

# Auckland Unlimited

## Quarter 2 Performance Report

**For the period ending 31 December 2021**

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

# Auckland Unlimited Q2 summary

## Highlights, issues & risks for the quarter

### Highlights:

- Over October and November, Auckland was at Alert Level 3 (Steps 1 and 2). On 3 December 2021, Auckland shifted from Level 3, Step 2 into a Red traffic light setting under the new Covid Protection Framework. This meant that over much of Q2 there was limited attendance at Auckland Unlimited facilities and venues, the cancellation or postponement of a range of events, and no visitation to Auckland until border restrictions were lifted on 15 December.
- Auckland Unlimited attracted **\$85.5 million in government funding** to support COVID recovery during Q2. This funding sits across two programmes; **Activate Tāmaki Makaurau** to support small businesses through a business advisory and implementation fund and health and wellbeing programme (led by AUL, with support from partners) and; **Reactivate Tāmaki Makaurau** to encourage locals to support tourism and events operators.
- Construction commenced over the quarter on **two new studios at Auckland Film Studios** with funding by Crown Infrastructure Partners and Auckland Council.
- Over October/November, 10 Auckland employers ran micro-credential programmes (involving 91 employees) to train and build a future ready Pacific peoples workforce, as part of Project Ikuna.
- The Southeast Asia Jungle Track and the new boardwalk over the Central Lake at **Auckland Zoo** opened on 23 December. Completion of the tiger, otter and swamp forest habitats is expected in April 2022.
- The Mary Quant Fashion revolutionary opened 10 December at **Auckland Art Gallery**. Total visits were at 20,200 to 20 February. Due to COVID restrictions, it is forecast that 60-65% of the originally projected visitor numbers will be achieved.
- Refurbishment of the Edmiston Gallery at the **NZ Maritime Museum** was completed in December.

### Issues/Risks:

- Ongoing impact on Auckland and New Zealand of border closures and restrictions on events and visitation, hospitality, tourism, accommodation and arts and culture – damaging the city's reputation, impacting AUL revenues and creating disruptions to labour and construction material availability.
- 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.

Financials (\$m)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	17.7	30.5	12.8
Direct revenue	30.0	42.1	12.1
Direct expenditure	84.5	102.8	18.3
Net direct expenditure	54.5	60.7	6.2

## Financial Commentary

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

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

Key performance indicators	Previous	FY 22 Quarter 2		Status	Commentary
	Year	YTD Actual	FY Target		
No. of people issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events. <b>(LTP measure)</b>	New measure	238,148	1.44m	<b>Not on track</b> (against year-end target)	Year-end result is now very unlikely to be achieved due to the extended COVID-19 restrictions and resulting venue closures and limitations.
The percentage of operating expenses funded through non-rates revenues <b>(LTP measure)</b>	50%	34%	44%	<b>Not on track</b> (against year-end target)	Result is below target due to the closure of all Trust facilities over Q1 and Q2, impacting revenue generation. In addition, over Q2 only two months of wage subsidy were available.
No. of businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention. <b>(LTP measure)</b>	7,357	1,927	3,000	<b>On track</b> (against year-end target)	Based on economic development programmes across the Auckland Unlimited Investment and Industry, and Māori Outcomes rōpū.

