

Confidential

Board Meeting Agenda, Friday 23 March 2018  
 Tāmaki Makaurau Boardroom, L8 139 Quay Street

Item	Subject	Action	Start Time	Duration	Pg.
<b>OPEN AGENDA</b>					
1	Apologies	To Note	2.35 p.m.	1 mins	
2	<a href="#">Open Minutes 23 February 2018</a> and Open Action Tracker, Nick Hill	To Approve	2.36 p.m.	2 mins	<b>2</b>
3	<a href="#">Directors Interest Register</a> , Conflicts of Interest Declaration, David McConnell	To Note	2.38 p.m.	2 mins	<b>4</b>
4	<a href="#">Chief Executive's Activity Report</a> , Nick Hill	To Note	2.40 p.m.	10 mins	<b>14</b>
5	<a href="#">Finance Report</a> , Joy Buckingham		2.50 p.m.	10 mins	
	<b>Close of Meeting</b>		<b>3.00 p.m.</b>		

## OPEN BOARD MINUTES

<b>What:</b>	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
<b>Where:</b>	Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland
<b>When:</b>	Friday, 23 February at 12.53 p.m.
<b>Directors:</b>	David McConnell Helen Robinson Mike Taitoko Glenys Coughlan Evan Davies
<b>Apologies:</b>	Danny Chan Stuart McCutcheon Sir Pita Sharples (Board Consultant)
<b>In Attendance:</b>	Nick Hill, Chief Executive Tim Kingsley-Smith, Company Secretary Joy Buckingham, Chief Financial Officer
<b>Public &amp; Media Attendance:</b>	N/A

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### Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum is a majority of the directors (12.9 of the Constitution) and there currently being seven directors, a quorum of Directors was present. It was noted that each Director had been given proper notice of the meeting.

### Meeting Business

#### 1. Apologies

The apologies of Danny Chan, Stuart McCutcheon, and Sir Pita Sharples were noted.

#### 2. Minutes of Previous Meeting and Action Tracker

The Board discussed the draft minutes of the meeting held on 23 January 2018 and the Open Action Tracker.

The Board **approved** the minutes of the meeting held on 23 January 2018 and confirmed the minutes were a true and correct record.

#### 3. Register of Directors' Interests and Conflicts of Interests Declaration

The Board **noted** the Directors' interests register.

#### 4. Chief Executive's Activity Report

Nick Hill spoke to the paper. The key points discussed were:

- The Board noted that that the recent lighting of the Harbour Bridge had been very successful and universally well-received. The Board congratulated Management for ATEED's role in the project.
- The Board discussed ATEED's office move. Management noted that the Council Finance and Performance Committee is due to consider this matter shortly as part of its upcoming consideration of ATEED's budget.

Following the conclusion of discussions, the Board **noted** the paper.

#### 5. Finance Report

Joy Buckingham spoke to the paper. The key points discussed were:

- Management noted that ATEED is tracking \$1m behind Forecast 2. This is due to:
  - Sponsorship income of \$0.5m received earlier than planned for the Lantern festival;
  - An early release of a finder's fee provision of \$0.2m that did not eventuate;
  - A timing underspend of \$0.5m in marketing campaigns for Trade Partnerships, Destination and Study Auckland activities; and
  - A decrease in staff costs due to a decrease in annual leave accrual costs contributing to the favourable variance.
- The above positive flows have been offset by an increase in depreciation of \$0.5m relating to the Grid AKL buildings. There is no impact on overall funding for depreciation as this is funded via capex income from Auckland Council.

Following the conclusion of discussions, the Board **noted** the paper.

The Chairperson declared the meeting closed at 1.25 p.m.

**SIGNED** by the Chairperson as an accurate record of the meeting:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

### ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
David McConnell	Managing Director, McConnell Group Deputy Chair, Committee for Auckland Board Member, University of Auckland's Business School Advisory Board Director, Future Schools Partners GP Limited (5625905) Director, Future Schools Partners GP 1 Limited (5616086) Director, H Construction Schools 2 PPP Limited (5508209) Director, Malcolm Nielson Limited (5879529) Director, Ascot Parade Limited (2157240) Director, C 60 Display Limited (2247276) Director, Mc (Jervois) General Partner Limited (5486582) Director, Malcolm Custodian Limited (5892176) Director, What Comes Next Limited (5860568) Director, H Construction North Island Limited (175077) Director, H Construction Hobsonville Limited (3893218) Director, Ayrlires Parklands Limited (1646167) Director, H Plant Limited (3691839) Director, H Construction North Island Group Limited (3873056) Director, H Infrastructure Holdings Limited (5995672) Director, London Group Holdings Limited (634236) Director, BPB Plasterboard Limited (1644304) Director, Titanium Park Development Limited (1731580) Director, Orange H Group Limited (3691741) Director, Projects (M.I.L.) Limited (606848) Director, Mcconnell Group Limited (6106847) Director, Newquay Infrastructure Investments Limited (6106950)

	<p>Director, H Infrastructure Limited (3691835)                  Director, Addison Group Limited (3377631)                  Director, Hawkfleet Limited (3329470)                  Director, Addison Developments Limited (855954)                  Director, HUC Limited (826148)                  Director, Blackpool Services Limited (6106907)                  Director, Leeds Construction Limited (6106928)                  Director, Mariner Rise Limited (1897890)                  Director, 429 Limited (882429)                  Director, Spiral Welded Pipes Limited (599333)                  Director, Mcconnell Property Services Limited (2093843)                  Director, Orange H Management Limited (3691975)                  Director, H Construction N.I. Limited (3874817)                  Director, Wilkins &amp; Davies Limited (5860549)                  Director, Learning Infrastructure Partners Gp 1 Limited (5862845)                  Director, Beaumont Park Limited (1892636)                  Director, Mcconnell Developments Holdings Limited (2066570)                  Director, Orange H Construction Limited (3723877)                  Director, H Construction Group Limited (3746315)                  Director, MTC Land Investments Limited (5452582)                  Director, Steelpipe Limited (49280)                  Director, Citygate Limited (2072237)                  Director, McConnell Developments Limited (886504)                  Director, Galleon Limited (597939)                  Director, H Infrastructure (NZ) Limited (5995721)                  Director, MP Shelf Company 2002 Limited (1231221)                  Director, McConnell Funds Management Limited (2396949)                  Director, Learning Infrastructure Investment Limited (3765221)                  Director, Element NZ Limited (2163263)</p>
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	<p>Director, McConnell Property Limited (2396928)                  Director, H Construction South Island Limited (3691841)                  Director, McConnell GP No. 1 Limited (2478228)                  Director, The Shooting Box Limited (866096)                  Director, Arnot Investments Limited (3945959)                  Director, McConnell Limited (634938)                  Director, Shelf Company 2012a Limited (401431)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Evan Davies	<p>Director, Kimono Capital Limited (6341449)                  Director, Long Bay Village Limited (5830034)                  Director, Todd Property Group Limited (2291506)                  Director &amp; Shareholder, Welch Securities Limited (1122606)                  Director, Long Bay Communities Limited (1415659)                  Director, Stonefields Communities Limited (1025439)                  Director, Okura Holdings Limited (1512475)                  Director, Long Bay Farming Limited (1560352)                  Director, Ngunguru Coastal Holdings Limited (1285296)                  Director, Ngunguru Coastal Investments Limited (1570675)                  Director, Tall Oaks Holdings Limited (1968803)                  Director, Todd Land Holdings Limited (2152132)                  Director, Todd Th Limited (1875941)                  Director, Lld Limited (1308103)                  Director, Paris Magdalinos Architects Limited (1941004)                  Director, Todd Property Pegasus Development Limited (4857639)</p>

	<p>Director, Todd Capital Limited (936395)                  Director, Todd Winegrowers Limited (2152133)                  Director, Todd Property Usa Limited (3912181)                  Director, Altera Apartments General Partner Limited (4566279)                  Director, Stonefields Development Limited (3692395)                  Director, Panuku Development Auckland Limited (3089645)                  Director, Todd Property Pegasus Town Limited (4126839)                  Director, Todd International Investments Limited (1017227)                  Director, Pegasus Town R24 Limited (4869619)                  Director, Win Limited (6192307)                  Director, Nel Farms Limited (4969859)                  Director, Tc Farms Group Limited (5477244)                  Director, Todd Property Ormiston Town Centre Limited (3027783)                  Director, Todd Property Napier Hill Limited (3483383)                  Director, Todd Property Huapai Development Limited (5293201)                  Director, Pegasus Town R23 Limited (4868161)                  Director, Ilico Apartments General Partner Limited (4757340)                  Director, Todd Property Stonefields Apartments Limited (3736202)                  Director, Todd Property Albany Development Limited (3808876)                  Director, Saltus Apartments General Partner Limited (3809036)                  Director, Titanium Park Development Limited (1731580)                  Director, Kapiti Coast Airport Holdings Limited (3917540)                  Director, Todd Property Pegasus Town Services Limited (3250819)                  Director, Todd Property Whitby Development Limited (4102938)                  Director, Bellus Apartments General Partner Limited (5830670)                  Director, Verto Apartments General Partner Limited (5716247)                  Director, Priory Pastoral Farm Limited (1370798)                  Director &amp; Shareholder, Kokako Farms Limited (152400)                  Director, Priory Pastoral Developments Limited (1472500)</p>
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	<p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Glenys Coughlan	<p>Director, Dunedin Venues Management Limited (2298338)                  Director &amp; Shareholder, GJ &amp; Company Limited (6095649)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Mike Taitoko	<p>Director and Shareholder of Waiora Consulting Limited (5330302)                  Director and Shareholder of Waiora Pacific Limited (3887379)                  Director, Canvasland Holdings Limited (429999)                  Director, Cognition Education Limited (963400)                  Director, Committee For Auckland Limited (1121413)                  Director, Maratini Holdings Limited (6261547)                  Director, Mercury LTI Limited (4387380)                  Director, Mercury NZ Limited (936901)                  Director, Takiwa Health Limited (5783499)                  Advisory Board Member of Massey University School of Business</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and</p>



	funded by the Company
Director	Roles & Responsibilities outside of ATEED
Danny Chan	<p>Director and Shareholder, A1 FLOWER WHOLESALERS LIMITED (810599)</p> <p>Director and Shareholder, ALPHA ASSET MANAGEMENT LIMITED (645615)</p> <p>Director and Shareholder, ARN INVESTMENTS LIMITED (2192871)</p> <p>Director and Shareholder, FLOWERZONE INTERNATIONAL LIMITED (582216)</p> <p>Director and Shareholder, FLOWERZONE TURNERS LIMITED (491878)</p> <p>Director and Shareholder, GRIFF TRADING LIMITED (1212490)</p> <p>Director and Shareholder, LADY WHITE SNAKE FILM LIMITED (1531000)</p> <p>Director and Shareholder, NEW EDUCATION INVESTMENT LIMITED (323228)</p> <p>Director and Shareholder, ORIENT ASSET MANAGEMENT LIMITED (424595)</p> <p>Director and Shareholder, ORIENT PACIFIC INVESTMENTS LIMITED (1169701)</p> <p>Director and Shareholder, ORIENT PACIFIC MANAGEMENT LIMITED (1169702)</p> <p>Director and Shareholder, ORPAC INTERNATIONAL LIMITED (668742)</p> <p>Director and Shareholder, PLANIT PRODUCTS NZ LIMITED (1812117)</p> <p>Director and Shareholder, RHINO SECURITY LIMITED (1218758)</p> <p>Director and Shareholder, SHARP MULTI-MEDIA LIMITED (1222077)</p> <p>Director and Shareholder, SHARP MULTI-MEDIA PRODUCTION LIMITED (1488659)</p> <p>Director and Shareholder, SIMTUTOR LIMITED (5285041)</p> <p>Director and Shareholder, SUMFOOD LIMITED (6281982)</p> <p>Director and Shareholder, TAHERE CALLA &amp; BULB COMPANY LIMITED (620632)</p> <p>Director and Shareholder, TAHERE CALLAS LIMITED (541102)</p> <p>Director and Shareholder, TALAFORD INVESTMENTS LIMITED (243773)</p> <p>Director and Shareholder, THE ACADEMIC COACHING SCHOOL LIMITED (1218520)</p> <p>Director, ABANO HEALTHCARE GROUP LIMITED (13802)</p> <p>Director, ASIA PACIFIC CENTRE FOR FOOD INTEGRITY LIMITED (4798639)</p> <p>Director, BOSS SYSTEMS LIMITED (1566017)</p> <p>Director, CARBONSCAPE LIMITED (3953398)</p> <p>Director, CLUB Q CONDOMINIUMS LIMITED (366215)</p>

	<p>Director, COTTAGE DESIGN LIMITED (553363)                  Director, DANTING INVESTMENTS LIMITED (1101054)                  Director, DIABETIC FOOD LIMITED (5785571)                  Director, EDUCATION INVESTMENT LIMITED (2099558)                  Director, ENROLMY LIMITED (5746128)                  Director, EVERGROW PROPERTIES LIMITED (638821)                  Director, FASTCOM LIMITED (2292668)                  Director, FMG INSURANCE LIMITED (1801045)                  Director, GLOBAL ACADEMIC GROUP HOLDCO LIMITED (5789309)                  Director, GREEN CUT LIMITED (2200640)                  Director, GREEN HARVEST EXPORTS LIMITED (424593)                  Director, GREEN HARVEST PACIFIC HOLDINGS LIMITED (912715)                  Director, GREEN HARVEST PACIFIC LIMITED (807760)                  Director, MARLBOROUGH WINE ESTATES GROUP LIMITED (5639568)                  Director, NEW ZEALAND YACON LIMITED (3893137)                  Director, ORIENT PACIFIC CORPORATION LIMITED (482579)                  Director, PISCES TRUSTEES COMPANY LIMITED (4364838)                  Director, SEAPLIES INTERNATIONAL (NELSON) LIMITED (931103)                  Director, SIMTICS LIMITED (1405985)                  Director, TAHERE GROUP LIMITED (6090882)                  Director, TURNERS FLOWER EXPORTS N.Z. LIMITED (1677418)                  Shareholder, AIRE CUT COMPANY LIMITED (1255160)                  Shareholder, B.L.TECH LIMITED (4425298)                  Shareholder, CLOUD M LIMITED (3170790)                  Shareholder, DANTING INVESTMENTS LIMITED (1101054)                  Shareholder, IMONITOR INTELLECTUAL PROPERTY LIMITED (1874643)                  Shareholder, ORGANIC INITIATIVE LIMITED (5595738)                  Shareholder, RAWHITI MANUKA HONI LIMITED (2369144)                  Shareholder, SHORTLAND FLATS LIMITED (41534)                  Shareholder, SIMTUTOR LIMITED (5285041)</p>
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	<p>Shareholder, SUPERTHRILLER JET SPRINT LIMITED (110844)                  Shareholder, THE CABLE FERRET COMPANY LIMITED (4482398)                  Shareholder, THE CAREER ACADEMY LIMITED (1245347) (Removed)                  Shareholder, THE DIGITAL CAFE LIMITED (6094889)                  Shareholder, VOLT TECHNOLOGY LIMITED (5684947)                  Shareholder, ZENITH ASSET MANAGEMENT LIMITED (1770979)                  Member, NZ China Advisory Council (appointed 20 November 2012)                  Member, NZ Markets Disciplinary Tribunal                  Director, Farmers Mutual Group (Mutual Society)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<p>Chair Director and Shareholder, Cloud M Limited (3170790)                  Director and Shareholder, KND Trustees Limited (5691575)                  Managing Director and Shareholder, Penguin Consulting Limited (1694891)                  Co-Founder &amp; Executive Director, Organic Initiative Limited (5595738)                  Director and Chair, The Network For Learning Limited (3897339)                  Shareholder, KND Investments Limited (1694892)                  Shareholder, Organic Initiative Limited (5595738)                  Chair, Valens Group                  Director, Fulbright NZ Ltd                  Director, NZ Defence Force                  Trustee, Aktive Auckland Sport &amp; Recreation                  Trustee, Robinson Family Trust</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and</p>

