

Confidential

Board Meeting Agenda

Tuesday 25 June 2019 (Public Meeting) – Hau Raki, Level 7, 167b Victoria Street West.

Item	Subject	Presented By	Action	Start Time	Duration	Pg
OPEN AGENDA						
1	Apologies		To Note	1.30	1 min	
2	Open Minutes 30 April 2019 and Open Action Tracker	Nick Hill	To Approve	1.31	2 mins	
3	Directors Interest Register, Conflicts of Interest Declaration	Mark Franklin	To Note	1.33	2 mins	
4	The Waitemata Low Carbon Network	Dr Grant Hewison	To Note	1.35	20 mins	
5	Draft Statement of Intent	James Robinson	To Approve	1.55	30 mins	
6	Finance Report	Jacky Hollingsworth	To Note	2.25	10 mins	
7	Chief Executive's Monthly Report	Nick Hill	To Note	2.35	10 mins	
	Close of Meeting			2.45		

OPEN BOARD MINUTES

What:	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
Where:	GridAKL, John Lysaght building, 101 Pakenham St West, Auckland
When:	Tuesday, 30 April 2019 at 2.30 p.m.
Directors:	Mark Franklin (Chair) Danny Chan Mike Taitoko Helen Robinson Stuart McCutcheon Evan Davies
Apologies:	None
In Attendance:	Nick Hill, Chief Executive Melissa Crawford, Board Intern Tim Kingsley-Smith, Company Secretary and Legal Counsel Claire McCracken, Head of Finance (Item 10)
Public & Media Attendance:	N/A

1. Apologies

There were no apologies.

2. Chief Executive's Monthly Report

Nick Hill spoke to it.

- Management noted that Tripartite 2019 will take place next week and the Board are encouraged to attend.
- The Board discussed the Destination sector and the upcoming events.

The Board **noted** the Chief Executive's Monthly Report.

Claire McCracken joined the meeting.

10. Finance Report

Jacky Hollingsworth spoke to the paper.

- Management noted that ATEED is closer to forecast budget than previously. The business is confident of hitting budget within the final two months of the year. There is a lot of activity planned for the next two months.

- The business is aware that there will not be any deferrals this year and expecting spending in advertising, marketing and brand services to pick up. Doubtful debts is relatively insignificant at \$70k.

The Board **noted** the Finance Report.

The Board meeting closed at 2.43 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
Mark Franklin	<p> Director, Precinct Management Limited (3014500) Director, Te Kuha General Partner Limited (3378973) Director, Aquaclear Dewatering Technology Limited (1421603) Director, Rangitira Developments Limited (636073) Director, Stevenson Engineering Limited (1421605) Director, Stevenson South Island Limited (1908766) Director, Stevenson Group Limited (827774) Director, Drury South Limited (1488624) Director, Stevenson Agriculture Limited (1645457) Director, Auckland Regional Chamber Of Commerce & Industry Limited (364056) Director, Lochinver Station Limited (1488629) Director, Oteha Valley Investments Limited (1856790) Director, Cloudview Holdings Limited (1025273) Director, Stevenson Properties (2015) Limited (2164755) Director, Stevenson Mining Limited (1274011) Director, Stevenson Waikato Limited (697315) </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>
Director	Roles & Responsibilities outside of ATEED
Evan Davies	<p> Chair, Capital Investment Committee Chair, Hospital Redevelopment Partnership Group Chair, Tamaki Regeneration Company (5840214) Trustee, Anglican Trust for Women and Children Trustee, Auckland Arts Festival </p>

Updated 21/03/2019

	<p>Trustee, Auckland City Mission Trustee, Melanesian Mission Trust Board</p> <p>Director, Todd Property Group Limited (2291506) Director, Paris Magdalinos Architects Limited (1941004) Director, Flinders Mines Director, BBIG Group Director, Western Hills Holdings Limited (6948733)</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>
Director	Roles & Responsibilities outside of ATEED
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</p>

Updated 21/03/2019

	and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and 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 & 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>

Updated 21/03/2019

	<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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Updated 21/03/2019

	<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>
Director	Roles & Responsibilities outside of ATEED
Helen Robinson	<p>Director and Shareholder, Cloud M Limited (3170790) Director and Shareholder, KND Trustees Limited (5691575) Managing Director and Shareholder, Penguin Consulting Limited (1694891) Co-Founder & Executive Director, Organic Initiative Limited (5595738) Shareholder, KND Investments Limited (1694892) Shareholder, Organic Initiative Limited (5595738) Director, Fulbright NZ Ltd Director, NZ Defence Force Trustee, Robinson Family Trust Trustee, Maurice Research and Education 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 funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Stuart	Director, Lexington Properties Limited (1605485)

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<p>McCutcheon</p>	<p>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>
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Equal Justice Project

Waitemata Low Carbon Network

Submissions on ATEED SOI 2019/2020

The Waitematā Low Carbon Network (WLCN) and the Equal Justice Project (EJP) at the University of Auckland Law School welcome the opportunity to offer feedback on the draft 2019/2020 Statement of Intent (SOI) of Auckland Tourism, Events and Economic Development (ATEED).

The purposes of Council-Controlled Organisation (CCO) Statements of Intent (SOIs) are outlined at s 64 and schedule 8 of the Local Government Act 2002, being to:

- (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
- (b) provide an opportunity for shareholders to influence the direction of the organisation; and
- (c) provide a basis for the accountability.

It is within this statutory context that we are presenting our submissions.

Governance Context

At the outset, we note overall that Auckland Council is committed to the avoidance and mitigation of climate change. The Council recently declared a climate change emergency.

These commitments are currently being implemented through the Low Carbon Auckland policy, but also is a strategic obligation for CCOs like ATEED, in the form of clause 1.1.8 of the Auckland Council CCO Accountability Policy. Thus, as a matter of statutory obligation, ATEED is obliged to consider the climate impact of its strategies and plans, especially within the formulation of its Statement of Intent.

More generally, the policy environment in which ATEED operates is characterised by the Auckland Plan which outlines the Auckland Council's Governing Body strategic commitment to sustainability. Auckland has also become a signatory of the C40 Cities Declaration which provides a further set of commitments relating to sustainability across our city. Auckland Council has also resolved to endorse "the requirement to develop a climate plan consistent with the Paris Agreement aspiration of 1.5°C maximum temperature rise". Finally, the government has recently provided the entire economy with

firm guidance as to their intention to transition New Zealand to a sustainable future through the Climate Change Response (Zero Carbon) Amendment Bill, and in our view, it is critical that ATEED strategic planning takes into account the new obligations created under this statutory regime.

ATEED's Approach

ATEED has a very positive approach to its mission which is amenable to being more closely aligned with sustainable best practice.

A healthy environment is intimately linked to enhancing Auckland's image, while the tikanga values central to ATEED are all closely tied to sustainability: kotahitanga promotes the collaborative and collective spirit needed to address climate change; kaitiakitanga embodies ATEED's role as a guardian of Auckland's taonga; and manaakitanga is aligned with safeguarding the link between Aucklanders' prospects and the environment by which we are surrounded.

Furthermore, ATEED has already recognised that socially, economically and environmentally sustainable growth is key to achieving quality jobs and economic prospects for all Aucklanders. Through the cross-cutting theme of sustainability, which is defined internally as "meeting our current needs without compromising those of future generations", ATEED has a sound strategic footing on which further progress can be made.

Through ATEED's development of the Destination Management approach to tourism, there is a sound strategic consensus on sustainable growth in our tourism markets. The strategy makes numerous observations on the ability of ATEED to influence the industry, both through encouraging the uptake of new industry standards and through leading by example with its range of business commitments including ecological restoration and waste minimisation.

ATEED also plays a major role in regional economic development, and we encourage ATEED to strengthen the sustainability theme within its strategic planning for regional economic development. We note the economic development strategy is presently under review and suggest this offers a real opportunity to make sustainability a feature of the strategic opportunities that are present with this review.

Overall, while ATEED's approach is clearly aligned with promoting positive environmental outcomes, there are still a number of challenges facing ATEED in this regard which ATEED is well positioned to address.

Key Challenges

Although ATEED has demonstrated a commitment to sustainability and lowering its climate impact, there are a number of clear and significant challenges. We are aware of the pressures to improve ATEED's economic growth targets and note the orientation of the draft SOI at achieving this aim. We are also aware that ATEED has differing levels of control across its activities, ranging from a direct administrator, to more facilitatory and leadership roles, and thus achieving a comprehensive response to climate change can be difficult. In such an environment of pressure and implementation difficulties, it is important to highlight long term sustainability over shorter term targets. To achieve this, sustainability and economic efficiency must be treated as mutually beneficial, rather than mutually

exclusive; a new competitive advantage to help Auckland grow a responsive, resilient and forward looking economy. Our recommendations have thus been developed with this key challenge in mind and look to encourage both economically and environmentally sustainable outcomes.

Climate change is a pressing existential challenge and ATEED has a clear role in addressing it. Currently, the operation of ATEED has the potential to influence a significant amount of carbon emissions production. Through its destination management strategy, business profiling, the circular economy, education, and ATEED's proven ability to change business culture, there is great scope for ATEED to translate its commitment to sustainability into tangible actions that can make a difference to all Aucklanders' economic prospects.

