

ANNUAL REPORT

For the year ended 30 June 2015





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Welcome

OUR AMBITION

To make Auckland famous for vibrant, creative, exciting and innovative experiences in art, live performance, the natural environment, sport and major events.

OUR PURPOSE (AND OUR PASSION)

To enrich and enhance life in Auckland by engaging people in the arts, the environment, sport and events through our programmes, facilities and events.

WE DO THIS BY BEING THE BEST AT...

creating and delivering the best product, programming and facilities.

LEFT: Carlos Cruz-Diez, *Chromosaturation* 1965-2013, (installation view), *Light Show*, 2015, Auckland Art Gallery Toi o Tāmaki



Our Business

Regional Facilities Auckland (RFA) presents exciting, engaging and accessible experiences to those who live in and visit our city. Our innovative and imaginative programming delights people – every single day – and our collections and venues are some of the best in New Zealand.

As one of six council-controlled organisations, we are a charitable trust governed by a board. Over five years, we have contributed significantly towards growing Auckland's economy, boosted our city's reputation as the events and entertainment capital of New Zealand, and enhanced the vibrancy of our city as one that is modern, dynamic and engaging.

Our stunning venues across the city are national and international architectural landmarks. They include the award-winning Auckland Art Gallery Toi o Tāmaki, the much-loved Auckland Zoo, the stunning waterfront ANZ Viaduct Events Centre, the famous atmospheric theatre The Civic, Aotea Centre, Auckland Town Hall, the natural volcanic amphitheatre Mt Smart Stadium, Western Springs Stadium, QBE Stadium and the Bruce Mason Centre.

Our passionate and driven business units – Auckland Art Gallery, Auckland Conventions, Auckland Live, Auckland Stadiums and Auckland Zoo – work tirelessly to produce record-breaking results as their committed teams continuously strive to deliver bigger and better outcomes for Auckland.

Our approach

We work in partnership with Auckland Council and other key stakeholders to achieve the vision of making Auckland the world's most liveable city by 2040.

We do this by employing a strategic, focused regional approach to developing Auckland's arts, culture and heritage, leisure, sport and entertainment sectors through our landmark venues, business units and strategic partnerships.



RFA advocates for innovation and creativity across the sectors we represent, with the aim of ultimately placing Auckland centre stage as an exciting, contemporary, dynamic and vibrant city.

We are proud to operate as a financially sustainable organisation which applies sound business practice and commercial acumen to ensure Aucklanders receive value for money. We do this through our investment in the arts, culture, natural environment, heritage, sport and entertainment sectors by bringing events to life at our regional facilities and venues across the city.

Our commitment

Every year, RFA exceeds expectations around developing creative and innovative programming and experiences, managing our landmark venues, delivering upon key performance targets and breaking new ground through fresh initiatives.

We achieve this through the strong commitment we have to our city and to Aucklanders. Our strategic focus ensures we will continue to do so as we strive to: provide life-enhancing experiences; achieve strategic results; and demonstrate innovation and leadership for Auckland's arts, culture, natural environment, heritage, sport and entertainment sectors.



*More than 4.70 million
people visited our venues
and participated in a
diverse programme of events
and experiences.*

"The number of children and young people enjoying the experiences we offer is outstanding. More than 295,000 children visited Auckland Zoo, 200,000 children experienced the performing arts at RFA venues, and 86,615 children participated in education and learning at Auckland Zoo and Auckland Art Gallery, while more than 60,000 children participated in sporting and community activities..."



CHAIR'S REVIEW

RT HON SIR DON MCKINNON

E mihi ana ki te rangi, e mihi ana ki te whenua, e mihi hoki tēnei
ki a koutou ngā, Kaitiaki o Tāmaki Makaurau, tēnā koutou katoa

It is my pleasure to present the Regional Facilities Auckland (RFA) Annual Report for 2014/15. Established in 2010, RFA has achieved a number of significant milestones as it has matured and grown. The organisation has consistently met expectations around Auckland Council's strategic priorities to achieve our shared vision of making Auckland the most liveable city by 2040, while meeting RFA's own strategic priorities around enriching and enhancing life in Auckland and firmly positioning our city as a vibrant, creative and exciting place in which to live and to visit.

AMBITION AND PURPOSE

Building on its success to date, it is now time for RFA to apply a fresh strategic focus to ensure future sustainability and growth.

Under a new strategic framework, there is clear intent by RFA's leadership to continue to enrich Auckland by bringing to life the arts, the natural environment, sport and events at the organisation's landmark venues. More than ever before the focus will be on developing and providing imaginative programming and enhanced visitor experiences.

As we reflect on the year's outstanding results delivered across the social, cultural and economic spectrum, it is clear that this strategic direction has a strong base upon which to build.

EXPERIENCE AND PLACE

Increasingly, RFA is at the heart of creating a sense of place and identity for Auckland through the many wonderful activities and experiences it provides – every single day. These activities cut across civic, community and cultural interests, engaging a broad range of stakeholders. Be it a concert, a sporting event, a festival, an exhibition or wildlife conservation, RFA continues to delight and engage via its innovative programming and quality service at our landmark venues.

During the 2014/15 year, we saw more than 4.70 million people visiting our venues, clearly demonstrating the value we offer around arts, culture, the natural environment and sport. The number of children and young people

enjoying the experiences we offer is outstanding. More than 295,000 children visited Auckland Zoo, 200,000 children experienced the performing arts at RFA venues, and 86,615 children participated in education and learning at Auckland Zoo and Auckland Art Gallery, while more than 60,000 children participated in sporting and community activities at Mt Smart, QBE and Western Springs Stadiums. This aligns well with Auckland Council's strategic priorities around engaging children and young people.

RFA's contribution towards Auckland's economy has proven outstanding once again. By securing Auckland-exclusive international entertainment and exhibitions, we have driven out-of-town visitation for 2014/15 and contributed in excess of \$150 million¹ to Auckland's economy.

We saw another strong year around our strategic priority to increase commercial revenue to support public-good activities. In the financial year, 63% of RFA's operating costs were met by external trading. As an organisation working in a challenging operating environment and competitive market, this is a particularly noteworthy achievement.

Our regional response in action has seen many positive results this year. Takapuna's Bruce Mason Centre is now fully operational under RFA's management, enabling this key performing arts and conference venue to exceed financial targets and present an exciting events programme that attracts strong audiences.

1. Does not include Auckland Conventions

"RFA's ambition is to be the organisation that makes Auckland famous for vibrant, creative, exciting and innovative experiences in art, live performance, the natural environment, sport and major events."



Complementary to this, in July 2014, RFA fully integrated North Shore-based QBE Stadium into its portfolio. This is already seeing returns and supports a vision of providing fit-for-purpose facilities, including high-performance training facilities, across Auckland through an integrated stadium management model.

Also, we are seeing great progress with the Manukau-based initiative, Wero Whitewater Park. This project, which expands the facilities and services at the already-successful Vodafone Events Centre, will result in the delivery of a world-class tourism destination that also engages communities and youth. The first facility of its kind in New Zealand, it will support training courses, sport, school programmes and youth development.

PEOPLE AND PASSION

In my role as RFA Chair, I am impressed without fail each year by the results RFA's people deliver. 'People' include staff on the ground, the business unit directors and the leadership team, as led by Chief Executive Officer Chris Brooks. It also includes those strategic partners and stakeholders who work with our teams to provide unique and wonderful experiences. I must thank all of them — their contributions are invaluable.

Our Board continues to guide and govern RFA's direction and focus. A heartfelt thank-you is extended to my fellow Board members for their unfailing commitment to RFA — their support over the year has been much appreciated.

I must also thank former CEO Robert Domm. Robert, who was instrumental in delivering the positive results we have seen for this year, has returned to Australia following three years at the helm.

While we farewelled Robert, we welcomed Chris as our new CEO. Chris brings a great wealth of experience to this critical role. His outstanding work at Melbourne's Federation Square is well known, while his passion for creating a sense of space and place through strategic leadership is regarded highly in both Australia and New Zealand. I look forward to seeing Chris lead RFA into a new era of further innovation.

RFA's ambition is to be the organisation that makes Auckland famous for vibrant, creative, exciting and innovative experiences in art, live performance, the natural environment, sport and major events. I believe, as I look ahead to the new year, that it will deliver upon this ambition and will place Auckland firmly at centre stage as a contemporary, dynamic and vibrant city for people to both live in and visit.

"... our focus on service excellence, strong connections and financial sustainability has provided so many positive outcomes and benefits."



CHIEF EXECUTIVE'S REPORT

CHRIS BROOKS

RFA has surpassed expectations and delivered record-breaking results over the 2014/15 financial year. Our people have been instrumental in achieving these results as they have continued to innovate, create and strategise to deliver outstanding experiences to visitors.

RFA's iconic venues host a range of accessible, exciting and engaging experiences. We have the privilege of operating some of New Zealand's much-loved landmark buildings – valued not only by Aucklanders, but by Kiwis from across our country.

While our collections and venues are some of the best in New Zealand and many of our venues present experiences in themselves, it is the events therein that enrich people's lives and help create memories of a vibrant Auckland.

As RFA's new Chief Executive Officer, I am pleased to be able to detail some of the milestones and successes achieved across RFA, including: high visitation and satisfaction levels; innovative and diverse programming, events and activities; clear alignment to Auckland Council's strategic priorities; and positive operational and financial results.

It is gratifying to see that our focus on service excellence, strong connections and financial sustainability has provided so many positive outcomes and benefits. It is this focus and commitment to excellence that continues to ensure Auckland's place as New Zealand's entertainment capital.

OUR STRATEGY AND APPROACH

RFA has been driven by its commitment to support Auckland Council's vision for the region, through an integrated and collaborative approach. This has enabled us to utilise resources and expertise to best advantage, while leveraging regional and partnership opportunities to deliver enhanced services and programming, innovation and creativity. Many of these strong partnerships have underpinned our good performance.

OUR ORGANISATION

Since our creation, RFA has been in a phase of establishment and development. It is now time for us to set in place a strategy for the future direction of the organisation and determine the legacy we would like RFA to deliver to the city of Auckland.

We have reshaped and refined RFA's Ambition and Purpose to ensure a sharp focus on this future strategy.

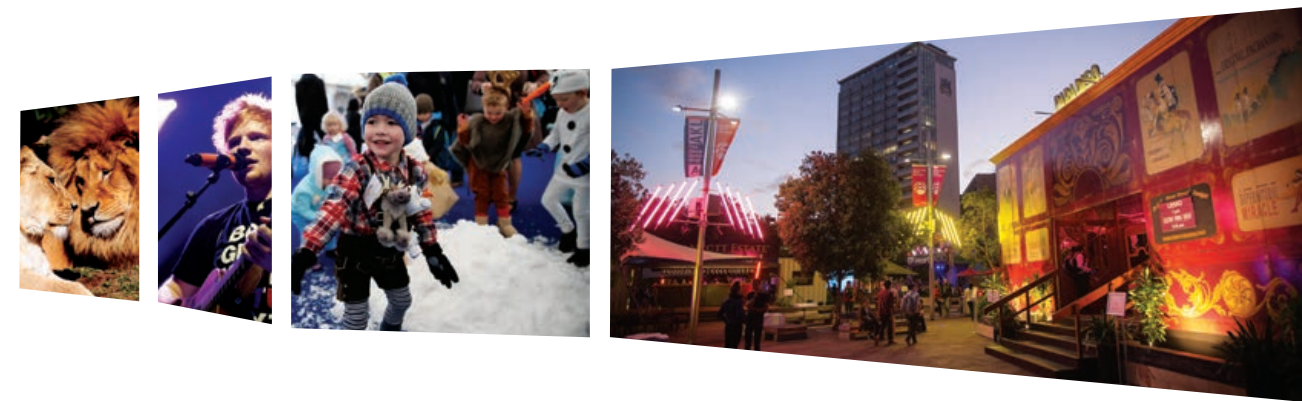
Our Ambition is to make Auckland famous for vibrant, creative, exciting and innovative experiences in art, live performance, the natural environment, sport and major events, while our Purpose (and our passion) is to enrich and enhance life in Auckland by engaging people through our programmes, facilities and events. Our clear intent is to do this by being the best at creating and delivering outstanding product, programming and facilities.

It remains important that we build on our success to date. We will continue to grow the significant economic contribution we provide to our city, while building and developing the social capital within our communities.

RFA will do this by enhancing and celebrating the vibrancy and diversity of the population that makes up Auckland.

Our approach and implementation will evolve as we seek fresh opportunities to build on what we do well while we improve in other areas. We will work with our staff, Board, stakeholders and partners to ensure that RFA provides the best-possible outcomes for Auckland.

"Auckland Conventions exceeded expectations beating previous-year performance and revenue results and achieving record external revenue for the fifth consecutive year."



OUR SUCCESSES AND ACHIEVEMENTS

During the 2014/15 year, RFA has achieved a number of records around visitors, new experiences and activities.

Working together, our Auckland Live and Auckland Stadiums teams have been instrumental in achieving a record-breaking stadium concert season, which saw a packed summer line-up delivered to fans from around the country. This is the second consecutive year during which RFA has seen concert activity outstrip all expectations. From October 2014 to March 2015, 12 major concerts and festivals were held at our landmark venues, attracting more than 232,000 people – an unprecedented level of activity for RFA's outdoor venues.

Out-of-town concert-goers spent approximately \$23.0 million during their stays in Auckland. Independent research showed that The Rolling Stones, Foo Fighters and Eagles concerts alone generated \$19.3 million in visitor spend and 101,470 visitor nights.

Auckland Conventions exceeded expectations beating previous-year performance and revenue results and achieving record external revenue for the fifth consecutive year. Overall, the total number of Auckland Conventions events held across RFA's venues increased by 27%.

Auckland Live celebrated its first-year anniversary, following the business unit's busiest year ever. The rebranding was more than a name change – it was about business transformation around what Auckland Live does as a creative leader in arts and entertainment. In total, 1.02 million people experienced some of the world's best live entertainment on our stages.

Achieving the Arts Access Creative New Zealand Arts For All Award 2015 from Arts Access Aotearoa was a particular highlight, as it demonstrates RFA's commitment to opening up the performance arts to all.

Auckland Art Gallery enjoyed a highly successful year, presenting an exciting programme of work, exceeding visitor targets and scooping some significant awards around its creative campaigns for *Light Show*. This international recognition highlights the Gallery's leadership and in-house expertise, while promoting to visitors the fact that they will be treated to world-class visual arts experiences at the Gallery. *Light Show* attracted more than 72,000 visitors and was the second-most-attended exhibition in the Gallery's history.

Auckland Zoo has had an exciting year – many activities have gone beyond the boundaries of the Zoo as the public has become engaged and involved in a number of significant initiatives over the year.

One such initiative was the journey and arrival of Anjalee, brought to the Zoo from the Pinnawala Elephant Orphanage in Sri Lanka. The Zoo, its partners and its staff worked hard to make this enormously complex undertaking a success. The Zoo's endorsement as one of New Zealand's elite tourist attractions, attaining Qualmark certification as an Endorsed Visitor Activity and an Enviro Gold award, was well-deserved recognition for the Zoo's staff of dedicated professionals.

RFA achieved global recognition when it won the 2015 International E-Learning Association Award, Business Division for the organisation's online employee health and safety induction. The New Zealand programme was judged the best in the world, followed by the United Kingdom and the United States of America. This initiative was conceptualised, created and led by RFA staff members.

OUR NATIONAL TREASURES

As important as the experiences we offer is the quality and long-term sustainability of each of our venues.



"We will continue to grow the significant economic contribution we provide to our city, while building and developing the social capital within our communities."



Of note this year was Auckland Council's approval of RFA's three major capital investment and growth strategies as part of Council's Long-term Plan 2015–25 (LTP) process. Through the LTP, Council approved the following budgets: Auckland Zoo – \$120 million in renewals and growth funding; Aotea Arts and Cultural Precinct – \$99 million in renewals and growth funding; and Auckland Stadiums – \$66 million in renewals and growth funding.

This year we also completed a number of significant capital upgrade projects to enhance the visitor experience including:

- Improvements at Mt Smart, Western Springs and QBE Stadiums. These are paying off already with activity levels soaring. The improvements have increased concert capacities and enhanced the fan experience, adding further appeal to promoters.
- The Bruce Mason Centre refit and refurbishment project included improvements to the 1,100-seat auditorium's lighting and sound as well as new carpet and a paint refresh. Also, seating and technical equipment were fully serviced and a new air-conditioning unit installed, along with an upgrade to the green room and the addition of a dressing room.
- Auckland Zoo's Pridelands redevelopment project began this year as stage 1 of the Zoo's ten-year development plan. This new development will take the visitor experience to a whole new level and will bring people and wildlife closer together than they have been ever before. We expect the project to be completed and the new area to be open to the public in early 2016.

OUR FINANCES

RFA finished the year with a favourable operational variance of \$0.2 million against budget² and completed 87% of programmed capital renewals for the year, all within budget. This is pleasing as we have continued to increase commercial revenue, manage our operational and employment costs

efficiently, and minimise the operational funding required from Auckland's ratepayers. In a challenging market where organisations like RFA are competing for the consumer discretionary spend, our external revenue now accounts for 63% of our total operational revenue.

RFA's confirmed capital funding through the Auckland Council Long-term Plan 2015–25 has established an excellent foundation for the organisation's continued growth and success over the next decade.

OUR PEOPLE

RFA has seen fantastic organisational examples of innovation and success this year, including a major internal values project, Show People. The project aimed to engage staff to embrace the values of the new Auckland Live brand. Out of this came the Auckland Live Green Team, which is involved in reducing waste and educating staff about recycling and the responsible use of resources.

Since I began in my new role as RFA's CEO in March 2015, I have been impressed by our people's expertise, passion and professionalism. Many thanks go to all of our staff members for their superb efforts over the year and their many achievements.

The leadership of our Board has enabled us to deliver these outcomes. Led by Chair Sir Don McKinnon, it continues to guide and govern us with vision, wisdom and sound governance principles.

OUR FUTURE FOCUS

I am confident about the next 12 months and what RFA will deliver, building on the success of the previous year, whilst bringing fresh thinking and innovation around how we develop our venues and the way in which we provide enriching experiences therein.

Our new strategic framework gives us a sharper focus and will position us to deliver even better outcomes in the year ahead.