	funded by the Company
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart McCutcheon	<p>Director, Lexington Properties Limited (1605485)  Chairman of Directors, Auckland Uniservices Limited (373821)  Chairman, Universities New Zealand (From 1 January 2017)  Director, Universitas 21 International University Network  Council Member, University Of Auckland  Member, Partnership Board, The Worldwide Universities Network  Member, Steering Committee, The Association Of Pacific Rim Universities  Trustee, Uk Friends Of The University Of Auckland</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Board Advisor</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Sir Pita Sharples	<p>Director, Tu Maori Mai Limited (5584726)  Director, Arapita Limited (1369621)</p> <p>Hoani Waititi Marae - Taumata  Te Ropu Manatangi – Kai ako  Te Whare Tu Taua – Tumu Whakaarei  Ngā ti Kahungungu iwi – Taumata  Te Toa Takitini – Kaumatua advisor  Aorangi maori trust board – Kaumatua  Rakau Tatathi Marae – Paepae  Mahi Tahī trust Board – Member  Maori and Pacific Trade Training – Manawhaka haere</p>

	<p>Maori Heritage Council – Member          NZ Heritage Trust Board – member          Emerge Aotearoa – Board Kaumatua          NPM – Patron          Te Arapai – Member          Auckland Museum Trust Board - Member          Auckland Museum Maori Council – Member          Special Expert Group on Organ Donation – Member          Pacific Leaders Programme – Consultant          Matatini – Life Member          Zin and Tane Chinese Maori Dance Production – Producer          White Ribbon Campaign – Ambassador          West Auckland Task Force against Domestic Violence – Member          Pillars – Patron          Tamaki Makaurau Haka Society – Life Member          Unitech Maori Advisor          Maori Chinese youth forum – Kaumatua          Heritage NZ Pouhere Taonga Trust</p>
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OPEN  
March 2018

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# Chief Executive Review of March 2018

Report to Auckland Tourism, Events and Economic Development Limited Board

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## Purpose

The purpose of this report is to update the ATEED Board on key activities and results received for the month ending 16 March 2018.

## Strategy development

### **ATEED strategy review**

Refer to separate Board agenda item.

### **Destination AKL 2025, APTR Governance**

Refer to separate Board agenda item.

## Stakeholder engagement

The six monthly local board reports summarising ATEED's local economic growth activity, were submitted and presented to boards during February and March. There continues to be a high degree of engagement by boards with an interest in tourism and economic development. Highlights include support for the Manurewa town centre revitalisation project, further development of the Hunua cycle trail and business support workshops. ATEED is working with Waiheke local board to dovetail the Auckland Destination Strategy into its plan for sustainable tourism, and with the Waitakere Ranges local board on the impact of kauri dieback disease on the tourism and film industries.

Māori engagement in February included the preparation of internal advice to council's Executive Leadership Team regarding Māori outcomes and funding priorities for the Long-term Plan 2018-2028. ATEED's Chief Executive has continued a round of engagement on ATEED's developing strategy, meeting a number of Councillors and visiting The Southern Initiative operation.

## Media summary

- Overall coverage of ATEED or ATEED-related initiatives and issues totalled 541 stories (compared to 779 stories for January, 628 for December and 1283 for November).
- The Volvo Ocean Race Auckland Stopover (142 stories), America's Cup (138 stories), kauri dieback (129 stories) and Auckland Pride Festival (91 stories) generated most coverage this month.
- Online news had the highest volume of coverage (267 items or 49 per cent of the total).
- Year on year, coverage was down by 33 per cent on the same period, due predominantly to the widespread coverage in February 2017 of the NRL Auckland Nines being dropped from Auckland's Major Events calendar for 2018.
- 57 proactive and 59 reactive media engagements/requests were recorded.
- 10 media releases were issued:

- Nine visitor stories: Contemporary Māori creative arts in spotlight (22 January); Lots for tamariki at Tāmaki Herenga Waka Festival (15 January); Vector Lights will transform the Auckland Harbour Bridge (28 Feb); Auckland Lantern Festival media attendance (27 Feb); Experience Auckland’s unique Māori culture (26 Feb); Auckland’s rising star – road to 2021 (20 Feb); Auckland secures \$33m worth of business events from Australia through in-market presence (20 Feb); Countdown to 2018 Auckland Lantern Festival (8 Feb); ATEED funding for Auckland Pride Festival events (1 Feb)
- One economic story: New data available on Auckland Index (28 Feb)
- One media LGOIMA was received in February: Fairfax – drug testing of staff across Auckland Council group.
- Six non-media LGOIMAs were received in February:
  - Arthur Moore – to what extent ATEED contributed to the [Pride] festival in terms of money, crowd control security etc. and the total value in dollar terms of the Councils/ATEED’s contribution (this was due in early March)
  - NZ Taxpayers’ Union – a copy of the contract between ATEED and the Pride Festival Inc in relation to the Pride Parade
  - If former Mayor Len Brown been employed in any role by Auckland Council or CCOs since his mayoral term finished
  - Joel Cayford – America’s Cup. All information, including capex and opex estimates and projections, relating to costs, revenues or benefits, of options considered by Panuku or its agents for hosting America's Cup related events
  - Simon Anderson – every email sent or received by the following individuals containing the word "fist" (without quotes) between 1 January 2017 and 19 February 2018: Phil Goff, David McConnell, Mike Taitoko, Helen Robinson, Danny Chan, Glenys Coughlan, Evan Davies, Nick Hill, Martin Fairweather, Lisa Winkle, Steve Armitage, Patrick McVeigh, Dean Butchers

Note: ATEED’s sponsorship of the Pride Parade on behalf of Council prompted the Auckland Ratepayers’ Alliance to inaccurately publish a media statement condemning the use of ratepayer funds for a sex party Kiwifist 2018. This led to some media inquiries, and a raft of public complaints to senior ATEED executives. The Communications and Media team led ATEED’s response, managing media proactively through its trusted relationships, and providing written responses on behalf of senior management. The main message was to reiterate that in fact ATEED’s sponsorship was solely for the Pride Parade and that there was no financial support for the wider festival including Kiwifist 2018.

  - Bruce Coldicutt – a copy of the MOU between New Zealand Film Commission, ATEED, Warner Bros Pictures and Gravity Pictures.

**Favorability**

Tone of Voice			Share of Voice				
	Neutral	Positive	Negative	ME	CORP	BUSINESS	DEST
Feb 2018	12%	88%	8%	48%	28%	5%	*19%
Jan 2018	*16%	74%	10%	74%	13%	2%	*11%
Dec 2017	*31%	56%	13%	36%	14%	4%	*46%

\* Impact of Kauni debark.

Note: *Tone of Voice* is a subjective measure. Each story is assessed by ATEED’s Communications and Media team based on its potential to positively or negatively influence ATEED or Auckland’s reputation in the eyes of the reader/viewer.

**Statement of Intent KPIs**

As at 28 February, ATEED continued to make good progress on the targets set out in the Statement of Intent (SOI) 2017-19. Progress against KPIs is included in the attached KPI Scorecard (Appendix 1). To the end of February, all but the following four KPIs are on track to be achieved by year-end:

#### Build a culture of innovation and entrepreneurship

- The 'level of advocacy by stakeholders involved in the provision of business advice, start-up, training & mentoring programmes', for the Regional Business Partner Network (RFP) programme, is unchanged from amber status (potential for not meeting) with a Net Promoter Score (NPS) of +45 (target of +50). Despite February results showing an upward trend back to expected levels with 104 registrations, it is unlikely that there will be sufficient numbers to move the NPS much further given the way the scoring works.
- Analysis of the RBP Customer Survey data has been completed and found that we carry a higher number of startups than other parts of the country. The service offering is also more suited to SMEs (past startup stage), meaning some startups may not be satisfied. Training and effort will continue to focus on improving scores and correct targeting.

#### Grow the visitor economy

- The Auckland Convention Bureau (ACB) KPI 'value of business event bids won in the financial year (for international bidding – global associations only) remains unchanged at amber status and may not achieve target. The value has increased from \$8.9m in December to \$9.4m at 28 February against the target of \$22m. In February, ATEED was advised of one win with an estimated economic value of \$0.5m, and two losses with a combined estimated economic value of \$0.65m. At 12 March, nine bids are pending and remain in the pipeline – six bids are from FY17/18 and three bids are from FY16/17, with a total estimated economic value of \$25.34m. Auckland continues to compete with other international cities that are able to offer incentives.

#### Promote Auckland's global identity

- As previously reported, ATEED will not meet the related website targets for the 'total visits to [www.aucklandnz.com](http://www.aucklandnz.com)', or 'Percentage of visitors to [www.aucklandnz.com](http://www.aucklandnz.com) located outside of Auckland'. Marginal improvements have been made in relation to the latter as a result of optimisation targeting ex-Auckland traffic, however the gains are not material in the context of the overall target. Following a cost benefit assessment in of possible solutions, Management have decided to avoid significant further investment in this area. As previously reported, both these KPIs will be revised as part of the delivery of the new SOI.

Progress (interim results) against annual SOI KPIs measured by ATEED will be reported to the Board in April.

## **ATEED strategic priorities**

### ***Build a culture of innovation and entrepreneurship***

#### **GridAKL**

At 28 February, there were 57 businesses (including 81 per cent "innovation-led") at the Lysaght Building, which is down slightly from 62 in December. The number of individuals taking up co-working space was 168, up from 152 in December. The Lysaght Building is near to capacity for tenants and only 'flexi/casual' memberships are being accepted. Transition of GridAKL operations has been complete, with business continuity maintained and no reported issues to date. Work is continuing with Ventia and Panuku Development Auckland on repairs and maintenance issues, and replacing BizDojo owned/leased assets.

12 Madden Street and Mason Brothers had 21 member companies and 134 individuals in January. February results are pending and will be reported next month.

The number of GridAKL events has exceeded expectations with more than 80 events held across Lysaght (35), 12 Madden Street and Mason Brothers (52) during January and February. Highlights included the ASB Cohort Two Upstart accelerator bringing 20 new members to the Lysaght Building for the next 3 months and NZ Space Challenge 2018, an initiative led by the Christchurch economic development agency which GridAKL is the Auckland regional partner for.

A cohesive approach is being taken to market the GridAKL brand and properties by bringing the Lysaght and Generator teams together. Work is also underway to capitalise on Techweek'18 opportunities. As part



of the GridAKL offer, Generator will host international delegates and gift hot-desk membership during the event.

#### Upcoming ATEED-supported business events

Event	Date/s
Techweek'18 launch	21 March
Local Economic Development Masterclass	22-23 March
Best of the Best 2017 Westpac Auckland Business Awards Gala	28 March
Lord Mayor of Brisbane delegation	13 – 16 April
DIGMYIDEA launch	17 April
Techweek'18	19-27 May

#### APEC Business Advisory Council, 1-4 February

As reported last month, ATEED sponsored three events during the recent APEC Business Advisory Council (ABAC) meeting held in Auckland from 1-4 February. More than 200 delegates from the 21 APEC nations visited Auckland for the meeting.

Key highlights and reported outcomes include:

- Shared the benefits of growth and embracing the digital economy, particularly for senior Asia-Pacific business leaders
- Welcomed forecasts for strong regional growth, noting the IMF prediction that Asia-Pacific GDP would expand by 5.4 per cent this year, far outstripping the rate of 2 per cent in advanced economies
- Other priority discussions included improving connectivity; structural reform especially in the services sector; reducing trade and investment barriers; facilitating opportunities for micro, small and medium enterprises; strengthening financial systems; and grappling with issues around sustainable growth such as food and energy security
- Big strategic considerations also tabled included smarter globalisation so that the benefits are more widely shared in terms of jobs and living standards.

The Auckland meeting was also the occasion for the annual dialogue with APEC senior officials, including discussions about the APEC Post 2020 Vision which will help to develop robust policy approaches on all key issues for the period ahead.

#### ASB Lantern Forum, 26 February

The second ASB Lantern Forum was held on 26 February with about 330 business people, including Lantern Festival sponsors and ASB clients. Keynote forum speakers were Maggie Zhou, GM for Australia and NZ for Alibaba Group, Mayor Phil Goff and ASB Chief Economist Nick Tuffley. Initial feedback from the event has been extremely positive with strong business leads and outcomes expected for Auckland companies.

#### Digital Nations Summit, 19-20 February

This summit brought together 600 delegates from government, industry, tertiaries and the entrepreneurial ecosystem to discuss how New Zealand could become a truly digital nation by 2030.

ATEED had a booth on site promoting Auckland as a place to work, study and do business. ATEED received enquiries from attendees from French Polynesia, USA, Thailand as well as New Zealand relating to Auckland's business eco-system, immigration, and conventions. There are no tangible outcomes at this stage but follow-up contact has been made. Nick Hill opened day two as the mayor's representative.

#### Techweek'18 (19 – 27 May)

Techweek'18 kicks off with the official launch on 21 March, including a continued call for event submissions closing 13 April.

The second Wynyard Techweek Working Group was held on 14 February and will meet on a bi-weekly basis. This group is made up of partners within the Wynyard Quarter precinct which have expressed an interest in being involved with Techweek'18 and have requested a coordinated approach from ATEED.

#### Sport Performance Innovation Forum, 23 May

Registrations are open for the third annual Sport Performance Innovation Forum, which will be held during Techweek'18 on 23 May at QBE Stadium. The forum is designed to grow the emerging sport performance sector in Auckland. It will showcase the latest cutting-edge businesses and leading research from around New Zealand, and bring in global innovative speakers in this field.

#### **Food and beverage capability**

Five start-up food and beverage businesses have been selected for participation in the six-week west Auckland-based The Kitchen Project pilot programme started in March. The joint initiative, between Panuku Development Auckland, ATEED and the Auckland Council group – Healthy Families, gives participants access to affordable kitchen space for product development and a mentoring programme in one of our spatial priority areas.

#### **Tripartite Economic Alliance**

The Tripartite Economic Summit Guangzhou project review report was presented to the Environment and Community Committee on 20 February, together with the council's Global Partnerships and Strategy (GPS) team. BNZ Managing Partner Brandon Jackson and Reset Urban Design's Garth Falconer co-presented with ATEED telling their success stories from the Guangzhou summit.

The Council GPS team is progressing plans for the next civic engagement among the three cities to take place in Los Angeles, alongside the SelectLA event in late May.

#### ***Grow and attract skilled talent***

##### **Youth entrepreneurship**

##### Young Enterprise Scheme

ATEED's three-year sponsorship agreement for the delivery of the Lion Foundation Young Enterprise Scheme by the Auckland Chamber of Commerce (ACOC) commenced in February. Delivery transferred to the ACOC from January with the ACOC now the contracted Young Enterprise Trust delivery partner in Auckland. Two ATEED staff supported the handover and the Kickstart days, held in February.

Local board funding (\$31,000) was used to support Kickstart/Timata events around Auckland. The combined attendance was about 1400 students across seven events over five days. Mini Kickstart events are being rolled out in early March to support schools that could not attend the larger Kickstart/Timata events.

##### iDEAStarter

Options have been explored to make iDEAStarter a national initiative. While there was interest from a few key partners, there was a lack of capacity or return on investment to make it happen. iDEAStarter will therefore remain an Auckland initiative in 2018, with a view to making it a national event in 2019.

##### DIGMYIDEA 2018

DIGMYIDEA 2018 will launch on 17 April. An extra \$50,000 has been secured from the Ministry of Youth Development to expand the support provided to rangatahi. Discussions have started with partners around the programme being managed and delivered by partner/s in 2019.

#### **CBD Jobs and Skills Hub**

At the end of February, 153 people have been supported into employment, against a target of 200 to the year ended 31 March – 41 per cent of those employed are Māori (target of 40 per cent). More than 500 employees in the city centre have also participated in training organised through the hub.

The hub continues to provide services for Commercial Bay, NZ International Convention Centre and Wynyard Quarter sites and proactive account management of SKYCITY will be in place from March.

#### **Study Auckland**

Three Study Auckland programmes will kick off in March to enhance the international student experience, build a lasting connection with them and improve their willingness to recommend their education institution to offshore friends and family.

### Rukuhia Global Leadership Programme

Applications for the new Rukuhia Global Leadership Programme opened on 28 February. The marae experience will run on six dates from 22 March – 26 May and include workshops focussed on leadership, values, innovation, sustainability and connection of people, place and environment. The pilot is being designed and delivered by Ngāti Whātua Ōrākei with support from Study Auckland, Education New Zealand and the Ministry of Education.

### International Students Got to Get Out

Study Auckland and Socially Good Adventures Limited (Got to Get Out) will deliver the International Students Got to Get Out pilot programme of organised outdoor recreational, cultural and social activities from mid-March to May 2018.

### Auckland Rugby Have-a-Go Day

An enhanced Auckland Rugby Have-a-Go Day will take place 18 March in partnership with 20 tertiary institutions and the Auckland Rugby Union. The initiative follows the successful pilot delivered in late 2017, which provided 200 international students with the opportunity to connect with local students and experience Kiwi culture through sport.

## **Attract business and investment**

### **AR/VR Garage**

Invoke joined the AR/VR Garage as a new tenant in February. Animation College has doubled tenancy from four to eight people. Preparations are underway for a Taiwanese delegation in April.

## **Grow the visitor economy**

### **APEC 2021**

MFAT provided a revised MOU for ATEED's consideration, and invited ATEED to provide a representative on its Programme Board. The revised MOU will be provided to the inaugural meeting of the APEC21 Auckland Executive Steering Group, which is anticipated to occur before the end of Q3. Planning for Auckland's leverage and legacy programme will now kick-off in April, with the expected start of a dedicated resource seconded from Auckland Council which has also continued to progress the map planning tool which is being developed to illustrate the shape of the central city in 2021.

### **36<sup>th</sup> America's Cup (AC36)**

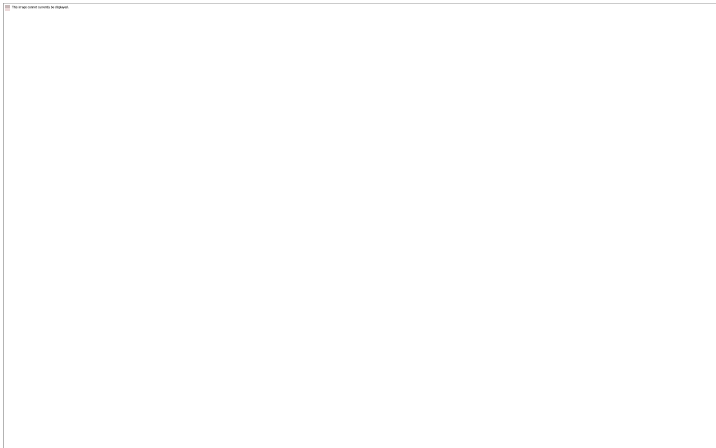
The resource consent for the Halsey Basin option was extended to 14 March to enable Auckland Council to continue to work with MBIE and Minister Parker on the Wynyard Point option. In the interim, ETNZ put host agreement discussions on hold while infrastructure and location matters are resolved, as until this happens, the event is not confirmed as taking place in Auckland. Meanwhile, discussions on the wider AC36 event governance requirements are taking place across the Council group in anticipation that the event is confirmed to take place in Auckland.

## **Tourism**

At its 23 February meeting, the ATEED Board queried the reason for tourist arrivals from the UK seeing the biggest growth in the past year. There was substantial growth from the UK market in June 2017 which correlates with the British and Irish Lions Tour from 3 June to 8 July. There were 17,700 arrivals in June 2017, representing a 294 percent increase in visitor arrivals compared with the 4500 arrivals in June 2016.

The World Masters Games 2017 contributed to the 12,200 UK arrivals. In April 2017 compared with 8000 arrivals in April 2016.

The chart below shows the increase in UK arrivals during April, June and July in 2017:



The year to January 2018 saw 2.66m international visitor arrivals, an increase of 5.4 per cent on the previous year. The month of January saw 264,240 international visitors, down 2.2 per cent on the previous January. Holiday visitor arrivals contributed the most to the annual growth, up 5.3 per cent on the previous 12 months. There was strong growth from the UK market (15.4%), the US (12.3%), Canada (10.4%) and Germany (6.2%) for the year end January. Visitation from the US was up 11.1 per cent on the previous January.

There were 7.36 million guest nights in commercial accommodation in Auckland in the year to December 2017 (down 0.9% on the previous year.) There was a 4.6 per cent increase for international nights and a 5.3 per cent drop for domestic nights. The average daily rate (ADR) for hotels in the year to January 2018 was \$211 (up 13.4%). The average hotel occupancy rate was 86.6 per cent, up by 0.3 per cent and the RevPAR was \$182 (up 13.8% on the previous year).

In the year to January 2018, total tourism spend in Auckland was \$8.3b, up 8.4 per cent on the previous year. International spend was \$4.3b, up 10.2 percent for the year. Domestic spend was \$3.9b, a 6.5 per cent increase. Spending from the US in the year to January 2018 was up 6.7 per cent to \$373m. Spend was also up from Australia (up 4.6% to \$828m), UK (17.8%), Canada (13.7%) and Germany (6.1%). Chinese visitors spent \$913m in the year to January, up 5.6 per cent on the previous year. For the month of January however, Chinese spend increased by 3.8 per cent when compared with January 2017.

#### Trade Partnership marketing

ATEED partnered Australia's highest rated breakfast news show, Channel 7's *Sunrise*, to broadcast live weather crosses from Matakana over two days in early February. The broadcasts reached approximately 2.4 million people, with an airtime value of \$487,000 and an ROI of approximately 14:1 for the approximately \$35,000 investment.

On 1 March, two short-break campaigns went live in the Australian market with Webjet and Expedia. This was funded by Auckland Airport, at a combined value of A\$200,000, and produced by ATEED. The Webjet campaign until 31 March with the Expedia campaign running until 30 April.

#### Kauri dieback

Auckland Council voted to close all forested areas of the Waitākere Ranges to stem the spread of kauri dieback in the region. The council will also close high-risk tracks in the Hunua Ranges Regional Park, on the southeast corner of Auckland, even though it is free of the disease.

ATEED continues to work closely with Council to ensure that information about track closures is being kept up to date. ATEED is also working with the Waitākere Tourism Group which includes businesses impacted by the closure.

#### iSITES

The Auckland Airport, SKYCITY and Princes Wharf iSITES have been sold to AIS Tourism Limited (AIS) and will transfer on 1 May. AIS is a consortia of well-established, family-owned New Zealand tourism companies: Guthrey Tourism, Asset Management and Freephones International Limited. Guthrey Tourism has successfully operated the high profile Queenstown i-SITE for more than 20 years.

As part of the sales agreement, all 16 i-SITE consultants and centre managers employed by ATEED were offered the opportunity to retain their existing positions under the new ownership. Twelve of the staff decided to transfer across to AIS.

Year after year the Auckland network has consistently achieved some of the highest customer satisfaction scores in the country, averaging a score of 97.92 per cent. In 2017, the SKYCITY i-SITE won the 2017 Customer Feedback Award at the annual i-SITE conference, with the Auckland International Airport i-SITE winning the same award the previous year.

Despite the change of ownership, ATEED will maintain a close ongoing relationship with AIS, as it has done and still does with the i-SITES operated by the regional tourism clusters.

The sale to AIS means the business can be operated on a more commercially viable basis and will allow ATEED room to focus more strategically on making Auckland a great place to visit through the implementation of the new *Destination AKL 2025* strategy.

ATEED has welcomed the opportunity to support the merger of the two highest profile i-SITE regions in New Zealand, and believes the agreement provides the right support for staff as well as unlocking some exciting potential for the destination given the global reach of the AIS consortia and its tourism businesses.

#### Cruise

Panuku is anticipated to lodge a notifiable resource consent (of 20 working days) for the mooring dolphin in early April, with submissions of support sought from key stakeholders. ATEED continues to keep key strategic stakeholders up to date on progress.

#### **Major events**

Upcoming major events (next three months):

Event	Date/s	Venue
Volvo Ocean Race Stopover	24 Feb – 18 March	Auckland Viaduct Harbour
Pasifika Festival	24-25 March	Western Springs
Ed Sheeran	24-26 March	Mt Smart Stadium
Blues vs Sharks	31 March	Eden Park
2018 FINA Water Polo World League Intercontinental Cup	3-8 April	AUT Millennium Institute
SKYCITY Auckland Double Header	14 April	Mt Smart Stadium
Gunter Von Hagen's Body Worlds Vital	April	Hilton Hotel
2018 NZ International Comedy Festival	26 April – 19 May	Various
Auckland Writers Festival	15 – 20 May	Various
Auckland Art Fair	23 May	The Cloud

#### Pasifika Festival, 24-25 March

The inaugural Pasifika Festival VIP event to host sponsors and supporters will be held on 22 March at The Cloud. The event will coincide with the opening night of the Pasifika Festival [Harbour] Bridge Lights.

Mayor Phil Goff will host Prime Minister Jacinda Ardern and a Government delegation on 24 March. Speaking opportunities have been provided for the Prime Minister.

#### Auckland Lantern Festival, 1-4 March

The 19<sup>th</sup> Auckland Lantern Festival was successfully delivered at Auckland Domain from 1-4 March, opening with the VIP event, opening ceremony and Lantern Appreciation Evening on 1 March. Preliminary event attendance estimate is 191,300 (compared to 183,821 in 2017), comprising 6,900 on the Thursday, 40,100 on Friday, 90,200 on Saturday and 54,000 on Sunday.

During the festival, Vector Lights transformed the Auckland Harbour Bridge with a newly designed light and sound show which played every hour from 8.30pm until midnight.

### Volvo Ocean Race Auckland Stopover, 24 February – 18 March

The Race Village opened in the Viaduct Harbour on 24 February for the duration of the stopover. The Viaduct Events Centre was home to Race HQ and Te Wero Island activated as part of the entertainment hub. At the time of reporting, Mayo& estimated that approximately 200,000 visitors had been through the Race Village.

The race fleet arrived into Auckland from Hong Kong in the early hours of 1 March, completing leg six of 11 in the round the world race. The Peroni Pro am race was to take place on 16 March, followed by an awards dinner.

The departure ceremony and start of leg 7 is scheduled for 18 March, and will include official race hand over from the Mayor of Auckland to Mayor of Itajai (Brazil) – the next port city. ATEED worked with Council's Global Partnerships and Strategy team to organise a civic meeting and Auckland sightseeing excursion for the visiting mayor and accompanying dignitaries on 15 March.

The draft leverage and legacy document is still under review with MBIE, including approval from Tourism NZ. The prize winner was drawn for the leverage campaign which included a prize package comprising flights, accommodation, Auckland sightseeing and on-board race experience on Team Brunel during the in-port race on 10 March. The winners were filmed and content will be used to showcase Auckland as a 'the home of sailing'.

### Tāmaki Herenga Waka Festival, 27-29 January

Confirmed total attendance at the 2018 festival was 31,135, with 24,321 unique attendance. More than 90 per cent of Auckland residents surveyed at the festival said events such as the festival make Auckland a more enjoyable place to live and 87 per cent said it increased their pride in Auckland, against a target of 80 per cent.

An event debrief has been completed with the Mana Whenua Steering Group. A future meeting will be organised with mana whenua to discuss future planning and governance arrangements for 2019 onwards.

### DHL NZ Lions Series 2017

The final post event report has been released by MBIE online. The series had an economic impact of 25,446 international and 33,607 domestic visitors to Auckland, staying for a combined 232,213 nights; the series contributing \$67.9 million to the regional GDP; with 808 full time equivalent positions required to support the GDP impact. These outcomes were significantly higher than the forecast \$26.7m GDP impact, and 165,210 visitor nights.

It should be noted that there are differing opinions between local and central government and NZ Rugby/Lions on what number should be reported for the visitor number. The report confirms 25,000 international visitors, which ATEED agrees with. This number includes visitors who listed their main or only reason for their visit to Auckland as the Lions Tour. NZR and Lions wish to report international visitors as 33,000, which is inclusive of international visitors who did not list the Lions Tour as the main reason for their visit.

### **Auckland Convention Bureau**

The World Congress on Genetics Applied to Livestock Production was held at the Aotea Centre during the week of 12 February, led by Hugh Blair from the Auckland Advocate Alliance. The conference attracted just over 1400 delegates.

Five new bids are being progressed with partners with an estimated potential economic value of \$7.9m for business events in 2020-2022.

