 December 2019.

City Rail Link Limited (CRL) awarded Contract 3 in July 2019, a contract which will involve the design, supply, construction and installation management of the CRL project from just south of Wyndham Street to the North Auckland Line at Mt Eden, and two new underground stations at Aotea square and Karangahape Road. This resulted in the significant increase in the group’s share of capital commitments from joint ventures.

B2 Other financial assets

The Eden Park Trust Loan

In prior years Auckland Council provided a financial guarantee in relation to a $40 million ASB Bank Limited (ASB) loan to Eden Park Trust (EPT). This loan was due for repayment on 30 September 2019 and the guarantee had been fully provided.

In September 2019 the $40 million EPT loan and other facilities with ASB were assigned to the group under an assignment and termination agreement in consideration for the group paying $40 million to ASB, which released the group from any further obligations under the ASB guarantee. The group then restrucured the loan into a $54 million revolving cash advance facility which was provided to EPT on normal commercial terms.

At initial recognition, the council recorded the fair value of the EPT loan as nil due to the inherent uncertainty surrounding EPT’s financial position and its forecast financial performance. As the group had previously recognised a provision for the $40 million financial guarantee and a provision for doubtful debts against the $6.5 million community loan, the new loan arrangement had no significant impact on net assets during the six months to 31 December 2019. As at 31 December 2019 the outstanding balance on the revolving cash advance facility loan of $44 million had a carrying value of nil in the financial statements.

B3 Provisions

Accounting policy

Provisions are recognised in the statement of financial position only where the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably.

Provisions are measured at the present value of the expected future cash outflows required to settle the obligation. The increase in the provision due to the passage of time is recognised as a finance cost in surplus or deficit.
Financial guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under PBE IFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of amortisation recognised in accordance with the principle of PBE IFRS 9 Revenue from Exchange Transactions.

The fair value of a financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Apart from the change in the provision for financial guarantees related to Eden Park, there have been no material changes in provisions between 30 June 2019 and 31 December 2019.

B4 Borrowings

Accounting policy

Borrowings are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method.

Foreign currency borrowings are translated into NZD using the spot rates at balance date. Foreign exchange gains and losses resulting from the settlement of borrowings and from translation are recognised in the surplus or deficit.

<table>
<thead>
<tr>
<th>MILLION</th>
<th>UNAUDITED 8 MONTHS TO 31 DEC 2019</th>
<th>UNAUDITED 12 MONTHS TO 30 JUN 2019</th>
<th>AUDITED 12 MONTHS TO 30 JUN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>9,378</td>
<td>8,044</td>
<td>8,958</td>
</tr>
<tr>
<td>Add bank overdraft</td>
<td>9</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Less cash and cash equivalents</td>
<td>(173)</td>
<td>(280)</td>
<td>(294)</td>
</tr>
<tr>
<td>Total borrowings and bank overdraft less cash and cash equivalents</td>
<td>9,214</td>
<td>8,285</td>
<td>8,667</td>
</tr>
</tbody>
</table>

Net borrowings increased by $547 million, largely from a Euro Bond and Green Bond issuance between 30 June 2019 and 31 December 2019. This was partially offset by debt maturities during this period.

There were no defaults or breaches on any borrowing arrangement during the period (31 December 2018: nil; 30 June 2019: nil).

B5 Derivative financial instruments

Accounting policy

The group and the council use derivative financial instruments, such as forward foreign currency contracts and interest rate swaps to mitigate risks associated with foreign currency and interest rate fluctuations. The group and the council do not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and derivative liabilities are classified as current when the remaining maturity is 12 months or less, or as non-current when the remaining maturity is more than 12 months.
Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised directly in other comprehensive revenue and expenditure. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. On derecognition, amounts accumulated in cash flow hedge reserve are transferred to surplus or deficit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in cash flow hedge reserve at that time remains in equity and is recognised when the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss in cash flow hedge reserve is recognised immediately in the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognised in other comprehensive revenue and expenditure are transferred to the initial cost of carrying amount of the non-financial asset or liability.

The group has entered into derivative financial instrument contracts to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with approved financial risk management policies.

### Cash Flow Hedges

<table>
<thead>
<tr>
<th></th>
<th>UNAUDITED AS AT 31 DEC 2019</th>
<th>UNAUDITED AS AT 31 DEC 2018</th>
<th>UNAUDITED AS AT 30 JUN 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ASSETS</td>
<td>LIABILITIES</td>
<td>ASSETS</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedge</td>
<td>-</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Fair value through surplus or deficit</td>
<td>54</td>
<td>1,738</td>
<td>37</td>
</tr>
<tr>
<td>Forward foreign currency contracts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedge</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Fair value through surplus or deficit</td>
<td>9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cross-currency interest rate swaps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value through surplus or deficit</td>
<td>309</td>
<td>179</td>
<td>235</td>
</tr>
<tr>
<td>Basis swaps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value through surplus or deficit</td>
<td>9</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Total derivative financial instruments</td>
<td>372</td>
<td>1,935</td>
<td>277</td>
</tr>
</tbody>
</table>

### Interest Rate Swaps

<table>
<thead>
<tr>
<th></th>
<th>UNAUDITED AS AT 31 DEC 2019</th>
<th>UNAUDITED AS AT 31 DEC 2018</th>
<th>UNAUDITED AS AT 30 JUN 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ASSETS</td>
<td>LIABILITIES</td>
<td>ASSETS</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>1,345</td>
<td>9,389</td>
<td>1,525</td>
</tr>
<tr>
<td>Forward foreign currency contracts</td>
<td>2</td>
<td>115</td>
<td>19</td>
</tr>
<tr>
<td>Cross-currency interest rate swaps</td>
<td>2,130</td>
<td>2,446</td>
<td>2,598</td>
</tr>
<tr>
<td>Basis swaps</td>
<td>2,056</td>
<td>-</td>
<td>1,216</td>
</tr>
<tr>
<td>Total derivative financial instruments</td>
<td>5,533</td>
<td>12,350</td>
<td>5,358</td>
</tr>
</tbody>
</table>
He pito kōrero mō ngā Tauākī Tahua Pūtea

Notes to the Financial Statements

Section C: Other disclosures

C1 Investment in other entities
There have been no material changes in the group’s investments in other entities which include subsidiaries, associates and joint arrangements, listed in Note 3 of the Annual Report 2018/2019 (volume 3), during the six months to 31 December 2019 except the group provided $130 million of equity funding to City Rail Link Limited.

C2 Contingencies
Local Government Funding Agency
The group is a shareholder and guarantor of the Local Government Funding Agency (LGFA). The group’s cross-guarantee on LGFA’s other borrowings was $8.1 billion at 31 December 2019 ($7.1 billion). The group considers the risk of the LGFA defaulting on repayment of interest or capital to be very low and accordingly the expected credit loss on this guarantee has been assessed as immaterial.

Accommodation provider targeted rate judicial review
At 30 June 2019 the group disclosed a contingent liability in relation to legal proceedings that challenged the council’s decision to set the accommodation provider targeted rate, as well as resetting the rate in 2018 and extending it to the online accommodation sector. The maximum exposure was $25.2 million plus legal costs, and has increased to $40.2 million as at 31 December 2019.

There have been no other material changes in contingencies between 30 June 2019 and 31 December 2019.

C3 Reconciliation of surplus after income tax to net cash inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2019</th>
<th>UNAUDITED 6 MONTHS TO 31 DEC 2018</th>
<th>AUDITED 12 MONTHS TO 30 JUN 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus after income tax</td>
<td>1,316</td>
<td>1,639</td>
<td>175</td>
</tr>
<tr>
<td>Add/(less) non-cash items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>464</td>
<td>454</td>
<td>922</td>
</tr>
<tr>
<td>Vested assets</td>
<td>(231)</td>
<td>(239)</td>
<td>(486)</td>
</tr>
<tr>
<td>Other non-cash revenue</td>
<td>48</td>
<td>389</td>
<td>641</td>
</tr>
<tr>
<td>Less items classified as investing or financing activities</td>
<td>1</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td>Add/(less) movements in working capital items</td>
<td>(852)</td>
<td>(736)</td>
<td>(2)</td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>746</td>
<td>707</td>
<td>1,248</td>
</tr>
</tbody>
</table>

C4 Events after the reporting period
Accommodation provider targeted rate judicial review
The application for the accommodation provider targeted rate judicial review mentioned in Note C2 was dismissed in February 2020. The applicants have until 5 March 2020 to file an appeal. As there is a possibility that the group may be exposed to a loss as a result of this legal action, the group considers that a contingent liability with a maximum value of $40.2 million exists.

There were no other material events after the reporting period that would require adjustment or disclosure for the group.
Auckland Council Group interim report 31 December 2019

Pūrongo nā te kaiarotake motuhake

INDEPENDENT REVIEWER’S REPORT
Independent Reviewer’s Report

To the readers of Auckland Council Group’s Interim Financial Statements for the six months ended 31 December 2019

I am the auditor of Auckland Council and its subsidiaries (together, the Auckland Council Group). I have used my staff and appointed auditors and their staff to carry out a review of the Auckland Council Group’s interim financial statements for the six months ended 31 December 2019.

I have reviewed the interim financial statements of the Auckland Council Group on pages 16 to 29 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expenditure, statement of changes in equity and statement of cash flows for the six months ended on that date, and the notes to the interim financial statements that include the accounting policies and other explanatory information.

Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the Auckland Council Group’s interim financial statements do not:

- comply with generally accepted accounting practice in New Zealand in accordance with PBE IAS 34: Interim Financial Reporting; or
- present fairly, in all material respects:
  - Auckland Council Group’s financial position as at 31 December 2019; and
  - the results of its operations and cash flows for the six months ended on that date.

My review was completed on 28 February 2020. This is the date at which my conclusion is expressed.

The Council’s responsibilities

The Council is responsible for preparing interim financial statements in accordance with New Zealand law and generally accepted accounting practice, including PBE IAS 34: Interim Financial Reporting, which present fairly the financial position of the Auckland Council Group as at 31 December 2019 and the results of its operations and cash flows for the six months ended on that date.

The Council is also responsible for such internal control as it determines is necessary to enable it to prepare interim financial statements that are free from material misstatement, whether due to fraud or error.

My responsibilities as reviewer

I am responsible for reviewing the interim financial statements and providing an independent report to you based on the procedures performed by my staff and appointed auditors and their staff.

I carried out the review in accordance with NZ SRE 2410: Review of Financial Statements Performed by the Independent Auditor of the Entity issued by the External Reporting Board, which requires me to conclude whether anything has come to my attention that causes me to believe that the interim financial
statements, taken as a whole, have not been prepared in all material respects, in accordance with generally accepted accounting practice in New Zealand.

I carried out my review in accordance with the ethical and quality requirements of the Auditor-General that are relevant to the audit of financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. My work was limited primarily to enquiries of Auckland Council and Auckland Council Group’s personnel responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit, and thus a review provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion. Also, I did not evaluate the security and controls over the electronic publication of the interim financial statements.

Independence

When carrying out this review, my staff, and appointed auditors and their staff followed the Auditor-General’s independence requirements, which incorporate the independence requirements of the External Reporting Board.

As an Officer of Parliament, I am constitutionally and operationally independent of the Auckland Council and the Auckland Council Group.

In addition to this review, I and my staff or appointed auditors and their staff have carried out the following engagements in the past year:

- the audit of the Auckland Council and the Auckland Council’s Group’s financial statements, activity statements, other information and local board reports contained in its annual report for the year ended 30 June 2019;
- an assurance engagement in respect of information provided by the Auckland Council and Auckland Council Group as required by the terms of its foreign borrowings programme;
- a limited assurance engagement in respect to the Auckland Council’s Debenture Trust Deed and Master Trust Deed reporting certificates;
- a review of service performance audit, as required by s104 of the Auckland Council legislation, on the effectiveness of the Council’s post implementation review process; and
- other engagements for Watercare Services Limited in the areas of taxation services, cyber and security risk advisory, probity services and limited assurance on selected non-financial information which are compatible with those independence requirements.

Other than these engagements, and in exercising my functions and powers under the Public Audit Act 2001 as the auditor of public entities, I have no relationship with, or interests in the Auckland Council or any of its subsidiaries.

Greg Schollum
Deputy Auditor-General
Wellington, New Zealand
Ngā rerekētanga matua o ngā Pae Tikanga Kaute Pūtea a IFRS me PBE

MAIN DIFFERENCES BETWEEN IFRS AND PBE ACCOUNTING STANDARDS
Ngā rerekētanga matua o ngā Pae Tikanga Kaute Pūtea a IFRS me PBE

Main differences between IFRS and PBE Accounting Standards

Introduction
Under the New Zealand Accounting Standards Framework, public sector public benefit entities (PBEs) apply PBE Accounting Standards. The New Zealand Accounting Standards Framework defines public benefit entities (PBEs) as reporting entities “whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders”. Many public sector entities are classified as PBEs. The Auckland Council Group (the group) is classified as a public sector PBE for financial reporting purposes and therefore the financial statements of the group have been prepared in accordance with PBE Accounting Standards.

The PBE Accounting Standards are primarily based on International Public Sector Accounting Standards (IPSAS). IPSAS are based on IFRS but are adapted to a public sector context where appropriate, by using more appropriate terminology and additional explanations where required. For example, IPSAS introduces the concept of service potential in addition to economic benefits in the asset recognition rules and provides more public sector specific guidance where appropriate. This is in contrast with IFRS that are written for the for-profit sector with capital markets in mind.

The key differences in recognition and measurement between PBE Accounting Standards applicable to the group and IFRS (applicable to annual periods beginning on or after 1 July 2019) are set out below. Differences that impact only on presentation and disclosure have not been identified.

**PBE Accounting Standards with comparable IFRS equivalent**

**Formation of Auckland Council Group**

**PBE**
PBE IPSAS 3 Business Combinations contains a scope exemption for business combinations arising from local authority reorganisations. This scope exemption is carried forward from NZ IFRS 3 (PBE) Business Combinations, the standard that was applicable to the group at the time it was formed on 1 November 2010 as a result of the amalgamation of eight predecessor Auckland local authorities.

Under the exemption, all assets and liabilities of the predecessor local authorities were recognised by the group using the predecessor values of those assets and liabilities. The initial value at which those assets and liabilities were recognised by the group is deemed to be their cost for accounting purposes.

**IFRS**
Without the scope exemption, the amalgamation of the predecessor local authorities into the group would have been accounted for as a business combination under IFRS 3 applying the acquisition method. Under the acquisition method, an acquirer would have been identified and all of the identifiable assets and liabilities acquired would have been recognised at fair value at the date of acquisition.

**Impact**
The impact of the above accounting treatment is that the carrying value of the assets and liabilities received were not re-measured to fair value and no additional assets and liabilities such as goodwill and contingent liabilities, or a discount on acquisition were recognised as would have been required if the transaction was accounted for as a business combination under IFRS 3.

**Property, plant and equipment**

**PBE**
In accordance with PBE IPSAS 17 Property, Plant and Equipment, PBEs are required to account for revaluation increases and decreases on an asset class basis rather than on an asset-by-asset basis.

**IFRS**
IFRS requires asset revaluations to be accounted for on an asset-by-asset basis.
Impact
Decreases in revaluation will be recognised in operating surplus except to the extent there is sufficient asset revaluation reserves surplus relating to the same class of assets under PBE Accounting Standards and relating to the same asset under IFRS. This difference could result in higher operating results under PBE Accounting Standards where there is a decrease in the carrying value of an asset. This is because, to the extent that there is sufficient revaluation surplus in respect of the same asset class (as opposed to the same asset), the group recognises a revaluation decrease in asset revaluation reserves.

Borrowing costs

PBE
PBE IPSAS 5 Borrowing Costs permits PBEs to either capitalise or expense borrowing costs incurred in relation to qualifying assets. A qualifying asset is defined in PBE IPSAS 5 “as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale”. The group’s accounting policy is to expense all borrowing costs. As a consequence, borrowing costs are not included in the original cost or revaluations of qualifying assets.

IFRS
IAS 23 Borrowing Costs requires capitalisation of borrowing costs incurred in relation to qualifying assets. The definition of a qualifying asset is identical to that definition in PBEIPSAS 5.

Impact
This difference results in the group’s property, plant and equipment value, and subsequent depreciation expense, being lower than they would be under IFRS. In addition, there is higher interest expense in the periods in which qualifying assets are constructed.

Impairment of Assets

PBE
PBEs apply PBE IPSAS 21 Impairment of Non-Cash-Generating Assets or PBE IPSAS 26 Impairment of Cash-Generating Assets, as appropriate, to determine whether a non-financial asset is impaired. PBEs are therefore required to designate non-financial assets as either cash-generating or non-cash-generating. Cash-generating assets are those that are held with the primary objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

The PBE Accounting Standards require the value in use of non-cash-generating assets to be determined as the present value of the remaining service potential using one of the following: the depreciated replacement cost approach, the restoration cost approach, or the service units approach.

IFRS
IFRS does not provide specific guidance for the impairment of non-cash-generating assets. The value in use of an asset or a cash generating unit is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Impact
Assets with future economic benefits that are not primarily dependent on the asset’s ability to generate cash and may not be impaired under PBE Accounting Standards because of the asset’s ability to generate service potential might be impaired under IFRS due to limited generation of cash flows. The group’s asset values may therefore be higher under PBE Accounting Standards because some impairment may not be required to be recognised, but would be required to be recognised under IFRS. Further, the value in use of an asset may be different under PBE Accounting Standards due to differences in calculation methods.

PBE Accounting Standards that have no IFRS equivalent / IFRS equivalent is not comparable

The following standards provide guidance on the same or similar topics but are not directly comparable. The comparison below identifies the key recognition and measurement difference.

Revenue from non-exchange transactions

PBE
The PBE Accounting Standards require revenue to be classified as revenue from exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Non-exchange transactions are transactions that are not exchange transactions.
Finance and Performance Committee
19 March 2020

Auckland Council Group Interim Report 31 December 2019

PBE IPSAS 23 Revenue from Non-Exchange Transactions deals with revenue from non-exchange transactions. The group’s non-exchange revenue includes revenue from general rates; fuel tax; grants and subsidies. Fees and user charges derived from activities that are partially funded by general rates are also considered to be revenue arising from non-exchange transactions.

The group recognises an inflow of resources from a non-exchange transaction as revenue except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when a condition is attached to the revenue that requires that revenue to be returned unless it is consumed in the specified way. As the conditions are satisfied, the liability is reduced and revenue is recognised.

IFRS

IFRS does not have a specific standard that deals with revenue from non-exchange transactions. IAS 20 Accounting for Government Grants and Disclosure of Government Assistance contains guidance relating to the accounting for government grants. Under IAS 20, government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate. In the case of grants related to assets, IAS 20 results in setting up the grant as deferred income or deducting it from the carrying amount of the asset.

Impact

The group’s accounting policy may lead to earlier recognition of revenue from non-exchange transactions than if it was recognised under IAS 20. It may also result in differences in asset values in relation to grants related to assets.

Under PBE IPSAS 23, the timing of recognising the group’s rates revenue is at the date of issuing the rating notices for the annual general rate charge resulting in the entire rates revenue being recognised in the interim financial statements of the group. This is likely to be an earlier recognition than if this revenue was accounted for under IFRS.

Revenue from exchange transactions

PBE

As discussed above, the PBE Accounting Standards require revenue to be classified as revenue from exchange or non-exchange transactions.

PBE IPSAS 9 Revenue from Exchange Transactions deals with revenue from exchange transactions. The group’s exchange revenue includes revenue from fees and user charges (water and wastewater charges, development contributions, infrastructure charges, port operations, consents, licences and permits) and revenue from sales of goods.

The group recognises revenue related to services on a percentage of completion basis over the period of the service supplied. Revenue from sale of goods is recognised when the substantial risks and rewards of ownership have been passed to the buyer.

IFRS

IFRS 15 Revenue from Contracts with Customers introduces a single revenue model for contracts with customers. It does not distinguish between sales of goods and services. It defines transactions based on performance obligations, which are promises to transfer goods or services in a contract with a customer.

The core principle of the standard is that revenue is recognised as a result of the entity satisfying performance obligations or promises to transfer goods or services at an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. These may be satisfied over time versus at a point in time based on when control of the good or service transfers to a customer.

Impact

The group’s accounting policy may result in a different timing of recognition of revenue from exchange transactions compared to IFRS 15.

For example, IFRS 15 contains more detailed guidance on identifying distinct performance obligations in a contract and allocating the consideration to these based on the stand alone selling price of the performance obligations. This may result in some revenue recognised earlier or later than under PBE IPSAS 9.

Further, IFRS 15 contains detailed guidance on the accounting treatment of variable consideration which may result in change in timing of recognising revenue related to items such as rebates and price concessions.

The impact of these differences may result in revenue recognized earlier/later in the contract period however it should not impact on the total revenue recognised during the contract term.
Service Concession Arrangement (also known as Public Private Partnership Arrangements)

**PBE**

PBE IPSAS 32: Service Concession Arrangements deals with the accounting for service concession arrangements from the grantor’s perspective. Service concession arrangements are more commonly known as Public Private Partnership (PPP) arrangements. Broadly, service concession arrangements are arrangements between the public and private sectors whereby public services are provided by the private sector using public infrastructure (service concession asset).

PBE IPSAS 32 requires the grantor (public entity) to recognise the service concession asset and a corresponding liability on its statement of financial position. The liability can be a financial or other liability or a combination of the two depending on the nature of the compensation of the operator.

A financial liability is recognised if the grantor compensates the operator by the delivery of cash or another financial asset. A non-financial liability is recognised if a right is granted to the operator to charge the users of the public service related to the service concession asset (liability for unearned revenue).

**IFRS**

IFRS contains no specific guidance addressing the accounting by the grantor (public entity) in a service concession arrangement. However, IFRS contains guidance for the operator’s accounting (private entity).

**Impact**

Applying IFRS to service concession arrangements would not result in a significant impact on the group’s financial position or financial performance as, in absence of specific guidance in NZ IFRS, prior to the adoption of PBE Accounting Standards, NZ practice has been to ‘mirror’ the accounting treatment of the private entity under IFRS which is consistent with the requirements of the PBE Accounting Standards.

**Fair Value Measurement**

**PBE**

There is no specific standard in the PBE Accounting Standards, however a number of PBE Accounting Standards contain guidance on the measurement of fair value in specific contexts (for example PBE IPSAS 17 Property, Plant and Equipment and PBE IFRS 9 Financial Instruments).

**IFRS**

IFRS 13 Fair Value Measurement does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

**Impact**

IFRS 13 Fair Value Measurement does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

**Lease accounting**

**PBE**

Under PBE IPSAS 13 Leases, the group’s current accounting policy is to make a distinction between finance leases and operating leases.

Finance leases are recognised on the statement of financial position.

Operating leases are not recognised on the statement of financial position, instead, payments are recognised in the statement of financial performance on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee’s benefit.

**IFRS**

IFRS 16 Leases requires the lessee to recognise almost all lease contracts on the statement of financial position; the only optional exemptions are for certain short-term leases and leases of low-value assets.

There is no significant difference in respect of the accounting treatment applicable to lessors, or for lessees in contracts classified as finance leases under PBE IPSAS 13.
Impact

Where the group is the lessee in contracts classified as operating leases under its current accounting policy, applying IFRS 16 would result in the group having to recognise a ‘right-of-use’ asset (that is, the asset that reflects the right to use the leased asset) and a corresponding lease liability (obligation to make lease payments) on its statement of financial position.

Further, applying IFRS 16 would result in the group having to recognise interest expense on the lease liability and depreciation on the ‘right-of-use’ asset. Due to this, for lease contracts currently classified as operating leases, the total amount of expenses at the beginning of the lease period would be higher than under the current accounting policy of the group.

There is no significant difference where the group is a lessor in the lease arrangement or a lessee in contracts classified as a finance lease under PBE IPSAS 13.
Reconciliation between statutory and management results

Management performance results

Group operating performance

<table>
<thead>
<tr>
<th>Operating performance</th>
<th>$ million</th>
<th>Act</th>
<th>Act in</th>
<th>Actual</th>
<th>Actual</th>
<th>Act in</th>
<th>Actual</th>
<th>Acct in</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue expenditure</td>
<td>691</td>
<td>599</td>
<td>427</td>
<td>50</td>
<td>395</td>
<td>295</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>343</td>
<td>343</td>
<td>343</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating costs</td>
<td>1,034</td>
<td>1,034</td>
<td>1,034</td>
<td>699</td>
<td>699</td>
<td>699</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other direct revenue</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct expenditure</td>
<td>1,034</td>
<td>1,034</td>
<td>1,034</td>
<td>699</td>
<td>699</td>
<td>699</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employee benefit       613  419  271  271  271  271
Other direct expenditure 1,077  1,077  1,077  1,077  1,077  1,077

Operating income       427  427  427  427  427  427

Group capital performance

<table>
<thead>
<tr>
<th>Capital investment &amp; funding sources</th>
<th>$ million</th>
<th>Act in</th>
<th>Actual</th>
<th>Acct in</th>
<th>Act in</th>
<th>Actual</th>
<th>Acct in</th>
<th>Act in</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital investment</td>
<td>2,199</td>
<td>2,199</td>
<td>2,199</td>
<td>2,199</td>
<td>2,199</td>
<td>2,199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>345</td>
<td>345</td>
<td>345</td>
<td>345</td>
<td>345</td>
<td>345</td>
<td></td>
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<tr>
<td>Current assets</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>1,044</td>
<td>1,044</td>
<td>1,044</td>
<td>1,044</td>
<td>1,044</td>
<td>1,044</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cash receipts</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employee benefit       613  419  271  271  271  271
Other direct expenditure 1,077  1,077  1,077  1,077  1,077  1,077

Statutory results

For the six months ended 31 December 2019

- Total revenue excluding other gains of $1,494 million
- Total expenditure excluding other losses of $2,145 million

Operating surplus/(deficit) before gains and losses = $1,149 million.

Key commentary:
The management performance results from the Quarterly Performance packs provided to the F&P Committee reconcile at the operating surplus before gains and losses line (net profit equivalent) in the interim report (statutory results).

The Quarterly Performance packs provide a neat direct view of the results, which enables a consistent standard for evaluating each organisations’ operating performance. It excludes items such as rates revenue and depreciation, which are managed and allocated centrally. These items are not within each business unit’s control and performance. One-off and non-cash items such as vested assets are also excluded to show the underlying profit/loss for the organisation.
Te take mō te pūrongo
Purpose of the report
1. To seek approval for $5.5 million from the Town Centre Revitalisations funds to enable the development of the full site at 254 Ponsonby Road, Ponsonby.

Whakarāpopototanga matua
Executive summary
2. The detailed business case has confirmed a strong case for change and delivery of the Ponsonby Park development from a strategic, commercial, financial and management perspective.

3. The project budget of $11 million is to be obtained from the below two sources:
   - $5.5 million has been allocated to the Ponsonby Park project in the 2018-2028 LTP but is contingent on business case processes and obtaining funding approval from the Finance and Performance Committee.
   - $5.5 million has been allocated to the Ponsonby Park project from the sale of an endowment property at 200 Victoria Street West but is contingent on confirmation by the Auckland Council Legal Services team that the Ponsonby Park project is consistent with the purpose of the original endowment in accordance with sections 140 and 141 of the Local Government Act 2002.

4. The Ponsonby Park project at 254 Ponsonby Road aligns strongly with the strategic goals of Auckland Council and the Waitematā Local Board. An investment of $11 million is recommended to realise the project goals whilst providing value for money and internal rate of return for capital and operational investment.

5. 254 Ponsonby Road was acquired by the former Auckland City Council in 2006 to address the need for more civic space within the Ponsonby precinct that had been strategically identified in 2000.

6. The need for more civic space has been consistently confirmed as a high priority through extensive local community consultations. It has also been represented through the local community’s sustained passion, involvement and interest in the delivery of the Ponsonby Park project, the parallel support of the Waitematā Local Board for the project and the selection of the project as the local board’s key advocacy project and subsequently as a One Local Initiative (OLI).

7. The preferred concept identified for Ponsonby Park:
   - Provides value for money due to onsite commercial revenue generation and the significant improved social, environmental and cultural benefits that will be realised;
   - Will meet the needs and expectations of the local community and local board;
   - Will be deliverable within the $11 million budget envelope; and
   - Can be delivered in FY20-21 in alignment with OLI funding timeframes and the proposed project schedule with minimal risk to time or cost. This has been largely due to the local community and local board giving their support for a final development option that is most appropriate from a cost, design, construction and end outcomes perspective.
8. The preferred development ‘Option 5’ includes:
   - The Park (a grassed lawn and gardens, 1410 m$^2$)
   - The Pavilion (outdoor sheltered area, 222 m$^2$)
   - The Plaza and Lane (outdoor paved area, 807 m$^2$)
   - O’Neil Street Upgrade (734 m$^2$)
   - New building (190 m$^2$ including a 130m$^2$ retail/commercial space)
   - Public toilet block (60 m$^2$)
   - Refurbished Lighthouse (1$^{st}$ storey structure, 120 m$^2$)

Ngā tūtohunga Recommendation/s

That the Finance and Performance Committee:

a) approve an allocation of $5.5 million from the Town Centre Revitalisations funds to enable the development of the full site at 254 Ponsonby Road, Ponsonby.

Horopaki Context

9. The OLI 10 Year Programme process was initiated through the 2018-2028 Long Term Plan in order to improve the local board advocacy process, including providing more comprehensive advice on local board advocacy projects. Whilst there was no guarantee of funding, the process was designed to give local board projects a better opportunity to be progressed through investigation, business cases and to be considered for funding.

10. The former Auckland City Council acquired 254 Ponsonby Road in 2006 for $7.7 million to create an urban square. Since 2006 the site has been tenanted, delivering a commercial return to council while various plans have been developed for the space.

11. In 2007 preliminary design options were provided for a mixed-use site which incorporated a civic square and public open space. The project was deferred by the former Auckland City Council Strategy and Finance Committee for three years.

12. In 2011 the Waitematā Local Board requested that options for the development of 254 Ponsonby Road to be re-investigated. Auckland Council’s in-house landscape architects created a new set of potential design options for the site.

13. In 2013, as a part of the Ponsonby Road Plan development, two development options were consulted upon. Due to the diverse views that were received, the board resolved to uncouple the project from the Ponsonby Road Plan and to progress the project independently.

14. In 2016 there were several consultations and exhibitions to further define the community’s vision for the site. Through these public consultations the local community showed that they wanted:
   - an inclusive space that would encourage and foster social connections;
   - a place to sit and relax;
   - an urban green space;
   - a place to hold markets and events;
   - a play space;
   - an area to host public art; and
   - a place which demonstrates sustainable design.
15. A design brief was created and taken to professional designers and the local community to submit a pro bono concept design for the site. A community vote was held on the concept designs received for the 254 Ponsonby Road site. The concept design developed by LandLab received the highest percentage of the final votes (30%) and was selected as the community preferred option in February 2017. The concept was presented to the Waitematā Local Board in April 2017 and received the board’s endorsement.

Resolution number WTM/2017/40

a) thank Chris Bailey, Keith Maddison and Jennifer Ward for their attendance and presentation about 254 Ponsonby Road.

b) receive the tabled 254 Ponsonby Road: Community Led Design Project report.

c) thank the 254 Ponsonby Road Facilitation Group for their contribution and work to achieve a community-led design outcome.

d) refer the chosen design to Parks, Sports and Recreation officers and request that they progress a development design and report back to the board on costs and funding options for completion of the development.

16. The design involves the development of the full site as a civic space, re-use of existing buildings and structures as well as a village green. Development of 254 Ponsonby Road, in accordance with the preferred design, was then selected in 2017 by the Waitematā Local Board as their OLI for funding as part of the Long-Term Plan 2018-2028.

Resolution number WTM/2018/42

That the Waitemata Local Board:

h) approve its advocacy initiatives, including its key advocacy project, for inclusion as an appendix to its 2018/2019 Local Board Agreement as set out in the tabled Attachment D to this report.

17. The original LandLab concepts proposed opportunities to re-use the existing buildings and structures on the site to enable the creation of new spaces to foster opportunities for cafés, retail, art galleries and community buildings. The Pavilion was identified as the intended focal point to support a diverse range of informal and programmed activities from meetings to markets.

18. Investigations were undertaken into disposal of a portion of the site to offset the initial purchase costs but in December 2018 the Environment and Community Committee approved the retention and development of the whole site (2326m²).

Resolution number ENV/2018/167

a) support the retention of the whole site located at 254 Ponsonby Road (2326m²), Ponsonby, currently held by Auckland Council in fee simple under the Local Government Act 2002, for the purpose of developing a civic space.
19. The estimated cost to deliver the project was $11 million and the Waitematā Local Board originally proposed the development of the civic space in two phases:
   - Phase 1: $5.5 million - Deliver the essential elements of the civic space, including landscaping, repurposing the existing structure, and toilet facilities
   - Phase 2: $5.5 million – Repurpose existing building and improve streetscape

20. In August 2019 the Finance and Performance Committee approved, subject to due legal process, allocation of funding up to $5.5 million from the sale of 200 Victoria Street West to the project which enables the delivery of both stages together.

