

# Regional Facilities Auckland

## Quarter 1 Performance Report

**For the period ending 30 September 2020**

This report outlines the key performance of  
Regional Facilities Auckland

# Regional Facilities Auckland Summary

## Highlights, issues & risks for the quarter

**COVID 19 Impacts:** RFA venues were closed during the Alert Level 3 lockdown from 13 August. This resulted in some KPIs in the first quarter not being met.

### Highlights:

1. Candice Breitz's I'm Your Man commenced in early August, the first in a series of new Auckland Art Gallery Collection video works. Enchanted Worlds Virtual Tour Version 2.0 was launched with a te reo Māori version, with 6% of 2,096 users accessing the te reo version in the first week.
2. Highly anticipated local production *Mary Poppins* sold 63% of tickets by the end of September, with opening moved to 17 October for Level 1 COVID status assurance.
3. On 14 August, Jamila the Zoo's female rhinoceros gave birth to a calf – the first to be born at Auckland Zoo in 20 years; and the Zoo's Animal Experiences team launched their multi-species trained bird and reptile displays.
4. A Year in Aotearoa: New Zealand Geographic Photographer of the Year exhibition opened on 14 September at the NZ Maritime Museum.
5. The 2020 Mitre10 Cup competition at North Harbour Stadium proceeded under Alert Level 2 protocols, with attendance by invitation only and distancing in place.

### Issues/Risks:

1. The Alert Level 3 lockdown that commenced 13 August and the follow on of the adjusted Alert Level 2.5 resulted in 18 events cancelling and 38 events between mid-August and November moving to new dates.
2. Continued uncertainty around state borders in Australia has meant that musicals, commercial concerts and comedy events are challenging to schedule.
3. Auckland Conventions activity started to build in Alert Levels 2 and 1, and there is a strong forward sales pipeline until end of the year.
4. The Maritime Museum's visitor numbers remain low due to the disruption around Covid-19 and downtown construction work.

Financials (\$million)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	7.4	13.5	(6.2)
Direct revenue	11.8	10.5	↑ 1.3
Direct expenditure	22.0	24.2	↓ 2.2
Net direct	10.2	13.7	↓ 3.5

## Financial Commentary

**Capital delivery:** The RFA capital programme for the quarter ended 30 September 2020 delivered \$7.4m of works.

**Net direct expenditure:** The \$3.5m favourable variance reflects the receipt of unbudgeted central government grants and tight control over expenditure.

Key performance indicators	Previous	FY21 YTD		Status	Commentary
	Year	Actual	Target		
The number of people who experience RFA's arts, environment and sports venues and events	2,790,600	321,927	365,249	<b>Not met (COVID 19 impacts)</b>	The COVID-19 lockdown resulted in all RFA venues closed from 13 August during Alert Level 3 which has impacted visitors.
The net promoter score for Regional Facilities Auckland's audiences and participants	45	50	19	<b>Met</b>	
Percentage of operating costs funded through non-rates revenues	52%	53%	42%	<b>Met</b>	
Percentage of Auckland residents surveyed who consider that RFA programmes, events and exhibition enrich their lives	73%	Not measured	70%	-	Community survey on hold until return of programming across Auckland Live and Auckland Stadiums

# Strategic focus area – Amalgamation of RFAL and ATEED

## Key commentary

The Governing Body approved the amalgamation of RFAL and ATEED effective 30 November 2020 (resolution no GB/2020/90).

### Highlights

1. The work streams are on track and PMO team meeting regularly.

### Risks

1. Confusion over CCO name and wordmark vs brand extensions (sub-wordmarks) and sub-brands
2. Rollout and communication of naming decision not well managed.
3. Resourcing issues as current staff at ATEED and RFA are completing the workstream work along with their normal work obligations
4. Extensive SAP Financial System work to meet day one requirements impacting finance and people workstreams.
5. The communication channels for MergeCo post day one.

## Strategic context

The 2020 CCO review process led by an independent panel made recommendations on Auckland's substantive CCOs, including the merger of RFAL and ATEED. The Short Form Amalgamation under the Company Act is ATEED to merge with RFAL to establish a single entity to delivery the existing functions and activities of ATEED and RFAL.

Key programme of works	Status	Progress
Strategy	On track	New name decision in progress in conjunction with Mana Whenua, Mayor, RFA Board Chair and Chair of CCO Oversight Committee Draft Statement of Intent in progress
Communications	On track	Shared Intranet plan agreed with intranet site name in process Avenue to share staff questions from across ATEED and RFA established MergeCo website is progressing Weekly communication to ATEED and RFA staff occurring
People	On track	Functional mapping session held to attempt to map the organisation into functional areas TUPU and SAP set up in progress by Auckland Council staff Confirmed in comms that ATEED people will move over on existing terms and conditions
Finance	On track	SAP Financial System set up in progress by Auckland Council staff Amalgamation accounting and reporting requirement documentation in progress. External taxation advice received and IRD changes scheduled from November
ICT	On track	Agreed Council ongoing support of merge company Joint web presence and intranet site establishment for both organisations on track Continued progress on identifying ATEED application and hardware usage
Company Administration and Risk	On track	RFAL board established and board induction day held on 8 October Council has confirmed that all RFAL Constitution changes will be made shortly after 28 October RFA Board meeting RFAL and ATEED merger approval papers to be tabled at the 28 October RFAL Board meeting

# Strategic focus area – Stadia

## Key commentary

For Q1 ending 30 September 2020, a total of \$1.2m has been spent towards stadia against an allocated FY21 budget of \$5.6m.

### Highlights

1. **Western Springs Stadium:** A multi-year \$12.7m programme of major renewal works is almost complete. The upgrade of Stadium Road, new retaining wall structures, entrance gate, ticket booths and street lighting have all been finished. The opening of the new toilet block and maintenance shed in October will mark the completion of this programme.
2. **Mount Smart Stadium:** A programme of minor renewal and infrastructure improvements are underway at Mount Smart. In addition, several Level of Service initiatives are currently being investigated which should see improvements to the customer experience, advertising revenue and existing sports facilities.
3. **North Harbour Stadium:** The FY21 programme is centred around investigation and remedial works to the main grandstand roof which was delayed from FY20 due to COVID.

### Issues/Risks

1. Due to the relatively small programme of works this financial year there are no significant risks associated with the delivery of the FY21 Stadiums Programme.

## Strategic context

Much of Auckland's network of stadia are aging and do not respond to the evolving interests of Aucklanders, including the growth of interest in a wider range of sports.

RFA is working to improve the amenity and health and safety standards in the stadia under its stewardship, in order to improve their financial sustainability and provide better facilities for both community sports activities and professional sports teams and their fans. RFA also aims to provide venues to support Auckland's emerging sports.

RFA and Auckland Council intend to conduct a joint strategy workshop during the upcoming year which will include discussion of the long-term strategic approach to Auckland's stadiums.

Key programme of works	Status	Description	Outlook
Mount Smart Renewals Programme	Underway	A programme of minor renewals and infrastructure upgrades	Progressing well
North Harbour Stadium – main stand roof renewal	Underway	To construct access to the grandstand roof and undertake roof repairs and strengthening	This project was put on hold last financial year but Plan Phase has recommenced.
Western Springs Stadium renewals	Closure Phase	The replacement of two toilet blocks, gate entry building, maintenance shed, concourse and Stadium Road upgrade works	Was delayed due to COVID19 but is scheduled for completion this month

# Strategic focus area – Auckland Zoo development

## Key commentary

For Q1 ending 30 September 2020, a total of \$2.5m has been spent at Auckland Zoo against an allocated FY21 budget of \$13m.

## Highlights

1. The revised South East Asia Jungle Track (SEAJT) construction programme that addresses the impacts from the COVID -19 delays has been implemented; the remaining construction of SEAJT has been identified as Phase 2 and is comprised of the O-line aerial pathway, Tiger Lowlands, and the Swamp Forest.
2. The updated cost estimate to complete the SEAJT scope is within the approved \$60m project budget; the elongation of the programme to Spring 2021 spreads the remaining project costs over the next two financial years (FY21 & FY22).
3. In addition to the SEAJT Project, a \$7m programme of Infrastructure and General Renewals is planned for this financial year and is currently underway.

## Issues/Risks

There is potential for future disruptions by Covid-19 to labour and materials and the additional time and costs associated with these delays.

## Strategic context

RFA is continuing with development of a world-class zoo and wildlife conservation facility by addressing aging infrastructure at Auckland Zoo and long-term under-investment through a phased programme of works.

These works constitute essential renewals aimed at ensuring Auckland Zoo meets the modern standards of animal welfare, visitor amenity, wildlife exhibition and health and safety obligations.

## Key programme of works

Key programme of works	Status	Description	Outlook
South East Asia Precinct development	Revised Completion Confirmed (End date Nov 21)	Redevelopment of the central area within the Zoo to provide modern standards of housing and care for the Zoo's South East Asian species, and new catering facilities for zoo visitors	The revised delivery programme, developed post COVID19, is meeting planned timelines and cost to complete estimates.

# Strategic focus area – Aotea precinct development

## Key commentary

For Q1 ending 30 September 2020, a total of \$1.2m has been spent against an allocated FY21 budget of \$13.1m

### Highlights

1. The Preliminary Design for Aotea Studios - Nga Kakano a Rehia was completed in Q1 and has been endorsed by Mana Whenua and the Auckland Urban Design Panel. The project is now on hold pending funding in the LTP.
2. The Weathertightness improvement phase of the Aotea Centre Refurbishment Programme is underway and scheduled to be ongoing for most of FY21 after delays caused by COVID19.

### Issues/Risks

3. The Aotea Centre weathertightness works were substantially disrupted during the Covid-19 lockdown and post-lockdown periods. The programme is now expected to extend into Q4 of FY21 and risk being impacted further if future lockdowns occur.

## Strategic context

The refurbishment and further proposed development and expansion of the Aotea Centre are aimed at creating a vibrant cultural and civic centre for Auckland focussed on the Aotea Square precinct and as part of a wider Aotea Arts Quarter.

This will include a significantly upgraded and expanded Aotea Centre and integrated Aotea Square, providing a home for the development and presentation of performing arts in Auckland.

Key programme of works	Status	Description	Outlook
Aotea refurbishment	<b>Delayed (COVID 19 impacts)</b>	The first significant refurbishment of the 30-year-old Centre, aiming to upgrade foyer and functions spaces and address long-standing weather-tightness issues	Internal refurbishments works are completed. Exterior weathertightness works are scheduled for completion in Q4 FY21.
Aotea Studios – Nga Kakano a Rehia Preliminary Design	<b>Completed</b>	Major expansion of the current Aotea Centre to provide a home for performing arts organisations and to foster the work of performing arts groups	Endorsement of the Preliminary Design by Mana Whenua and the Auckland Urban Design Panel marks the completion of this phase of the Project. Continuation from this point will be subject to LTP funding.

# Other Statement of Intent focus areas

## Arts & Culture Strategy

- Development continues on the free Toi Tu Toi Ora exhibition, a major survey of contemporary Māori art opening at the Auckland Art Gallery on 5 December 2020. It has high cultural significance for New Zealanders, featuring over 300 artworks by 120 Māori artists.
- The first Sunday Free Organ Concert for the year took place in the Town Hall on 9 August, with 650 patrons in attendance.
- The delivery of the PANNZ (Performing Arts Network of New Zealand) monthly online hui on the future of arts continued throughout the quarter.
- Level 3 had major impacts on schools and outreach programmes across RFA
- A framework and vision are being established to guide accessibility initiatives within Auckland Live and Conventions; working closely with Creative New Zealand and the Ministry of Culture & Heritage to understand existing research, policy and legislation related to accessibility.

## Sustainability and Climate Change

- The Sustainability Adviser left RFA in July 20 and the role has remained vacant while a recruitment freeze is in place at RFA. The role will be reviewed once the merger has been completed.

## Local Board Engagement

- Submissions were made on behalf of RFA to all 21 Local Board Plans, requesting advocacy items by the boards for the work of RFA.
- Presentations have been made to the Waitemata Local Board by each of the business unit directors, which were well received.
- The composition of the Auckland Council Advisory Panels was finalised recently and RFA made a presentation to the Disability Panel. Most of the members of the Disability Panel were new and were not aware of the work of RFA, their response was very positive.
- The final 2019/2020 quarterly report was recently sent to all Local Board members.

## Contribution towards Māori Outcomes

- RFA continues to implement the action plan for the Mahere Aronga Māori, Māori Responsiveness Plan in particular
- **Increase staff cultural competency:** Access for all current and future leadership and employees of RFA and the merged entity has been negotiated for capability development and training in Te Ao Māori through Council's Ngā Kete Akoranga programme. This will allow free training in Te Reo, tikanga, relevant legislation and policy related to Māori, local government, arts and economic development
  - **Develop and deliver initiatives and programmes inclusive of te ao Māori perspectives:**  
The application to Council's Māori Outcomes Fund for Auckland Art Gallery Toi o Tāmaki's 2021 signature event showcasing the contemporary work of 120 Māori Artists from a 70-year period was successful and RFA will receive \$1.6m over 2 financial years to support the exhibition proper and activities post-the event
  - The RFA has successfully secured to grants from Council's Māori Outcomes Fund to implement:  
A foundational bilingual naming programme for signage in all of RFA's facilities.
  - Cultural narratives for key sites has been compiled and will be published and used to inform future design work, wayfinding, educational material for RFA customers and staff development
  - **Employ Māori specialists and increase staff's cultural competency to support Maori responsiveness goals:**  
A database of all Māori staff employed by RFA has been complete and all staff contacted on this list as part of progressing the goal of strengthening RFA employee experience.

# Regional Facilities Auckland financials



## Direct operating performance

(\$ million)	Notes	FY20	FY21 YTD			FY21
		Actual	Actual	Budget	Variance	Budget
<b>Net direct expenditure</b>	<b>A</b>	<b>48.49</b>	<b>10.2</b>	<b>13.7</b>	<b>3.5</b>	<b>57.0</b>
<b>Direct revenue</b>	<b>B</b>	<b>55.5</b>	<b>11.8</b>	<b>10.5</b>	<b>1.3</b>	<b>41.2</b>
Fees & user charges		34.4	2.9	3.4	(0.5)	23.0
Operating grants and subsidies		7.1	6.5	4.7	1.8	6.7
Other direct revenue		14.0	2.4	2.4	-	11.5
<b>Direct expenditure</b>	<b>C</b>	<b>103.9</b>	<b>22.0</b>	<b>24.2</b>	<b>2.2</b>	<b>98.2</b>
Employee benefits		50.4	13.1	13.7	0.6	50.7
Grants, contributions & sponsorship		1.3	0.7	0.7	-	2.8
Other direct expenditure		52.2	8.2	9.8	1.6	44.7
<b>Other key operating lines</b>						
AC operating funding		42.7	13.6	13.6	-	57.0
AC capital funding	<b>D</b>	75.9	7.4	13.5	6.1	50.1
Holiday Act remediation payments		2.0	-	-	-	-
Capital Grants paid to RFA Partners	<b>D</b>	1.7	0.5	-	0.5	-
Living wage payment		-	0.2	-	0.2	-
Depreciation		35.3	8.7	8.2	(0.5)	35.8
Net interest revenue		0.6	0.1	0.1	-	0.2



## Financial Commentary

**A:** The \$3.5m favourable variance reflects the receipt of unbudgeted central government grants and tight control over expenditure.

**B:** Direct revenue favourable variance is due primarily to RFA receiving the two week extension of the Government Wage Subsidy of \$1.1m and the first tranche of \$0.75m Strategic Tourism Assets Protection Programme grant which were both unbudgeted.

**C:** Direct expenditure favourable variance due primarily to a tight control over expenditure including a staff recruitment freeze, reduced staff hours, annual leave being taken by staff and reduced cost of goods and services, offset by additional payments to casual staff in relation to the unbudgeted Government Wage Subsidy grant.

**D:** Capital funded grants of \$0.5m paid RFA partners including Trust Arena, Eventfinda Stadium, Stardome and MOTAT. The funding was budgeted through Auckland Council Capital funding.



# Regional Facilities Auckland performance measures

Key performance indicators	Previous Year	FY21		Status	Commentary
		YTD Actual	YTD Target		
<b>Note: RFA has a total of 12 primary SOI measures. For the quarter ended 30 September 2020, 7 of the primary measures have been met, 2 have not and 3 not measured.</b>					
The number of people who experience Regional Facilities Auckland's arts, environment and sports venues and events	2,790,600	321,927	365,249	<b>Not met (COVID 19 impacts)</b>	The COVID-19 lockdown resulted in all RFA venues closed from 13 August during Alert Level 3 which has impacted visitors.
The net promoter score for Regional Facilities Auckland's audiences and participants	45	50	19	<b>Met</b>	
Percentage of Auckland residents surveyed who consider that RFA programmes, events and exhibition enrich their lives	73%	Not measured This quarter	70%	-	
Number of people experiencing RFA's free or subsidised programmes, events and exhibitions	Not measured	242,479	Baseline to be set	<b>Met</b>	
Number of people who experience RFA's outreach programmes	Not measured	Not measured this quarter	Baseline to be set	-	Community survey on hold until return of programming across Auckland Live and Auckland Stadiums
RFA website and social media following (number of visits/followers)	Not measured	299,748	Baseline to be set	<b>Met</b>	
Number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	44	11	5	<b>Met</b>	
Number of school children who attend RFA's schools programmes	Not measured	7,625	Baseline to be set	<b>Met</b>	
Value of capital improvements to RFA venues	\$75.9m	\$7.4m	\$13.5m	<b>Not met</b>	Capital project work will be completed to budget later in the financial year.
Number of staff hours on conservation activities at Auckland Art Gallery, Auckland Zoo and NZMM	Not measured	3,783	Baseline to be set	<b>Met</b>	

Percentage of operating costs funded through non-rates revenues	52%	53%	42%	Met	
Carbon emission reductions (year-on-year % change)	Not measured	Only measured annually	Baseline to be set	--	

# RFA non-financial performance YTD as at 30 September 2020

