

# Tātaki Auckland Unlimited

## Quarter 3 Performance Report

### For the period ending 31 March 2023

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

# Tātaki Auckland Unlimited Q3 summary

## Highlights, issues & risks for the quarter

### Highlights:

- At **1.54m year to date, ticketed attendance** across TAU's venues and events was tracking **13.2% above the SOI target** at the end of the third quarter. Further, the **net promotor score** across all venues was **10% above the target**.
- To date the FY23 Major Events Portfolio has **generated over \$45.4m in GDP** and **323,000 visitor nights**, against a target of \$37m in GDP for the financial year.
- Stage 1 of the **Auckland Art Gallery's Kia Whakahou, Kia Whakaora Heritage Project** commenced on 18 January. It includes roof replacement and various heritage repairs and is expected to take two years to complete.
- Despite heavy rain in early January and severe flooding that closed the **Auckland Zoo** in its entirety for four days at the end of January, the Zoo still achieved its **second highest ever monthly visitation** – 98,300 visits in January.
- The New Zealand Maritime Museum **hosted the executive council of the International Congress of Maritime Museums** for their annual board meeting.
- Summer concert headliner **Harry Styles** played to a full house (40,000 fans) at Mt Smart on 7 March. Of particular note was the positive feedback received from promoters including about the **innovative fan engagement initiatives**.
- The first full **Pasifika Festival** since 2018 was delivered successfully at **Western Springs** on 18-19 March. More than 36,000 people enjoyed the unique culture, food and performances from 11 Pacific Island nations.
- The **Auckland Arts Festival** returned in March for its **first full uninterrupted programme since 2019**. More than 100 events took place, including several world premiere productions. The festival was attended by 60,000 patrons.
- **FIFA Women's World Cup 2023 Play-Off Tournament** was successfully delivered at North Harbour Stadium 17-23 Feb.
- TAU hosted **Auckland's Future, Now** in its revised, breakfast session format on 28 February. The focus of the event was on how Auckland can compete globally in times of challenge and change.

### Issues/Risks:

- Through Council's Annual Planning process for FY 2023/24, TAU has been asked to find \$44m of operational cost savings. The organisation will go through a major change programme to achieve the savings and it will be critical to maintain focus on the delivery of the current programmes and services.
- The **significant weather events** that affected Auckland between the end of January and February were managed effectively by TAU divisions impacted. However, the damage created short- and long-term implications for TAU.

Financials (\$m)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	29.8	42.1	12.3 ↓
Direct revenue	88.6	63.4	25.2 ↑
Direct expenditure	175.4	155.6	(19.8) ↑
Net direct expenditure	86.8	92.2	5.4 ↓

### Financial Commentary

Net direct expenditure is favourable due to better than budgeted performance on events, visitation and film revenue, offset by unbudgeted costs of the Single Operator Stadiums Auckland (SOSA) project and the cancellation of five major concerts year to date. Direct Revenue is favourable due largely to unbudgeted Activate and Reactivate Tāmaki Makaurau grant funding. Direct expenditure is adverse due to unbudgeted Activate and Reactivate Tāmaki Makaurau expenditure, increased cost of sales, costs to support elevated film revenues and SOSA costs and flood damage costs. The capital programme is below budget due to delays in securing labour as a result of the abundance of work in the market, extended business casing periods and work that is on hold in response to the flood event.

Key performance indicators	Previous	FY 23 Quarter 3			Commentary
	Year	YTD Actual	FY Target	Status	
No. of people issued tickets to attend Auckland Live, Auckland Zoo, Auckland Art Gallery, NZ Maritime Museum and Auckland Stadiums venues and events. <b>(LTP measure)</b>	751,857	1.54m	1.82m	<b>On track</b>	Tracking 13.2% above SOI target
The percentage of operating expenses funded through non-rates revenues <b>(LTP measure)</b>	33%	49%	47%	<b>On track</b>	

# Strategic focus area – Investment and Industry

## Key commentary

Total annual net direct expenditure (end of Q3) was \$9.7m against a budget of \$12.1m (excluding corporate support).

### Highlights:

- TAU hosted **Auckland's Future, Now** in its revised, breakfast session format on 28 February, hosting 40 city leaders in a plenary and workshop format. The focus of the event was on how Auckland can compete globally in times of challenge and change. The event was delivered with funding partner Beca.
- As part of the **Auckland is Calling** destination marketing campaign, TAU hosted a **roadshow in Australia** with nine Auckland operators. The roadshow enabled tourism operators to connect with influential trade partners, keeping the region at the forefront of agents' minds.
- The **Auckland is Calling** campaign for Australia was developed, as part of the 'Visit Auckland Partnership Programme' launched in September last year. The campaign will run from mid-April to mid-June, funded by the business partners.
- Another **Migrants in Tech event** was held at GridAKL on 22 February. More than 80 participants connected on their shared experience of moving to Tāmaki Makaurau and navigating the need for 'Kiwi experience' by tech employers to enter into the tech industry.
- **Screen Auckland hosted LA-based film & TV studio executives** and local industry leaders for a showcase Auckland event and famil.
- The **Creative Commercial Essentials** training module, the most sought-after action from industry from *Create Auckland 2030*, is set to go out for applications in April. The pilot to launch the scheme is funded by TAU.
- TAU hosted a **delegation from NASA** to engage with Aerospace Auckland association and explore mutual opportunities.

### Issues/Risks:

- The visitor economy continues to be impacted by **hospitality staffing shortages, rising costs, delays**, and the slow burn return of tourism and associated revenue and visitor numbers.

## Strategic context

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.

Key programmes of work	Status	Description	Outlook
Visitor Economy	On track	TAU's Visitor Economy team focuses on leading and partnering in destination marketing and advocating or co-ordinating in destination management.	About \$200,000 has been raised from industry partners to support the <b>Auckland is Calling campaign</b> in Australia. TAU supported a visit by <b>Good Morning America</b> which did live crosses to US promoting Auckland and New Zealand. Planning for <b>alternative funding</b> for tourism and events attraction continues. TAU is working with Regional Tourism NZ to scope a national solution for funding where Auckland could potentially be the pilot city.

Economic Transformation	On track	<p>Providing insights, data and guidance and support for regional, local and place-based initiatives and focusing future investment on economic outcomes for south and west Auckland.</p>	<p>TAU provided ongoing support for <b>place-based projects</b> including Auckland City Centre, Southern Corridor Economic Masterplan, and Eke Panuku Unlock initiatives. This includes co-ordinating and undertaking research for the Southern Corridor and input into the Draft City Centre Action Plan which was approved by the City Centre Steering committee.</p> <p>TAU also participated in the Eke Panuku <b>future of the Port</b> workshop and will support a number of the workstreams on this in Q4 and into FY23/24.</p> <p>TAU, Eke Panuku, Council and Te Kawerau a Maki are developing a <b>masterplan for Henderson Creative Quarter</b>, ongoing engagement through the quarter.</p> <p>There was significant <b>engagement with local boards</b> to support their Locally Driven Initiatives and Local Economic Development programmes over the next three years, with plans due to be completed by June 2023. This included subregional sessions and focused sessions with Franklin and western boards.</p>
Investment & Screen Attraction	On track	<p>Attracting high-value businesses and investment to the city to maximise economic opportunities associated with investment into infrastructure, businesses, and talent. Screen Auckland activities including attraction of screen productions, management of screen infrastructure and supporting the development of screen related talent.</p>	<p><b>Sync-Posium</b>, music in film industry event, hosted LA-based music film executives to upskill local talent and learn about Auckland’s music production offering.</p> <p>Consultation on a proposed change to the Unitary Plan in relation to <b>Unitary Plan Sites &amp; Places of Significance to Mana Whenua</b> is about to begin, signalling another milestone in an important piece of work for the region and mana whenua.</p> <p>International <b>screen enquiries</b> increased at the end of the third quarter.</p> <p>TAU organised an Auckland business welcome day for <b>Sir Edmund Hillary fellows</b> with a focus on the creative sector.</p> <p><b>\$170m investment attraction</b> in attributable deal value to be added to inbound investment attraction this quarter.</p> <p>Planning for Southern corridor/<b>Drury stakeholder's forum</b> and <b>Made Group Business</b> attraction event. Minister Wood will speak at the Drury event.</p>
Tech & Innovation	On track	<p>Leveraging our role to grow Auckland's innovation ecosystem, including the ongoing development of GridAKL network and a climate innovation hub.</p>	<p>TAU with Callaghan Innovation (via Cleantech NZ partnership) developed a business case that seeks government backing and <b>funding to support deep-tech start-up businesses</b>.</p> <p>One of the world’s largest investment companies – and a <b>cleantech company</b> (identity of the firm being confidential until any potential announcement) – re-engaged TAU to gain Council family support for a <b>\$100m investment</b> that will support the city’s climate goals.</p> <p><b>Project Ikuna</b> stakeholders (providers, partners and employers) met to discuss progress - KPIs achieved, and four new micro-credentials are under development (home ownership, life online 2, money confidence, and conflict resolution). The project is fully funded by MBIE.</p> <p>Other hui held in Q3 include Pasifika Excellence in Manufacturing, Youth Employer/Rangatahi Māori workshop, Wynyard Innovation Network hui, Drury Skills Hub Think Tank, Wynyard Quarter Block Party.</p>

# Strategic focus area – Cultural Organisations

## Key commentary

At the end of Q3, total annual net direct expenditure for Cultural Organisations was \$13.2m against a budget of \$14.0m (excluding corporate support).

### Highlights:

- Stage 1 of the Auckland Art Gallery’s **Kia Whakahou, Kia Whakaora Heritage Project commenced** on 18 January. It includes replacement of the gallery’s roof amongst other heritage repairs and is expected to take two years to complete.
- Despite heavy rain in early January and severe flooding that closed the **Auckland Zoo** in its entirety for four days at the end of January, the Zoo still achieved its **second highest ever monthly visitation** – 98,300 visits in January. YTD visitation at the end of Q3 was 624,000, 10.6% higher than target, following record-breaking visitation in March (more than 75,000 visits).
- The NZ Maritime Museum **hosted the executive council of the International Congress of Maritime Museums** for their annual board meeting. Members from Sweden, UK, US, China, Italy, and Australia attended to discuss how to increase benefits to members in a world still recovering from the pandemic.
- Summer concert headliner **Harry Styles** played to a full house (more than 40,000 fans) at Mt Smart on 7 March. Of particular note was the **positive feedback** received from Tour Security about the **innovative fan engagement initiatives** undertaken by the Auckland Stadiums team that greatly assisted in maintaining a calm and compliant crowd.

### Issues/Risks:

- The **storms caused considerable damage** to some TAU venues with others showing minimal to no damage. Several venues demonstrated **significant vulnerability** to future extreme weather events, needing repairs to be resilient.
- TAU has made the difficult decision to **close** general access to the **main Western Springs stadium** for at least three months due to extensive storm damage which makes it unsafe for general access. Flood waters also extensively damaged the venue’s power supply infrastructure.

## Strategic context

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

Key programme of works	Status	Description	Outlook
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.	The museum obtained a significant <b>collection of Rainbow Warrior photographs</b> , repatriating these heritage images from the US. The Lotteries-supported <b>digitisation programme</b> has now reached a milestone of 25,000 images online. Additional <b>funding</b> was secured via the NZ Maritime Museum Foundation and Four Winds to support the <b>provision of buses to schools</b> which might not otherwise be able to attend NZMM education programmes on site. New <b>waterfront walking tours</b> were developed by the museum and trialled along with an exhibition ‘touch experience’ for <i>Captains, Collectors, Friends &amp; Adventurers</i> in the Edmiston Gallery.