   Resolution number FIN/2019/88
   b) approve the allocation of the proceeds of sale from 200 Victoria Street West, Auckland Central to the following projects, subject to confirmation by the Auckland Council Legal Services team that the projects identified are consistent with the purpose of the endowment pursuant to which this property was vested and are in accordance with sections 140 and 141 of the Local Government Act 2002:
      i) up to $5.5 million to the development of a civic space at 254 Ponsonby Road, Ponsonby;

23. Staff from Panuku Development are currently undertaking negotiations for the sale of 200 Victoria Street West with the expectation of an outcome during April 2020.

24. The findings of the LandLab concept analysis were presented to the Waitematā Local Board, Ponsonby Park Community Led Design group (CLD) and other interested members of the community in August 2019. At this meeting the decision was made to progress with the development of refined concept options in partnership with LandLab. The Waitematā Local Board gave direction to remove the Tole Street entry from the project and this was supported by the CLD members.

25. A Project Control Steering Group (PCSG) meeting consisting of representatives from the Waitematā Local Board, Community Led Design group, LandLab and council officers in attendance was held during October. At this meeting LandLab proposed five refined design options.

26. Each option was analysed and ranked based on a Quadruple Bottom Line (QBL) assessment analysing the options performance against 14 metrics.

27. Three final preferred options were selected for further community and local board consideration and during November and December 2019 the CLD initiated a community consultation process to select a final preferred design solution. 171 responses were received with Option 5 receiving 61% of the community vote.

28. The three options and the community survey results were subsequently presented to the Waitematā Local Board at a workshop held on 12 December 2019. Support was given by the local board for the consultation process and to progress the business case on the basis of the new building Option 5.

Tātaritanga me ngā tohutohu
Analysis and advice

29. The proposed civic space responds to two Auckland Plan focus areas:

<table>
<thead>
<tr>
<th>Belonging and Participation - Focus area 1</th>
<th>Homes and Places - Focus area 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life</td>
<td>Create urban places for the future.</td>
</tr>
</tbody>
</table>
The open space provision policy sets out the requirements for civic spaces

30. The Open Space Provision Policy 2016 informs decision-making on the type, size and location of parks and open space.

31. Civic spaces are a specific type of open space with a range of amenity values, including:
   - Meeting and socialising opportunities
   - Event space
   - Landscaping and gardens
   - Public artworks.

32. The extent of the network and sizes of civic space should reflect the urban centres in which they are located.

33. Ponsonby is defined as a ‘Town Centre’. It will be well served by one or more small civic spaces (<1000m²) and one medium civic space (1500m² to 2000m²).

34. Staff have undertaken an assessment of 254 Ponsonby Road against the policy which concludes that:
   - There is a shortfall of civic space in Ponsonby
   - The site and proposed community design can deliver the desired amenity values
   - Development of the full site would meet the policy provision target
   - The retention of the site is a high priority as it would meet current and future community needs

Tauākī whakaaweawe āhuarangi
Climate impact statement

35. Subject to funding approval, climate impacts will be fully assessed and addressed for the Ponsonby Park development through planning, design and implementation.

36. This will include due consideration of the usage of green building materials in the project and alternatives for and/or mitigation of any proposed activities that will use a lot of fossil fuels. Demolition materials will be recycled wherever possible and construction debris disposal will also be streamlined by careful site management and the use of materials that are quickly and efficiently recycled.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

37. Collaboration across staff within Community Facilities, Parks Sports and Recreation, Panuku Development and Auckland Transport will be ongoing to ensure that the Ponsonby Park project will be appropriately developed and integrated into operational maintenance and asset management systems once completed.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

38. The OLI is the Waitematā Local Board’s key advocacy project identified through the 2018-2028 Long-Term Plan and the development will deliver multiple benefits for the Ponsonby precinct.

39. Development of the civic space will enhance amenity and recreational opportunities in Ponsonby. The community has anticipated the achievement of this outcome since 2006.

40. Multiple rounds of public consultation have created a high degree of public engagement in the development of 254 Ponsonby Road. Public feedback has consistently found majority support the development of the whole site.
41. A community-led design process has resulted in a high sense of local ownership of the proposed civic space design.

42. The Waitematā Local Board has confirmed that development of 254 Ponsonby Road aligns with community aspirations and is a key priority in the 2017 Local Board Plan.

**Tauākī whakaaweawe Māori**  
**Māori impact statement**

43. In 2015 Auckland Council commissioned a report on Māori heritage values and opportunities to better engage with relevant mana whenua for the Ponsonby Road master plan and this report has informed the concept designs being prepared for the site.

44. The delivery of Ponsonby Park will provide spaces to highlight Māori heritage, stories and exhibit Māori art to future users and visitors of the civic open space.

45. In June 2016 engagement was undertaken with representatives of the Ngati Whatua Ōrākei Trust Ltd in relation to the development of the Ponsonby Road Masterplan Māori Heritage Report.

46. In July 2016 correspondence was sent to representatives of 16 iwi with an interest in the Waitematā area. Responses were received from Ngati Whatua o Ōrākei and Ngati te Ata to be kept informed of the Ponsonby Park project through meeting minutes and press releases.

47. Since the initial notification in 2016, the CLD group have sent all meeting minutes and event invitations to the interested iwi groups.

48. In September 2019 correspondence was sent to Ngati Whatua o Ōrākei and Ngati te Ata to provide an update on the project progress and offer the availability of a workshop to further engage on the project.

49. Subject to the Finance and Performance Committee funding approval there will be early engagement with Ngati Whatua o Ōrākei and Ngati te Ata as preliminary designs are developed.

**Ngā ritenga ā-pūtea**  
**Financial implications**

50. Through refinement of the Ponsonby Park design, Option 5 was reviewed by Millard Construction Cost Consultants Ltd.

<table>
<thead>
<tr>
<th>Option 5</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Park (1410 m²)</td>
<td>$1,744,000</td>
</tr>
<tr>
<td>The Pavilion (222 m²)</td>
<td>$1,408,000</td>
</tr>
<tr>
<td>The Plaza and Lane (807 m²)</td>
<td>$1,560,000</td>
</tr>
<tr>
<td>O’Neil Street Upgrade (734 m²)</td>
<td>$1,152,000</td>
</tr>
<tr>
<td>New building, including toilets (250 m²) and new lighthouse (120m²)</td>
<td>$2,936,000</td>
</tr>
<tr>
<td>25% Contingency</td>
<td>$2,200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11,000,000</strong></td>
</tr>
</tbody>
</table>

*Figure 3 – 2019 Option 5 shortlisted design cost estimates*
51. A commercial rental revenue of $60,000 per annum and an operational cost of $50,000-$70,000 per annum have been estimated in the financial analysis for the project. These estimates do not include:

- potential revenue that may be realised from the site as a result of other uses of the space (such as a weekly market)
- maintenance cost-savings resulting from the local community taking ownership of some maintenance aspects.

52. A rental revenue estimate is based on the market rate research shown below:

- Colliers 2009 rental rates: A-grade rental rate of $435/m². Using this rate an onsite revenue generation of $56,550 is reasonable.
- Rental comparisons with nearby properties
  o 14 Jervois Road - $80,000 for 114 m² of retail space
  o 273 Ponsonby Road - $154,000 for 154 m² of retail space (and 103 m² of storage and other space)

53. The proposed whole of life cost of the project is $11,524,300 over the 50 years of the expected lifetime of the asset at a public sector discount rate of 6%. This is based on a project implementation cost of $11 million in FY2020-2021, an annual OPEX cost of $50,000-$70,000 and an annual rental revenue of $60,000 starting in FY2020-2022.

54. The change of 254 Ponsonby Road from a carpark and liquor store to Ponsonby Park will significantly increase the desirability of the area for residents and visitors. The development will also attract further commercial activity and development in the area. Auckland Council will be the benefactor of any further increases in commercial rental rates and land value. In 2006, the land and existing building were purchased for $7.7 million. By 2019, the property valuation had increased to $15 million (Land Value comprising of $13.75 million).

55. Through the development of the OLI programme, the early stage project estimate was $3-6 million with an additional $3 million funding from the proposed sale of a portion of the site. The whole site is now approved for development and with the $5.5 million allocation from the sale of 200 Victoria Street West, the remaining $5.5 million funding required has been included within the LTP 2018-2028.

56. Given the outcomes planned to be achieved in this project it aligns with civic space improvement, it is recommended that the funding be allocated from Town Centre Revitalisations unallocated budgets rather than the OLI unallocated funding.

57. The Town Centre Revitalisations fund is unallocated funding which sits in the latter half of the 2018-2028 LTP and is provision to improve town centres across the region. There is currently no active programme looking at allocating this funding as this was anticipated to be addressed through the 2022-2032 LTP. This is a potential funding stream for other OLIs that have a town centre focus.

58. The indicative funding phasing is outlined below and this require bringing forward funds from 2024-2025 into 2021-2022:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>$300,000</td>
<td>$550,000</td>
<td>$550,000</td>
<td>$4,800,000</td>
<td>$4,800,000</td>
</tr>
</tbody>
</table>

Design and Consents*  

*Includes contingency. Design and construction timelines may be subject to change through efficiencies and earlier delivery
59. The following risks and mitigation have been identified.

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Mitigation</th>
<th>Date Identified</th>
<th>Owner</th>
</tr>
</thead>
</table>
| Project may run over time or budget if project management of the project is poor and / or if value management processes are not carried out. | • Ensure there is an adequately experienced project manager involved.  
• Ensure a project schedule is regularly updated.  
• Ensure project documentation and correspondence is recorded. | July 2019       | Project Manager        |
| Lack of support / engagement from key stakeholders and community groups if consultation and engagement is not implemented appropriately. | • Ensure stakeholders and community groups are identified early.  
• Communicate with stakeholders and community groups on a regular basis though a reliable medium.  
• Set up a PCSG as a decision making and consultation body. | July 2019       | Project Manager        |
| Project scope is limited due to the already allocated budget.                    | • Refer to the local board resolution made in 2018 to identify and align the scope of work  
• Avoid scope creep and endeavour to progress the project as per the delivery timeline agreed with the Waitematā Local Board | July 2019       | Project Manager        |
| Potential negative public / media reaction for the project, particularly if the communication is ineffective. | • Ensure communication is clear and well timed with the project.  
• Communicate effectively via the established PCSG. | August 2019     | Project Manager        |
| Delayed delivery of the project due to project history and high expectations from the stakeholders and community. | • Ensure communication is clear and well timed with the project.  
• Communicate effectively via the established PCSG.  
• Ensure project team communicates and meets project milestones. | August 2019     | Project Manager        |
| Expectation that the 'chosen' LandLab design will progress. A revision / refinement of the concept design may be objected to by stakeholders and community groups. | • Ensure communication is clear regarding project decisions.  
• Engage a Quantity Surveyor to justify the project costs.  
• Refer to the local board resolution made in 2018 to deliver the project in 2 phases / stages.  
• Re-consult with the local community for any significant concept changes | August 2019     | Project Manager        
|                                                                                   |                                                                             |                 | Quantity Surveyor     |
**Risk Description**

The project budget has been allocated and fixed before the design has been developed/completed so actual costs are not yet defined.

**Mitigation**

- Engage a Quantity Surveyor to ensure project element budgets are accurate.
- Refer to the local board resolution made in 2018 to identify and align the scope of work for stage 1 and stage 2.
- Avoid scope creep and manage the budget closely.

**Date Identified**

TBC

**Owner**

Project Manager Quantity Surveyor

---

**Ngā koringa ā-muri**

**Next steps**

60. Subject to the Finance and Performance Committee decision, the next steps in the development of 254 Ponsonby Road as a civic space are outlined below.

---

**Ngā tāpirihanga**

**Attachments**

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Preferred Option - Ponsonby Park</td>
<td>101</td>
</tr>
<tr>
<td>B</td>
<td>Ponsonby Park Detailed Business Case Summary</td>
<td>107</td>
</tr>
</tbody>
</table>

---

**Ngā kaihaina**

**Signatories**

<table>
<thead>
<tr>
<th>Author</th>
<th>Roscoe Webb - Programme Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Rod Sheridan - General Manager Community Facilities</td>
</tr>
<tr>
<td></td>
<td>Ian Maxwell - Director Community Services</td>
</tr>
<tr>
<td></td>
<td>Matthew Walker - Group Chief Financial Officer</td>
</tr>
</tbody>
</table>
**Ponsonby Park**
**Design Options Report**
**Option C - Plan View**

- **A. The Lawn**: Provides a larger, raised and shaded area for passive recreation, programmed events, and gatherings. Located toward the western side of the site and orientated to the sun, enclosed by sculptural seating edges providing flexible seating opportunities.

- **B. Park Gardens**: A lush, 3 level system that provides for a defined edge to adjacent residential activity and establishing a new productive ecology for the site.

- **C. Urban Gardens**: A themed sequence of garden spaces supporting urban agriculture and incorporated into the pathways and open areas of the park. Designed to meet the street. Provides seasonal displays of colour and texture.

- **D. The Plaza**: An intimate, scaled, flexible public space oriented to Ponsonby Road that provides for public occupation of the Ponsonby Road street edge.

- **E. Urban Canopy (Retained Area)**: A highly adaptable outdoor area to provide social and recreational use with the necessary irrigation and rainfall facilities to support a community market and stage of programmed events. The Pavilion forms a gathering space at the heart of the park that is connected to Ponsonby Road.

- **F. The Lane**: A paved urban path providing a visible and prominent connection between Ponsonby Road and the existing park. Provides a more intimate experience.

- **G. The Building**: The adaptive re-use building provides for commercial and community programs that activate the site. Approximately 60% of existing building footprint. New lightweight structure located to street frontage.
New building approximately 60% of existing building footprint.

Retain approximately 60% of existing canopy structure to accommodate an enhanced park space scope.

New robust and flat lawn (approx. 840m²) for passive recreation, programmed events and gathering.

New riparian edge to adjacent residential activity, establish a new productive ecology for resilience.

Note: Existing trees are not shown for the purpose of drawing clarity.
NOTE: Existing trees not shown for the purpose of drawing clarity.
Waitematā Local Board
One Local Initiative
Ponsonby Park Detailed Business Case summary
Key Milestones

2006
The site at 254 Ponsonby Road was purchased to address open space shortfall.

2014
254 decoupled from the Draft Ponsonby Road Master Plan and managed through a separate submission process.

2015
Community-led design initiative commences. Winning design submitted by LandLAB.

2018
Project becomes the Local Board’s OLI. Whole site approved for development.

2019
$5.5M allocated to project through sale of 200 Victoria Street West.

2019
CLD Group community consultation 61% support Option 5.
Investment Proposal

In 2018, the Waitematā Local Board resolved to advance the $11 million Ponsonby Park project as their key advocacy project to be delivered through the One Local Initiative 10 Year Programme.

The Finance and Performance Committee allocated $170 million in the 2018-2028 LTP budget to deliver local discretionary One Local Initiatives.

In 2019 a funding allocation of $5.5 million to be provided from the sale of 200 Victoria Street West.

Project Stages
AUCKLAND COUNCIL INVESTMENT DELIVERY FRAMEWORK

Key Investment Objectives

Well-being
Open space provision gap

Belonging and Participation
Safe places for people to meet, connect and enjoy civic life

Engage and enable communities

High-quality built environment

Ponsonby Park project is here

Attachment B Item 10
Strategic Case
The proposal is strategically aligned with the goals of the Auckland Plan, Local Board and Auckland Council strategies

**Proposal**
To redevelop the whole site at 254 Ponsonby Road (2326m²) as a civic open space

- Create opportunities for people to meet, connect and enjoy
- Showcase Auckland’s Māori identity
- Provide sufficient public spaces to promote well-being
- Implement green infrastructure that will deliver resilience and environmental outcomes

- Inclusive communities that are vibrant, healthy and connected
- Public places that meet our communities’ needs.
- The natural environment is valued, protected and enhanced.
- A high-quality built environment that embraces our heritage.

**Auckland Council LTP**
Support community-building initiatives to meet Auckland’s population growth challenges

**Ponsonby Road Plan 2014-2044**
To address the lack of spaces for pedestrians to relax and enjoy their surroundings

**Parks and Open Space Strategic Action Plan 2013**
To provide a network of parks and open spaces
Economic Case
The refined Ponsonby Park concept achieves value-for-money by:
- providing a high-quality civic space with below average operating costs
- providing a wide range of Environmental, Social and Cultural outcomes
- remaining within the $11 million budget

<table>
<thead>
<tr>
<th>Current / Do Nothing</th>
<th>Ponsonby Park (preferred option)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>• Grassed lawn and gardens</td>
</tr>
<tr>
<td></td>
<td>• Modern and open outdoor civic space</td>
</tr>
<tr>
<td></td>
<td>• New building with public toilets, commercial space and a storage area for events</td>
</tr>
<tr>
<td></td>
<td>• A liquor store</td>
</tr>
<tr>
<td></td>
<td>• Carpark</td>
</tr>
<tr>
<td></td>
<td>• Unrentable space (ex-Nosh)</td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td>• Provides high rental income</td>
</tr>
<tr>
<td></td>
<td>• Does not require significant investment</td>
</tr>
<tr>
<td></td>
<td>• Commercial rental potential to off-set park operational costs</td>
</tr>
<tr>
<td></td>
<td>• Promotes local business activity and development</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td>• No low-impact design or green infrastructure</td>
</tr>
<tr>
<td></td>
<td>• Avoids creating construction waste and using new building materials</td>
</tr>
<tr>
<td></td>
<td>• Incorporates low-impact design principles and technologies into the site</td>
</tr>
<tr>
<td></td>
<td>• Provides green space and gardens</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td>• Lack of amenity to local community</td>
</tr>
<tr>
<td></td>
<td>• Discouraging outcome for the community led initiative</td>
</tr>
<tr>
<td></td>
<td>• Provides amenity to the local community</td>
</tr>
<tr>
<td></td>
<td>• Rewards community lead initiative</td>
</tr>
<tr>
<td></td>
<td>• Creates a community hub and event space</td>
</tr>
<tr>
<td><strong>Cultural</strong></td>
<td>• No opportunity to include cultural elements</td>
</tr>
<tr>
<td></td>
<td>• Opportunities to incorporate cultural elements and display art</td>
</tr>
</tbody>
</table>

**KEY**
- Strong
- Moderate
- Weak
The preferred option – Concept Option 5

- Option 5 - New Building (Smaller Footprint)
- Demolish and remove existing building
- Demolish and remove existing Lighthouse
- New building on site with smaller footprint
- Changed appearance
- Retain existing canopy structure
- Build park + plaza as per concept design
The preferred option
Concept Option 5

<table>
<thead>
<tr>
<th>Description</th>
<th>QS Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Park</td>
<td>$1,744,000</td>
</tr>
<tr>
<td>(1410 m², grassed area and gardens)</td>
<td></td>
</tr>
<tr>
<td>The Pavilion</td>
<td>$1,408,000</td>
</tr>
<tr>
<td>(outdoor sheltered paved area, 222 m²)</td>
<td></td>
</tr>
<tr>
<td>The Plaza and Lane</td>
<td>$1,560,000</td>
</tr>
<tr>
<td>(outdoor uncovered paved area, 807 m²)</td>
<td></td>
</tr>
<tr>
<td>O’Neil Street Upgrade (734 m²)</td>
<td>$1,152,000</td>
</tr>
<tr>
<td>New building</td>
<td>$1,456,000</td>
</tr>
<tr>
<td>(190 m² incl. 130 m² of commercial space)</td>
<td></td>
</tr>
<tr>
<td>Public toilet block (60 m²)</td>
<td>$696,000</td>
</tr>
<tr>
<td>New Lighthouse</td>
<td>$784,000</td>
</tr>
<tr>
<td>(1st storey structure, 120 m²)</td>
<td></td>
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<tr>
<td>25% Contingency + Design</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>Total</td>
<td>$11,000,000</td>
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</tbody>
</table>

Estimated potential commercial revenue of $60,000 p.a.

Operational costs estimated $50,000 - $70,000 p.a.
Next Steps

February 2020
Report to local board business meeting

March 2020
Report to Finance and Performance Committee

April 2020
Preliminary Design Commences

Late 2020
Procurement and possible site works

2021
Development

Attachment B

Item 10
Te take mō te pūrongo
Purpose of the report
1. To consider the 2020/2021 levy for the Museum of Transport and Technology (MOTAT).

Whakarāpopototanga matua
Executive summary
2. MOTAT is one of Auckland’s cultural heritage institutions.
3. The Museum of Transport and Technology Act 2000 (the Act) allows MOTAT to levy Auckland Council for funding on an annual basis. Auckland Council through Regional Facilities Auckland (RFA) can provide feedback on MOTAT’s draft Annual Plan.
4. MOTAT’s Board monitors outcomes and financial performance, with RFA and the council only having an indirect role in this.
5. This year the MOTAT levy request is for $17,087,900. This year’s levy is an 8 per cent increase from the levy in 2019/2020. This increase reflects a request for specific project funding within the levy. This is for an additional $800,000 (for each of the next two years) for installation of a SciTech facility within one of the existing (and recently refurbished) buildings.
6. There are three key reasons why this request is justified:
   • the SciTech centre will involve the development of an inspiring and interactive space inside Building 5 (MOTAT’s main exhibition hall at its Great North Road site).
   • It is in line with MOTAT’s organisational strategy to develop as a science and technology institution, building on its transport and technology foundation. MOTAT has been clear and transparent with RFA in developing the concept, and RFA has indicated its support for it.
   • MOTAT operates a financial model where it comes to the council through the levy process for specific project funding on an as-needs basis. This is one of those occasions.
7. More generally, MOTAT works closely with RFA as its draft Annual Plan develops, and is open about its cost structure and drivers. Council can be confident that the levy request reflects the cost of operating MOTAT.
8. Staff recommend approval of the MOTAT levy request for 2020/2021, as it meets the purposes of MOTAT as set out in the Act, and the draft MOTAT Annual Plan for 2020/2021 clearly sets out MOTAT’s planned activities for the coming year. There is therefore no reason not to approve the levy.

Ngā tūtohunga
Recommendation/s
That the Finance and Performance Committee:

   a) approve the total levy applied for by the Museum of Transport and Technology of $17,087,900 for 2020/2021.
Horopaki  
Context  
Legislative framework  
9. MOTAT operates under the Museum of Transport and Technology Act 2000. The Act requires the Board to maintain, manage, and develop MOTAT and its collections and provide for the recording and presentation of the history of transport and technology in Auckland and New Zealand. The Board must also provide maximum community benefit, including providing for education which engages and entertains, promoting historical and scientific research and achieving customer satisfaction through continuous improvement.

10. Council is obliged to fund MOTAT under the levy provisions of the Act, which gives MOTAT security of public funding for its activities, including maintenance and development. These provisions were originally developed in the pre-amalgamation context to ensure that all councils in the Auckland region contributed equitably to MOTAT.

11. The levy must be set by 30 April 2020, either through agreement or arbitration.

Role of Regional Facilities Auckland  
12. Regional Facilities Auckland and Auckland Council have an Advisory and Management Agreement under which Regional Facilities Auckland has been appointed council's advisor for MOTAT's annual funding process.

13. The legislation requires MOTAT to publish its draft annual plan (Attachment A) and publicly consult on the levy request being made to Auckland Council. Regional Facilities Auckland made a written submission (Attachment B) and MOTAT has considered this along with other submissions received.

14. Regional Facilities Auckland has written to Auckland Council and recommends approval of the levy (Attachment C). Regional Facilities Auckland notes the funding request is within the legislative levy cap. Other elements of Regional Facilities Auckland’s advice, as expressed in the submission and the letter to council, have been incorporated into this report.

Tātaritanga me ngā tohutohu  
Analysis and advice  
15. The levy indicated within the final draft MOTAT Annual Plan for 2020/2021 is $17.1 million. The requested levy represents an 8 per cent increase over the 2019/2020 levy of $15.8 million. This is made up of: a base operational levy of $15.3 million (increase of 3 per cent on the previous year) and an additional $1.8 million per year for two specific projects:

- continuation of the ‘Approach 2’ works (a set of projects in the larger MOTAT masterplan) funding within the levy for which the council approved last year at a rate of $1m per year for ten years
- a new request of $800,000 for each of the next two years, to develop a SciTech centre within MOTAT.

16. There are three key reasons why this proposal is justified:

- the SciTech centre will involve the development of an inspiring and interactive space inside Building 5 (MOTAT’s main exhibition hall at its Great North Road site). The centre will be filled with physical and digital interactive experiences which bring the principles of Science, Technology, Engineering, Arts and Mathematics (“STEAM”) to life. Play-based and for a multi-generational audience, the centre will also showcase heritage objects that reinforce the importance of past, present and future New Zealand technology and innovation.
The SciTech centre is in line with MOTAT’s organisational strategy, which it developed following a review of MOTAT by former Te Papa chief executive Dame Cheryll Sotheran. This is, among other things, to transform MOTAT into a science and technology focused institution, building on its existing transport and technology foundation. RFA has worked closely with MOTAT on the proposed project and consider it a prudent investment while awaiting longer term decisions about more substantial capital investment in the cultural heritage sector.

MOTAT operates a different funding model from Auckland Museum, despite the similarities in their legislation. Where the Museum is funded for depreciation and saves this money for use at its own discretion, MOTAT typically comes to the council (through the levy process) for specific project funding when required. MOTAT has been open and transparent with RFA about this, and RFA is comfortable that what is proposed is consistent with MOTAT’s purpose under the Act.

17. Staff recommend approval of the MOTAT levy request, as the MOTAT draft Annual Plan 2020/2021 aligns with MOTAT’s purposes under the Act.

18. The other option is to dispute the levy amount and enter arbitration. This is not recommended, for two reasons. Firstly, we consider there are no grounds for disputing the levy amount, because the MOTAT levy request meets the purposes of the museum as set out in its legislation, and the draft Annual Plan 2020/2021 has clearly set out MOTAT’s planned activities for the coming year. It is clear that MOTAT’s levy request fairly reflects the actual costs of operating the institution. As noted above, MOTAT has worked closely with Regional Facilities Auckland on the plan, and RFA has recommended to Auckland Council that it be approved.

19. Secondly, if the council was successful at arbitration, this would leave MOTAT in a position where it was likely unable to move forward with the SciTech Centre. This work appears to be well aligned with what Auckland should expect from a science and technology museum. While MOTAT’s origins lay in a focus on transport and other technology, this sort of development is important to ensure MOTAT remains relevant in the modern era.

20. Longer-term, MOTAT is awaiting progress on the cultural heritage review. MOTAT has been very supportive of this work, and has expressed its willingness to think openly about the future, while being appropriately cautious about ensuring the strengths of MOTAT within the Auckland cultural heritage sector are maintained.

21. Finally, staff note that Auckland Council is acknowledged clearly and appropriately in the draft Annual Plan (page 46 of the draft Plan).

Tauākī whakaaweawe āhuarangi
Climate impact statement

22. There are no particular climate implications in approving this levy.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

23. Regional Facilities Auckland agrees with the levy, as noted in the report.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

24. Regional museum levies are a matter for the governing body. Local boards have therefore not been sought for this report.
Tauākī whakaaweawe Māori
Māori impact statement

25. MOTAT is working towards promoting a bicultural approach within the museum. This is referred to on page 21 of the Plan. Approving the levy will allow MOTAT to continue developing itself in this regard.

26. MOTAT is also a key contributor to the cultural heritage review. A key aim of this review is for the Auckland cultural heritage sector to make a leading contribution to the Auckland Plan directions around Māori as Auckland’s point of difference in the world, including ensuring a genuine governance role in the sector.

Ngā ritenga ā-pūtea
Financial implications

27. The financial implications have been discussed in the main part of the report.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

28. There is one main risk for council. This is that MOTAT continues to require long-term decision-making about its strategic purpose and capital development plans.

29. The request for money for the SciTech centre reinforces the need to resolve the long-term situation of MOTAT – its purpose in the group of council-funded institutions, and its capital needs to fulfil that role. This in turn demonstrates the ongoing risk to council from MOTAT seeking increases to its levy in the future. Given the current levy systems imposed on council by legislation, there is little council can do to mitigate this risk except to work closely with MOTAT to minimise the ongoing requests and ensure that they are aligned with MOTAT’s likely strategic future role. In this regard, Regional Facilities Auckland plays a key role. The relationship between Auckland Council, Regional Facilities Auckland and MOTAT is strong and cooperative at present.

Ngā koringa ā-muri
Next steps

30. If the levy is approved, it will be paid by Auckland Council on or before 1 July 2020.

Ngā tāpirihanga
Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Draft MOTAT Annual 2020-2021</td>
<td>119</td>
</tr>
<tr>
<td>B</td>
<td>RFA submission on draft MOTAT Annual Plan 2020-2021</td>
<td>167</td>
</tr>
<tr>
<td>C</td>
<td>RFA advice to Auckland Council on draft MOTAT Annual Plan 2020-2021</td>
<td>171</td>
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</table>

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Edward Siddle - Principal Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Alastair Cameron - Manager - CCO Governance &amp; External Partnerships</td>
</tr>
<tr>
<td></td>
<td>Phil Wilson - Governance Director</td>
</tr>
<tr>
<td></td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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</tbody>
</table>
## CONTENTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair and Chief Executive Overview</td>
<td>6</td>
</tr>
<tr>
<td>MOTAT’s Past, Present and Its Future</td>
<td>8</td>
</tr>
<tr>
<td>2018–2019 Review</td>
<td>12</td>
</tr>
<tr>
<td>2020–2021 Annual Plan</td>
<td>13</td>
</tr>
<tr>
<td>Objectives</td>
<td>22</td>
</tr>
<tr>
<td>Funding Sources</td>
<td>36</td>
</tr>
<tr>
<td>Indicative Budget</td>
<td>40</td>
</tr>
<tr>
<td>MOTAT Leadership</td>
<td>42</td>
</tr>
<tr>
<td>In Appreciation</td>
<td>46</td>
</tr>
</tbody>
</table>
TŌ MĀTAU MOEMOEĀ
OUR VISION

Our values:

INNNOVATION
We will be courageous and try new things

COLLABORATION
We will work as a team that respects and supports others

INTEGRITY
We will act ethically and with respect and transparency

SUSTAINABILITY
We will foster knowledge and promote technology that is beneficial to our community and environment
CHAIR AND CHIEF EXECUTIVE OVERVIEW

This is the second Annual Plan under our revised and extended strategy which covers 2019 to 2029. In accordance with our strategy we use past, present and future Kiwi technology and ingenuity to educate and inspire the next generation of innovators. The reason for this focus is that our nation has a rich history of technological innovation and ingenuity, starting with the tangata whenua who used cutting edge waka to sail across the Pacific to Aotearoa, and used their ingenuity to adapt their technology and skills to thrive in their new home.

Our approach is reflected in the Māori proverb “Kia whakatōmuri te haere whakamua” (My past is my present is my future. I walk backwards into the future with my eyes fixed on my past) which encourages us to use the past, in our case Kiwi technology, innovation and ingenuity, to guide our future. We believe that this approach encourages creativity, creates opportunity and improves the wellbeing and mana of the people of Aotearoa. There are also valuable lessons to be learnt from the tangata whenua’s approach to the environment that could be adapted and applied today.

We are seeking a levy of $17,087,900 which is 8% more than 2019-2020 but $7.3 million below our levy cap of $23.9 million.

The levy will be used to cover:

- Business as usual $15,287,900.
- $1 million per annum to cover the funding of the Approach 2 Projects, approved by Auckland Council in 2019–2020.

The Approach 2 projects include:

1. Acoustic, thermal and weathertightness improvements to Building 5, our main exhibition hall and education centre at our Great North Road site (MOTAT1);
2. A car park and cycleway at our Meola Road site (MOTAT2);
3. A reconfigured entrance and café at MOTAT2; and
4. Upgrading our café at MOTAT1 and opening it up to the Western Springs lakeside.

- $800,000 to establish a “SciTech Centre” experience in the refurbished Building 5 at our Great North Road, Western Springs site. A further instalment of up to $800,000 may be required in 2021-2022 (see below).

The SciTech Centre is aligned to our Strategy and Vision, and will enable our audience to experience in a hands-on way, the delights of past, present and future science, technology and innovation and how it can be used to secure a sustainable future.
This will be a “step change” from our traditional exhibitions and will clearly demonstrate to our stakeholders and audience what a reinvigorated MOTAT is capable of. We also believe that the SciTech Centre will attract financial and other support from third parties, but we have to take a conservative approach to our budgeting, so we have included the additional $600,000 in 2021-2022 for Stage Two of the project. Any support from third parties will reduce the level of the levy we require in 2021-2022.

Looking forward, we have a number of challenges ahead, due to the current and proposed works at the Western Springs Stadium, Watercare’s Central Interceptor Works, the work we intend to undertake, dealing with the subsidence and other challenges associated with buildings located on a closed landfill site and the increasing cost of maintaining aging buildings and infrastructure.

