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### **Tripartite Summit**

Development of the summit programme continues to make progress, with a key issue now the locking in of identified international speakers. A number of requests have also been received from US and Chinese partners to include representatives as keynote speakers in the summit. This is causing some issues around expectation that will require careful management. As a result a review of the programme is to be undertaken to ensure that it is meeting the objectives of the summit, showcases Auckland and meets the needs of delegates. There are likely to be several major announcements made at the Summit relating to activities instigated through the Tripartite engagements.

The website and marketing material are up to date. An invite list of Auckland / NZ businesses and stakeholders has been developed and a first wave of invitations to register was sent on 16 March.

Advance visits have been made by both Los Angeles (2-7 March) and previously Guangzhou (17-19 Feb).

### **Growing Auckland's Innovation Ecosystem**

#### *GridAKL*

There are now 42 businesses and 134 residents at GridAKL- an increase from 16 due to the transfer of the BizDojo K' Road operations to the Lysaght building earlier this year. Lysaght is still undergoing residual construction activities, however this has not adversely impacted on residents. The event programme has begun and the space is being well used. GridAKL will be a key venue for the upcoming Techweek in May. Work is underway to activate the Tech Café and it is intended this will be operational by early May and will serve as a hub for Techweek.

Construction and design works are continuing on Innovation 5A. Focus is now on leasing of the facility and securing a tenant for the corporate floors. Future building options for GridAKL are also being reviewed with plans to present a business case to the Board in May.

One of the GridAKL tenants has achieved a significant funding milestone. Their achievement underscores the opportunity for early stage Auckland companies, and the positive impact ATEED can make through GridAKL and its other activities. Further information will be made available at the Board meeting.

#### *Techweek*

Preparation for Auckland 'Techweek' is on-track including agreements with 90 percent of event hosts. The programme currently includes 29 events, the majority running from 14 to 22 May. Other progress includes the appointment of NZME as media provider. The brand for Techweek has been established and the event's holding page is now live ([www.techweek.co.nz](http://www.techweek.co.nz)). The event's key deliverables and tasks are now clearly defined and new corporate partnership funding is being sought.

#### *GridAKL Expansion (GridEx)*

The GridEx programme aims to expand the GridAKL community beyond the confines of the Wynyard Quarter and to connect emerging innovation hubs across Auckland to build a rich and diverse innovation network. Hubs, or innovation 'communities', may take a variety of forms and ATEED's support is expected to be tailored to individual hub requirements.

ATEED is currently working with four prospective innovation communities to define the opportunity and develop its value proposition. These include Uptown, Devonport Wharf, Motat and Smales Farm, each unique in form and stage of development. We are also working with the University of Auckland, AUT, Massey University and Unitec on their innovation precinct plans.

A focus of ATEED's engagement strategy will be to connect hubs to GridAKL programmes, events and brand. The Uptown initiative especially is making good progress, with engagement by the Uptown

Business Association and Waitemata Local Board. Three quality innovation focused tenants are now in place, including the Lighting Lab, Icehouse, Industry Connect and, more latterly, Enspiral, a software training social enterprise.

#### *Tertiary Students Entrepreneurship*

10 new or enhanced student entrepreneurship programmes have been approved for ATEED funding support, valued at \$260,500. Three Funding Agreements are signed with Media Design School - Game development accelerator programme (\$30,000), Unitec- Enterprise Challenge (\$10,000), University of Auckland- Agritech Entrepreneurship Factory (\$15,000) and awaiting on seven more signed Funding Agreements.

#### **Talent Attraction**

Auckland's talent attraction value proposition is completed, and the validation phase will begin in April. The value proposition will underpin talent attraction interventions and related marketing activity. A project scope for an Advanced Industries (AI) talent attraction strategy is completed, and next steps are an employer survey and engagement around skills needs.

ATEED and Immigration NZ continue to work in partnership and target high-growth potential companies with offshore skills requirements. Case studies profiling high-growth potential companies and the partnership approach are underway. The tech coalition event provisionally scheduled for the end of this financial year is postponed due to a delay from the coalition in agreeing and confirming target markets. Planning will begin in May for a wider software industry event in the first half of the next financial year.