Benchmarks

In order for ATEED to shift its values into action, we suggest there are certain benchmarks that RFA ought to consider as metrics for success. We propose the following series of reporting benchmarks derived from the United Nations Sustainable Development Goals (SDGs), for they are responsive to the statutory and policy context ATEED operates within and they align with modern governance and reporting frameworks. These benchmarks include:

- a) 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation
 - i) Metric: Material footprint, material footprint per capita, and material footprint per GDP
- b) 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
 - i) Metric: Tourism direct GDP as a proportion of total GDP and in growth rate
- c) 9.2: Promote inclusive and sustainable industrialization
 - i) Metric: Manufacturing value added as a proportion of GDP and per capita
- d) 9.4: By 2030, retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
 - i) Metric: CO2 emission per unit of value added
- e) 12.7: Promote public procurement practices that are sustainable
 - i) Metric: Number of countries implementing sustainable public procurement policies and action plans
- f) 12.B: Develop and implement tools to monitor sustainable development impacts for sustainable tourism
 - i) Metric: Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools

Taken collectively, these six indicators form a comprehensive benchmark on which to assess ATEED's compliance with sustainability. They also introduce new metrics, which we will suggest ought to form part of ATEED's KPIs, such as "CO2 emission per unit of value added". Through comparing ATEED's compliance to this benchmark standard, we believe ATEED will be able to identify potential areas to improve ATEED's environmental performance in an objective manner.

However, overall, our message is to urge ATEED to adopt clear measurable benchmarks in this SOI by which to measure its performance so it is progressing to play its part in meeting the Auckland Council's policy goals and commitments on climate change.

Recommendations

In light of the statutory and policy context ATEED operates under, and the key challenges we have outlined, we recommend the following amendments to ATEED's statement of intent, which are grouped into two themes, Destination Management and Economic Development:

Destination Management

- a) Require all events under the Major Events Team to develop Zero-waste policies for their respective events;
- b) Develop a holistic, internally assessed benchmark of Auckland tourism providers that forms the basis of tourism promotions spending; and
- c) Leverage ATEED's exposure to a diverse range of Aucklanders' to actively profile and support sustainable businesses, especially in tourism, focusing on making sure they have a platform for growth.

Economic Development

- a) Prioritise the sustainable businesses in the acceleration and investment phases; and
- b) Encourage investors under the Auckland Investment Story to undertake a sustainability audit when considering new opportunities;
- c) Leverage Panuku's urban redevelopments to support new low-carbon businesses to serve these communities;
- d) Apply tikanga values found in the Maori Responsiveness Plan to all business interventions; and
- e) Expand the scope of low carbon and circular economy studies to businesses of all sizes.

Arianna Bacic
Henry Frear
Sarah Thomson

Dr Grant Hewison

grant@granthewison.co.nz

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Final ATEED Statement of Intent 2019-22

Paper to Auckland Tourism, Events and Economic Development Chair and Board

Board Purpose

This paper seeks Board approval of the ATEED Statement of Intent (SOI) 2019-22 for submission to Auckland Council on or before June 30 2019.

Background

The Local Government Act requires all CCOs to prepare an SOI each year. The ATEED SOI 2019-22 states our activities and intentions over the next three years according to our strategic priorities and the Auckland Council objectives to which those activities contribute. As such, it provides the strategic link between the Auckland Plan and ATEED's operational activities.

On 1 March 2019, a first draft of the ATEED SOI 2019-22 was presented to Council for shareholder feedback.

Since the delivery of the first draft, the following have prompted further development and refinement of the first draft.

- Formal shareholder feedback (see attached letter) plus additional conversations and detailed contributory feedback from Council.
- Further refinement by management to reflect changes that have occurred since March

The attached Final ATEED SOI 2019-22, reflects the feedback received through the processes above and is presented to the Board for feedback and final adoption.

Since consideration of the draft SOI at the February Board meeting, the following substantive changes have been made.

- The Maori Responsiveness section has been simplified and brought forward to the About ATEED section to sit alongside ATEED's values
- Commentary regarding the ATEED cross-cutting themes has been brought forward to sit within the Strategic Framework section and updated.
- Commentary regarding the ATEED Prioritisation Framework has been removed from the Strategic Framework section
- ATEED's three priority projects have been refined and further detail has been included in the Three Year Work Programme section
- An additional KPI to capture media value of ATEED's work is proposed
- Financial tables have been aligned to the format requested through shareholder feedback
- The table outlining expenditure of the APTR has been re-included at shareholder request
- Reference to the Foodbowl in the Approach to Governance section has been removed

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In addition, the attached table provides an overview of how the key points raised via formal shareholder feedback have been addressed in the final SOI.

Issues and Risks

Management are working with Auckland Council on a timing issue with regard the finalization of KPI benchmarks through the Annual Reporting process (mid-late July) and the requirement to include the benchmarks in the delivered SOI (end June). The Board will be updated at the meeting.

Consultation – Maori Outcomes

ATEED's Senior Leadership Team have provided input into the attached final ATEED SOI 2019-22.

Recommendations

It is recommended that the Board approve the attached final ATEED SOI 2019-22.