2. Excludes debt-funded operational costs and non-cash items



Highlights

LEFT: Seung Yul Oh, *Soom*, (installation view), 2015,
Auckland Art Gallery Toi o Tāmaki



JULY

Aotea Square was transformed into a winter wonderland with the Aotea Square Ice Rink

The Civic was turned over to movie buffs for the New Zealand International Film Festival

AUGUST

ANZ Viaduct Events Centre dressed up for the glamour and excitement of New Zealand Fashion Week

Auckland Zoo achieved Qualmark Enviro Award Gold status, and was visited by orangutan advocate Dr Ian Singleton

SEPTEMBER

LEGO fans were let loose at Auckland Art Gallery for Olafur Eliasson's *The cubic structural evolution project*

The Illusionists 2.0 wrapped up a great season at The Civic

OCTOBER

Auckland Art Gallery opened *Light Show* – the first major presentation of international light-based art to be seen in New Zealand

Construction on a high-performance professional training field for rugby league at Mt Smart Stadium was completed

Diwali Festival of Lights lit up Aotea Square

The Civic came alive with *The Sound of Music*

Western Spring Stadium hosted music and cultural festival Soulfest

NOVEMBER

Iconic rockers The Rolling Stones played to a sell-out crowd at Mt Smart Stadium

Auckland Art Gallery toured 48 Māori portraits by Gottfried Lindauer to Berlin, attracting 143,930 visitors

Taste of Auckland took place at Western Springs Stadium

Monster Jam trucks wowed the crowds at QBE Stadium

Our:House festival-goers danced at Mt Smart Stadium

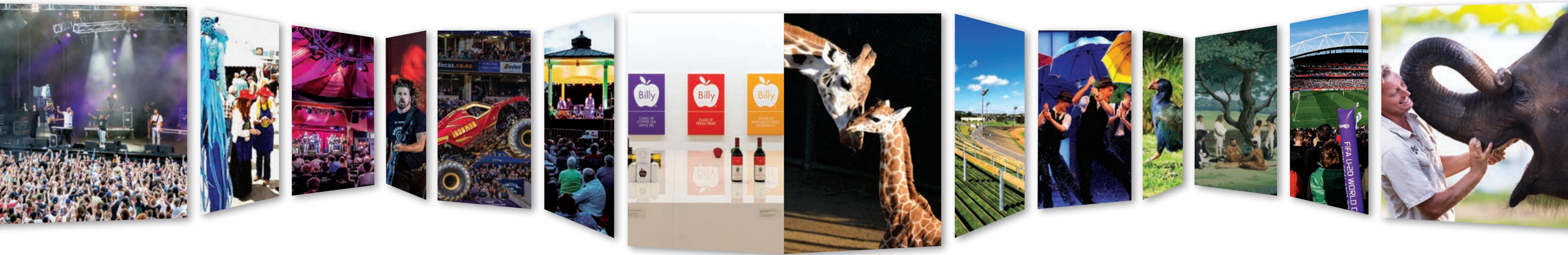
DECEMBER

Summer in the Square in Aotea Square spread festive joy

Christmas at the Zoo was the usual resounding success

ANZ Viaduct Events Centre proudly hosted the Auckland City Mission Christmas Lunch

RFA's *Tins for Tickets* initiative collected 5,432 tins of food for Auckland City Mission from staff across the Auckland Council group



JANUARY

Cloud Festival rocked QBE Stadium

Auckland Seafood Festival took place at the ANZ Viaduct Events Centre and Wynyard Quarter

FEBRUARY

Foo Fighters took the stage at Mt Smart Stadium

Nitro Circus wowed the crowds with high-octane fun at QBE Stadium

Auckland Fringe festival brought it's vibrant mix of comedy, dance, music and performance art to Auckland Live venues

Concerts made a welcome return to Auckland Zoo with Fat Freddy's Drop, Sol3 Mio and The Finns

MARCH

The Eagles performed two packed concerts at Mt Smart Stadium

Billy Apple exhibition opened at Auckland Art Gallery

Top international acts from New Zealand and around the globe performed at Auckland Live venues as part of the Auckland Arts Festival

Westfest took place at Mt Smart Stadium

APRIL

NZ International Comedy Festival brought the laughs to many of Auckland Live's venues

New embankment terracing was completed at Western Springs Stadium

Auckland Zoo began redeveloping the Pridelands precinct

Two capybara, Rosita and Consuela, arrived at Auckland Zoo

MAY

Smash hit musical *Singin' in the Rain* opened at The Civic

Auckland Writers Festival had another record year at Aotea Centre

Lisa Reihana's ambitious screen-based wallpaper art installation, *in Pursuit of Venus [infected]*, had its world premiere at Auckland Art Gallery

Two of New Zealand's critically endangered takahē were released onto Rotoroa Island

JUNE

Elephant Anjalee arrived and was warmly welcomed to Auckland Zoo

FIFA U-20 World Cup matches brought soccer fans to QBE Stadium

Auckland Live celebrated winter with the installation of polar bear artworks around the popular Aotea Square Ice Rink

Auckland Zoo keepers released more than 900 endangered endemic wētā punga on Motuhorapapa Island



Our Business Units



AUCKLAND ART GALLERY TOI O TĀMAKI

Established in 1888, Auckland Art Gallery Toi o Tāmaki is a leading, award-winning, internationally recognised cultural facility. It holds the country's most extensive and pre-eminent collection of national and international art, with more than 15,600 works in its collection, dating from the 11th century to the present day. Through the presentation of memorable exhibitions, public programmes and thought leadership, the Gallery aims to be a catalyst for creative practice and ideas, offering transformational experiences that strengthen and enrich our diverse communities.

HIGHLIGHTS

SHARING AND CELEBRATING EXPERIENCES

Auckland Art Gallery saw another highly successful year through the delivery of exceptional international and national exhibitions. Complementary to this, the Gallery continued to provide creative, innovative and engaging activities for visitors through its interactive initiatives and educational programmes.

The Gallery's visitation exceeded expectations for the year as numbers reached 533,556 against a target of 460,000 – an increase from the previous year's total of 423,327. The visitor satisfaction rating was an outstanding 94%.

CELEBRATING NEW ZEALAND ART

As a leader in the exhibition of artworks from the Pacific region, the Gallery once again took pride in delivering a diverse programme of Māori and Pacific peoples' art by showcasing the rich history, culture and talents of the Pacific.

A highlight for the year was one of Aotearoa New Zealand's most ambitious screen-based art projects, *in Pursuit of Venus [infected]*, by Lisa Reihana, gifted by Patrons of the Gallery. Through this stunning artwork, Reihana reimagines the first encounters between European and South Pacific people, from a Pacific perspective, using advanced digital technologies.

The Gallery's exhibition of works by internationally-acclaimed New Zealand artist Billy Apple attracted extensive media attention. This coverage included segments on 3 News and One News, a cover feature story in *Canvas* magazine, and a cover line and feature article in *Metro* and *Remix* magazines, as well as international coverage in *ArtAsiaPacific* magazine and ARTFORUM. *Billy Apple: The Artist Has to Live Like Everybody Else* was the largest and most comprehensive retrospective exhibition of the artist Billy Apple's extensive international career ever undertaken.

A highlight for New Zealand artists is competing for the prestigious Walters Prize. The goal of the biennial prize is to profile outstanding examples of contemporary New Zealand art. Artist Luke Willis Thompson was selected as the 2014 winner by eminent international judge Charles Esche with his piece *inthisholeonthisislandwhereiam*. The Walters Prize received positive critical reviews, strong audience attendance of more than 28,000 and acclaim for innovative exhibition making and public programming.

A major programme of new exhibitions drawn from the Gallery's collection of New Zealand art opened in 2015. *New Zealand Art: Insight and Connections* 2015–2017 presents works by prominent New Zealand artists such as Michael Parekowhai, Colin McCahon, Fiona Pardington and Bill Culbert. These exhibitions explore the network of connections that have influenced New Zealand art from the early 20th century to today.



INTERNATIONAL EXHIBITIONS

Gallery visitors were delighted by the first major presentation of international light-based art to be seen in New Zealand. Continuing on from its 2013 sell-out season at the Hayward Gallery (London), the Auckland exhibition of *Light Show* was the first stop on its global tour. The medium of light was explored by major international artists in illuminated installations and sculptures from the 1960s to the present.

Light Show attracted more than 72,000 visitors and was the sixth admission-charged exhibition since the Gallery's redevelopment in 2011. The exhibition was also the second-most-attended exhibition since 1995, behind *Degas to Dali*, and achieved the third-highest daily visitation for a paid exhibition.

On a global level, the Gallery presented its significant collection of historic Māori portraits to an international stage – to much critical acclaim. The Gallery toured 48 Māori portraits by late 19th-century, European-born New Zealand painter Gottfried Lindauer, to exhibit in Berlin, Germany, and Pilsen, Czech Republic. The exhibitions marked the first major tour of these important works from New Zealand's shores since they were painted more than 100 years ago. The exhibition at the Alte Nationalgalerie (Old National Gallery) in Berlin was record breaking with more than 143,000 visitors attending. From 6 May to 20 September 2015, the portraits were part of a major retrospective exhibition of Lindauer's works at The Gallery of West Bohemia in Pilsen: one of the most ambitious projects the Pilsen gallery has ever prepared.

BRINGING ART TO LIFE

Auckland Art Gallery aims to stimulate creativity among all visitors to the Gallery, young and old, and encourages art-making in a playful, inclusive atmosphere. Several exhibitions and programmes this year drew visitors into engaging with artworks through activities, games and interactive elements.

Inspired by the visiting exhibition *Light Show*, Auckland Art Gallery collaborated with AUT Colab to present the hands-on interactive exhibition *Wavelength* in the Todd Foundation Creative Learning Centre.

The cubic structural evolution project, 2004, a hands-on installation by Danish-Icelandic artist Olafur Eliasson comprised thousands of pieces of white LEGO bricks scattered on a 12-metre-long table. The work invited visitors to become

The Gallery is committed to educational and collaborative efforts to enable young people to better access and participate in the world of art.



'architects' by using the LEGO to make structures and buildings. The exhibition proved immensely popular for visitors of all ages, with 303,317 visitors viewing the installation.

The Gallery is committed to educational and collaborative efforts to enable young people to better access and participate in the world of art. A key initiative for the year was the Youth Media Internship, a partnership initiative with AUT University. The dynamic, project-based learning experience gave students a glimpse behind the scenes at the Gallery, and helped to develop interpersonal and creative thinking skills in a professional environment.

Meanwhile, the Gallery's school programming staff has been piloting programming and resource development initiatives for teachers and students of English. These will build visual literacy, explore visual texts (artworks) and inform programming around creative writing and debating.

A number of Māori-focused initiatives were developed over the year, receiving much positive feedback. These included initiatives created by Toi Māori intern Martin Langdon to acknowledge and involve Māori in Gallery programming including events for Matariki. Martin also presented a talk as part of the exhibition *My Country: Contemporary Art from Black Australia* and led tours of public sculpture, focusing on Māori content and showing the diversity of public artworks in the CBD. Other initiatives included a Whakapapa chart workshop, family programmes and readings, guided walks, and visual screenings.

The outreach programmes continue to engage Māori and Pacific peoples through collaborations with community organisations. Some of the Māori groups collaborating with the Gallery include New Zealand Rugby League Playgroups, Department of Corrections and visual art students from LE TOA, the Pacific and Māori Student Support Group, Unitec Institute of Technology, as well as students from Manukau Institute of Technology.

ACCESSING THE VISUAL ARTS

In December 2014, a new part-time position of Gallery Educator, Family Programmes was established to provide family programmes which enable collaborative work with artists, designers and others in the creative industry, and to create projects by involving children in their development. It has also allowed the Gallery to continue developing programmes such as Art Connections, a collaboration with Alzheimers Auckland. This year, training programmes for volunteer guides were introduced so the volunteers could engage confidently with this audience and assist with specialised tours.

RECOGNISING EXCELLENCE

Auckland Art Gallery received TripAdvisor's Certificate of Excellence award for the second year running. The award recognised the front-of-house focus on excellence in hospitality.

The Gallery also received a Highly Commended in the Exhibition Branding category for its *Light Show* campaign materials at the Museums Australia's annual Multimedia and Publication Design Awards. The awards showcase design excellence in the galleries and museums sector across Australia and beyond. The *Light Show* marketing campaign was also short-listed in three categories of this year's CAANZ Axis Awards – the national awards for advertising creative excellence.

INFLUENCE AND LEADERSHIP

Gallery Director, Rhana Devenport, was invited by the Metropolitan Museum of Art to participate in the 2015 Global Museum Leaders Colloquium. The Museum hosts the colloquium to broaden international dialogue about museum leadership among directors from collecting institutions.

Principal Curator, Zara Stanhope, was selected for the 2015 Getty Leadership Program. Held at Claremont University, Los Angeles, the programme helps develop art museum leaders around strategy, leadership, fund-raising, marketing, innovation and mindfulness.



AUCKLAND CONVENTIONS

Auckland Conventions offers New Zealand's largest portfolio of unique and versatile venues for a wide range of events from large-scale exhibitions and conventions to business meetings and glamorous corporate functions. Its venues are iconic Auckland landmarks: ANZ Viaduct Events Centre, Aotea Centre, Auckland Art Gallery, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium and QBE Stadium Function Centre. Auckland Conventions also provides complete conference solutions through a range of in-house services.

HIGHLIGHTS

ANOTHER RECORD YEAR

Auckland Conventions exceeded expectations, beating previous-year performance and revenue results and achieving record external revenue for the fifth consecutive year.

Auckland Conventions' large and diverse portfolio ensured that a range of events was delivered to provide outstanding experiences and results across Auckland. The operating efficiencies afforded by an integrated approach is realising significant benefits.

Revenue for conventions activity at Auckland Art Gallery rose by 23%, at The Civic by 22%, and at hotels and off-site events by 21%. In its first year under RFA, QBE Stadium was up by 4% on projected budget.

Overall, the total number of events held across RFA's venues increased by 27% from 638 events in 2013/14 to 808 events in 2014/15. Contributing to such a large increase was the addition to the portfolio of the QBE Stadium Function Centre. The combination of that venue and the Bruce Mason Centre means that Auckland Conventions is now in a strong position to service functions on Auckland's North Shore.

POPULAR EVENTS

The ANZ Viaduct Events Centre played host to major events including the Volvo Ocean Race Stopover, the Auckland Seafood Festival, the Auckland On Water Boat Show and the Auckland Marathon.

The popular New Zealand Fashion Week was hosted at the ANZ Viaduct Events Centre for the fourth consecutive year, attracting more than 30,000 people.

The New Zealand Planning Institute took over Aotea Centre and spaces at the ANZ Viaduct Events Centre to host its three-day conference, attracting 2,285 attendees. Another significant conference at Aotea Centre was the Barfoot & Thompson two-day conference, with 2,000 people, while the key industry trade show for the New Zealand MICE industry, Convene Auckland, was hosted at ANZ Viaduct Events Centre for the fourth consecutive year.

Always a celebratory highlight, 19 graduation ceremonies were attended by more than 50,000 people at Aotea Centre, Auckland Town Hall and the Bruce Mason Centre.



CLIENT QUOTE

"The service was quite outstanding. Staff ensured we had everything we needed ... I cannot speak highly enough of the willingness to go the extra mile to make everything perfect."

GLENYS WILSON
SENIOR ASSOCIATE
MERCER

... a celebratory highlight, 19 graduation ceremonies were attended by more than 50,000 people at Aotea Centre, Auckland Town Hall and the Bruce Mason Centre.



INTERNATIONAL CONVENTIONS

A number of key international conferences were held at Auckland Conventions venues including the international Amazon Web Services Summit 2015, the Occupational Health and Safety Industry Group conference, the Commission for the Conservation of Southern Bluefin Tuna meeting, and the Huawei Technologies conference. These key events drew 3,850 attendees, all contributing towards the regional economy with each international delegate spending an average of \$1,991 while in New Zealand.³

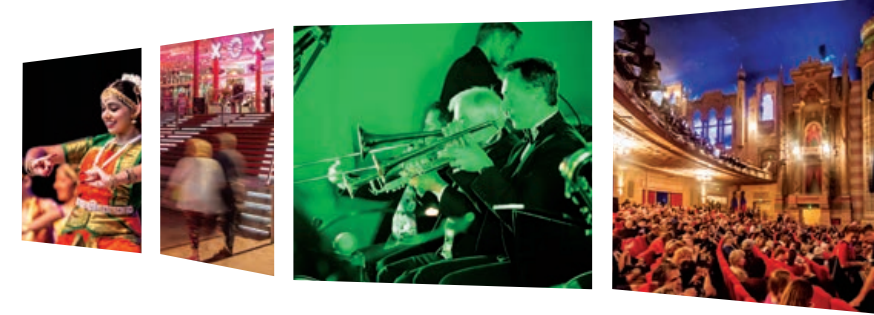
STRATEGIC PARTNERSHIPS

Auckland Conventions entered into a partnership with trans-Tasman company EPICURE in 2014. The company was engaged to provide food-and-beverage services at seven of the Auckland Conventions venues: the Bruce Mason Centre, Aotea Centre, Auckland Town Hall, The Civic, ANZ Viaduct Events Centre, Mt Smart Stadium and Auckland Zoo. The new catering model has enabled significant operational efficiencies, while continuing to deliver consistently high standards in food and beverage service to clients.

SUPPORTING THE COMMUNITY

Auckland Conventions hosted the Auckland City Mission's annual Christmas Lunch at the ANZ Viaduct Events Centre for the fourth consecutive year, catering for more than 2,000 people. Auckland Conventions staff members were among the hundreds of volunteers who contributed towards making the day a success.

³. Convention Activity Survey YE Dec 2014



AUCKLAND LIVE

Auckland Live contributes to the vibrancy and creativity of Auckland by supporting the city's arts and cultural community and programming an extensive range of live performing arts and entertainment at iconic venues across the region including Aotea Centre, The Civic, Auckland Town Hall, Bruce Mason Centre and Aotea Square. Auckland Live champions Auckland internationally to secure big-name shows and concerts, collaborates with national and international arts companies and festivals to bring the best performances to our city, and introduces children and young people to the excitement of the stage and the magic of live performance.

HIGHLIGHTS

TRANSFORMATIONAL SHIFT

Auckland Live changed its name last year from THE EDGE, in a move to reflect the organisation's expanded breadth of activities and its leadership role in championing live arts and entertainment. The new, more cohesive consumer-facing brand has supported Auckland Live to achieve its busiest year ever.

INSPIRING PROGRAMMING

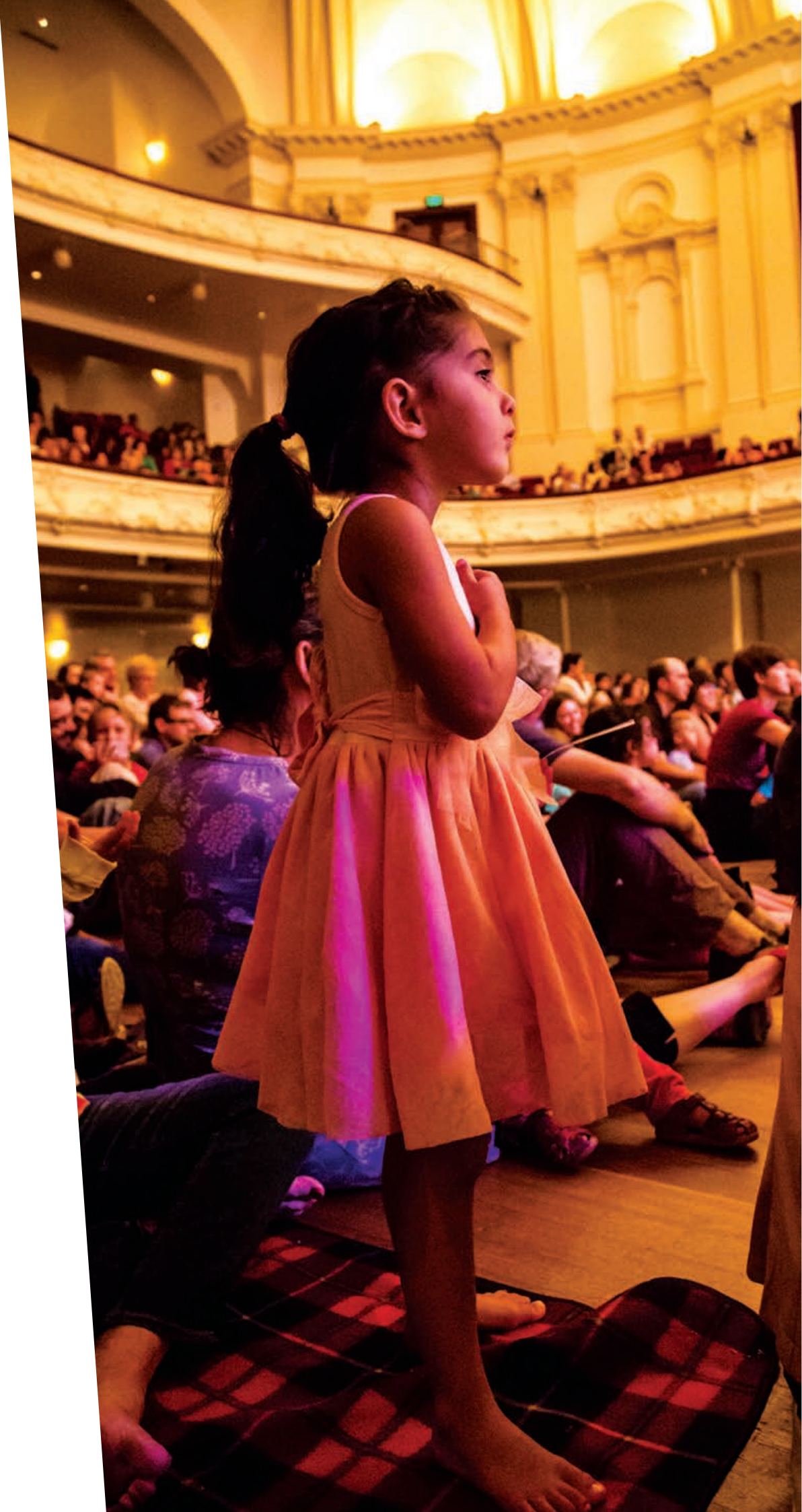
Auckland Live secured a diverse range of creative and innovative world-class concerts and shows during the year, attracting more than 1.02 million people to 2,096 events – up from 1,400 in the previous year – and achieving a visitor satisfaction ranking of 93%.

Major shows included *The Sound of Music*, *Thriller Live*, and *Singin' in the Rain*, the popular *The Illusionists 2.0* and the Sydney Dance Company. An international line-up of musicians and entertainers included: Joan Armatrading; Nick Cave; David Gray; Michael Bolton; Joe Satriani; comedians Bill Bailey, Eddie Izzard and Chelsea Handler; Shirley MacLaine; jazz legends Chick Corea and Herbie Hancock; and New Zealand's own Broods.

Working together, Auckland Live and Auckland Stadiums secured and delivered an outstanding programme of stadium concerts, including The Rolling Stones, Foo Fighters and the Eagles. Music festivals Westfest, SoulFest, Future Sound System, Cloud Festival, and Our:House complemented this activity.

National companies and festivals had a very positive year as tens of thousands of people attended the popular events. The Auckland Writers Festival presented a very strong programme that attracted a record audience of 60,000 – a 20% increase over the previous year. For five days, people young and old flocked to the festival – which celebrated its 15th year – to see more than 150 novelists, playwrights, songwriters, scientists, historians, children's writers, critics, editors, illustrators and poets from New Zealand and around the world.

An exciting celebration of people, places, culture and art came through at the Auckland Arts Festival 2015, with more than 900 international and New Zealand artists showcasing theatre, music, cabaret, dance and visual arts over the three-week season.



VISITOR QUOTE

"I attended Singin' in the Rain and was blown away not only by the performance, but by the level of service your staff provided. If everyone who interacts with your ushers receives the same level of personable and sincere service that I did, you should be very proud."

Auckland Live attracted a record 1.02 million people to more than 2,000 events



Other annual highlights included the popular NZ International Comedy and New Zealand International Film Festivals.

Major national and regional companies including the New Zealand Symphony Orchestra, Auckland Philharmonia Orchestra, Chamber Music New Zealand and New Zealand Opera presented performances throughout the year. The Royal New Zealand Ballet collaborated with the New Zealand Army to present a special programme of work, *Salute*, to mark the centenary of World War I.

During its first full year since joining the RFA portfolio, North Shore performing arts and conference venue the Bruce Mason Centre presented exciting programming including a sold-out New Zealand Symphony Orchestra concert, NZ International Comedy Festival shows, the popular musical *Oklahoma!* and the Royal New Zealand Ballet season of *A Christmas Carol*.

CREATING IMAGINATIVE SPACES

Throughout the year, activating Aotea Square has been a key priority for Auckland Live. During the summer period, *Summer in the Square* included an expanded programme of activities in the lead-up to Christmas with live music, performance, markets and games attracting audiences and passers-by.

Auckland Live's winter season programme stepped up a notch for 2015, with *Winter Showtime*

including more events and innovative initiatives such as polar bear sculptures which intrigued and delighted visitors to Aotea Square.

Auckland Fringe and Auckland Pride Festival were loud and proud at Auckland Live with special programming, including transforming BOX Cafe & Bar into a pop-up venue XOX, and the Square Soapbox in Aotea Square.

ACCESSING THE PERFORMING ARTS

Auckland Live is committed to delivering upon Auckland Council's strategic priorities around children and young people and accessibility. The Pick & Mix programme of free performances and activities for families continues to be a highlight of the winter programme. The Saturday CBD programme has expanded to be run on Sundays at the Bruce Mason Centre, with a huge response of more than 500 attendees at both the CBD and Takapuna sessions every week.

Auckland Live won national recognition for its outstanding work around making venues accessible for its patrons. Arts Access Aotearoa presented the Arts Access Creative New Zealand Arts For All Award 2015 to Auckland Live at an awards dinner hosted by Hon Maggie Barry, Minister for Arts, Culture and Heritage.

Auckland Live also received the International E-Learning Association E-Learning Award for its accessibility training for staff.



AUCKLAND STADIUMS

Championing an integrated approach to developing the region's stadiums network, Auckland Stadiums is transforming the stadiums' landscape to deliver outstanding customer experiences and sustainable, world-class and fit-for-purpose facilities. Auckland Stadiums directly manages Mt Smart Stadium, QBE Stadium and Western Springs Stadium.

HIGHLIGHTS

BREAKING RECORDS

Auckland Stadiums achieved a number of significant milestones and records for the year. Welcoming more than 763,000 visitors across Mt Smart Stadium, Western Springs Stadium and QBE Stadium, the business unit staged 1,972 event days over the year. The line-up included ever-popular sporting events, world-class concerts, stunning festivals and a significant volume of training activity from high-performance through to community level.

Working strategically with Auckland Live to attract Auckland-exclusive entertainment events, Auckland Stadiums secured and staged major rock bands and high-profile touring artists over a record-breaking summer period. The collaborative effort delivered nine major concerts and festivals including The Rolling Stones, Foo Fighters and the Eagles, and festivals Westfest, SoulFest, Future Sound System, Cloud Festival and Our:House. In total, these events attracted more than 180,000 attendees, signalling an unprecedented level of activity for RFA's outdoor venues.

These successes clearly demonstrate that big-stadium, Auckland-exclusive events are significant drivers of economic benefits for the city. Independent research commissioned by RFA showed that The Rolling Stones, Foo Fighters

and the Eagles concerts generated \$19.3 million in visitor spend and 101,470 visitor nights for Auckland.

SPORTING EXCELLENCE

Mt Smart also hosted 12 Vodafone Warriors matches, an increase of five on the previous year. These games drew 139,000 fans to the stadium, representing an average attendance of 11,550. The highest attendance was 16,226 at the game against the Roosters in Round 24 of the 2014 season.

The FIFA U-20 World Cup at QBE Stadium saw nine matches hosted as part of the highly successful tournament, with sell-out crowds for both the opening game and the final. The matches at QBE Stadium attracted almost 100,000 sports fans and highlighted Auckland's strong football following. The exciting tournament also saw 170 million television viewers from 100 countries watching across the globe.

For the first time in QBE Stadium's history, the venue hosted more than one Blues match over a season, with three matches including two Super Rugby competition games.

Motor sport entertainment at QBE included the first-ever Monster Jam event in New Zealand in November 2014, and the latest circuit of the hugely popular *Nitro Circus* in February 2015.



VISITOR QUOTE

"Foo Fighters at Mt Smart was the best mapped and organised outdoor show I've ever been to in New Zealand. I was very impressed!"

Big-stadium, Auckland-exclusive events delivered significant economic benefits for the city.



VENUE INVESTMENT

Auckland Stadiums invested \$8.95 million during the year to upgrade facilities at Mt Smart, Western Springs and QBE Stadiums. These developments are in line with Auckland Stadiums' objective to enhance the overall experience for patrons, improve training environments for professional sport, and deliver stadium environments for venue hirers and international concert promoters that will optimise their investments and see them return to Auckland.

Mt Smart received \$2.50-million worth of upgrades during the year, including a new full-size floodlit training field for the Vodafone Warriors and the construction of improved access ways to support pedestrian movements at major events.

Western Springs received \$2.65 million towards improvements with the majority of this focused on the construction of a 14,000-capacity terrace on the main embankment to improve patron comfort and safety.

Turf-protection equipment was also purchased to enable increased event activity and short turnaround between events at Auckland Stadiums venues, thereby optimising revenue-generating capability.

A key highlight for the year was the successful integration of QBE Stadium into RFA with a significant increase in event activity, an improved financial performance and development of capital plans for the future evolution of the venue.

FORWARD PLANNING

Looking ahead, the 2015/16 summer music season is shaping up to be as exciting as the previous year for Auckland Stadiums venues. Confirmed music events include two Fleetwood Mac concerts, Ed Sheeran, SoulFest, and AC/DC. The popular outdoor food festival Taste of Auckland will return to Western Springs in November.

QBE Stadium has also secured two major sporting events, firmly cementing its position as an important regional asset for Auckland. QBE's first Wellington Phoenix A-League match will be played at the stadium in December, while the All Blacks will play South Africa in September 2017. This will be the first time the All Blacks play a tier-one nation at QBE Stadium. A new community Aquatic Centre will open at QBE in mid-2016.

The Auckland Stadium Strategy will continue to be a key focus going forward. In line with Auckland Council's Long-term Plan 2015-25, RFA will meet further with the sporting codes and key stakeholders to determine the roll-out of the implementation plan.



AUCKLAND ZOO

Auckland Zoo believes in a future where people value wildlife and species are safe from extinction. As a leading centre for wildlife conservation with New Zealand's largest collection of native and exotic species, Auckland Zoo is in a unique position to be able to bring people together to build a future for wildlife.

HIGHLIGHTS

THE ZOO EXPERIENCE

Auckland Zoo was experienced by 650,179 visitors this year, with a visitor satisfaction rating of 93%. Auckland Zoo volunteers had another record-breaking year, with 196 volunteers contributing more than 40,000 hours – an outstanding 18% increase on the previous year.

Auckland Zoo's three summer concerts were all sell-out successes. Fat Freddy's Drop, Sol3 Mio, and the Finns (Tim, Neil, Liam) entertained audiences while enjoying the Zoo's beautiful and unique surroundings.

CONSERVATION IN THE WILD

The Auckland Zoo Conservation Fund distributed over \$324,000 to 26 different conservation projects in New Zealand (nine) and overseas (17). This distribution included providing the largest-ever domestic grant of \$50,000 to the Supporters of Hauturu (Little Barrier) to help control pest plant species pampas grass – this is a major project being carried out in collaboration with the Department of Conservation (DOC). Among overseas grants, the fund distributed a special \$10,000 disaster relief grant to long-term project Red Panda Network in Nepal, whose staff and community were impacted badly by a major fire in Fungling, Taplejung.

The Zoo's breeding programme saw 203 births this year! This number does not include the 2,000 wētā punga bred; 944 of these endangered endemic invertebrates were released on Motuhoropapa

Island, in the Noises group of islands in the Hauraki Gulf. Also bred for release were 25 young western Grand and 12 young western Otago skinks which were flown south in November to predator-proof Aldinga Reserve near Alexandra, Central Otago – the only region in the country where they are found naturally. This was made possible through the Zoo's long-time partnership with DOC, which enables the protection and conservation of these critically endangered reptiles.

Other new arrivals included 18 kiwi chicks, which were released successfully to the wild, bringing the number of chicks hatched, reared and released by the Zoo for BNZ Operation Nest Egg (O.N.E.) to 297.

Zoo staff contributed a record 8,567 hours in the field on conservation projects throughout New Zealand and overseas – up from 3,857 in 2013/14. Staff members contributed 3,121 further hours of fieldwork on Rotoroa Island, an increase from 1,992 in 2013/14. These fantastic efforts led to a total fieldwork contribution by committed staff of 8,686 hours. One of a number of major fieldwork projects was an eight-month contract monitoring released kōkako for Ark in the Park in the Waitakere Ranges.

NEW ARRIVALS AND EXPERIENCES

Amid much excitement, eight-year-old elephant Anjalee came from Sri Lanka's Pinnawala Elephant Orphanage in June to join her new companion,



32-year-old Burma. The two elephants bonded quickly and became a major highlight for visitors, delighting all with their high-energy and playfulness. Zoo staff members spent six months in Sri Lanka, as part of bringing Anjalee to the Zoo's world-renowned elephant programme, followed by three months of required quarantine on Niue, before her arrival at Auckland Zoo. Sharing the story of Anjalee's journey truly engaged the public and media, while highlighting the Zoo's elephant conservation efforts. It also paved the way for Auckland Zoo's new web series *Zoo Tales*, as well as a month-long *It's all about Elephants* programme.

Other new additions to the Zoo family included: the largest rodents in the world and a superstar social media species – female capybara Rosita and Consuela; a male Siamang gibbon Intan; giraffe calf Zuri; red panda cub Ramesh; two otter pups Chet and Kalaya; a female brolga chick; and brown teal ducklings. All are examples of successful breeding programmes.

A new behind-the-scenes kiwi experience, which is linked to the Zoo's incubating and hatching of kiwi chicks for Operation Nest Egg, was extremely popular with 43 experiences booked for 111 people over a short season. Behind-the-scenes experiences for porcupine and squirrel monkey were also introduced.

CONSERVATION MEDICINE

Auckland Zoo's veterinary team, located in the New Zealand Centre for Conservation Medicine, continued treating animals at the centre as well as in the wild. Some of the clinical care provided by the team included: operating on a red panda's hip; treating a takahē caught in a fishing line; helping Kelly Tarlton's SEA LIFE Aquarium with critically ill sea turtles; assisting DOC with a seal found in Papakura, having left its ocean home; and providing general health check-ups for animals ranging from a cheetah to an orangutan.

There was also further investment in this important facility with the purchase of a new \$60,000 state-of-the-art ventilator machine, making the centre the only wildlife facility in New Zealand to have one. It can breathe for animals ranging in weight from 15kg to 1,500kg, as well as administer anaesthetic and monitor animals' vital signs.

Auckland Zoo staff contributed a record 8,567 hours in the field on conservation projects throughout New Zealand and overseas.



PARTNERSHIPS DRIVING POSITIVE CHANGE

Partnering up with like-minded organisations is very important to effecting positive change in communities. Partnerships that made a difference during the year are: Tip Top going palm oil-free; The Warehouse and bus company Ritchies seeing the importance of wildlife education by continuing to fund The Warehouse School Zoofari programme and extending it to include Northland schools; and Mazda, which continues to drive the team, helping make important fieldwork possible.

In partnership with the Rotorua Island Trust, the Zoo released four New Zealand native species onto the island, joining the whitehead and saddleback released last winter. The species released this year were North Island brown kiwi from the Coromandel, moko skinks, shore skinks and the critically endangered takahē. The young breeding pair of takahē is the first of up to five pairs that will be released on the island as part of the northern 'meta-population'. Movement of birds among the different sites that hold takahē is governed by a meta-population management plan that was funded largely by Auckland Zoo.

LEARNING AND EDUCATION

The Zoo's extensive education programme, providing wildlife and conservation learning opportunities for preschoolers through to secondary school students, drew 46,321 participants during the year.

Students from low-decile schools in Northland now visit Auckland Zoo for free, following a successful fund-raising campaign. Funding for The Warehouse School Zoofari 2015 programme came from an 'Add \$1' promotion that ran in The Warehouse Auckland and Northland stores, as well as at Auckland Zoo. Over \$62,000 was raised.

AWARDS AND RECOGNITION

Auckland Zoo was recognised as one of New Zealand's elite tourist attractions with a Qualmark certification as an Endorsed Visitor Activity and an Enviro Award Gold. Qualmark is New Zealand tourism's official quality assurance organisation and provides a trusted guide to high-quality travel experiences.

The Zoo was recognised also by TripAdvisor with its Certificate of Excellence 2015. This is from TripAdvisor's reviewers rating the Zoo the third-best zoo in the South Pacific and the highest-ranked New Zealand zoo.

EVOLVING THE ZOO

Auckland Zoo had funding of \$120 million approved by Auckland Council as part of the Long-term Plan 2015–2025 process. This important decision will enable the Zoo to embark upon an ambitious 10-year renewal programme, ensuring it continues to evolve as a leading wildlife conservation organisation that meets its own, as well as the community's, high expectations for excellence in animal welfare, visitor amenity, environmental education and conservation work.

Work has begun already, starting with a major development of the Pridelands area with a target opening date of early 2016. This development will allow visitors to be even closer to the animals already in Pridelands (giraffe, zebra, ostrich, springbok and rhinoceros), and include the introduction of meerkats, lovebirds and leopard tortoises to the area. The Galapagos tortoise enclosure is also receiving a makeover.

BOARD OF DIRECTORS



RT HON SIR DON MCKINNON ONZ GCVO – CHAIR

A former Deputy Prime Minister of New Zealand and Minister of Foreign Affairs, Sir Don spent eight years as the Commonwealth Secretary-General. He is foundation Chair of The New Zealand China Council. Sir Don is also a trustee of a number of not-for-profit organisations including the Waitangi National Trust and The Asia Foundation.



DAME JENNY GIBBS DNZM – DEPUTY CHAIR

Dame Jenny is well known as a patron of the arts, having served as a trustee on the Arts Foundation New Zealand, the Auckland Art Gallery Foundation and the Auckland Contemporary Art Trust, and on the boards of the Museum of Te Papa Tongarewa New Zealand and NBR New Zealand Opera. In addition to her work in the arts, Dame Jenny served on The University of Auckland Council almost continuously from 1975 to 2009, including two terms as Pro Chancellor.



JOHN AVERY

Johns is a Chartered Fellow of the Institute of Directors. Current directorships include Spider Tracks Limited, Fund Managers Auckland Limited, the New Zealand School of Dance, the New Zealand Local Government Funding Agency Limited, Strategic Pay Limited and Office Products Depot Limited. John was previously a commercial lawyer for 35 years and a long-standing partner in law firm Hesketh Henry.



LISA BATES

Lisa has worked in the New Zealand arts sector for more than 25 years, including in senior roles such as producing *Shortland Street* for South Pacific Pictures. She supports the not-for-profit sector and has contributed to fund-raising strategies for most major arts organisations. Lisa achieved the Fundraiser of the Year award for her Q Theatre work in 2010. She is an independent company director and a Chartered Member of the Institute of Directors. Lisa sits on the board of the New Zealand Symphony Orchestra and is a trustee of the Mackelvie Trust. She works in the field of marketing and communications as Executive Director of the design and brand agency Hawkins&Co.



GEOFF CLEWS

Geoff has a long involvement in the planning, establishment and governance of public arts facilities in Auckland. He was a principal proponent of the Rose Centre Community Theatre in Belmont and successfully led the campaign to establish the Bruce Mason Centre in Takapuna, which he chaired for the first 12 years of its operation. Geoff was a member of the Q Theatre board for six years, seeing that project to successful completion. Outside arts governance, Geoff holds degrees in law and jurisprudence and is a senior barrister specialising in contentious tax issues and trust law. He is a board member of the Auckland Communities Foundation and the Sir George Elliot Charitable Trust and an adjunct member of the Department of Commercial Law at The University of Auckland. He also sits as a member of the statutory tribunal which deals with complaints against financial advisers.



ANDREW COLLOW (appointed January 2015)

Project Director at Beca, Andrew is a member of the Institution of Structural Engineers and a Fellow of the Institution of Professional Engineers of New Zealand. With over 40 years' experience, Andrew is a leader in community-based projects and is regarded as a trusted advisor to a number of local authorities throughout New Zealand. He has extensive experience in the planning, consenting and development of cultural and recreational community facilities, and has taken a lead role in the strategic planning, design and delivery of a large number of sport, recreation, and cultural buildings. Andrew is on the board of Home of Cycling and leads the trust's facility subcommittee responsible for maintenance and building operations.



JOHN ROBERTSON

John is a Chartered Fellow of the Institute of Directors and a chartered accountant. He is the Chair of Commissioners, Kaipara District Council, and Chair of e-retailer Fishpond Limited. His public service has included being a Member of Parliament for Papakura, Chair of Infrastructure Auckland and Mayor of Papakura. He is a former Chair of Counties Manukau Sports Foundation and Great Potentials Foundation. John is Chairman of the RFA Audit Committee.



RUKUMOANA SCHAAFHAUSEN

Rukumoana has practiced as a lawyer for a number of years specialising in the area of governance. Previously she has worked for a large-scale property development company and now serves as a director/ trustee on a number of boards including Waikato Tainui Te Kauhanganui Incorporated and Genesis Energy Limited. Rukumoana has recently been appointed as Deputy Chair for the executive arm of Waikato-Tainui Te Kauhanganui and as Managing Director for Te Waharoa Investments Limited. She is of Waikato-Tainui descent.



PETER STUBBS (retired December 2014)

Peter is the head of the Sports, Entertainment and Venues, and Sales and Marketing practices of Simpson Grierson. Previously, Peter was Deputy Chair (then Chair) of THE EDGE and Deputy Chair of Tourism New Zealand. He was a long-term member (then Chair) of the Hamilton City Council Event Sponsorship Subcommittee and was a founding member and later President of the New Zealand Events and Sponsorship Association. Peter is Deputy Chair of Dunedin Venues Management Limited, a board member of Rotorua International Airport Limited, chairs the Advisory Board of Jones Family Investments Limited and is a member of the Institute of Directors.



GARY TROUP

Gary brings not only a background in business and sport to the Board but strong community and local government involvement. He was previously Deputy Mayor of Manukau City Council and prior to that spent 12 years on the Papatoetoe Community Board, six as Chair. Actively involved with many local community groups, Gary, a former New Zealand cricketer, has continued his involvement in cricket and is now President of Auckland Cricket. Gary is a trustee on the John Walker Find Your Field of Dreams Foundation and Chair of Camp Quality New Zealand (for children living with cancer).

EXECUTIVE TEAM



CHRIS BROOKS – CHIEF EXECUTIVE OFFICER (from 16 March 2015)

Chris was most recently Chief Executive of Melbourne's internationally recognised Federation Square which delivers more than 2,000 events for over 10 million people annually. Chris has an extensive background in a range of commercial businesses in the private sector and in the Victorian and Tasmanian state governments. These include as Executive Director for the Department of State Development, Business and Innovation for the Victorian Government, as CEO of the UniDEL Group, a specialist environmental, engineering and commercial consulting firm, and as Chief Executive of MyState Financial, Tasmania's largest financial institution with assets of over \$AUS1.5 billion.



ROBERT DOMM – CHIEF EXECUTIVE OFFICER (until 9 January 2015)

Robert previously served as CEO at the City of Sydney and as CEO for the New South Wales Government at the Redfern-Waterloo Authority and the Sydney Harbour Foreshore Authority, as well as Managing Director of the Australian Technology Park. He has served on the boards of a number of organisations, including the highly acclaimed Sydney Festival. He has an extensive background in urban renewal and planning, and in managing public infrastructure and tourism precincts, including The Rocks, Darling Harbour, Sydney Convention and Exhibition Centre and the Sydney Entertainment Centre. A qualified lawyer, Robert holds a Master of Business Administration, Master of Labour Law and Relations, Bachelor of Laws, Bachelor of Arts and a Graduate Diploma in Legal Practice.



PAUL BREWER IVO – DIRECTOR, EXTERNAL RELATIONS

Paul has held a variety of corporate communications and marketing roles in New Zealand's cultural, financial and political sectors. He was the founding director of marketing, communications and international tourism at the Museum of New Zealand Te Papa Tongarewa. Most recently, Paul was External Relations Director at THE EDGE. Paul is currently a trustee of the Kiri Te Kanawa Foundation and a director of The Friends of the Alexander Palace, an international organisation supporting the restoration of the historic Alexander Palace near St Petersburg, Russia. Paul is also a past trustee of the Auckland War Memorial Museum Board.



KYM FELL – DIRECTOR, CORPORATE

As part of the Executive Leadership Team, the Director Corporate is responsible for people and culture, information communication technology, property services and risk and assurance across the portfolio. With expertise in change management, strategy and business planning, revenue optimisation and driving operational efficiencies, Kym has a background in managing multinational corporations across the hospitality, tourism, convention and local government sectors throughout Australasia. Kym is a member of the New Zealand Institute of Management and Facilities Management Association of New Zealand.



VICKI JOHNSON – DIRECTOR, MARKETING AND COMMUNICATIONS

Vicki has over 20 years' experience in senior marketing and communications roles in the health, education and performing arts sectors. Most recently Associate Director, Marketing at THE EDGE, Vicki brings expertise in integrated marketing and communications, brand, customer experience, and corporate and digital communications.



SIMON TRAN – CHIEF FINANCE OFFICER

In his role, Simon leads the accounting, finance and procurement operations of RFA, with the responsibility to ensure the organisation acts prudently and with fiscal responsibility. Simon has held a range of senior leadership roles in both the private and public sectors in the areas of business advisory, assurance, sales, and corporate insolvency in both New Zealand and the United Kingdom. Simon is a fully qualified chartered accountant, a member of the Institute of Directors and holds a bachelor's degree in accounting and commercial law.



RHANA DEVENPORT – DIRECTOR, AUCKLAND ART GALLERY TOI O TĀMAKI

Rhana is a curator, writer and cultural producer whose career has spanned art museums, biennales, art festivals, private collections and cultural organisations. Prior to her appointment to the Gallery in 2013, Rhana was Director of Govett-Brewster Art Gallery in New Plymouth (2006–2013). Rhana’s curatorial interests include contemporary art from the Asia-Pacific region and inter-disciplinary practice. Her early background in education informs a fascination with audiences and the synergies that exist amongst artists, artworks and audiences.



MOHAMED MANSOUR – DIRECTOR, AUCKLAND CONVENTIONS

Mohamed brings a wealth of international and national experience to his role following more than 20 years in hospitality, convention and conference management, and marketing. He has worked in the United States of America, the United Kingdom and across New Zealand, starting up a number of successful restaurants and bars, and playing key roles in several large hospitality and conference venues. As Director, Auckland Conventions, Mohamed is responsible for driving all conventions and business events sales activities across the RFA group. He also leads and engages with key stakeholder and sector groups to drive tourism to Auckland and New Zealand. A qualified lawyer, Mohamed holds a Bachelor of Laws degree.



ROBBIE MACRAE – DIRECTOR, AUCKLAND LIVE

Robbie has held a variety of roles in the performing arts sector including technical production, visitor experience, employee relations, artist management and programming. He has also held positions in strategic planning and revenue management in Australia’s airline industry. Robbie’s previous roles include Business Programming Manager with Arts Centre Melbourne and Director, Performing Arts at THE EDGE. He has broad experience in the full range of performing art forms from classical to contemporary, combined with commercial acumen within the broader entertainment industry; he has a Bachelor of Commerce degree from The University of Western Australia.



JONATHAN WILCKEN – DIRECTOR, AUCKLAND ZOO

Jonathan has a background in the work of zoological institutions, having worked previously in zoos in the United Kingdom and Australia, and in the Natural History Museum in London. His previous roles include Executive Director of the Australasian Zoo Association, representing more than 70 zoological institutions across Australasia. He has degrees from London University and Macquarie University (Sydney), chairs the board of trustees of the International Species Information System, and sits on the board of the Australasian Zoo and Aquarium Association and the advisory committee of the International Union for Conservation of Nature’s Conservation Breeding Specialist Group.



PAUL NISBET – DIRECTOR, STADIUM MANAGEMENT

Paul has a 26-year record of achievement and demonstrated success across several major facilities in New Zealand and Australia. An experienced senior executive, Paul is responsible for the leadership and operational management of Auckland Stadiums comprising Mt Smart, Western Springs and QBE Stadiums. He is tasked with creating greater utilisation of the facilities through events and future development of high-performance spaces to ensure they provide maximum benefit to the community, while enhancing Auckland Stadiums’ reputation as a leading international outdoor sport and entertainment management entity.



DOUG COLE – DIRECTOR, STRATEGIC PARTNERSHIPS

Doug has 30 years’ experience working predominantly in local government and the not-for-profit sector. His work has focused on developing and enhancing organisational strategic and operational capability. He has substantial experience in developing, leading and managing teams, and managing facilities and complex projects. As Director, Strategic Partnerships, Doug manages RFA’s interests in Auckland’s wider network of venues and also RFA’s key strategic relationships.



MAREE LAURENT – DIRECTOR, CULTURAL PARTNERSHIPS

Maree has a strong background in local government and has worked in senior policy and financial roles. In her role, Maree manages RFA’s strategic objectives in the arts and cultural sector and ensures stakeholder relationships are maintained and developed across a diverse range of major cultural entities throughout Auckland.



LEFT: Blues Super Rugby, QBE Stadium

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The trustee is responsible for the preparation of the Regional Facilities Auckland (RFA) financial statements and statement of service performance, and for the judgements made in them.

The trustee of RFA has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service reporting.

In the trustee's opinion, these financial statements and statement of service performance fairly reflect the financial position, operations and service performance of RFA for the year ended 30 June 2015.

SIGNED

Sir Don McKinnon
Chair
Regional Facilities Auckland Limited
on behalf of Regional Facilities Auckland

SIGNED

Chris Brooks
Chief Executive Officer
Regional Facilities Auckland



STATEMENT OF SERVICE
PERFORMANCE



STATEMENT OF SERVICE PERFORMANCE

Regional Facilities Auckland works for Auckland in partnership with public stakeholders and private enterprises to engage people in the arts, live performance, the natural environment, sport and major events through its programmes, facilities and events by providing enriching and life-enhancing experiences.

As an Auckland Council controlled organisation, RFA provides a regional approach to running and developing Auckland's arts, culture and heritage, sport and entertainment sectors. It is also a regional voice that advocates for change and innovation and leads strategic thinking.

Considered the kaitiaki (caretaker) of a range of iconic venues and facilities across the Auckland region, RFA has five business units made up of teams and individuals committed to creating and delivering an outstanding programme of events and experiences at our landmark venues – every single day. These business units include: Auckland Art Gallery; Auckland Conventions; Auckland Live; Auckland Stadiums; and Auckland Zoo.

We own and operate more than \$1 billion-worth of major regional facilities and our stunning venues include the ANZ Viaduct Events Centre, Aotea Centre, Aotea Square, Auckland Art Gallery Toi o Tāmaki, Auckland Town Hall, The Civic, Auckland Zoo, Bruce Mason Centre, Mt Smart

Stadium, QBE Stadium, Western Springs Stadium and Vector Arena.

RFA also provides funding to the wider RFA family including Stardome Observatory and Planetarium, Vodafone Events Centre, Voyager Maritime Museum, North Shore Events Centre, and The Trusts Arena for operational and capital investments. RFA advises Auckland Council on levy setting and governance for Auckland War Memorial Museum and MOTAT and has a "public private partnership" arrangement in place for Vector Arena.

RFA continues to build collaborative relationships across the Auckland Council organisation to grow external revenue streams, implement cost savings initiatives through an integrated approach, accelerate the prospects of Auckland's children and young people, and deliver value for money to the Auckland community.

Through all of this, RFA has seen another successful financial year, surpassing performance targets and expectations, and achieving record-breaking results.

These successes are measured against the performance measures contained in the Statement of Intent 2014-17 (SOI). Our *Statement of Service Performance* section reports RFA's performance against criteria set out in this SOI.



STRATEGIC DIRECTION

Auckland Council’s vision is for Auckland to be the world’s most liveable city.

RFA is responsible for providing a regional perspective for the development of Auckland’s regional arts, culture and heritage, leisure, sport and entertainment venues. RFA’s overarching strategic priorities are to: advance the social and cultural wellbeing of Aucklanders; grow the Auckland economy; and provide trusted stewardship of Auckland’s landmark venues and collections.

RFA contributes to the achievement of Auckland Council’s vision and the Auckland Plan outcomes as illustrated below.

AUCKLAND’S VISION

THE WORLD’S MOST LIVEABLE CITY

OUTCOMES: WHAT THE VISION MEANS IN 2040

A fair, safe and healthy Auckland	A green Auckland	An Auckland of prosperity and opportunity	A well connected and accessible Auckland	A beautiful city that is loved by its people	A culturally rich and creative Auckland	A Māori identity that is Auckland’s point of difference in the world
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- RFA directly contributes to achievement of these outcomes
- RFA indirectly contributes to achievement of these outcomes

PERFORMANCE MEASUREMENT

This section brings together the key areas of focus and priorities for the organisation during this financial year, along with performance measures that measure RFA's success and progress.

In reading the progress on key deliverables and performance against Statement of Intent results for 2014-15, the following should be noted: Where available, a target has been specified and we have indicated with a

- Met
- Substantially met
- Not met

KEY DELIVERABLES

As highlighted in the Statement of Intent, the following key deliverables are a key measure in RFA achieving its overarching strategic priorities: advance the social and cultural wellbeing of Aucklanders; grow the Auckland economy; and provide trusted stewardship of Auckland's landmark venues and collections.

DELIVERABLE	PROGRESS	
AUCKLAND STADIUMS STRATEGY		
Close collaboration with Auckland Council as the stadium strategy is consulted on, further developed and implemented.	The Auckland Stadiums Strategy was consulted on through Auckland Council's Annual Plan and Long-term Plan 2015-25. RFA continues to work with stadium stakeholders and will report back to Council in accordance with Council's resolution.	■
VODAFONE EVENTS CENTRE STAGE 2 WERO		
Completing the process of the sale of the land adjacent to the Vodafone Events Centre, with the funds from the sale being granted, based on agreed milestones to the Counties Manukau Pacific Trust (CMPT) for the establishment of Wero at the Vodafone Events Centre. Wero will be a world-class tourism destination centered on a white-water kayak and rafting facility.	The land was sold during the financial year and funds from the sale were granted in instalments to CMPT in accordance with milestones set out in a funding agreement between RFA and CMPT. The Wero project is expected to be completed and open to the public in 2016.	■
GROWING ALTERNATIVE REVENUE STREAMS ACROSS RFA'S BUSINESS TO ASSIST IN REDUCING RATES FUNDING		
The operational funding required is at an appropriate level to minimise the burden on ratepayers. This will include increased utilisation of the Auckland Art Gallery Exhibition Working Capital Account and Production Investment Fund.	RFA has continued to successfully increase revenue streams as well as our overall commercial revenue during this period. This has included the use of our Production Investment Fund and the Auckland Art Gallery Exhibition Working Capital Account to support the production of shows/exhibitions which otherwise wouldn't have come to Auckland.	■
THE CIVIC PARAPET		
Completion of renewals to the external of The Civic to increase seismic protection and weather-tightness.	Physical works commenced in this financial year and are due for completion in 2016.	■
AOTEA CENTRE WEATHER-TIGHTNESS		
Complete the resource consent stage and commence physical works in 2014/15.	The Aotea Centre weather-tightness project forms part of the overall Aotea Precinct programme. Physical works were deferred pending integration with new foyer designs and expansion plans for Aotea Centre to house new major presenters.	■

DELIVERABLE	PROGRESS	
AUCKLAND ZOO INFRASTRUCTURE UPGRADE		
Upgrade infrastructure to international best practice standards at Auckland Zoo, including planning for replacement exhibits for key south-east Asian species, Orang-utans and Sumatran tigers.	The Auckland Zoo infrastructure is over 90 years old and major capital renewals were approved through Auckland Council's Long-term Plan 2015-25 to address issues of aging infrastructure, increasing international standards of animal welfare, and increased visitor expectations. Significant zoo infrastructure works are in progress on the bird and mammal breeding facilities; a new exhibit precinct for a range of African species; and planning for replacement exhibits for a south-east Asian species precinct has commenced.	■
MT SMART STADIUM RENEWALS		
Arena 2 renewal, and capability enhancement and targeted health and safety works in Arena 1 at Mt Smart Stadium.	Arena 2 pathway renewal work has been completed and a subsequent stage has been scoped for delivery in the next financial year to improve accessibility for patrons with disabilities.	■
AUCKLAND ART GALLERY COMMUNITY OUTREACH		
Progress the Auckland Art Gallery outreach project, a partnership programme involving community stakeholders and schools to form sustainable and relevant partnerships.	The outreach programming includes teaching and artist and educator-led workshops with community groups as well as partner school visits to the Gallery. This year's outreach programmes included activity such as the Pasifika Festival, International Cultural Festival and the settling in of structural changes to the Learning Programmes.	■
AUCKLAND ART GALLERY AUDIENCE DEVELOPMENT		
Deliver an exemplary hand-held technology information interface to enhance audience development at Auckland Art Gallery.	Implementation of WIFI capability throughout the building is due to commence in the next financial year to enable access to digital resources. This remains a key focus for the Gallery.	■
ROTOROA ISLAND		
Launch news schools and visitor programmes for the Rotoroa Island restoration project in the Hauraki Gulf.	A new schools programme linked to the Rotoroa Island restoration project was launched in 2014. Students are introduced to the concept of ecological restoration, learn about the importance of protecting New Zealand species, and take part in basic species and ecological assessment techniques.	■
AUCKLAND ZOO RESCUE AND REHABILITATION PROGRAMME		
Develop a new rescue and rehabilitation programme for New Zealand species.	A feasibility study was carried out during the year which concluded that the new programme would not deliver the required operational outcomes for the level of financial investment required. The current programmes remain in place and will be revisited in three to five years' time.	■
CONTRIBUTIONS TO MAORI		
Implementation of the Māori Responsiveness Framework.	RFA implemented a Māori Engagement Strategy which aims to enhance existing relationships with iwi and enter into mutually beneficial business relationships with RFA's five business units. This work ranges from, for example, developing and enhancing Māori natural environment stories within Auckland Zoo's Te Wao Nui exhibit, to Auckland Art Gallery Toi o Tāmaki touring to Europe a major exhibition of the late 19th century painter Gottfried Lindauer's historic Māori portraits. In addition, Auckland Live regularly develops programmes of Māori public performance.	■



PERFORMANCE STATEMENTS

RFA has performed exceptionally well for the year of operation. Our organisation has attracted new audiences, grown the region’s economy, and hosted a record number of outstanding events for 2014/15. All five business units achieved key measures of visitation, venue and customer satisfaction levels, as well as financial measures.

These results aligned to the positive trend for previous years’ performances around delivering public good activities. The performance for each RFA operational business units is provided in detail in the tables below:

RFA WIDE

MEASURE	ACTUAL 2014	ACTUAL 2015	TARGET 2015	
All Council accountability requirements met	100%	100%	100%	■
Staff satisfaction	77%	74%	70%	■
Number of visits to RFA and RFA* facilities	4,788,603	4,736,518	3,865,000	■
Total number of event days at RFA facilities: The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Bruce Mason Centre, QBE Stadium, Mt Smart Stadium, Western Springs Stadium and ANZ Viaduct Events Centre	3,487	4,596	2,455	■
Total number of attendances at RFA facilities: The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Bruce Mason Centre, QBE Stadium, Mt Smart Stadium, Western Springs Stadium and ANZ Viaduct Events Centre	1,888,012	1,923,495	1,225,000	■
Percentage of operating costs met through external revenue (excluding Council funding and depreciation)	59%	63% ^[3]	59%	■
Reduction in level of water use at RFA facilities from 2012 levels	-	-	-3%	N/A ^[1]
Reduction in level of electricity use at RFA facilities from 2012 levels	-	-	-15%	N/A ^[1]
Reduction in level of waste generated at RFA facilities from 2012 levels	-	-	-18%	N/A ^[1]
Total number of event days at regional event facilities: North Shore Events Centre, Vodafone Events Centre and Trusts Stadium ^[2]	961 ^[2]	1,074	1,000	■
Total number of attendances at regional event facilities: North Shore Events Centre, Vodafone Events Centre and Trusts Stadium ^[2]	1,759,622 ^[2]	1,629,308	1,500,000	■

■ Met ■ Substantially met ■ Not met

1. The level of event activity has a direct impact on the level of water, electricity and waste generated across our venues. This measure therefore does not reflect the operations of RFA. More appropriate measures will be in place for the 2015/16 year.
2. 2014 results were restated as QBE North Harbour Stadium and Bruce Mason Centre are now integrated into RFA.
3. Also excludes grant funding for WERO project and debt funded operational costs.

RFA achieved the majority of its performance targets and delivered a favourable financial result against budget for its operations for the year.

This has continued the trend of increasing commercial revenue, efficiently managing operational and employment costs, and minimising operational funding required from Auckland’s ratepayers. In a challenging market where many organisations are competing for the consumers’ discretionary spend, our external revenue now accounts for 63% of total operational revenue.

RFA continued to attract new audiences and make a significant contribution to the region’s economy through visitor nights. Visitors from outside of Auckland attending RFA events and venues contributed approximately \$156m* (2014: \$144m*) to the Auckland economy.

The following tables illustrate how each of RFA’s business units directly contributed towards achieving Auckland Plan outcomes of an Auckland of prosperity and opportunity, and a culturally-rich and creative Auckland.

*Excluding Auckland Conventions

AUCKLAND ART GALLERY TOI O TĀMAKI

MEASURE	ACTUAL 2014	ACTUAL 2015	TARGET 2015	
Number of visitors to Auckland Art Gallery Toi o Tāmaki	423,327	533,556 ^[1]	460,000	■
Percentage of visitors satisfied with their visit to Auckland Art Gallery Toi o Tāmaki	93%	94%	88%	■
Number of participants in education and public programmes at Auckland Art Gallery Toi o Tāmaki	38,419	40,294	40,000	■
Satisfaction of users with service received at the facility	88%	89%	90%	■
Satisfaction of users with the condition of the facility	94%	96%	85%	■
Number of non-Aucklanders visiting RFA facilities	105,832 ^[2]	144,060	184,000 ^[1]	■
Total visitor spend of non-Aucklanders whilst in Auckland	\$19.68m ^[2]	\$26.80m	\$34.22m ^[1]	■

■ Met ■ Substantially met ■ Not met

1 Programming mix has increased visitation to the Gallery overall, however non-Aucklanders visiting the Gallery remains a focus.

2. 2014 results have been restated to align with reporting criteria 2015.

AUCKLAND ART GALLERY TOI O TĀMAKI – SNAPSHOT

Auckland Art Gallery Toi o Tāmaki is an award-winning internationally recognised cultural facility, holding the country’s most extensive and pre-eminent collection of national and international art, with over 15,600 works in its collections dating from the 11th century. Through the presentation of memorable exhibitions, public programmes and thought leadership, the Gallery is a catalyst for creative practice and ideas, offering transformational experiences that strengthen and enrich Auckland’s diverse communities.

HIGHLIGHTS FOR THE YEAR

Auckland Art Gallery celebrated another highly successful year, including delivering a number of firsts to Auckland. These included: the first major presentation of an international light-based art show in New Zealand, called *Light Show* – this attracted 72,000 visitors making it the second highest visitor attendance in 30 years; and, the Gallery’s first international touring exhibition of 48 historical Māori artworks by the late 19th century painter Gottfried Lindauer, which received wide acclaim in Europe. At a local level, the country’s most ambitious screen-based art projects, *In Pursuit of Venus [infected]*, by Lisa Reihana, was gifted to the Gallery; New Zealander Billy Apple’s exhibition, *Billy Apple: The Artist Has to Live Like Everybody Else*, drew huge media interest and is the largest exhibition of Apple’s career; and, the prestigious Walters Prize was awarded to contemporary artist Luke Willis Thompson for his piece *inthisholeonthisislandwhereiam*.

The Gallery’s visitation target was exceeded by 70,000 as numbers hit 533,556 against the target of 460,000 – an increase on the previous year of 110,229. The visitor satisfaction rate was an outstanding 94%.

AUCKLAND CONVENTIONS

MEASURE	ACTUAL 2014	ACTUAL 2015	TARGET 2015	
Number of event days held at regional event facilities: ANZ Viaduct Events Centre	272	269 ^[2]	277	■
Number of attendances at regional event facilities: ANZ Viaduct Events Centre	137,345	133,057 ^[1]	115,000	■
Satisfaction of users with service received at the ANZ Viaduct Events Centre	90%	89%	87%	■
Satisfaction of users with the condition of the ANZ Viaduct Events Centre	95%	94%	85%	■

■ Met ■ Substantially met ■ Not met

1. Includes 132,607 non ticketed attendees. These include estimates based on physical counts and client information.

2. The ANZ Viaduct Event Centre attracts a diverse range of events during the year. There have been slightly fewer events than planned but higher attendances.

AUCKLAND CONVENTIONS – SNAPSHOT

Auckland Conventions offers New Zealand’s greatest portfolio of unique and versatile venues for a wide range of events from large-scale exhibitions and conventions to business meetings and glamorous corporate functions. Its venues are iconic Auckland landmarks: ANZ Viaduct Events Centre, Aotea Centre, Auckland Art Gallery, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium and QBE Stadium Function Centre. Auckland Conventions also provides complete conference solutions through a range of in-house services and is considered a leader in the Meetings, Incentives, Conventions and Exhibitions (MICE) sector.

HIGHLIGHTS FOR THE YEAR

Auckland Conventions had another outstanding year as it exceeded expectations for the fifth year running, beating previous-year performance and revenue results and achieving record external revenue.

Highlights for 2014/15 included hosting more than 130,000 people at the ANZ Viaduct Events Centre over the year at high-profile events such as Auckland On Water Boat Show, the Volvo Ocean Race Auckland Stopover, New Zealand Fashion Week, IRONMAN 70.3, and the Auckland Seafood Festival. Other key activities managed by Auckland Conventions included university graduation ceremonies, citizenship ceremonies, cocktail parties and gala dinners.

AUCKLAND LIVE

MEASURE	ACTUAL 2014	ACTUAL 2015	TARGET 2015	
Number of event days held at regional event facilities: Auckland Live facilities include The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Bruce Mason Centre ^[2]	1,684	2,096	1,434	■
Number of attendances at regional event facilities: Auckland Live facilities include The Civic, Auckland Town Hall, Aotea Square, Aotea Centre, Bruce Mason Centre ^[2]	1,057,570	1,026,676 ^[1]	825,000	■
Satisfaction of users service received at our facilities:				
Auckland Town Hall	88%	86% ^[4]	90%	■
Aotea Centre	86%	87%	90%	■
The Civic	90%	90%	90%	■
Bruce Mason Centre	89%	84% ^[4]	90%	■
Satisfaction of users with the condition at our facilities:				
Auckland Town Hall	91%	91%	90%	■
Aotea Centre	92%	92%	90%	■
The Civic	94%	93%	90%	■
Bruce Mason Centre	89%	89%	90%	■
Number of non-Aucklanders visiting RFA facilities	243,241 ^[3]	256,669	120,000	■
Total visitor spend of non-Aucklanders whilst in Auckland	\$45.24m ^[3]	\$47.74m	\$22.32m	■

- Met ■ Substantially met ■ Not met
1. Includes 401,392 (2014: 364,330) of non ticketed attendees. These are estimates based on physical counts, seating plans and information from hirers.

2. Now includes Bruce Mason Centre to aid comparison.

3. 2014 results have been restated to align with reporting criteria 2015.

4. Customer service training remains a focus for management.

AUCKLAND LIVE – SNAPSHOT

Auckland Live champions live arts and entertainment across the Auckland region and actively contributes to the vibrancy and creativity of the city. It attracts and presents live music, opera, ballet, dance, drama, physical theatre and festivals across RFA’s iconic venues including Aotea Centre, The Civic, Auckland Town Hall, Aotea Square, and the Bruce Mason Centre. It promotes Auckland internationally to secure national and international shows and events, while also nurturing and developing New Zealand talent. Auckland Live works closely with both Auckland Stadiums and Auckland Conventions as part of an integrated approach and strategy to deliver outstanding experiences.

HIGHLIGHTS FOR THE YEAR

Auckland Live changed its name from THE EDGE last year to better reflect its scope of activities and leadership role in the live arts and entertainment sector. This change has supported Auckland Live to achieve its busiest year ever.

The business unit secured a diverse, innovative range of world-class entertainment resulting in: attracting a record 1.03 million people to more than 2,000 events; achieving a visitor satisfaction rating of 87%; and securing blockbuster shows including *Thriller Live*, *The Sound of Music* and *Singin’ in the Rain*. Key festivals were hosted including the Auckland Arts Festival, the New Zealand International Film Festival, The New Zealand Comedy Festival and Auckland Writers Festival – leading to record attendances again this year.

The Bruce Mason Centre also underwent a refit and refurbishment, improving patron and customer experiences at the North Shore-based performing arts and conference venue.

AUCKLAND STADIUMS

MEASURE	ACTUAL 2014	ACTUAL 2015	TARGET 2015	
Total number of event days held at regional event facilities: QBE North Harbour Stadium, Western Springs Stadium, Mt Smart Stadium ^[3]	1,531	2,257	744	■
Total number of attendances at regional event facilities: QBE North Harbour Stadium, Western Springs Stadium, Mt Smart Stadium ^[3]	693,097	763,762 ^[1]	285,000	■
Satisfaction of users with service at the facilities:				
Western Springs	80%	82%	79%	■
Mt Smart Stadium	80%	81%	81%	■
QBE North Harbour Stadium	N/A	84%	81%	■
Satisfaction of users with the condition of the facilities:				
Western Springs	85%	81% ^[2]	86%	■
Mt Smart Stadium	85%	85%	85%	■
QBE North Harbour Stadium	N/A	90%	90%	■
Number of non-Aucklanders visiting RFA facilities	242,584 ^[4]	252,041	58,500	■
Total visitor spend of non-Aucklanders whilst in Auckland	\$45.12m ^[4]	\$46.88m	\$10.79m	■

- Met ■ Substantially met ■ Not met
1. Includes 364,401 non ticketed attendees. These include estimates based on physical counts and client information.

2. RFA’s capital programme approved in the Long-term Plan 2015-2025 is designed to increase satisfaction and venue utilization.

3. Includes QBE North Harbour Stadium to ease comparisons.

4. 2014 results have been restated to align with reporting criteria 2015.

AUCKLAND STADIUMS – SNAPSHOT

Auckland Stadiums has transformed the region’s stadiums landscape to deliver more financially sustainable, world-class and fit-for-purpose facilities. The business unit manages, operates and promotes Mt Smart Stadium, QBE Stadium and Western Springs Stadium through an integrated approach realising significant business benefits, while delivering improved value-for-money results to Aucklanders.

Auckland Stadiums’ venues host world-class shows, concerts and festivals while also providing facilities for sporting and entertainment events. These venues support high-performance sport organisations and provide facilities for a number of community sports programmes for local and regional clubs.

HIGHLIGHTS FOR THE YEAR

Auckland Stadiums delivered a record-breaking summer of events through an outstanding programme of entertainment. For the 2014/15 summer line-up, Auckland Stadiums worked with Auckland Live to attract Auckland-exclusive events. This collaborative effort delivered: nine major concerts and festivals, including big names like The Rolling Stones, Foo Fighters and the Eagles; attracted more than 232,000 people; generated 101,740 visitor nights, contributing \$10.3 million to the Auckland economy; and generated \$19.3 million in visitor spend.

Sporting events saw 139,000 fans visiting Mt Smart to watch 12 Vodafone Warriors games, and sell-out crowds at the FIFA U20 World Cup opening and final at QBE Stadium, which also had 170 million global viewings.

In addition, the stadiums also hosted more than 80,000 community users.

A key highlight for the year was the successful integration of QBE Stadium into RFA, leading to a surge in event activity, improved financial performance, and pipeline plans for further improving the venue.

AUCKLAND ZOO

MEASURE	ACTUAL 2014	ACTUAL 2015	TARGET 2015	
Number of visitors to the zoo	717,642	650,159 ^[1]	680,000	■
Percentage of visitors satisfied with the zoo	95%	93%	88%	■
Number of species at Auckland Zoo in wildlife conservation programmes	49	60	50	■
Number of participants in education programmes	60,292	46,321 ^[1]	50,000	■
Percentage of participants satisfied their learning outcomes were achieved	98%	99%	90%	■
Satisfaction of users with the service received at the facility	91%	91%	90%	■
Satisfaction of users with the condition of the facility	95%	93%	80%	■
Number of non-Aucklanders visiting RFA facilities	186,587 ^[2]	188,546	155,000	■
Total visitor spend of non-Aucklanders whilst in Auckland	\$34.71m ^[2]	\$35.07	\$28.8m	■

■ Met ■ Substantially met ■ Not met

1. Adverse weather conditions affected zoo visitation for the first half of the year, resulting in visitation being slightly reduced from previous years.
2. 2014 results have been restated to align with reporting criteria 2015.

AUCKLAND ZOO – SNAPSHOT

Auckland Zoo believes in a future where people value wildlife and species are safe from extinction. As a leading centre for wildlife conservation, Auckland Zoo is home to the largest collection of native and exotic species in New Zealand. The Zoo aims to bring people together to build a future for wildlife. It does this through: caring for wildlife; inspiring our community to value wildlife; conserving wildlife in wild places; and developing a high-performance organisation. The Zoo also has a strong culture of collaboration and partnership as it links with like-minded businesses and organisations, and Auckland’s communities, including volunteers, members and supporters.

HIGHLIGHTS FOR THE YEAR

Auckland Zoo remains one of Auckland’s key attractions, with 650,159 people visiting this year and a satisfaction rating of 93%. Its summer concerts – Fat Freddy’s Drop, Sol3 Mio and the Finns (Tim, Neil and Liam) – were sell-out successes.

Highlights included: welcoming eight-year-old Asian elephant Anjalee as a companion for elephant Burma; celebrating a range of new additions to the Zoo family; the birth of 203 new species, not including 2,000 weta punga; and Zoo staff contributing a record 8,567 hours in the field on conversation projects. A new behind-the-scenes kiwi experience was launched as part of the kiwi recovery programme, Operation Nest Egg.

Auckland Zoo received recognition as one of New Zealand’s elite tourist attractions by achieving Qualmark certification and an Environ Gold Award, as well as Trip Advisor’s Certificate of Excellence 2015.

Looking ahead, the Zoo will be embarking on a major renewal programme as it had capital investment approved to replace aging infrastructure to ensure animal welfare and health and safety, while providing unique wildlife experiences to visitors.

RFA MAJOR ASSETS

Assets	Management	Condition	Issues/Risks
AUCKLAND ART GALLERY – BUILDING	RFA owned and operated	Very good	Refurbished building re-opened in 2011, with failures generally under warranty
AUCKLAND ART GALLERY – ART COLLECTION	RFA owned and operated	Good	Providing proper security, climate control to ensure safety of collection
AUCKLAND ZOO – BUILDING AND ENCLOSURES	RFA owned and operated	Average	Auckland Zoo’s infrastructure is over 90 years old. A capital renewal plan has been approved within the Auckland Council Long-term Plan 2015-2025 to cater for increasing international standards of animal care, health and safety, and to improve the visitor experience and services. This provides an excellent foundation to renew the Zoo’s aging infrastructure
MT SMART STADIUM	RFA owned and operated	Average	This stadium is included in RFA’s stadium strategy which involves strategic capital investment to improve the state of all stadium facilities to enhance the customer experience
WESTERN SPRINGS STADIUM – LAND AND BUILDINGS	RFA owned and operated	Average	This stadium is included in RFA’s stadium strategy which involves strategic capital investment to improve the state of all stadium facilities to enhance the customer experience
AOTEA CENTRE	RFA owned and operated	Average	The venue is almost 30 years old and currently has planned works to address weather-tightness issues and refurbishment of the foyers Further development of the venue will take into account RFA’s strategy to develop an Arts and Cultural Precinct surrounding Aotea Square
THE CIVIC	RFA owned and operated	Good	The Civic is an iconic heritage Auckland building – as a result, capital works on the building are inherently difficult and costly. Planned works for the next financial year include addressing weather-tightness issues
ANZ VIADUCT EVENTS CENTRE	RFA owned and operated	Very good	New building opened in 2011, with failures generally under warranty
QBE NORTH HARBOUR STADIUM – LAND AND BUILDINGS	RFA owned and operated	Very good	This stadium is included in RFA’s stadium strategy which involves strategic capital investment to improve the state of all stadium facilities to enhance the customer experience
BRUCE MASON CENTRE	RFA owned and operated	Average	Bruce Mason Centre has a weather-tightness issue to resolve. An appropriate renewal programme is now in place
VECTOR ARENA	RFA owned and operated by third party	Very good	Governed by a public private partnership and not operated by RFA. Capital renewals on the facility are conducted in accordance with an approved Asset Management Plan
NORTH SHORE EVENTS CENTRE, THE TRUSTS ARENA ^[1]	Independently owned and RFA relationship management only	Various	These assets sit on RFA/Council land and operations or failure will affect RFA/Council

1. These facilities are independently owned and governed. The assets are not RFA’s responsibility nor does RFA have access to condition data for these facilities.



FINANCIAL STATEMENTS

Statement of comprehensive revenue and expense for the year ended 30 June 2015

	Notes	Actual 2015 \$000's	Budget 2015 \$000s	Actual 2014 \$000's
Revenue				
Revenue	3	46,807	47,254	38,915
Auckland Council operating subsidy	3	31,070	31,788	28,659
Auckland Council capital subsidy	3	22,200	25,119	15,492
Other grants and subsidies	3	2,086	-	2,008
Finance income	3	2,298	388	1,149
Other revenue		4,499	-	2,906
Other gains / (losses)	4	(295)	-	9,771
Total revenue	3	108,665	104,549	98,900
Expenditure				
Personnel costs	6	37,427	31,757	35,116
Depreciation expense	12	24,126	17,758	18,640
Amortisation expense	13	303	-	555
Impairment of property, plant, equipment and intangible assets		73	-	1,711
Finance costs	5	1,059	-	362
Grant expenses		21,823	1,657	2,621
Other expenses	7	46,804	46,016	36,596
Total expenditure		131,615	97,188	95,601
Surplus / (deficit) from continuing operations before tax		(22,950)	7,361	3,299
Tax expense / (tax credit)		-	-	-
Surplus after tax		(22,950)	7,361	3,299
Surplus after tax attributable to:				
Regional Facilities Auckland		(22,950)	7,361	3,299
Other comprehensive income				
Gain on property revaluations	12	585	5,342	14,005
Total other comprehensive income		585	5,342	14,005
Total other comprehensive income after tax		(22,365)	12,703	17,304

Explanations of significant variations against budget are detailed in Note 27.
The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2015

	Notes	Actual 2015 \$000's	Budget 2015 \$000s	Actual 2014 \$000's
Assets				
Current assets				
Cash and cash equivalents	8	33,762	20,333	30,047
Receivables	9	29,933	22,378	11,979
Non-current assets held for sale	12	-	-	20,350
Prepayments		786	-	940
GST receivable/(payable)		80	-	(9)
Other financial assets	10	1,150	7,095	4,793
Inventories	11	822	-	792
Total current assets		66,533	49,806	68,892
Non-current assets				
Property, plant and equipment	12	1,034,260	1,093,240	1,037,625
Biological assets*		-	-	-
Intangible assets	13	523	74,203	792
Other financial assets	10	1,117	2,393	1,795
Total non-current assets		1,035,900	1,169,836	1,040,212
Total assets		1,102,433	1,219,642	1,109,104
Liabilities				
Current liabilities				
Payables	14	68,200	37,308	51,120
Borrowings and other financial liabilities	15	1,731	-	1,795
Employee entitlements	16	3,137	2,848	2,753
Provisions	17	454	137	134
Total current liabilities		73,522	40,293	55,802
Non-current liabilities				
Borrowings and other financial liabilities	15	9,655	-	9,878
Employee entitlements	16	86	113	86
Provisions	17	55	323	55
Total non-current liabilities		9,796	436	10,019
Total liabilities		83,318	40,729	65,821
Net assets		1,019,115	1,178,913	1,043,283
Equity				
Contributed capital	18	1,049,995	1,087,289	1,051,711
Accumulated surpluses / (deficits)	18	(65,797)	(5,508)	(42,781)
Restricted equity	18	1,721	-	1,743
Asset revaluation reserve	18	33,196	97,132	32,611
Total equity		1,019,115	1,178,913	1,043,284

* Carrying value is \$1

Explanations of significant variations against budget are detailed in Note 27.
The accompanying notes form part of these financial statements.

Statement of changes in equity for year ended 30 June 2015

	Notes	Actual 2015 \$000s	Budget 2015 \$000s	Actual 2014 \$000's
Balance 1 July		1,043,284	1,166,211	967,093
Total comprehensive revenue and expense for the year		(22,365)	12,703	17,304
Owner transactions				
Capital contribution		(1,716)	-	1,716
Gain on amalgamation of subsidiaries during year		-	-	57,171
Repayment of capital		-	-	-
Movement in restricted equity		(88)	-	-
Balance at 30 June	18	1,019,115	1,178,914	1,043,284

Explanations of significant variations against budget are detailed in Note 27.

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2015

	Notes	Actual 2015 \$000s	Budget 2015 \$000s	Actual 2014 \$000's
Cash flows from operating activities				
Receipts from grants and subsidies		42,878	56,907	43,904
Receipts from customers		51,241	47,640	61,336
Net GST received / (paid)		121	-	299
Interest received	3	2,298	-	679
Payments to suppliers and employees		(91,853)	(79,429)	(74,183)
Interest paid	5	(1,059)	-	(230)
Net cash inflow / (outflows) from operating activities		3,626	25,118	31,805
Cash flows from investing activities				
Proceeds from / (towards) medium term investments		3,776	-	(6,364)
Proceeds from intergration of subsidiaries		-	-	5,043
Investments in subsidiaries		-	-	-
Loan repayments received		250	-	1,223
Purchase of property plant and equipment	12	(21,354)	(25,119)	(14,632)
Purchase of intangible assets	13	(34)	-	(914)
Proceeds from assets held for resale		17,467	17,280	3,053
Disposal of property, plant and equipment		-	-	-
Net cash inflow / (outflows) from investing activities		105	(7,839)	(12,591)
Cash flows from financing activities				
Proceeds / (repayment) of borrowings		(66)	-	713
Proceeds from operating leases		54	-	-
Payments of finance lease principal		(5)	-	-
Net cash inflow / (outflows) from financing activities		(17)	-	713
Net increase / (decrease) in cash and cash equivalents		3,715	17,279	19,927
Cash and cash equivalents at beginning of the year		30,047	3,053	10,120
Cash and cash equivalents at end of the year	8	33,762	20,332	30,047

Explanations of significant variations against budget are detailed in Note 27.

The accompanying notes form part of these financial statements.

1 REPORTING ENTITY

Regional Facilities Auckland (RFA) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. RFA was established by deed as a trust with a single corporate trustee, being Regional Facilities Auckland Limited (RFAL), and commenced operations on 1 November 2010.

The deed of trust states that the objectives of RFA are:

- To support the vision of Auckland as a vibrant city that attracts world-class events and promotes the social, economic, environmental and cultural wellbeing of its communities (and visitors to Auckland) in arts, culture, heritage, leisure, sport and entertainment activities
- To continue to develop, applying a regional perspective, a range of world-class arts, cultural, heritage, leisure, sport and entertainment venues that are attractive to both residents and visitors to Auckland
- To promote, operate, develop and maintain, and to hold and manage interests and rights in relation to regional facilities throughout Auckland, and to promote and coordinate strategic planning in relation to the development and operation of such facilities
- To provide and to promote the provision of high-quality amenities at regional facilities throughout Auckland that will facilitate and promote arts, cultural, heritage, education, sport, recreation and leisure activities and events in Auckland which attract and engage residents and visitors
- To administer and to promote the administration of regional facilities throughout Auckland on a prudent commercial basis, so that such facilities are operated as successful, financially sustainable community assets.

RFA is controlled by Auckland Council and is a council-controlled organisation (CCO) as defined by section 6 of the Local Government Act 2002 by virtue of Council's right to appoint the Board of Directors.

The ultimate parent of RFA is Auckland Council.

The primary objective of RFA is to provide the optimum governance for use and direction of publicly funded regional facilities to ensure RFA achieves agreed public-good outcomes. Accordingly, RFA has designated itself as a public-benefit entity for financial reporting purposes.

The financial statements of RFA are for the year ended 30 June 2015. The financial statements were authorised for issue by RFA's Board on 30 September 2015.

BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the opening statement of financial position and reporting period to 30 June 2015, unless otherwise stated. RFA has designated itself a Tier 1 public benefit entity, on the basis that it has total expenses over \$30 million as defined in the accounting standards.

Statement of compliance

The financial statements of RFA have been prepared in accordance with the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE accounting standards. These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 28.

Measurement base

These financial statements have been prepared on a historical-cost basis, modified by the revaluation of land and buildings and art collections.

Going concern

The financial statements have been prepared on a going-concern basis.

Budget figures

The budget figures are those approved in the Statement of Intent for 2014-2017. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Auckland Council in preparation of the financial statements.

Accounting judgments, estimates and assumptions

In preparing these financial statements, RFA has made estimates and assumptions concerning the future.

These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating useful lives and residual values of property, plant and equipment

At each balance date, RFA reviews the useful lives and residual values of their property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates requires RFA to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by RFA, and expected disposal proceeds from the future sale of the asset. An incorrect estimate of the useful life or residual value will affect the depreciable amount of an asset, therefore affecting the depreciation expense recognised in the surplus or deficit and the asset's carrying amount. RFA minimises the risk of this estimation uncertainty by:

- Physical inspection of assets
- Asset-replacement programmes
- Review of second-hand market prices for similar assets; and
- Analysis of prior asset sales.

RFA has not made significant changes to past assumptions concerning useful lives and residual values.

Leases classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to RFA. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. RFA has exercised its judgement on the appropriate classification of equipment leases, and has determined a number of lease arrangements are finance leases.

Grants received

RFA must exercise judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

Interests in Vector Arena

The development and operations of Vector Arena is governed by a Development Agreement. This "build, own, operate, transfer" contract specifies that the residual interests at the end of the contract resides with RFA. RFA's interests in Vector Arena has been recognised as an asset and independently re-valued on a periodic basis. The initial contribution to the building development by the third party has been recognised as lease revenue in advance and recognised on a straight line basis over the period of the development agreement.

Depreciated replacement cost

Critical assumptions in estimating depreciation replacement cost for the revaluation of certain property, plant and equipment are the estimated replacement cost of subject assets, estimated optimisation rates of subject assets and estimated remaining useful life of those assets.

Discount rates

A discount rate of 5.69% has been used to estimate the present value of long-service leave in employee benefits and a discount rate of 11.96% for community loans.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000). The functional currency of RFA is New Zealand dollars (NZD).

Changes in accounting policies

RFA has designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE accounting standards. These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in Note 28.

Comparative information

Comparative information is provided for the period from 1 July 2013 to 30 June 2014.

Standards issued and not yet effective and not early adopted
In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. RFA has applied these standards in preparing the 30 June 2015 financial statements. In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting dates beginning on or after 1 April 2015. RFA will apply these standards in preparing its 30 June 2016 financial statements. RFA expects minimal or no change in applying these updated accounting standards.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Revenue

Revenue is measured at the fair value of consideration received or receivable, net of discounts and GST, when the amount of revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below:

2.1.1 Funding from Auckland Council

RFA receives operational funding from Auckland Council. This funding is restricted in its use for the purpose of meeting the objectives specified in the trust deed. Funding is recognised as revenue at point of entitlement.

2.1.2 Admission and ticket revenue

Admission and ticket revenue is recognised on an accrual basis in the period that the corresponding event occurs, upon completion of that event.

2.1.3 Grants and subsidies

Grants and subsidies are recognised as revenue upon entitlement, unless there is an obligation in substance to return funds received if conditions of the grants are not met. If there is such a condition, grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant have been fulfilled.

2.1.4 Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from the rendering of these services is recognised by reference to the stage of completion of the transaction at reporting date, based on the actual service provided as a percentage of the total services to be provided.

2.1.5 Donations

Revenue from donations is recognised when physically received or when it is probable that a reliably measurable amount will be receivable.

2.1.6 Donated assets

Where a physical asset is gifted to RFA or acquired by RFA for nil consideration or at a subsidized cost the asset is recognised at

fair value and the difference between the consideration provided and the fair value of the asset is recognised as revenue. The fair value of the donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to retail price of the same or similar asset at time of receipt of asset
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition and age.

2.1.7 Sale of goods

Revenue from the sale of goods is recognised when the risks and rewards of the ownership of the goods pass to the purchaser.

2.1.8 Interest

Interest income is recognised on a time-proportion basis using the effective interest method.

2.1.9 Rental revenue

Lease receipts under operating leases and subleases are recognised as revenue on a straight line basis over the lease term.

2.2 Borrowing costs

All borrowing costs are recognised as an expense in the financial year in which they are incurred.

2.3 Advertising costs

Advertising costs are expensed when the related service has been rendered.

2.4 Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where RFA has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the decision.

2.5 Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.6 Leases

2.6.1 Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the parent will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

2.6.2 Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease revenue under an operating lease is recognized as income on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.8 Trade and other receivables

Trade and other receivables are recorded at their face value, less any provision for impairment.

2.9 Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost using the first-in first-out (FIFO) method, adjusted, when applicable, for any loss of service potential.

Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

2.10 Property, plant and equipment

Operational assets

These include land, buildings, works of art, plant and machinery, computer equipment, furniture fittings and equipment, and motor vehicles.

Property held to meet service-delivery objectives

Property that is held to meet service-delivery objectives, rather than to earn rentals or for capital appreciation (i.e. investment property), is recognised as land and buildings under property, plant and equipment.

As a result, properties leased to third parties under operating leases are not classified as investment property because one of the following is the case:

- The occupants provide services that are integral to the operation of RFA's business, or these services could not be provided efficiently and effectively by the lessee in another location
- RFA is a public-benefit entity and the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation
- The property is being held for future delivery of services
- The lessee uses RFA's services and those services are integral to the reasons for their occupancy of the property.

Initial recognition

Property, plant and equipment are initially shown at cost or fair value in the case where an asset is acquired at no cost or for a nominal cost. Cost includes any costs that are directly attributable to the acquisition of the items. Note that in the case of the assets acquired by RFA on establishment at 1 November 2010, cost was the carrying value of the assets by the previously-owning council and CCO.

Subsequent measurement

Property, plant and equipment are measured at cost or fair value, less accumulated depreciation and impairment losses.

Revaluation

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

Land, land improvements and buildings, and artwork are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least once every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference then the off-cycle asset classes are revalued.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to RFA and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Each item of property, plant or equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Land is not depreciated. Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	3 – 100 years	(1.0% – 33%)
Plant and machinery	1 – 39 years	(2.6% – 100%)
Office equipment	1 – 25 years	(4.0% – 100%)
Computer equipment	3 – 8 years	(12.5% – 33%)
Motor vehicles	4 – 10 years	(10.0% – 25%)
Roads and civil structures	3 – 53 years	(1.9% – 33%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.11 Biological assets

Zoo animals are valued at a nominal value of \$1 , in line with international practice.

2.12 Intangibles

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is their fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase only.

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with development and maintenance of websites are recognised as an expense when incurred where the website is used solely for promoting RFA's services.

Alternatively, costs associated with development and maintenance of the website are capitalised as an intangible asset where the website is capable of generating revenue through direct orders and sales for RFA.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Other intangible assets

Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Assets with indefinite useful lives are not amortised but tested, at least annually, for impairment, and are carried at cost less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in the statement of comprehensive income in the period in which the disposal occurs.

When an intangible asset’s recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Impairment losses resulting from impairment are reported in the statement of comprehensive income.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired software, 1 – 8 years, 12.5% - 100%
Developed software, 1 – 8 years, 12.5%-100%

2.13 Trade and other payables

Trade and other payables are financial liabilities recorded at their face value.

2.14 Borrowings

Borrowings are financial liabilities classified as ‘Other financial liabilities at amortised cost’.

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless RFA has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

2.15 Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to reporting date, annual leave earned to, but not yet taken at, balance date, retirement gratuities and long-service leave entitlements expected to be settled within 12 months of reporting date.

A liability and an expense is recognised for bonuses where RFA has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long-service leave and retirement gratuities, have been calculated on the projected unit credit method, an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information
- The present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Annual leave, vested long-service leave, and non-vested long-service leave and retirement gratuities expected to be settled within 12 months of reporting date are classified as a current liability. All other employee entitlements are classified as non-current liabilities.

2.16 Provisions

Provisions are recognised when all of the following are true:

- RFA has a present legal or constructive obligation due to past events
- It is more likely than not that an outflow of resources will be required to settle the obligation
- The amount has been reliably estimated.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Restructuring

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has either been announced publicly to those affected, or for which implementation has already commenced.

2.17 Community loans

Loans to community organisations made at nil or below-market interest rates are initially recognised at their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of comprehensive income as a fair value impairment. Community loans are subsequently measured at amortised cost using the effective interest method less impairment, if any.

2.18 Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

2.19 Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Classification as debt or equity

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.20.1 Financial instruments: financial assets

Classification

For the purposes of measuring financial assets after recognition, financial assets are classified in the following four categories:

- Financial assets at fair value through surplus or deficit
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial assets.

The classification depends on the type of impairment and/or the reason behind acquiring the investment. RFA decides how to classify its financial instruments at the point of acquisition.

Initial measurement

Financial assets are initially recorded at fair value plus directly attributable transaction costs, unless they are carried at fair value through surplus and deficit, in which case the transaction costs are recognised in the surplus or deficit when incurred.

Purchases and sales of financial assets are recognised at trade date, the date on which RFA commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and RFA has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through surplus or deficit

A financial asset falls in this category if acquired principally to sell in the short term, or if designated this way upon initial recognition.

After initial recognition these financial assets are measured at fair value. They are classified as current assets if they are held for trading or expected to be realised within 12 months of the reporting date.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when money, goods or services are provided directly to a debtor with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method, less impairment, if any. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans and receivables are included in current assets, except for those with maturities of greater than 12 months after the reporting date, which are classified as non-current assets.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument.

The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

2.20.2 Financial instruments: impairment of financial assets

Financial assets, except financial assets at fair value through surplus or deficit, are assessed for objective evidence of impairment at each reporting date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables, and held-to-maturity investments amounts due

Impairment is established when there is objective evidence that the amount due will not be able to be collected according to the original terms of the debt.

Significant financial difficulties of the debtor or counter-party, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired.

The amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

The carrying amount of debtors and other receivables is reduced through the use of an allowance account, and the amount of the movement is recognised in the surplus or deficit.

When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock and community loans are recognised directly against the instrument’s carrying amount.

Available-for-sale financial assets

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for available-for-sale instruments, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.20.3 Financial instruments: derecognition of financial assets

RFA derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If RFA neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, RFA recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If RFA retains substantially all the risks and rewards of ownership of a transferred financial asset, RFA continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the surplus and deficit.

On derecognition of a financial asset other than in its entirety (e.g. when RFA retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and RFA retains control), RFA allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in surplus and deficit.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.20.4 Financial instruments: financial liabilities

Initial measurement

Financial liabilities are initially recorded at fair value plus directly attributable transaction costs, unless they are carried at fair value through surplus and deficit, in which case the transaction costs are recognised in the statement of comprehensive income.

Classification

RFA classifies financial liabilities in the following categories:

- Financial liabilities at fair value surplus and deficit
- Other financial liabilities at amortised cost.

Other financial liabilities at amortised cost

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

2.20.5 Financial instruments: derecognition of financial liabilities

RFA derecognises financial liabilities when, and only when, it's obligations are discharged or cancelled, or they expire.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets designated in this category or not classified in the other categories. After initial recognition, they are measured at fair value, with gains and losses recognised in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit.

They are included in non-current assets, unless there is an intention to dispose of the asset within 12 months of the year-end reporting period.

Available-for-sale financial assets comprise investments in quoted and unquoted shares and marketable securities, including:

- Investments that RFA intends to hold long term but which may be realised before maturity
- Shareholdings that it holds for strategic purposes.

Financial guarantee contracts

A financial guarantee contract is one that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value even if a payment under the guarantee is considered not probable. If a financial guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that RFA will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remained unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, the provision for the guarantee is measured at the present value of the future expenditure.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments, and fixed maturities that RFA's management has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. They are included in current assets, except for maturities greater than 12 months after reporting date, which are included in non-current assets.

2.21 Equity

Equity represents the shareholder's interest in RFA, and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Contributed capital
- Retained surplus (deficit)
- Restricted equity
- Revaluation reserve.

Contributed capital

Contributed capital is equity instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by RFA are recognised as the proceeds received, net of direct issue costs.

Retained surplus (deficit)

Retained earnings represent carried forward undistributed surpluses and deficits that have not been designated or restricted.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by RFA.

Restricted reserves are those subject to specific conditions accepted as binding by RFA and which may not be revised by RFA without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are those restricted by RFA decision. RFA may alter them without reference to any third

party or the courts. Transfers to and from these reserves are at the discretion of the parent.

RFA's objectives, policies and processes for managing capital are explained in Note 24.

Revaluation reserves

The revaluation reserve incorporates the revaluation arising on the revaluation of operational land and artwork to fair value.

2.22 Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for trade and other receivables and trade and other payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

2.23 Income tax

RFA is registered as a charity under the Charities Act 2005 and is not liable for income tax.

**NOTE 3
REVENUE**

	Actual 2015 \$000s	Actual 2014 \$000s
Revenue from exchange transactions		
Entrance and admission fees	10,824	10,109
Venue hire	14,552	13,069
Food and beverages	7,028	6,994
Membership fees	1,307	1,264
Goods sold	3,235	2,791
Rental revenue from property leases	2,535	1,529
Net gain on sale of property, plant and equipment	-	-
Other	11,098	15,246
Total revenue	50,579	51,002
Finance income		
Interest revenue	2,290	1,141
Realised foreign exchange gains	8	8
Total finance income	2,298	1,149
Total revenue from exchange transactions	52,877	52,151
Revenue from non-exchange transactions		
Donations and bequests	12	8
Sponsorships	420	582
Net gains on derivative financial assets		
Other	-	-
Revenue from non-exchange transactions	432	590
Grants and subsidies		
Auckland Council operating subsidy	31,070	28,659
Auckland Council capital subsidy	22,200	15,492
Other grants and subsidies	2,086	2,008
Total grants and subsidies	55,356	46,159
Total revenue from non-exchange transactions	55,788	46,749
Total revenue	108,665	98,900

Auckland Council operating subsidy

Auckland Council operating subsidy includes funding from RFA's ultimate parent in relation to activities within RFA. This funding is for RFA to perform specified activities for the current reporting period and therefore is recognised as income in the reporting period.

Auckland Council capital subsidy

Auckland Council funds the capital programme based on information derived from the asset management plans. This funding largely reflects the capital expenditure incurred during the year.

Other grants and subsidies

Other grants and subsidies include funding from external third parties. While these grants and subsidies indicate that they are to fund particular projects, the terms of the funding do not preclude the recognition of these funds upon receipts of the grant. Other grants and subsidies are recognised as revenue when received.

Other grants and subsidies include:

- Gifted artwork to Auckland Art Gallery of \$1.3mil (2014 \$0.8mil)
- Various grants to Auckland Art Gallery of \$0.1mil (2014 \$0.6mil)

**NOTE 4
OTHER INCOME AND GAINS (LOSSES)**

	Actual 2015 \$000s	Actual 2014 \$000s
Other gains / (losses)		
Reversal of previously recognised impairment	(295)	9,771
Total other gains	(295)	9,771

**NOTE 5
FINANCE EXPENDITURE**

	Actual 2015 \$000s	Actual 2014 \$000s
Finance expense		
Interest expenses - financial liabilities classified as amortised cost:		
- Borrowings	644	251
- Finance leases	2	109
Realised and unrealised foreign exchange gains	18	2
Interest expense - financial assets classified as fair value through profit and loss	395	-
Total finance expense	1,059	362

**NOTE 6
PERSONNEL COSTS**

	Actual 2015 \$000s	Actual 2014 \$000s
Salaries and wages	36,602	34,364
Defined contribution plans - employer contributions	740	679
Other	9	10
Increase / (decrease) in employee entitlement accruals	75	67
Total employee benefits	37,426	35,120
Employer contributions to defined contribution plans include contributions to KiwiSaver.		
Employee benefits include:		
- Indirect salaries and wages	29,482	27,896
- Direct salaries and wages (cost of sales)	6,437	5,331
- Other	683	1,137
Total salaries and wages	36,602	34,364
Remuneration		
Number of full-time employee	376	331
Number of all other employees	542	486
Full-time equivalent (FTE) number of all other employees	96	87
Number of employees receiving total annual remuneration of less than \$60,000	753	680
Note: the above numbers reflect full-time employees and casual employees as at 30 June 2015 and 30 June 2014.		
The full-time equivalent (FTE) numbers of all other employees are those casual and part-time employees who were contracted at 30 June 2015.		
Number of employees receiving total remuneration of \$60,000 or more in bands \$20,000		
The below table represents the number of employees who were paid more than \$60,000 during the financial year ended 30 June 2015, disclosed in bandings of \$20,000. This relates to actual remuneration paid to employees and includes salary and wages as well as other remuneration benefits such as superannuation scheme contributions.		
\$60,000 - \$79,999	92	93
\$80,000 - \$99,999	39	41
\$100,000 - \$119,999	13	13
\$120,000 - \$139,999	8	11
\$140,000 - \$159,999	7	7
\$160,000 - \$179,999	3	2
\$180,000 - \$199,999	2	3
\$200,000 - \$219,999	2	-
\$220,000 - \$239,999	1	-
\$240,000 - \$259,999	-	2
\$260,000 - \$279,999	2	1
\$280,000 - \$299,999	-	-
\$300,000 - \$319,999	-	-
\$320,000 - \$339,999	-	-
\$340,000 - \$359,999	-	-
\$360,000 - \$379,999	-	-
\$380,000 - \$399,999	-	1
Total number of employees who received >\$59,999	169	174

**NOTE 7
OTHER EXPENSES**

	Actual 2015 \$000s	Actual 2014 \$000s
Other expenses include:		
Fees paid to principal auditor		
- Audit fees for financial statement audit	190	213
- Audit fees for review engagement	20	19
Audit fees for assurance engagement (BDO)	-	19
Fees for other assurance services (internal audit)	96	25
Contractor and consultancy costs	1,527	1,721
Insurance premiums	1,026	1,171
Consultants and legal fees	80	124
Cost of goods sold	11,683	8,878
Repairs and maintenance	4,200	2,992
Loss / (gain) on disposal	1,428	284
Occupancy and utilities	7,038	5,808
Shared services with Auckland Council	5,666	5,440
Impairment of receivables	3	(71)
Operating lease expenses	82	97
Other	13,765	9,876
Total other expenses	46,804	36,596

**NOTE 8
CASH AND CASH EQUIVALENTS**

	Actual 2015 \$000s	Actual 2014 \$000s
Cash at bank and on hand	7,181	1,362
Operating bank account	710	676
Ticketing bank account	25,219	27,893
Arts development fund	109	116
Term deposits with maturities less than 3 months	543	-
Total Cash and Cash Equivalents	33,762	30,047

The carrying values of cash at bank and short term deposits with original maturity dates of three months or less approximate their fair value.

Cash comprises bank accounts plus till floats, petty cash floats and a small foreign currency float.

Operating bank account

The operating bank account is part of the Auckland Council set-off arrangement and is set off for debt and interest purposes

Ticketing bank account

RFA operates the ticketing accounts for the deposit of box office ticket sales received from the ticket service provider. Funds are held in these bank accounts until settlement occurs for performance of shows. These funds do not form part of Auckland Council set-off arrangements.

Arts development fund

This represents funds held within an 'Arts Development Fund' which are treated and disclosed separately. Use of this fund is governed by an Arts Development Trust Deed.

Restricted cash balances

In accordance with The Local Government Act 2002, RFA operates three restricted bank accounts, a ticketing bank account, a joint bank account in conjunction with a promoter for a specified performance and a short-term investment account under the name of 'Aotea Centre Trading as THE EDGE' on behalf of Auckland Council. These bank accounts are used for deposit of ticketing box office funds and are thus considered to be restricted funds.

**NOTE 9
TRADE AND OTHER RECEIVABLES**

	Actual 2015 \$000s	Actual 2014 \$000s
Current		
Trade receivables	5,125	2,968
Provision for impairment of trade receivables	(289)	(17)
Net trade receivables	4,836	2,951
Related party receivables	21,917	7,568
Sundry debtors	2,883	-
Accrued income	297	1,460
Other receivables	25,097	9,028
Total trade and other receivables	29,933	11,979
Total trade and other receivables comprise:		
<i>Receivables from exchange transactions</i>		
Receivables from sale and supply of goods and services	4,837	2,951
Sundry debtors	2,883	-
Accrued income	296	1,460
Total receivables from exchange transactions	8,016	4,411
<i>Receivables from non-exchange transactions</i>		
Related party receivables	21,917	7,568
Total receivables from non-exchange transactions	21,917	7,568
Total trade and other receivables	29,933	11,979

There is no concentration of credit risk with respect to trade receivables as there are a large number of customers.

Related-party receivables are predominantly with entities within the Auckland Council (ultimate parent) group structure. RFA does not hold any collateral or other credit enhancements over these balances as security.

Fair value

Trade receivables are non-interest bearing and receipt is normally on 30 day terms. Related party receivables are non-interest bearing and receipt is normally on 30 days. Therefore, the carrying value of trade receivables and related-party receivables approximates their fair value.

Aging profile of receivables at year end

Not past due	25,190	10,948
Past due one - 60 days	4,434	983
Past due 61 - 120 days	266	42
Past due > 120 days	43	6
Total	29,933	11,979

Age of impaired receivables

Not past due	-	-
Past due one - 60 days	14	-
Past due 61 - 120 days	232	-
Past due > 120 days	43	17
Total impaired receivables	289	17

Movement in the allowance for impairment of trade receivables

Opening balance	17	53
Additional allowances made during year	269	35
Impaired receivables written off during the year	3	(71)
Total impaired receivables	289	17

All receivables greater than 30 days are considered past due.

**NOTE 10
OTHER FINANCIAL ASSETS**

	Actual 2015 \$000s	Actual 2014 \$000s
Current portion		
Community loans	265	132
Term deposits (mature within four to 12 months)	885	4,661
Total current portion	1,150	4,793
Non-current portion		
Community loans	1,117	1,795
Total non-current loans	1,117	1,795
Total other financial assets	2,267	6,588

Fair value

Term deposits

The carrying amount of term deposits with maturities of less than 12 months approximate their fair value.

Community loans

Fair value on recognition has been determined using cash flows discounted at a rate of 11.96%, based on the Reserve Bank of New Zealand's Business Lending Rate at 30 June 2015 of 5.96%, plus the loan recipients' financial risk factor of 6%.

	Actual 2015 \$000s	Actual 2014 \$000s
Community loans		
Nominal value of the loans at the beginning of the period	3,644	3,876
Nominal value of loans granted during year	-	-
Fair value adjustment on initial recognition	(1,718)	(1,718)
Loans repaid during the period	(250)	(232)
Impairment losses recognised current year	(295)	-
Nominal value of the loans at the end of the period	1,381	1,925

The purpose of the loans is for the development of community assets used for recreational or educational purposes on Council owned land.

Community loans adjusted for fair value are \$1,381,000 (2014: \$1,927,000). They have stated interest rates of between 4.50% and 5.00% and mature within three to 58 years. The face value of the community loans is \$3,644,000 (2014: \$3,876,000).

**NOTE 11
INVENTORIES**

	Actual 2015 \$000s	Actual 2014 \$000s
Commercial inventory		
Items held for resale	822	792
Total inventory	822	792
No inventories are pledged as securities (2014: nil).		
The write-down of commercial inventory to net realisable value amounted to \$21,196 (2014: \$24,503). There have been no reversals of write-downs.		
Write-down of commercial inventory	21	25

**NOTE 12
PROPERTY, PLANT AND EQUIPMENT**

Cost or valuation	Actual 2015							
	Opening Balance 1 July 2014 \$000s	Additions \$000s	Revaluation / (impairment) \$000s	Disposals \$000s	Acquisitions through business combinations \$000s	Other adjustments \$000s	Reclassification / net movement \$000s	Closing Balance 30 June 2015 \$000s
Land	139,857	-	-	-	-	-	-	139,857
Buildings	609,286	14,363	-	(342)	-	(1,325)	238	622,220
Plant & equipment	13,375	2,272	-	(31)	-	-	(139)	15,477
Office equipment, furniture & fittings	12,113	1,836	-	(16)	-	-	(100)	13,833
Computer equipment	1,674	127	-	-	-	-	-	1,801
Art	258,179	1,763	585	-	-	-	-	260,527
Motor vehicles	244	68	-	-	-	-	1	313
Roading and civil structures	1,777	3,036	-	-	-	-	-	4,813
Under construction	15,848	(531)	-	-	-	-	-	15,317
Total cost	1,052,353	22,934	585	(389)	-	(1,325)	-	1,074,158

Accumulated depreciation	Actual 2015							
	Opening Balance 1 July 2014 \$000s	Depreciation expense \$000s	Impairment expense \$000s	Depreciation on disposals \$000s	Acquisitions through business combinations \$000s	Other adjustments \$000s	Closing Balance 30 June 2015 \$000s	Net book value 30 June 2015 \$000s
Land	-	-	-	-	-	-	-	139,857
Buildings	79	20,402	6	(15)	-	3,395	23,867	598,353
Plant & equipment	6,800	2,235	-	(22)	-	-	9,013	6,464
Office equipment, furniture & fittings	6,086	1,057	-	(6)	-	(2,313)	4,823	9,010
Computer equipment	1,396	168	-	-	-	(1)	1,563	238
Art	-	-	-	-	-	-	-	260,527
Motor vehicles	96	35	-	-	-	-	131	182
Roading and civil structures	271	228	-	-	-	-	499	4,314
Under construction	-	-	-	-	-	-	-	15,317
Total accumulated depreciation	14,728	24,126	6	(43)	-	1,081	39,898	1,034,260

PROPERTY, PLANT AND EQUIPMENT *continued*

Cost or valuation	Actual 2014							
	Opening Balance 1 July 2013 \$000s	Additions \$000s	Revaluation / (impairment) \$000s	Disposals \$000s	Acquisitions through business combinations \$000s	Depreciation written back due to revaluation \$000s	Reclassification / net movement \$000s	Closing Balance 30 June 2014 \$000s
Land	121,765	-	18,092	-	-	-	-	139,857
Buildings	567,624	6,335	9,771	(754)	58,427	(32,117)	-	609,286
Plant & equipment	9,755	2,308	-	(41)	1,353	-	-	13,375
Office equipment, furniture & fittings	7,840	496	-	(51)	3,753	-	75	12,113
Computer equipment	1,224	153	-	-	297	-	-	1,674
Art	261,307	1,034	(4,087)	-	-	-	(75)	258,179
Motor vehicles	180	51	-	(10)	23	-	-	244
Roading and civil structures	1,754	23	-	-	-	-	-	1,777
Under construction	8,233	7,615	-	-	-	-	-	15,848
Total cost	979,682	18,015	23,776	(856)	63,853	(32,117)	-	1,052,353

Accumulated depreciation	Actual 2014							
	Opening Balance 1 July 2013 \$000s	Depreciation expense \$000s	Impairment expense \$000s	Depreciation on disposals \$000s	Acquisitions through business combinations \$000s	Write back due to revaluation \$000s	Closing Balance 30 June 2014 \$000s	Net book value 30 June 2014 \$000s
Land	-	-	-	-	-	-	-	139,857
Buildings	12,884	15,167	-	(53)	4,198	(32,117)	79	609,207
Plant & equipment	3,469	2,159	-	(22)	1,194	-	6,800	6,575
Office equipment, furniture & fittings	2,334	926	-	(11)	2,837	-	6,086	6,027
Computer equipment	862	258	-	-	276	-	1,396	278
Art	-	-	-	-	-	-	-	258,179
Motor vehicles	49	30	-	(6)	23	-	96	148
Roading and civil structures	176	95	-	-	-	-	271	1,506
Under construction	-	-	-	-	-	-	-	15,848
Total accumulated depreciation	19,774	18,635	0	(92)	8,528	(32,117)	14,728	1,037,625

Non-current assets held for resale	Actual 2015 \$000s	Actual 2014 \$000s
Non-current assets held for resale	-	20,350

PROPERTY, PLANT AND EQUIPMENT *continued*

There are no restrictions over the title over any item of property, plant and equipment. No items of property, plant and equipment are secured as security for liability.

Revaluation of land and buildings

Land and buildings were revalued as at 30 June 2014 consistent with Auckland Council group accounting policy. RFA revalues land and building on a three-year cycle unless the fair value assessment requires revaluation of the entire class of land and building. These assets are valued at either market value or depreciated replacement cost. In the event a revaluation is required, it is performed by qualified independent valuers.

Revaluation of artwork

In 2015, a portion of the art asset class has been revalued as per RFA's revaluation policy. The valuation of artwork is completed on a three-year cycle as follows:

- Items each worth up to \$9,999 were individually revalued by Auckland Art Gallery staff during the 2012/13 financial year. The revaluation methodology was externally verified by Webb's (Auckland).
- Items each worth from \$10,000 to \$99,999 were individually revalued by Auckland Art Gallery staff during the 2014/15 financial year. The revaluation methodology was externally verified by Webb's (Auckland).
- Items each worth over \$100,000 were individually revalued by Christie's (London) and Webb's (Auckland) during 2013/14 financial year.

The fair values of artworks are determined by reference to observable prices in an active market and recent transactions on arm's-length terms.

Works of art - loan collection

Auckland Art Gallery has works of art that are on loan from third parties. In accordance with the agreements with the third parties, Auckland Art Gallery is responsible for the costs of maintaining the loan collection and other associated costs, however, it cannot sell or exhibit the artworks elsewhere without permission. Thus, RFA does not have sufficient control over the art for it to be recognised as an asset.

Impairment

Assets are assessed for indicators of impairment at each financial period. Where an asset's carrying value exceeds its recoverable value, being the greater of fair value less cost to sell or value in use, the asset is written down to its recoverable value, with losses recognised in profit or loss.

Total impairment write-downs in assets this year have been \$6,000 (2014: \$101,000).

Fair value

The fair value for each asset class for RFA is represented by the net book value.

The fair value of assets not valued during the financial period has been assessed and is not materially different from the net book value.

Revaluation of artwork as at 30 June 2015 was carried out by Auckland Art Gallery staff (2014: land and buildings – Beca; Artworks – Christies, London and Webbs, Auckland):

Total fair value of property, plant and equipment valued by each valuer for the reporting period ending at 30 June 2015:

Name of valuer	Type of valuer	Date performed	Asset class	2015 \$000's
Auckland Art Gallery	In-house curators	June 2015	Artworks \$10,000 to \$99,999	53,851
Total				53,851
2014				
Christie's (London) and Webb's (Auckland)	Independent valuer	June 2014	Artwork over \$100,000	185,355
Beca	Independent valuer	June 2014	Land Buildings	138,846 532,358
Total				856,559

Leased assets

The net carrying amount of property, plant and equipment held under finance leases is Nil for the current year (2014: Nil).

**NOTE 13
INTANGIBLE ASSETS**

	Actual 2015 \$000s	Actual 2014 \$000s
Acquired computer software at cost		
Previous year opening balance	3,232	2,318
Additions	34	914
Disposals	(1)	-
Reclassification	(770)	-
Closing balance	2,494	3,232
Accumulated amortisation and impairment		
Previous year opening balance	2,440	1,115
Amortisation charge	302	555
Amortisation on disposals	(1)	-
Other movements	(770)	-
Impairment	-	770
Closing balance	1,971	2,440
Carrying amount	523	792

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

**NOTE 14
PAYABLES**

	Actual 2015 \$000s	Actual 2014 \$000s
Trade creditors	4,156	4,993
Sundry payables	22,448	27,867
Amounts due to related parties in the Auckland Council group	22,502	8,675
Revenue received in advance	5,220	4,560
Accrued expenses	13,874	5,025
Total payables	68,200	51,120
Total payables comprise		
<i>Payables under exchange transactions</i>		
Creditors	4,156	4,993
Revenue received in advance	5,220	4,560
Accrued expenses	13,874	5,025
Other payables	14,448	27,867
Total payables under exchange transactions	37,698	42,445
<i>Payables under non-exchange transactions</i>		
Amounts due to related parties (Note 22)	22,502	8,675
Grants payable	8,000	-
Total payables under exchange transactions	30,502	8,675
Total payables	68,200	51,120

Fair value

Current creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

**NOTE 15
BORROWINGS AND OTHER FINANCIAL LIABILITIES**

	Actual 2015 \$000s	Actual 2014 \$000s
Current portion		
Unsecured loans	1,438	1,504
Operating lease	269	269
Finance leases	24	22
Total current portion	1,731	1,795
Non-current portion		
Operating lease	8,334	8,549
Finance leases	1,321	1,329
Total non-current portion	9,655	9,878
Total borrowings	11,386	11,673

Unsecured loans

These balances relate to funding received from the ultimate parent (Auckland Council) in relation to capital expenditure projects undertaken by RFA. The face value of the advances as at 30 June 2015 is \$1,438,000 (2014: \$1,504,000).

The terms of the advances are that they are non-interest bearing and that they will not be called on in the next 12 months. There are no covenants attached to the advances. The advances are unsecured.

Operating lease

The contribution by third party operator of Vector Arena has been recognised as an operating lease. Lease revenue from this operating lease is recognised as revenue on a straight-line basis over the period of the lease. The remaining period of the lease is 32 years.

Finance leases - material leasing arrangement

There is a material leasing arrangement with Vector Limited in relation to the floodlighting and HT reticulation systems at Vector Arena. The term of the finance lease arrangement is 40 years, terminating on 31 March 2047. The effective interest rate on the finance lease arrangement is 7.90%. The carrying value of the finance lease arrangement as at 30 June 2015 is \$1,345,000 (2014: \$1,373,000).

Ownership of the floodlighting and HT reticulation system will transfer to RFA as at the termination date, subject to complying with the payment schedule and the provisions under the finance lease arrangement.

There are no restrictions in place regarding this finance leasing arrangement.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	Actual 2015 \$000s		
Finance leases - total minimum lease payments payable	Future minimum lease payments	Interest	Present value of minimum lease payments
Current			
Not later than one year	130	106	24
Total current	130	106	24
Non-current			
Later than one year and not later than five years	520	401	119
Later than five years	2,177	975	1,202
Total non-current	2,697	1,376	1,321

	Actual 2014 \$000s		
Current			
Not later than one year	130	108	22
Total current	130	108	22
Non-current			
Later than one year and not later than five years	520	410	110
Later than five years	2,286	1,067	1,219
Total non-current	2,806	1,477	1,329

Fair value

The carrying amounts of borrowing repayable within one year approximates their fair value.

The fair value of finance leases is \$1,345,000 (2014: \$1,351,000). Fair value has been calculated using the present value of cash flows in the lease.

**NOTE 16
EMPLOYEE ENTITLEMENTS**

	Actual 2015 \$000s	Actual 2014 \$000s
Current portion		
Accrued salaries and wages	1,037	715
Annual leave	1,991	1,997
Long service leave	110	41
Total current portion	3,137	2,753
Non-current portion		
Long service leave	86	86
Total non-current	86	86
Total employee benefits	3,223	2,839

Key assumptions in measuring retirement and long service leave obligations

Two key assumptions used in calculating the liability include the discount rate and the salary inflation rate. The weighted average discount rate of 5.69% (2014: 5.8%) and an inflation factor of 3% (2014: 3%) were used in calculating the long term leave and retirement gratuity liabilities. Any changes in these assumptions will affect the carrying amount of the liability.

**NOTE 17
PROVISIONS**

	Actual 2015 \$000s	Actual 2014 \$000s
Current portion		
Restructuring	79	50
Other	375	84
Total current portion	454	134
Non-current portion		
Restructuring	55	55
Total non-current portion	55	55
Total provisions	509	189

Movements for each class of provision

	Actual 2015 \$000s		
	Restructuring	Other	Total
Previous year opening balance	105	84	189
Additional provisions made	58	262	320
Amounts used	-	-	-
Unused amounts reversed	-	-	-
Closing balance	163	346	509

	Actual 2014 \$000s		
	Restructuring	Other	Total
Previous year opening balance	170	-	170
Additional provisions made	20	84	104
Amounts used	(85)	-	(85)
Unused amounts reversed	-	-	-
Closing balance	105	84	189

Restructuring provision

The approved restructuring plan is based on the annual organisational review. The provision represents the estimated cost for redundancy payments arising from the restructure.

**NOTE 18
EQUITY AND RESERVES**

	Actual 2015 \$000s	Actual 2014 \$000s
Contributed capital		
Balance at 1 July	1,051,711	992,824
Capital contribution	-	1,716
Gain on amalgamation of subsidiaries during year	-	57,171
Repayment of capital	(1,716)	-
Balance at 30 June	1,049,995	1,051,711
Accumulated surpluses / (deficits)		
Balance 1 July	(42,781)	(45,983)
Surplus/(deficit) for the year	(22,950)	3,299
Transfers to restricted equity	(66)	(97)
Balance at 30 June	(65,797)	(42,781)
Restricted equity		
Balance at 1 July	1,743	1,646
Transfers from accumulated surplus	66	97
Distributions made	(88)	-
Balance at 30 June	1,721	1,743
Property revaluation reserves		
Balance at 1 July	32,611	18,606
Revaluations gains / (losses) through comprehensive income	585	14,005
Balance at 30 June	33,196	32,611
Total equity	1,019,115	1,043,284

Changes in the carrying value of RFA's equity and reserve balances are shown in the statement of equity. Details on the nature of the specific equity and reserve balances are detailed below:

Contributed capital

Contributed capital represents the amount of net assets initial injected into RFA upon its incorporation on 1 November 2010 as a result of the disestablishment of previous Auckland councils and council-controlled entities and establishment of Auckland Council and its newly created council-controlled entities.

Accumulated surpluses / (deficits)

Accumulated surpluses / (deficits) represent surpluses earned by the entity that have been retained since RFA's incorporation on 1 November 2010, plus the current year's deficit and movement.

Restricted equity

RFA sets aside specific amounts of retained surpluses in relation to their operations at Auckland Zoo. Specifically, restricted equity has been set aside for Auckland Zoo's activities relating to animal transportation costs upon initial acquisition and conservation initiatives. As costs are incurred, they are recognised through profit and loss in the period in which they relate, and the corresponding funds are transferred from restricted equity to retained earnings.

Restricted equity also includes trusts and bequest funds administered by Auckland Council for the benefit of Auckland Art Gallery for purchase of art and other specified purposes.

Asset revaluation reserve

RFA operates an asset revaluation reserve to hold movements upon the revaluation of property, plant and equipment.

	Actual 2015 \$000s	Actual 2014 \$000s
Property revaluation reserves consist of:		
Land	26,680	26,680
Buildings	-	-
Art	6,516	5,931
Total asset revaluation reserves	33,196	32,611

The asset revaluation reserve is maintained by class of property, plant and equipment. Movements in the revaluation of items are restricted to the class of property, plant and equipment to which they are allocated, in accordance with PBE IPSAS 17.

Upon the exhaustion of the asset revaluation reservation of a particular class of property, plant and equipment, any further devaluation is taken to profit or loss and is not offset any remaining revaluation reserve of other classes of property, plant and equipment in accordance with PBE IPSAS 17.

**NOTE 19 RECONCILIATION OF OF NET SURPLUS / (DEFICIT)
TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Actual 2015 \$000s	Actual 2014 \$000s
Net surplus / (deficit) after tax	(22,950)	3,300
<i>Add / (less) non-cash items</i>		
Depreciation	24,126	18,635
Amortisation	303	555
Bad debts	3	-
Increase / (decrease) in allowance for impairment of trade receivables	269	35
Impairment of property, plant and equipment	73	(1,784)
Impairment of other financial assets	295	-
Reversal of previously recognised impairment	-	(6,276)
Other non-cash adjustments	67	(199)
Gifted artworks	(1,380)	(827)
Total non-cash items	23,756	10,139
<i>Add / (less) items classified as investing or financing activities</i>		
(Gains) / loss on disposal of property, plant and equipment	346	284
Total items classified as investing or financing activities	346	284
<i>Add / (less) movements in statement of financial position items</i>		
(Increase) / decrease in other receivables	(2,158)	(735)
(Increase) / decrease in accrued income	1,163	(1,069)
(Increase) / decrease in prepayments	154	(922)
(Increase) / decrease in GST receivable	(90)	299
(Increase) / decrease in inventories	(30)	48
Increase / (decrease) in other payables	(6,257)	18,485
Increase / (decrease) in revenue in advance	660	2,806
Increase / (decrease) in accrued expenses	8,350	1,606
Increase / (decrease) in provisions	320	19
Increase / (decrease) in employee benefits	384	(126)
Increase / (decrease) in capital expenditure accrual	499	(840)
Increase / (decrease) in net related-party balances	(521)	(1,488)
Net movement in working capital items	2,474	18,083
Net cash flow from operating activities	3,626	31,806

NOTE 20 CAPITAL COMMITMENTS AND OPERATING LEASES

	Actual 2015 \$000s	Actual 2014 \$000s
Capital commitments		
Buildings	6,149	4,349
Plant and equipment	526	-
Total capital commitments	6,675	4,349

Capital commitments represent capital expenditure contracted at balance date but not yet incurred.

Operating leases as lessees

RFA leases property, plant and equipment in the normal course of their business. The majority of these leases have non-cancellable terms of 24 to 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Actual 2015 \$000s	Actual 2014 \$000s
Not later than one year	81	1,071
Later than one year and not later than five years	196	18
Later than five years	-	1,000
	277	2,089

The total minimum future sublease amounts expected to be received under non-cancellable subleases at balance date is \$1. This relates to a sublease to Auckland Zoological Park.

Leases can be renewed at RFA's option; rents are set with reference to current market rates for items of equivalent age.

Operating leases as lessors

RFA leases property, plant and equipment in the normal course of its business. The majority of these leases have non-cancellable terms of 24 to 60 months. The contribution by the third party operator of Vector Arena has been recognised as an operating lease, and the remaining period of the lease is 37 years. The future aggregate minimum lease payments payable under non-cancellable operating are as follows:

	Actual 2015 \$000s	Actual 2014 \$000s
Not later than one year	529	446
Later than one year and not later than five years	1,316	1,262
Later than five years	7,273	7,571
	9,118	9,279

NOTE 21 CONTINGENCIES

Contingent liabilities

2015

There are no contingent liabilities in 2015 (2014: nil).

Contingent assets

2015

New Zealand Centre for Conservation and Medicine

Certain leases and subleases for land and a building between Auckland Zoo and Auckland Zoological Park Charitable Trust (Inc) commenced on 6 July 2007 for 34 years and 363 days. The building, owned by the Trust, is used by Auckland Zoo as a national wildlife conservation and support facility providing specialist teaching, research and veterinary services and may revert at the end of the lease to Regional Facilities Auckland. Due to the current uncertainties as to the nature of the building's condition or use at the end of the lease, the fair value attributable to RFA's interest in the property cannot be determined and has not been recognised.

Robertson Art Collection

A binding agreement was established in 2009 for a donation of works of art by Julian and Josie Robertson (donors) to Regional Facilities Auckland for display in Auckland Art Gallery. The donors currently hold the artworks for their own and others' enjoyment; therefore, RFA will gain possession of the artworks on the contribution date specified in the agreement. No value is included in the intangible assets.

(2014: The same contingencies existed as at 30 June 2014).

NOTE 22
RELATED PARTIES

Related parties include associates, key management personnel and the elected representatives of the council and their close family members and entities controlled by them. Key management personnel are the chief executive and executive leadership team. The elected representatives of the council are the mayor and councillors. Close family members include spouses or domestic partners, children and dependants.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the council would have adopted in dealing with the party at arm’s length in the same circumstances.

Board of Directors		Executive Management	
Sir Donald McKinnon	Chair	Chris Brooks (appointed 16 March 2015)	Chief Executive Officer
John Avery	Director	Robert Domm (until 9 January 2015)	Chief Executive Officer
Lisa Bates	Director	Paul Brewer	Director, External Relations
Geoff Clews	Director	Kym Fell	Director, Corporate Services
Andrew Collow (appointed December 2014)	Director	Vicki Johnson	Director, Marketing and Communications
Dame Jenny Gibbs	Director	Simon Tran	Chief Finance Officer
John Robertson	Director	Rhana Devenport	Director, Auckland Art Gallery Toi o Tāmaki
Rukumoana Schaafhausen	Director	Jonathan Wilcken	Director, Auckland Zoo
Peter Stubbs (resigned December 2014)	Director	Mohamed Mansour	Director, Auckland Conventions
Gary Troup	Director	Robbie Macrae	Director, Auckland Live
		Paul Nisbet	Director, Stadium Management
		Doug Cole	Director, Strategic Partnerships
		Maree Laurent	Director, Cultural Partnerships

NOTE 23
SEVERENCE PAYMENTS

For the period ended 30 June 2015, RFA made three severance payments to employees totalling \$110,993 (2014: \$14,780).

NOTE 24
CAPITAL MANAGEMENT

RFA manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of RFA consists of net debt (borrowings as detailed in note 15 offset by cash and cash equivalents) and equity, which comprises:

- Contributed equity
- Accumulated surpluses / (deficits)
- Restricted equity
- Asset revaluation reserve.

Equity is represented by net assets.

Accumulated surpluses / (deficits) include historical valuation decreases on building assets and the WERO operating grant expenses fund by the sale of land.

The Local Government Act 2002 (the Act) requires RFA to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. RFA's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the parent. Intergenerational equity requires today's ratepayers to meet the costs of utilising RFA's assets and does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, RFA has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the ultimate parent (Auckland Council) to make adequate and effective provision in its Long-term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans, and the Act sets out the factors that RFA is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the parent's LTP.

RFA has only one lender of debt, which is its ultimate parent (Auckland Council). The Auckland Transitional Authority established a single banking arrangement with BNZ and a debt arrangement with each CCO ratified by its board. The debt agreement precludes borrowing from any party other than Auckland Council.

Key management personnel compensation	Actual 2015 \$000s	Actual 2014 \$000s
<i>Board members</i>		
Total remuneration	421	423
Headcount	10	10
<i>Executive management</i>		
Total remuneration	2,540	2,678
Full-time equivalent members	12	12
Total key management personnel compensation	2,961	3,101
Total full-time equivalent members	22	22

Due to the difficulty in determining the full-time equivalent for board members, the number of board members is taken as the full time equivalent.

NOTE 25

25 (A) FINANCIAL INSTRUMENTS BY CATEGORY

Financial risk management objectives and policies

The principal financial instruments of RFA comprise cash and cash equivalents, trade and other receivables, bank deposits (term exceeding 90 days), fair value community loans, trade and other payables and borrowings.

RFA manages its exposure to key financial risks in accordance with it's financial risk management policies.

The objective of these policies is to support the delivery of RFA's financial targets whilst protecting future financial security.

RFA has a series of policies to manage the risks associated with financial instruments; they are risk averse and seek to minimise exposure from their treasury activities. RFA has established parent-approved liability management and investment policies.

These policies do not allow any transactions that are speculative in nature to be entered into.

The main risks arising from RFA's financial instruments are credit risk, interest rate risk and liquidity risk.

RFA uses different methods to measure and manage different types of risk to which they are exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk.

The Board reviews and agrees policies for managing each of these risks as summarised throughout the remainder of Note 25. Primary responsibility for identification and control of financial risks rests with senior management under the authority of the Board. The carrying amounts of financial instruments in each of the categories are as follows:

Financial instruments by category	Actual 2015 \$000s	Actual 2014 \$000s
Financial assets at fair value through other comprehensive revenue and expense		
- Held-for-sale financial assets	-	20,350
Loans and receivables		
Cash and cash equivalents	33,762	30,047
Receivables	29,933	11,979
Other financial assets		
- Term deposits	885	4,661
- Community loans	1,382	1,927
Total loans and receivables	65,962	48,614
Financial liabilities measured at amortised cost		
Payables (excluding income in advance, taxes payable and grants)	54,980	46,561
Borrowings	10,041	10,322
Finance leases	1,346	1,351
Total loans and receivables	66,367	58,234

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are recognised according to the following hierarchy:

- Quoted market prices (Level 1)
- Valuation techniques with significant observable inputs (Level 2)
- Valuation techniques with significant non-observable inputs (Level 3)

	Valuation techniques			
	Total \$000s	Quoted market price \$000s	Observable inputs \$000s	Significant non-observable inputs \$000s

30 June 2015

Financial assets

Available-for-sale financial assets	-	-	-	-
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30 June 2014

Financial assets

Available-for-sale financial assets	20,350	Not applicable	20,350	Not applicable
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There were no transfers between the different levels of the fair value hierarchy.

25 (B) FINANCIAL INSTRUMENTS RISK

RFA's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk.

RFA has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. RFA does not hold any financial instruments that fluctuate in fair value or future cash flows as a result of changes in market prices.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. RFA does not hold any financial instruments that are susceptible to currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose RFA to fair value interest rate risk. RFA has a series of policies to manage interest rate risks.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. RFA does not have borrowings and investments that are issued at variable interest rates and, hence, are not exposed to cash flow interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its contractual obligations to RFA resulting in financial loss. Credit risk arises from the financial assets of RFA, which comprise cash and cash equivalents, trade receivables and other financial assets (term deposits and fair value loans).

Due to the timing of its cash inflows and outflows, surplus cash is at times invested with New Zealand-domiciled registered banks in term deposits and/or high-interest savings accounts; this gives rise to credit risk.

RFA does not hold any credit derivatives to offset their credit exposure.

RFA trades only with recognised, creditworthy third parties and, as such, collateral is not requested nor is it the RFA's policy to securitise its trade and other receivables.

Trade receivables consist of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of customers and the ageing of their existing outstanding balances.

RFA invests surplus funds only with entities that have Standard & Poor's credit ratings of at least 'A'. The maturity of funds invested on term deposits are staggered, so as to mitigate surplus funds held by counter-parties for extended periods of time.

RFA holds no other collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum credit risk for each class of financial instrument	Actual 2015 \$000s	Actual 2014 \$000s
Cash and cash equivalents	33,762	30,047
Receivables	29,933	11,979
Other financial assets		
- Term deposits	885	4,661
- Community loans	1,382	1,927
Total credit risk	65,962	48,614

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings (if available) or to historical information about counter-party default rates.

26 (B) FINANCIAL INSTRUMENTS RISK *continued*

Credit quality of financial assets	Actual 2015 \$000s	Actual 2014 \$000s
Counter parties with credit ratings		
Cash and cash equivalents		
AA-	33,762	30,047
Term deposits		
AA-	885	4,661
Counter-parties without credit ratings		
Receivables	29,933	11,979
Community loans	1,382	1,927
Total credit risk	65,962	48,614

Liquidity risk

Liquidity risk is the risk that RFA will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. RFA aims to maintain flexibility in funding by keeping committed credit lines available.

As the ultimate parent entity, Auckland Council manages its borrowings in accordance with its funding and financial policies, which include a liability management policy. These policies have been adopted as part of RFA's long-term plan.

The maturities of funds invested on term deposit are staggered so as to mitigate surplus funds being held by counter-parties for extended periods of time.

Contractual maturity analysis of financial assets

The table below analyses RFA's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Total carrying amount	Total contractual \$000s	On demand \$000s	Zero to six months \$000s	Six to 12 months \$000s	12 to 24 months \$000s	24+ months \$000s
2015							
Trade and other payables	54,980	54,980	54,980	-	-	-	-
Borrowings	1,438	1,438	-	-	-	1,438	-
Total	56,418	56,418	54,980	-	-	1,438	-
2014							
Trade and other payables	46,561	46,561	46,561	-	-	-	-
Borrowings	1,504	1,504	-	-	-	1,504	-
Total	48,065	48,065	46,561	-	-	1,504	-

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the parent and group's financial instrument exposures at balance date.

	Carrying amount \$000s	Contractual cash flows \$000s	Less than one year \$000s	One to two years \$000s	Two to five years \$000s	More than five years \$000s
2015						
Cash and cash equivalents	33,762	33,762	33,762	-	-	-
Receivables	29,933	29,933	29,933	-	-	-
Other financial assets						
- Term deposits	885	885	885	-	-	-
- Community loans	1,382	3,403	261	273	513	2,355
Total	65,962	67,983	64,841	273	513	2,355
2014						
Cash and cash equivalents	30,047	30,047	30,047	-	-	-
Receivables	11,979	11,979	11,979	-	-	-
Other financial assets						
- Term deposits	4,661	4,661	3,776	885	-	-
- Community loans	1,927	3,645	242	261	426	2,715
Total	48,614	50,332	46,044	1,146	426	2,715

26 (B) FINANCIAL INSTRUMENTS RISK *continued*

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50bps is equivalent to a decrease in interest rates of 0.5%.

	2015 \$000s	2015 \$000s	2014 \$000s	2014 \$000s
	-50bps Surplus	+50bps Surplus	-50bps Surplus	+50bps Surplus
Interest rate risk				
Financial assets	169	(169)	100	(100)
Cash and cash equivalents	-	-	-	-
Term deposits	-	-	-	-
Community loans	-	-	-	-
Financial liabilities				
Borrowings	-	-	-	-
Total sensitivity	169	(169)	100	(100)

RFA is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rates. The sensitivity analysis above has been determined based on the exposure to interest rates of the above non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Capital management

RFA's capital is its equity which comprises shareholder contributions, accumulated funds and revaluation reserves. Equity is represented by net assets.

RFA is subject to the financial management and accountability provisions of the Local Government Act 2002.

RFA has complied with the financial management requirement of the Local Government Act 2002 during the current financial year.

RFA manages its capital as a consequence of prudently managing revenues, expenses, assets and liabilities, its investments and general final dealings to ensure that RFA achieves its objectives and purpose, while remaining a going concern.

**NOTE 26
EVENTS AFTER BALANCE DATE**

There were no significant events after balance date which impacted the financial statements.

NOTE 27
MAJOR BUDGET VARIANCES

Explanations for major variances from RFA's budget:

Statement of comprehensive revenue and expense for the year ending 30 June 2015	Actual 2015 \$000s
Budgeted surplus from continuing operations before tax	7,361
<i>Revenue explanations</i>	
Finance interest is higher than budget due to interest earned on term deposits which were not budeted for	1,910
Zoo entrance and admission fees down against budget attributable to inclement weather during traditional visitation seasons	(707)
Ticket sales to Auckland Art Gallery exhibitions not budgeted for	977
Increase in value of assets recognised through profit and loss	975
Increased revenue in our Auckland Conventions and stadiums concerts during the year	5,150
Capital subsidies not received from Auckland Council due to deferment of capital programme	(2,919)
Total operating revenue explanations	5,386
<i>Expenditure explanations</i>	
Higher depreciation costs due to QBE and BMC integrations, plus increased capital spend	6,671
Increased costs of sales to generate income	3,651
Manukau Trust Grant incurred ahead of schedule, funded out of reserves	20,000
Additional labour to service additional revenue	4,695
Operational savings achieved	(651)
Inpairment of buildings	61
Total operating expenditure explanations	(34,427)
Actual deficit from continuing operations before tax	(22,950)

Statement of financial position

Variance in current assets is due to a higher-than-anticipated cash balance as a result of funds held in trust for concerts to be held in the early part of the new financial year. Trade receivables are higher than budget largely due to timing of the settlement of inter-company balances with Auckland Council. The current liabilities are higher than budget due to the timing of inter-company settlements to related parties and the recognition of the remainder of grants to be settled as a current liability.

The variance in non-current assets reflects capital projects not undertaken in the current financial year and the reclassification of the Vector Arena asset from an intangible asset to property in line with the transition to the new PBE accounting standards.

Statement of movement in equity

The variance in equity reflects contributed capital not received from Auckland Council, the past year's accumulated losses, and lower than budgeted revaluations.

Basis of budget preparation

The budget for the year to 30 June 2015, as presented in the Statement of Intent, was prepared at the RFA Group level. Amounts reported in the budget variances exclude NSEC assets, liabilities, equity, revenue and expense as indicated in Note 29, due to the decision not to consolidate.

NOTE 28
ADJUSTMENTS ARISING ON TRANSITION TO NEW PBE ACCOUNTING STANDARDS

Reclassification adjustments

There have been reclassifications on the face of the financial statements in adopting the new PBE accounting standards.

Recognition and measurement adjustments

The table below explains the recognition and measurement adjustments to the 30 June 2014 comparative information resulting from the transition to the new PBE accounting standards.

Statement of comprehensive revenue and expense for the year ending 30 June 2015	NZIFRS 2014 \$000s	Reclassification adjustments \$000s	PBE IPSAS 2014 \$000s
Statement of comprehensive revenue and expenses			
<i>Revenue</i>			
Finance income	880	269	1,149
<i>Other gains / (losses)</i>	6,276	3,495	9,771
Expenditure			
Depreciation	17,130	1,510	18,640
Effect of transition adjustment to statement of comprehensive revenue and expenses		2,254	
Statement of financial position			
<i>Non-current assets</i>			
PPE	960,471	77,154	1,037,625
Intangibles	73,514	(72,722)	792
<i>Current liabilities</i>			
Borrowings	1,526	269	1,795
<i>Non-current liabilities</i>			
Borrowings	1,329	8,549	9,878
<i>Equity</i>			
Contributed capital	1,057,058	(5,347)	1,051,711
Retained surpluses	(43,742)	961	(42,781)
Effect of transition adjustment to statement of financial position		-	
Statement of changes in equity			
Opening balance	973,733	(6,640)	967,093
Surplus/(deficit) for the year	1,046	2,254	3,300
Revaluations gains / (losses) through comprehensive income	14,005		14,005
Total comprehensive revenue and expense for the year	15,051	2,254	17,305
Capital contributions	1,716		1,716
Gain on amalgamation of subsidiaries during year	57,171		57,171
Balance at 30 June 2014	1,047,671	(4,386)	1,043,284

Reclassification explanatory notes:

The original contribution by Auckland City Council to acquire the Vector Arena asset has been recognised as a building asset and associated liability under the new PBE accounting standards, and is accounted for on the following basis:

- i) Recognition of asset: the building has been recognised as an asset and has been independently revalued by Beca in accordance with RFA's valuation policy for buildings. The building and associated improvements are depreciated over its estimated useful life (currently estimated at between 35 and 90 years).
- ii) Recognition of liability: unearned lease revenue is recognised as finance income over the remainder of the lease period.

North Shore Events Centre

North Shore Events Centre and the composition of RFA

During 2014/15, RFA identified that the North Shore Events Centre Trust (NSEC), a subsidiary since the reorganisation of the structure of Auckland local government in 2010, may not be controlled by RFA. There is uncertainty whether the relationship between RFA and NSEC set out in NSEC's Trust Deed and investment partnership agreement meets the "control" tests required under Accounting Standards.

The financial statements have been prepared on the basis that RFA does not control NSEC and that it is not a subsidiary and should not be consolidated into the financial statements of RFA. As NSEC was the only subsidiary of RFA, the financial statements for 2014/15 and for 2013/14 comparatives reflect only the operations and activities of RFA.

NOTE 29
NON-CONSOLIDATION OF THE NORTH SHORE EVENTS CENTRE

North Shore Events Centre Trust Board

North Shore Events Centre Trust Board (the Trust), a charitable trust, was established on 5 March 1985 for the purpose of managing the North Shore Events Centre. The Trust has been previously consolidated into the financial results of RFA. In reviewing the accounting requirements for relationships with entities arising from the trust's deed and investment partnership agreements there is uncertainty as to whether RFA controls the Trust.

The Trust's status as a controlled entity for accounting purposes, arising from the application of the test of Control in section 5(2)(b) of the Public Audit Act 2001, is in the process of being reassessed by the Office of the Auditor-General.

While the Trust is independent and free to solicit funding from any source, a portion of the Trust's current funding is received from RFA. This funding is provided under an investment partnership agreement for specific objectives and with agreed upon annual targets. The annual financial statements of the Trust are prepared and audited independently of RFA.

No decision has yet been made about the status of the Trust as a controlled entity, and the operations of the Trust have not been consolidated within the results of RFA. However, to address the possibility that the Trust is deemed a controlled entity the following are the unaudited results for the year ended 30 June 2015:

	Actual 2015 \$000s	Actual 2014 \$000s
Total revenue	1,203	1,165
Total costs	1,370	1,378
Net loss for year	(167)	(213)
Cash and term deposits	922	761
Receivables	12	49
Property, plant and equipment	15,815	15,249
Total assets	16,749	16,059
Trade and other payables	136	145
Total liabilities	136	145
Net assets (contributed equity)	16,613	15,914

The buildings of the Trust will revert to RFA on the winding up of the Trust.

As at 30 June 2015 the results of the Trust are not material for the purposes of RFA's financial statements.

Disclosure of interest in North Shore Events Centre Trust Board

In terms of the investment partnership agreement with the Trust, RFA awarded \$287,951 to the Trust as project and business delivery operational grants during the financial year to 30 June 2015 (2014: \$303,106). The investment partnership agreement terminates on 31 December 2015.



INDEPENDENT AUDITOR'S REPORT

To the readers of Regional Facilities Auckland's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of Regional Facilities Auckland (the Trust). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Trust on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 74 to 108, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 59 to 70.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards; and
- the performance information of the Trust presents fairly, in all material respects, the Trust's achievements measured against the performance targets adopted for the year ended 30 June 2015; and

Our audit was completed on 30 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information.

If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement,

including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards. The Trustees are also responsible for preparation of the performance information for the Trust.

The Trustees's responsibilities arise from the Local Government Act 2002 and the Trust Deed. The Trustees are responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and Section 69 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.


Other than the audit we have no relationship with or interests in the Trust.




Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

IMAGE CREDITS


COVER

 ■ Olafur Eliasson, *The cubic structural evolution project*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki


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 ■ *Light Show*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki. PHOTO: DAVID ST GEORGE


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 ■ Olafur Eliasson, *The cubic structural evolution project*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki. PHOTO: DAVID ST GEORGE


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 ■ Carlos Cruz-Diez, *Chromosaturación* 1965-2013, (installation view), *Light Show*, 2015, Auckland Art Gallery Toi o Tāmaki


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 ■ Billy Apple: *The Artist Has to Live Like Everybody Else*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki


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 ■ Lisa Reihana, *in Pursuit of Venus [infected]* 2015, multi-channel video, Auckland Art Gallery Toi o Tāmaki, 2015


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 ■ Billy Apple: *The Artist Has to Live Like Everybody Else*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki


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 ■ Lisa Reihana, *in Pursuit of Venus [infected]*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki, 2015

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 ■ *Toi Aotearoa*, (installation view), 2014, Auckland Art Gallery Toi o Tāmaki

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 ■ *Light Show*, (installation view), 2015, Auckland Art Gallery Toi o Tāmaki

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