Auckland Art Gallery Toi o Tāmaki	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.	<p><b>Frida Kahlo and Diego Rivera: Art and Life in Modern Mexico</b> exhibition closed on 22 January. It exceeded both its total attendance target (75,000) and ticketed attendance target (55,000).</p> <p><b>Robin White: Te Whanaketanga   Something Is Happening Here</b>, a retrospective exhibition of work by Dame Robin White, closed on 30 January.</p> <p><b>Light from Tate; 1700 to now</b>, opened on 1 March, and is due to run 177 days. Staff are managing a <b>complex uplift of the Robertson Bequest</b> from New York to transfer the artworks to the gallery’s ownership.</p>
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.	<p>The Zoo was heavily <b>impacted by flooding in January</b>. It was a huge team effort by staff from across the Zoo to clean up and reopen as soon as possible. The Zoo was partially open 4-22 February and fully reopened on 23 February.</p> <p>The second part of <b>Wild Heroes</b>, a TV show about the Zoo’s conservation work, began filming, following Zoo staff working with the Kea Conservation Trust.</p> <p>The Zoo's partnership with DOC to save <b>New Zealand's rarest breeding bird</b> continues with eight of the tara iti successfully hatched and reared at the Zoo transferred in January to the pre-release training aviaries at Te Arai.</p> <p>In February, the Zoo launched the <b>Wildlife Science Champions outreach programme</b>, a new initiative funded by Mazda NZ Ltd. It will help students from selected schools to explore wildlife science career pathways through connecting real world conservation science into focus areas of the refreshed science curriculum.</p> <p><b>Paid parking</b> was <b>introduced</b> to the Zoo’s two car parks and MOTAT’s aviation museum car park in March as part of Western Springs Accessibility project. Despite some initial push back on social media, the change has generally been well received.</p>
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.	<p>The devastating <b>storm</b> on 27 January resulted in the <b>cancellation</b> of both <b>Elton John concerts</b> at Mt Smart. The storm’s timing resulted in the first concert being cancelled after gates had opened, necessitating the implementation of show stop procedures.</p> <p>The same weather saw the <b>cancellation</b> of the <b>Laneways Festival</b> at Western Springs on 30 January. These cancellations impacted an estimated 85,500 ticketed attendees. Following some adjustments to the site overlay due to flood damage, <b>Lorde</b> and <b>My Chemical Romance</b> concerts were able to successfully proceed at the Western Spring’s Outer Fields in March.</p> <p><b>Mt Smart Stadium</b> hosted the <b>Red Hot Chili Peppers</b> concert on 20 January. It attracted 40,000 people and achieved a very good financial result due to a particularly strong food and beverage performance.</p> <p>Across four days from 23 March, Mt Smart hosted the <b>All Whites v China</b> international friendly, <b>Moana Pasifika v Highlanders</b> Super Rugby match, and <b>NZ Warriors v Bulldogs</b> NRL – highlighting the stadium’s versatility.</p>

# Strategic focus area – Arts, Entertainment & Events

## Key commentary

At the end of Q3, total annual net direct expenditure for Arts, Entertainment and Events was \$16.5m against a budget of \$13.5m (excluding corporate support).

### Highlights:

- After a two-year hiatus, the **ASB Classic returned** to Tāmaki Makaurau in January. It was hampered by the rainy summer weather, but still recorded 16,490 new visitor nights for the region, and injected \$3.4m into the economy, including \$1m international tourism spend.
- The first full **Pasifika Festival** since 2018 was delivered successfully at **Western Springs** on 18-19 March. More than 36,000 people enjoyed the unique culture, food and performances from 11 Pacific Island nations. Leading up to the festival, the first ever Pasifika Village Games was held at Bruce Pulman Park, and Pasifika Soul Sessions, a free public concert, took place at Western Springs.
- More than 60,000 patrons attended the **Auckland Arts Festival** in March for its first full uninterrupted programme since 2019. Across 18 days, more than 100 events took over spaces across Tāmaki Makaurau, including several world premiere productions, such as the Sydney Theatre Company’s *The Picture of Dorian Gray*, and *The Unruly Tourists* by New Zealand Opera – a resident company of Auckland Live.
- The **FIFA Women’s World Cup 2023 Play-Off Tournament** was successfully delivered at North Harbour Stadium between 17-23 February. The final build up and delivery took place during a State of Emergency in Tāmaki Makaurau (in place from 27 January until 3 March) however the tournament ran as planned. Portugal was confirmed the eighth and final nation which will call Tāmaki Makaurau Auckland their ‘home away from home’ during the world cup, being based at Māngere Centre Park.
- **Auckland Convention Bureau** helped **secure 42 business events** for Auckland. They are forecast to generate \$16.5m in economic impact and 31,069 visitor nights.

### Issues/Risks:

- **Investment in future business** and major events beyond 2024 is severely limited by uncertainty about future funding.
- Australian states/cities and a few New Zealand cities have recently increased their investment into major events as a critical catalyst for economic recovery. **Increased competition** and event hosting fees are increasing the difficulty of winning future international events. Event **staff shortages** continue to be a challenge.

## 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 are brought together in our Arts, Entertainment and Events Rōpū.

Key programme of works	Status	Description	Outlook
Major Events	On track	Invest in and deliver an annual major events portfolio that generates economic, social, profile and sustainability benefits for the Auckland region. The portfolio includes a mix of arts, cultural and sporting events happening across the year. Provide facilitation support to Partner Venues including Eden Park, Spark Arena and Auckland Stadiums.	<p><b>Auckland Lantern Festival</b>, scheduled for 2-5 February, and <b>Laneway Festival</b>, scheduled for 30 January, had to be <b>cancelled</b> due to the severe weather event and Auckland’s State of Emergency.</p> <p>The <b>Auckland Boat Show</b> returned for the first time since 2019, drawing a forecast 12,000 attendees to Auckland’s waterfront.</p> <p><b>Aotearoa Art Fair, Beacon Festival, Weightlifting World Masters, Indulge, Ed Sheeran, Harry Styles and Splore</b> took place between February and March, with TAU investment on behalf of Council.</p> <p>To date the FY23 Major Events Portfolio has <b>generated over \$45.4m in GDP</b> and <b>323,000 visitor nights</b>, against a target of \$37m in GDP for the financial year. More than 532,000 Aucklanders attended these events.</p>



Auckland Live	On track	A world-class live performance organisation that energizes 11 of the city’s iconic performance venues with high quality shows and experiences. Grows Auckland’s international reputation as a viable market and attracts more than 1800 events to the region annually. A centre for performing arts development, education, enrichment and high-performance professional training.	The Auckland Live <b>Summer in the Square</b> programme, which encompassed the themes of Fiesta, Beats, Circus and Pride saw nearly 40,000 attendees in Aotea Square. An <b>unprecedented series of local and international acts</b> were presented on Auckland’s stages throughout January, as a result of international tour adjustments since borders reopened including PinkPantheress and Alan Cumming at Auckland Town Hall, Bou, Koven, Bensley, A Little Sound at Shed 10, two performances of kiwi music icon Marlon Williams at The Civic, and international comedy sensation Jimmy Carr performing to more than 12,000 patrons. During the <b>severe storm</b> on 27 January, water made its way into the Aotea Centre’s Hunua Rooms. As a result, the <b>Renaissance – The Age of Genius</b> exhibition, which brings to life about 500 works by unparalleled Renaissance artists, had to be <b>moved to the Civic Theatre</b> .
Contribution to the delivery of the Tāmaki Makaurau Auckland Host City FIFA Women’s World Cup 2023 programme	On track	The FIFA Women’s World Cup 2023 is the largest sporting event ever to be hosted in Tāmaki Makaurau and Aotearoa. It’s expected to contribute about \$60 million to our regional GDP and to attract an international television audience of more than a billion viewers.	The <b>Unity Pitch activation</b> (FIFA’s unique multi-coloured football pitch) was successfully delivered between 19-22 January at Te Komititanga Square. The <b>US Women’s National Team vs Ford Football Ferns ‘friendly’</b> was held on 21 January at Eden Park with a record crowd for the Football Ferns of nearly 13,000. Work continued on the <b>FIFA Fan Festival</b> project, including the FIFA Fan Festival venue launch on 2 March confirming the location as The Cloud. The <b>FIFA WWC 2023 International Women’s Day campaign</b> was launched. It showcased seven Auckland wāhine in iconic locations to tell their story and ‘what it means to have the FIFA WWC in Auckland’. The <b>Toa Pitch</b> , an enclosed space to engage people in safe and inclusive play, and promote the event, was delivered at ASB Polyfest, Pasifika Festival, and FootballFEST.
Business Events	On track	Secures, hosts and supports conventions, meetings, commercial exhibitions, incentive programmes, functions and dinners across suitable Tātaki Auckland Unlimited venues and other venues. Provides technical equipment hire for conventions, meetings, commercial exhibitions, functions and dinners.	<b>Auckland Convention Bureau (ACB)</b> helped <b>secure 42 business events</b> for Auckland. They are forecast to generate \$16.5m in economic impact and 31,069 visitor nights. <b>Successful bids</b> this quarter include the International Association of Language Centres Workshop 2025, the Australian and New Zealand College of Anaesthetists ASM May 2026, the 11th Imamia Medics International Conference Nov 2023, the Women in Engineering International Leadership Summit Dec 2023, and the Amway Hong Kong Incentive group who will arrive in Auckland in April. <b>Viaduct Events Centre</b> is on track to be <b>reopen</b> at end of April with a blessing supported by Ngāti Whātua Ōrākei. Fourteen events are locked in to be delivered prior to end of the financial year. As of March, 117 events for FY24 at VEC – representing 50% of the average events prior to hand over of Emirates Team New Zealand. More than 1200 people from 33 countries attended the <b>World Avocado Conference</b> at <b>Aotea Centre</b> at the end of March, demonstrating great outcomes for both ACB and Auckland Conventions Venues and Events teams.



## Other Statement of Intent focus areas

### Climate Change & Sustainability

#### *Supporting a regenerative economy and climate innovation*

- Climate Connect Aotearoa (CCA) **launched an energy challenge on local energy sharing** and hosted a ‘potential partners’ event with Kāinga Ora, Tāmaki Regeneration Company, Ngāti Whātua Ōrākei, Fletchers, Ara Ake and TAU representatives. Dr Martin Atkins of Waitako University has been commissioned **to develop a white paper on Auckland SMEs process heat decarbonisation**, to support a future energy challenge. Preparations for **the food challenge** are underway, with a potential focus on a place-based climate-related challenge.
- CCA is developing a **Wāhi Mātauranga – dedicated space for climate-related mātauranga Māori** to support engagement and action. The hub now has **ngā mātāpono (principles)** to guide its work.
- Ongoing development of the CCA **Knowledge Hub**. The **CCA newsletter** is published bi-monthly. Phase two of the CCA website updates will go live in June, including the launch of Wāhi Mātauranga and a match-making tool. CCA representatives presented to the Waitematā and Waitakere Local Boards.
- Phase two of work with Market Economics underway to understand and model **green jobs and skills in the Auckland region**, building on the first model developed to understand the region’s cost of transition in response to national mitigation strategies.
- Two of four **climate action workshops** were delivered for the arts & culture sector. The **Sustainability Capability Building Programme** with Tourism Industry Aotearoa is now underway. A climate change and sustainability 101 hui has been planned for the Arts, Entertainment and Events rōpū at TAU.
- The **2023 Women4Climate** programme launched, with a successful process to select 10 mentees matched with mentors for an eight-month programme and event.

#### *TAU’s sustainability and climate change adaptation and response*

- The **Auckland Art Gallery decarbonisation project** continues, with physical works planned to start in August.
- **Electrical sub-metering** has been installed at four additional TAU sites. The data will provide a foundation for developing energy efficiency plans. **Smart gas metering** is also being installed at the Stadiums and Art Gallery to provide design data for the decarbonisation projects.
- A **solar feasibility study** for eight TAU’s sites is underway and on track, with three sites left to assess. The implementation of solar will support TAU’s emissions reductions.
- The final reports were delivered for the **Auckland Stadiums decarbonisation feasibility study**. A staged implementation approach is being scoped.
- **Adaptation planning** for the Zoo continues, including stakeholder workshops. The Aotea Precinct was prioritised for adaptation planning following impacts associated with the January-February storms, and initial stakeholder engagement has commenced.
- Early data inventory collection has commenced for the annual **Toitū carbonreduce certification**, with the audit scheduled for 16/17 August.
- The **Climate Change & Sustainability Strategic Plan** is on track for completion at the end of June. This initially focuses on the environmental pillar, with a long-term goal to expand the scope to be fully inclusive of the four pillars of sustainability – environment, economy, social and cultural.
- An internal working group has been established for **TAU’s climate-related disclosure (CRD) work programme**, to support TAU’s response to Auckland Council requirements. The draft proforma for the FY22/23 climate-related disclosure was approved by TAU’s Risk Committee and Board of Directors, as well as an approved sign-off process.

### Local Board Engagement

- A key priority for TAU is effective two-way engagement with all local boards, and it took advantage of Auckland Council's Kura Kawana elected member induction programme to present a **high-level introduction to TAU**, its work, purpose and regional footprint. While one board chose not to have an induction, TAU staff attended **in-person workshops** with Aotea-Gt Barrier, Hibiscus and Bays, Maungakiekie-Tamaki, Ōtara-Papatoetoe, Waitākere-Ranges and Rodney. Further information was provided in writing and/or local board workshops are being scheduled for specific areas of interest for each local board, as raised at the induction sessions.
- The Local Economic Places team held **strategic overview sessions** with local boards to inform them about crucial **insights including key economic places in their areas**, and the role each local board area plays within Auckland's regional economy.
- A **vision for a Henderson Creative Quarter** was provided to four local boards – Upper Harbour, Henderson-Massey, Waitākere Ranges and Whau – which have a strong interest on what the quarter might deliver for the region's northwest.
- Upper Harbour Local Board received a **briefing** on two key areas of interest: the Director of Auckland Stadiums spoke about the **development of North Harbour Stadium**; and the **FIFA Women's World Cup 2023** team outlined leverage opportunities for businesses in their area.
- The Directors of Auckland Zoo, New Zealand Maritime Museum, and the Auckland Art Gallery jointly presented an **update** to the Waitemātā Local Board about **the impact of the January flooding** and **upcoming activities** at their venues.
- TAU division Screen Auckland provided an **induction to the Screen Facilitation process** to the **Local Board Chairs' Forum**, including information about streamlining the process of approvals for low and medium impact Auckland Council public space film permits.
- The **Head of Major Events** presented to Waitemātā Local Board on TAU's **new strategic direction for events**, and the inclusion of the Ocean Festival into the region's calendar.
- Howick Local Board had a **presentation** from TAU's **Skills & Workforce and Visitor Economy teams** on the positive impact of TAU's work has for Howick businesses and residents.
- Significant engagement by **Screen Auckland** with Waitakere Local Board in relation to a large international screen production based in west Auckland, re filming on location.

### Contribution towards Māori Outcomes

#### *Kia ora te Rangatahi | Realising Rangatahi Potential*

- Amia was procured to **pilot a cultural capability programme** with two significant tech companies. The pilot programme aims to address findings from Te Au Hangarau —research identifying barriers to rangatahi Māori participation in the tech industry.
- A partnership with EMA and Whāriki has commenced to identify and develop **resources for employers** to build culturally safe workplaces for rangatahi Māori to thrive.

#### *Kia ora te Ahurea | Māori Identity and Culture*

- **Te Matatini Festival**, which was co-ordinated and led by TAU on behalf of the Council whānau, was delivered between 22-25 February. According to Te Matatini's Chief Executive, the festival was a “huge success”. The post-event reporting is still being finalised, but it's estimated that the event brought \$20.4m to the region's economy.
- A draft **relationship agreement** between TAU and Te Kawerau ā Maki has been prepared and shared seeking feedback for the collaborative partnership towards the **development of Henderson Creative Quarter Masterplan**. (This relationship agreement is also relevant under Kia ora te Hononga).

#### *Kia ora te Umanga | Māori Business, Tourism and Employment*

- The scope of the **Māori Economy Action Plan** is being reviewed in consideration of the Mayor's Letter of Expectation and the realignment of the overall Māori Outcomes Framework to reflect a focus on events, experiences and tourism. The University of Auckland research collaboration is guiding this work.
- **TAU procurement** has exceeded the 5% Supplier Diversity target, mainly attributed to LTP Māori Outcomes investment channelled through TAU towards Te Matatini.

#### *Risks*

The loss of investment and gains made through TAU's investment towards Kia ora te Umanga because of the mayor's proposed budget cuts.

# Tātaki Auckland Unlimited consolidated Q3 financials



## Direct operating performance

(\$ million)	Notes	FY 22	FY 23 Quarter 3 YTD			FY 23
		Actual	Actual	Budget	Variance	Budget
<b>Net direct expenditure</b>	<b>A</b>	<b>112.6</b>	<b>86.8</b>	<b>92.2</b>	<b>5.4</b>	<b>124.9</b>
<b>Direct revenue</b>	<b>B</b>	<b>118.7</b>	<b>88.6</b>	<b>63.4</b>	<b>25.2</b>	<b>80.2</b>
Fees & user charges		15.9	38.8	36.1	2.7	46.7
Operating grants and subsidies		80.3	26.2	8.5	17.7	10.0
Other direct revenue		22.5	23.6	18.8	4.8	23.5
<b>Direct expenditure</b>	<b>C</b>	<b>231.3</b>	<b>175.4</b>	<b>155.6</b>	<b>(19.8)</b>	<b>205.1</b>
Employee benefits		86.4	62.5	71.3	8.8	95.4
Grants, contributions & sponsorship		65.1	26.3	10.9	(15.4)	13.6
Other direct expenditure		79.8	86.6	73.4	(13.2)	96.1
<b>Other key operating lines</b>						
AC operating funding		110.9	83.4	92.1	8.7	124.8
AC capital funding	<b>D</b>	42.8	29.8	42.1	12.3	58.0
Depreciation	<b>E</b>	39.4	40.7	33.9	(6.8)	45.5
Donated Artworks		1.4	1.5	0.0	1.5	0.0
Income Tax benefit		0.7	0.0	0.0	0.0	0.0
Net interest revenue (expense)		0.3	0.5	0.1	0.4	0.1



## Financial Commentary

**A.** Net direct expenditure is favourable due to better than budgeted performance on events, visitation and film revenue, offset by unbudgeted costs of the Single Operator Stadiums Auckland project and the cancellation of five major concerts year to date for a variety of reasons. Our YTD positive variance contains an element of timing difference, which will likely be reduced before the end of the year.

**B.** Direct Revenue is favourable due largely to unbudgeted Activate and Reactivate Tamaki Makaurau grant funding and better than expected event and film revenues, offset by the loss of five major concerts, two due to health-related cancellations and three due to the flood event. Insurance recoveries and business interruption cover have not been accrued to date.

**C.** Direct expenditure is adverse due to unbudgeted Activate and Reactivate Tamaki Makaurau expenditure, increased cost of sales as a result of better-than-expected event revenues, costs to support elevated film revenues and Single Operator Stadiums Auckland costs and flood damage costs. This is offset by the loss of five major concerts as outlined earlier.

**D.** The capital programme is below budget due to delays in securing labour as a result of the abundance of work in the market, extended business casing periods due to cost escalation and work that is on hold in response to the flood event, this is expected to be a timing variation only.

**E.** Depreciation is adverse due to the effects of increased building asset valuations in June 2022, increasing the value of the assets being depreciated and thus the monthly depreciation.

# Tātaki Auckland Unlimited Q3 performance measures

Key performance indicators	Previous	FY 23 Quarter 3			Commentary
	Year	YTD Actual	FY Target	Status	
TAU has 11 SOI measures, of which 7 are LTP measures. Eight of the 11 measures are tracked quarterly, one is a six-monthly measure and two are annual measures. At the end of Q3, four KPI were achieved, four KPIs are on track to being achieved, one is not on track, and 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>	751,857	1.54m	1.82m	<b>On track</b>	KPI accounts for auditable ticketed attendance at TAU venues only and does not account for free and un-ticketed attendance at venues such as Auckland Art Gallery where the majority of visitors are un-ticketed. Note: A further 85,500 ticketed attendees could not attend events as a result of flood-related cancellations.
Percentage of Auckland residents surveyed who consider that Tātaki Auckland Unlimited programmes, events and exhibitions enrich their lives.	72.6%	No result	70%	No result	Result reported annually only, surveying to be completed in May.
The net promoter score for TAU's audiences and participants. <sup>1</sup> <b>(LTP measure)</b>	54	44	40	<b>On track</b>	Based on results available across Auckland Live, Auckland Stadiums, Auckland Art Gallery, Auckland Zoo and NZ Maritime Museum.
<b>Expand economic opportunities for all Aucklanders</b>					
Number of businesses that have been through a TAU programme or benefited from a TAU intervention. <b>(LTP measure)</b>	11,976	1,398	1,200	<b>Achieved</b>	
Number of Māori businesses that have been through a TAU programme or benefitted from a TAU intervention. <b>(LTP measure)</b>	1,080	77	150	<b>Not on track</b>	Lower than anticipated – at the time this KPI target was set, TAU was planning to establish a new Māori business team. However, as a result of recruitment challenges and uncertainties regarding future economic development activity, the establishment of this team has been paused. This has resulted in TAU working with fewer Māori businesses than was anticipated at the start of the year.

<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.

Provide an effective social, economic, cultural and environmental return on investment.					
The percentage of operating expenses funded through non-rates revenues. <b>(LTP measure)</b>	33%	49%	47%	On track	
Increase capital investment into Auckland for economic and cultural outcomes.					
Attributable value of private sector investment secured during the year.	\$197.2m	\$304.6m	\$200m	Achieved	Result to year-end December, full year results will be reported in Q4 report
The contribution to regional GDP from major events and business events attracted or supported. <b>(LTP measure)</b>	\$30.2m	\$45.4m	\$37m	Achieved	Based on the evaluation of 30 out of 44 events supported by TAU across Q1, Q2 and Q3.
Build a sustainable future focussed organisation.					
Percentage change in greenhouse gas emissions against 2018/19 baseline.	-15%	No result	-5%	No result	Result reported annually based on Toitū audit to be conducted in August 2023.
The number of programmes contributing to the visibility and presence of Māori in Tāmaki Makaurau. <b>(LTP measure)</b>	101	77	40	Achieved	The year-end target of 40 has been exceeded, based on draft Q3 results.
Percentage of customer complaints resolved within 10 working days.	Developed policy, process and benchmark	80%	80%	On track	Based on 98 complaints received across Auckland Zoo, Auckland Art Gallery, Auckland Live, Auckland Stadiums and NZ Maritime Museum to the end of Q3.