Attachments

- Response to Shareholder feedback points
- Final ATEED Statement of Intent 2019-22
- Shareholder feedback letter

Signatories

Unit Manager: James Robinson, Head of Strategy and Planning

General Manager: Noah Maffitt, General Manager Strategy

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Attachment 1: Response to shareholder feedback points

Shareholder Feedback	ATEED Response as reflected in SOI 2019-22
Specific shareholder comments	
KPI 1 contribution to regional gross domestic product – this proposes to include facilities in the scope of its interventions. ATEED should consider how this fits with the framework for how ATEED adds value, which includes transferring mature and established activities to capable owners where this is feasible.	Development of the evaluation framework means GridAKL is now the only 'facility' included under this KPI. The Foodbowl is being transferred from ATEED ownership, AR/VR Garage businesses are being transferred to GridAKL (due to lease expiry of the original premises) and the film studio activity is already captured within the film attraction activity.
KPI 2 number of businesses - the target could be more ambitious given actual results for 2017/2018. ATEED should also clarify how 'businesses that have benefitted from an ATEED intervention' will be defined.	The target has been retained. As ATEED moves to a narrower, deeper focus, the number of businesses benefitting may reduce. Business interventions covered by this KPI are summarised in the SOI with more detail provided in the KPI Methodology document.
KPI 2 contributory measure on Māori businesses – it is unclear how this relates to the delivery of the cross-cutting Māori economic theme. If no further specific measures are identified, ATEED should support the development of the council group Māori Outcomes Performance Measurement Framework and contribute and report on agreed metrics when developed.	Additional commentary has been added in support of the development of and alignment to the council group Māori Outcomes Performance Measurement Framework.
KPI 3 number of new jobs created, safeguarded or retained - ATEED should clarify the definition of a new job and how this will be calculated. It is unclear what the difference is between a job 'safeguarded' and 'retained' and how this will be defined and measured. ATEED should also attempt to provide this data by sector, location and type of job.	Further detail is provided in the ATEED KPI Methodology document
KPI 5 customer satisfaction - ATEED should clarify the extent of customer segmentation that will be available under this measure (e.g. by central government stakeholder, elected members, business associations etc).	Segmentation available will be dependent on final sample sizes achieved. The Voice of the Customer programme does not canvas elected members.
Wherever possible, ATEED's performance measures should be able to be classified spatially (e.g. North, West, South) which will aid in building a picture of how these areas (and ATEED's interventions in these areas) are performing.	Number of businesses that have benefitted is available spatially. ATEED will continue to develop its KPI framework to incorporate spatial classification.
<i>Climate change</i>	

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<p>The draft 2019-21 SOI refers to working with council on the Auckland Climate Action Plan but is largely silent on its response to the ambitions in this plan and in the Auckland Plan 2050. The final SOI should include any new ideas or approaches ATEED may apply or how it might contribute to reducing carbon emissions and ensuring resilience to climate change, in terms of ATEED as an organisation and the programmes/activities it delivers in Auckland.</p>	<p>Additional commentary has been included to provide more clarity on ATEEDs intentions in relation to environmental sustainability.</p>
<p><i>Clarity on ATEED contribution</i></p> <p>There are some areas in the draft 2019-2022 SOI where more clarity and progress are required, namely:</p> <ul style="list-style-type: none"> • APEC 2021 (Asia-Pacific Economic Cooperation meeting) • America's Cup activity • the ATEED Economic Development Plan • a review of the governance model of GridAKL. 	<p>Further detail provided on ATEED's role in Americas Cup and APEC 2021 activity</p> <p>Reference to ATEED Economic Development Plan removed</p> <p>Reference to GridAKL Review deleted as this has now occurred</p>
<p>ATEED should also include in its final SOI an acknowledgement of the public good benefits resulting from its activities.</p>	<p>Acknowledgement of public good benefits included</p>
<p><i>Accommodation Provider Targeted Rate</i></p> <p>In your final SOI, ATEED should reinstate the table (present in the current SOI) which shows budgeted expenditure on various activities from the Accommodation Provider Targeted Rate, to provide greater transparency of the activities funded, and the benefits derived.</p>	<p>Table reinstated</p>
<p><i>Work to be further progressed or completed</i></p> <p>There are some activities or projects in ATEED's current SOI which have carried over into the draft 2019-2021 SOI and require further progression, or clarity on the completion timeframe for the final SOI. These are:</p> <ul style="list-style-type: none"> • Working with other organisations (under the New Zealand Tourism Sustainability Commitment) to develop a set of sustainability measures and a framework for measuring and reporting these within the first year. Given this work has not progressed in 2018/2019, ATEED should accelerate this activity in 2019/2020 and confirm the measurement base year in the final SOI. • Development of a shared Auckland Investment Story (action from the s17A review). Given it has not yet been completed, ATEED should 	<p>ATEED's focus has shifted to seeking Enviro-mark Certification and this is now acknowledged in the SOI</p>