# Strategic focus area – Investment and Industry

Key commentary	Strategic context
<p>For the 6 months to 31 December 2021, total net direct expenditure for Investment and Industry was \$6.9m against a budget of \$8.6m (excluding corporate support).</p> <p><b>Highlights:</b></p> <ul style="list-style-type: none"> <li>• <b>Activate Tāmaki Makaurau:</b> Government funding available from 1 December supporting 10,000+ businesses impacted by COVID-19 over the next 4-6 months. Auckland Unlimited is leading the \$60m business support package via a Regional Business Partners programme. Businesses can apply for up to \$3000 worth of advice and planning support, and then receive up to \$4,000 to implement that advice.</li> <li>• <b>Reactive Tāmaki Makaurau:</b> A \$25.5m government funded package (from 1 December) for Auckland Unlimited to deliver including: \$9m voucher programme, \$10m local activation programme, \$3m discount programme, marketing and programme administration \$3.5m. It is consumer driven to support local tourism operators, attractions, and event organisers at the local level.</li> <li>• <b>Auckland Film Studios:</b> Construction commenced on two new studios, funded by Crown Infrastructure Partners and Auckland Council.</li> <li>• <b>Project Ikuna:</b> Over October/November, 10 Auckland employers ran micro-credential programmes (involving 91 employees) to train and build a future ready Pacific peoples workforce.</li> </ul> <p><b>Issues/Risks:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Closed borders and the Auckland boundary continued to curtail any tourism attraction conversion into visitors during Q2 (until 15 December for visitors from the rest of NZ).</li> </ol>	<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 programme of works	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	<b>Cowboy Bebop</b> attracted by AUL/New Zealand Film Commission was filmed in an AUL leased film studio and the movie premiered on Netflix in November 2021.
Local Economic Development	On track	Providing guidance to support local initiatives and focusing future investment on economic outcomes for south and west Auckland.	Discussions with Local Boards on their Locally Driven Initiatives work programme for economic development on 2022/23 will commence in March.
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.	<b>Innovation Precinct hubs:</b> Despite Covid restrictions, <b>GridAKL</b> campus in Wynyard Quarter had 133 businesses and 840 individuals on site on average over the quarter. A total of 51 events (online meetups) were also held over this time. <b>Tāmaki Innovation Hub:</b> Set to launch in February 2022. Preparations for the <b>Climate Innovation Hub</b> continued with a focus on recruitment of key roles and an advisory group which will form in Q3. Hub is due to launch in June 2022.
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.	<b>Regional Business Partner (RBP) Business Capability/Tourism Transition Funding:</b> \$340,255 for November (demand rose sharply following AUL’s implementation of the Government funded Activate Tāmaki Makaurau \$60m package) and \$138,489 for December (demand fell due to a focus on Activate Tāmaki Makaurau).

Tourism	On track	Auckland Unlimited's Tourism team focuses on leading and partnering in destination marketing and advocating or co-ordinating in destination management.	<b>Study Auckland:</b> Selected 20 high achieving international student ambassadors from tertiary and high school partners to promote local tourism and event experiences over summer. <b>Go with Tourism Workforce Wānanga</b> in November brought together 108 representatives from 80 organisations nationwide to virtually collaborate creating solutions for challenges that face the Tourism and Hospitality workforce. <b>Explore Tāmaki Makaurau Voucher</b> programme went live in December and 60,000 voucher registrations were driven predominantly by the Go Live announcement. Further, 80 tourism related businesses had registered their interest in participating in the programme by the end of the quarter.
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# Strategic focus area – Cultural Organisations

## Key commentary

For the 6 months to 31 December 2021, total net direct expenditure for Cultural Organisations was \$21.2m against a budget of \$23.4m (excluding corporate support).

### Highlights:

- **Auckland Zoo:** The Southeast Asia Jungle Track and major infrastructure works progressed well in December. The new boardwalk over the Central Lake opened in December. Full completion of the tiger, otter and Swamp Forest habitats is anticipated in April 2022.
- **Auckland Art Gallery:** Mary Quant Fashion revolutionary opened on 10 December with a three-day programme of events. Total visits are currently sitting at 20,200 (of these 16,800 are paid) for total entry to the exhibition until 20 February since opening. COVID restrictions have had an impact on gallery visitation, and it is forecast that the exhibition will achieve 60-65% of the projected visitor numbers during its 11-week run.
- **Maritime Museum:** Major infrastructure concluded in December, with completion of the refurbished **Edmiston Gallery**, an accessibility project for all gallery ingress/egress ways. Also, Plaza roof work continued and will be installed in January bringing the museum entrance project to an end.
- **Mount Smart:** Hosted a three-day Pasifika-friendly **Mega Vax Pacific** vaccination event between 12-14 November – which materially contributed towards the targeted 90% fully vaccinated government goal.

### Issues/Risks

1. 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.	Redesign of the current elephant habitat for southern white rhinoceros got underway. Three lionesses– Aziza, Kibibi and Ilola – arrived on 14 September and have settled in well. There was also delivery of online content including ‘Wellbeing in Nature’, Conservation Week, Te wiki o te reo Māori, and Mental Health and Wellbeing week. A <b>small-scale community access scheme</b> was initiated too for reopening with a criteria-based application process prioritising low-income families, those with additional needs and disabilities and essential frontline workers – those whose wellbeing would benefit most from a Zoo visit at the time.
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.	Exhibition installation and book finalisation regarding <b>Manpower</b> exhibition. Project commenced on planned <b>Gilbert &amp; George</b> (British artists, known for their billboard-sized photomontages) exhibition for 2022. <b>Ugo Rondinone</b> (Vocabulary of Solitude exhibition) opened in the atrium in November. <b>Lower Grey Galleries</b> opened and <b>Max Oettli</b> (photography on place and time) exhibition installed for mid-December opening.

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.	NZMM special exhibition schedule has been confirmed through 2026, with place holder titles including <b>Always Song in the Water</b> (exploration of the ocean environment with artist Greg O’Brien), <b>Our Changing Waterfront</b> (a history of the evolution of the Auckland waterfront and port), <b>Six Feet High and Rising</b> (exploring new ideas and products designed to address climate change), <b>Sentinel</b> (Aotearoa as the seabird capital of the world – a partnership exhibition with the University of Auckland). Control of <b>Percy Voss</b> shipyard will be transferred to Maritime Museum after working through operational matters.
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 Stadium will host all home games and training facilities for the new <b>Super Rugby</b> franchise <b>Moana Pasifika</b> from 2022 to 2028. Nitro Circus’s <b>You Got This</b> tour was announced and is now on sale for November 2022 at Mt Smart Stadium. <b>Justin Bieber</b> concert at Mt Smart Stadium, scheduled for December 2022, announced in November. The <b>Lilyworld Event Hub</b> (garden bar, eatery and events destination) is due to open in January at Mount Smart stadium.

# Strategic focus area – Arts, Entertainment & Events

## Key commentary

For the 6 months to 31 December 2021, total net direct expenditure for Arts, Entertainment and Events was \$5.7m against a budget of \$7.4m (excluding corporate support).

### Highlights:

- **APEC SUMMIT** – delivered in venue, beginning of November changing it from an Alert Level 1 event for 1700 people to fully digital, working under Level 3 restrictions.
- The **Diwali** festival was delivered as an online digital celebration generating strong engagement with a revised digital platform. Planning for the **Pasifika** and **Lantern** festivals continued for delivery under the CVC framework (although both have subsequently been cancelled).
- **Summer is Calling:** As Auckland Unlimited develops a campaign to encourage a strong summer of visitation into Tāmaki Makaurau and specifically the city centre, plans developed for the Australian market were held over as lockdown/closed borders continued. Two hundred and twenty-eight events were scheduled across AE&E between November 2021 – February 2022, with an additional 120 events possible subject to government restriction changes. However, the number of events were significantly reduced by ongoing government restrictions due to alert levels.

### Issues/Risks

- 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.	Programmes for 2022 <b>Auckland Arts Festival</b> , <b>Auckland Philharmonia Orchestra</b> and <b>The Royal New Zealand Ballet</b> seasons have now been confirmed. The <b>Stetson Group</b> exhibition was announced, and tickets went on sale, to date, 1600 tickets have been sold. A small number of events were delivered in December. <b>NZ Music Awards</b> television broadcasted in the Kiri Te Kanawa Theatre on digital with a modest audience in attendance.
Major Events	At risk	Annual delivered events programme (e.g.: Pasifika). Winter Festival programme. Major Events programme. Partner programme / facilitation.	<b>Rally New Zealand</b> has been confirmed on the <b>2022 FIA World Rally Championship</b> calendar, with the event to be hosted in Auckland in September–October 2022. <b>Supercars</b> was confirmed for a September 2022 return to Pukekohe, subject to confirmation of funding and border settings. FIFA has finalised the match schedule for the <b>FIFA Women's World Cup 2023</b> , confirming a line-up of nine matches to be held in Auckland between July and August 2023.
Business Events (ACE & ACB)	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 44 bids were submitted across the quarter for events to be held between 2021 and 2026. These events, if successfully brought to Auckland, would be expected to generate a total economic impact value of \$148.9m and 69,400+ visitor nights. The <b>Future of Business Summit</b> was also held in the Aotea Centre over December – there were 30+ bid wins at the end of December which is an indicator that confidence in the sector is returning.

# 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.

## Q2 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 and MOTAT have met to discuss this recommendation and there will be a series of meetings to explore what needs to be done in order to implement it in practice. Auckland Unlimited expects to be in a position to provide Auckland Council with an update on these meetings towards 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 and reporting, lead agency, quality advice, shared services, Māori responsiveness, no surprises and councillor induction.

## 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

Auckland Unlimited expects to be in a position to provide Auckland Council with an update towards the end of June 2022.



# Other Statement of Intent focus areas

## Climate Change & Sustainability

- AUL's operational emissions were audited under the Toitū CARBONREDUCE certification programme. AUL has received certification. This was the third year of reporting under the Toitū CARBONREDUCE and CARBONZERO programmes for legacy RFA and Auckland Zoo respectively. It is important to note that any reductions between FY2019/20 and FY2020/21 were influenced by external factors such as alert level restrictions and border closures due to the COVID-19 pandemic.
- Task Force on Climate-related Financial Disclosure (TCFD): We received the final TCFD gap assessment report from AECOM. The team presented to the Risk Committee, with a series of recommendations to ensure the organisation will be ready for mandatory TCFD reporting by 2023. All recommendations were endorsed by the committee. This was followed by a presentation of TCFD recommendations and organisational emissions reduction targets to the board which were approved.
- AUL's first Climate Change and Sustainability report was published before the end of November, highlighting ongoing work on corporate sustainability and the organisation's contribution to Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan for FY20/21.
- Focus was on recruitment for the Programme Director of the Climate Innovation Hub and new positions within the Climate Innovation and Sustainability team.

## Local Board Engagement

- The CCO Joint Local Board Engagement plans were updated and reporting on Auckland Unlimited activity was prepared for all 21 boards and presented by Local Board Services.
- Many local board presentations were deferred because of COVID-19 due to time pressures caused by online meetings, or because of the desire of presenters to wait until they could present in person. The following presentations to local boards still took place:
  - The Director of Arts, Entertainment and Events presented to Devonport-Takapuna Local Board, providing it with information on Bruce Mason Centre refurbishments.
  - Auckland Unlimited presented to the Ōrākei Local Board, outlining the Auckland Unlimited Climate Change and Sustainability strategy
  - The Director of Māori Outcomes presented to the Waitemātā Local Board about the rōpū's strategic planning and key events. Support was offered to the board to build a database of Māori businesses and organisations in Waitemātā.
- Auckland Unlimited also presented on upcoming major events to the following southern local boards:
  - Maungakiekie-Tāmaki Local Board on 19 October
  - Māngere-Ōtāhuhu Local Board on 3 November
  - Manurewa on the 25 November
- The Local Board Engagement Team has been working with the FIFA Women's World Cup Team to plan and support a programme of workshops with local boards on a plan to leverage the event for the benefit of surrounding residents.
- The Local Board Engagement Team has developed a set of protocols for staff when interacting with boards to ensure consistent high-quality engagement.
- Discussions have commenced with Local Board Services on implementing recommendation #34 of the CCO Review, namely to rollout a structure on how CCOs communicate with local boards. Work on this is ongoing.
- Monthly newsletters were issued to boards providing content on the breadth of activities and events of Auckland Unlimited, including the Activate Tāmaki Makaurau business support package and Reactivating Tāmaki Makaurau regional stimulation package.

## Contribution towards Māori Outcomes

- The Auckland Unlimited Māori Outcomes Plan was presented and approved at the October Board meeting. The Plan supports an effort over the next three years for each rōpū to develop a bespoke approach, reflecting the SOI, our Te Tiriti commitments, legislative obligations and the advice and guidance of mana whenua and IMSB. Key projects are now being scoped for delivery in Q3 and Q4 of this financial year. Capability building with the Board and staff will commence in Q3.
- The Māori Outcomes rōpū is providing input into the Reactivating Tāmaki Makaurau Auckland activity.
- Bilingual signage has been completed at a number of Council venues, with the remainder to be rolled out over the coming months – thus increasing the presence of Te Reo across Tāmaki Makaurau.
- It was decided in October 2021 to move Te Matatini 2022 to February 2023. The project team will support the volunteers' programme design and planning over the remainder of the year, and the Whakangāhau event (regional event held in host city before main event), which is scheduled for May 2022. The Whakangāhau event coincides with the 50<sup>th</sup> anniversary of Te Matatini. All planning is being carried out with contingencies for COVID-19.

# Auckland Unlimited Q2 financials

## Direct operating performance

(\$ million)	Notes	FY 21	FY 22 Quarter 2 YTD			FY 23
		Actual	Actual	Budget	Variance	Budget
<b>Net direct expenditure</b>	<b>A</b>	<b>86.9</b>	<b>54.5</b>	<b>60.7</b>	<b>6.2</b>	<b>107.8</b>
<b>Direct revenue</b>	<b>B</b>	<b>81.7</b>	<b>30.0</b>	<b>42.1</b>	<b>(12.1)</b>	<b>88.0</b>
Fees & user charges		24.3	6.3	16.9	(10.6)	39.5
Operating grants and subsidies		27.1	13.4	9.8	3.6	16.8
Other direct revenue		30.3	10.3	15.4	(5.1)	31.7
<b>Direct expenditure</b>	<b>C</b>	<b>168.6</b>	<b>84.5</b>	<b>102.8</b>	<b>18.3</b>	<b>195.8</b>
Employee benefits		75.3	43.5	42.4	(1.1)	80.8
Grants, contributions & sponsorship		9.3	3.8	6.6	2.8	12.6
Other direct expenditure		84.0	37.2	53.8	16.6	102.4
<b>Other key operating lines</b>						
AC operating funding	<b>D</b>	96.0	58.6	60.7	2.1	107.8
AC capital funding		46.4	17.7	30.5	12.8	56.7
Working Capital Fund repayment		-	(0.2)	0.0	(0.2)	0.0
Capital Grants paid to RFA Partners		1.1	0.0	0.0	0.0	0.0
Capital Contributions		0.0	0.2	0.0	0.2	0.0
Depreciation		39.0	19.0	22.5	3.5	45.7
Donated Artworks		2.2	0.6	0.0	0.6	0.0
Net interest revenue (expense)		0.2	0.1	0.0	0.1	(0.1)

## Financial Commentary

**A:** The favourable variance is due to changes in the timing of planned expenditure in response to the lockdown driven adverse revenue result and ongoing uncertainties regarding future revenues.

**B:** Direct Revenue is adverse due to a reduction in visitor and event revenues resulting from the COVID lockdowns. Wage subsidy receipts in the Trust lead a favourable grants and subsidies result.

**C:** Direct expenditure is favourable due to changes in programme timing as a result of Trans-Tasman border restrictions and resurgence of COVID 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 lockdown stopping work at Level 4, operational constraints impacting in Level 3 and ongoing supply chain constraints.

### Outlook:

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

Due to the border uncertainty a major tenant of Mt Smart Stadium has published their intent to base themselves in Queensland which will impact on 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 structures are implemented.

# Auckland Unlimited Q2 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 Q2, two KPIs are achieved, five are on track against the year-end target, and two are not on track as a result of COVID-19 restriction. Two have not been measured.					
<b>SOI performance measures (including LTP measures as indicated)</b>					
<b>Enhance Auckland as a culturally vibrant city for all</b>					
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. <b>(LTP measure)</b>	New measure	238,148	1.44m	Not on track (against year end target)	Year end result is now very unlikely to be achieved due the extended COVID-19 restrictions and resulting venue closures over Q1 and Q2.
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.
The net promoter score for Auckland Unlimited's audiences and participants. <sup>1</sup> <b>(LTP measure)</b>	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
<b>Expand economic opportunities for all Aucklanders</b>					
Number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention. <b>(LTP measure)</b>	7,357	1,927	3,000	On track (against year end target)	Based on economic development programmes across the Auckland Unlimited Investment and Industry, and Māori Outcomes rōpū.
Number of Māori businesses that have been through an Auckland Unlimited programme or benefitted from an Auckland Unlimited intervention <b>(LTP measure)</b>	665	154	150	Achieved	Based on economic development programmes across the Auckland Unlimited Investment and Industry, and Māori Outcomes rōpū.
Provide an effective social, economic, cultural and environmental return on investment.					

<sup>1</sup> 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 <b>(LTP measure)</b>	50%	34%	44%	<b>Not on track</b> (against year end target)	Result is below target due to the closure of all Trust facilities over Q1 and Q2. 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.
<b>Increase capital investment into Auckland for economic and cultural outcomes.</b>					
Attributable value of private sector investment secured over the year.	\$438.7m	\$99.3m	\$200m	<b>On track</b> (against year end target)	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
The contribution to regional GDP from major events and business events attracted or supported. <b>(LTP measure)</b>	\$14.3m	\$13.6m	\$34m	<b>On track</b> (against year end target)	Results based on the <i>Lion King</i> , All Blacks vs Tonga and <i>The Iceberg</i> . Currently on track to achieve YE result but this may be impacted by ongoing COVID-19 restrictions.
<b>Build a sustainable future focussed organisation.</b>					
Carbon emission reductions (year-on-year % change).	10.8%	No result	0%	<b>Not applicable</b>	At its November meeting, the AUL Board approved targets of 0%, 10% and 10% reductions over FY 22, FY23 and FY24. Due to the merger and extended lockdowns, we do not expect to do any targeted emissions reduction activity over FY23 so will not see results.
The number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau. <b>(LTP measure)</b>	127	31	20	<b>Achieved</b>	Based on results from Auckland Zoo, Auckland Live, and New Zealand Maritime Museum.
Percentage of customer complaints resolved within 10 working days.	New measure	Guidelines in progress	Develop policy, process and benchmark	<b>On track</b> (against year end target)	Work is underway to develop the Auckland Unlimited Complaints Policy.