

Auckland Unlimited

Quarter 2 Performance Report

For the period ending 31 December 2020

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

Auckland Unlimited (AU) Q2 Overview

1. Context

- As of 1 December, the legacy organisations of ATEED and RFA merged to form Auckland Unlimited. Work on a Te Reo Māori name is progressing, with involvement from the Mana Whenua Kaitiaki Forum and individual iwi.
- This report covers primarily pre-merger activities for Quarter 2020/21. We anticipate reporting more current post and consolidated post-merger Auckland Unlimited activities for the next Quarter

2. AU Amalgamation Update

- Amalgamation savings are planned however these savings will not be identified until the completion of the AU Organisation Structure Design project which is currently in progress.
- Based on advice received from Simpson Grierson Auckland Unlimited Limited (the Amalgamation Company) will be legally required to maintain a strict separate of its non-trustee and trustee operations. Therefore, Regional Facilities Auckland's assets/funds will not be permitted to intermingle with Auckland Unlimited Limited's assets/funds to enable Regional Facilities Auckland to retain its charitable and tax-exempt status.
- Consequently, in addition to the consolidated financials provided on the next page as part of the summary of the report (refer to page 3), the report also includes the separate financial performance of AUL and RFA.

3. Looking Forward

- Auckland Unlimited continues the work required to identify and realise the benefits of the merger. This includes conducting a reset of our operating model to drive the transformation of the organisation
- Our core strategy to deliver cultural and economic outcomes for Tāmaki Makaurau is also undergoing a reset, and will be expressed in a new Statement of Intent for the coming financial year
- We remain in a highly dynamic environment related to Covid 19 and the impacts of lockdowns in Auckland. Accordingly, we continue to operate in a highly agile manner, proactively confronting emerging challenges and responding by allocating budgets, adjusting operations, and prioritising programs as necessary to meet the need.

Auckland Unlimited (AU) Q2 summary

Highlights, issues and risks as at the end of Q2

- The **Prada America's Cup World Series** Auckland and **Prada Christmas Race** ran successfully mid-December.
- The **Pacific Skills Shift Initiative** contract with central government was signed in December; and Auckland Unlimited funding for the Tāmaki Innovation Hub was released in December 2020 spearheading the Tāmaki Regeneration Company innovation initiative.
- Local production **Mary Poppins** had a very successful run in The Civic, from 2-16 Oct; the largest capacity musical production to open worldwide since the Covid outbreak. From 1 Nov-15 Dec, Auckland Live and Conventions hosted around 200 ticketed and free events. Concerts featuring NZ artists saw over 13,777 people in The Civic and Great Hall. Summer in the Square returned in December, with free events and live screenings of America's Cup action.
- **Auckland Live received the HPA Innovation Award** at the EVANZ national conference and was recognised for its work with PANNZ during lockdown at the Wellington Theatre Awards.
- The landmark **Toi Tū Toi Ora: Contemporary Māori Art at Auckland Art Gallery** opened on 6 Dec, the largest ever undertaken by the Gallery. Over 6,000 attended the opening weekend.
- **Three stadium-promoted events** were this quarter; and Auckland Stadiums also hosted over 10,000 athletics competitors and attendees during November.
- **The Zoo's** orangutans accessed their high canopy aerial pathways, with widespread media coverage.
- **NZ Maritime Museum** held a special exhibition, NZ Geographic Photographer of the Year 2020, and launched its first publication – Endless Sea: Stories told through the taonga of the New Zealand Maritime Museum Hui te Ananui a Tangaroa. The Blue Water Black Magic exhibition reopened, the Museum's largest gallery
- **Auckland region closed the year on a path towards recovery** and the region's economy has done much better than anticipated. However, with no external boost from inbound tourism or migration, and many of our investment and trading partners tightening COVID-19 restrictions, the Auckland region will continue to be heavily affected by the pandemic. Including the recent increase in Alert levels for Auckland which will impact business and economic activity.

Issues/Risks:

- The decision to rehome the Zoo's elephants was announced, with predominantly positive feedback.
- Negotiations with accredited zoos continue.

Financials

Financials Combined (\$m)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	17.5	30.0	(12.5)
Direct revenue	40.4	33.4	7.0
Direct expenditure	78.6	89.3	10.7
Net direct expenditure	38.2	55.9	17.7

- A very favourable performance in the first six months reflect:
 - receipt of unbudgeted grants.
 - earlier receipt than planned of budgeted grants.
 - tight expenditure control including deferral of maintenance programmes, freeze on recruitment along with staff taking annual leave and reduced hours.
- This will in part be offset in the second half of the year as we
 - incur expenditure relating to the grants received in the first half of the year
 - fund deferrals from the first six months
 - fund unbudgeted merger costs.

Strategic focus area – Economic Development

Key commentary	Strategic context
<p>For the 6 months to 31 December 2020, total net direct expenditure of \$6.4m was spent on Economic Development against a budget of \$10.5m (including associated operational support costs and excluding depreciation and divestment). Highlights:</p> <ul style="list-style-type: none"> The Pacific Skills Shift Initiative contract with central government was signed in December Auckland Unlimited funding for the Tāmaki Innovation Hub was released in December 2020 spearheading the Tāmaki Regeneration Company innovation initiative. 	<p>Auckland Unlimited’s Economic Development division supports the growth of quality jobs. The division does this by working with industry across business support, business, talent and investment attraction, workforce and sector development. The COVID-19 response focussed on SMEs support, plus convening various sectors to develop a recovery plan for Auckland. The health of the economy reinforces Auckland as a destination creating international links and driving international investment.</p>

Key programme	Description	Outlook
Skills and workforce	Working with employers and the Government to better understand key skill challenges and workforce development needs and enable business to attract the right talent. Partner to develop pathways for high-value industries.	The Pacific Skills Shift (PSSI) initiative will allow Auckland Pacific workers in lower-skilled roles to develop future-ready skills that support progression and resilience in the labour market. The contract has been executed and signed with the Ministry of Business Innovation and Employment. Delivery planning and recruitment is underway. Brinks Chicken completed its pilot of the PSSI programme and held a graduation for participants. Filming of the other pilot firm, Sanford, is complete, and joint marketing communication will go live in 2021.
Investment attraction and international partnerships	Attracting high-value business and investment to the city to maximise economic opportunities associated with infrastructure investment for long-term impacts at a local and regional level.	As one of the key actions from Auckland’s Future Now, a steering group has been created to coordinate the private sector response and advocate for increased capacity in MIQ for vital foreign nationals. The group now includes 30 members across business as well as the Christchurch and Wellington EDAs. An economic analysis was developed by Sense partners on the impact of the current border settings and the opportunities created by an increase in border MIQ capacity. The team has supported 4 investment deals with a total value of \$203.5m.
Screen Auckland	Screen infrastructure, attraction, facilitation and strategy	Screen production is busy with 527 film permits issued and 367 enquiries YTD. An MOU with NZ Film Commission for external funding for the Screen Creative Careers Research project has been executed and another with Screen Wellington. The Reboot Creative Industries Conference is New Zealand’s largest creative industry conference. ‘Semi-Permanent’ was livestreamed for free from Auckland on 12 November from the Aotea Centre.
Local economic development	Providing guidance to support local initiatives and focusing future investment on enhancing economic outcomes for south and west Auckland.	The South Auckland Drury Land Use study has been awarded to Martin Jenkins and Colliers and is co-funded by NZTE. Stakeholders include Auckland Council, Kāinga Ora, Ministry of Housing and Urban Development, Ministry of Health, NZTE and Developers in Drury. The 2020 Prosperity Index reports on prosperity across six indicators, and was completed, now available on the Auckland Unlimited website.
Innovation	Supporting innovation. Leveraging Auckland Unlimited’s role to grow Auckland’s innovation ecosystem, including the ongoing development of GridAKL.	GridAKL Q2 stats - 134 resident businesses, 755 individuals; and 218 events have been hosted, with 11,500 attendees (as at 31 January for YTD). Tāmaki Innovation Hub: This project seeks funding to pilot an innovation hub in Tāmaki for an 18-month period. The funding agreement has been executed and the first funding payment was made in December.
Business growth	An enhanced focus on existing small businesses, raising their capability, encouraging business networking, connecting them to talent and facilitating access to export markets.	Q2: NZTE capability and COVID-19 vouchers issued worth \$16.3m YTD with an annual target of \$1.7m. 4295 new client registrations YTD. The COVID-19 Business Advisory funding has been exhausted, and extra business advisors have been released back to their core roles, except for the Business Programmes team. The migration to the new RBP platform has led to processing delays for course bookings but will lead to a better customer experience once teething problems are overcome.

Strategic focus area – Destination

Key commentary		Strategic context
<p>For the 6 months to 31 December 2020, total net direct expenditure of \$10.1m was spent on Destination activity against a budget of \$16.9m (including associated operational support costs and excluding depreciation and divestment). Highlights:</p> <ul style="list-style-type: none"> Auckland Unlimited developed a city-wide events and activations programme, Summernova Festival Series, designed to wrap around the 36th America's Cup, and encourage greater dispersal of people and economic benefits across the Auckland region. December Summernova activity included: Satellite Show of Toi Tū Ora, Love Your Maunga ki Maunguika, I love Takapuna Beachside Grandstand, and Summer Fun at the Village. Since changing focus after the pandemic hit, Go with Tourism (GWT) has helped more than 880 displaced sector workers find alternative employment, bringing the number of people assisted into employment since GWT's initial launch to over 2100 Auckland Unlimited led the development of a Briefing to the Incoming Minister of Tourism on behalf of the Destination AKL Industry Leaders Group (ILG). There has been positive engagement with the Minister since, including attendance at the ILG December meeting. The Investment Plan for the Regional Events Fund was submitted and has subsequently been approved. Auckland will receive a \$17m allocation from the \$50m fund over the next 4 years. The fund is designed to provide additionality and stimulate domestic tourism and travel between regions through holding events. 		<p>Normally, the Destination division supports the sustainable growth of Auckland's visitor economy, so that the region is better off economically, socially and environmentally. Post COVID-19 the Destination division sees its role as a facilitator and partner with industry and government to support the recovery and re-activation of Auckland's visitor economy through the implementation of the Destination AKL Recovery Plan.</p>
Key programme	Description	Outlook
Tourism	Auckland Unlimited's Tourism team has two key areas of focus: leading and partnering in destination marketing and advocating or co-ordinating in destination management.	The domestic marketing campaign, <i>Dear NZ, Love AKL</i> was rolled out regionally on 5 October across our key fly and drive markets through social/print/digital/radio and national content partnerships. ATEED secured the entire travel insert in the New Zealand Herald for 13 October, which solely featured Auckland content. The special October issue showcased all there is to know about Auckland and the insert also featured in some of our key drive markets. The Discover Auckland Travel Expo, was held in Q2 to get our industry in front of potential customers, showcasing the variety of experiences we have direct to Aucklanders ahead of the summer period. Activity to promote all 100 Iconic Eats ran in December and finishes mid-January.
Business Events	Sales and marketing activity to grow the value and volume of business events in Auckland, and position Auckland as a premium business destination.	Auckland Convention Bureau's (ACB) business events opportunities supported YTD December FY20/21 have resulted in 30 wins, with a future Total Impact Estimated Value of \$10.7m, generating 28,401 visitor nights from a total of 7078 attendees. The estimated visitor spend of these opportunities will be \$10.1m. As at end 2020, ACB has accumulated total of 107 opportunities which were won for Auckland which will take place until 2027. Auckland's business events ambassador programme, the Auckland Advocate Alliance, which has helped to inject \$40m into the city's economy – has welcomed its 50th member.
Major Events	Auckland Unlimited intervenes in the events landscape through strategic influencing, investment in major events, production, activation, leverage and marketing.	Q2 events included Elemental AKL, the Auckland Diwali Festival – delivered via a community-based programme held in multiple locations across the Auckland region, the NZRL Festival of League, the City of Auckland Rally and Battle of Jack's Ridge races, the All-Star Celebrity Slam and the rugby union triple header at Trusts Stadium. Auckland also led the world's New Year's Eve celebrations with live broadcast on TVNZ around New Zealand and the world. An estimated 13,000 people convened as midnight arrived. Badminton Junior World Champs were originally scheduled to take place in 2021 now confirmed for 2024. 2024 World Choir Games was officially announced on 10 December 2020.
International student attraction and retention	Growing Auckland's reputation as an innovative international education hub through ensuring students access high-value tourism services and experiences.	The website www.bekiwi.nz/auckland officially launched in partnership with Northland Inc, receiving a huge amount of positive feedback from our tourism and education partners. It focuses on unique tourism experiences that appeal to the Gen Z student travel market. 40 Auckland tourism businesses and voluntourism partners are now on board with more to come. Digital promotional campaigns ran through the 2021 summer holiday season; including via an Auckland Advent Calendar campaign on Study AKL's Facebook and Instagram pages.

Strategic focus area – Stadia

Key commentary

For Q2 ending 31 December 2020, a total of \$2.0m has been spent towards stadia against an allocated FY21 capital budget of \$5.6m.

Highlights

1. **Western Springs Stadium:** A multi-year \$12.7m programme of major renewal works has been completed and several new facilities were opened in time for the new Speedway season in November.
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 and planned which will see improvements to customer experience, increases in advertising revenue and an improvement in the quality of the facilities we can provide to our commercial partners.
3. **North Harbour Stadium:** The FY21 Capital Programme is centred around investigation and remedial works to the main grandstand roof which was delayed from FY20 due to COVID along with some minor renewal works.
4. **All Venues:** A structural condition assessment of all freestanding Stadia assets has been completed and will result in a programme of asset improvements that focus on Health & Safety.

Issues/Risks

1. There are no significant risks associated with the delivery of the FY21 Stadiums Programme aside from the risk of another Level 4 COVID-19 alert level.

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.

Ex-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.

Key programme of works	Status	Description	Outlook
Mount Smart Renewals Programme	Delivery Phase	A programme of minor renewals and infrastructure upgrades	Progressing well
North Harbour Stadium – main stand roof renewal	Plan Phase	To evaluate and renew the main grandstand roof	This project was put on hold last financial year but investigation and assessment has resumed and physical works are expected to start in Q4.
Western Springs Stadium renewals	Close Phase	Delivery of a new toilet block, gate entry building, maintenance shed, concourse, and an upgrade to Stadium Road are complete.	Works completed in November 2020.

Strategic focus area – Auckland Zoo development

Key commentary

For Q2 ending 31st December 2020, a total of \$5.7m has been spent at Auckland Zoo against an allocated FY21 budget of \$15m.

Highlights

1. A revised South East Asia Jungle Track (SEAJT) construction programme, that addresses the impacts from the COVID -19, 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 and due for completion November 2021.
2. The updated cost estimate to complete the SEAJT scope is within the approved \$62m project budget; the elongation of the programme to November 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.
4. The Café, The High Canopy Aerial Pathway and the staff quarters in the Tiger Care facility are all now open.

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

Ex-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	Delivery Phase	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 Q2 ending 30 December 2020, a total of \$4.8m has been spent against an allocated FY21 budget of \$13.4m

Highlights

1. The Weathertightness improvement phase of the Aotea Centre Refurbishment Programme is progressing at a steady rate and scheduled to be completed in August 2021.
2. The fly-tower cladding, and roof asphaltting is complete and the shrink-wrapping has been removed from the upper levels.

Issues/Risks

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	Delivery Phase	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 refurbishment works are complete. Exterior weathertightness works are scheduled for completion in Q1 FY22.
Aotea Studios – Nga Kakano a Rehia Preliminary Design	Completed	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

Local board engagement

Representatives have fed into and participated in the Council-led CCO Engagement Plan review workshops, and the Elected Member survey workshops.

Local board-specific newsletters have continued to be published and are being adapted to include broader Auckland Unlimited content.

The Auckland Council Seniors Panel was hosted at Aotea Centre on 16 November, the panel was shown the work of Lisa Reihana and given background information about the installation prior to a presentation providing information about the former RFA and the various arts, environment, sporting and events it delivers.

Data was extracted from all former RFA venues (and MOTAT and the Auckland War Memorial Museum) of the number of students that benefitted from free or subsidised access to venues. These were presented in person to 11 local boards with the balance preferring not to have a personal presentation, but the information sent together with a memo. All were well received.

Worked with Auckland Council Local Board Services and attended workshops in response to the recommendations of the CCO review which were:

- To develop a more meaningful way for CCO's and local boards to work together
- The preparation of joint CCO engagement plans for each local board
- More initiative by local board in integrating their own planning with CCO planning
- Liaison between CCO's and local boards at a more senior level so CCO's can quickly remedy local board concerns
- The preparation of joint six-monthly reports for local boards
- The communication of clear, up-to-date information from CCO's to local Boards on projects in their area
- CCO's make more effort to co-ordinate how they consult the community on and implement local projects.

Climate Change and Sustainability

Pre-amalgamation, ATEED's climate change and sustainability inaugural report was published in October 2020. Writing in the report's foreword, ATEED Chief Executive Nick Hill says the report "is a bold step in our journey as an organisation that is committed to being as sustainable and climate proof as possible." This report was structured in accordance with our approach to climate change and sustainability as an organisation and informs ATEED's external stakeholders about the organisations commitments to being sustainable and climate-proof.

Development continued on a series of learning modules that cover topics of climate change, sustainability, greenhouse gas emissions, corporate sustainability and taking action as a collective and individual. These modules are for internal use only and will be utilised as a capability building tool for the new entity. The learning modules will be available for Auckland Unlimited staff from Jan/Feb.

The team is developing climate change and sustainability actions for the Destination AKL Recovery Plan. We have started to engage with key experts who will support building the evidence base and a series of recommended actions. These recommendations will then be worked through by an internal working group to identify actions that are within the organisations control and responsibility, and those that will need further external engagement. The final report will include the evidence base, the key high-level actions, organisation's specific actions, and recommended next steps.

We have started to work with key partners on establishing a climate innovation hub to address climate challenges for industry, and Auckland region. The initial focus of the hub will be on 4 challenges needing innovative solutions as identified in the Emissions Reduction Pathway for Auckland's key sectors. These 4 challenges include: process heat, transport (logistics), construction & demolition, and commercial & residential retrofits. Terms of Reference for the Climate Innovation Leadership Working Group have been finalised and sent to members. This includes a shared purpose, objectives, and key work programmes.

Auckland Council and CCOs have committed to reduce their emissions by 50% by 2030. Auckland Unlimited is commencing work on Toitū Carbon Zero for Lantern Festival 2021. This will be the organisation first delivered cultural festival to go through Toitū Carbon Zero programme which includes measuring, reducing and offsetting emissions.

Prior to amalgamation,

RFA recently underwent third party carbon emissions auditing and was successful in retaining its status Toitū carbon reduce certification. The audit report cited:

"...RFA meets the requirements of Toitū carbon reduce certification having measured its greenhouse gas emissions in accordance with ISO 14064-1:2006 and committed to managing and reducing its emissions in respect of the operational activities of its organisation..."

Other Statement of Intent focus areas

Contribution towards Māori outcomes

A new Māori Outcomes plan for Auckland Unlimited (draft) is being developed This aligns with the RFA Plan which was also due for review in 2021.

Current objectives of the plan

- Grow the institutions knowledge base and expertise in being responsive to Māori
- Build staff capability in te ao Māori, tikanga Māori and te reo Māori
- Increase the prominence of te ao Māori and te reo Māori within its facilities
- Establish and support internal Māori advisory groups and Māori specialists
- Create partnership opportunities with Māori stakeholders
- Foster effective Māori engagement
- Proudly showcase Māori works, narratives and identity
- Strengthen Māori outreach and learning opportunities

The new plan will consider the new SOI of Auckland Unlimited and the updated Kia ora Tāmaki Framework from Council.

Key deliverables from Q2

- Launch of Toi Tū Toi Ora art exhibition, continued appointments of new fixed term roles (11 gallery guides, 2 internships) with competency in kaupapa Māori
- Completion of the draft Te Reo language plan for Auckland Zoo
- Confirmation of funding to undertake bilingual signage and wayfinding for all RFA facilities over the current and next financial year
- Training and advice to build the cultural capability and engagement of RFA with Mana Whenua and Mataawaka communities.
- Planning for the successful launch event of Auckland Unlimited – Te Hononga, guided by RFA Kaumatua, occurred as a signature event showcasing RFA's commitment to Kaupapa Māori.

Māori Outcomes – AKL 2021

- Tāmaki Makaurau Taki Hua - the Māori Economic Summit 2020 took place on 23 and 24 November at Aotea Centre. The programme attracted strong attendance, as well as ministerial representation.
- Continued to identify and share procurement opportunities during Q2 for Māori businesses via the AC36 event. Also working with Mana Whenua on cultural and commercial activations in the AC36 Race Village.
- Worked with Mana Whenua on the design and naming of Te Pou (NZ House) in the AC36 Race Village. Also commissioned a Mana Whenua artist to design the dressing for Silo 117 in the Race Village. Both these activities, alongside various other pieces of work, creates a distinctly Māori footprint in the CBD area.

Māori business

1. As at 31 December, 503 Māori businesses engaged in the RBPN programme YTD.

Arts & Culture Strategy

Toi Tū Toi Ora: Contemporary Māori Art is the largest ever undertaken by the Gallery, including numerous new commissions. Seven new Kaiārahi were appointed to the Visitor experience team to provide guided tours of Toi Tū Toi Ora in Te Reo Māori to Kura Kaupapa and iwi groups.

Auckland Live's first investment residency is underway. Live has invested to develop a season of Garage Party by Modern Maori Quartet. This residency in the Wintergarden also allows Live to bring NZ arts-led content to the conventions market.

NZMM's education programme performed well, with 1,643 students and 374 adults over the period. The pilot outreach programme Aramoana visited 412 students and 48 adults in schools in the Waikato.

Partnership with the America's Cup teams for race day activations in Aotea Square has created opportunities for family friendly activity including live music, showcasing Auckland's UNESCO City of Music designation.

Auckland investment story: Invest AKL

The site is now operational and generating new leads, there are now 35 live investment opportunities on the site.

Auckland Unlimited – Company Q2 financials

Direct operating performance

(\$ million)	Notes	FY 20	FY 21 Quarter 2 YTD			FY 21
		Actual	Actual	Budget	Variance	Budget
Net direct expenditure	A	40.9	16.5	27.4	10.9	57.0
Direct revenue	B	28.0	17.3	13.2	4.1	26.8
Fees & user charges		0.5	0.1	0.1	0.0	0.5
Operating grants and subsidies		5.7	6.9	2.3	4.6	9.0
Other direct revenue		21.8	10.3	10.8	-0.5	17.3
Direct expenditure		68.9	33.8	40.6	6.8	83.8
Employee benefits	C	23.9	12.7	13.5	0.8	23.9
Grants, contributions & sponsorship	D	7.3	2.5	5.4	2.9	10.3
Other direct expenditure	E	37.7	18.6	21.7	3.1	49.6
Other key operating lines						
AC operating funding		40.9	16.5	27.4	-10.9	57.0
AC capital funding		0.0	0.0	0.1	-0.1	0.2
Vested assets		0.0	0.0	0.0	0.0	0.0
Depreciation		3.0	1.3	1.5	0.2	3.0
Divestment of other assets		0.0	0.0	0.0	0.0	0.0
Net interest expense		0.0	0.0	0.0	0.0	0.0

Financial Commentary

A: Net Direct Expenditure variance to Budget for Q2 YTD with Auckland Unlimited taking a tighter cost approach due to COVID-19.

B: Increase in operating grants & subsidies due to receiving additional external funding from Government in relation to COVID-19.

C: Lower Staff Costs relates to timing of recruitment and various unfilled positions being put on hold.

D: Underspend of expenditure due to reprioritisation and rephasing of activities to focus on recovery activities across Auckland Unlimited workstreams.

E: Underspend of expenditure due to reprioritisation and rephasing of activities to focus on recovery activities across Auckland Unlimited workstreams.

RFA Trust Financials



Direct operating performance

(\$ million)	Notes	FY20	FY21 YTD			FY21
		Actual	Actual	Budget	Variance	Budget
Net direct expenditure	A	48.49	21.7	28.5	6.8	57.0
Direct revenue	B	55.5	23.1	20.2	2.9	41.2
Fees & user charges		34.4	11.0	9.6	1.4	23.0
Operating grants and subsidies		7.1	7.3	5.9	1.4	6.7
Other direct revenue		14.0	4.8	4.7	0.1	11.5
Direct expenditure	C	103.9	44.8	48.7	3.9	98.2
Employee benefits		50.4	27.7	27.5	(0.2)	50.7
Grants, contributions & sponsorship		1.3	1.4	1.4	-	2.8
Other direct expenditure		52.2	15.7	19.8	4.1	44.7
Other key operating lines						
AC operating funding		42.7	28.4	28.4	-	57.0
AC capital funding	D	75.9	17.5	29.9	12.4	50.1
Holiday Act remediation payments		2.0	-	-	-	-
Capital Grants paid to RFA Partners	D	1.7	0.7	-	(0.7)	-
Living wage payment		-	0.3	-	(0.3)	-
Depreciation		35.3	17.3	16.9	(0.4)	35.8
Net interest revenue		0.6	0.1	0.1	-	0.2



Financial Commentary

A: The \$6.8m 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, as well as an increase in Zoo attendance and the popular Mary Poppins show.

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 \$0.7m paid RFA partners including Trust Arena, Eventfinda Stadium, Stardome and MOTAT. The funding was budgeted through Auckland Council Capital funding.

Auckland Unlimited Q2 performance measures

Out of a total of 9 KPIs, 4 KPIs have been met, 4 are new KPIs for which results are not available, 1 KPI is not measured in Q2 so results are not available.

LTP Key performance indicators	2020/21 Q1 -Result	FY 20 Quarter 2			
Driving Investment into Tāmaki Makaurau Auckland and support Auckland businesses to innovate and thrive					
Value of central government investment into Auckland facilitated by Auckland Unlimited* ¹	\$11.2m	\$33.3m	\$20m	Met	Result to date reflects \$16.3m of COVID-19 vouchers through RBP programme and \$17m through the Regional Events Fund in Q2
Attributable value of private sector investment secured over the year*	N/A	N/A	\$100m	N/A	YTD results not available
The contribution to regional GDP from major events and business events attracted or supported (LTP measure)*	N/A	\$1.56m	\$66.5m - original target \$25m - Targets Revised in Q1- 2020 ²	N/A	Based on results available to date for three major events only and no business events
Number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention*	3,876	5,584	3,000	Met	YTD results have already exceeded the yearly target due to the increased demand for RBP due to COVID-19.
Customer satisfaction of customers, partners and stakeholders who have interacted with Auckland Unlimited*	N/A	91%	85%	Met	Based on 99 Interaction and Relationship surveys completed over Q2
Tell the Auckland Story					
Number of visitor nights resulting from an Auckland Unlimited intervention (LTP measure)*	N/A	18,395	435,000 – original target 125,000 Revised ¹	N/A	Based on results available to date for three major events only and no business events.
Uptake of Auckland Play-Book and associated brand assets from aucklandnz.com brand hub*	New KPI	N/A	Benchmark to be set	N/A	Benchmark will be set at the end of FY2020/21
Provide experiences and opportunities for all					
Number of Māori businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention*	361	460	120	Met	YTD results have already exceeded the yearly target due to the increased demand for RBP due to COVID -19.
The number of people who experience Regional Facilities Auckland's arts, environment and sports venues and events**	2,790,600	858,151	1,200,000	Not met (COVID 19 impacts)	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	55	20	Met	

1 Includes contracted central government grants and funding directly to AUCKLAND UNLIMITED, administered by AUCKLAND UNLIMITED and directly to activity facilitated by AUCKLAND UNLIMITED in the year that it occurs

2 Targets were originally set in 2018 and have been revised down to reflect the impact of COVID-19 on international travel, the subsequent suspension of the APTR and the impact of the delay in the opening of the NZICC. The revised targets are based on the assumption that international borders will not open in full for the duration of FY 2020/21

Percentage of Auckland residents surveyed who consider that RFA programmes, events and exhibition enrich their lives**	73%	Not measured This quarter	70%	-	Community survey on hold until return of programming across Auckland Live and Auckland Stadiums
Number of people experiencing RFA's free or subsidised programmes, events and exhibitions	Not measured	496,739	Baseline to be set	Met	
Number of people who experience RFA's outreach programmes**	Not measured	495	Baseline to be set	-	
RFA website and social media following (number of visits/followers)**	Not measured	2,459,618	Baseline to be set	Met	Actual result includes visitors to the various websites under the RFA brands.
Number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau**	44	43	9	Met	
Number of school children who attend RFA's schools programmes**	Not measured	40,353	Baseline to be set	Met	
Value of capital improvements to RFA venues**	\$75.9m	\$17.5m	\$29.91m	Not met	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	7,745	Baseline to be set	Met	
Percentage of operating costs funded through non-rates revenues**	52%	51%	42%	Met	
Climate change and sustainability					
Auckland Unlimited delivered events (Diwali, Lantern, Pasifika and Tāmaki Herenga Waka Festivals)* • Diversion of landfill waste No. events achieve Carbon Zero*	New KPI	NA	70% 1/4	N/A	As a result of COVID, the delivery format of Diwali was changed to a more dispersed/community model which did not allow the measurement of landfill waste diversion.
Carbon emission reductions (year-on-year % change)**	Not measured	Baseline to be set	--		

*These KPIs represent Q1 (this year) results

** These KPIs represent final last year results

RFA non-financial performance YTD as at 30 December 2020



CCO review implementation

Context

Q2 implementation progress

ATEED – RFA Merger

On December 1, ATEED and RFA formally merged to become Auckland Unlimited. Key achievements over Q2 in the lead up to and subsequent to the merger included:

- Appointment of Chief Executive, Nick Hill
- Development and approval by Auckland Council of the new name – Auckland Unlimited
- Approval of the new Auckland Unlimited Statement of Intent
- Transference of staff contracts to the new entity
- Development of a new Auckland Unlimited website and intranet
- Appointment of Auckland Unlimited Chief Financial Officer and Chief People Officer

Other Actions

- Ernst and Young appointed to lead the development of the target operating model (TOM) for Auckland Unlimited
- Transition management team announced for Auckland Unlimited.

Outlook

ATEED-RFA Merger and Transition Update:

Key merger related milestones include:

- Over Q3 and beyond, Auckland Unlimited staff will work with Ernst and Young on the target operating model for Auckland Unlimited.
- The design of Auckland Unlimited future operating model, that will enable the organisation to achieve its goals is being developed.

Accountability & Culture

- Needs analysis and initial research being completed on suitable engagement tool to roll out across whole of Auckland Unlimited to seek wider and consistent view and feedback from our people. Legacy office vibe tool still operating for legacy ATEED and engagement remains consistent at 7.6.