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<p>accelerate this activity in 2019/2020 and confirm in the final SOI when it will be completed and rolled out. I look forward to the investment story being presented to a council committee of the whole as it is finalised. The draft 2019-2022 SOI is also silent on the ongoing governance and reporting framework referred to in the letter of expectation and this should be included.</p> <ul style="list-style-type: none"> • ATEED’s Māori Economic Growth Strategy which is currently being refreshed (noting the strategy was developed a year ago). The strategy should move from draft to final and ATEED should ensure the final strategy provides more specifics on the initiatives/projects it has in place to deliver on the aspirations referenced in the SOI. 	<p>Additional commentary included to reflect the newly agreed delivery timeline over 2019/20.</p> <p>Updated commentary included to reflect the current status of the Maori Economic Growth Strategy</p>
<p>General shareholder comments</p>	
<p>The council is seeking consistency in the provision of their financial information for its CCOs. In completing the final SOI, CCOs must ensure that the financial information is agreed with council staff and includes the following:</p> <ol style="list-style-type: none"> 2017/2018 actual results 2018/2019 long-term plan (LTP) budget, updated for any carry-forwards from 2017/2018 and any other agreed changes 2019/2020 budget consistent with annual plan submission to council 2020/2021 and 2021/2022 LTP budget, updated for any changes agreed as part of the 2019/2020 Annual Plan a breakdown by activity as LTP agreed non-strategic asset sales targets. 	<p>Financial tables align to guidelines provided</p>
<p>In addition, performance measures should align with the LTP. CCOs should ensure that in the final documents:</p> <ul style="list-style-type: none"> • LTP measures are clearly identified • measures and targets are worded exactly as in the Annual Plan 2019/2020 • 2017/2018 actual performance is included, and 2018/2019 and the next three years’ targets. These should be updated for any changes agreed as part of the Annual Plan 2019/2020. 	<p>Performance measures aligned</p>

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<p>CCO final SOIs should include a commitment to the no surprises protocols set out in the Governance Manual for substantive CCOs. The final SOI should also include a statement on how ATEED will continue to build on and improve its engagement with councillors and the diverse communities of Auckland.</p>	<p>Additional commentary included in the Approach to Governance section</p>
<p>Auckland Council is working with the Mana Whenua Kaitiaki Forum on Te Hōanga. This is an initiative to make the engagement processes open to all nineteen mana whenua entities with interests in Tāmaki Makaurau more effective and efficient for mana whenua and the council group. ATEED will need to actively participate in this project, and should include this in its final SOI.</p>	<p>Additional commentary included</p>
<p>The Local Government Act requires (Schedule 8, clause 9(1)(i)) that each CCO should include in its final SOI 'the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation.'</p>	<p>Commentary included committing to consultation with Council before the acquisition of shares.</p>

AUCKLAND TOURISM, EVENTS
AND ECONOMIC DEVELOPMENT

Statement of Intent

2019 – 2022

aucklandnz.com



He Mihi

E tu noa ana ngā maunga whakahii i te riu o Tāmaki Makaurau. E whakaruruhau ana i ngā ahikaa mai tawhiti. E maumahara ana i te nguha a Mataoho.

Rātou kua poto ki tua o te ārai, e moe e okioki

Tātou te hunga ora e kawē ana i te aronganui, tēnā rā tātou katoa.

The volcanic cones of Tāmaki Makaurau stand as sheltering monoliths to the people from an ancient heritage who have kept the home fires burning as a symbol of remembrance of Mataoho whose rage created this beautiful landscape.

To those who have passed into the night, may you find eternal rest.

For those of us who have been left behind, greetings to us all.

Foreword

The next three years contain immense transformative opportunity for Auckland as we build towards New Zealand's hosting of APEC 2021 Leaders' Week, the next America's Cup regatta in 2021, and a range of other major events including Te Matatini, the World Softball Championships and the Women's Rugby World Cup.

These events will provide the opportunity to connect Auckland with global markets, and showcase Auckland as an innovative, globally competitive city that attracts and retains talented and skilled people.

We are also in the midst of unprecedented investment in the infrastructure required to help our region fulfil its economic potential.

As the region's economic development agency, Auckland Tourism, Events and Economic Development (ATEED) is focused on its vision of 'quality jobs for all Aucklanders'. This reflects the need to ensure economic growth is based on real productivity, and that growth creates prosperity for all Aucklanders. It also requires that ATEED consider how to help build a resilient local economy that is better able to withstand the pressures of uncertain political and macro-economic trends and the challenges associated with issues such as climate change.

ATEED's role has three main components: to promote Auckland globally by leading a cohesive story for Auckland; supporting the region's business growth; and destination development.

ATEED's work programme in the next three years will be undertaken within a framework of Auckland Council priorities and outcomes outlined in the Auckland Plan 2050 including: responding to the challenges presented by climate change; promoting Māori economic outcomes through Council's overall Te Toa Takatini programme; and working with the wider Council group to develop areas identified in the Auckland Plan as priority zones.

We will demonstrate our value for money to Auckland's ratepayers, and grow strong community engagement programmes which help to grow trust in Council.

Mayor Phil Goff, in his letter of expectation to ATEED, outlined four strategic priorities for us to focus on. This Statement of Intent details how we will respond to those priorities.

First, ATEED will prioritise programmes that attract investment to the Auckland region, including the development of a coordinated investment story that enables us to unlock the billions of dollars of investment in transport and housing infrastructure, and captures opportunities for international investors.

Second, we will continue to focus on supporting the growth of quality jobs in Auckland's south and west, where Council is focusing its transformative development efforts alongside central government agencies.

Third, Mayor Goff expects ATEED to continue its implementation of the Destination AKL 2025 strategy for the visitor economy launched in May 2018. This has a particular focus on creating a more sustainable future for Auckland in collaboration with a united industry, and Mayor Goff also expects ATEED to demonstrate value for money across activity partly funded through the Accommodation Providers Targeted Rate collected by Council.

Finally, Mayor Goff asked us to develop robust performance measures which demonstrate how we are generating new economic activity in Auckland.

Last year, ATEED completed a significant realignment to ensure it is structured correctly to meet its objectives, and deliver the strategy released at the start of the 2018/19 financial year. In this SOI period, we will again focus on a proactive partnership approach with the wider Council group, government agencies and the private sector to bring excellent economic, environmental and cultural outcomes for Auckland.

Mark Franklin
Chair

Nick Hill
Chief Executive

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Purpose of Statement of Intent

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Auckland Tourism, Events and Economic Development Limited (ATEED) for the next three years, and the objectives to which those activities will contribute. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

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About ATEED

ATEED is Auckland's economic development agency. Our vision is :

"Quality jobs for all Aucklanders."

To achieve this, Auckland's firms and workers must be increasingly productive. Productivity is the key driver of prosperity and raising the standards of living for all Auckland residents.

ATEED creates value for Auckland by:

- promoting and advocating for Auckland nationally and globally as a place to work, invest, study and visit
- facilitating collaboration between the City, business and Government – particularly in key sectors (e.g. the visitor sector)
- sharing data, intelligence, information and analysis to improve understanding of economic development opportunities
- developing and delivering specific economic development projects with partners where there is market failure and Auckland leadership and support is required to deliver public good benefits
- transferring mature and established activities to capable owners where this is feasible.

Over the last twelve months, ATEED has undertaken a thorough review of its work programmes across both the Economic Development and Destination divisions to implement changes in the way that ATEED will operate over the next three years. These changes include:

- Undertaking a smaller number of more impactful interventions
- Adopting a stronger spatial focus working alongside Pānuku Development Auckland and Auckland Transport
- Placing a greater focus on Auckland businesses as our customers
- Partnering with industry sectors and key economic institutions to coordinate action, based on a systemic view of how industry eco-systems operate
- Making more use of economic intelligence, data and market analysis.

Over the next twelve months ATEED will look to embed these and other changes within the organisation to ensure the anticipated benefits can be fully realised, while at the same time continuing to refine our work programmes and ways of working to ensure we remain aligned to our stakeholders and provide clear value for money.

Core to the achievement of our vision are our values which drive our ways of working both internally and externally with partners. ATEED's values are:

It's all about people: great company

- We respect and support each other and value our differences;
- We encourage each other to be the best we can be;
- We recognise and reward effort and achievement.

Let's be clear: great communication

- We are open and honest in what we say and do;
- We listen first and speak respectfully;
- We have straightforward conversations in a non-judgemental environment.

Connect and collaborate: great relationships

- We seek to understand others and work together to make a difference;
- We celebrate our diversity and share our individual strengths;
- We are one team with a common goal, to grow our economy.

Bold actions, smart choices: great thinking

- We are courageous;
- We welcome fresh ideas, try new things and embrace change;
- We ask how we can do it differently and do it better.

Get it done and make it yours: great results

- We make things happen by taking personal ownership and responsibility;
- We believe time is precious and use it wisely.

Māori Responsiveness at ATEED

ATEED's Māori Responsiveness Plan (MRP) - which is due to be refreshed in 2019/20 - recognises that the delivery of meaningful Maori economic outcomes is a primary goal of our work in this area and seeks to identify the specific capability required to deliver on this. As such, Māori Responsiveness at ATEED is not just about the outward expression of Maori culture but closely linked to ATEEDs organisational goals and strategy.

Over the next 12 months, we will continue to build on the foundation from the previous three years since ATEEDs Māori Responsiveness Plan was adopted by:

- Development of a three year Maori Economic Growth Strategy
- Creating a dynamic work environment that supports ATEED staff to learn and practice with Māori customs, culture and language thereby increasing confidence to engage effectively with the Māori business sector and Mana Whenua;
- Continuing to build high-trust, strategic relationships with Mana Whenua and Mataawaka organisations so they can participate in, and benefit from economic opportunities, with a focus on events taking place during 2021;
- Collaborating with the Council family, including working with the Mana Whenua Kaitiaki Forum to improve the effectiveness of Māori engagement across Council.
- Increasing the capacity (number of roles), capability and programmes which enable Māori economic outcomes.

ATEED Strategic Framework

Figure 1: ATEED Strategic Framework



Four conditions need to be satisfied to achieve our vision of quality jobs for all Aucklanders:

1. Auckland must have workers who have the **right skills** to fill the quality jobs
2. Auckland needs **more investment in quality jobs**, either attracted from offshore or grown from within the region
3. These jobs need to be **accessible** to those who need them – both because they are aware of them, and/or because they can reach them
4. Auckland’s economy needs to be **resilient** and sustainable over the long term in the face of global economic trends, technological disruption, environmental constraints and cultural diversity.

ATEED has two areas of focus:

Economic Development – supporting business and investment attraction, business growth, innovation and skills

Firstly, ATEED engages in a wide set of economic development activities, including business support, business attraction and investment, local economic development, trade and industry development, skills employment and talent and innovation and entrepreneurship. This work is outlined in more detail in our three-year work programme

Destination - supporting sustainable growth of the visitor economy

Secondly is the work ATEED undertakes to support Auckland’s visitor economy, a critical lever for economic development and creating international profile and brand identity. This work includes our focus on destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention, which is outlined in more detail in our three-year work programme and will be driven through implementation of the **Destination AKL 2025** Strategy and the underlying ATEED implementation plans.

These two focus areas are not mutually exclusive. The economic growth of the wider economy reinforces Auckland as a destination by creating supply chain opportunities, international linkages, talent and student attraction, and by making the city attractive to international business events and conventions. Similarly, Auckland’s visitor economy is an important part of the city’s wider economy that underwrites the amenity of the city, making it more attractive to residents and

visitors alike. It provides significant employment opportunities for Aucklanders, supports other sectors including food and beverage and arts and culture, and it generates significant export revenues for the city.

These two portfolios also share a common platform relating to the promotion of the city globally to ensure that Auckland competes effectively with other mid-tier high quality of life cities.

Cross Cutting Theme 1: Māori Economic Growth

ATEED is responsible for promoting and fostering economic development and opportunities for all Aucklanders, including the 19 recognised mana whenua (local tribal groups) and mātaawaka (the wider Māori community). We will take an obligations and opportunities approach to working with Māori, to meet our obligations under the Treaty of Waitangi, as well as leveraging the significant positive contribution Māori make to Auckland.

Commitment to Te Toa Takitini

ATEED is a sponsor of Auckland Council's Te Toa Takitini – Māori Wellbeing Strategy - and leads the economic development programme, one of the four priority areas for Council. As a sponsor of the Te Toa Takitini programme, ATEED will work with the Council family to drive the development of an Auckland-wide Maori Economic Strategy that sets high level aspirations for Maori in Auckland and a comprehensive performance measurement framework that will enable more strategic focus to projects and better reporting of economic outcomes.

ATEED Māori Economic Growth Strategy

The ATEED Maori Economic Growth Strategy will become a component of the wider Auckland Maori Economic Strategy developed within Te Toa Takitini, and which we will lead in 2019/20. Both strategies will continue to be informed by the IMSB business cases, Issues of Significance, Te Toa Takitini, and ATEEDs own research on what will have a meaningful impact on Maori economic development.

ATEED's draft Māori Economic Growth Strategy identifies three levels of activity on which ATEED will lead, deliver and partner as outlined below.

ACTIVITY TYPE	DESCRIPTION
Tier 1 Te Toa Takitini projects	The Tāmaki Herenga Waka Festival, Auckland’s Signature Māori Event, will be delivered in the second quarter, 2020. ATEED is working closely with the Mana Whenua Kaitiaki Forum to refresh and build the event concept as a pre-cursor to a larger event to be held during AC36 (in 2021).
Embedded ATEED programmes	ATEED will continue to facilitate opportunities and deliver programmes that support Māori business and entrepreneurs, Māori tourism operators, employment and skills opportunities. ATEED has increased its internal capability which will increase one-to-one business support for Māori business through the Regional Business Partnerships programme and connecting other opportunities across ATEEDs core business programme. This increase in capacity will also enable ATEED to explore opportunities to nationalise existing initiatives and develop future initiatives.
Working with Partners	ATEED will continue to build and lead stronger collaborations across the range of agencies and organisations including New Zealand Trade & Enterprise, Callaghan, TPK, Ministry of Business Innovation and Employment (MBIE) and non-government organisations that work in Māori communities.