While the proposed car park at MOTAT2, the SciTech Centre and the other initiatives we are working on (e.g. a joint ticket with the Auckland Zoo) will help mitigate the impact of these challenges on our visitors, it is anticipated that the projected growth in attendance and the associated revenue may be adversely affected.

It is anticipated that we will have to increase our levy over the next few years so that we have sufficient funds to address the subsidence and other challenges we are encountering, and to ensure that our buildings and infrastructure are fit for purpose.

On a more exciting note we are exploring with Regional Facilities Auckland and several other stakeholders, whether we can create a science, technology and ecological hub in the Western Springs precinct by leveraging off the combined strengths and knowledge of MOTAT, Auckland Zoo and Auckland Parks and the unique attributes of the precinct. This would not only be a unique proposition for Auckland but also for Aotearoa and would send a clear message that Auckland Council (and hopefully the Government), MOTAT and partners take climate change seriously and are working together to facilitate change by identifying the issues and the associated science, technology and innovations that our respective audiences can and should be using to address the problem.

We will also continue to use our resources and expertise to support other institutions in Auckland (e.g. the Maritime Museum and the Howick Historic Village), Aotearoa (e.g. Otago Museum and the Kauri Museum) and overseas (e.g. The Museum of Work in Sweden and Government House, Queensland).

E hara taku toa i te toa takitahi he toa takitini

Michael Frewley
CHIEF EXECUTIVE/MUSEUM DIRECTOR

Sue Wood
BOARD CHAIR
MOTAT’S PAST, PRESENT AND ITS FUTURE
Hāpaiitia te ara tika pūmau ai te rangatiratanga mō ngā uri whakatipu

Foster the pathway of knowledge to strength, independence, and growth for future generations

In July 2014 we launched an ambitious Strategy that was designed to transition MOTAT from being a “museum of things” to a “lightbulb institution” that is audience focused, vision based and has a transformative impact on its community.

We knew at the time that it would take at least three years to bed the Strategy and the associated structures in, and the audience research undertaken by Morris Hargreaves McIntyre (MHM) for us over the last two years together with our own metrics (e.g. visitor numbers and satisfaction) show that we have made significant progress in achieving our strategic objectives.

In July 2019 we refreshed and extended our Strategy to 2029, as the MHM research indicated that our focus on past, present, and future Kiwi technology and ingenuity resonated with our audience and was having a transformative impact on them and our wider community.

“Science is increasingly a leisure and a cultural activity” – MHM Research 2019

While we have made significant progress, repositioning an institution that was established over 55 years ago and working through its legacy issues takes time.

The following is a high-level overview of what we will be focusing on over the next few years.

EDUCATING AND INSPIRING OUR AUDIENCE

Our focus on Kiwi technology and ingenuity is a deliberate one as we are a nation of innovators, starting with the tangata whenua, who used cutting edge waka to get to Aotearoa and adapted their existing technology to flourish in their new environment.

The stories of our technological heritage and ingenuity have wide appeal and can and should lead to future innovation that benefits Aotearoa and improves the wellbeing of its people. This focus has enhanced MOTAT’s reputation over the last three years and we are now attracting a more diverse audience as well as sponsors, partners, employees and volunteers. The MHM research also indicated that our audience is looking for a deeper engagement with the Museum.

The development of a SciTech Centre at MOTAT over the next two years is not only aligned to our Strategy and Vision, it will be a step change in our offering and will send a clear message that MOTAT is Aotearoa’s leading science, technology and innovation museum.

Introducing summer and winter exhibitions that are aligned to our Vision and leverage off our fantastic collection will also ensure that MOTAT remains a vibrant and inspiring place to experience.
While our application for funding for the MOTAT Athfield Masterplan (MAM) under the Auckland Council’s 2019-2020 Long Term Plan was unsuccessful, we are determined to progress the implementation of the MAM as and when resources allow.

In order to maintain momentum and facilitate a “Western Springs Precinct” mindset, we identified and sought financial support from Auckland Council in 2019, for several smaller projects (i.e. the Approach 2 Projects, like the car park and cycleway at MOTAT2) as they will not only improve the visitor experience but benefit the Western Springs Precinct and the wider community.

One challenge we face going forward are our ageing buildings and infrastructure which are getting more expensive to maintain and it is prudent for us to factor this into our budgets.

Another challenge is the geography of our two sites. Our Great North Road site is predominantly basalt making any ground and other work difficult and expensive. MOTAT2 is a closed quarry and landfill site, and prone to ground movement, subsidence and methane issues. A number of these challenges would be addressed by the implementation of the MAM, but we recognise that this would require significant investment. Unfortunately, some of these issues will need to be addressed within the next few years and we
are working with Regional Facilities Auckland on the best way to cover the cost of the requisite remedial work.

**COLLECTION CARE AND DEVELOPMENT**

Our primary focus over the next few years will be on our ageing tram infrastructure, as we know from our audience research, that riding on our trams is consistently one of the highlights of a visit to MOTAT. Our trams not only enable our audience to experience the technology of the past, they provide an invaluable link between our two sites and the other institutions in the Western Springs Precinct.

Another area of focus is the development of our collection in line with our strategic and statutory objectives and Collection Policy so that our collection is of the requisite museum standard and significance. The drive to improve the quality of our collection means that we will deaccession objects that do not meet our exacting requirements.

Our approach to collection care has led to several significant recent donations (e.g. the Kiwi bodied 1909 Clement Baynard motor vehicle, the Ligue International des Aviateur medal awarded to Jean Batten in 1937 and the Bell 47J Ranger helicopter used by Helicopter (NZ) Limited to support the offshore oil rigs) where the donors approached MOTAT. We have also been approached by a number of other institutions to assist them with the development and implementation of their strategies, policies and processes (e.g. the Kauri Museum and the Government House, Queensland).

The installation and development of our conservation workshop, and the information from our Synergy environmental monitoring system will enable us to monitor and improve the way that we care for our collection.

**BUILDINGS, INFRASTRUCTURE AND MOTAT TEAM DEVELOPMENT**

As outlined above our aging buildings and infrastructure mean that most of our facilities should be refurbished or replaced over time to provide our audience, and the MOTAT Team with an inspiring, safe and pleasant environment to be in. Until the funds for this become available, we will continue to maintain our aging buildings and infrastructure the best we can and deal with the challenges that the geography of our two sites present us with on a regular basis. It is anticipated that our maintenance costs will increase, and we have factored that into our budget for the subsequent years.

Like most other institutions we will also have to continually upgrade and integrate our systems to ensure that we operate as efficiently and economically as possible. We will also ensure that these system support the development and the advancement of our digital strategy and the requirements of our audience.

The MOTAT Team (i.e. our employees and volunteers) is the glue that holds the Museum together, and their dedication is the oil that ensures that we operate smoothly and provides our audience with an inspiring experience. As the MOTAT Team and indeed our audience continues to transform into a more diverse group of people, we will continue to invest in the Team’s development and put in place measures that will ensure the transfer of skills and knowledge - especially at the intergenerational level.

**SUSTAINABILITY AND THE ENVIRONMENT**

Sustainability is one of our Values and a major focus of our operations. As a leading science and technology museum we have and will continue to focus on and promote technology that is beneficial to the environment and makes the world a better place (e.g. the compostable bottles made from plants by For The Better Good).

Likewise, we will continue to implement strategies that ensure that MOTAT continues to reduce its impact on the environment (e.g. looking at a more sustainable way to operate the heritage boilers in the Pumphouse that does not involve the burning of fossil fuel) and highlights the Kiwi technology and innovation that improves sustainability and wellbeing. We participate in an annual CEMARS audit, which measures the greenhouse gas emissions in respect of our operational activities.

This programme enables us to measure the success of the steps we have and are taking to manage and reduce our emissions.
2018-2019 REVIEW

These are some highlights of the last financial year completed. For further information, please see our 2018-2019 Annual Report.
2020-2021 ANNUAL PLAN

This section provides a snapshot of what we intend to achieve between 1 July 2020 to 30 June 2021.
INSPIRING THE AUDIENCE

MOTAT’s primary focus must be on its audience and community, as a museum without an audience and the support of its community, is of irrelevance. There is also a direct correlation between arts, culture, heritage, sports and individual and community wellbeing and we want to ensure that we contribute and facilitate that outcome. While we will continue to develop and upgrade our exhibitions spaces in line with our Strategy and Vision, we are going to specifically focus on the following projects this year and for the foreseeable future.

SCITECH CENTRE

The renewal of Building 5 (one of the Approach 2 Projects), provides us with an ideal opportunity to create a SciTech Centre that provides a hands-on STEAM (Science, Technology, Engineering, Arts and Maths) experience.

The SciTech Centre will be a step change for MOTAT and will use a combination of collection objects and hands-on interactive experiences to educate and inspire our audience in a way that feeds up their curiosity, imagination and creativity.

In line with MOTAT’s Digital Strategy (see below), the SciTech centre will incorporate passive and interactive digital elements designed to bring science and technology to life in a variety of surprising and compelling ways.

SciTech is expected to feature many interactive digital and tactile experiences, including immersive digital experiences that are capable of plunging visitors into a seamless digital world. For example, digital technology could be used to show the inside of otherwise inaccessible collection items or make tiny details viewable. Normally inanimate objects will be brought to life or shown in their original context.

Our education, holiday and outreach programmes (including our STEAM Cells) will be aligned to and leverage off the SciTech Centre to maximise the outcomes of that investment.

EXHIBITION DEVELOPMENT

We are in the process of upgrading the heritage Pump house at MOTAT and this project will continue over the course of this Annual Plan. This project includes the introduction of redesigned barriers to protect the health and safety of our visitors and Team, new and more effective interpretation, improved accessibility, improved lighting and the introduction of soundscapes and digital elements. We are also looking at ways to operate the heritage boilers in a more sustainable and environmentally friendly way.

Now that all of our significant aircraft are installed in our Aviation Display Hall at MOTAT we will update and highlight some of the key stories of Aotearoa’s aviation, especially those relating to such iconic figures as Jean Batten and Richard Pearse.

During the year, we will replace the award winning Accelerate exhibition with one that celebrates the evolution of printing in Aotearoa and incorporates some of the key printing objects in our collection.

WINTER/SUMMER EXHIBITIONS

We are aiming to host a number of touring exhibitions, including the ‘Slice of Life: The World-Famous Dunedin Study’ exhibition from Toitu Otago Settlers Museum, which chronicles the story of the amazing long-term study of 1,000 Dunedin people from birth to middle age and beyond. This follows a highly interactive summer exhibition featuring hands-on experience with machines and illustrated with relevant objects from the collection. After its run at MOTAT, this exhibition will be toured throughout Aotearoa, featuring different objects from the local museums where it is staged.

DIGITAL ENGAGEMENT

Digital engagement is an increasingly important touchpoint for our audience. Our audience expects a high standard of digital engagement from us. Our digital products and services require a cohesive, user-guided approach in order to meet audience expectations and achieve our Vision.

Our Digital Strategy is about driving the digital transformation of MOTAT through cultural change.
and leveraging this to deliver digital projects in keeping with the Museum’s position as Aotearoa’s leading technology museum.

The basis of this digital transformation focuses on our audience expectations and makes our digital content, collections, and products accessible to them.

We aim to embrace the potential of digital thinking to improve the agility and flexibility of MOTAT going forward.

Part of the Digital Strategy is to establish and leverage new digital platforms, the first of which is our new website which will be launched during the financial year. The website will help make information more readily available to our audience and enable them to experience the MOTAT collections in new and compelling ways.

We will then use the website as a platform to launch new content, products and services that will enable our visitors to plan their visits better and provide them with information in a variety of intuitive ways while they are onsite and after their visit.

As you are probably aware technology moves at a disruptive pace and our strategy and the associated budgets will be reviewed on a regular basis to ensure that they are flexible and can adapt to incorporate any new opportunities and/or audience capabilities.

HANDS ON EXPERIENCES AND PUSHING THE BOUNDARIES

One of the benefits of our Vision is that it enables us to develop a wide range of science, technological and heritage experiences that are designed to educate and inspire our audience and fire up their imagination and creativity. It also enables us to support community events like the Pasifika Festival and Christmas Lights.

While there are several events that we will repeat during the year (e.g. our annual Science/STEM Fair) we are aiming to introduce the following experiences which are designed to increase not only the number of people who experience MOTAT but also the diversity of that audience.

FAMILY AND KIDS’ EXPERIENCE

As outlined above our visitors can expect many of their favourite MOTAT events during the year, including our community focused Christmas Lights, Night Lights and science focused events like our annual Science Fair, Slime Days and Bubble Weekends. But we will also be introducing new events to excite the imagination and creativity of our audience. For example, we recently launched ‘Squish Bang Splat’, an event that mixes science and the arts and is designed to appeal to a wide range of children and families and aligns with the SciTech experience.

Our school holiday programmes will continue to be reviewed and changed to keep abreast of the needs and expectations of our school-age audience and to align with the exhibitions that we have on site (e.g. the SciTech Centre).

We will also build on the Drive In Movie series that was launched towards the end of 2019.

ADULT EXPERIENCE

We will continue to generate special events targeted at the independent adult audience, especially in the R18 space, building on the success of Prohibition Party, WTF?!, and Anti-Valentines. These events not only attract a demographic that is hard to attract to museums, but it will also reintroduce young adults to the delights of MOTAT and encourage them to visit during our normal operating hours.

OUTREACH PROGRAMMES

We will continue to work closely with the other Public Programme teams as part of the Museums of Auckland initiative (i.e. Auckland War Memorial Museum, Maritime Museum, Auckland Art Gallery, Stardome and the Torpedo Bay Naval Museum) to identify onsite and offsite public events (e.g. Heritage Week) that we can collaborate on.

We will also continue to use our Te Waka Hia or outreach modules, to take the MOTAT experiences into the community (e.g. the Botanic Gardens). We will also send, where we can, operational objects to support community and other events like the ANZAC Day commemorations and Auckland Anniversary Weekend.
EDUCATING
THE INNOVATORS
OF TOMORROW
AND STEAM

An important component of MOTAT’s offering is our education programmes as they leveraging off our collections and help inspire our audience and stimulate their imagination and creativity. The nature and scope of our education programmes was expanded by the relocation of Frances Valentine’s The Mind Lab to MOTAT in 2018.

Our contract with the Ministry of Education to provide Learning Experiences Outside the Classroom (LEOTC) was extended in 2019 so we continue to provide this to circa 25,000 students from schools in the greater Tāmaki Makaurau area and beyond, during the year.

The target for The Mind Lab@ MOTAT is 12,500 students per annum.

Many of our education programmes play well into recent changes in the New Zealand Curriculum around digital technologies. Other changes to do with the inclusion of Aotearoa’s history in the curriculum will be rolled out in the next few years, so MOTAT is now working towards leveraging off its collections to offer teaching resources and learning experiences based on Aotearoa’s history.

We are also focusing on programmes that promote sustainability and the care of the environment.

The following initiatives are underway and are designed to increase the coverage, depth and engagement of our education programmes.

MOTAT STEAM CELLS

While our school visits are very popular and get positive feedback from students and teachers alike. We know that there are several schools that are either too far away, can’t afford to transport their classes to MOTAT, or simply want a more in-depth experience so this is where our STEAM Cells programme comes in.

Our STEAM Cells are special trailers filled with MOTAT collection items, specialised education equipment, and other Science, Technology, Engineering, Arts and Mathematics teaching resources that are transported to schools in the greater Tāmaki Makaurau area.

The STEAM Cells enable us to tailor the experience to each school’s requirements and enables our educators to interact with the students at a deeper and more inspiring level.

Our STEAM Cell programme has shown strong growth over the last couple of years and we are looking to expand that offering beyond Tāmaki Makaurau, and we will seek corporate sponsorship to achieve this.

We are also looking to run several after school programmes that increases the range of digital technology experiences on offer through partnerships with third party providers in areas of STEAM practice.

MOTAT LEARNABLES

Our out-of-the-box learning experiences - ‘Learnables’ - will enable teachers to hire special technology resources and equipment for short periods at low cost. As the programme gains momentum, we expect to develop partnerships with technology companies to extend the range of kits available and expand the programme beyond the Tāmaki Makaurau region.

MOTAT’S MICRO-CREDENTIALS

MOTAT’s latest education initiative is ‘micro-credentials’: very short courses around particular skillsets, knowledge sets, or technological capabilities within the National Qualifications Framework. Participants will not only learn a new skill but also gain an authenticated credential recognised by NZQA.

Collaborating with Otago Polytechnic, MOTAT will initially offer micro-credentials for tram conductors and tram motormen. The Museum aims to develop more micro-credentials around other functional areas of MOTAT, such as the print shop and the blacksmith’s forge.
The process of developing micro-credentials for the tramways qualifications involves sharing our current knowledge and documentation with Otago Polytechnic and working with them to identify the assessment tasks, the evidence that will be required, and the methodology for providing that evidence. Once this process is complete, Otago Polytechnic obtains the resulting qualification validated and accredited within the National Qualifications Framework.

Each micro-credential will require about 10 hours of learning and will be designed to be significant in itself rather than a stepping stone to a subsequent qualification, however, they can count towards a larger qualification or be transferred into another body of learning. And because they reduce the investment of time and money required to learn a new skill, micro-credentials can reduce the barriers to learning and encourage life-long learning.

It is anticipated that we will identify knowledge, skills and other information that MOTAT needs and we will identify the best way to address those gaps going forward.
COLLECTION CARE, DEVELOPMENT AND KNOWLEDGE

One of MOTAT’s strategic and statutory objectives is the care and development of its collection. While we exist for our audience and community, the heart of MOTAT is its collection.

As outlined in our previous Annual Reports and Annual Plans we had to clean and relocate the collection objects in our off-site storage facility. While this placed us under immense pressure at the time, it enabled us to verify our records and we now know what we have in our collection and where it is located.

We are hoping to decamp the last remaining objects from our temporary storage space into our new off-site storage facility (MOTAT3) and we have offered that space to the Maritime Museum.

While we will continue with the preservation, conservation, maintenance and operation of our collection during the financial year, there are number of projects that we are going to focus on.

COLLECTION DEVELOPMENT POLICY

In 2019-2020 we developed a Collection Development Policy. This policy, which will be implemented this year, provides clear guidelines in relation to the objects we should collect, help us identify any gaps in our collection, so that we can proactively acquire them, and help us identify any collection objects that should be disposed of in accordance with our Collection Policy.

RESTORATIONS

While the primary objective of MOTAT is the preservation of its objects, it undertakes a small number of restoration projects in relation to rare and significant heritage objects. One of the projects that we will be continuing during the financial year is the restoration of the 1935 steel-paneled passenger carriage numbered A1819. This carriage was manufactured at the New Zealand Railways Addington workshop and originally operated on Christchurch’s regional and suburban lines. The carriage is one of the few remaining first-class carriages that featured electric lighting, steam heating and a toilet. The goal is to complete the restoration over the next few years so that it can be operated on our rail track at MOTAT2.

STORAGE RACKING UPGRADES

Plans are underway to improve the capacity and resilience of the storage racking at our off-site storage facility MOTAT3. Most of the objects stored at MOTAT3 are securely strapped to wooden pallets and then lifted onto reinforced shelves in large storage racks.

More racking, and more shelves will also be added to existing racks to enable more objects - including a sizable collection of historic motorcycles - to be moved from the floor to the racks, thereby freeing up more floor space for larger objects. The entire process is estimated to take two to three years and is expected to finish in 2022.

INTER-GENERATIONAL KNOWLEDGE AND SKILLS

We have over 200 volunteers with a wide range of knowledge, experience and skills developed over several years and in many cases, decades. We recognise the importance of preserving and passing on that knowledge and skills to the next generation so that they are not lost, especially those that relate to the preservation, maintenance and operation of our extensive collection.

We are aiming to have a complete picture of MOTAT Team’s skill sets by the end of the current financial year so that we can create a plan for the preservation and passing on of those skills to other team members. Some of these skills will be of use to other museums and institutions.

BUILDINGS, INFRASTRUCTURE AND SYSTEMS

MOTAT’s infrastructure upgrade plans are progressing.

A significant amount of our budget goes on maintaining and running MOTAT 364 days of the year.
This Annual Plan includes the second tranche of $1 million per annum to cover the funding of the Approach 2 Projects, approved by the Auckland Council in 2019–2020 namely:

- Acoustic, thermal and weather tightness improvements to Building 5, our main exhibition hall and education centre at MOTAT;
- The car park and cycleway at MOTAT2;
- A reconfigured entrance and café at MOTAT2; and
- The upgrading of our café at MOTAT1 and opening it up to the Western Springs lakeside.

The upgrade of Building 5 will include the replacement of its roof as it has reached the end of its design life and is leaking, as well as other measures to improve the acoustics and thermal dynamics of the space. As outlined earlier in this document, the building will house our proposed SoTech Centre and education facilities.

Another critical Approach 2 project is a 350 space car park and cycleway at MOTAT2. The Museum has no dedicated parking for its visitors and we know that the current and proposed works at the Western Springs Stadium, and the Central Interceptor works is going to increase parking pressure in the area. We also know that the Auckland Zoo and the users of the Seddon Park playing fields are running out of car parking and this will be exacerbated by the removal of parking on Meola Road to accommodate Auckland Transport’s cycleway.

Our carpark provides an elegant solution to the needs of MOTAT as well as neighbours of, and visitors to the Western Springs. The carpark will also connect the Meola Road cycleway to Motions Road and thanks to a generous grant from the Waitakere Local Board and Auckland Transport we will be able to upgrade the cycleway to Greenway Route standard and include lighting, security cameras and planter boxes.

The car park project will also enable us to upgrade the entrance of MOTAT2 so that it becomes the new “front door” or starting point of the MOTAT experience.

Once these two major projects are completed, we will move our attention to the other Approach 2 projects.

Other areas of focus which commence during the financial year but extend into future years are highlighted below.

**TRAM INFRASTRUCTURE PROJECT**

Our trams have been running on the same tracks since the early 1980s and the rails and the associated infrastructure is beginning to show its age. In order to ensure that MOTAT can continue to provide this experience and important transport link within the Western Springs precinct, we are spending $180,000 in the current financial year and another $375,000 in 2020-2021 to repair and, where necessary, replace or upgrade the track and infrastructure.

Unfortunately, this work is not straightforward. The replacement rails must be sourced from overseas and cover two gauges (i.e. a 4-foot gauge for the Wellington trams and a 4 foot 8½ inch gauge for the other trams in our collection), and the “points” for the corners need to be specially engineered and installed.

**SITE LIGHTING**

As we stage more programmes in the evenings, like Night Lights, the community focused Christmas Lights, Prohibition Party, and Anti-Valentines, the need for more permanent and structured lighting at MOTAT1 has become apparent. Currently these events are lit by temporary lighting that must be specifically installed for each event. The aim now is to design and install a lighting system that is sufficiently versatile to fulfil the needs of current and potential future events within strict budget constraints.

There is also potential to include projection and digitally interactive components as well. We are currently in talks with designers and suppliers to identify the most appropriate lighting plan to provide the Museum with a sustainable and cost-effective solution.
‘SHED ALLEY’ WORKSHOP REPLACEMENT

This Annual Plan includes funds for the replacement of one of the workshops in ‘Shed Alley’, the line of workshops behind the Aviation Display Hall at MOTAT2. These sheds provide crucial space for the storage, preservation and maintenance of some of our larger road transport, steam and military objects.

A number of these sheds which date back to the 1960’s are well past their design life and most if not all of them have been adversely affected by subsidence and need to be replaced. The replacement of one shed is an interim measure pending the replacement of the other sheds. It is anticipated that the new shed(s) will not only improve the work and storage environment for the objects in question, they will enable our visitors to see, for the first time, the work that is being undertaken on them.

ESTABLISHING A DIGITAL ASSET MANAGEMENT SYSTEM (DAMS)

We are in the process of collating our institutional video, photo, and audio archives, for storage in a brand-new DAMS.

The information to be stored in the DAMS relates to MOTAT itself (i.e. its buildings, historical data, photos used for marketing purposes, and other operations-related files), rather than information about MOTAT’s collections. In the past, this information has been stored in various locations on several systems in different forms, so during the 2020-2021 financial year we will bring all of it together into a single, well organised central system.

The DAMS will most likely be cloud based and will associate useful metadata with each file to be fully searchable so that the MOTAT Team has quick and easy access to the institutional files they may need.

INTEGRATING OUR FINANCIAL MANAGEMENT INFORMATION SYSTEM (FMIS) AND CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM

We are moving away from storing financial information in paper form (e.g. including receipts, invoices, and purchase orders) and are now in the process of establishing a new FMIS, putting in place a policy for information retention, and scanning existing financial records for electronic storage.

Last year we installed a full CRM system, including a Point of Sale System, and during the financial year we are aiming to integrate that system with our new FMIS to drive greater efficiencies across the organisation.

UPGRADING DATA STORAGE

Our current servers will come to the end of their warranty period during the year so we will be looking to replace them before we reach that point.

Representatives from a company that specialises in Microsoft Azure implementation will be working with us during the current financial year with a view to making recommendations about how best to move some of our information into cloud storage.

BUILDINGS AND INFRASTRUCTURE

While the cost of maintaining our buildings and infrastructure has not been materially increased in this year’s budget, we have factored in an increase in the subsequent budgets as those costs will go up as we work our way through the legacy, current and future issues.

In particular we have encountered subsidence and other issues at our MOTAT2 site that will need to be addressed within the next few years and we are working with Regional Facilities Auckland on the best way to fund this work.
SUPPORTING OUR PEOPLE AND ENRICHING OUR CULTURE

A key component of MOTAT is its employees and volunteers (the MOTAT Team). We take our commitment to the MOTAT Team seriously and undertake an annual engagement survey to gauge the wellbeing and engagement of the team.

We provide leadership training, te reo Māori lessons, sign language courses, fitness classes and other initiatives to ensure the wellbeing and holistic development of the team.

Our main focus areas of this year are:

BICULTURALISM

For some time we have been promoting a bicultural approach, that recognises the importance of tikanga Māori and te reo Māori, and its relevance to our operations and the taonga preserved by MOTAT. This approach will continue during the financial year so that biculturalism becomes embedded into our culture and becomes part of our DNA.

Members of the MOTAT Team have been undertaking te reo Māori lessons and we have also won awards for the way that we “weave” te reo Māori into our exhibitions and other experiences. We are liaising with iwi in relation to a Māori name for the Museum that captures its spirit and that of the Western Springs, rather than a literal translation.

Our objective is to make MOTAT a place that the mana whenua want to engage with either as a visitor, partner or as a valued and supported member of the MOTAT Team.

HEALTH AND SAFETY

We will continue to focus on Health and Safety and the associated knowledge and practice across the organisation to ensure the physical and mental wellbeing of the MOTAT Team and our visitors.

This builds on the successful establishment over the last few years of a strong Health and Safety culture at MOTAT that has been reflected in a significant drop in lost time injuries and the MOTAT Team proactively identifying and reporting potential hazards before they become an issue. We also now have dedicated Health and Safety personnel on-site seven days a week.

One of the challenges we have in relation to the health and wellbeing of the MOTAT Team and in particular our employees is the age and condition of the buildings we use for offices and the fact that our team is spread over three sites. While locating the MOTAT Team on one site is not a viable solution we are looking to improve their office and working conditions over time.
OBJECTIVES
**CORE OBJECTIVE 1**

**MAXIMISE THE VISITOR EXPERIENCE**

<table>
<thead>
<tr>
<th>CORE OBJECTIVES /NGĀ TINO WHĀINGA</th>
<th>ANNUAL PLAN 2020-2021 WHAT WE WILL DO</th>
<th>ANNUAL PLAN 2020-2021 HOW WE WILL MEASURE OUR PERFORMANCE</th>
</tr>
</thead>
</table>
| 1. Align MOTAT’s exhibitions, events, education and outreach programmes with the Museum’s Vision | ▶ Deliver exhibitions, events and outreach programmes that are aligned to our Vision and respond to the needs of our target audience  
▶ Provide onsite and offsite education programmes that inspires innovation and meet the needs of our target audience | ▶ New exhibitions, installations and ‘pop-ups’ opened to the public  
▶ Number of participants in LEOTC, Early Childhood Education and education programmes developed in conjunction with educational stakeholders and the associated impact  
▶ Number of participants in outreach education programmes and the associated impact  
▶ Measure impact of exhibitions, education and public programmes |
| 2. Be audience and community focussed | ▶ Undertake annual visitor and community research and use the results to: (a) Develop and expand our offering (b) Identify new target audiences; and (c) Implement systems for monitoring our success | ▶ Visitor research programme including six-monthly reporting |
| 3. Implement a marketing strategy that promotes the Museum’s Vision and what it does in a vibrant and challenging way | ▶ Ensure that our Marketing Strategy promotes our Vision and activities in a way that attracts our target audience  
▶ Monitor the effectiveness of our Marketing Strategy by measuring visitor numbers and satisfaction  
▶ Review and develop our website and social media platforms to ensure that they are effective and engage with our target audience | ▶ Measure visitor satisfaction ratings  
▶ Keep track of overall visitor numbers  
▶ Measure online traffic to our website and engagement with our social media platforms  
▶ Measure number of interfaces with Museum Outreach programmes |
<p>| 4. Operate the collection | ▶ Develop and implement a Collections Operation Framework to identify current and future collection objects that can be operated at MOTAT and at our outreach events | ▶ Develop and implement the Collections Operation Framework |</p>
<table>
<thead>
<tr>
<th>ANNUAL PLAN 2020-2021</th>
<th>ALIGNMENT WITH AUCKLAND PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>OUR TARGET</td>
<td>ARTS AND CULTURE</td>
</tr>
<tr>
<td>▶ 6 new or refreshed exhibitions, programmes or initiatives</td>
<td>▶ Auckland Plan 2050</td>
</tr>
<tr>
<td>▶ 35,000 participants in LEOTC contract, Early Childhood programmes and The Mind Lab programmes</td>
<td>▶ Foster an inclusive Auckland where everyone belongs (Belonging and participation)</td>
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<tr>
<td>▶ 5,000 students interact with STEAM Cells</td>
<td>▶ Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life (Belonging and participation)</td>
</tr>
<tr>
<td>▶ Establish methodology and baseline target for measuring impact in future years</td>
<td>▶ Provide accessible services and social infrastructure that are responsive in meeting peoples’ evolving needs (Belonging and participation)</td>
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<td>▶ Two pieces of Qualitative research undertaken on specific or potential target audiences) Research reports provided for both</td>
<td>▶ Promote participation in arts, culture, sports and recreation as a major contributor to Aucklanders’ quality of life (Belonging and participation)</td>
</tr>
<tr>
<td>▶ Two new or refreshed programmes or initiatives developed in response to findings</td>
<td>▶ Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living (Homes and places)</td>
</tr>
<tr>
<td>▶ All new digital, learning, public and exhibition programmes or initiatives aligned to identified target audiences</td>
<td>▶ Increase educational achievement, lifelong learning and training with a focus on those most in need (Opportunity and prosperity)</td>
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<tr>
<td>▶ Survey at least 600 visitors per annum, 90% of which rate their overall experience 7 out of 10 or higher</td>
<td>▶ Arts and Culture Strategy</td>
</tr>
<tr>
<td>▶ Increase total visitors to site 336,600</td>
<td>▶ All Aucklanders can access and participate in arts and culture</td>
</tr>
<tr>
<td>▶ Exceed 400,000 visits to our online properties (website, Collections Online)</td>
<td>▶ Auckland values and invests in arts and culture</td>
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<tr>
<td>▶ 100,000 outreach interfaces</td>
<td>▶ A network of vibrant arts and culture organisations meets Auckland’s diverse needs</td>
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<tr>
<td>▶ Develop two new operating collection items or experience for our public offer to enhance the public experience</td>
<td>▶ Arts and Culture are intrinsic in Auckland’s place making</td>
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<td></td>
<td>▶ Auckland celebrates a unique cultural identity</td>
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<td></td>
<td>▶ Auckland has a robust and flourishing creative economy</td>
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### Core Objective 1
**Maximise the Visitor Experience**

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<tr>
<td>5. Increase digital access to MOTAT’s collection and experiences</td>
<td>✤ Develop digital platforms that improve the Museum’s target audience’s access to MOTAT’s collection</td>
<td>✤ Measure engagement with Digital platforms and collections online</td>
</tr>
</tbody>
</table>

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[Image of a blue car and a metal detector]
### ANNUAL PLAN 2020-2021
**OUR TARGET**

- Two new digital publishing channels or partnerships
- Increase digital content publication by 100%
- A 10% year on year increase in overall engagement across existing and new digital publishing channels

### ALIGNMENT WITH AUCKLAND PLAN
**ARTS AND CULTURE**

**Auckland Plan 2050**

- Harness emerging technologies and ensure equitable access to high quality digital data and service (Opportunity and prosperity)
## CORE OBJECTIVE 2

### EMPOWER THE MOTAT TEAM

<table>
<thead>
<tr>
<th>CORE OBJECTIVES /NGĀ TINO WHĀINGA</th>
<th>ANNUAL PLAN 2020-2012 WHAT WE WILL DO</th>
<th>ANNUAL PLAN 2020-2021 HOW WE WILL MEASURE OUR PERFORMANCE</th>
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<tbody>
<tr>
<td>1. Ensure that MOTAT is a safe place to visit and work</td>
<td>▶ Maintain, develop, implement and monitor policies and procedures designed to maintain a Zero Harm environment at MOTAT</td>
<td>▶ Site orientations for all MOTAT Team Members</td>
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<td></td>
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<td>▶ Monitor accidents and incidents and report on these monthly to the MOTAT Team and Board</td>
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<td>▶ Measure Lost Time Injury Frequency Rate (LTIFR)</td>
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<tr>
<td>2. Manage performance and engagement of the MOTAT Team</td>
<td>▶ Monitor the MOTAT Team’s engagement</td>
<td>▶ Complete annual engagement surveys for both MOTAT Employees and MOTAT Volunteers</td>
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<td></td>
<td>▶ Develop MOTAT’s volunteer base so that it supports the needs of the Museum</td>
<td>▶ Create roles for volunteers that are aligned with the Museum requirements</td>
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<tr>
<td>3. Improve knowledge and skills</td>
<td>▶ Implement training and other programmes that help the MOTAT Team to develop their skills and knowledge for the Museum and their benefit</td>
<td>▶ Deliver training to the MOTAT Team</td>
</tr>
<tr>
<td></td>
<td>▶ Ensure institutional knowledge is captured and retained for the benefit of the Museum</td>
<td>▶ Knowledge from volunteers documented</td>
</tr>
<tr>
<td>ANNUAL PLAN 2020-2021</td>
<td>ALIGNMENT WITH AUCKLAND PLAN ARTS AND CULTURE</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>OUR TARGET</td>
<td>Auckland Plan 2050</td>
<td></td>
</tr>
<tr>
<td>• 100% of new MOTAT Team Members receive Health and Safety orientation</td>
<td>• Increase educational achievement, lifelong learning and training with a focus on those most in need (Opportunity and prosperity)</td>
<td></td>
</tr>
<tr>
<td>• 100% of reportable accidents and incidents reported to the MOTAT Board</td>
<td>• Arts and Culture Strategy</td>
<td></td>
</tr>
<tr>
<td>• LTIFR rate less than or equal to June 2020</td>
<td>• All Aucklanders can access and participate in arts and culture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• A network of vibrant arts and culture organisations meets Auckland’s diverse needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Auckland celebrates a unique cultural identity</td>
<td></td>
</tr>
<tr>
<td>• Employee engagement survey scores greater than or equal to June 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Volunteer engagement survey scores greater than or equal to June 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Recruit volunteers into 80% of the advertised Volunteer roles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 60% of MOTAT Employees attend a learning and development course or conference</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Arrange 6 training opportunities that Volunteers can attend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Engage with volunteers to record five essential knowledge base gaps</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## CORE OBJECTIVE 3
**IMPROVE QUALITY OF THE COLLECTION, ITS CARE AND ACCESSIBILITY**

<table>
<thead>
<tr>
<th>Core Objectives / Ngā Tino Whāinga</th>
<th>Annual Plan 2020–2021 What We Will Do</th>
<th>Annual Plan 2020–2021 How We Will Measure Our Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Collection Procedure</td>
<td>▶ Ensure that our collection is managed in accordance with MOTAT's Collection Policy and related procedures</td>
<td>▶ All collection acquisitions and disposals managed in line with MOTAT Strategy and Collection Policy</td>
</tr>
<tr>
<td>2. Collection Development and Accessibility</td>
<td>▶ Improve the quality of our collection in line with MOTAT’s strategic and statutory objectives and the Museum’s Collection Policy and Collection Development Framework ▶ Enhance online access to our collections and information about our collections ▶ Facilitate visitor access to our curated storage, workshop and laboratory areas</td>
<td>▶ Milestones outlined in the Collection Review Programme ▶ Traffic to the Collections Online platform ▶ Ensure storage, workshop and laboratory areas are accessible for visitors and researchers, as requested</td>
</tr>
<tr>
<td>3. Collection Care</td>
<td>▶ Develop and implement a Collection Care Programme that improves the storage, preservation and display of our collection</td>
<td>▶ Number of objects treated (cleaned/conservation treatment applied etc.)</td>
</tr>
</tbody>
</table>
### ANNUAL PLAN 2020-2021

**OUR TARGET**

- All acquisitions and disposals are aligned to the acquisitions and disposals procedure.

### ALIGNMENT WITH AUCKLAND PLAN

**ARTS AND CULTURE**

<table>
<thead>
<tr>
<th>MOTAT Annual Plan 2020-2021</th>
<th>Alignment with Auckland Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auckland Plan 2050</strong></td>
<td>Protect Auckland’s significant environments and cultural heritage from further loss (Environment and cultural heritage)</td>
</tr>
<tr>
<td><strong>Arts and Culture Strategy</strong></td>
<td>All Aucklanders can access and participate in arts and culture</td>
</tr>
<tr>
<td></td>
<td>Auckland values and invests in arts and culture</td>
</tr>
<tr>
<td></td>
<td>Arts and Culture are intrinsic in Auckland’s place making</td>
</tr>
<tr>
<td></td>
<td>Auckland celebrates a unique cultural identity</td>
</tr>
</tbody>
</table>

- Complete the review of the accessioned Industrial Heritage collection objects in the sub departments: Tools, Public Utilities and Primary Industries
- Increase traffic to Collections Online by at least 10% on 2019-2020
- Facilitate at least 6 behind the scenes access activities

<table>
<thead>
<tr>
<th>Alignment with Auckland Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auckland Plan 2050</strong></td>
</tr>
<tr>
<td><strong>Arts and Culture Strategy</strong></td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

- 100 objects treated through either cleaning, conservation, freezing or other treatments

<table>
<thead>
<tr>
<th>Alignment with Auckland Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auckland Plan 2050</strong></td>
</tr>
</tbody>
</table>
### CORE OBJECTIVE 4

**IMPROVE MOTAT’S BUSINESS AND SUSTAINABILITY**

<table>
<thead>
<tr>
<th>CORE OBJECTIVES /NGĀ TINO WHĀINGA</th>
<th>ANNUAL PLAN 2019-2020 WHAT WE WILL DO</th>
<th>ANNUAL PLAN 2020-2021 HOW WE WILL MEASURE OUR PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maximise commercial opportunities and fundraising activities</td>
<td>▶ Identify and develop new and existing commercial and other partnership opportunities that reduce our reliance on the levy</td>
<td>▶ Grow retail sales and Gross Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▶ Grow Corporate Events</td>
</tr>
<tr>
<td>2. Buildings and Infrastructure</td>
<td>▶ Maintain our buildings and infrastructure as outlined in MOTAT’s Asset Management Plan</td>
<td>▶ Complete work detailed for 2020-2021 under the 2014 Asset Management Plan that are cost beneficial</td>
</tr>
<tr>
<td></td>
<td>▶ Implement the MOTAT Athfield Masterplan as funds and other support allows</td>
<td>▶ Progress “Approach 2” projects as funding allows</td>
</tr>
<tr>
<td>3. Environment</td>
<td>▶ Continue to refine the Museum’s sustainability programmes so that MOTAT is carbon neutral</td>
<td>▶ Continue CEMARS rating audit</td>
</tr>
<tr>
<td></td>
<td>▶ Promote and use technology that reduces our impact on the environment and inspires the target audience to do the same</td>
<td>▶ Implement new initiatives or programmes that promote environmental sustainability</td>
</tr>
</tbody>
</table>
### ANNUAL PLAN 2020-2021

**OUR TARGET**

- Commercial Revenue (Retail, Café, Corporate Events) as per budget
- Increase number of Corporate Events visitors at MOTAT by 10% on 2019-2020 numbers

### ALIGNMENT WITH AUCKLAND PLAN

**ARTS AND CULTURE**

<table>
<thead>
<tr>
<th>Item</th>
<th>OUR TARGET</th>
<th>AUCKLAND PLAN 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>2020-2021 works as per Asset Management Plan are completed</td>
<td>Ensure Auckland’s infrastructure is future proofed (Environment and cultural heritage)</td>
</tr>
<tr>
<td></td>
<td>Implement Approach 2 projects in accordance with project plans</td>
<td>Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life (Belonging and participation)</td>
</tr>
<tr>
<td></td>
<td>Maintain or improve on prior year CEMARS emissions measurement</td>
<td>Ensure Auckland’s environment and ecosystems are valued and cared for (Environment and cultural heritage)</td>
</tr>
<tr>
<td></td>
<td>Implement and promote 5 new initiatives or programmes that focus on positive environmental outcomes</td>
<td>Encourage all Aucklanders to be the stewards of the environment and to make sustainable choices (Environment and cultural heritage)</td>
</tr>
<tr>
<td></td>
<td>Protect Auckland’s significant environments and cultural heritage from further loss (Environment and cultural heritage)</td>
<td></td>
</tr>
</tbody>
</table>
## CORE OBJECTIVE 5
**ENGAGE WITH LIKEMINDED INSTITUTIONS**

<table>
<thead>
<tr>
<th>CORE OBJECTIVES /NGĀ TINO WHĀINGA</th>
<th>ANNUAL PLAN 2020–2021 WHAT WE WILL DO</th>
<th>ANNUAL PLAN 2020–2021 HOW WE WILL MEASURE OUR PERFORMANCE</th>
</tr>
</thead>
</table>
| 1. Tangata whenua technology and tikanga | ▶ Implement the Bicultural Strategy  
▶ Promote tangata whenua technology and innovation, te reo Māori and tikanga | ▶ Tangata whenua content (language, customs, technology, objects etc) included in exhibitions, programmes and initiatives |
| 2. Forge strategic partnerships that are aligned to the Vision and generate mutually beneficial outcomes | ▶ Engage with likeminded organisations that have similar objectives to MOTAT  
▶ Work collaboratively with likeminded institutions to develop public exhibitions, education and outreach programmes that benefit the community | ▶ Collaborations with likeminded organisations undertaken to advance the objectives of the MOTAT Act and the MOTAT Strategy |
| 3. Western Springs | ▶ Use our facilities to support the local community and events in the Western Springs Precinct | ▶ Provision of facilities and support in response to Western Springs precinct activities |
### ANNUAL PLAN 2020-2021

**OUR TARGET**

- Tangata whenua technology, custom and/or language incorporated into at least 10 new exhibitions, programmes or initiatives

**ALIGNMENT WITH AUCKLAND PLAN - ARTS AND CULTURE**

**Auckland Plan 2050**

- Promote Māori success, innovation and enterprise (Māori identity and wellbeing)
- Recognise and provide for Te Tiriti o Waitangi outcomes (Māori identity and wellbeing)
- Showcase Auckland’s Māori identity and vibrant Māori culture (Māori identity and wellbeing)
- Strengthen rangatahi leadership, education and employment outcomes (Māori identity and wellbeing)
- Celebrate Māori culture and support te reo Māori to flourish (Māori identity and wellbeing)

- Two collaborative projects undertaken with likeminded institutions

**Auckland Plan 2050**

- Foster an inclusive Auckland where everyone belongs (Belonging and participation)
- Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life (Belonging and participation)
- Provide accessible services and social infrastructure that are responsive in meeting peoples’ evolving needs (Belonging and participation)

- Five collaborative opportunities executed within the Western Springs precinct

**Auckland Plan 2050**

- Promote participation in arts, culture, sports and recreation as a major contributor to Aucklanders’ quality of life (Belonging and participation)
- Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living (Homes and places)
Attachment A

Item 11

FUNDING SOURCES
REGIONAL FACILITIES AUCKLAND FUNDING

Our levy request for the 2020-2021 financial year is $17,087,900, which includes the $800,000 for the SciTech Centre outlined on page 14 and the $1,000,000 for the Approach 2 Projects outlined on page 6.

MOTAT REVENUE

As indicated in the Chair and Chief Executive Overview on pages 6-7, there are a number of factors beyond our control that may have an adverse impact on our visitor numbers and the associated revenue. While we have introduced a number of initiatives to address this issue, we have taken a prudent and conservative approach in relation to our budgets and maintained our visitor and revenue numbers at the same level as last year.

There are also several other changes and potential changes that impact on the comparison between our previous Annual Plan revenue and future projections. For example, in the 2018-2019 financial year we made the decision to outsource our Corporate Events business which means that our gross revenue drops by $250,000. Our current contract with The Mind Lab @ MOTAT ends in the 2020-2021 financial year, and while this may be renegotiated, we have not included the associated revenue or expenditure in future years.

The improvement in MOTAT’s reputation and the strengthening of its brand over the last few years, has improved our ability to forge strong partnerships with significant organisations (e.g. Auckland Transport, Automobile Association, JCDecaux Group and Perpetual Guardian) and we anticipate that we will be able to maintain and attract additional sponsorships and partners during the year. Some of these relationships will be targeted at specific events or projects (e.g. Christmas Lights or our Micro-credential project), but the alignment of our vision and brand to potential likeminded institutions/partners is something that we will be focusing on in relation to the implementation of the “SciTech” Centre, the “Approach 2” projects and the Science, Technology and Ecological hub concept discussed on page 7.

Our total operating revenue of $20,446,617 and a drawdown of $1,000,000 on our Flexible Financing Facility will therefore be allocated to operational expenditure of $18,071,617 and capital development of $3,375,000.

Our operational expenditure includes the continued restoration of several significant collection objects, establishing a cycle of summer and winter exhibitions upgrades, a strong emphasis on growing our digital capacity across the Museum, and further enhancement of some of our core information systems.
FINANCIAL OVERVIEW

2016-2023
NON-LEVY REVENUE
($000's)

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>$2,494</td>
<td>$2,694</td>
<td>$2,932</td>
<td>$3,664</td>
<td>$4,051</td>
<td>$3,359</td>
<td>$3,352</td>
<td>$3,555</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Refer comment on previous page in relation to the subcontracting out of our Corporate Events business in 2019-2020, and the renewal of our contract with The Mind Lab in the 2021-2020 year and beyond.

2020-2021
ANNUAL PLAN OPERATIONAL REVENUE
($000's)

- Local Authority Levy $17,088 (84%)
- Admissions $2,225 (11%)
- Commercial Revenue $598 (3%)
- Grants & Donations $185 (1%)
- Partnerships $300 (1%)

2020-2021
ANNUAL PLAN OPERATIONAL EXPENDITURE
($000's)

- Collections Management $1,405 (6%)
- Capital Developments $3,160 (15%)
- Museum Experience $3,221 (15%)
- Information & Communications Technology $1,054 (5%)
- Business Services $3,792 (18%)
- Staffing $8,814 (41%)

Total costs in the 2020-2021 year of Approach 2 projects is $2,000,000 and will be covered by the levy plus borrowings from our Bank of $1,000,000. These borrowings will be repaid by our levy requests in the following financial years as outlined in our 2018-2019 Annual Plan.
OPERATIONAL SURPLUS AND INVESTING IN THE FUTURE

As outlined in our Strategy for 2019 to 2029, our primary focus has been and will remain on our audience, community and collection care. Developing new exhibitions and experiences and refreshing our ‘core’ exhibitions, along with reviewing our collection and the way it is displayed, cared for and operated are key to the achievement of our core strategic objectives.

We will therefore continue to invest any operational surplus (i.e. the balance that is remaining after the payment of our operational overheads) in the development of the following areas:

- Creating a “must experience” venue in a rapidly changing technological world. This requires the continued development of our Information Technology platforms to support a greater emphasis in digital technology in our exhibitions, education programmes and the associated visitor engagement.
- Reviewing and upgrading of our tram track infrastructure so that we can continue to provide a reliable and safe service to our visitors and the Western Springs Precinct.
- Establishment of a SciTech Centre.
- Replacement the aging storage sheds at MOTAT2.
- Upgrading our exhibition lighting.
## INDICATIVE BUDGET

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<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Paying Visitors</td>
<td>211,666</td>
<td>265,047</td>
<td>266,087</td>
<td>274,070</td>
<td>282,292</td>
</tr>
<tr>
<td>Total Visitors</td>
<td>260,211</td>
<td>335,560</td>
<td>336,600</td>
<td>346,698</td>
<td>357,099</td>
</tr>
<tr>
<td>** Levy Request</td>
<td>13,973,339</td>
<td>14,811,739</td>
<td>15,287,900</td>
<td>16,019,783</td>
<td>16,406,861</td>
</tr>
<tr>
<td>Additional Levy - SciTech</td>
<td>-</td>
<td>800,000</td>
<td>800,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional Levy - Approach 2</td>
<td>-</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total Levy Request</strong></td>
<td>13,973,339</td>
<td>15,811,739</td>
<td>17,087,900</td>
<td>17,819,783</td>
<td>17,406,861</td>
</tr>
<tr>
<td><strong>OTHER REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions</td>
<td>1,507,887</td>
<td>2,002,407</td>
<td>2,037,606</td>
<td>2,098,734</td>
<td>2,161,696</td>
</tr>
<tr>
<td>Commercial and Other Income</td>
<td>773,642</td>
<td>804,524</td>
<td>598,512</td>
<td>669,917</td>
<td>741,545</td>
</tr>
<tr>
<td>Grants and Donations</td>
<td>192,671</td>
<td>215,100</td>
<td>185,099</td>
<td>190,099</td>
<td>190,099</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>210,964</td>
<td>199,000</td>
<td>50,000</td>
<td>43,000</td>
<td>62,100</td>
</tr>
<tr>
<td>Partnerships</td>
<td>292,983</td>
<td>300,000</td>
<td>300,000</td>
<td>350,000</td>
<td>400,000</td>
</tr>
<tr>
<td>The Mind Lab</td>
<td>181,336</td>
<td>350,000</td>
<td>187,500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>17,132,821</td>
<td>19,682,769</td>
<td>20,446,617</td>
<td>21,171,534</td>
<td>20,962,301</td>
</tr>
<tr>
<td>Financing Facility</td>
<td>-</td>
<td>4,171,597</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Funds Brought Forward</td>
<td>1,250,478</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Cash Contributions</strong></td>
<td>18,383,299</td>
<td>23,854,366</td>
<td>21,446,617</td>
<td>22,171,534</td>
<td>20,962,301</td>
</tr>
</tbody>
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## EXPENDITURE

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<tbody>
<tr>
<td><strong>Collection Management</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Collection Care, Conservation</td>
<td>119,542</td>
<td>151,500</td>
<td>198,500</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Collection Workshops</td>
<td>698,604</td>
<td>718,500</td>
<td>950,426</td>
<td>980,700</td>
<td>1,000,800</td>
</tr>
<tr>
<td>Curatorial and Research</td>
<td>3,474</td>
<td>7,000</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Library</td>
<td>53,275</td>
<td>53,000</td>
<td>92,000</td>
<td>55,000</td>
<td>60,000</td>
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<tr>
<td>Registry</td>
<td>113,498</td>
<td>210,550</td>
<td>104,550</td>
<td>105,000</td>
<td>107,500</td>
</tr>
<tr>
<td><strong>Total Collection Management</strong></td>
<td>988,393</td>
<td>1,140,550</td>
<td>1,405,476</td>
<td>1,400,700</td>
<td>1,428,300</td>
</tr>
<tr>
<td><strong>Museum Experience</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Commercial</td>
<td>226,639</td>
<td>345,665</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Digital</td>
<td>11,689</td>
<td>15,000</td>
<td>160,000</td>
<td>145,000</td>
<td>135,000</td>
</tr>
<tr>
<td>Exhibitions</td>
<td>533,506</td>
<td>997,650</td>
<td>1,100,591</td>
<td>1,401,391</td>
<td>1,276,391</td>
</tr>
<tr>
<td>Learning and Education</td>
<td>78,589</td>
<td>85,000</td>
<td>118,320</td>
<td>104,000</td>
<td>104,000</td>
</tr>
<tr>
<td>Marketing and Communications</td>
<td>773,606</td>
<td>669,800</td>
<td>642,660</td>
<td>626,875</td>
<td>606,800</td>
</tr>
<tr>
<td>Partnership</td>
<td>12,546</td>
<td>11,000</td>
<td>18,400</td>
<td>18,860</td>
<td>19,330</td>
</tr>
<tr>
<td>Public Programmes</td>
<td>938,383</td>
<td>1,005,125</td>
<td>1,001,125</td>
<td>1,097,950</td>
<td>1,122,175</td>
</tr>
<tr>
<td>The Mind Lab</td>
<td>295,000</td>
<td>300,000</td>
<td>180,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Museum Experience</strong></td>
<td>2,869,958</td>
<td>3,429,240</td>
<td>3,221,096</td>
<td>3,394,076</td>
<td>3,263,696</td>
</tr>
</tbody>
</table>
## INDICATIVE BUDGET

<table>
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<tbody>
<tr>
<td><strong>Business Services</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>809,492</td>
<td>871,766</td>
<td>914,218</td>
<td>932,502</td>
<td>940,000</td>
</tr>
<tr>
<td>Commercial</td>
<td>-</td>
<td>-</td>
<td>214,015</td>
<td>224,031</td>
<td>234,530</td>
</tr>
<tr>
<td>Health &amp; Safety</td>
<td>70,463</td>
<td>88,000</td>
<td>93,000</td>
<td>120,000</td>
<td>96,800</td>
</tr>
<tr>
<td>ICT</td>
<td>508,476</td>
<td>715,961</td>
<td>838,761</td>
<td>760,000</td>
<td>740,000</td>
</tr>
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<td>MOTAT Society</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Environment Team</td>
<td>660,621</td>
<td>758,898</td>
<td>733,898</td>
<td>1,015,000</td>
<td>1,075,000</td>
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<tr>
<td>Staffing</td>
<td>7,822,703</td>
<td>8,471,721</td>
<td>8,813,929</td>
<td>9,135,719</td>
<td>9,466,519</td>
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<td>Operating Costs</td>
<td>95,439</td>
<td>129,000</td>
<td>129,000</td>
<td>154,000</td>
<td>154,000</td>
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<tr>
<td>Support and Development</td>
<td>205,525</td>
<td>279,300</td>
<td>247,300</td>
<td>250,000</td>
<td>252,500</td>
</tr>
<tr>
<td>Storage and Security</td>
<td>1,396,134</td>
<td>1,452,589</td>
<td>1,403,924</td>
<td>1,302,506</td>
<td>1,329,256</td>
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<tr>
<td>Bank Interest and Line Fee</td>
<td>48,158</td>
<td>36,667</td>
<td>42,000</td>
<td>108,000</td>
<td>81,600</td>
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<tr>
<td><strong>Total Business Services</strong></td>
<td>11,632,013</td>
<td>12,818,901</td>
<td>13,445,045</td>
<td>14,016,758</td>
<td>14,385,305</td>
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<tr>
<td><strong>Total Cost of Activities</strong></td>
<td>15,490,364</td>
<td>17,388,691</td>
<td>18,071,617</td>
<td>18,811,534</td>
<td>19,077,301</td>
</tr>
<tr>
<td><strong>Development and Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and capital projects</td>
<td>2,728,986</td>
<td>1,442,000</td>
<td>1,294,000</td>
<td>1,450,000</td>
<td>1,750,000</td>
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<tr>
<td>&quot;Approach 2&quot; projects</td>
<td>-</td>
<td>-</td>
<td>5,171,675</td>
<td>5,400,000</td>
<td>645,100</td>
</tr>
<tr>
<td>Loan Repayment - RFA</td>
<td>109,005</td>
<td>116,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan Repayment - Bank</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>428,282</td>
</tr>
<tr>
<td><strong>Total Development and Projects</strong></td>
<td>2,892,935</td>
<td>6,465,675</td>
<td>3,375,000</td>
<td>3,360,000</td>
<td>1,885,000</td>
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<tr>
<td><strong>Total Expenditure</strong></td>
<td>18,383,299</td>
<td>23,854,366</td>
<td>21,446,617</td>
<td>22,171,534</td>
<td>20,962,301</td>
</tr>
</tbody>
</table>
SENIOR MANAGEMENT TEAM

Michael Frawley
Chief Executive/
Museum Director

Wayne Schache
General Manager
Business Services

Alba Letts
General Manager
Collections

Steven Fox
General Manager
Museum Experience

MOTAT BOARD

• Helen Atkins
• Lindsay Corban
• David Downs
• Gavin Fernandez
• Dr. Bruce Hucker
• Amit Prasad
• Samantha Sharif
• Mike Spraggan
• Sue Wood
• Dr. Brian Young

REMUNERATION OF BOARD MEMBERS

The Board remuneration was increased in 2013-2014 and amounts to:

<table>
<thead>
<tr>
<th>Role</th>
<th>Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>$23,000 per annum</td>
</tr>
<tr>
<td>Deputy Chair</td>
<td>$17,250 per annum</td>
</tr>
<tr>
<td>Members</td>
<td>$12,000 per annum</td>
</tr>
</tbody>
</table>

This disclosure of information is in accordance with Section 20(1)(h) of the MOTAT Act 2000.

STAFFING

The breakdown of Full Time Equivalent (FTE) employees taking into account the implementation of this Annual Plan and our Strategy is:

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum Experience</td>
<td>49.5</td>
</tr>
<tr>
<td>Collections</td>
<td>28.0</td>
</tr>
<tr>
<td>Business Services incl. Chief</td>
<td>33.0</td>
</tr>
<tr>
<td>Executive and E.A</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>110.5</td>
</tr>
</tbody>
</table>

DRAFT ANNUAL PLAN 2020-2021  MUSEUM OF TRANSPORT AND TECHNOLOGY  43

MOTAT Annual Plan 2020-2021  Page 161
MOTAT FUNDING

MOTAT is funded from the following sources:
1. Levy from Auckland ratepayers collected by Auckland Council.
2. Gate admissions.
3. Commercial activities, including shop sales.
4. Special attractions, including tram rides.
5. Grants, including educational grants from the Ministry of Education (contestable).
6. Donations, sponsorships and other income.
7. Interest revenue.

ADMISSION CHARGES

- Adult.................................................. $19.00
- Child (5 - 15 years inclusive)........................ $10.00
- Overseas Senior Citizen (non NZ)................... $10.00
- Student (with current student card)............... $10.00
- Family (2 adults and up to 4 children)............. $45.00
- Gold Card holders.................................. NO CHARGE
- Schools and early childhood groups.............. $5.00
- Under 5 years of age................................ NO CHARGE
- People with disabilities/ special needs with care givers...... NO CHARGE

‘MOTAT MATES’ UNLIMITED ENTRY PASS (ONE YEAR)

- Family (2 adults and up to 4 children)........... $95.00
- Individual (1 adult)................................... $45.00
- Student (1 adult)....................................... $22.50
- Child Flexi (1 child with flexible accompanying adult)........ $65.00

THE MIND LAB @ MOTAT EXPERIENCE

- Full Day................................................ $27.60
- Half Day............................................... $13.80
- Half Day Combo with MOTAT......................... $17.00

TRAM FARES

- Adult (return)......................................... $2.00
- Child (return).......................................... $1.00
- Family (return) (2 adults and up to 4 children)...... $5.00
- Adult (one way)....................................... $1.00
- Child (one way)....................................... $0.50
MOTAT ACT OBJECTIVES

The Objectives of the Museum as outlined in Section 12 of the MOTAT Act requires that "the Board must recognise and provide for, in such a manner as it considers appropriate, the following":

1. The recording and preservation of the history of transport and technology and the effect it has had on the Auckland region, New Zealand, and, in more general terms, the rest of the world.
2. Conservation of the heritage of the Museum, the Museum heritage buildings, and its collections.
4. Education which involves and entertains people to enrich their lives and promote the well-being of society.
5. The advancement and promotion of historical and scientific scholarship and research.
6. Achievement of customer satisfaction by consultation, responsiveness, and continuous improvement.
7. Leadership through professionalism, innovation, and co-ordination of effort with relevant organisations.
8. Greater financial self-sufficiency through the prudent operation of compatible revenue producing and fundraising activities which supplement public funding.
9. Providing maximum community benefit from the resources available.
In Appreciation:

There are several organisations and institutions that we would specifically like to thank for their continued support, assistance and advice:

- Auckland Council
- MOTAT Society
- Regional Facilities Auckland
- NZ Automobile Association
- Athfield Architects
- Perpetual Guardian
- KiwiRail
- Ricoh
- Ministry of Education
- Waitematā Local Board

Finally, we would like to thank the MOTAT Team (i.e. employees and volunteers) who have contributed not only their knowledge and skills, but their time and a lot of energy and passion in helping us achieve our strategic objectives and vision.
20 January 2020

Michael Frawley
Chief Executive Officer/Museum Director
Museum of Transport and Technology
P O Box 44-114
Point Chevalier
Auckland 1246

Dear Michael

Submission to the MOTAT Draft Annual Plan 2020/21

Thank you for providing Regional Facilities Auckland (RFA) with a copy of the MOTAT Draft Annual Plan 2020-2021 (DAP). As with previous years, we have reviewed the DAP. We appreciate the clarity with which MOTAT articulates its plans for the current and following financial year, and note the links to the Auckland Plan 2050 and Tā Mātaki Arts and Culture Strategic Action Plan.

We appreciate MOTAT’s openness with respect to the challenges being faced, in particular the ageing building and tram infrastructure and the MOTAT2 site, and we are pleased to be working with MOTAT to help resolve these issues. With the delivery of the capital projects and resulting disruption on and around the site, ongoing visitor management and maintaining the existing revenue streams may prove to be a challenge, but we are confident that MOTAT will look to mitigate this issue as much as possible.

We look forward to seeing the establishment of the SciTech Centre, to be housed in the refurbished Building 5 on the Great North Road site, which will look to enable audiences to experience a hands on approach to a sustainable future, with a past, present and future science, technology and innovation focus. While this will be a step change from MOTAT’s traditional exhibitions, it aligns with MOTAT’s strategy. Should MOTAT require any support from RFA regarding obtaining third party funding for this project, please don’t hesitate to let us know.

We continue to support the funding of the Approach 2 renewal projects in the DAP, given they address several of MOTAT’s infrastructure issues, benefit the wider precinct and link in with Waitemata Local Board projects. We also support improved accessibility for the Western Springs Precinct.

We note the support provided by MOTAT through the Cultural Heritage Review and the ongoing projects between MOTAT and Auckland Zoo, with the DAP looking to build on these collaborative projects.
MOTAT Strategy

We acknowledge MOTAT’s 2019-2029 strategy and the commitment of the organisation to its vision of being the “must experience” museum that uses past, present and future kiwi technology and ingenuity to educate and inspire.

AUCKLAND’S CULTURAL HERITAGE REVIEW

We look forward to working with MOTAT in respect to any recommendations that may come from the review in due course. Along with MOTAT, we support an approach that results in better outcomes for the Auckland region.

MOTAT SOCIETY

It was encouraging to hear during the MOTAT board appointments process this year the high level of support from the MOTAT Society regarding MOTAT.

PERFORMANCE MEASURES

We acknowledge the performance measures in the plan are consistent with previous measures, while being refined to focus on specific outcomes. We also acknowledge the work being done to establish a methodology and baseline target for measuring impact in relation to exhibitions, education and public programmes. It is also noted that MOTAT’s FTEs have reduced over time.

PROMOTE MĀORI OUTCOMES

We acknowledge there are several objectives within the plan that align with Māori outcomes and acknowledge that MOTAT will continue to include Te Reo on signage, as well as looking to develop a Māori name for MOTAT.

SELF-GENERATED REVENUE

We note that MOTAT is continuing to investigate how it can increase revenue going forward, especially with external partners, and has recently installed a digital sign to help generate further revenue.

PROPOSED LEVY

RFA supports the levy of $17,087,900 as we believe this funding provides the right balance between capital and operational matters and takes a measured approach to dealing with the infrastructure issues that MOTAT needs to address. It is acknowledged that the final decision in relation to the levy is a matter for consideration and agreement by Auckland Council.

Finally, we would like to be heard at MOTAT’s public submission, if one is held, on Thursday 13 February 2020.
If you have any questions at all, please do not hesitate to contact me.

Yours sincerely

Chris Brooks
Chief Executive
5 March 2020

Stephen Town
Chief Executive
Auckland Council
35 Albert Street
Auckland

Dear Stephen

Draft Annual Plan (DAP) and Statutory Levy 2020/21
Museum of Transport and Technology (MOTAT)

As you are aware, MOTAT was created through the Museum of Transport and Technology Act 2000 (the Act). The Act sets out the objectives of the Museum, the DAP process and the levy mechanism for Auckland Council’s contribution to MOTAT’s funding.

Under the Act, the Museum is required to prepare and consult on the DAP. The MOTAT DAP has been published for public consultation as per the Act. Under the Advisory and Management Agreement between Auckland Council and Regional Facilities Auckland (RFA), we are required to consider the DAP, make a submission on the document and provide advice to Auckland Council on the levy.

A written submission to the DAP was made by RFA within the statutory timeframes for consultation. The MOTAT Board has considered the submissions it received, and the final draft DAP is attached for Auckland Council’s consideration. The DAP sets out the activities MOTAT is looking to undertake during the plan year and over the next two years.

As advised last year, while MOTAT was not successful in obtaining funding through the previous Long Term Plan for the implementation of the MOTAT Athfield Masterplan (Masterplan). In 2019 they sought additional funds through the levy for the “Approach 2” projects — subsets of the Masterplan. This approach was supported by RFA and Auckland Council.

RFA continues to support this approach. One of the key projects is the development of the carpark at MOTAT2, where the Aviation Display Hall is located. The carpark will help provide parking for the precinct and is key to supporting Auckland Transport in developing the Meola Road cycleway. As part of this project we are taking the opportunity to work closely with MOTAT, along with our Auckland Zoo division, to support a variety of improvements to parking and accessibility in the precinct.

The Museum’s reasoning for the levy amount is supported by the activities communicated in the plan. We note the core objectives in the DAP have been specifically linked to the Auckland Plan 2050 and to the Te Whātūtū Arts and Culture Strategic Action Plan.
We are aware that MOTAT has challenges in relation to the age of its infrastructure, and complexities in relation to the MOTAT2 site, which is on landfill. We continue to work with MOTAT on mitigating these issues and spreading the associated investment over several years to try and help smooth the amount of the levy required. They are also included in the cultural infrastructure investment work, given that RFA is a key advisor to Auckland Council in relation to MOTAT’s funding.

A copy of RFA’s submission to the DAP is attached. It outlines the following areas for the 2019/20 year:

1. **MOTAT Strategy:** The recommitment of the organisation to its vision of being the "must experience" museum that uses past, present and future kiwi technology and ingenuity to educate and inspire the next generation, is supported.

2. **Performance measures:** The performance measures in the plan are consistent with previous measures, while being refined to focus on specific outcomes, with MOTAT working to establish a methodology and baseline target for measuring impact.

3. **MOTAT Society:** We continue to see a positive and mutually supportive relationship developing between MOTAT and the MOTAT Society. This year RFA and the MOTAT Society will be running a joint board appointment process and we work closely with MOTAT in relation to this.

4. **Promote Māori outcomes:** MOTAT have several objectives within the plan that align with Māori outcomes and continue to include Te Reo where appropriate.

5. **Revenue sources:** MOTAT is continuing to investigate how it can increase revenue and has recently installed a digital sign which has added circa $200,000 to its revenue stream. We also note MOTAT continues to look to generate additional funds to invest into specific projects through alternative mechanisms including the platform “Give a Little” and is working on a number of partnership opportunities that will enable MOTAT to increase the reach and impact of its STEM Cell initiative in the Auckland region.

6. **Auckland’s Cultural Heritage Review:** working with RFA and Auckland Council in relation to the review.

It is also worth noting that MOTAT’s strategy has led to a significant change in its audience over the last few years. Currently, 13% of visitors identify as Asian, 10% as Indian, 8% as Māori and 8% from the Pacific. There has also been a significant increase in visitors aged between 16 and 34.

**MOTAT Funding**

MOTAT is requesting $17,087,900 in levy. The levy investment supports the flexible bank financing arrangement for the “Approach 2” projects which include, amongst other things, the car park and the refurbishment of Building 5 (i.e. MOTAT’s main exhibition hall at its Great North Road site) and the development of the SciTech Centre.

The SciTech Centre will be housed in the refurbished Building 5 and will be a “step change” from MOTAT’s traditional exhibitions. The SciTech Centre will be developed over two years and will meet the growing demand in Auckland for science, technology, engineering and maths experiences that not only educate and inspire but encourage a sustainable future.

The additional investment in the SciTech Centre is vital in enabling MOTAT to continue to support the heritage and technological focus of the museum as well as the STEM Cell Initiative referred to above. So far as we aware, combining science, technology and heritage objects in one experience...
will be a unique offering in New Zealand. Further detail on the SciTech Centre is on page 14 of the attached DAP.

Our advice is that MOTAT’s approach brings the right balance between capital and operational matters and takes a measured approach to dealing with the infrastructure issues MOTAT needs to address. Therefore, RFA supports the investment requested and recommends to Council the approval of the levy (which is under the MOTAT levy cap), however we are cognisant that the final decision in relation to the levy is a matter for consideration and agreement by Auckland Council.

RFA will continue to provide advice and support to the Mayor and Auckland Council as the process continues.

Yours sincerely

Chris Brooks
Chief Executive

Attachments:
- RFA Submission letter to DAP process dated 20 January 2020
- MOTAT Final Draft Annual Plan (DAP) 2020-2021

CC:
Alastair Cameron Manager, CCO Governance & External Partnerships
Edward Siddle Principal Adviser, CCO Governance & External Partnerships
Michael Frawley, Chief Executive, MOTAT
Auckland War Memorial Museum 2020/2021 levy (Covering report)

File No.: CP2020/03517

Te take mō te pūrongo
Purpose of the report
1. To consider the 2019/2020 levy for the Auckland War Memorial Museum (the Museum).

Whakarāpopototanga matua
Executive summary
2. This is a late covering report for the above item. The comprehensive agenda report was not available when the agenda went to print and will be provided prior to the 19 March 2020 Finance and Performance Committee meeting.

Ngā tūtohunga
Recommendation/s
The recommendations will be provided in the comprehensive agenda report.
Approval of the Auckland Regional Amenities Funding Levy 2020-2021

File No.: CP2020/01438

Te take mō te pūrongo
Purpose of the report
1. To consider the Auckland Regional Amenities Funding Act (ARAFA) levy for 2020/2021.

Whakarāpopototanga matua
Executive summary
2. The Auckland Regional Amenities Funding Act 2008 (ARAFA, or the Act) provides for ten regional organisations to submit annual funding applications to the Auckland Regional Amenities Funding Board (Funding Board). Nine amenities have made applications for funding through the Act, with New Zealand Maritime Museum now part of Regional Facilities Auckland.

3. The Funding Board must analyse the funding applications from the nine remaining regional organisations and prepare a draft funding plan. Following a period for submissions the final Funding Plan (attachment A) has been approved by the Board. This is for a total of $16,714,500. A further letter has been received (attachment B) advising Coastguard Northern Region have withdrawn its funding request ($824,000) thereby reducing the overall request to $15,890,500.

4. The committee should note three aspects of the Funding Plan in particular.

5. First, the Auckland Rescue Helicopter Trust (ARHT) is to receive an additional $150,000 from what was proposed in the Funding Board’s draft annual plan. The final Funding Plan states that this additional funding is to assist with relocation of the Trust’s helicopters. However, it should be noted that the ARHT made a submission to the draft funding plan that suggested that the Board match a $150,000 grant from another donor. Staff would have concerns about a ‘matched-funding’ agreement, as it could arguably be inconsistent with the funding principles in the legislation, which notes that the ARAFA system is funding of last resort. It would be extremely concerning if this became a precedent for other such arrangements with other entities.

6. Secondly, Coastguard Northern Region (CNR) has elected to join with other regional coastguard organisations and the national body in a merger. This is intended to come into effect from 1 July 2020, which will mean CNR ceases to exist as it will be part of Coastguard New Zealand. As CNR is a specific amenity under the Act, it will no longer be able to receive funding as it will no longer exist. The Funding Board has received notification of an affirmative vote to merge all coastguard operations and withdrawing its funding application for 2020-2021 and any subsequent years. Staff have discussed with CNR providing an equivalent amount from council as would have been allocated by ARAFA ($824,000) by way of a funding agreement, for one year. Funding for future years would need to be discussed through the Long-term Plan or by Coastguard New Zealand seeking an amendment to the Act.

7. Thirdly, the Plan includes a $200,000 refund to Auckland Council from the Board’s retained earnings. The refund is deducted from the 2020/2021 levy request which would otherwise have been $16,914,500, thus reducing the total amount payable to $16,714,500. While staff support the Funding Board’s decision in this regard, we note that the Funding Board has at the same time increased the administration budget requirements by a further $10,000 which seems unnecessary and contradictory given the surplus return of funds to council. However, we note that the Funding Board is developing a ‘retained earnings’ policy which will guide the administration funding requirements of the Funding Board.
8. The proposed levy is within the levy cap provided for by legislation but is more than what is allowed for in the 10-year Budget 2018-2028 because there was no allowance made for increases. If approved, the levy amount will need to be included in the 2020/21 annual plan.

Ngā tūtohunga
Recommendation/s
That the Finance and Performance Committee:

a) approve the total funding levy of $15,890,500

b) note that staff will discuss with the Funding Board reservations about “match funding” arrangements, and whether they would contravene the ‘funder of last resort’ principle in the Act

c) approve staff to develop a one-year funding agreement between Auckland Council and Coastguard New Zealand for $824,000 covering the 2020/2021 financial year subject to the following terms and conditions noted below:
   i) funding must only be used for activities in the Auckland region
   ii) for monitoring purposes must be subject to at least the same terms and conditions as required under the Auckland Regional Amenities Funding Act 2008

d) note that the Funding Board is developing a ‘retained earnings’ policy to guide the administration funding requirements of the Funding Board.

Horopaki
Context

9. The Act was put in place to establish a mechanism to provide adequate, sustainable and secure funding for the specified amenities that provide arts and culture, educational and rescue services throughout the Auckland region.

10. The Act established a Funding Board, which is an independent body whose role is to receive annual funding applications from the specified amenities identified in the Act, and to assess what would be a reasonable contribution towards the amenities’ operational costs.

11. The Funding Board assesses the annual funding applications received from the amenities against the funding principles within the Act, and any additional principles adopted by Auckland Council. The funding principles include the following:
   - funding is primarily for provision of facilities or services by the amenities (i.e. operational)
   - funding is not available for capital expenses
   - funding is not for any part of facilities or services provided outside the Auckland region
   - funding is available only if the amenity has made all reasonable endeavours to maximise their funding from other available sources
   - the Funding Board must have regard to council’s proposed rates increase for the forthcoming year
   - the amenities should align their activities to the Auckland Plan, and adopt relevant performance measures.

12. Once the Funding Board has conducted the analysis of the amenities’ funding applications it is required under the Act to prepare a funding plan. The Board must then call for public submissions. Council may provide a submission on the funding plan, as may the amenities themselves. The Funding Board must consider the submissions received when preparing the final funding plan.
13. The Funding Board, having considered any submissions, proposes a total levy to Auckland Council for approval.

14. Council’s decision-making role regarding the levy is confined to providing a submission on the Funding Board’s draft funding plan, reviewing the total levy proposed by the Funding Board, and either agreeing to or rejecting the proposed levy. Allocations to individual amenities are the role of the Funding Board, not the council. The Act requires that the funding plan must provide any information that is necessary for council to make an informed assessment of the annual levy (s25(2)(i)). Council is not able to comment on the amount of the funding being provided to the individual amenities, as it is the role of the Funding Board to analyse the funding requirements of each amenity.

Council’s submission on the 2020/2021 Funding Plan

15. The committee at its 3 December 2019 meeting approved delegation of the council’s submission on the Funding Board’s draft annual plan to the chair and deputy chair of this committee (FIN/2019/122). This submission (attachment C) noted the contribution provided by the Funding Board and the nine regional amenities in making Auckland a better place to live and visit.

16. The submission noted that Auckland’s ratepayers have provided generous financial support to these regional amenities since 2008 (in excess of $166 million over a ten-year period). The submission also highlighted to the Funding Board that there are increasing funding demands on Auckland’s ratepayer budget.

17. The Funding Board’s role in analysing each individual amenities’ allocation is noted and the council appreciates that the conditions which have been applied to the provisional allocation of some grants is highlighted in the draft plan.

Tātaritanga me ngā tohutohu
Analysis and advice

Key elements of the 2020/2021 Funding Plan

18. The final 2020/2021 Funding Plan proposes a total levy of $15,890,500. This represents an overall increase of 2.4 per cent compared to 2019/2020. This amount excludes the $824,000 levy previously requested by Coastguard Northern Region.

19. By way of comparison, the increases for the previous five years were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Funding Levy</th>
<th>$ increase / decrease</th>
<th>% increase / decrease from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/2021* (proposed)</td>
<td>$15,890,500</td>
<td>$386,000</td>
<td>2.4%</td>
</tr>
<tr>
<td>2019/2020</td>
<td>$15,504,500</td>
<td>$877,500</td>
<td>6.14%</td>
</tr>
<tr>
<td>2018/2019</td>
<td>$14,602,000</td>
<td>$576,000 (across nine amenities)</td>
<td>% increase in previous years across ten amenities. Is not relevant due to NZ Maritime Museum’s funding moving to RFA.</td>
</tr>
<tr>
<td>2017/2018</td>
<td>$16,165,500</td>
<td>$23,000</td>
<td>0.14%</td>
</tr>
<tr>
<td>2016/2017</td>
<td>$16,142,500</td>
<td>$994,100</td>
<td>6.56%</td>
</tr>
<tr>
<td>2015/2016</td>
<td>$15,148,400</td>
<td>$837,400</td>
<td>5.85%</td>
</tr>
<tr>
<td>2014/2015</td>
<td>$14,311,000</td>
<td>$215,000</td>
<td>1.53%</td>
</tr>
<tr>
<td>2013/2014</td>
<td>$14,096,000</td>
<td>$344,500</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

*Excludes the Coastguard Northern Region levy.
20. Increases can vary from year to year due to the needs of the individual amenities, and some
one-off factors including an amenity not applying for funding, or a one-off grant being given
to an amenity to fund a strategic review of their business.

**Auckland Rescue Helicopter Trust (Helicopter Trust)**

21. The Funding Plan published by the Funding Board proposed a $460,000 grant to the
Helicopter Trust. This was a similar amount to the previous year.

22. Through the public submission process a letter to the Funding Board from the Helicopter
Trust outlined a proposal for a one-off $150,000 increase in their grant from the Funding
Board to match funding provided by a Helicopter Trust donor (attachment D).

23. Council notes an increase of $150,000 to this amenity in the final Funding Plan approved by
the Funding Board. The final Funding Plan notes the increased allocation is for costs
associated with commission and deployment of new helicopters into the Auckland region.

24. Staff would be concerned if the Funding Board had responded to the Helicopter Trust’s
submission by increasing their grant on a ‘matched funding’ basis, as it could arguably be
inconsistent with the funding principles in the legislation, which notes that the ARAFA
system is funding of last resort. It would be concerning if this became a precedent for other
such arrangements with other entities.

25. The Funding Principles outlined in the Act, specifically Section 21(f), state that:

“funding is available only if the specified amenity has made all reasonable endeavours
to maximise its funding from other available funding sources.

It is therefore incumbent on each amenity to make all reasonable endeavours to raise the
funds necessary for their operation, with the Funding Board to consider how much additional
funding is required to make an amenity sustainable. It is not clear how a ‘matched funding’
arrangement would be consistent with this funding principal.

26. Staff will discuss this further with the Funding Board as ‘matched funding’ may not be
consistent with the Act, and may set a precedent which other amenities may seek to use in
future years.

**Coastguard Northern Region**

27. Coastguard Northern Region (CNR) provides search and rescue capability throughout the
Auckland region from its centre at Mechanics Bay, Auckland.

28. Auckland Council through the ARAFA system has provided funding to this amenity since
2008. CNR has recently approved the merger into Coastguard New Zealand from 1 July
2020, which means that CNR will cease to exist as a legal entity. Coastguard New Zealand
is not eligible to apply for funding under the Act or receive any levy money from the Funding
Board.

29. Staff recommend that funding for coastguard services in the Auckland region for the financial
year 2020/2021 be established through a direct Funding Agreement between Auckland
Council and Coastguard New Zealand to the same amount which would have been provided
through ARAFA ($824,000). Council will in effect be making the financial contribution that
the Funding Board assessed as being appropriate. The services that Coastguard New
Zealand will provide to Auckland will be the same as CNR have been providing to Auckland.

30. Entering into a funding agreement will allow Coastguard New Zealand time to investigate
how it might become part of the ARAFA regime, or to discuss a longer term funding
arrangement with council.
Return of retained ‘earnings’

31. The Plan includes a $200,000 refund to Auckland Council from the Board’s retained earnings. Retained ‘earnings’ are the sums left over after Board administration and director fees have been paid. These are typically kept to provide the Board with money should there be legal challenges to its decisions. These funds have been steadily increasing over time and the Board has made the decision that it should return some of these monies to Council as they are in excess of what it requires as a backstop.

32. The refund is deducted from the 2020/2021 levy request which would otherwise have been $16,914,500, thus reducing the total amount payable to $16,714,500. With the late advice of CNR’s withdrawal from the 2020/2021 levy allocation the final total amount payable by Auckland Council to the Funding Board is $15,890,500.

33. Staff support the Funding Board’s decision in this regard. However, we note that the Funding Board has at the same time increased the administration budget requirements by a further $10,000 which seems unnecessary and contradictory given the surplus return of funds to council.

34. Staff note that the Funding Board is developing a retained earnings policy for the administration requirements of the Funding Board.

Options

35. Under s.34(1)(c) of the Act 2008 the total maximum levy that can be proposed by the Funding Board is the amount equal to two percent of the revenue from rates of the Auckland Council in the previous financial year. This equates to $36,040,000. The final 2020/2021 Funding Plan proposes a total levy of $16,714,500 which represents 46 percent of the maximum amount that could be charged.

36. The Act provides a ‘needs based’ funding mechanism, where the amenities receive the funding they require to keep them sustainable. That level of funding will vary over time for each amenity, due to changes in their operating environments. It is therefore difficult to make direct comparisons with previous year’s levies. The proposed increase in the levy is not out of line with previous year’s increases.

37. In line with council’s role in the Auckland Regional Amenities Funding Act levy process the following options are outlined below.

38. The first option is to approve the levy. Staff have no reason to believe that the proposed levy is contrary to the funding principals contained in the Act, and therefore there is no reason for council to not approve the levy.

39. However, staff note that if the proposed funding increase for the Helicopter Trust was based on a ‘matched funding’ arrangement, then this could potentially be in breach of the funding principles in the Act. However, the Funding Plan does not actually describe the increase as ‘matched funding’. We have therefore proposed a recommendation expressing Council’s concern about the sort of ‘matched funding’ arrangement which appears to have been encouraged by the Helicopter Trust.

40. We also note that the Funding Board has resolved that, given the decision of Coastguard Northern Region to amalgamate into Coastguard New Zealand, it will fix the final levy by removing the funding allocation to CNR at its 28 April 2020 meeting. This will have the effect of reducing the levy by $824,000.

41. The second option is to reject the proposed levy. The Act only gives Council the ability to reject the entire levy, even if it only disagrees with a part of it. Rejecting the levy is not recommended, despite the discussion above about the Helicopter Trust allocation. There is no clear evidence that this allocation was contrary to the Act, and all other allocations appear to satisfy the criteria in the Act.
We therefore recommend the levy is approved. This will reinforce council’s ongoing commitment and long-term support for the work, services and programmes that each amenity provides to Aucklanders across the region. Nonetheless, it is important that each amenity remember that its funding comes from ratepayers, and is ‘funding of last resort’.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

There are no direct impacts or emissions affecting the climate over the lifetime of the decision to approve the Auckland Regional Amenities Funding Board levy for 2020/2021.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

There are no direct impacts for the council group that result from approving the Auckland Regional Amenities Funding Board levy for 2020/2021.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**

**Local impacts and local board views**

Decision making and oversight on regional activities is the responsibility of the Governing Body. This report relates to the funding relationship between the council, the Funding Board and the nine regional amenities.

**Tauākī whakaaweawe Māori**

**Māori impact statement**

The amenities have the ability to make positive contributions to Māori wellbeing, and to deliver on Auckland Plan outcomes and contribute to effective Māori capacity.

Some amenities have outlined the various programmes delivered that contribute to Māori wellbeing.

Additionally, a Funding Board member (Precious Clark) has been appointed to represent the interests of Māori in the Auckland region. Therefore, Māori wellbeing and perspectives are criteria for consideration throughout the Funding Board discussion at meetings.

**Ngā ritenga ā-pūtea**

**Financial implications**

The proposed levy is within the levy cap provided for by legislation but is more than what is budgeted for in the 10-year Budget 2018-2028 because there was no allowance made for increases.

**Ngā raru tūpono me ngā whakamaurutanga**

**Risks and mitigations**

The ongoing risk to council is that the Auckland Regional Amenities Funding system provides little ability for council to ensure value for money from the amenities. There is also no direct accountability to council for the funding that the amenities receive.

The Funding Board works directly with the individual amenities. As well as analysing the funding applications of the amenities, the Funding Board also reviews the amenities’ annual and half year reports. Council would request that the risk be mitigated by the Funding Board continuing to exercise rigorous scrutiny of the amenities’ activities.

There is also the ongoing risk to council from the indicated funding requests from the specified amenities for future years. The indication from the amenities is that they will be seeking substantial increases in future years. This risk is mitigated by the scrutiny that the Funding Board applies to the annual funding applications submitted by the amenities. Any increases to funding would need to be justified by the amenities in terms of the Act’s funding principles.
Next steps
54. If the committee approves the proposed levy, payment will be made to the Funding Board on or before 1 July 2020. As discussed in the report, this amount is anticipated to be the approved levy, minus the allocation for Coastguard Northern Region.

Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2020-2021 Funding Plan</td>
<td>185</td>
</tr>
<tr>
<td>B</td>
<td>Chair’s letter to Auckland Council 9 March 2020 (CNR)</td>
<td>231</td>
</tr>
<tr>
<td>C</td>
<td>Auckland Council Submission to 2020/2021 Draft Funding Levy</td>
<td>233</td>
</tr>
<tr>
<td>D</td>
<td>Auckland Rescue Helicopter Trust - Public Submission 10 Feb 2020</td>
<td>235</td>
</tr>
</tbody>
</table>

Signatories

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Matthew Walker - Group Chief Financial Officer
2020-2021 Funding Plan

AUCKLAND REGIONAL AMENITIES
FUNDING BOARD

March 2020
Contents

CONTENTS .................................................................................................................. 2
CHAIR’S REPORT .................................................................................................... 3
INTRODUCTION ........................................................................................................ 5
BACKGROUND ......................................................................................................... 5
AUCKLAND COUNCIL ............................................................................................. 7
PRINCIPLES OF THE ACT ...................................................................................... 7
ALLOCATION OF GRANTS ..................................................................................... 9
GRANT ALLOCATIONS TO SPECIFIED AMENITIES 2020-2021 ....................... 10

SPECIFIC CONDITIONS ATTACHED TO THE ALLOCATION OF GRANTS ......... 10
INDICATIVE GRANT REQUESTS FOR JULY 2021 TO JUNE 2023 ......................... 12
FUNDING LEVY ..................................................................................................... 13
FINANCIAL INFORMATION .................................................................................... 14
THE BOARD ........................................................................................................... 15
FUNDING BOARD MEMBERS REMUNERATION ................................................ 16

AMOUNT PAYABLE TO THE ADVISORY OFFICER ........................................ 16
ADMINISTRATION ................................................................................................. 17
INTRODUCING THE AMENITIES ...................................................................... 18
AUCKLAND FESTIVAL TRUST ........................................................................ 19
AUCKLAND PHILOHARMONIC TRUST ................................................................ 22
AUCKLAND RESCUE HELICOPTER TRUST ....................................................... 26
AUCKLAND THEATRE COMPANY LIMITED ...................................................... 28
COASTGUARD NORTHERN REGION INCORPORATED ..................................... 31
DROWNING PREVENTION AUCKLAND - WATERSAFE AUCKLAND INC ........ 33
NEW ZEALAND OPERA LIMITED ................................................................. 36
STARDOME - AUCKLAND OBSERVATORY AND PLANETARIUM TRUST .... 39
SURF LIFE SAVING NORTHERN REGION INCORPORATED ......................... 41

SUBMISSIONS PROCESS FOR THE 2020-2021 FUNDING PLAN ...................... 44
DIRECTORY OF SPECIFIED AMENITIES AND ASSOCIATED/RELATED ENTITIES 45
DIRECTORY ............................................................................................................. 46
Chair’s Report

Kua rāranga tahi tātou he whāriki, he i ĥāpai ake ngā whānau o Tāmaki Makaurau.
Collectively, we weave a mat that elevates the people of Auckland.

The 2020-2021 Funding Plan is the first presented since I assumed the role of Chair in July 2019 and will represent the twelfth year the Funding Board has distributed grants to the Specified Amenities.

Since the inception of the current funding arrangement the entities have grown their products, services and facilities and, where appropriate, expanded their reach across the Auckland region. Today more people than ever are benefiting from the role these entities have in serving the greater Auckland area.

Aucklanders are experiencing a vibrant arts scene; safe bustling beaches and harbours; and the stimulating educational and cultural museum facilities that benefit from the increasing levels of activities provided by the entities receiving regional funding. Aucklanders should be proud of the contributions these organisations are making towards Auckland being an exciting and dynamic international city.

In 2020-2021 the entities are again looking to further enhance the experiences enjoyed by those interacting with their organisations, using the facilities, or attending shows or educational programmes and productions put on for the public to enjoy.

During calendar year 2019, several of the Specified Amenities have embarked upon reviews on how their organisations are managed at a governance and / or operational level. In particular, the Auckland Philharmonia Orchestra (APO) has undertaken a significant independent review of its operations and delivery model. This has resulted in recommendations that the Funding Board has considered and is supportive of the board and management of the APO implementing, as evidenced in the proposed increase in funding for 2020-2021.

Similarly, Coastguard Northern Region (CNR) is working with the other regional offices and its national body to determine the best service delivery model for coastguard operations across New Zealand. Due to be completed by 30 June 2020, this is an ambitious project looking to implement an efficient, effective delivery model. This may potentially impact the eligibility for on-going funding under the Auckland Regional Amenities Funding Act 2008. The Funding Board is working with CNR to examine workable solutions to the challenges CNR faces to safeguard funding into the Auckland region.

Since the Funding Board commenced operating it has garnered a large amount of knowledge regarding the operation of these organisations. The board considers it has followed a rigorous assessment process when considering the annual funding applications and determining the allocation of grants for 2020-2021.

It is again pleasing to see in the funding applications received and assessed by the Funding Board that, where appropriate and practical, further specific outcomes relating to the interests of Māori are being
incorporated into the day to day operations of the Specified Amenities. Some of these initiatives are
detailed in the summaries prepared by each organisation further on in this plan.

The grants to specified amenities in 2020-2021 will total $16,564,500, while the 2020-2021 levy
payable by Auckland Council is set at $16,714,500. This represents additional funding towards the
Specified Amenities of $1,400,000 for 2020-2021.

As in previous years, the Specified Amenities continue to return a significant proportion of the annual
levy back to Auckland Council in the form of rent, hire charges, rates, and regulatory charges. In 2020-
2021 that amount is estimated to be close to $2.0 million. It is important, in the interests of financial
transparency, that these transactions are properly recorded to reflect the true costs of providing these
services for the enjoyment of Aucklanders.

The rapidly changing nature of Auckland and its recognition as a destination city is putting pressures
on the Specified Amenities that were not present five to six years ago. For example, the exceptionally
high demand for inner-city hotel accommodation continues, meaning that those amenities that rely
on overseas artists to deliver their performances are continuing to face significant cost increases as
hotel occupancy rates remain at record high levels.

During 2019 new board members joined the Funding Board and quickly assimilated themselves,
becoming familiar with Funding Board processes and the Specified Amenities themselves.

I would like to take this opportunity to thank my Board colleagues for their diligence and professional
work during the development of the 2020-2021 Funding Plan. They all approach their work for the
Funding Board with a high degree of commitment and integrity. Individually and collectively, they
bring with them a wealth of experience, skills and abilities that continues to give me confidence that
the 2020-2021 Funding Plan is one that delivers a mechanism to provide adequate, secure and
sustainable funding within a fiscally responsible framework.

Anita Killeen
Chair

March 2020
Introduction

This Funding Plan, covering the period 1 July 2020 to 30 June 2021 is the twelfth plan published by the Auckland Regional Amenities Funding Board, (Funding Board).

The 2020-2021 Funding Plan represents the eleventh year that the Funding Board has assessed and recommended the distribution of grants to the Specified Amenities, and it will be the twelfth year that grants will be distributed to the amenities. The Funding Board believes that the levels of funding proposed in this plan are in line with the key funding principles outlined in the Act, and in accordance with the primary purpose of the Act, namely the provision of a mechanism for adequate, sustainable and secure funding for the Specified Amenities.

Background

The Funding Board was established with the introduction of the Auckland Regional Amenities Funding Act 2008. The Act introduced a levy to be imposed on Auckland Council. The levy is collected by the Funding Board and distributed as grants to the Specified Amenities named in the legislation. The purpose of the Act is to establish a mechanism that provides funding to support the on-going sustainability of the organisations named in the Act who deliver arts, culture, recreational, heritage, rescue services and other facilities and services to the wider population of the Auckland region. All amenities make significant contributions towards making Auckland an attractive global city.

In this twelfth year, the maximum funding permissible as defined in the Act of being no more than 2% of the rates collected by Auckland Council in the previous financial year. For 2020-2021, the maximum levy cap has been calculated as $36,040,000. The Funding Board assesses each application on its merits and does not regard the maximum levy cap as either a target or a notional budget to work towards. The 2020-2021 levy represents 46.37% (45.12% - 2019-2020) of the levy amount permitted under the legislation.

On a day to day basis, the Funding Board is not responsible for the governance of any of the entities named in the Act. The sole purpose of the Funding Board is to administer the provisions of the Act which primarily comprises determining the levy to be collected from Auckland Council, and then distributing that as grants to the Specified Amenities. Each of the Specified Amenities retains its own board of governance and management and is therefore responsible for the decisions made regarding the operations of the organisation. Decisions made by an amenity that may have operational funding implications do not automatically trigger an increase in grant funding to contribute to any increased costs associated with those decisions.

Similarly, increased public expectations of service delivery need to be tempered with the willingness of the public and other users to pay for such services. If other users of a service are unwilling or unable to increase the amounts paid, it does not automatically mean that increased grant funding will be made available through this regional funding process.
Additionally, the availability of regional funding via the Funding Board for the Specified Amenities does not replace the requirement for each of the Specified Amenities to continue raising funds from other sources. The Funding Board is aware that in some cases, the ability for some of the amenities to access those resources is becoming more challenging, in part because they are a recipient of funding via the Funding Board. In other instances, continued support from the Funding Board may assist, providing confidence to other funders around matters of relevance, sustainability and governance of the amenity. Some amenities are particularly successful with their fundraising activities, reducing their reliance on this grant funding. Whatever circumstances apply, the Board is cognisant of both the statutory requirement and Auckland Council’s request that amenities must make all reasonable endeavours to maximise funding from other available funding sources.

Grants provided through the regional funding provisions, are assessed on an annual basis. That means annual funding applications are assessed on their own merit, allowing changes in economic and environmental matters to be considered as they arise. It allows grants to either increase or decrease as the Board considers appropriate, noting that the Act does not stipulate that annual grant funding should remain at a minimum or constant level.

The relative certainty of obtaining on-going regional funding via the Act enables each of the amenities to plan both strategically and operationally. Over time that funding security has enabled amenities to demonstrate to the Funding Board significant improvements, both in regional reach and the quality of the services being delivered to residents of Auckland.

The grants distributed to the amenities are derived from a levy paid to the Funding Board by Auckland Council, and by extension, the ratepayers of Auckland. Both the Funding Board and amenities are aware of the source of this funding; accordingly, each amenity ensures that advertising, promotional material and funding acknowledgements recognise the role of Auckland Council and the ratepayers of Auckland.

The Funding Board recognises that for some of the amenities the grants are the largest single source of funding received. However, there are also numerous other partner organisations involved in supporting them and funding many aspects of the amenities work, some of which is highlighted in this Plan. That is important, as the nature of much of their work is dependent upon developing and maintaining strong links with partners to ensure consistent and sustainable service delivery.

The Funding Board has not received any requests from Auckland Council to consider adding new Specified Amenities.
Auckland Council

The Funding Board remains mindful that it must act in accordance with the legislation and needs to fulfil its obligations to provide a mechanism for adequate and sustainable funding to the Specified Amenities. The Funding Board undertakes a thorough and comprehensive review of all applications received to ensure that the amount provided is justified and that the Board is fulfilling its legislative requirements. The Funding Board welcomes regular meetings with Auckland Council representatives to learn of the issues facing the Council as well as the goals and aspirations Auckland Council is hoping to achieve.

Principles of the Act

The funding principles are embodied in s.21 of the Auckland Regional Amenities Funding Act 2008. These principles are summarised below:

1. the primary purpose of the funding is to contribute to the expenses that the specified amenity must incur to provide its facilities or services;
2. funding is not available for capital expenditure; and
3. funding is not available for any part of facilities or services that the specified amenity provides outside the Auckland region; and
4. funding is not available for facilities or services that at any time in the five years immediately before the date on which the Funding Board or the Auckland Council applies this paragraph have been provided funding by –
   i. a Crown entity as defined in section 7(1) of the Crown Entities Act 2004; or
   ii. a department specified in Schedule 1 of the State Sector Act 1988; and
5. funding for the retention and preservation of a specified amenity’s library or collection takes priority over the amenity’s other expenses; and
6. funding is available only if the specified amenity has made all reasonable endeavours to maximise its funding from other available funding sources; and
7. total funding for all Specified Amenities assessed for a financial year must not exceed the maximum total levy for that year under section 34; and
8. total funding for all Specified Amenities assessed for a financial year should have regard to Auckland Council’s proposed rates increases for the forthcoming year; and
9. funding is available only if the specified amenity has made all reasonable endeavours to align its activities (in the Auckland region, and for which it seeks funding) with the objectives of the Auckland Plan, including by adopting relevant performance measures.

Note: (8) and (9) above were introduced by Auckland Council on 25 November 2012.
Under provisions within the Act, the Funding Board must have regard to the Funding Principles when considering a funding application from a Specified Amenity and Auckland Council must decide whether to approve the recommended levy, after also having regard to those Funding Principles.

Each year the Funding Board requests that Specified Amenities complete an application form (currently in eight parts) seeking comprehensive information about the organisation:
(1) Overview of Services
(2) Performance targets – Activity and Alignment
(3) Governance and related structures
(4) Financials
(5) Revenue in detail
(6) Expenditure in detail
(7) Future financials
(8) Other matters – including sustainability measures.

Having received applications from Amenities that wish to be considered for funding, the Board reviews these and seeks any supplementary information it requires. As specified in the Act, the Funding Board Chairperson and an Auckland Council representative met to confer before the Draft Funding Plan is publicly notified for submissions over a one-month period. The Funding Board then publicly considers any written and/or oral submissions, considers that material, makes any modifications to the Plan that it considers appropriate in light of the submissions and then refers the Funding Plan to Auckland Council seeking approval of the Board’s recommendation on the levy.

The above process involves the provision and review of substantive amounts of information about each Specified Amenity. It includes declarations from each that their application complies with the Funding Principles (with any additions) set out in Section 21 of the Auckland Regional Amenities Funding Act 2008.

In addition to the comprehensive amounts of information submitted as part of the annual application by each amenity, the Funding Board’s independent auditors also conduct their own sample checks annually to verify adherence to the Funding Principles. That involves reviewing the entire funding application and subsequent reporting processes for an amenity over a two-year period.

In light of the above, the Funding Board:
- having considered the information and declarations provided in support of the Specified Amenities respective funding applications for 2020-2021; and
- having had regard to the Funding Principles as defined in s21 of the Act,
is satisfied that the Specified Amenities and the Funding Board are following the principles within the Act as set out on page 7.
 Allocation of Grants

The Funding Board has undertaken a rigorous examination of the funding applications made by the Specified Amenities and has made an allocation of grants for the 2020-2021 financial year.

Each Specified Amenity that wishes to be considered for a grant under the provisions of the Act is required to submit a funding application in accord with the requirements of the Act. The Funding Board has exercised its right under the Act to request additional information. A comprehensive funding application form is used to capture the minimum information specified under the Act, as well as more detailed information to verify compliance with Funding Principles outlined in section 21 of the Act. That includes illustrating the steps each of the Specified Amenities take to align activities with the objectives of the Auckland Plan and the outcomes it seeks.

The table on page 10 sets out the allocation of grants to each of the Specified Amenities. Any conditions placed on the grants or directions on how a portion of the grant is to be used by the amenity are listed after the table.

The Funding Board is aware that the key purpose of the Act is to provide a mechanism for adequate, sustainable and secure funding. The Funding Board believes that the levels of funding allocated in the 2020-2021 Funding Plan, will satisfy that obligation for most amenities.
## Grant Allocations to Specified Amenities 2020-2021

<table>
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<tr>
<th>Specified Amenity</th>
<th>Grant Allocation 2019-2020</th>
<th>Amenity Funding Application 2020-2021</th>
<th>Grant Allocation 2020-2021</th>
<th>Year on Year Change 2019-2020 to 2020-2021</th>
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<td>Auckland Festival Trust</td>
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<td>Auckland Philharmonia Trust*</td>
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<td>Auckland Rescue Helicopter Trust</td>
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<td>Stardome - Auckland Observatory and Planetarium Trust Board</td>
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<td>Surf Life Saving Northern Region Incorporated</td>
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<td><strong>Total Grants Payable</strong></td>
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<td><strong>$16,564,500</strong></td>
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<td><strong>Total Grants and Administration Costs</strong></td>
<td><strong>$15,504,500</strong></td>
<td><strong>$18,323,445</strong></td>
<td><strong>$16,914,500</strong></td>
<td><strong>$1,410,000</strong></td>
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<td>LESS Funded from Retained Earnings</td>
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<td><strong>Total Levy Payable by Auckland Council</strong></td>
<td></td>
<td>$15,714,500</td>
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*APO 2019-2020 included a one-off grant of $75,000 as a contribution towards the cost of the APO review undertaken in the 2019 calendar year. Therefore, the gross increase for the APO in 2020-2021 is $715,000.

### Specific Conditions Attached to the Allocation of Grants:

In 2020-2021 the Funding Board has attached the following conditions to the grants:

**Auckland Festival Trust:**

As the Whānui programme was previously co-funded between Creative New Zealand (a Crown Entity) and Foundation North, no portion of the ARAFB grant funding shall be used for the delivery of the Whānui programme. This is in accordance with section 21(1)(d) of the Act.

**Auckland Philharmonia Trust:**

1. $80,000 as a one-off contribution in 2020-2021 for the specific purpose of APO engaging appropriately skilled human resources personnel to assist with migrating APO orchestra players to a new operating model (the proposed ‘Salary Model’) as outlined by the APO in its 2020-2021 Funding Application.
II. $560,000 as a transition contribution to player remuneration under the ‘Salary Model’ and to be applied by the APO on implementation of the proposed new ‘Salary Model’ during the 2020-2021 year (1 July 2020 to 30 June 2021).

III. The continued contribution of the $560,000 referred to in (II) above is conditional on the APO Board, management and players agreeing to implement the proposed ‘Salary Model’ with effect from no later than 1 July 2021, otherwise the $560,000 referred to in (II) above, will be withdrawn and treated as a one-off payment.

**Coastguard Northern Region Inc.:**

Prior to payment of the 2020-2021 ARAFB grant, the Funding Board (in its sole discretion) must be satisfied in all respects including the proposed governance, management and operations of the organisation that will be operative from 1 July 2020 following the implementation of the Royal New Zealand Coastguard’s Project Horizon project, and how that impacts Coastguard Northern Region Inc., and the delivery of services into the Auckland region.

**New Zealand Opera Ltd:**

No portion of the ARAFB grant funding shall be used for the “Lullaby” or “Star Navigator” programmes. New Zealand Opera is to ensure that ARAFB grant funding is used only for activities within the Auckland Council area and funding is not used to subsidise activities in other parts of the country.

**Auckland Rescue Helicopter Trust:**

The Funding Board has granted a one-off grant of $150,000 for 2020-2021 to fund extraordinary costs associated with the commissioning and deployment of the new rescue helicopters into the Auckland region.
**Indicative Grant Requests for July 2021 to June 2023**

Each year the Specified Amenities are required to indicate what level of funding they may seek in the subsequent two financial years, i.e. 1 July 2021 to 30 June 2022, and 1 July 2022 to 30 June 2023. The table below provides those indicative figures. Funding applications are considered annually so these indicative figures are subject to change.

However, future requests for any large increases in operational grant funding must have undergone sound, thoroughly worked through and open discussions with the Funding Board and Auckland Council before they are likely to be considered. No automatic increase in grant funding can be assumed by amenities.

<table>
<thead>
<tr>
<th>Specified Amenity</th>
<th>Indicative Grant Request: 2021-2022</th>
<th>Indicative Grant Request: 2022-2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland Festival Trust</td>
<td>$4,650,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Auckland Philharmonia Trust</td>
<td>$4,772,729</td>
<td>$4,915,911</td>
</tr>
<tr>
<td>Auckland Rescue Helicopter Trust</td>
<td>$1,074,000</td>
<td>$1,074,000</td>
</tr>
<tr>
<td>Auckland Theatre Company Limited</td>
<td>$2,313,000</td>
<td>$2,482,000</td>
</tr>
<tr>
<td>Coastguard Northern Region Incorporated</td>
<td>$949,500</td>
<td>$968,500</td>
</tr>
<tr>
<td>Drowning Prevention Auckland - WaterSafe Auckland Inc.</td>
<td>$1,100,000</td>
<td>$1,125,000</td>
</tr>
<tr>
<td>New Zealand Opera Limited</td>
<td>$1,537,500</td>
<td>$1,575,900</td>
</tr>
<tr>
<td>Stardome - Auckland Observatory &amp; Planetarium Trust Board</td>
<td>$1,600,000</td>
<td>$1,640,000</td>
</tr>
<tr>
<td>Surf Life Saving Northern Region Incorporated</td>
<td>$1,600,000</td>
<td>$1,650,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$19,596,729</strong></td>
<td><strong>$20,431,311</strong></td>
</tr>
</tbody>
</table>
Funding Levy

The maximum levy that can be charged for 2020-2021 and future financial years is specified in s.34(1)(c) of the Act, which is:

"...the amount equal to 2% of the revenue from rates of the Auckland Council in the previous financial year."

The total maximum levy for 2020-2021 has been calculated as $36,040,000. This is based on the annual rates revenue stated as $1,802 million in Auckland Council’s 2019 Annual Report.

For 2020-2021, the Funding Board is proposing a gross levy of $16,714,500 (46.37% of the maximum) to be apportioned as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>2020-2021</th>
<th>2019-2020</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated to nine Specified Amenities</td>
<td>$16,564,500</td>
<td>$15,164,500</td>
<td>9.23%</td>
</tr>
<tr>
<td>Administration costs</td>
<td>$350,000</td>
<td>$340,000</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Total Auckland Council Levy</strong></td>
<td><strong>$16,914,500</strong></td>
<td><strong>$15,504,500</strong></td>
<td>9.1%</td>
</tr>
<tr>
<td>LESS Funded from Retained Earnings</td>
<td>($200,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Levy Payable by Auckland Council</strong></td>
<td><strong>$16,714,500</strong></td>
<td><strong>$15,504,500</strong></td>
<td>7.8%</td>
</tr>
</tbody>
</table>

The levy payable in 2019-2020 in respect of grants to the nine amenities was $15,164,500. The grants in 2020-2021 to the nine amenities is $16,564,500, representing an overall increase of $1,400,000, (9.23%) compared to 2019-2020 and a net levy increase of 7.8%.

The levy is payable by Auckland Council in full to the Funding Board on 1 July 2020. The levy will be distributed as grants to the Specified Amenities no later than 15 August 2020.
Financial Information

Income & expenditure in relation to the levies received

<table>
<thead>
<tr>
<th></th>
<th>2020-2021</th>
<th>2019-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levy receivable</td>
<td>$16,714,500</td>
<td>$15,504,500</td>
</tr>
<tr>
<td>Total</td>
<td>$16,714,500</td>
<td>$15,504,500</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to be distributed to amenities</td>
<td>$16,564,500</td>
<td>$15,164,500</td>
</tr>
<tr>
<td>Honorarium</td>
<td>$201,250</td>
<td>$189,750</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>$8,600</td>
<td>$9,000</td>
</tr>
<tr>
<td>Administration costs</td>
<td>$10,150</td>
<td>$10,250</td>
</tr>
<tr>
<td>Advisory Services</td>
<td>$59,000</td>
<td>$58,000</td>
</tr>
<tr>
<td>Legal and Consultancy</td>
<td>$71,000</td>
<td>$73,000</td>
</tr>
<tr>
<td>Total</td>
<td>$16,914,500</td>
<td>$15,504,500</td>
</tr>
<tr>
<td>Net Surplus/(deficit – funded from Retained Earnings)</td>
<td>($200,000)</td>
<td>$0</td>
</tr>
</tbody>
</table>

For 2021-2022 and subsequent years, the levy has not been set. The setting of those levies will follow the guidelines prescribed in s.34 of the Act.

The Inland Revenue Department has determined that the portion of levy collected and then distributed to the Specified Amenities as grants ($16,364,500) is not subject to GST. That portion of the levy collected for administration costs ($350,000) is subject to the normal rules applying to the supply of goods and services and is therefore subject to GST.

Auckland Council provides other services to the Funding Board from time to time. The Funding Board will make full reimbursement as required and pay for services as agreed. For example, the honorariums payable to board members are managed and paid through the Auckland Council payroll system. The Funding Board will fully reimburse Auckland Council for these and any other costs incurred on behalf of the Board.
The Board

The Auckland Regional Amenities Funding Board was established by the Auckland Regional Amenities Funding Act 2008. The members of the Funding Board are selected and appointed by Auckland Council and the Amenities Board for a three-year term in accordance with the procedures outlined in the Act.

The current members of the Funding Board are:

<table>
<thead>
<tr>
<th>Member</th>
<th>Term of office expires</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 May 2020</td>
</tr>
<tr>
<td>Ms Anita Killeen - Chair</td>
<td>⬜</td>
</tr>
<tr>
<td>Ms Catherine Harland – Deputy Chair</td>
<td>⬜</td>
</tr>
<tr>
<td>Ms Paula Browning</td>
<td>⬜</td>
</tr>
<tr>
<td>Ms Victoria Carter</td>
<td>⬜</td>
</tr>
<tr>
<td>Ms Precious Clark</td>
<td>⬜</td>
</tr>
<tr>
<td>Ms Lyn Lim</td>
<td>⬜</td>
</tr>
<tr>
<td>Ms Megan McSweeney</td>
<td>⬜</td>
</tr>
<tr>
<td>Mr Bryan Mogridge</td>
<td>⬜</td>
</tr>
<tr>
<td>Mr Scott Pearson</td>
<td>⬜</td>
</tr>
<tr>
<td>Mr Vern Walsh</td>
<td>⬜</td>
</tr>
</tbody>
</table>

Auckland Council and the Amenities Board are undertaking a process to appoint new Board Members within the provisions and timeframes stipulated in the Act. Five of the existing Board Members have been reappointed by Auckland Council and the Amenities Board for a further three-year term. Auckland Council is currently seeking to appoint one remaining vacancy for the 2020-2023 term.
Funding Board Members Remuneration

The rates of remuneration for members for the year commencing 1 July 2020 must be approved by Auckland Council. The rates of remuneration approved by Auckland Council for 2020-2021 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020-2021</th>
<th>2019-2020</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>$35,000</td>
<td>$33,000</td>
<td>+$2,000</td>
</tr>
<tr>
<td>Deputy Chair</td>
<td>$26,250</td>
<td>$24,750</td>
<td>+$1,500</td>
</tr>
<tr>
<td>Members (8)</td>
<td>$17,500</td>
<td>$16,500</td>
<td>+$1,000</td>
</tr>
</tbody>
</table>

Amount Payable to the Advisory Officer

No arrangements have been entered into with Auckland Council regarding the appointment of an Advisory Officer for the period 1 July 2020 to 30 June 2021 or subsequent periods.

The Funding Board has appointed an Advisory Officer for 2019-2020. The board may consider re-appointing the current Advisory Officer for the period 1 June 2020 to 31 May 2021. The rate of remuneration for 2019-2020 was set at $4,875 per month, with the option for the parties to renew the existing contract for a further period. The rate of remuneration for 2020-2021 has yet to be determined.
Administration

The Funding Plan must disclose the maximum amount of the Funding Board’s reasonable administrative costs.

For the 2020-2021 financial year, the proposed administrative costs are $350,000.

The administrative costs cover the honorariums of members, plus the cost of the Advisory Officer and all other administrative costs, such as secretarial services, printing, advertising, meeting costs, legal and other consultancy or professional advice received.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levies for Grants</td>
<td>$15,164,500</td>
<td>$16,364,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Levies for Admin Costs</td>
<td>$340,000</td>
<td>$350,000</td>
<td>$360,000</td>
<td>$370,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$15,504,500</td>
<td>$16,714,500</td>
<td>$360,000</td>
<td>$370,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit fees</td>
<td>$9,000</td>
<td>$8,600</td>
<td>$9,000</td>
<td>$9,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants distributed</td>
<td>$15,164,500</td>
<td>$16,564,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal fees</td>
<td>$35,000</td>
<td>$33,000</td>
<td>$34,000</td>
<td>$34,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory Officer</td>
<td>$58,000</td>
<td>$59,000</td>
<td>$59,000</td>
<td>$60,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants</td>
<td>$38,000</td>
<td>$38,000</td>
<td>$38,000</td>
<td>$38,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board member fees</td>
<td>$189,750</td>
<td>$201,250</td>
<td>$210,000</td>
<td>$218,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration expenses</td>
<td>$10,250</td>
<td>$10,150</td>
<td>$10,000</td>
<td>$10,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$15,504,500</td>
<td>$16,914,500</td>
<td>$360,000</td>
<td>$370,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/ (deficit – funded from Retained Earnings)</td>
<td>0</td>
<td>($200,000)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Introducing the Amenities

The Specified Amenities funded under the Auckland Regional Amenities Funding Act 2008 provide a wide range of experiences and services to people across the greater Auckland region each year.

Each of the nine Specified Amenities that the Funding Board intends to provide grants to in 2020 - 2021 have prepared a brief outline regarding the activities that it plans to undertake during that period.

When submitting their annual funding application, the Specified Amenities provide comprehensive amounts of information to the Funding Board to substantiate the funding requests, including supplying sufficient information to satisfy the requirements of the relevant Funding Principles, noting that not all the Funding Principles relate to all the amenities, e.g. not all amenities have libraries or collections (s21(e) of the Act).

All the Specified Amenities are required to, and have, illustrated alignment to the objectives of the Auckland Plan (where relevant) and prepared performance measures against which to measure their progress. As noted elsewhere, grant allocations received via the annual Auckland Regional Amenities Funding Plan process form a proportion of the Specified Amenities overall funding, so the amenities must also consider the expectations and requirements of other funders when determining all their outputs and outcomes.
Auckland Festival Trust

The Auckland Arts Festival (AAF) produces and presents a world-class arts festival that engages Aucklanders in the arts, their communities and their city. The Festival programme reflects Auckland’s diversity, reaches across the entire Auckland region, and builds future audiences for the arts. As a major commissioner of new New Zealand work and a significant art employer, AAF supports Auckland/NZ artists and arts practitioners with a focus on developing and staging Māori, Pacific and NZ Asian work.

Since 2003 AAF has engaged with more than two million people enhancing the liveability and vibrancy of the city and increasing Auckland’s standing as a major (and growing) international cultural destination and driving visitation. AAF employs a skilled and diverse workforce with a commitment to tikanga Māori, who commission and deliver a programme that ensures greater access for all Aucklanders.

AAF 2020-2021 will see a comprehensive creative learning programme delivered to schools and communities across Auckland. In addition, new opportunities will be introduced for tertiary students and emerging arts industry practitioners to develop skills through participation in festival planning and delivery through mentorships and secondments.

Education Programmes for Schools:

- Subsidised performance tickets to shows that could not be seen outside of the Festival; many selected to positively reflect the diverse communities of Auckland.
- An extensive visual arts programme including AAF commissioned works and seminars around these.
- International works specifically programmed for young people with both family and dedicated schools’ performances presented regionally.
- Works in Te Reo touring to schools across Auckland in partnership with Taki Rua Productions.
- Development of curriculum-based resources to enhance understanding of work.
- Workshops and masterclasses with national and international artists.
- Opportunities to participate in the creation of work which will be presented at the Festival (e.g. Whānui Eye Spy).
- Partnerships with other Auckland based arts companies, including the Auckland Philharmonia, Silo, Auckland Live, Auckland Theatre Company, Te Pou and New Zealand Opera to increase attendances and ongoing educational opportunities for students.

In selecting shows for schools from the festival programme AAF prioritises performances that link with the school curriculum, integrate with core annual teaching programmes, and which develop future youth audiences for AAF and the arts wider sector.
Approval of the Auckland Regional Amenities Funding Levy 2020-2021

Item 13

Attachment A

AAF will continue to seek financial support for buses and heavily discounted tickets in order to increase attendances from low-decile schools, particularly those from South and West Auckland. Up to 25% of students taking part in the AAF creative learning programme come from these communities.

Creative learning programmes for Tertiary Students, Arts Graduates and Arts Industry

- Provide up to three internships for graduate students studying in the arts across technical, administration, marketing and communication areas.
- Through Toitū Te Reo initiative led by AAF Māori staff, work with interns from Māori and Pacific communities, in partnership with organisations such as Toi Māori Aotearoa and Tautai Trust.
- Provide mentoring opportunities for emerging arts practitioners in arts administration & budgeting, marketing and production planning to build their industry capability.
- In March each year schedule workshops for professional artists taken by leading international artists, designers and directors. Where practical allocate some observation places to these for senior secondary and tertiary students.

Community Programmes

AAF has a strong record of producing and delivering successful region wide community programmes across Auckland and will build this further in 2021. The focus will be on increasing participation in community activities through:

- A regional tour of up to 10 Auckland communities (plus schools where appropriate) of shows suitable for children and families, including one work in Te Reo in partnership with Taki Rua Productions (toured Kuia and the Spider in 2019). The AAF will also continue to seek international work suitable for small scale touring aimed at youth and family audiences.
- A major low-cost outdoor event for up to 30,000 attendees (e.g. Place Des Ange at Auckland Domain planned for 2020) that appeals to all sectors of Auckland’s population, and is non-language specific will also be undertaken in 2021.
- Continuation of Whānui working with up to five communities outside of the CBD. This resource heavy programme will need a significant increase in funding support from multiple sources, if it is to be delivered at full capacity. Previously this programme received additional funding through the Auckland Diversity Fund supported equally by Foundation North and Creative NZ.
- Visual arts projects co-produced by AAF with key galleries including Te Tahi, Te Uru, Fresh, Depot and AAG. Other visual arts exhibition across Auckland’s galleries will be supported by inclusion in the festival programme on a submission’s basis. In most cases this will be free entry.

The Festival is committed to delivering to more Aucklanders through its comprehensive arts Accessibility and Inclusion programme. This includes work suitable for Auckland’s deaf and vision impaired communities, consisting of touch tours, audio described and sign language interpreted performances as well as introductory written notes and half-price concession tickets for companions or support workers.

In 2021 we will extend this programme and introduce more relaxed performances for audiences that may benefit from a more relaxed environment including (but not limited to) those with autism, sensory and communication disorders and learning-disabled people.
AAF has developed a three-year Māori Language Plan which is in its first year of implementation.

Through its Toitū Te Reo programme strand the Festival is ensuring its commitment to tangata whenua and te reo Māori, the first language of Aotearoa/New Zealand. Auckland Arts Festival is undertaking a commitment to normalise te reo Māori within the Festival.

Through its Māori staff, Pou Tikanga and leadership team AAF works closely with mana whenua to manaakitanga manuhiri across the festival and through artist Pōwhiri for international guests. All AAF staff support this through all staff learning and singing waiata (year-round).

Commissioning and presenting partnerships with Māori arts companies, producers, and organisations will continue. Stage work telling Māori stories (theatre, dance, kapa haka, waiata, other contemporary music) in the festival, will be mentored and led by AAF Māori staff.

As a leader in the arts in Auckland, and NZ, AAF commissions work from Māori, Pasifika and Asian artists to tell contemporary Auckland and Aotearoa/NZ stories, often working in partnership with other arts companies to produce and stage these. In 2020, AAF is working with Taki Rua Theatre Company, Te Rēhia, Auckland Theatre Company, Silo Theatre and Te Tuhi Art Gallery. Two of these works are presented in te reo Māori as part of the Toitū Te Reo programme strand.

The AAF has an extensive programme of activity scheduled for the 2020 Auckland Arts Festival in March 2020. Full details of these are available from the AAF and in its 2020 programme document.
Auckland Philharmonia Trust

The Auckland Philharmonia Orchestra (APO) is the country’s designated Metropolitan Orchestra, serving the largest and most vibrant city in New Zealand with more than 70 concerts and events throughout the year. At the core of our work, are self-presented concerts with a broad range of performances including both classical and contemporary concerts, new music premieres and artistic collaborations.

Equally important is our community and outreach work. Through our Connecting Department, APO presents the largest orchestral education and outreach programme in New Zealand which benefits, on average, more than 25,000 Aucklanders. The programme operates throughout Auckland, with an emphasis on South Auckland.

The viewership of APO’s livestreams has continued to expand over the last 12 months, growing from around 130,000 (July 2017-June 2018) to well over 240,000 (July 2018-June 2019).

As detailed in the Auckland Plan the APO, as one of Auckland’s leading arts organisations, helps the Council deliver key values by:

- Supporting a range of arts and cultural activities that reflect Auckland’s diversity.
- Providing a range of arts, cultural and heritage experiences that all Aucklanders can enjoy.
- Integrating arts and culture as part of everyday lives.
- Providing innovative and flexible options to meet the changing lifestyles of all Aucklanders including programmes for older people and disabled people.
- Continuing to build the sectors capability to deliver quality recreation and sport experiences.

With the fast pace of change in the Auckland demographic, a key challenge for an orchestra is to maintain relevance. APO reviews its programme of offering annually and makes changes to adapt to Auckland’s increasing diversity.

The variety of APO’s offering across targeted age groups, demographics and physical locations helps us to meet this challenge. The introduction of specific family focused events in 2018-2019 has made a solid start in this area although we are aware that we need to continue to gain depth of understanding of this market for maximum impact. We will be continuing this in 2020-2021.

Major education, community and outreach programmes APO Connecting will run in 2020-2021 are shown below.
The APO will continue to present a diverse offering centred at the Town Hall in the key arts precinct. Concerts and activities include:

- Main concert series (over 40 concerts presented annually)
- Opera in Concert
- One-off special concert presentations e.g. Star Man in Aotea Centre, Pesel Fasil Pūorul Music is for everyone at Vodafone Events Centre
- Three free Community Classics concerts staged in Central, South and West Auckland
- APO 4 Kids
- Open Rehearsals for APO supporters
- Young Achiever performances around Auckland in a variety of different events and venues.

The APO will present our diverse offering at the Vodafone Events Centre in Manukau. Concerts and activities include:

- Kiwi Kapers concert for primary and intermediate schools
- Wairua Harikoa concert for pre-school aged children
- Play in South, opportunity for music students to rehearse and perform with the APO
- Pesel Fasil Pūorul Music is for everyone at Vodafone Events Centre
- Community Classics, free concert for the local community.

The APO will continue to support and perform as part of:

- New Zealand International Film Festival (in Auckland)
- Auckland Arts Festival
- Michael Hill International Violin Competition
Item 13

• Summer in the Square
• Royal New Zealand Ballet
• New Zealand Opera

In staging its performances, the APO is supporting the provision of regular, large night-out event options in the central city:
• Regular use of transport options
• Exciting hub feel created through large number of people gathered in central city for event
• Provision of regular entertainment options of high calibre for tourists
• Corporate Hospitality options for businesses to host existing and prospective clients as well as staff
• Curation of annual commissioning programme to create new works relevant to this city and its people and stories
• Continue to raise awareness of Auckland as an international city through livestreams of selected concerts.

The APO facilitates opportunities to participate in cultural experiences that nurture a long-term interest in the arts and music:
• Strengthen the offering for Asian communities through performances in high population demographic areas e.g.: Takapuna/Bruce Mason Centre and bilingual advertising
• Offer free community concerts around the city for shared family experiences
• Bring young people together and provide access to arts through APO Go scheme
• Strengthen orchestral community via mentoring community orchestras such as Auckland youth Orchestra
• Focus talent in young musicians via the Inspire Partnership Programme and Haydn Staples Piano Scholarship Programme
• Engage Onehunga students in the Can you be a Conductor leadership programme
• Host annual summer school programme for young musicians aged 12-17 years old
• Produce Play in South. An opportunity for music students based in South Auckland to rehearse and perform with the APO
• Invite Sistema Aotearoa orchestras to perform alongside APO at Pesel Fasil Pūorul

Specific initiatives directed at Māori identity and wellbeing include:
Te Rāngai Puoro Tautini o Tāmaki Makaurau, Auckland Philharmonia Orchestra recognises the uniqueness of Tāmaki Makaurau founded on te Tiriti o Waitangi and shaped over generations by mana whenua and mātāwaka. As a leading arts organisation within Tāmaki Makaurau the APO is committed to embracing Māori culture and identity where appropriate and seeks opportunities to advance our engagement with te ao Māori across all aspects of the organisation.

We hold strong values of manaakitanga and this is reflected in our whakataukī: ‘Ko Te Rāngai Puoro Tautini o Tāmaki Makaurau te hā o te aro ki Tāmaki whānui, me te whakaaha i te manawaroa mō te rāngai puoro.’ (Auckland Philharmonia Orchestra is the musical heart of Auckland and its communities and inspires a lifelong love of orchestral music.)
The APO will be looking to:

- Partner with TKKM schools
- Work with social intervention groups such as VOYCE to provide opportunity for tamariki to attend APO events and concerts
- Take opportunities, where appropriate, to celebrate Māori identity and culture with tamariki and rangatahi through APO performances
- Ongoing opportunities for whānau Māori to attend specific APO events such as APO 4 Kids, and Wairua Harikoa
- Provide opportunities for tamariki and rangatahi to perform to their own communities and whānau such as Play in South, Big Play in and Pese Fasi Puoru
- Working with Māori artists across mainstage and Connecting programmes
- Partnering with TKKM schools on the APOPS programme
- Grow capacity within the APO of staff with basic knowledge of te reo Māori
- Seek to advance our use of te reo Māori in appropriate APO offerings such as preconcert announcements, te reo Māori within newly commissioned works and te reo Māori in relevant marketing collateral
- Provide education resources in te reo Māori for selected APO Connecting events.

The APO is looking to implement a new operating model similar to that used by full-time professional orchestras around the world. This is a staged piece of work that the APO board, management and players will be working on over the next 12-24 months. The implementation of a new model necessitates a higher level of grant as noted in the increased proposed grant for 2020-2021 and the conditions detailed on pages 10-11.

The APO has an extensive programme of activity scheduled for 2020 and 2021. Full details of these are available from the APO and in its 2020 programme document.
Auckland Rescue Helicopter Trust

The purpose of the Auckland Rescue Helicopter Trust (ARHT) is to deliver a fully integrated Helicopter Emergency Medical Service (HEMS) providing air ambulance, search & rescue and emergency medical transfer services for the diverse communities of Auckland and the Coromandel regions.

ARHT performs a vital role in the NZ emergency response service, receiving taskings via the 111 system via St John, and search and rescue taskings via NZ Police, Coastguard or the Rescue Coordination Centre (RCCNZ). Our service may also be tasked to retrieve patients from hospitals outside our regions and bring them into the Auckland or Starship hospitals for specialist care and treatment.

Our service is on standby and available 24/7/365.

The services we offer are:

- Emergency air ambulance transport for accident or medical emergencies
- Specialist hospital transfer services for PICU/NICU/ECMO patients
- Emergency specialist doctors on board most flights
- Intensive Care Paramedics on board all flights
- Rapid Sequence Intubation
- Blood transfusion
- Ultrasound
- Sedation and pain management via specialist medications
- Highly skilled winch operations, including land and sea/boat winching
- A fully equipped Rapid Response road vehicle (RRV) taking our highly skilled emergency clinical crew to support road ambulance call outs in inner city Auckland suburbs.

ARHT provides a world class Helicopter Emergency Medical Service for the benefit of all residents and visitors to the region. Residents and visitors can be confident that they will receive the best care possible in their hour of greatest need. Our service is available to anyone, anywhere, any time.

Following the termination of ARHT’s lease of Ports of Auckland land at Mechanics Bay, ARHT has taken a lease over a facility at Ardmore Airport and invested heavily in developing a base capable of handling two new world leading rescue helicopters and the crewing and support functions that these require. The new base became operational in July 2019 and in late 2019 the installation of a Helicopter Simulator costing circa $1.5 million will also come on-stream. The two new AW169 helicopters are at the leading edge of clinical capability worldwide. This significant investment of $30 million by the Trust was funded by 80% equity built up by many years of fundraising (including an Auckland Council grant of $900,000) and only 20% debt. These helicopters future proof ARHT for the next 25 to 30 years.
We recently appointed Dr Lance O’Sullivan, a well-known advocate for improved Māori health, social and housing outcomes to our Board. The nature of our work means we respond to need as tasked by the emergency authorities, so no prioritisation of ethnic “groups” is appropriate. We do however have Māori staff members and our clinical teams are well-trained in appropriate cultural responses to the needs of ethnic communities. We have also commissioned a research project by a Māori medical student to explore whether our service is meeting the cultural needs of Māori and if not, what steps need to be taken to ensure ARHT’s cultural competency.

As an emergency response service, we are committed to working with our colleagues in Coastguard, NZ Police, search and rescue and water safety to provide a coordinated response to emergency incidents when needed. We create opportunities to train together, sharing knowledge and expertise so that we can provide the best possible care and assistance to a person in need. We assist with development and delivery of education and training programmes. We assist people from across the Auckland region without any consideration for their race, their financial circumstances, their contribution to their individual situation or any other reason. Our crew and staff further engage with our communities in several ways, including visits to schools, engaging the community in fundraising and helicopter-related physical challenges (e.g. chopper challenge, a community based physical health programme).
Auckland Theatre Company Limited

Auckland Theatre Company’s (ATC) strategic purpose is to tell big hearted stories that matter to the people of Tāmaki Makaurau. For us, big hearted stories mean stories with universal or engaging themes, which embrace or explore the human condition. They may be celebratory, entertaining or provoking — but above all else they will be imaginative and theatrical in their presentation.

ATC is recognised as a thriving contemporary theatre company and cultural powerhouse by audiences, artists, stakeholders and the public. Our brand is trusted and loved and associated with high quality productions and theatre going experiences. We are a leading voice for keeping the cultural flame alive and invest time and resources in supporting the broader sustainability of the arts sector in Auckland.

ATC engages the most exciting theatre artists to create high quality work. We create works of scale and ambition. We present diversity on stage, not just ethnically or culturally specific work but across the whole range of work produced. We are a place where the work and experiences of young people are valued. The principles of our Māori partnership strategy are embedded within the culture of the organisation and the processes by which we make and deliver theatre.

ATC adds value to the experience of coming to the ASB Waterfront Theatre; having instilled the meaning of manaakitanga into our engagement with audiences, clients and the communities we serve. The ASB Waterfront Theatre is accessible to people from all walks of life. Outstanding customer service is at the heart of all interactions at the ASB Waterfront Theatre.

ATC is an artistically led, audience-focused company. We:
1. Present a mainbill subscription season of seven works that underpins the ASB Waterfront Theatre programme. The works are a range of entertaining blockbusters, thought provoking new works, works that explore the diversity of Auckland’s cultures, and everything in between.
2. Work with theatre companies to co-produce works for Auckland’s diverse audiences. These works support the hard and soft arts infrastructure of Auckland as well as contribute to the growth of both companies involved in the partnership.
3. Deliver a comprehensive Creative Learning and Youth Arts programme of arts learning experiences by, with and for young people aged 5 - 25. The programme contributes to the broader development of the arts sector and infrastructure delivering experiences through primary, secondary and tertiary institutions, in the community, and in other settings. The programme creates opportunities and encourages creative thinking.
4. Deliver a year-round programme of high-quality performance and cultural events at ASB Waterfront Theatre. The programme includes theatre works of scale and ambition produced by ATC and works from a diverse range of arts genres presented by our arts partners.
5. Deliver an Open House programme to support the development of independent theatre through the provision of theatre making resources and supporting community engagement via access to complementary and participatory activities.

6. Deliver a New Works programme that supports emerging and established writers. The programme brings new New Zealand stories to the ATC mainstage and other smaller venues across Auckland, most notably the Basement Theatre.

7. Through our Arts Partner Programme offer a balanced programme of performing arts opportunities for audiences across Auckland, supporting the growth and sustainability of a diverse range of arts companies and community organisations.

8. ASB Waterfront Theatre is also our home for MICE and commercial performing arts activity. The venue has a well-deserved reputation for outstanding quality and service.

In 2017, ATC developed a Māori Engagement Strategy. The Strategy informs our strategic planning, programming and venue operations. The strategy was developed using Te Whare Tapa Whā model developed by Sir Mason Durie in 1982.

ATC acknowledges the unique richness Mana Whenua a Tāmaki Makaurau and Māori Whānui contribute to the arts, particularly the performing arts. ATC had developed a Māori Partnership Strategy and has adapted the Te Whare Tapa Whā model to inform out programming and decision making and measure our progress. While ATC is not a Māori theatre company, we are a New Zealand theatre company and as such Māori identity and culture are an important part of our fabric. ATC seeks to regularly engage with Nga Mana Whenua a Tāmaki Makaurau and Mātāwaka.

ATCs Māori Engagement goals are:

- Whakatau
  - Taha Tinana: we welcome visiting companies and productions to our Balmoral studios and ASB Waterfront Theatre. Tū kōtahitanga, Rangatiratanga, Manaakitanga. ATC staff support and lead whakatau through karanga, korero, waiata and kai.
  - Taha Heningaro: through these processes te reo Māori and tikanga Māori are understood by and lived experiences for ATC whānau.
  - Taha Wairua: supports the ATC value of manaakitanga and reminds ATC of Mana Whenua input to the ASB Waterfront Theatre. Mana Whenua have an open invitation to attend and perform whakatau of significance.
  - Taha Whānau: ATC recognises the Māori view of living theatre and we ensure staff feel safe and comfortable to participate.

- Mana Whenua Cultural Advisor
  - Taha Tinana: promote engagement with Mana Whenua communities off Tāmaki Makaurau, uphold manaakitanga, support theatre works with Māori content or contexts, support induction of new ATC staff.
  - Taha Heningaro: ensure te reo Māori and tikanga concepts and contexts are explained with clarity and māramatanga.
  - Taha Wairua: sustain ATC mana motuhake — unique characteristics are explained with clarity and māramatanga.
  - Taha Wairua: sustain ATC mana motuhake — unique characteristics represent ATC.
  - Taha Whānau: Ensure te ahi kā is tended and cared for. Invite Mana Whenua to key opening night events and other events of significance held at ASB Waterfront Theatre.
• Te Pou Whakamaumāharata nga mo Māui Tikiti a Tāranga, commissioned work by Dr Robert Janke (Ngāti Porou) located in Logan Campbell Courtyard, ASB Waterfront Theatre.
  o Taha Tinana: ATC adopts Māui as the iconic figure to celebrate the art of transformative theatre. Weather permitting, all whakatau are held at the Pou. A visual and vocal point of difference to ATC and Māori partnership and Tiakitanga.
  o Taha Heningaro: reflecting the pou; a compilation of whakatau are developed for ATC use.
  o Taha Wairua: ATC maintains its history and relationships to the arts sector and visiting artists by referencing the narratives and significance of the pou.
  o Taha Whānau: ATC is always improving and creating new affiliations.

• Whakaaturanga / Akoranga
  o Taha Tinana: collaborations with presenting partners.
  o Taha Heningaro: annual New Works programme strand.
  o Taha Wairua: writers development programmer presentation of works and supporting the development of Māori narratives of Tāmaki Makaurau.
  o Taha Whānau: outreach programme for students and teachers, collaborations for delivering new works.

ATC continues to make progress against our Māori Engagement Strategy initiatives. Inclusion of Māori voices in our mainstage programme is now embedded.

The ATC has an extensive programme of activity scheduled for 2020 and 2021. Full details of these are available from the ATC and in its 2020 programme document.
Coastguard Northern Region Incorporated

Coastguard Northern Region’s (CNR) strategic objectives are to:

1. Provide a Coastguard emergency response to 90% of the popular recreational boating areas within the area of operation, with a rescue vessel on scene within 60 mins of activation 24 hours a day, 365 days a week in up to Force 7 weather conditions;

2. Provide, monitor and manage VHF radio coverage to 95% of our area of operation, giving all vessels with appropriate installations clear radio communications to Coastguard.

3. To provide boating education courses and training that enables boat users to make the most of the marine environment safely and with confidence.

CNR provides search and rescue (SAR) capability through its 22 Rescue Vessel units, 2 Air Patrols and a dedicated communications team. These assets are co-ordinated from CNR’s Operations Centre at Mechanics Bay, Auckland. Communications are provided through the provision of a Coastguard owned VHF and UHF communications network across the region that enables incident management coordination and boating safety services such as weather forecasting and Nowcasting information and trip and bar crossing services. In addition to these operational services, CNR delivers volunteer training services to the region’s approximately 1,000 volunteers, to its members and the general public.

Coastguard provides these rescue services predominantly using a volunteer workforce who give their time for no financial reward.

Coastguard contributes to the recreational enjoyment and commercial maximisation of Auckland Region’s marine environment through the provision of education, communications services and when necessary SAR service provision.

Through its presence on the water and actions off the water, Coastguard engenders Auckland’s communities with the skills and confidence to fish, motor, sail, and paddle on our region’s waterways. Coastguard’s support of recreational activities and its safeguarding of commercial activities such as charter-fishing directly contributes to the aim of being ‘the World’s Most Liveable City’ and supports Auckland’s tourist economy.

We are pleased to report that CNR has recently been granted $20,000 financial support by Foundation North to support activity aimed at improving Coastguard and Māori engagement. Coastguard has commenced discovery work with Irwin Auckland and Northland and is working with emergency service and volunteer partners to transfer learning and experience to Coastguard. In the 12 months ahead
CNR aims to develop a Diversity and Inclusivity Strategy that will identify activities to increase engagement and accessibility and to increase the number of Māori employed as staff or volunteers.

Coastguard Northern Region is a federation of community-based organisations located at all points of the compass across the Auckland Region. Our volunteers and members come from all walks of life and diverse ethnic backgrounds and serve the communities they are based in.

In addition to our community-based units, Coastguard Northern Region’s engages the region’s communities through public education and safety awareness events. CNR has actively sought to make its safety messages and the upskilling of boat users more accessible through innovations such as the “Women Suddenly in Charge” course and its “Raising The Bar” (RTB) in-community programme, delivering events through a mixture of in-community and centrally delivered locations in the 2019-2020 period.

In addition to adult education, CNR is a strong supporter of children’s education, delivering a range of courses, such as “Day Skipper” to school groups and through holiday programmes.

CNR intends to continue to provide the full range of services summarised above, regularly reviewing attendance and outcomes to ensure that they provide value to the community and meet Coastguard and Auckland Plan objectives.

Coastguard is currently consulting on a proposal to merge the four Coastguard Regions and Coastguard New Zealand in order to increase organisational efficiency and effectiveness. This proposal is supported by the Board of CNR and by external stakeholders such as NZSAR. Implementation of the proposal is expected to improve the governance and management of the collective organisations and the new organisation’s ability to deliver necessary change initiatives considered essential for the ongoing delivery of the organisation’s Mission.

Consultation for the proposal will run until February 2020 and subject to approval by vote at a Special General Meeting in March, implementation of the proposal is planned for July 2020.
Drowning Prevention Auckland’s (DPA) mission is defined as “A water safe Auckland free from drowning” with a clearly stated vision of “preventing drowning through education”.

The aims and objectives for which DPA is established, are to provide strong regional coordination and to promote and advance water safety education in the interests and development of, and to benefit the people of the Auckland region.

**Strategic Objectives**

1. Leadership: To provide effective drowning prevention leadership
2. Research and Development: To provide leading-edge knowledge to inform evidenced based best practice
3. Education: To enable best practice water safety education
4. Advocacy: To champion water safety education and drowning prevention
5. Sustainability: To be a future proofed organisation.

**Drowning Prevention Auckland provides drowning prevention education through five areas of focus:**

1. Community Programmes, Advocacy and Education (Water safety programmes and lifejacket hubs for individuals, community-groups and families).
2. Formal and Informal Education Sector (Resources and professional learning and development for teachers working in early childhood through to tertiary institutions; access to learning water competence for students, teachers, our stakeholders, the community and workplace through our e-learning platform).
3. Research and Development (Developing and disseminating knowledge and expertise through research and evaluation to provide evidence for educational direction and for the development of new resources).
4. Workplace (Water competence development for employees specific to their work environment and general water safety education for workers who also engage in aquatic recreation together). Lifeguard training for those interested in a career in the aquatics space.
5. Marketing and Communications (Water safety awareness and advocacy via traditional and ethnic media, social media, website and outgoing communication activities. This includes coordination and collaboration on regional and national sector campaigns, leading to improved coordination of messaging and capacity of the sector, and participation in events enabling engagement with communities at a local level.).
In 2020-2021 DPA plans the following new operational projects:

- **Emergency Care Training (Previously named Red Zone Training):** We offer real-time emergency training for existing lifeguards and aquatic facility staff. Lifeguards are put into scenario situations using a submersible mannequin that will simulate a real-life emergency. A typical scenario will involve DPA team members hiding the mannequin somewhere within the facility whilst the team members involved in the training are hidden in a room. The team members will then be taken outside and made to run 600-800m to raise their heart rates before being let into the facility to find the “victim”. Highly qualified DPA team members then follow the facility team members through the scenario and detail the response for a comprehensive feedback session after the scenario is finished. We are now training at both Auckland Council and Belgravia Leisure operated facilities. This programme is self-sufficient; with all costs being covered by the participants.

- **Online Shop:** Providing aquatic safety equipment that supports the programmes we offer (lifejackets, throw rope, rescue tube, first aid kit). We make a small profit from the sale of these items which goes towards our non-council grant sourced income.

- **Auckland Plan:** In conjunction with Water Safety New Zealand (WSNZ); we are a part of a collaborative approach to provide education to Aucklanders’ to reduce the drowning toll. For instance; the Aspire2 polytechnic international students receive a presentation from Surf Life Saving Northern Region and Drowning Prevention Auckland. Within 48 hours of landing in Auckland; they attend a workshop that educates them to be safe in, on and around water environments. This initiative is primarily funded by WSNZ.

Drowning Prevention Auckland has an overall objective to respect and develop the special relationship with Māori under Te Tiriti o Waitangi. We have developed Māori Water Safety Matapono (Guiding Principles) which includes four pou (pillars) as follows:

1. **Kaitiakitanga Pou/Guardianship Pillar**
   “We will work with Whānau to ensure sustainability of Whenua, Moana and resources for future generations”
   a) Ownership of resources and environment
   b) Taking care of resources Tangata/Whenua/Moana
      • working with local iwi and marae to establish their needs and adjust our programmes to suit
      • developing local champions to in turn educate their whānau with the ultimate goal of the group being self-sufficient.

2. **Manaakitanga Pou**
   “We will model best practice to educate whānau to be safe in, on and around water”
   a) Caring for others/Caring for health and wellbeing, providing education underpinned by a commitment to safety of self and others.
3. **Whanaungatanga Pou/Relationship Building Pillar**

“We will build sustainable and strong partnerships within Tāmaki Makaurau. Our goal is for every family in Tāmaki Makaurau to be water competent and responsible in, on and around water.”

a) Forming relationships in Tāmaki Makaurau
   - developing relationships and networks through our current practices
   - families working together – Own identified strategies

b) Innovative research proven programmes:
   - working with other Marae, Services and Community.

4. **Rangatiratanga Pou/Leadership Pillar**

“We will promote our cultural heritage and recognise our bi-cultural nation in all aspects of our work”

a) Self-determination – Whānau and Community determining what type of support is needed
   - demonstrating Te Tiriti o Waitangi within our practice

b) Culturally appropriate strategies
   - learning our Pepeha, karakia, simple mihi/greetings and marae tikanga and protocol. Our continually upskilling of the team. Each having clear understanding of Te Tiriti o Waitangi.

“We will reach out to Hapu, Iwi and Whānau in decision making. We will encourage Whānau to take the lead”

c) Whānau being the leaders of change
   - working with Hapu, Iwi and Whānau to identify and develop leaders through education
   - developing intergenerational sustainable leadership for whānau.

We are delivering on this matapono throughout the organisation from the board to all staff members by practicing and learning te reo Māori and living Te Tiriti o Waitangi. External examples are the inclusion of Te Reo on our eLearning platform; Kai Moana Gathering workshops; Waka Ama safety workshops; Wai Wise and Wai Turama programmes.

Drowning Prevention Auckland engages with the communities we serve through dedicated Māori, Pasifika, Asian and New Settler aquatic educators. They deliver key water safety education to all ethnicities including socio-economic and age ranges within Auckland’s communities.

In addition to this we provide water safety activities and education at community events across the region to more effectively engage with local and diverse communities across the rapidly changing face of Auckland. We are also continually updating our resources into other language formats.
New Zealand Opera Limited

New Zealand Opera delivers an extensive programme of mainscale (Aotea Centre, ASB Waterfront Theatre and Auckland Town Hall) and site-specific opera productions, professional development, schools and community outreach programmes and new work development.

In 2020-2021 we plan to present a mainscale site-specific opera project at the Holy Trinity Cathedral supported by our own Baroque orchestra; performances of a new work Star Navigator by Tim Finn in South Auckland and central Auckland; a mainscale collaboration with Black Grace Contemporary Dance (ASB Waterfront Theatre); an opera in concert in partnership with the Auckland Philharmonia Orchestra; and a new opera writing programme that seeks to find new voices in Aotearoa.

Supporting this is an extensive community, education and outreach programme that offers Aucklanders a range of opportunities to experience and participate in opera including: an opera in schools tour; free community performances; student workshops; free tickets for young Aucklanders; low-price tickets for school children to attend dress rehearsals; free pre-performance talks and a substantial ambassador and internship programme.

We are committed to nurturing the creative ecosystem of Auckland and provide employment opportunities for Aucklanders to create work in New Zealand, employment for technical staff and the Freemasons New Zealand Opera Chorus and a comprehensive programme for nurturing young and emerging artists and creatives, through our Artist Development Programme.

Our Purpose
Enriching the cultural life of Aotearoa through an experience of opera that connects, engages and inspires reflection on our human condition.

Our Ambition
Leading opera from Aotearoa in a way that reimagines the art form; embraces the cultural and social identities of our diverse communities; and ensures a vibrant and sustainable presence for opera in New Zealand.

Key Strategies

1. Leading opera from Aotearoa
   Collaborating with the arts community to co-create distinctive, innovative and exciting programmes that embrace the diversity and richness of our culture, build an international presence, and reimagine the experience of opera in New Zealand.

2. Enabling and encouraging participation
   Creating more opportunities for our socially and culturally diverse communities to experience opera in a way that empowers reflection on our human condition.
3: Building resilience and assuring sustainability

Strengthening our fiscal capacity and developing our organisational capacity and capability to enable and sustain a strong national and regional presence for opera in Aotearoa.

New Zealand Opera is a key professional pillar in the cultural platform that facilitates Auckland’s growing reputation as a culturally rich and creative city. Grant funding ensures we are able to make Auckland the hub of the company, produce work here by and for Aucklanders that enables us to tell our stories and contributes hugely to sustaining a skilled creative and technical workforce in the city, nourish the wider arts ecosystem, and contribute to making Auckland a vibrant place to live in and visit. Our new Strategic Agenda places great emphasis on enabling and encouraging participation by extending our reach and engagement in the city, connecting people with programmes in the area of wellbeing and embracing diversity.

New Zealand Opera is committed to connecting with existing and new audiences through its excellent participation programmes in the areas of education and community outreach. We continue to extend our initiatives alongside careful consideration of our programming and respond to the opportunities that each production presents.

We aim to retain successful initiatives through sustainable programmes while expanding and diversifying our reach through collaborations that resonate with Auckland residents and audiences previously unknown to us.

A variety of community engagement and education programmes and initiatives are planned for 2020-2021, including:

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<tr>
<th>Lullaby Project</th>
<th>Youth Opera</th>
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<td>Opera in Schools tours</td>
<td>Accessibility Touch Tour and Studio Described Performance</td>
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<td>‘Pop-Up’ Chorus for retirees</td>
<td>Pick and Mix Programme</td>
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<td>School attendance at dress rehearsals</td>
<td>Pre-performance talks</td>
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<tr>
<td>The Opera Centre Open Day</td>
<td>Ambassador Programme</td>
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<td>Design creative workshops</td>
<td>Explore Opera – Workshops for students</td>
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<td>Opera masterclasses</td>
<td>Student Stage management intern</td>
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<tr>
<td>Community Engagement Talks</td>
<td>Community engagement tours / visits</td>
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<td>‘Little Singer’ workshop and concert with APO</td>
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A thriving entity is Auckland’s point of difference in the world that advances prosperity for Māori and benefits all Aucklanders.

New Zealand Opera is committed to broadening its relationship with Te Ao Māori and tikanga and aims to ensure that Tangata Whenua are represented on stage and in NZ Opera activities. The power of the voice is something that connects us all, and through diversity we can reflect our unique position in the world, in the process discovering what this can contribute to the art form of opera.

Collaborations, commissions and a strategic organisational approach to this area starting with the development of a Māori Engagement Strategy, focusing on partnership with tangata whenua and
integration of Māori voices and decision-making within the programming and leadership of the organisation.

New Zealand Opera will celebrate Māori culture and support te reo Māori to flourish by:

- developing a programme of Māori local and regional events and activities throughout the year.
- providing more partnership opportunities across public and private sector with mana whenua and mātāwaka to advance Auckland-specific cultural events and initiatives.
- seek opportunities to develop and utilise the skillsets of rangatahi in the development and promotion of Māori arts, performance and te reo Māori.

New Zealand Opera is interested in partnering with Māori arts organisations to develop unique projects that explore the power of the human voice and performance to effect change.

New Zealand Opera is developing a Māori Engagement Strategy, focusing on partnership with tangata whenua and integration of Māori voices and decision-making within the programming and leadership of the organisation, starting with the contracting of a Māori cultural advisor in 2020 to expand this approach throughout the organisation and its work and communicating this to all stakeholders.

The new Strategic Agenda outlines the following measures and targets developed in relation to outcomes for Māori:

- The appointment of a Māori advisor to support NZ Māori welcome (pōwhiri) implemented for all major opera performances.
- Increase Māori artists and arts workers representation in New Zealand Opera activities and productions.
- Kaupapa defined.
- Mihi devised and initiated.
- Waiata composed and activated.

The Voices of Aotearoa 6:24 is a new opera writing project that will reflect the diversity of our culture and will include participation and representation from Māori artists.

Under its new Diversity Action Plan the company will identify targets for Māori artists and arts workers to be represented in New Zealand Opera activities, and address barriers that currently may exist for Māori singers to join the Chorus.

Other projects (such as 6:24) will seek to find new voices for opera connected to Māori musical and cultural heritage.

New Zealand Opera has an extensive programme of activity scheduled for 2020 and 2021. Full details of these are available from New Zealand Opera and in its 2020 programme document.
Stardome - Auckland Observatory and Planetarium Trust

Stardome’s Purpose:
Stardome is a planetarium and observatory and its main purpose is to share knowledge of space and the universe with the public of Auckland.

Its strategic objectives are:

Customer Experience:
- Provide a superior, entertaining and educational visitor experience by utilising our knowledge, displays and interactive experiences to engage our customers. We will make our facility as available as we can to the people of Auckland, constantly working to maintain and develop the facility as a leading Auckland icon.

Sustainability:
- Ensure the ongoing sustainability of the organisation.

Culture:
- To encourage a culture within the organisation based on a high degree of ethics. To foster leadership, professional attitudes and pride amongst the Stardome team, encouraging creativity, new ideas and innovation.

Research:
- Ensure that Stardome continue to be a leader in astronomical research in New Zealand and a valuable contributor to international research. The Stardome research strategy centres around three key elements; facilities, people and collaboration.

Stardome operates primarily from an observatory and planetarium located in One Tree Hill Domain. However, we have recently started an outreach programme under which our educators visit schools in the Auckland region.

Stardome operates a range of services including several education programmes for schools, preschools and tertiary students, public shows for general visitors and telescope viewing for all groups.

Stardome volunteers also carry out astronomical research in collaboration with international research partners.

Stardome is an integral part of the mix of cultural institutions in the city. Most major cities around the world have a planetarium as part of their city’s cultural landscape, Auckland is particularly fortunate in having both a state-of-the-art planetarium and an observatory where members of the public can view our night sky.
Education is an integral part of Stardome’s operation and over 60% of our visitors are children, most of whom come with their schools as part of their science curriculum. The low decile and southern initiative programmes have made our education programmes available to a wider range of “in need” and “at risk children”.

Stardome recognises the importance of a thriving Māori identity for our organisation. As such we have partnered with the Tūpuna Maunga o Tāmaki Makaurau Authority (Maunga Authority) to assist us in our drive to provide an authentic experience to our visitors whilst being mindful of our Kaitakitanga role.

We are hopeful that Stardome will be gifted a Māori name in 2020-2021, this will allow our organisation to highlight the importance of our culture through this significant event. There is a drive within our organisation to increase the level of te reo Māori spoken and seen throughout the facility. We have partnered with the Auckland War Memorial Museum to take part in their Māori immersion programme.

There are several outcomes that we are working to achieve which will promote a thriving Māori identity they are:

1. Work with the Maunga Authority and iwi to extend our reach to Māori in and authentic and meaningful way.
2. Work with our unique location on Maungakiekie to connect with the Tupuna Maunga.
3. Ensure the stories of the people and the land are present and visible in our offering.
4. Enable manu whenua stories and narrative to be reflected through our programming, exhibits and signage.
5. Inspire all people of Tāmaki Makaurau to use our facility and learn about the wonders of space.
6. Thread the Treaty of Waitangi through our learning, with an understanding of its importance.

During 2020-2021 we hope to launch our Stardome Pop-ups which is an effort to access visitors that have not had the opportunity to visit us on site. Our rolling exhibition schedule is also intended to include members of various communities depending on the theme e.g. Chinese New Year, Matariki, Women in Science, Māori Astronomy, Pacific Navigation.

A focus area for our organisation is the development of local content that can be shown in our planetarium. These shows are intended to be collaborative projects which reach out to the wider community to assist in their production through storytelling.

We will continue to make the facility as accessible as possible through:

- Continuation of the low decile and southern initiative scheme
- Open evenings in line with astronomical events
- Open days for families
- Consistent and affordable pricing
- Community sessions.
Surf Life Saving Northern Region Incorporated

Surf Life Saving Northern Region (SLSNR) is the lead provider of lifesaving services, coastal aquatic rescue, and beach education services in the region from Raglan to Kaitaia. 10 of our 17 surf lifesaving clubs reside in and service the Auckland region, making up 80% of our Northern Region output and 40% of national lifesaving outputs. While this application is for the service provided by Auckland region clubs, for context we have also provided a holistic view of SLSNR activities and costs.

Our purpose is to ensure the communities in our region can enjoy our beaches safely by preventing drowning and injury on our beaches and coastlines through the provision of lifesaving services and public education. In the Auckland region, there are over 1,500 dedicated lifeguards patrolling 14 beach locations as part of our on-going mission to keep the hundreds of thousands of beachgoers safe every year.

Our strategic objectives are:
1. To grow stronger clubs
2. Deliver lifesaving services
3. Increase operational capability
4. Provide accessible Community Education
5. To be a lead provider of sport and recreation outcomes
6. Increasing sector development and financial support
7. Providing opportunities for everyone.

Auckland is a region with an extensive and often dangerous coastline. The safe enjoyment of our beaches and coastline are an imperative.

Throughout the region SLSNR provides comprehensive lifeguard services, a 24 hr/7 day a week call out capability, search and rescue services and public education programmes. The work we do in drowning and injury prevention is instrumental in making our beaches a safe place for the wider community to enjoy and encourages participation in sport and exercise.

Our surf lifesaving clubs provide opportunities for thousands of volunteers to engage in personal development and to enjoy the enrichment of giving back to their community.

SLSNR’s role is to lead, coordinate, support and develop the services of our volunteer surf lifesaving entities in the area of beach safety, patrolling and patrol management, search and rescue, public education and sporting activities.

All our services are targeted at the reduction of drowning and injury on our beaches and coastlines. We achieve this in the Auckland region by:
• Providing dedicated support and best practice tools for our member clubs to ensure sustainable growth, management of volunteers and to provide the resources necessary to deliver a safe and compliant lifeguard service.

• A dedicated full-time lifesaving delivery model, ranging from:
  o Patrolling services - delivered at fourteen locations.
  o Event safety services
  o Emergency response

• Community education programmes are provided on the beach, and in classrooms for school-age children, particularly low decile schools. Delivered at patrolled and unpatrolled locations and urban environments they provide access for the wider community.

• The provision of a volunteer-run sport and recreation programme, from junior surf carnivals to world-class high-performance events and competitions allow thousands in our community to partake in sport and recreation. These activities have proven to be instrumental in attracting and retaining members and encouraging younger members to progress to be qualified lifeguards.

Increasing Demands
We are continuing to see growth in demand for lifeguards to respond to rescues and searches at unpatrolled locations and lifeguards are frequently being expected to respond to emergencies outside patrol times – during the working day, evenings and nights. These numbers are doubling each year. This places two major demands on SLSNR:

• The need to extend the traditional lifesaving services we provide:
  o at an increasing number of beaches (beaches not currently patrolled); and
  o for longer hours and more days of the year at our currently patrolled beaches.

• Providing an expanded scope of response from our lifeguards. Police, other agencies and the community continue to view Surf Life Saving as the primary responder to coastal emergencies including nearshore boating incidents, support for air ambulances, on the beach or near beach vehicle accidents, coastline and ocean search and rescue, land-based search and rescue and local medical emergencies. This is experienced most significantly on the West Coast where we are routinely expected to travel significant distances to critical incidents outside of Surf Life Saving’s traditional area.

All of Auckland’s diverse population has access to the services we provide. Surf Life Saving Northern Region’s Clubs embrace and encourage all ethnicities to join as members. Our membership continues to be representative of the community we serve.

Surf Life Saving incorporates holistic cultural safety and welfare measures such as Rahui into its patrol operations and delivery. SLSNR is currently engaging with Māori Land Trusts in possession of coastal lands to further support them in delivering coastal water safety outcomes and building resilience.

Community Education programmes teaching beach safety to children are particularly targeted at demographics with high Māori populations with funding specifically sought for low decile schools that might not otherwise be able to attend these courses.
SLSNR continues to target its education programmes across all schools and seeks funding to allow more at-risk groups within the Auckland area to attend programmes. We continually work to reach new areas and audiences and bring our educational opportunities to where it is most needed. Additionally, SLSNR runs pilot programmes with Drowning Prevention Auckland to target new immigrants to Auckland.
Submissions Process for the 2020-2021 Funding Plan

The Auckland Regional Amenities Funding Board published the Draft 2020-2021 Funding Plan on 10 January 2020. Submissions on the plan closed at 5pm on 10 February 2020.

Sixteen written submissions were received, along with requests for three oral submissions to be presented to the Funding Board. Orals submissions were heard on 18 February 2020.

The submissions related to the main themes of:

a. Requests for additional funding in 2020-2021.
b. General support for the Funding Plan as published.
c. Specific support for the increased allocation of funding to the Auckland Philharmonia Orchestra.
d. A request for a review of the specified amenities and whether additional organisations can be added or substituted as specified amenities.
e. A request to review the administration and honorarium costs of the Funding Board.

The Funding Board subsequently undertook extensive discussion on the sixteen written and three oral submissions received and gave due consideration to the issues raised within each of the submissions.

The Funding Board:

- Noted the feedback from submitters regarding the benefits funding has brought to the nine Specified Amenities and Auckland overall.

- Declined the request from Auckland Theatre Company Ltd for an additional grant allocation in 2020-2021.

- Approved a one-off /non-recurring additional grant of $150,000 to Auckland Rescue Helicopter Trust. This additional grant is to match additional funding the trust has secured to cover extraordinary costs associated with the introduction and deployment of the newly commissioned rescue helicopters and the opening of the new helicopter facility at Ardmore following the recent move from Mechanics Bay in the Auckland CBD.

- Noted the feedback from submitters regards the benefits of the additional funding provided to the Auckland Philharmonia Orchestra in support of its proposed new ‘Salary Model’ changes.

- Noted that several of the submissions were better referred to Auckland Council as the appropriate agency identified in the Act to action the matters raised by the submitters (e.g. admitting new Specified Amenities).

- Noted that the Administration Budget and honorariums had been reviewed and approved by Auckland Council and no further action will be taken.
## Directory of Specified Amenities and Associated/Related Entities

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Balance Date</th>
<th>Charities Registration Number</th>
<th>Website</th>
</tr>
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<tbody>
<tr>
<td>Auckland Festival Trust</td>
<td>30 June</td>
<td>CC22145</td>
<td><a href="http://www.aaf.co.nz">www.aaf.co.nz</a></td>
</tr>
<tr>
<td>Auckland Philharmonia Trust</td>
<td>31 December</td>
<td>CC23611 &amp; CC23607</td>
<td><a href="http://www.apo.co.nz">www.apo.co.nz</a></td>
</tr>
<tr>
<td>Auckland Rescue Helicopter Trust</td>
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<td>CC21935 &amp; CC46529</td>
<td><a href="http://www.rescuehelicopter.org.nz">www.rescuehelicopter.org.nz</a></td>
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<tr>
<td>Auckland Theatre Company Limited</td>
<td>31 December</td>
<td>CC23655, CC23658, CC48094 &amp; CC50332</td>
<td><a href="http://www.atc.co.nz">www.atc.co.nz</a></td>
</tr>
<tr>
<td>Coastguard Northern Region Incorporated</td>
<td>30 June</td>
<td>CC30031, CC20374</td>
<td><a href="http://www.coastguard.org.nz">www.coastguard.org.nz</a></td>
</tr>
<tr>
<td>Drowning Prevention Auckland - WaterSafe Auckland Incorporated</td>
<td>30 June</td>
<td>CC11454</td>
<td><a href="http://www.dpanz.org.nz">www.dpanz.org.nz</a></td>
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<tr>
<td>New Zealand Opera Limited</td>
<td>31 December</td>
<td>CC22724, CC21944 &amp; CC51542</td>
<td><a href="http://www.nzopera.com">www.nzopera.com</a></td>
</tr>
<tr>
<td>Stardome - Auckland Observatory and Planetarium Trust Board</td>
<td>30 June</td>
<td>CC20451</td>
<td><a href="http://www.stardome.org.nz">www.stardome.org.nz</a></td>
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<tr>
<td>Surf Life Saving Northern Region Incorporated</td>
<td>30 June</td>
<td>CC21256, CC23043 &amp; CC53628</td>
<td><a href="http://www.lifesaving.org.nz">www.lifesaving.org.nz</a></td>
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</table>

All of these organisations are registered with the Department of Internal Affairs – Charities Services (Ngā Rātonga Kaupapa Atawhai) and details for each amenity are available online at [www.charities.govt.nz](http://www.charities.govt.nz)
Attachment A

March 2020

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Auckland Regional Amenities Funding Board – Final Draft 2020-2021 Funding Plan
9 March 2020

Stephen Town
Chief Executive
Auckland Council
Private Bag 92300
Victoria Street West
Auckland 1142

By email: stephen.town@aucklandcouncil.govt.nz

Dear Stephen

Annual Levy 2020-2021 – Reduced Levy Requirement

The Auckland Regional Amenities Funding Board recently advised Auckland Council that the levy requirement for 2020-2021 was $16,714,500. This sum included a proposed grant allocation of $824,000 to Coastguard Northern Region Inc.

This afternoon, the President of Coastguard Northern Region Inc. has advised the Funding Board that as a result of an affirmative vote on Saturday 7 March 2020 to merge all coastguard operations with Royal New Zealand Coastguard Inc. with effect from 1 July 2020, it is withdrawing its funding application for 2020-2021 and any subsequent years.

I therefore confirm that the levy requirement for 2020-2021 is reduced by $824,000, and the amended amount is now $15,890,500. This is consistent with the resolutions of the Funding Board at its meeting on 18 February 2020.

Assuming approval is given to the amended levy amount at the Finance and Performance Committee meeting on 19 March 2020, the Funding Board will meet on 28 April 2020 and confirm the grant allocations and ‘fix’ the levy for the lesser amount of $15,890,500.

If you have any queries regards this matter please either contact me directly (+64 21 149 0287), or Leigh Redshaw, Advisory Officer (+64 274 739 187).

I have copied Councillor Desley Simpson and Alastair Cameron as they have been attending to this matter recently.

Yours sincerely

Anita Killeen
Chair
Auckland Regional Amenities Funding Board

Cc: Councillor Desley Simpson
Alastair Cameron – Auckland Council
10 February 2020
Public Submissions: Advisory Officer
Auckland Regional Amenities Funding Board
PO Box 6669, Wellesley Street
Auckland 1141

Auckland Regional Amenities Funding Board Drafting Funding Plan 2020/2021 – Submission

To the Chair, Auckland Regional Amenities Funding Board

Auckland Council would like to make this submission on the 2020/2021 draft funding plan. The Auckland Regional Amenities Funding Act (the Act) funding process limits Council’s role in approving or rejecting the proposed levy. When making this decision, council refers to the funding principles contained within the Act.

Therefore, council’s submission is focused on the total draft funding levy, rather than the individual grants proposed to specific amenities, but notes the specific conditions attached to the provisional allocation of individual grants as outlined in the Draft Funding Plan.

The funding levy request for the 2020/2021 year $16,764,500, is 8.24% higher than the 2019/2020 year. Council acknowledges the robust decision-making process that the Funding Board embarks upon before presenting the annual funding plan, in its role of analysing applications and fairly assigning each funding grant.

Council is also very appreciative of the contribution that each amenity brings to the city making Auckland an exciting destination to visit, with a world-class line-up of events and shows throughout the year and managing its waterways and beaches to ensure safe recreational activities for residents and visitors.

Council is aware of the increasing demand on its ratepayer funded requests and asks that the Funding Board continues to ensure the amenities in return provide robust financial forecasting. Council also requests that each amenity is funded from other sources and actively seeks ways to increase their non-rates sources of revenue.

Yours sincerely

Councillor Desley Simpson, JP
Chair, Finance and Performance Committee
Representing Orakei Ward

Councillor Shane Henderson
Deputy Chair, Finance and Performance Committee
Representing Waitakera Ward
Mr Leigh Redshaw CA

Advisory Officer
Auckland Regional Amenities Funding Board
P O Box 6069
Wellesley Street
AUCKLAND 1141

Dear Mr. Redshaw,

Thank you for the opportunity to comment on the 2020-2021 Funding Plan for the Auckland Regional Amenities Funding Board.

Having been involved with the Board as long as I have, you will be well aware of the frustrations that the ARHT has experienced over many years with our ARAFB contribution having been consistently reduced from $1.2m when the levy first came into operation down to $450,000 for the last few years while at the same time other recipient organisations have seen their contributions grow over the same period by many thousands of percent. We appreciate the increase to $460,000 for the 2020-2021 year but as you will have seen from our application, this will not meet our significant shortfall for the coming year which has been created by a significant increase in our cost base due to:

1. Two brand new helicopters with significantly enhanced capability to travel further, hover for longer and deliver much improved technical performance and speed.

2. These two brand new helicopters come at a significantly increased cost as was identified in our recent application. This cost includes a specialist fit out for each of the new helicopters at $1m each which results in markedly better conditions for our doctors and paramedics to work on patients in the new helicopters. More room, improved design features and benefits like operating theatre-level lighting are just a few of these benefits for better patient outcomes.

3. For the past 10 – 12 years ARHT has been the only Trust in New Zealand to deliver specialist Emergency Clinician capability on our helicopters. This has translated into significantly improved care for patients, especially given that capability has now been extended to 24/7. This has particular relevance for head injury and
stroke victims where the timely delivery of emergency care has a major impact on recovery.

This major benefit to the people of Auckland has never been recognised by ARAFB. The ability to carry out blood transfusions in the air and prepare patients to go directly into surgery has not been matched by any other service. But it comes at a significant cost of around $1m/year. Our allocation from ARAFB has never acknowledged this huge increase in better patient outcomes.

Over many years ARHT has felt that we were being penalized for being effective, hardworking fundraisers, proving year on year that we have been able to successfully engage with our communities within the Auckland region to generate consistently more community and corporate support.

Now, with a significantly increased cost base we are under enormous pressure to fund our operations and are considering ways to release capital from our balance sheet. This does not support the sustainability of our operations. The operational deficit for the coming financial year has been well identified in our funding submission, but the Board’s support has only recognised this with an increase of 0.02%.

Having spelt this out, we were nevertheless heartened by an approach from the ARAFB Chairman who invited us to apply for a one-off "Matching grant" involving us finding a donor who would allocate sufficient funds to us for a one-off project which would allow the ARAFB to provide matching dollar for dollar funding. I am delighted to report we have been able to identify and come to an agreement with such a funder, which is the Rodney Health Trust.

The Rodney Health Trust has been a generous supporter of the Trust for many years. They provide an annual donation of $100,000 but were willing to consider a one-off application for $150,000 on the matching donation basis which was invited by ARAFB.

I am attaching the invoice which has been sent to the Rodney Health Trust for these funds and you will see that they have allocated it to operational funding related to on-going Simulator Currency, Ratings and Training for our Crew Members. Our government contract,
which only provides around 50% of our total revenue, does not provide funding for training but of course our doctors, pilots, paramedics and crewmen all need to be paid while undergoing training. This is therefore a very welcome contribution to our operational overheads. We have a commitment from the Rodney Health Trust that this invoice will be paid on 20 February. Given the invoice date and the close down for Christmas we unfortunately missed the January payment run.

We appreciate the opportunity to put this matching funding proposal to ARAFB and look forward to your response.

Kind regards,

Michelle Boag
Acting CEO

021-940684
Te take mō te pūrongo

Purpose of the report

1. To seek approval to undertake a boundary adjustment at 4-10 Mayoral Drive, Auckland and 24 Wellesley Street West, Auckland by amalgamating approximately 140m² of Lot 17 & Part Lot 21, DP 21520 which is currently included in the title for 24 Wellesley Street West, Auckland into the title for 4-10 Mayoral Drive, Auckland.

Whakarāpopototanga matua

Executive summary

2. 4-10 Mayoral Drive, Auckland is formed as an at grade car park known as the Bledisloe car park. It borders the council owned Bledisloe House, located at 24 Wellesley Street West, Auckland.

3. 4-10 Mayoral Drive, Auckland was approved for sale on 15 May 2018 as part of the Corporate Property Portfolio Strategy.

4. It has been identified that approximately 140m² of Lot 17 & Part Lot 21, DP 21520, which is part of the title for 24 Wellesley Street, protrudes into 4-10 Mayoral Drive. This 140m² portion of Lot 17 & Part Lot 21 DP 21520 physically appears to be part of 4-10 Mayoral Drive, Auckland (image contained in Attachment A). It was included in the designation and resource consent granted for 4-10 Mayoral Drive, Auckland of the over-station development at the planned Aotea Station (see image contained in Attachment B).

5. We seek to undertake a boundary adjustment at 4-10 Mayoral Drive and 24 Wellesley Street West by amalgamating the approximately 140m² portion of Lot 17 & Part Lot 21, DP 21520 into the title for 4-10 Mayoral Drive. This will result in straight boundaries for both properties, regularize the parcel size and shape for both properties and allow the existing resource consent to be implemented.

Ngā tūtohunga

Recommendation/s

That the Finance and Performance Committee:

a) approve the amalgamation of approximately 140m² of Lot 17 & Part Lot 21, DP 21520, 24 Wellesley Street West, Auckland currently contained in certificate of title NA128C/83 into the title for 4-10 Mayoral Drive, Auckland.

b) amend resolution number FIN/2018/188 to include within clause a) i), a new sub-clause e) as follows: approximately 140m² of Lot 17 & Part Lot 21, DP 21520, 24 Wellesley Street West, Auckland currently contained in certificate of title NA128C/83 but which will be amalgamated into the title for 4-10 Mayoral Drive, Auckland.
Horopaki

Context


7. The Finance and Performance Committee provided a subsequent approval on 20 November 2018 (resolution FIN/2018/188). This was to include the disposal of the land at 32-42 Wellesley Street West, Auckland that was previously inadvertently omitted from the recommendation on 15 May 2018.

8. The resolution (FIN/2018/188) stated:

That the Finance and Performance Committee:

- amend resolution number FIN2018/73 by delegating authority to Panuku Development Auckland Limited to approve the final terms and conditions of sale, and to enter into the required sale documentation, for the following properties in accordance with Panuku Development Auckland Limited’s internal delegations and subject to the satisfactory conclusion of any required statutory processes:
  - approximately 4,691m² (subject to survey) of land at 4-10 Mayoral Drive and the balance of 32-42 Wellesley Street West, Auckland which is not to be transferred to City Rail Link Limited, comprised of an estate in fee simple more or less being the following:
    - 4-8 Mayoral Drive, Auckland being Lot 15, Lot 18 and Lots 23-25 DP 21520 and Part Lot 21 DP 212520, contained in computer freehold register NA1589/36;
    - 10 Mayoral Drive, Auckland being Section 1 Survey Office Plan 54203, contained in computer freehold register NA75B/323;
    - 10A Mayoral Drive, Auckland being Allotment 26-27 Section 31 City of Auckland, contained in computer freehold register NA1193/78; and
    - the balance of 32-42 Wellesley Street West, Auckland being Lot 19 DP 21520 contained in computer freehold register NA485/235 which is not to be transferred to City Rail Link Limited;

9. The Corporate Property Portfolio Strategy is a self-funding programme of works which utilises the capital receipts from the divestment of seven legacy corporate accommodation properties that were no longer required for the corporate property office network. It re-invests the sale proceeds to undertake a programme of works that delivers a fit-for-purpose and future-proofed corporate property network aligned to the structure of Auckland Council.

10. Approximately 4,238m² (subject to survey) of land at 4-10 Mayoral Drive was approved for sale as part of the Corporate Property Portfolio Strategy. When undertaking due diligence for the sale of 4-10 Mayoral Drive, it was identified that Lot 17 & Part Lot 21, DP 21520 is contained within the title for 24 Wellesley Street West, but that approximately 140m² of Lot 17 & Part Lot 21, DP 21520 protrudes into 4-10 Mayoral Drive.

Tātaritanga me ngā tohutohu

Analysis and advice

11. Lot 17 & Part Lot 21, DP 21520 is a 341m² parcel of land that was part of a configuration of small lots that were formed in the 1920s (image from the historic title NA1887/49 is contained in Attachment C). There were originally old buildings on Lot 17 & Part Lot 21 and the adjacent Lot 16. The land has essentially remained unchanged, apart from a small area of land along the boundary of the Civic Theatre and the Sky World Entertainment Centre, which was incorporated into the Sky World Entertainment Centre redevelopment.
12. Due to the lack of change in Lot 17 & Part Lot 21, DP 21520 and the adjacent lots being in the same ownership, there has historically been little need to adjust and regularize the boundary between 4-10 Mayoral Drive and 24 Wellesley Street West.

13. To all intents and purposes the 140m² parcel of Lot 17 & Part Lot 21, DP 21520 appears to be part of 4-10 Mayoral Drive. It does not appear to have any value or associated connection with the adjacent Bledisloe house. It was included in the designation and resource consent at 4-10 Mayoral Drive for the over-station development at the planned Aotea Station. It is intended that 4-10 Mayoral Drive will be sold with the resource consent for the over-station development in place. In accordance with the resource consent, the 140m² parcel will form part of a public laneway and there will be an easement in favour of council to protect the public walkway.

14. We seek to undertake a boundary adjustment between the two contiguous properties located at 4-10 Mayoral Drive and 24 Wellesley Street West by amalgamating the approximately 140m² parcel of Lot 17 & Part Lot 21, DP 21520 into the title for 4-10 Mayoral Drive. This will result in straight boundaries for both properties and it will regularize the parcel size and shape of both 4-10 Mayoral Drive and 24 Wellesley Street West. Additionally, it will give effect to council’s existing resource consent.

15. The benefits of undertaking this boundary adjustment include:
   • It will regularize the parcel size and shape for both properties
   • It will create straight boundaries for both properties
   • It will allow the existing resource consent to be implemented, including the public laneway consistent with the Waitematā Local Board resolution (WT/2018/31)
   • The parcel in its current form provides no additional value to the property at 24 Wellesley Street West (Bledisloe House), but value can be attributed to the parcel by including it in the planned sale of 4-10 Mayoral Drive.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

16. There is not anticipated to be any climate impact or emissions from implementing the proposed boundary adjustment between 4-10 Mayoral Drive and 24 Wellesley Street West.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

17. Consultation was undertaken on the sale of 4-10 Mayoral Drive as part of the Corporate Property Portfolio Strategy. This consultation included the 140m² parcel of Lot 17 & Part Lot 21, DP 21520 that protrudes into 4-10 Mayoral Drive. The consultation that was undertaken with the council group and impacted staff was supportive of the sale of 4-10 Mayoral and the Corporate Property Portfolio Strategy.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**

**Local impacts and local board views**

18. Staff engaged with the Waitematā Local Board about the proposed sale of 4-10 Mayoral Drive and the Corporate Property Portfolio Strategy in March 2018. The 140m² parcel of Lot 17 & Part Lot 21, DP 21520 that protrudes into 4-10 Mayoral Drive was included in the information provided to the Waitematā Local Board.

19. The Waitematā Local Board resolved (WTM/2018/31) that it noted the recommendation to dispose of 4-10 Mayoral Drive and requested four matters be considered as part of any decision to sell 4-10 Mayoral Drive. The only issue raised by the Waitematā Local Board that relates to the proposed boundary adjustment was that the Waitematā Local Board wanted to...
Finance and Performance Committee
19 March 2020

ensure the laneway between 4-10 Mayoral Drive and 24 Wellesley Street West is retained and is of a sufficient width. The boundary adjustment proposed in this report will enable the laneway required as part of the resource consent for 4-10 Mayoral Drive to be retained.

**Tauākī whakaaweawe Māori**

**Māori impact statement**

20. 15 mana whenua iwi authorities were contacted regarding the potential sale of 4-10 Mayoral Drive, Auckland on 5 April 2018. The 140m$^2$ parcel of Lot 17 & Part Lot 21, DP 21520 that protrudes into 4-10 Mayoral Drive was included in the information provided to mana whenua. The following feedback was received.

a) **Te Runanga o Ngāti Whatua**
   No feedback received for this site.

b) **Ngāti Whatua o Kaipara**
   No feedback received for this site.

c) **Ngāti Whatua Ōrākei**
   No feedback received for this site.

d) **Te Kawerau a Maki**
   No feedback received for this site.

e) **Ngāi Tai ki Tāmaki**
   No feedback received for this site.

f) **Ngāti Tamaoho**
   No feedback received for this site.

g) **Te Ākitai - Waiohua**
   No feedback received for this site.

h) **Ngāti Te Ata - Waiohua**
   No feedback received for this site.

i) **Te Ahiwaru**
   No feedback received for this site.

j) **Ngāti Paoa**
   No feedback received for this site.

k) **Ngaati Whanaunga**
   No feedback received for this site.

l) **Ngāti Maru**
   No feedback received for this site.

m) **Ngāti Tamatera**
   No feedback received for this site.

n) **Te Patukirikiri**
   No feedback received for this site.

o) **Waikato-Tainui**
   No feedback received for this site.
Ngā ritenga ā-pūtea
Financial implications
21. The 140m² parcel of Lot 17 & Part Lot 21, DP 21520 provides no additional value to the property at 24 Wellesley Street West, Auckland. However, value can be attributed to the parcel by including it in the planned sale of 4-10 Mayoral Drive.
22. The proceeds of sale from this will be utilised for the Corporate Property Portfolio Strategy, with funds to be re-invested into the Corporate Accommodation network in accordance with the Finance and Performance Committee’s decision of 15 May 2018 (resolution FIN/2018/73).

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
23. If we cannot complete the boundary adjustment, the resource consent for the planned over-station development at 4-10 Mayoral Drive would need to be amended as it could not be given effect to without the inclusion of the 140m² parcel of Lot 17 & Part Lot 21, DP 21520.

Ngā koringa ā-muri
Next steps
24. Subject to the Finance and Performance Committee approval, Panuku will undertake the boundary adjustment between 4-10 Mayoral Drive, Auckland and 24 Wellesley Street West, Auckland in accordance with s52 Public Works Act 1981.

Ngā tāpirihanga
Attachments

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<tr>
<td>A</td>
<td>Image of 4-10 Mayoral Drive and 24 Wellesley Street, Auckland</td>
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<tr>
<td>B</td>
<td>Consented plan for Aotea Station 'over-station' development at 4-10 Mayoral Drive, Auckland</td>
<td>247</td>
</tr>
<tr>
<td>C</td>
<td>Historic title of 24 Wellesley Street West</td>
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Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Rod Aitken, Head of Corporate Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Robert Irvine - Head of Group Financial Planning</td>
</tr>
<tr>
<td></td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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</table>
Boundary adjustment between 4-10 Mayoral Drive, Auckland and 24 Wellesley Street, Auckland

4-10 Mayoral Drive and 24 Wellesley Street, Auckland

In RED: 4-10 Mayoral Drive, Auckland
In PURPLE: 24 Wellesley Street, Auckland
In GREEN: 140m² portion of Lot 17 & Part Lot 21, DP 21520
Attachment B - Consented plan for Aotea station ‘over-station’ development at 4-10 Mayoral Drive, Auckland

Consented plan for Aotea station ‘over-station’ development at 4-10 Mayoral Drive, Auckland including laneway
Attachment C. Historic title of 24 Wellesley Street West

Historic title of 24 Wellesley Street West, Auckland

Area of adjoining site to be amalgamated
Finance and Performance Committee Forward Work Programme
File No.: CP2020/01217

Te take mō te pūrongo
Purpose of the report
1. To approve the Finance and Performance Committee's forward work programme.

Whakarāpopototanga matua
Executive summary
2. This committee controls expenditure across the Auckland Council Group and deals with the overall financial management and performance of the council parent organisation and Auckland Council Group and makes financial decisions outside of the annual budgeting processes.
3. Areas of work are briefly described and identified as requiring either decision or direction. Where possible, likely timeframes for coming before the committee have also been identified.
4. The forward programme will be updated and reported monthly for information as part of the summary information report.
5. Staff recommend that the forward work programme be reviewed on a six-monthly basis, commencing September 2020.

Ngā tūtohunga
Recommendation/s
That the Finance and Performance Committee:

a) approve the Finance and Performance Committee's forward work programme.

b) agree that the Finance and Performance Committee’s forward work programme be reported monthly for information and reviewed on a six-monthly basis, commencing September 2020.

Ngā tāpirihanga
Attachments

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Ngā kaihaina
Signatories

Authors  Sandra Gordon - Kaitohutohu Mana Whakahaere Matua / Senior Governance Advisor
         Anita Furniss - Executive Officer - Finance Division

Authoriser Matthew Walker - Group Chief Financial Officer
Te Komiti ā-Pūtea, ā-Mahi Hoki/Finance and Performance Committee
Forward Work Programme 2020

This committee controls expenditure across the Auckland Council Group and deals with the overall financial management and performance of the council parent organisation and Auckland Council Group and makes financial decisions outside of the annual budgeting processes. The full terms of reference can be found here: Auckland Council Governing Body Terms of Reference
This committee meets bi-monthly commencing in March 2020

<table>
<thead>
<tr>
<th>Area of work and Lead Department</th>
<th>Reason for work</th>
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<th>Expected timeframes 2020</th>
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</thead>
<tbody>
<tr>
<td>Planning and funding</td>
<td></td>
<td>Decision to agree to the Consultation items</td>
<td>Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec</td>
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<td>Recommend consultation document to consult with public (Feb)</td>
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Progress to date:
- Mayoral Proposal for the Annual Budget 2020/2021 - Link to decision
- Annual Budget 2020/2021 – consultation material overview - Link to decision
- Rates and Fees Issues for Annual Budget 2020/2021 - Link to decision
- Annual Budget 2020/2021 – consultation materials overview (GB) - Link to decision
- Rates and Fees Issue for Annual Budget 2020/2021 (GB) - Link to decision
- Adoption of consultation Material: Annual Budget 2020/2021 – Link to decision; Link to GB decision
- Amendments to the Revenue and Financing Policy – Link to decision; Link to GB decision
- Annual Budget 2020/2021 communication and engagement approach – Link to decision; Link to GB decision
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<tr>
<td><strong>Attachment A</strong></td>
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<td><strong>Item 15</strong></td>
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<tr>
<td><strong>Half-yearly and annual reporting</strong>&lt;br&gt;Group Treasurer and Group Financial Controller</td>
<td><strong>Statutory requirement and NZX listing requirement</strong></td>
<td><strong>Receive and approve</strong> half-year and preliminary full year NZX release (delegation to chair and deputy chair) (March)&lt;br&gt;<strong>Receive</strong> annual report (Sept)&lt;br&gt;<strong>Recommend</strong> adoption of annual report to Governing Body (Sept)&lt;br&gt;Note:&lt;br&gt;• NZX announcements are presented to the Audit and Risk Committee&lt;br&gt;• There is a delegation from the Committee to Chair and Deputy Chair of Finance and Performance to approve the release of the interim and full year Auckland Council group financial results to the NZX for each reporting period through to 30 June 2022.&lt;br&gt;• Formal adoption of annual report is by the Governing Body</td>
<td>Mar</td>
</tr>
<tr>
<td><strong>Budget Updates</strong>&lt;br&gt;General Manager&lt;br&gt;Financial Strategy and Planning</td>
<td><strong>Financial management</strong></td>
<td><strong>Decision</strong> to agree recommended budget changes outside of the Annual Budget/Long-term Plan, as required&lt;br&gt;Note: This includes significant unbudgeted one-off expenditure.</td>
<td>Mar</td>
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<td><strong>Progress to date:</strong> Delegation for approval for releasing the interim and full year Auckland Council Group results to the NZX – Link to decision</td>
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<tr>
<td>Insurance Strategy and Placement</td>
<td>Financial management</td>
<td>Approve the council insurance strategy&lt;br&gt;Approve the annual insurance placement for Council&lt;br&gt;Progress to date: Collection for data for insurance renewals currently underway and preparations being made for insurance roadshows where deductibles, limits and policy coverage will be assessed against market expectations.</td>
<td>No meeting&lt;br&gt;16 Jun 2019 (extraordinary)</td>
</tr>
<tr>
<td>Loan guarantees and grant funding</td>
<td>Financial management</td>
<td>Review information and make decisions on loan guarantees and restructuring (including Parks)&lt;br&gt;Receive an update on the Eden Park loan guarantee and grant funding&lt;br&gt;Receive progress update memos when appropriate&lt;br&gt;Progress to date:</td>
<td>No meeting&lt;br&gt;Oct Nov</td>
</tr>
<tr>
<td>Development Contributions policy</td>
<td>Policy review</td>
<td>Review development contribution policy&lt;br&gt;Progress to date:</td>
<td>No meeting</td>
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**Finance and Performance Committee Forward Work Programme**

**19 March 2020**
<table>
<thead>
<tr>
<th>Area of work and Lead Department</th>
<th>Reason for work</th>
<th>Committee role (decision and/or direction)</th>
<th>Expected timeframes 2020</th>
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</thead>
</table>
| Performance reporting quarterly – parent | General Manager Financial and Business Performance and Manager Corporate and Local Board Performance | Financial management | Monitor council parent financial and non-financial performance results on a quarterly basis, including Māori outcomes expenditure. 
Q1 (Nov), Q2 (Mar), Q3 (May), Q4 (September)  
Note: Reporting in September must be considered as a confidential report until results are sent to NZX at the end of September. |
| Performance reporting quarterly – group | General Manager Financial and Business Performance and Manager Corporate and Local Board Performance | Financial management | Monitor Auckland Council group financial requirements on a quarterly basis. 
Q1 (Nov), Q2 (Mar), Q3 (May), Q4 (Sept)  
Progress to date: 
Auckland Council Group and Auckland Council 2019/2020 quarter one performance report to 30 September 2019 – Link to decision – Link to decision |
| Disposals | Panuku, working with all areas of council, is required through its Statement of Intent to identify and recommend to council properties that are surplus to requirements and can be considered for disposal. These include general disposals to fund Long-term Plan projects.  
Properties are recommended for acquisitions and disposal to the committee for approval in accordance with the Long-term Plan. | Agree to proceed with recommended disposals or acquisition, as required. |

Progress to date:  
As required
<table>
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<tr>
<td><strong>Operational</strong></td>
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<tr>
<td>Funding and Levies</td>
<td>Statutory process</td>
<td>Approve annual funding levies for Auckland Regional Amenities Funding Board, Museum of Transport and Technology and Auckland War Memorial Museum (Mar)</td>
<td>Mar, May, Jul, Sep, Nov</td>
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<tr>
<td>(including Auckland Regional Amenities Funding Board, Museum of Transport and Technology and Auckland War Memorial Museum)</td>
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<td>Approve Auckland Regional Amenities Funding Board (Mar)</td>
<td>Mar, May, Jul, Sep, Nov</td>
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<tr>
<td>Manager CCO/External Partnerships team</td>
<td></td>
<td>Receive presentations from amenities (May/July)</td>
<td>Mar, May, Jul, Sep, Nov</td>
</tr>
<tr>
<td><strong>Review of committee forward work programme</strong></td>
<td>Regular reporting</td>
<td>Approve forward work programme (Mar)</td>
<td>Mar, May, Jul, Sep, Nov</td>
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<tr>
<td>Governance</td>
<td></td>
<td>Receive updates (bi-monthly, commencing May))</td>
<td>Mar, May, Jul, Sep, Nov</td>
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<td></td>
<td></td>
<td>Review content of the forward work programme (six-monthly, commencing Sept)</td>
<td>Mar, May, Jul, Sep, Nov</td>
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<tr>
<td><strong>Progress to date:</strong></td>
<td></td>
<td>Auckland Regional Amenities Funding Board: Delegate approval of Auckland Council's submission for the 2020/2021 Funding Levy – <a href="#">Link to decision</a></td>
<td>Mar, May, Jul, Sep, Nov</td>
</tr>
</tbody>
</table>

Updated: 12 March 2020
Te take mō te pūrongo

Purpose of the report

1. To receive a summary and provide a public record of memoranda or briefing papers that may have been held or been distributed to Finance and Performance Committee members.

Whakarāpopototanga matua

Executive summary

2. This is a regular information-only report which aims to provide greater visibility of information circulated to committee members via memoranda/briefings or other means, where no decisions are required.

3. The following information has been circulated to members:

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
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<tbody>
<tr>
<td>2/12/2019</td>
<td>Memo from Rod Aitken, Head of Corporate Property relating to 50 Centreway Drive, Orewa – Attachment A</td>
</tr>
<tr>
<td>19/12/2019</td>
<td>Memo from Nicola Mills, General Manager Financial and Business Performance relating to Quarter One performance reporting queries – Auckland Council – Attachment B</td>
</tr>
<tr>
<td>17/1/2019</td>
<td>Memo from Rod Aitken, Head of Corporate Property relating to the sale of Henderson buildings – Attachment C</td>
</tr>
<tr>
<td>5/2/2020</td>
<td>Memo from Claire Gomas, Principal Advisor relating to the engagement for the Council-Controlled Organisations Review – Attachment D</td>
</tr>
<tr>
<td>7/2/2020</td>
<td>Memo from John Bishop, Group Treasurer relating to the Retrofit Your Home Programme – Attachment E</td>
</tr>
<tr>
<td>26/2/2020</td>
<td>Councillor approval of results announcement to the market for the half year ended 31 December 2019 – NZX Half Year Announcement – Attachment F</td>
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4. The following workshops/briefings have taken place:

<table>
<thead>
<tr>
<th>Date</th>
<th>Workshop/Briefing</th>
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<tbody>
<tr>
<td>27/11/19</td>
<td>Finance and Performance Committee confidential workshop (Annual Budget 2020/2021 and Waste Collection contracts 2020 – planning, procurement and mobilisation (no attachment)</td>
</tr>
<tr>
<td>4/12/2019</td>
<td>Finance and Performance Committee confidential workshop (Annual Budget 2020/2021 – Mayoral Proposal)</td>
</tr>
<tr>
<td>5/2/2020</td>
<td>Finance and Performance Committee confidential workshop (Annual Budget 2020/2021 – consultation document and supplementary information</td>
</tr>
<tr>
<td>11/3/2020</td>
<td>Finance and Performance Committee workshop (Annual Budget 2020/2021 – Have Your Say Event for Regional Stakeholders – Attachment G</td>
</tr>
</tbody>
</table>
These documents can be found on the Auckland Council website, at the following link: http://infocouncil.aucklandcouncil.govt.nz/

- at the top left of the page, select meeting/Te hui “Finance and Performance Committee” from the drop-down tab and click “View”;
- under ‘Attachments’, select either the HTML or PDF version of the document entitled ‘Extra Attachments’.

5. Note that, unlike an agenda report, staff will not be present to answer questions about the items referred to in this summary. Committee members should direct any questions to the authors.

Ngā tūtohunga

Recommendation/s

That the Finance and Performance Committee:

a) receive the Summary of Finance and Performance Committee information memorandum and briefings as at 19 March 2020.

Ngā tāpirihanga

Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
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<tbody>
<tr>
<td>A</td>
<td>2 December 2019 – Memo from Head of Corporate Property regarding 50 Centreway Drive, Orewa (Under Separate Cover)</td>
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<tr>
<td>B</td>
<td>19 December 2019 – Memo from Nicola Mills, General Manager Financial and Business Performance relating to Quarter One performance reporting queries – Auckland Council (Under Separate Cover)</td>
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<td>C</td>
<td>17 January 2019 - Memo from Rod Aitken, Head of Corporate Property relating to the sale of Henderson buildings (Under Separate Cover)</td>
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<td>D</td>
<td>5 February 2020 – Memo from Principal Advisor relating to the engagement for the Council-Controlled Organisations Review (Under Separate Cover)</td>
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<td>E</td>
<td>7 February 2020 - Memo from John Bishop, Group Treasurer relating to the Retrofit Your Home Programme (Under Separate Cover)</td>
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<td>F</td>
<td>26 February 2020 - Councillor approval of results announcement to the market for the half year ended 31 December 2019 – NZX Half Year Announcement (Under Separate Cover)</td>
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<td>G</td>
<td>11 March 2020 - Finance and Performance Committee workshop (Annual Budget 2020/2021 – Have Your Say Event for Regional Stakeholders (Under Separate Cover)</td>
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Ngā kaihaina

Signatories

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<td>Authoriser</td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Finance and Performance Committee

a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1  Woodhill Sands Trust - Guarantee (Loan Reset Request)

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
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<tbody>
<tr>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. In particular, the report contains information on the background to an on-going dispute and negotiations with objectors to the Trust's outstanding application for a new resource consent in respect of the site it owns and occupies.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
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C2  Community Loans Under $1 million

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<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. In particular, the report contains comments and information pertaining to the financial position of community groups, which if released may impact on the credit ratings, operational lines of credit used by the organisations in their daily activities and their ability to continue trading successfully</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
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## C3  Built Heritage Acquisition Fund

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| The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. | s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.  
s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).  
In particular, the report contains specific information on the extent of properties proposed for purchase which could affect any purchase offer. | s48(1)(a)  
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. |