#### **Visitor infrastructure**

##### *Hotels*

Key figures for February from the Tourism Industry Association (TIA) included a 94% occupancy and a \$30 increase in room rate since February last year. The occupancy rate across the year is 84.4% while the increase in room rate over the year is \$17.50.

The heavily constrained market has performed exceptionally well given the shortfall of like for like event activity, i.e. no ICC Cricket World Cup. It was boosted with the Chinese New Year celebrations, the New Zealand vs Australia one day cricket, Cirque du Soleil and the NRL Auckland Nines.

Q1 is likely to finish on a major high for the region as March still looks strong given the impact of Easter within this month.

Data from the Commercial Accommodation monitor shows commercial guest nights are up 2% to 7.1 million for the year end January 2016. Further, visitor arrivals through Auckland Airport are up 10% to 2.2 million for the year end December 2016. This increase in arrivals is strongest amongst those coming for a holiday/vacation (up 14.7%) compared to those arriving to visit friends or relatives (up 5.6%) or for business (up 5.3%).

Auckland was rated as one of the top Easter travel destinations for Australians by leading travel site Skyscanner, rating ahead of Perth and the Gold Coast.

## **Month in review**

### ***Lantern Festival***

The festival was delivered beginning with Lantern-only night on Thursday 18 February and subsequent three nights of full festival offerings. Pack in for the festival started on Thursday 11 February with pack out being completed with a venue handover on Wednesday 24 February. The VIP pre-launch function was held on Friday 19 February at the Auckland Ward Memorial Museum and was attended by approximately 60 guests including partners, sponsors, key stakeholders and the Mayor of Jinju, South Korea. A letter of intent was signed along with an exchange of gifts between the Mayor of Jinju and Brett O'Riley. The Opening Ceremony was held directly after the VIP function on the main stage and featured speeches from Mayor Brown, Hon Nikki Kaye, Andrew Little; Simon Draper and Brett O'Riley. The ending to the festival on Sunday evening was marked with a spectacular fireworks display.

There was an overwhelming response to the relocation of the festival to The Domain. The event drew

large numbers of people on all nights with Saturday night being the most popular. Numbers are currently being formalized but indications are that this year's festival had the largest attendance to date with numbers potentially reaching an attendance of 200,000. The large attendance triggered the need for extra resources which were unplanned or budgeted for. These resources were to minimize any potential health, safety or risk concerns.

There have been three event project debriefs (venue, project, contractors) as well as a separate debrief with Auckland Transport and the traffic management provider. An external stakeholder debrief was held on 9 March. Outcomes of the briefings will be collated and form the basis of a report to senior management for Lantern Festival 2017.

### ***2016 Pasifika Festival***

The Pasifika Festival was held in its original venue at Western Springs Park on 12-13 March. The event is sponsored by AMI, the Ministry of Tourism and Creative Economic of the Republic of Indonesia, Mediaworks (Mai FM), Air New Zealand, Tip Top, MoneyGram, Waikato-Tainui, Pacific Media Network (Nui FM) and Auckland Airport. Now in its 24<sup>th</sup> year, Pasifika Festival is the biggest celebration of Pacific Island culture and heritage in the world. Attendees and over 300 performers navigated through 200 stalls.

### ***Vex Robotics National Championships***

The ATEED sponsored 2016 New Zealand VEX Robotics National Championship will take place on 27-28 February at the Vodafone Event Centre. Due to its close links to science, technology, engineering and maths, the event is aligned with the delivery of the Auckland Innovation Plan.

### ***IDEA Starter:***

ATEED launched the second IDEA Starter competition on 9 March. Piloted in 2015 this competition encourages young people to become entrepreneurs and to help develop a culture of innovation in Auckland. IDEA Starter is primarily funded by The Tindall Foundation and Auckland Council (as part of Youth Connections). IDEA Starter has received greater media interest this year, and one week into the competition several entries have already been received.

### ***YES 2016:***

Delivery of the 2016 Lion Foundation Young Enterprise Scheme (YES) began in late February with Enterprise days across the region. 56 schools are registered as part of the programme this year, with 1,315 students. 52 schools participated in Enterprise Day, including 19 new schools. On 17 March ATEED ran a conference hosted at EY to inspire 97 aspiring student CEO's. The conference featured 5 prominent speakers including Greg Cross and Kathryn Wilson (footwear designer).

### ***Sports Technology Forum***

ATEED hosted Auckland's first sports technology forum at the Auckland Maritime Museum on Friday, 11 March, showcasing the benefits of new sports technology to athletes' performance. The forum, held jointly with Callaghan Innovation and High Performance Sport New Zealand (HPSNZ), is part of a wider piece of work underway at ATEED to establish how Auckland can grow three sub-sectors of the sports economy. These are training academies, science and medicine (incorporating sports nutrition) as well as sport technology. Together these sub sectors are worth more than \$50b USD globally per year.

### ***Tourism marketing activity***

#### ***Autumn of the Arts***

ATEED has partnered with Regional Facilities Auckland (RFA) to create a new domestic marketing campaign which will encourage more New Zealanders to visit in the shoulder season, between March and June. The 'Arts are Alive: Auckland's Autumn of the Arts' campaign was launched on 9 March under the 'AKL: The Show Never Stops' domestic tourism proposition. It is featured in Auckland's key fly and drive markets in a range of forms, including in cinemas, online, in print publications, outdoor and through the airports and airline channels.

#### ***Spring campaign results***

Results from the Domestic Tourism team's Spring Auckland to Auckland advertising campaign were released this month and have surpassed all expectations. The month-long campaign featured Robyn Malcolm, who encouraged Aucklanders to go beyond their backyard this summer. Results

from the campaign included:

- 325,526 total views across the seven videos during the campaign, prompting action from 61% of those who saw them
- 34 per cent of consumers aware of the campaign took a short trip within the Auckland region as a result of seeing the campaign
- 77% of those aware of the campaign said it made them feel proud of Auckland as a place to visit.
- traffic to aucklandnz.com increased by 24.5 per cent year on year during the campaign.

## Statement of Intent KPIs

Metrics within the ATEED SOI are categorised as either:

1. Key Performance Indicators: an agreed set of performance measures and targets which form the basis for accountability for delivering on our strategic objectives.
2. Monitoring Indicators: Indicators which we have a strong interest in and we aim to influence through our activity, but which ultimately are driven by a range of factors outside of our direct control.

Progress against KPIs are included in the attached KPI Scorecard. To the end of February, all but three KPIs for which ongoing measurement is available are on track to be achieved by year end. Further detail regarding the three KPIs which at this point we do not anticipate achieving are as follow.

- It is still anticipated that the KPI of \$4.0m of Callaghan Innovation R&D grants facilitated through the RBPN programme will not be achieved by year end. Value of R&D grants is not a target under the recently renegotiated RBPN contract with Callaghan Innovation and will be removed as a KPI from ATEED's 2016-19 SOI.
- GDP generated from major events invested in; \$11.59m (target \$49m). Current estimates based on actuals to date plus our conservative forecast for the remainder of the portfolio is that we will reach \$43.5m GDP. It should be noted that the events held to date have largely exceeded their conservative forecast so this may result in further reducing the forecast deficit to target.
- Attendees at major events invested in; 367,465 (target 1.57m). Note, target still unlikely to be achieved by year end, current forecast is for 1.4 million attendees.

## Looking Forward

A portfolio of upcoming events/activities for 2015/16 is provided for the Board's information:

Scheduled event date	Event name	Location
19 Feb – 23 April	Pop-up Globe	Aotea Square
1 April	ATEED Staff Health and Safety morning tea	ATEED, Quay St office
13 April	Youth Employers Pledge signing event	The Warehouse Takapuna
22 April – 15 May	NZ International Comedy Festival	Various
11-15 May	Auckland Writers Festival	Aotea Centre
16-17 May	Tripartite Economic Summit	ANZ Viaduct Events Centre
16-22 May	Techweek	Various
25-29 May	Auckland Art Fair	Queens Wharf

## Finance

ATEED's year to date favourable variance to forecast is \$1.9m. This means that we are behind our planned spend activity by \$1.9m.

The table below sets out our year-to-go (YTG) position compared to last year. This highlights how difficult it will be for us to maintain the level of activity required and will put a lot of strain on current resources. Management are currently working through how we can do things differently or what we can stop doing so we can avoid this overload in this last quarter.

	<b>Feb YTD</b>	<b>Full Year Forecast</b>	<b>Year To Go</b>
2016 Total Expenses	33.4	57.7	24.3
2015 Total Expenses	35.4	56.7	21.3

Any savings identified from deferred activities can be applied to be rolled over to next year which will help remove budget pressure in 2017.

## Risk

Work undertaken in the month includes:

- Drafting the Enterprise Policy Framework. Based on recommendations from our external advisors the framework has been split into three different documents: policy, guidelines, and risk appetite. This will help understanding of risk tolerance and appetite as well as enabling more effective and regular communication across the business. These documents will go through our internal stakeholder process and will be brought to the Board once endorsed by the Audit and Risk Committee at their July meeting.
- Focus on Sentient risk reporting to ensure risks are relevant, updated on a timely basis and rated consistently across the organisation:
- There were a number of high and critical risks entered on Sentient. Most of these have been discussed with their respective Project Managers, with one of the two critical risks being reduced to a low risk, and the other closed.
- All Project Managers are due to receive training on managing risk, including HS& risk, later this month (31 March)

## Recommendations

1. The report be received.

## Attachments

- ATEED KPI Scorecard
- ATEED Health and Safety Policy Statement

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## Signatory

Chief Executive: Brett O'Riley



ATEED SOI KPIs	Measurement	Date of Measure	Latest Result	Annual Target to 30 June 2016	Status
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#### Building a Culture of Innovation and Entrepreneurship

No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" <sup>4</sup>	Number & (%)	29-Feb-16	42	25	●
Total value of Callaghan Innovation R&D grants through the Regional business Partner programme	\$(million)	31-Dec-15	0.962	4.0	●
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure)	%	1-Mar-16	90	85	●
Number of actively managed business through Regional Business Partner programme	Number	31/12/2015 + Jan and Feb 2016 (new contract)	492 + 179	360	●
No. businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	N/A	N/A	1500	—
No. Maori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	N/A	N/A	100	—

#### Attracting Business and Investment

Facilitation of the establishment, or significant expansion, of multinational companies in target sectors (LTP Measure)	Number	29-Feb-16	7	5	●
Number of intensively account managed customers in ATEED Aftercare programme	Number	29-Feb-16	59	80	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	29-Feb-16	39.0	54.0	●
Value of investment deals effected by ATEED within the financial year	\$(million)	29-Feb-16	289	265	●

#### Growing a Skilled Workforce

Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	29-Feb-16	47	50	●
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#### Enabling Education and Talent

Growth in value of international student spend to Auckland	\$(billion)	30-Jun-15	1.75	1.564	—
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#### Growing the Visitor Economy

Spend by visitors in Auckland	\$(million)	30-Jun-15	5.315	5.412	—
Number of international business event bids supported (and win/loss ratio based on results received)	Number & (%)	29-Feb-16	20 supported (66% conversion rate)	35 supported (60% conversion rate)	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	29-Feb-16	86	85	●
Contribution to regional GDP from major events invested in (LTP measure)	\$(million)	29-Feb-16	12.56	49	●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-15	79	80	—
Visitor nights generated by major events invested in	Number	29-Feb-16	97,610	170,000	●
Estimated number of attendees at major events invested in	Number (million)	29-Feb-16	395,010	1.57	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	30-Jun-15	92	85	—

#### Building Auckland's Brand and Identity

Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	29-Feb-16	2.48	3.0	●
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#### Mana Whenua Engagement

Percentage Mana Whenua satisfaction with quality of engagement	%	N/A	N/A	Establish Baseline	—
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Friday, 1 April 2016



OPEN AGENDA

5. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer















