

Auckland Unlimited

Quarter 3 Performance Report

For the period ending 31 March 2022

This report outlines the key performance of Auckland Unlimited, which includes regional facilities, economic development and visitor economy-related activities and investments

Auckland Unlimited Q3 summary

Highlights, issues & risks for the quarter

Context:





On 3 December 2021, Auckland shifted from Level 3, Step 2 into a red traffic light setting, under the new COVID-19 Protection Framework. As a result, over much of Q3 there was limited attendance at Auckland Unlimited facilities and venues, and a range of events were either cancelled or postponed. Visitation to Auckland from other parts of the country was permitted over Q3 when border restrictions were lifted and from March vaccinated New Zealand travellers were no longer required to isolate when travelling back to New Zealand.

Highlights:

- **Activate Tāmaki Makaurau:** The \$60m support package opened on 1 December 2021. Funding registrations closed in March with 12,807 registrations and \$32.7M of funding approved to 9,939 businesses by 31 March.
- **Reactivate Tāmaki Makaurau:** \$25.5m support package for visitor experience vouchers. By the end of March, four waves of vouchers had been distributed and 82,000 vouchers were used to book 320,000 tickets across Auckland experiences.
- **Auckland Film Studios** construction is well underway, piling, footings and trusses for Stage 3 are now complete.
- **Project Ikuna:** The December goal of 100 micro-credentials was attained in March by education partners.
- **Auckland Zoo:** Construction of the **Southeast Asia Jungle Track** recommenced on 10 January – including installation of the tiger back-of-house area, commissioning of Swamp Forest environmental Life Support Systems and planting.
- **New Zealand Maritime Museum:** The new Plaza space is now complete signalling the end of the museum entrance refurbishment project resulting in an improved visitor amenity and several new spaces.
- **Summer at the Stadium programme** of events funded via the Local Activation Programme Fund commenced at Mt Smart in the second half of February.

Issues/Risks:

1. Ongoing impact on Auckland of COVID-19 restrictions, on events, visitation, hospitality, tourism, accommodation and arts and culture, further impacting AUL revenues and creating labour and supply-chain disruptions. Easing into Q4.
2. Auckland's reputation as a screen friendly city is at risk as it becomes increasingly difficult for location shoots to take place due to permit regulations now required for sites listed as mana whenua sites of significance.

Financials (\$m)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	23.8	41.6	17.8 
Direct revenue	67.5	67.1	0.4 
Direct expenditure	146.0	155.0	9.0 
Net direct expenditure	78.5	87.9	9.4 

Financial Commentary

The favourable variance is due to changes in the timing of planned expenditure in response to COVID-19 driven revenue result and ongoing uncertainties regarding future revenues.

COVID-19 will continue to have further revenue impact over the months to come as Auckland moves through the COVID-19 traffic light levels, with costs controlled to partially mitigate revenue impacts. We will continue to assess the implications of the COVID-19 traffic light system as our operations gradually return.

Key performance indicators	Previous	FY 22 Quarter 3			Commentary
	Year	YTD Actual	FY Target	Status	
No. of people issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events. (LTP measure)	New measure	462,459	1.44m	Not on track (against year-end target)	Year-end result will not be achieved due to the extended COVID-19 restrictions and resulting venue closures and capacity limitations.
The percentage of operating expenses funded through non-rates revenues (LTP measure)	50%	32%	44%	Not on track (against year-end target)	Result is below target due to the closure of all Trust facilities over Q1 and Q2, and limitations over Q3, impacting revenue generation.
No. of businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention. (LTP measure)	7,357	9,939	3,000	Achieved (against year-end target)	Based on the number of businesses that have been assisted through the Activate Tāmaki Makaurau programme only.

Strategic focus area – Investment and Industry

Key commentary	Strategic context
<p>At the end of Q3 YTD, total net direct expenditure for Investment and Industry was \$10.55m against a budget of \$11.97m (excluding corporate support).</p> <p>Highlights:</p> <ul style="list-style-type: none"> • Activate Tāmaki Makaurau: The \$60m support package including Business Advisory and/or Business Implementation funding, First Steps and Business Community platforms opened on 1 December 2021. Funding registrations closed in March with 12,807 registrations. This included 1,232 Māori businesses (10%), and 1,055 (8%) Pacific businesses. Assessment and approval of applications continue and approval of available funding is expected to be completed by 14 April. \$32.7M of funding was approved to 31 March, enabling 9,939 businesses to commence work with service providers for business advice or implementation. Digital Marketing Advice and implementation had the greatest uptake, with construction, hospitality and retail being the leading sectors receiving support. Health and Wellness delivered by The Chamber saw 36,000 resource downloads, 149 applications for support providing 1,769 therapy hours to support business owners. The Business Community platform had 3,530 subscriptions and resources continue to be added to support businesses through the current challenges. • Reactivate Tāmaki Makaurau: By March, four waves of vouchers had been distributed (180,000) – 82,000 vouchers were used to book 320,000 tickets across Auckland visitor experiences and attractions. • Reimagining Tāmaki Makaurau: The formal launch of the AUL commissioned Reimagining Tāmaki Makaurau report which presents a series of aspirations for what Auckland could be in 50 years from now. • Project Ikuna: The December goal of 100 micro-credentials was attained in March by education partners – with the delay due to the pandemic. The project is currently delivering to 19 cohorts across registered employer partners. • Film Studio's: The Studio team is now working on 4 licence agreements for new overseas productions that will occupy AFS and KFS after the Amazon exit in August. The AUL Board has approved a decision to return the Highbrook Studio to warehouse stock. <p>Issues/Risks:</p> <ol style="list-style-type: none"> 1. Auckland's reputation as a screen friendly city is at risk as it becomes increasingly difficult for location shoots to take place due to permit regulations and more sites being listed as mana whenua sites of significance. 2. Closed borders continued to curtail any tourism attraction conversion into visitors during Q3. 3. Auckland City Centre, a key economic centre for the region has been disproportionately impacted by public health restrictions, with 20 year high retail vacancy rates and 10 year high office vacancies. 	<p>The Investment and Industry Rōpū supports the growth of quality jobs by working with industry across business support, business, talent and investment attraction, workforce and sector development and convening sectors – including the visitor economy – to support them to thrive in Auckland.</p>

Key programmes of work	Status	Description	Outlook
Investment and Screen Attraction	On track	Attracting high-value business and investment to the city to maximise economic opportunities associated with infrastructure investment for long-term impacts. Screen attraction, infrastructure, and talent	Auckland Film Studios construction is well underway, piling and footings are now complete and the trusses for Stage 3 are now up. COVID-19 remains an impact on site labour and supply changes with ongoing disruption still expected. Work continues on the Henderson Creative Precinct business case.
Local Economic Development	On track	Providing guidance to support local initiatives and focusing future investment on economic outcomes for south and west Auckland.	City Centre Recovery: AUL is leading the Economic workstream of a Council/Government programme targeting recovery of the city centre. Many businesses in hospitality, accommodation, services and retail have been hard hit over past 2 years. A programme to target employers to encourage workers back

			<p>into the city, followed by events and activations to attract and welcome locals and international visitors is in development.</p> <p>Local Board Work Programme: AUL have developed a proposed work programme for local boards where they have identified economic outcomes as part of their Locally Driven Initiatives (LDI) budget. Staff have completed the second round of workshops with local boards to discuss the proposed LDI work programme.</p>
Innovation	On track	Leveraging our role to grow Auckland's innovation ecosystem, including the ongoing development of GridAKL network, a climate innovation hub and tourism innovation hub.	<p>Innovation Precinct hubs: Despite COVID-19 restrictions, GridAKL campus in Wynyard Quarter had 131 businesses and 674 individuals on site on average over the quarter. The wider innovation precincts network including GridAKL campus, GridMNK, and Click Studios had a total of 192 businesses and 892 individuals on site on average over the quarter. XLabs announced its first 6 of 20 participants for the circular economy design sprint. Initiation of From the Ground Up F&B/Circular Economy project is complete. AU also helped deliver the successful launch of New Zealand Tech and Innovation Story (Tech Story) and brand platform 'We See Tomorrow First', an initiative designed to support the growing digital technology sector in Aotearoa, and attracting international investment and talent.</p>
Business Growth	On track	A focus on existing small businesses, raising capability, encouraging business networking, connecting them to talent and facilitating access to export markets.	<p>Regional Business Partner activity has been scaled down to allow for delivery of the Activate Tāmaki Makaurau programme and as a result of limited funding available for distribution in Business Capability. AUL are awaiting the outcome of the RBP tender, due early May, to commence transition from AUL to a new partner.</p>
Tourism	On track	Auckland Unlimited's Tourism team focuses on leading and partnering in destination marketing and advocating or co-ordinating in destination management.	<p>Auckland Weekly: The first episode of Auckland Weekly was filmed on 21 January, these short videos will be published weekly on social channels by a rotating group of student presenters who will share details of student events, activities and competitions running around Tāmaki Makaurau. The second phase of the Auckland is Calling campaign targeting domestic travellers began in late March. Promotion of events and visitor experiences across Auckland, hospitality and accommodation are included in the advertising.</p>

Strategic focus area – Cultural Organisations

Key commentary

At the end of Q3 YTD, total net direct expenditure for Cultural Organisations was \$30.97m against a budget of \$30.45m (excluding corporate support).

Highlights:

- The final stages of construction of the **Southeast Asia Jungle Track** recommenced on 10 January – including installation of the tiger back-of-house area, commissioning of the Swamp Forest environmental Life Support Systems and planting (including 30 native trees) on lakeside landscape.
- **New Zealand Maritime Museum:** The new Plaza space is now complete signalling the end of the museum entrance refurbishment project resulting in an improved visitor amenity and several new spaces.
- **Summer at the Stadium programme** of events funded via the Local Activation Programme Fund commenced at Mt Smart in the second half of February. To date, three drive in movies have been delivered in the Supertop carpark area and two Kid’s Flicks have been screened at Lilyworld.
- **Mount Smart** hosted the inaugural Moana Pasifika pre-season match against the Chiefs in February under the red traffic light setting behind closed doors but broadcast live as a fundraising event for the Tonga Relief effort (\$25k+ raised). Moana Pasifika’s first home game was also hosted on 25 March.

Issues/Risks

- Impacts on attendee numbers, revenue shortfalls and disruptions to labour and construction material availability because of border closures and COVID-19 restrictions.

Strategic context

Important and unique cultural institutions and visitor experiences now sit within a Cultural Institutions Rōpū, enabling us to have a connected approach between cultural institutions, now and into the future.

Key programme of works	Status	Description	Outlook
Auckland Zoo	On track	Auckland Zoo is a wildlife conservation organisation dedicated to building a future for wildlife. The zoo cares for wildlife, participates actively in national and international wildlife conservation programmes and research and creates extraordinary experiences for visitors.	A free Community Ticket programme ran through January with 50-100 tickets being used per day. The first animal residents of the Swamp Forest tropical dome arrived. Approximately 800 fish of four different Southeast Asian species are in quarantine in the dedicated ‘fish room’ adjoining the dome and will be joined over coming months by several thousand more. Anjalee, the younger of the zoo’s two elephants, was successfully relocated to Taronga Western Plains Zoo, Dubbo, in early March. The Australian Zoo in Queensland has withdrawn its offer to accept the transfer of Burma, originally planned for the end of April. Other options are being considered.
Auckland Art Gallery	On track	Auckland’s leading gallery of art houses a nationally important collection of more than 17,000 works from New Zealand and the world. Its purpose is to be a place for art and catalyst for ideas, offering experiences that strengthen and enrich our communities.	Korean-New Zealand artist Yona Lee exhibition (An Arrangement for 5 Rooms) installed in February. Heavenly Beings: Icons of the Christian Orthodox World also in construction phase and works arriving from lenders over the month for exhibition – 15 April-22 October. Toi Tū Toi Ora book – planning for distribution to schools underway. Max Oettli: Visible Evidence, Photographs 1965–1975 exhibition opened in Upper Grey. The first exhibition by Curator Pacific Art Ane Tonga; Declaration: A Pacific Feminist Agenda, is being installed currently with new works commissioned. The exhibition will open in April by the Minister for the Arts Hon. Carmel Sepoloni. Mary Quant at the Auckland Art Gallery total visits towards the end of February were 22,174 since the exhibition opened on 10 December.

NZ Maritime Museum	On track	The museum houses the most significant maritime collection in Aotearoa spanning vessels, artefacts, and archival material. The museum is a place of learning and enjoyment, telling the story of our ocean, coastal and harbour seafaring from the earliest Polynesian explorers to the present day.	School visits have resumed and continue to attract high levels of interest but have been affected by the Omicron outbreak with many changes to visit schedules being made. Exhibition schedule has been confirmed through 2026, with place holder titles including <i>Always Song in the Water</i> (exploration of the ocean environment with artist Greg O'Brien), <i>Our Changing Waterfront</i> (a history of the evolution of the Auckland waterfront and port), <i>Six Feet High and Rising</i> (exploring new ideas and products designed to address climate change), <i>Sentinel</i> (Aotearoa as the seabird capital of the world – a partnership exhibition with the University of Auckland).
Auckland Stadiums	On track	Auckland Stadiums manages Western Springs, North Harbour Stadium and Mt Smart Stadium, and brings to Auckland world-class sport, live music, and entertainment.	Mount Smart hosted the Aotearoa Tonga Relief Committee , who were collecting donations of dried goods to support Tonga's response to the volcanic eruption in January. To date 51 containers have been shipped to Tonga. Western Springs hosted L.A.B. in January at Outerfields; the only stadium concert for 2021-22 Summer Concert season. The event proceeded with the Government moving the country to a red traffic light setting 24 hours after the event.

Strategic focus area – Arts, Entertainment & Events

Key commentary

At the end of Q3 YTD, total net direct expenditure for Arts, Entertainment and Events was \$9.22m against a budget of \$15.11m (excluding corporate support).

Highlights:

- **Elemental AKL** currently has 30 event partners with an expected suite of approximately 100 individual events across the festival, 14 – 31 July.
- The **FIFA Women’s World Cup 2023** Host City Training Venues Working Group was convened with membership across the Auckland Council group, North Harbour and Waitakere stadiums and Northern Region Football, to oversee the upgrades (club facilities, lighting and pitch compliance) to up to 11 training venues in the region to meet FIFA requirements and legacy outcomes.
- AUL facilitated conversion of The Cloud to a city centre vaccination hub for the ADHB which remained in place until the end of March.

Issues/Risks

- In total, 23 events have been cancelled or postponed since the move to the red setting in January 2022. The cancelled events (Auckland Boat Show, New Zealand Fashion Week, Auckland Lantern Festival, Opera on the Harbour, SPLORE Music & Arts Festival, Round the Bays, Pasifika Festival, NZ PGA Championships eight) represent 32,590 in lost visitor nights and \$4,873,200 in GDP for the region.
- Ongoing Auckland, New Zealand and Australian lockdowns are heavily impacting events and visitation. Looking ahead, there are multiple scheduled ticketed international Auckland Live events at risk depending on future COVID-19 restrictions.
- Availability of casual staff with specialist skill sets in technical and visitor experience areas continues to be a risk as the business reschedules 2 months of postponed Auckland Live and Conventions events into a heavily utilised suite of venues for the remainder of FY22.

Strategic context

It is important we bring our events activity together, from our business events through to the parts of our organisations that bid for events and organise large scale events in our region. These will be brought together in our Arts, Entertainment and Events Rōpū.

Key programme of works	Status	Description	Outlook
Auckland Live	At risk	A world-class arts and entertainment organisation that energises the Aotea Arts Quarter, Bruce Mason Centre and Queens Wharf with events and activities. Grows Auckland’s international reputation as a viable market and attracts big shows to the city. Centre for performing arts development, education, enrichment and high-performance professional training.	Michelangelo – A Different View extended its programme by 2 weeks providing a successful red traffic light setting offer for the Aotea Centre with the season concluding on 13 February.
Major Events	At risk	Annual delivered events programme (e.g.: Pasifika). Winter Festival programme. Major Events programme. Partner programme / facilitation.	Events able to go ahead this quarter under red traffic light setting included: Ocean Swim Series, Sculpture on the Gulf and Wild in Art . With the 2022 Pasifika Festival being cancelled on its 30 th anniversary, a revised ‘ Taste of Pasifika ’ will take place at the Cloud between 3-6 June 2022 with three weekends in June of additional programmes.
Business Events	At risk	Secures and hosts conventions, meetings, commercial exhibitions, functions and dinners across suitable Auckland Unlimited venues and other venues. Provides technical equipment hire for conventions, meetings, commercial exhibitions, functions and dinners.	A total of 41 bids and proposals were submitted across the quarter for events to be held between 2023 and 2025. These events, if successfully brought to Auckland, would be expected to generate a total economic impact value of \$7.23m and 19,670 visitor nights. In addition, 12 new business event wins for the region were secured over the quarter. These events (to be held between 2022 and 2026) are expected to generate a total economic impact value of \$6.47m and 16,405 visitor nights.

CCO review implementation

Context

The *Review of Auckland Council's council-controlled organisations (July 2020)* made three specific recommendations related to ATEED and Regional Facilities Auckland. They were:

1. The council approves the merger of the two CCOs and appoints a steering group to implement the change.
2. The merged entity explores, at the council's direction, the critical need for joint management and operation of the city's four stadiums with the Eden Park Trust.
3. The council explores with the Auckland War Memorial Museum and MOTAT bringing both institutions into the merged entity and seeks such legislative change as is necessary

In addition, it is expected that Auckland Unlimited will contribute to a range of other recommendations of the CCO Review related to Accountability and Culture.

Q3 implementation progress

Recommendation #1: ATEED – RFA Merger

- On 1 December 2020, ATEED and RFA formally merged to become Auckland Unlimited. This recommendation is complete.
- Since the merger, Auckland Unlimited has introduced a new target operating model and appointed a new Executive Leadership Team. Work continues on embedding the new operating model through a dedicated Change and Transformation function.

Recommendation #2: Single Stadium Operator

- The Single Operator Stadiums Auckland (SOSA) work has been identified as an area of focus in the AUL Letter of Expectation for 2022/23. A Memorandum of Understanding (MOU) has been signed between AUL and the Eden Park Trust Board. The CCO Oversight Committee has been briefed on the MOU and the associated programme of work. Workstreams are being activated as part of the programme of work towards a business case.

Recommendation #3b: Bringing MOTAT into Auckland Unlimited

- Auckland Unlimited is working with MOTAT to explore how this recommendation can be implemented in practice and have agreed a process to carry out an examination of the options and the matters to be considered with an aim to report back to Council by the end of June 2022.

Other Recommendations

In addition, Auckland Unlimited staff have been inputting into a range of other recommendations, including the development of strategic priorities across the group, Local Board Engagement Plans, reporting and communications, Group Shared Services, Māori responsiveness, and complaint measurement.

Outlook

ATEED-RFA Merger and Transition Update:

Auckland Unlimited will continue to implement its new operating model over the coming months although the COVID-19 lockdown continues to result in some delays in structural changes.

Single Stadium Operator

The CCO Oversight Committee will continue to be briefed on the progress of this work.

Bringing MOTAT into Auckland Unlimited

It is anticipated an appropriate model for Council's consideration could be ready by the end of June 2022.

Other Statement of Intent focus areas

Climate Change & Sustainability

- **Climate Innovation Hub (CIH):** The first Advisory Group meeting and working session for philanthropic involvement were held during March. The website development, communications and marketing plan are all underway. A key focus is on recruiting for the Business Development Manager and Māori Advisor roles.
- **Auckland Unlimited's operational GHG Emissions:** Utilities management system e-Bench, has reached the implementation process. This will streamline AUL's utilities management, which in turn will accurately capture GHG emissions across AUL assets and buildings.
- **Taskforce on Climate-Related Financial Disclosure (TCFD):** We are in the process of actioning an RFP to produce two key pieces of work for our TCFD actions. The first piece of work will produce an emissions reduction pathway to 2030 with an options-analysis, timeline, and costing. The second piece of work will be an adaptation pathway. This will also include a review of previous TCFD work and organisational strategies. The Climate Disclosure Working Group for all CCOs has also started.
- **Emissions reporting:** Auckland Unlimited is working towards the emissions reporting requirements for the Toitū carbonreduce certification for FY 2021/22 based on the updated scope and boundary standards.
- **Women4Climate C40 cities:** The Auckland Women4Climate Mentorship programme, led by AUL's Parin Rafiei-Thompson is live. The Programme is organised by C40 cities, running from April to November 2022. This will provide mentorship from an experienced leader, networking access, and regular training with global experts.

Local Board Engagement

- Work has been completed on the draft Auckland Unlimited work programmes for inclusion in the 2022-23 Joint CCO Engagement Plans to be presented to all local boards in April/May 2022 workshops. The 21 work programmes have been drafted to better reflect the ongoing transformation of the organisation and the breadth of its remit.
- The 2021-22 CCO Joint Local Board Engagement plans were updated for Q2, then 21 local board reports based on the plans produced and provided to Local Board Services.
- Monthly newsletters were issued to boards, providing content on Auckland Unlimited activities. Updates are provided on regionwide activities like the government support packages (showing voucher recipients and businesses supported in each local board area), and local activities based in specific local boards areas.
- In addition to the above work programme, the following presentations were made to specific local boards and local board audiences during Q3:
 - In February Sir Peter Gluckman and Nick Hill provided an overview of the Reimagining Tāmaki Makaurau Auckland report at the Local Board Chairs' Forum.
 - A workshop was held with Franklin Local Board to discuss the 2022 WRC Rally New Zealand and opportunities to leverage this event to benefit the Franklin area.
 - An online briefing was held for all local board members to provide an update on FIFA WWC 2023 and Tāmaki Makaurau Auckland's Host City role. A programme of workshops with local boards that have FIFA Women's World Cup 2023 training venues in their area then commenced, providing information on opportunities to leverage this event for community benefit (Henderson-Massey; Kaipātiki; Māngere-Ōtāhuhu; Ōrākei; Papakura; Puketāpapa; Upper Harbour; Waitematā; Whau). Workshops continue in Q4.
 - The AUL Directors of Arts, Entertainment and Events and of Cultural Organisations presented to Waitematā Local Board and outlined their strategic direction.
 - The AUL Director of Investment and Industry hosted Whau Local Board members at Click Studios in Avondale, an opportunity for the board to understand the support Auckland Unlimited provides for this creative technologies co-working space, and the opportunities Click Studios can offer locals, particularly rangitahi.
 - The CE of the NZ Maritime Museum spoke at a Waitematā Local Board workshop about the upcoming NZMM master-planning and the potential for consultation.

Contribution towards Māori Outcomes

- An organisation-wide cultural competency survey was initiated in March, designed to assess attitudes, confidence and capability of our workforce in relation to the public sector's 'Te Arahwhit cultural competency framework'. It will set independent foundational benchmarks to measure the capability development of staff for enabling Te Mahere Aronga, our organisational Māori Outcomes Plan.
- Governance level training for the ELT and AUL Board commenced in March and will continue into Q4, in advance of the next annual Rangatira to Rangatira meeting between the Board and Tāmaki Makaurau Mana Whenua Forum.
- An Auckland Unlimited cultural competency app to encourage and support staff to become more confident in and increase their understanding of Māori language and tikanga is in development, with a mid-May launch date.
- The bilingual signage and wayfinding project for Auckland Town Hall, The Civic, Aotea Centre back of house, Shed 10, The Cloud and Bruce Mason Centre continues, with the programme of work on track to be completed by 30 June. This project has been identified as a potential case study for Council's annual report of progress on Māori Outcomes. Capital works

programmes continue to be an opportunity to progress our social procurement goals and to reflect Māori design principles. Identification and assessment of these opportunities are ongoing as is input into funding business cases for local and central government funding.

- AUL staff are contributing towards a refresh of Kia ora te Umanga to confirm what is expected of Auckland Unlimited and the measures being used. Due for completion June 2022.
- AUL continues to sponsor (through Auckland Live and Major Events) activity that has increased the bilingual content and programming in this years Auckland Arts Festival and Pride Festival. A second iteration of Autaia the theatre-kapa haka programme involving local Kura/ schools has expanded from 3 last year to 7 this year. This programme is unique and allows access by new audiences to our iconic venues with technical support from staff and our organisational infrastructure.
- Tāmaki Herenga Waka Festival – 2 workshops have been facilitated with the Te Pou Ōhanga sub-committee of the Mana Whenua Forum to begin shaping a new festival vision and governance model. This work continues with a proposal that July 1 2022- June 30 2023 will be a year of capability building for the Festival programme to assist in meeting a 5 year vision.
- Matariki and Te Wiki o Te Reo programming input is being sought and coordinated across the various entities of AUL and Council including Cultural Organisations.
- Requests for advice and support to enable respectful and appropriate engagement with Mana Whenua and Mataawaka is increasing. Policy work continues to identify engagement guidelines and tikanga protocols. A project was launched in this quarter to capture insights and learnings (Māori Outcomes Critical Incident Tool) from 16 members of staff and contractors towards developing a set of good practice engagement guidelines for Māori Outcomes. This project will be complete in June 2022.

Auckland Unlimited Q3 financials

Direct operating performance

(\$ million)	Notes	FY 21	FY 22 Quarter 3 YTD			FY 22
		Actual	Actual	Budget	Variance	Budget
Net direct expenditure	A	86.9	78.5	87.9	9.4	107.8
Direct revenue	B	81.7	67.5	67.1	0.4	88.0
Fees & user charges		24.3	10.2	28.8	(18.6)	39.5
Operating grants and subsidies		27.1	40.6	13.3	27.3	16.8
Other direct revenue		30.3	16.7	25.0	(8.3)	31.7
Direct expenditure	C	168.6	146.0	155.0	9.0	195.8
Employee benefits		75.3	61.9	61.7	(0.2)	80.8
Grants, contributions & sponsorship		9.3	25.9	10.8	(15.1)	12.6
Other direct expenditure		84.0	58.2	82.5	24.3	102.4
Other key operating lines						
AC operating funding		96.0	79.7	87.9	8.2	107.8
AC capital funding	D	46.4	23.8	41.6	17.8	56.7
Working Capital Fund repayment		-	(0.2)	0.0	(0.2)	0.0
Capital Grants paid to RFA Partners		1.1	0.1	0.0	0.1	0.0
Capital Contributions		0.0	0.5	0.0	0.5	0.0
Depreciation		39.0	29.0	34.0	5.0	45.7
Donated Artworks		2.2	0.9	0.0	0.9	0.0
Net interest revenue (expense)		0.2	0.1	0.1	0.0	(0.1)

Financial Commentary

A: The favourable variance is due to changes in the timing of planned expenditure in response to the COVID-19 driven adverse revenue results and uncertainties regarding future revenues.

B: Direct Revenue is favourable due to Activate and Reactivate Tāmaki Makaurau grant funding and wage subsidy receipts, offset by a reduction in visitor and event revenues resulting from the COVID-19 restrictions.

C: Direct expenditure is favourable due to changes in programme timing as a result of Trans-Tasman border restrictions and resurgence of COVID-19 domestically, delays in implementation of the organisational design/target operating model and further cost controls during lockdown.

D: The capital programme is below budget with the COVID-19 lockdown stopping work at Level 4, operational constraints impacting in Level 3 and ongoing supply chain constraints.

Outlook:

COVID-19 will continue to have further revenue impacts over the months to come as Auckland moves through the COVID-19 traffic light levels, with costs controlled to partially mitigate revenue impacts. We will continue to assess the implications of the COVID-19 traffic light system as our operations gradually return. The budget anticipated a fully open Trans-Tasman border from January 2022.