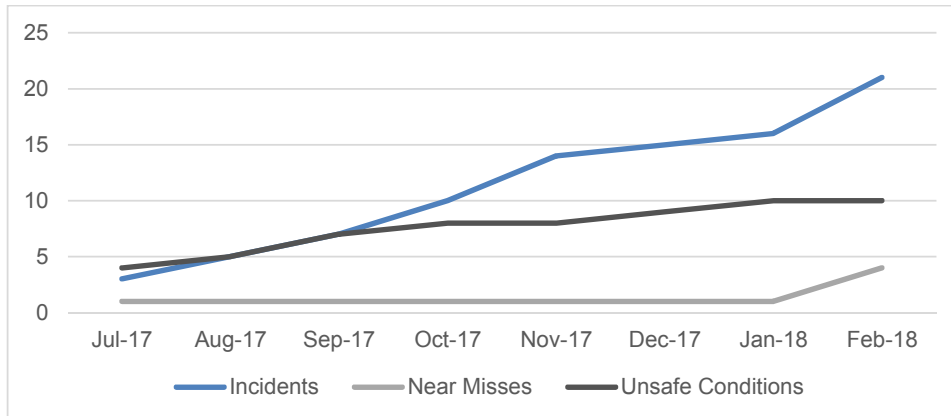
## **Health & Safety (H&S)**

**Incidents:** Five incidents reported in February:

**Near misses:** Three near misses reported in February:

**Unsafe condition/hazard:** Nil

**Year to date totals (cumulative) for incidents, near misses and unsafe conditions, July 2017 – February 2018.**



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Incidents	3	5	7	10	14	15	16	21
Near Misses	1	1	1	1	1	1	1	4
Unsafe Conditions	4	5	7	8	8	9	10	10

Note: The changes in trajectory relates to an increase in reporting rather than an increase in severity.

**Board and Executive pre-event H&S site visits conducted in February:**

Event	Date/s	Venue
Volvo Ocean Race Stopover	23 February	Viaduct Harbour / Wynyard Quarter
Auckland Lantern Festival	28 February	Auckland Domain

**Recommendations**

1. The report be received.

**Attachments**

1. ATEED SOI KPI scorecard for year-ending February 2018

**Signatory**

Nick Hill, ATEED Chief Executive

## Appendix 1: ATEED SOI KPI scorecard for year-ending February 2018

ATEED KPI scorecard					
ATEED SOI KPIs	Measurement	Date of measure/latest available result date	Latest result	Annual target to 30 June 2018	Feb-18 Status
<b>Build a culture of innovation and entrepreneurship</b>					
Number of businesses taking up tenancy at GridAKL (Wynyard Quarter Innovation Precinct) (cumulative) and percentage "innovation-led" <sup>1</sup>	Number & (%)	28-Feb-18	78 (81%)	100 (70%)	●
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme*	Number	30-Jun-17		1500	Annual measure
Level of advocacy by stakeholders involved in the provision of business advice, start-up, training & mentoring programmes. <sup>2</sup>	Index	28-Feb-18	+45	+50	●
Number of actively managed business through Regional Business Partner programme	Number	28-Feb-18	643	750	●
Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)*	Number	30-Jun-17		3000	Annual measure
Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	30-Jun-17		120	Annual measure
<b>Attract business and investment</b>					
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	7-Mar-18	3	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	7-Mar-18	63	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	7-Mar-18	87.2	59.6	●
Value of investment deals effected by ATEED within the financial year	\$(million)	7-Mar-18	218	292	●
<b>Grow and attract skilled talent</b>					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	16-Jan-18	70	50	●
Number of young people enabled into employment as a result of ATEED and partner activity (Youth - incl. Māori and Pacific youth)	Number	31-Dec-17	265	500	●
Number of expressions of interest from skilled migrants in working and living in Auckland resulting from ATEED Marketing activity (Talent) - via LinkedIn	Number	26-Feb-18	2746	1500	●
Growth in value of international student spend to Auckland	\$(billion)	31-Dec-16		2.306	Annual measure
<b>Grow the visitor economy</b>					
Number of international business event bids submitted or supported	Number	28-Feb-18	31	35	●
Business event bid win/loss ratio (based on results received in financial year) <sup>4,5</sup>	%	28-Feb-18	50	60	●
Value of business event bids won in financial year	\$(million)	28-Feb-18	9.4	22	●
Percentage of customers satisfied with visitor information centres and services (LTP Measure)	%	28-Feb-18	97.78	85	●
Contribution to regional GDP from major events invested in (LTP measure)	\$(million)	6-Mar-18	46.6	49	●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-17		80	Annual measure
Visitor nights generated by major events invested in	Number	6-Mar-18	231,748	165,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	6-Mar-18	88	85	●
<b>Build Auckland's global brand identity</b>					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	28-Feb-18	1.42	3.8	●
Percentage of visitors to www.aucklandnz.com located outside of Auckland	%	28-Feb-17	42.10	50	●
<b>Local economic development</b>					
Percentage of approved local economic development projects delivered by ATEED using local board "Locally Driven Initiatives" (LDI) funding.*	%	30-Sep-17	40% funding spent YTD	70	Annual measure
<b>Mana whenua engagement</b>					
Percentage Mana Whenua satisfaction with quality of engagement	%	31-Jul-17		Maintain / improve	Annual measure
<b>Monitoring indicator</b>					
Spend by visitors in Auckland <sup>3</sup>	\$(million)	31-Jan-18	4,884	6617	●

<sup>1</sup> Innovation-led is defined as businesses developing new or improved technologies or services

<sup>2</sup> New measure replacing the previous percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure). The change reflects the new methodology (Net Promoter Score) adopted by NZTE for the Regional Business Partners programme. The new metric captures stakeholder satisfaction, loyalty and advocacy. A NPS of +50 can be considered as excellent.

<sup>3</sup> We are reporting year to date figures from July each FY to provide an accumulative view

<sup>4</sup> Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted

\* Annual KPIs measured by ATEED (not third parties)

**Key:** ● On track / Target exceeded ● Potential for Slippage ● Off Track



## Finance Report, month ending February 2018

Report to Auckland Tourism, Events and Economic Development Chairman and Board

Summary Income Statement For the Period Ended 28 February 2018												TABLE 1
Month			Year to Date						Full Year			\$000's
Actual	Forecast 2	Variance		Actual	Forecast 2	Variance	Forecast 2	Revised Budget*	Deferrals*	Budget	Last Year	
			<b>Net operational expenses:</b>									
400	431	31	Business Attraction & Investment	2,890	3,120	230	4,535	5,050	513	4,537	2,549	
795	849	54	Major Events	9,797	10,404	607	12,455	13,488	483	12,929	11,739	
676	1,014	338	Destination	7,118	7,635	517	12,797	11,319	55	12,200	7,759	
759	1,170	411	Business, Innovation and Skills	7,536	8,029	493	13,712	12,986	779	11,990	11,642	
1,416	855	(561)	Corporate	6,358	5,769	(590)	8,987	8,794	574	7,579	9,088	
<b>4,046</b>	<b>4,319</b>	<b>273</b>	<b>ATEED net deficit</b>	<b>33,701</b>	<b>34,957</b>	<b>1,256</b>	<b>52,627</b>	<b>51,637</b>	<b>2,404</b>	<b>49,234</b>	<b>46,016</b>	
0	0	(0)	World Masters Games 2017 Ltd, net deficit	(29)	(11)	18	(11)	140	140	0	1,427	
<b>4,046</b>	<b>4,319</b>	<b>273</b>	<b>Operating deficit before Council funding</b>	<b>33,672</b>	<b>34,946</b>	<b>1,274</b>	<b>52,616</b>	<b>51,777</b>	<b>2,544</b>	<b>49,234</b>	<b>47,443</b>	
			Approved opex funding				51,301			47,791	46,856	
			Opex converted to capex (BA&I)				167			0	0	
			<b>Operating Deficit</b>				<b>(1,482)</b>			<b>(1,443)</b>	<b>(588)</b>	
			Capex funding				6,299			657	2,975	
			<b>Surplus</b>				<b>4,817</b>			<b>(786)</b>	<b>2,387</b>	

### Key Points

#### Current month's financial results

ATEED is tracking \$1.3m behind Forecast 2. This is due to:

- A timing underspend of \$1.2m in marketing campaigns for Trade Partnerships, Study Auckland activities, and Business, Innovation and Skills projects;
- sponsorship income of \$0.5m received earlier than planned for the Lantern festival;
- an early release of a finder's fee provision of \$0.2m that did not eventuate;
- a decrease in staff costs of \$0.4m due to lower annual leave accrual costs and lower wage costs for the i-Sites;
- the timing of government funding of \$0.1m for Study Auckland.

These have been offset by an increase in depreciation of \$0.5m relating to the Grid AKL buildings and an additional cost of \$0.8m for the make good provision for the Quay Street lease.

#### Forecast 3

A high level forecast will be completed in March, and presented to the Board in April. The focus is on material changes to project costs and contractual obligations, with a view to reprioritise any surplus funds if required.

\*Increase in revised budget of \$2.5m is due to underspend in key projects from the last financial year deferred to this financial year. Increase in approved operating expenditure funding includes this \$2.5m and an additional \$1m for ATEED to deliver on local economic development work programs for the Local Boards.



### **Total Operating income**

YTD total operating income is \$0.4m higher than forecast.

**Funding from government, \$0.1m lower:** This is due to \$0.1m revenue from Government for Study Auckland activities now expected to be received in March.

**Sponsorship, \$0.4m higher:** This is due to \$0.5m sponsorship revenue for the Lantern Festival received earlier than planned which is offset by a decrease in Tamaki Herenga Waka Festival sponsorship income of \$0.1m.

**Sundry income, \$0.2m higher:** This is due to the release of a finder's fee from the Balance Sheet for Huawei sponsorship of \$0.2m which was forecasted for release in June 2018, and \$0.1m interest charged to BizDojo (Grid AKL) which was forecast in error as a decrease in expenses. These are offset by a decrease in Pasifika Festival stall holder revenue of \$0.1m.

### **Total Operating Expenditure**

YTD underspend of \$0.9m.

**Staff costs, \$0.4m lower:** This is due to a decrease of \$0.3m in holiday pay accrual across the business and \$0.1m savings in wages in the i-Sites.

**Professional fees, consultancy and contractors, \$0.6m lower:** This relates to a timing underspend in BIS of \$0.4m. \$0.2m is in International Partnerships and Skills & Employment projects and \$0.2m in Grid AKL for management fees to the Operator. Grid AKL instead has incurred temporary staff costs due to the change in the business model. The remaining \$0.2m is timing and across multiple projects including the workplace strategy.

**Grants & sponsorships, \$0.2m lower:** This relates to the timing of the grant for the Southern Initiative Project of \$0.2m which was scheduled to be paid in February but deferred to March.

**Depreciation & amortisation, \$0.6m higher:** This is due to Grid AKL buildings being capitalised, and depreciation back dated to September 2017. There is no overall impact on our operating funding, as depreciation is funded by capital funding.

**Occupancy, \$0.8m higher:** This is due to a provision of 'make good' costs for the Quay Street building.

**Travel and Entertainment, \$0.1m higher:** This relates to the timing of travel costs for the Auckland Convention Bureau team and the Trade Partnership team occurring earlier than planned, and miscoding of Lantern Festival hosting costs.

**General, admin and other, \$0.2m higher:** This is due to an increase in the doubtful debt expense for BizDojo for Grid AKL.

**Advertising, marketing and research, \$1.2m lower:** This is due to timing related underspend relating to:

- Study Auckland activities of \$0.3m deferred to March,
- Tourism campaigns of \$0.3m delayed due to timing and changing of campaign partners,
- Marketing costs of \$0.1m for NRL double header now occurring in March,

- Maori Economic Development program of works of \$0.1m,
- Talent & Skills projects of \$0.1m and
- Business & Enterprise projects including GridAKL of \$0.1m.

## Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m								TABLE 3	
For the Period Ended 28 February 2018								\$000's	
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year
			<b>Business, Innovation and Skills</b>						
83	83	(0)	New Zealand Food Innovation Auckland	375	375	(0)	708	1,000	1,015
228	238	9	GridAKL	2,821	2,586	(234)	4,234	3,943	0
			<b>Major Events</b>						
41	8	(33)	Tāmaki Herenga Waka Festival	471	496	25	506	500	514
0	0	0	Lions Tour 2017	684	679	(5)	679	595	268
(300)	(300)	0	Volvo Ocean Race Auckland Stop-over	2,472	2,452	(20)	2,309	2,137	134
0	0	(0)	ITM Auckland Supersprint	1,299	1,304	5	1,304	1,758	2,097
0	0	0	Downer NRL Auckland Nines	0	0	(0)	0	2,000	2,868
0	0	0	McKayson NZ Open (LPGA)	1,080	1,077	(3)	1,077	1,050	0
15	15	(0)	Trade marketing - Premium	178	195	17	755	0	0
1	75	74	NRL Double header	162	235	73	575	0	0
			<b>Total of all Major Events Projects</b>	<b>8,387</b>	<b>8,921</b>	<b>534</b>	<b>9,659</b>	<b>10,600</b>	<b>9,642</b>

Grid AKL is \$0.2m higher than forecast due to depreciation costs of \$0.5m offset by a timing underspend of \$0.2m for the Southern Initiative project grant payment and a provision for bad debts.

## Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 28 February 2018		
	YTD	\$000's Jun-17
<b>TABLE 4</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,847	3,410
Receivables and prepayments	25,190	13,469
Other current assets, including iSite inventory	54	24
<b>Total current assets</b>	<b>27,091</b>	<b>16,903</b>
<b>Current liabilities</b>	<b>25,321</b>	<b>16,353</b>
<b>Working capital</b>	<b>1,770</b>	<b>550</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	39	73
Property, plant and equipment	18,227	12,883
Investment in Joint Venture, The FoodBow l	2,104	2,067
<b>Total con-current assets</b>	<b>20,370</b>	<b>15,023</b>
<b>Non-current liabilities</b>	<b>64</b>	<b>64</b>
<b>NET ASSETS</b>	<b>22,076</b>	<b>15,509</b>
<b>EQUITY</b>	<b>22,076</b>	<b>15,419</b>
<b>Capex spend</b>	<b>6,783</b>	<b>657</b>
<b>Total commitments</b>	<b>\$80.6m</b>	<b>\$29.5m</b>

- Cash and cash equivalents: Decrease mainly due to the timing of the cash sweeps.
- Receivables and prepayments: Increase mainly due to timing of intercompany settlement, scheduled for March.

- Current liabilities: Increase in related party payables due to the timing of intercompany settlement.
- Property Plant and Equipment: Increase of \$5m due to capital spend for the fit out of the Grid AKL buildings.
- The significant increase in future total commitments is largely due to operating lease costs of \$51m for the Grid AKL program over a twelve year period.

## Receivables

Aged debtors (\$k)	Current month	1 month	2 month	3 month	4 months+	Total	Comments
Biz Dojo	0.0	2.2	(201.5)	70.6	652.3	523.6	Net amount is \$341k. Biz Dojo is in liquidation and the debt is being managed by Council's legal team
Other	324.3	266.8	49.8	3.6	96.6	741.2	Old debts are being actively managed. These relate to sponsorship income and AR/VR rental income.
NZTE	0.0	2.2	11.5	18.7	617.6	650.0	Invoiced annually but payment is made monthly. No financial exposure.
Ministry of Business Innovation & E	0.0	218.7	460.0	0.0	0.0	678.7	Reference number was incorrect. Expecting payment in March.
Cricket Hop Productions Limited	0.0	67.0	161.0	15.1	0.0	243.1	
Generator	164.6	0.0	0.0				Operator for Madden Street.
<b>Total</b>	<b>324.3</b>	<b>556.8</b>	<b>480.8</b>	<b>108.1</b>	<b>1,366.5</b>	<b>2,836.5</b>	

## Recommendation

It is recommended that the Board note the Finance Report for the period ended 28 February 2018.

## Signatories

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer