

# Regional Facilities Auckland

## Quarter 4 Performance Report

**For the period ending 30 June 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 4 and 3 lockdowns, over April and May. This resulted in delays to capital projects, some KPIs in the fourth quarter not being met and impacted on the net direct expenditure of RFA.

### Highlights:

1. There were high levels of engagement with RFA's digital content during lockdown. Auckland Live's Live online hub featured extensive performance arts experiences, Auckland Zoo introduced live streaming and online education resources, and NZ Maritime Museum launched Mini Maui's free kids club.
2. Auckland Art Gallery's innovative, virtual tour of Enchanted Worlds: Hokusai, Hiroshige and the Art of Edo Japan launched in mid-May. The Gallery reopened on 13 June with new photographic exhibition Civilisation: Photography Now. A new Gallery Café opened, in partnership with Auckland Live.
3. Public and media interest in the Zoo remained high throughout the quarter; and the reopening on 27 May garnered extensive coverage. The new Te Puna Café opened to the public on 10 June.
4. NZ Maritime Museum opened on 27 May, and Auckland Stadiums reopened for smaller community events and training. Mt Smart hosted three drive-in movie nights as part of a programme to source alternative revenue streams.
5. RFA launched Urban Explorers, a 'Goosechase app' initiative to attract families back into the city by solving clues at the NZ Maritime Museum, Gallery and the Aotea Arts Quarter venues.

### Issues/Risks:

1. Auckland Conventions, Venues and Events worked through event cancellations between April and December; planning for recovery from January 2021. While border controls may still be in place, unavailability of Auckland conferencing venues counts in RFA's favour and venue sales are strong from October onwards.
2. For NZ Maritime Museum, the international tourism market is 45-50% of visitation and generates significant revenue. In the absence of international visitors, focus has shifted to domestic tourism.

Financials (\$million)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	75.8	83.0	91%
Direct revenue	55.7	60.8	↓ (5.1)
Direct expenditure	103.9	101.7	↑ (2.2)
Net direct	48.2	40.9	↑ (7.3)

## Financial Commentary

**Capital delivery:** The RFA capital programme for 30 June 2020 delivered \$75.8m of works. Notably the Auckland Zoo Te Puna café opened for trading 10 June and the Orangutan and Siamang habitats welcomed their first public visitors on 1 July.

**Net direct expenditure:** The \$7.3m unfavourable variance primarily reflects the closure of the RFA venues in response to the COVID-19 lockdown resulting in events and performances being cancelled.

Key performance indicators	Previous Quarter	FY20 YTD		Status	Commentary
		Actual	Target		
The number of people who experience RFA's arts, environment and sports venues and events	2,642,234	2,790,600	3,700,000	Not met (COVID 19 impacts)	The removal of the VEC, a key venue, from RFA's events programme will continue to impact on RFA's expected visitor/patron numbers. The COVID-19 lockdown resulted in all RFA venues closed for April and May 2020 and has also impacted visitors.
The net promoter score for Regional Facilities Auckland's audiences and participants	45	45	19	Met	RFA continues to exceed this target offering unique and entertaining events and performances at all RFA venues and facilities when open.
Percentage of operating costs funded through non-rates revenues	55%	52%	60%	Not met (COVID 19 impacts)	RFA did not achieve its revenue targets this quarter due to the financial impact from the cancellation of performances and events; and the closures of venues as a result of COVID 19. Revenue did however include \$5.9m from the Govt Wage Subsidy.
Number of programmes contributing to the visibility and presence of Māori in Auckland, Tamaki Makaurua	39	44	16	Met	Programmes contributing to visibility and presence of Maori have exceeded the target, with significant number of programmes at the Auckland Art Gallery and across all other RFA Brands prior to lockdown.

# Strategic focus area – Stadia

## Key commentary

For year ended 30 June 2020, a total of \$13m was spent towards stadia against an FY20 budget of \$12m.

### Highlights

1. **Western Springs Stadium:** The multi-year programme of renewal works has progressed with \$11m of the budgeted \$12.8m spent, including the upgrade of Stadium Road, new retaining wall structures, entrance gate, ticket booths and street lighting have all been completed. The opening of the new toilet block and maintenance shed in August will mark the completion of this programme.
2. **Mount Smart Stadium:** Mount Smart Stadium has benefitted from a significant programme of minor renewal and infrastructure improvements as well as structural improvements to the stands.
3. **North Harbour Stadium:** The key highlight at North Harbour was the \$3.5m reconfiguration of the main arena to accommodate International standard Baseball games.

### Issues/Risks

4. **Covid-19 related delays:** The impact of COVID-19 means that some of the larger projects planned for FY20 works were not able to be completed in time meaning some reprioritisation of the proposed FY21 programme has had to occur.
5. **Stand strengthening and renewals works at Mt Smart:** Physical works have now been completed however engineering and building consent sign-off's remain pending. It is anticipated this will be resolved shortly however due to the complexities surrounding these works there does remain some risk that more work will be required before we can obtain full sign-off.

## 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
North Harbour Stadium – baseball reconfiguration	Completed	Reconfiguration and construction to enable the hosting of the Auckland Tuatara home games for next season at North Harbour Stadium	
North Harbour Stadium – main stand roof renewal	Delayed (COVID 19 impacts)	To construct access to the grandstand roof and undertake roof repairs and strengthening (renewals)	Due to COVID-19 related delays and impacts this project has been reprioritised. The roof repair works will now take place in Q1 and Q2 of FY21 and the installation of the roof access system has been deferred to FY22+.
Western Springs Stadium renewals	Partially Completed	The replacement of two toilet blocks, gate entry building, maintenance shed, concourse and Stadium Road upgrade works	All works are completed except for the new Toilet Block and the new Maintenance Shed. Due to the COVID-19 shut-down, both are now scheduled for completion August 20.

# Strategic focus area – Auckland Zoo development

## Key commentary

For year ended 30 June 2020, a total of \$37.3m was spent towards zoo development against an FY20 budget of \$35m

### Highlights

1. The first zones of the South East Asia Precinct are now open to the public. Te Puna café opened for trading 10 June and the Orangutan and Siamang habitats welcomed their first public visitors on 1 July.
2. A significant programme of general renewals and infrastructure upgrades progressed well, and the zoo continues to renew aging infrastructure and facilities across the site.

### Issues/Risks

1. The remaining South East Asia Zones have been more seriously disrupted by Covid-19 impacts and a revised programme is being developed. The on-going impacts to labour and materials and the additional costs associated with these delays mean that delivery of the remaining stages of the project may now need to be staged across FY21 and FY22.

## 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	<b>Delayed (COVID 19 impacts)</b>	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	Largest renewals project in the Zoo's history. Covid-19 related delays now place some uncertainty over time and cost to complete.

# Strategic focus area – Aotea precinct development

## Key commentary

For year ended 30 June 2020, a total of \$18m was spent towards the Aotea Centre development against an FY20 budget of \$25.9m

### Highlights

1. Completely refurbished public foyers and conventions spaces in the Aotea Centre
2. Confirmed programme for completion of external weathertightness works in the Aotea Centre
3. Draft Aotea Square precinct master plan incorporated into Council's City Centre Master Plan
4. Conclusion of the concept and preliminary designs for the proposed Nga Kakano a Rehia (Aotea Studios) development

### Issues/Risks

5. 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 Q3 of FY21.

## 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 Q3 FY21.
Aotea Square master plan	<b>On track</b>	A precinct planning approach to the development of the Square and its surrounds to ensure the precinct meets its potential as a key lively and active space for Aucklanders	A consultation draft of the masterplan has been completed and is being used to inform discussions with partners and stakeholders, and the design for the Aotea Studios project.
Aotea Centre expansion (Aotea Studios)	<b>On track</b>	Developing concept plans for expanding the current Aotea Centre to provide a home for performing arts organisations and to foster the work of performing arts groups	Mana Whenua consultation on the preliminary design is completed. The refreshed design is currently scheduled to be presented to the Auckland Urban Design Panel in August. This will mark 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

- Auckland Live's partnership with PANNZ (Performing Arts Network of New Zealand) continued, with the online weekly hui series for the performing arts industry.
- Auckland Art Gallery negotiated an extension for both international exhibitions currently on display: *Enchanted Worlds* and *Civilisation, Photography, Now*.
- The NZ Maritime Museum delivered the *Tākiri: An Unfurling* exhibition to digital audiences through the podcast series Tākiri Talks, audience video profiles and extra online content.
- Extensive focus on Auckland's tamariki during lockdown, with the Auckland Live Kids Club, Maritime Museum's Mini Māui's Kids Club, and the Zoo's Kids Hub and dedicated Learning from Home Resource Hub, all created to stimulate and engage young and ensure every member of the whānau could stay connected.

## Sustainability and Climate Change

The Covid-19 disruptions experienced during this quarter will have a significant impact on RFA's carbon emissions profile for the year. While overall emissions will be less, the emissions 'intensity' metric (emissions per visitor) is likely to be higher this year due to the resulting drop in visitor numbers. Compilation of the emissions inventory for the year has begun and will be completed and audited following year end.

Other than Auckland Zoo, required to stay operational during the Covid-19 lockdown, all of RFA's venues experienced significant energy use reductions over the extended period of non-use. Auckland Art Gallery was set to 'night mode' and experienced a 26% electricity use reduction in April compared to the same month last year. Other venues (Civic, Bruce Mason, Aotea Centre, Civic, Mount Smart Stadium, Queens Wharf) used between 40-60% less electricity in April compared to the same time last year.

- This prolonged period of shut down provided an opportunity to understand, and find opportunities to reduce, base building energy loads. For Auckland Art Gallery, this meant accessing the building management system remotely to understand and fine tune systems required to stay operational to maintain climate conditions. For five of RFA's other large energy use buildings, energy audits have been undertaken to understand the significance of base building energy loads.
- Another significant source of emissions for RFA that dropped off significantly during this quarter relates to travel – both air travel, but also fleet fuel consumption and taxi use.
- A series of articles was written to share with RFA staff the impacts of Covid-19 on RFA's emissions, correlations between Covid-19/ lockdown and climate change/ environmental outcomes, and to encourage staff to think about how behaviours undertaken during lockdown that reduce environmental impacts may continue as restrictions lift (e.g. working from home, less driving and air travel, etc)

## Local Board Engagement

- 19 out of the 21 Local Boards have received an overview presentation of RFA as part of the induction programme for new board members.
- The third quarter performance report was provided to all Local Boards. Two of the Boards asked us to be present to speak to it at a business meeting. Several other boards chose to have it as an agenda item to be noted and the balance circulated it to their board members.
- A memo was circulated in May to all Local Board members to inform them of RFA's impact and response to COVID-19. Subsequently a presentation was made by the CE of RFA, providing updated information about COVID-19 at the Chairs' Forum and to the Waitemata Local Board.

## Contribution towards Māori Outcomes

- RFA continues to implement the action plan for the Mahere Aronga Māori, Māori Responsiveness Plan. In support, 2 applications were submitted this quarter to Council's Māori Outcomes Fund. The first application of \$175k was successfully approved and will support RFA's goals to
  - increase the prominence of te ao Māori and te reo Māori within RFA's facilities and
  - build staff capability in te ao Māori, tikanga Māori and te reo Māori at Auckland Zoo.
- A partnership with 32 schools surrounding the area of Western Springs – Auckland Zoo (Te Kāhui Ako o Waitemata) was established to guide and pilot the content of 5 education videos about the Zoo animals as well as review existing educational materials from a Te Ao Māori lens. The project will be complete by September 2021.
- The second application for Auckland Art Gallery Toi o Tāmaki's 2021 signature event showcasing the contemporary work of 120 Māori Artists from a 70-year period. It will ensure bilingual publications, gallery tours and learning material targeted to include rangatahi, tauira and whānau Māori, new career pathway opportunities and a Te Tiriti based partnership approach in hosting forums, community learning events and engagement with Mana Whenua and Mataawaka communities (value \$1.6m) The Covid lockdown ensured a delay in assessing and a decision is due in the next quarter.
- RFA project teams undertook training in the Te Aranga Design principles, Treaty of Waitangi, Local Government, Māori and legislation.

# Regional Facilities Auckland financials



## Direct operating performance

(\$ million)	Notes	FY19	FY20 YTD			FY20
		Actual	Actual	Budget	Variance	Budget
<b>Net direct expenditure</b>	<b>A</b>	<b>39.4</b>	<b>48.4</b>	<b>40.9</b>	<b>(7.5)</b>	<b>40.9</b>
<b>Direct revenue</b>	<b>B</b>	<b>53.8</b>	<b>55.5</b>	<b>60.8</b>	<b>(5.3)</b>	<b>60.8</b>
Fees & user charges		39.4	34.4	43.6	(9.2)	43.6
Operating grants and subsidies		1.1	7.1	1.1	6.0	1.1
Other direct revenue		13.3	14.0	16.1	(2.1)	12.5
<b>Direct expenditure</b>		<b>93.2</b>	<b>103.9</b>	<b>101.7</b>	<b>(2.2)</b>	<b>101.7</b>
Employee benefits	<b>C</b>	51.2	50.4	45.7	(4.7)	45.7
Grants, contributions & sponsorship		1.1	1.3	1.3	-	1.3
Other direct expenditure		40.4	52.2	54.7	2.5	54.7
<b>Other key operating lines</b>						
AC operating funding		36.6	42.7	40.6	(2.1)	40.6
AC capital funding		92.7	75.9	78.5	2.6	78.5
Holiday Act remediation payments	<b>D</b>	-	2.0	-	2.0	-
Capital Grants paid to RFA Partners	<b>E</b>	-	1.7	-	1.7	-
Depreciation		32.2	35.3	33.0	2.3	33.0
Net interest revenue		0.6	(0.4)	(0.3)	0.1	(0.3)



## Financial Commentary

**A:** The \$7.3m unfavourable variance reflects the cancellation of performances and events, then the closure of the RFA venues in response to the COVID-19 lockdown.

**B:** Direct revenue unfavourable variance is due primarily to the closure of venues however RFA has recognised the Government Wage Subsidy of \$5.9m as a grant.

**C:** Employee benefits are unfavourable to budget due to staff restructure within Auckland Live, misalignment of annual leave expenses compared with budget and the inability to recharge staff costs including casuals as events and performances were cancelled due to COVID-19.

**D:** It was agreed with Auckland Council that the additional expense relating to the Holidays Act remediation payments would be recognised below the line and additional funding provided by Council.

**E:** Capital funded grants of \$1.7m paid to Council and RFA partners including Trust Arena, Eventfinda Stadium, Stardome and MOTAT. The funding was budgeted however the budgeted accounting treating was to expense these costs through the Net direct expenditure.

# Regional Facilities Auckland performance measures

Key performance indicators	Previous Quarter	FY20		Status	Commentary
		YTD Actual	YTD Target		
<b>Note: RFA has a total of 5 primary SOI measures (with the addition of a further breakdown of visitation measures, individual to each of the zoo, gallery and Maritime Museum). For the year ended 30 June 2020, 3 of the primary measures have been met and 2 have not.</b>					
The number of people who experience Regional Facilities Auckland's arts, environment and sports venues and events	2,642,234	2,790,600	3,700,000	<b>Not met (COVID 19 impacts)</b>	This target included the VEC visitor numbers as the original target for RFA visitors/patrons was set prior to Council's decision to lease the Viaduct Events Centre to Team NZ. This removed a key venue from RFA's events programme and will continue to impact on RFA's expected visitor/patron numbers. The COVID-19 lockdown resulted in all RFA venues closed for April and May 2020 which has also impacted visitors.
The net promoter score for Regional Facilities Auckland's audiences and participants	45	45	19	<b>Met</b>	RFA continues to exceed this target offering unique and entertaining events and performances at all RFA venues and facilities when open.
Percentage of operating costs funded through non-rates revenues	55%	52%	60%	<b>Not met (COVID 19 impacts)</b>	RFA did not achieve its revenue targets this quarter due to the financial impact from the cancellation of performances and events; and the closures of venues as a result of COVID 19. Revenue did however include \$5.9m from the Govt Wage Subsidy.
Percentage of Auckland residents surveyed who value RFA venues and events	76%	73%	69%	<b>Met</b>	RFA continues to exceed this target with RFA ensuring all venues are maintained to a high standard which Aucklanders can be proud.
Number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau	39	44	16	<b>Met</b>	Programmes contributing to visibility and presence of Maori have exceed the target, with significant number of programmes at the Auckland Art Gallery and across all other RFA Brands prior to lockdown.



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



**1,563,661** people participated in free or subsidised experiences

**2.8 million** people experienced RFA's programmes, events and activities

**10,930** people participated in RFA's outreach programmes

**48,854 hours** inspiring volunteers contributed supporting RFA's activities

**173,010** children participated in RFA's learning programmes