Due to the previous border uncertainty a major tenant of Mt Smart Stadium has based themselves in Queensland which is impacting stadiums revenue, additionally a significant New Zealand artist has postponed their Australasian concert tour which had included Western Springs Stadium.

FY22 will see the merger of Auckland Unlimited progressing further as the optimal Rōpū structures are implemented.

Auckland Unlimited Q3 performance measures

Key performance indicators	Previous	FY 22 Quarter 2		Status	Commentary
	Year	YTD Actual	FY Target		
AUL has a total 11 SOI measures, of which 7 are LTP measures. Nine of the 11 measures are tracked quarterly. One is a six-monthly measure and one is an annual measure. To the end of Q3, three KPIs are achieved, three are on track against the year-end target, and three are not on track as a result of COVID-19 restriction. Two have not been measured.					
SOI performance measures (including LTP measures as indicated)					
Enhance Auckland as a culturally vibrant city for all					
The number of people who are issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events. (LTP measure)	New measure	462,459	1.44m	Not on track (against year end target)	Year end result will not be achieved due the extended COVID-19 restrictions and resulting venue closures and capacity limitations over Q1, Q2 and Q3.
Percentage of Auckland residents surveyed who consider that Auckland Unlimited Trust's programmes, events and exhibition enrich their lives.	75.2%	No result	70%	Not applicable	Auckland Council's People's Panel surveying suspended as a result of COVID-19 restrictions. Surveying will be undertaken in Q4.
The net promoter score for Auckland Unlimited's audiences and participants. ¹ (LTP measure)	53	53	20	On track (against year end target)	Based on Q1 surveying across Auckland Art Gallery, Auckland Live, Auckland Conventions, Auckland Stadiums, Auckland Zoo and the New Zealand Maritime Museum. No surveying undertaken in Q2 or Q3. Surveying to resume in Q4.
Expand economic opportunities for all Aucklanders					
Number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention. (LTP measure)	7,357	9,939	3,000	Achieved	Based on the number of businesses that have had funding approved through the Activate Tāmaki Makaurau programme only.
Number of Māori businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention (LTP measure)	665	1,047	150	Achieved	Based on the number of Māori businesses that have had funding approved through the Activate Tāmaki Makaurau programme only.
Provide an effective social, economic, cultural and environmental return on investment.					

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

The percentage of operating expenses funded through non-rates revenues (LTP measure)	50%	32%	44%	Not on track (against year end target)	Result is below target due to the closure of all Trust facilities over Q1 and Q2 and capacity limitation over Q3. This significantly impacted revenue generated by the Trust in all brands. In addition, over Q2 only two months of wage subsidy were available to offset lost revenue.
Increase capital investment into Auckland for economic and cultural outcomes.					
Attributable value of private sector investment secured over the year.	\$438.7m	\$99.3m	\$200m	On track (against year end target)	Q2 result based on investment attracted across, screen, manufacturing and construction sectors. Currently On track to achieve YE result but this may be impacted by ongoing COVID-19 restrictions. Q3 result not available.
The contribution to regional GDP from major events and business events attracted or supported. (LTP measure)	\$14.3m	\$15.05m	\$34m	Not on track (against year end target)	As a result of multiple event cancellations and postponements and limitations on attendance at other events, target is now unlikely to be achieved by year end.
Build a sustainable future focussed organisation.					
Carbon emission reductions (year-on-year % change).	10.8%	No result	0%	Not applicable	Annual measure only. Result available for Q4 reporting.
The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau. (LTP measure)	127	31	20	Achieved	Based on results from Auckland Zoo, Auckland Live, and New Zealand Maritime Museum to the end of Q2.
Percentage of customer complaints resolved within 10 working days.	New measure	Policy and process in progress	Develop policy, process and benchmark	On track (against year end target)	Work is underway to develop the Auckland Unlimited Complaints Policy, process and tool to capture complaints across the organisation.