Cross Cutting Theme 2: Enhanced Spatial Focus

While Auckland has a concentration of highly skilled and talented workers, the city also has many people with poor education outcomes and low incomes. There is clear evidence of regional disparity, with South and West Auckland lagging behind the rest of the region in terms of household prosperity. ATEED will work with Pānuku Development Auckland, TSI and other area-based initiatives to ensure a stronger spatial focus for economic development activities.

Cross Cutting Theme 3: Sustainable Development

Sustainable development is about ensuring that the decisions we make today do not hinder the future generation's ability to benefit. For ATEED, this means there is a need to focus on economic growth that can be sustained in the long-term and benefits both current and future generations. Sustainable development and economic growth should not be seen as trade-offs and there are clear opportunities for an approach to sustainable development that can unlock new forms of value that support inclusive growth, technological adoption and the growth of the circular economy.

At an organisational level, ATEED will continue to work with Council in the development of the Auckland Climate Action Plan to contribute to an integrated approach to climate change. ATEED is also working with Enviro-mark Solutions towards the achievement of Enviro-mark Diamond Certification. From 2019/20, this work will be lead by a new Corporate Sustainability Manager role tasked with building organisational thinking, capability, and credibility as part of the Council family's endeavours to drive sustainable outcomes to benefit Auckland.

Further, ATEED has joined the NZ Tourism Sustainability Commitment and is aligning its activities to the 14 business commitments outlined. Other initiatives will include raising the awareness of the benefits of operating in an environmentally sustainable way through private sector operators, supporting businesses who lead in this space, and providing preferential profile to organisations that embrace sustainability throughout their business. In addition, ATEED will continue to work with Local Boards to support initiatives such as the Albert-Eden Sustainability Kick Start Programme and the Otara-Papatoetoe Sustainability Awareness Programme

ATEED three-year work programme

This section outlines our strategic programmes over the next three years across our two core focus areas, to support Auckland Council priorities and our vision of quality jobs for all Aucklanders.

FOCUS AREA 1: SUPPORTING BUSINESS AND INVESTMENT ATTRACTION, BUSINESS GROWTH, INNOVATION AND SKILLS

Auckland's current economic circumstances, namely overall positive growth masking significant spatial and socio-economic disparities, signals a need to reconsider how traditional economic development activities can be reshaped to deliver continuous growth, prosperity and inclusion.

From an economic development perspective ATEED needs to place increased emphasis on stimulating quality jobs, more businesses and more investment across Auckland, with a particular focus on enhancing the economic outcomes of South and West Auckland. Consequently, there are five programme areas that are the focus for ATEED's economic development activities. These programme areas are also informed by global good practice, analysis of what works and established practice on the role of economic development agencies.

PROGRAMMES	DESCRIPTION
Skills and workforce	<p>Nurturing a talented workforce with a strong skills base is identified internationally as key to developing a competitive and innovative economy. Auckland's strong economic growth and youthful population also presents opportunities for talent to meet the workforce needs of key enabling industries such as construction and hospitality. ATEED's role is to work with employers and the Government to better understand key skill challenges and workforce development needs, and to enable business to attract the right talent to fill them. We also partner with government and training providers to develop pathways for students into the city's high-value industries.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Increasing youth employment through delivery of a youth employment and entrepreneurship plan focusing on south and west Auckland, Māori, Pasifika and low-income youth • Working with employers and Immigration New Zealand to attract high-skilled migrants to Auckland, including through delivery of the 'Smart Move' campaign • Supporting local upskilling and talent matching via Auckland Jobs and Skills Hubs in the CBD, south and west • Increasing knowledge on the future of work that supports workforce resilience and productivity, with a focus on the construction and engineering, tourism, technology, screen and creative sectors and tertiary engagement
Investment attraction and international partnerships	<p>Given Auckland's continued growth and recognised infrastructure deficit, significant investment is being made across the city in new and enhanced physical infrastructure. Ensuring that the associated opportunities to maximise economic outcomes aligned to this infrastructure investment are realised, through attracting high-value business and investment to the city will lead to enhanced long-term impacts at a local and regional level.</p> <p>Key activities over the next three years will include:</p>

- Developing a shared *Auckland Investment Story* (action from s17A Review) and prospectus over 2019/20 including an ongoing governance and reporting framework
- Continued focused on business and investment attraction activities in key Auckland sectors (tech, screen construction) working in partnership with government
- Leveraging America's Cup (AC) 36, APEC 2021 and other key events to maximise business and investment attraction opportunities
- Working with multinational corporations and investors to retain and expand their presence in Auckland
- Building sustainable connections with key cities in the Asia Pacific region, including through the Tripartite Economic Alliance

Local economic development

Local economies respond best to approaches that combine physical, social, economic and environmental interventions. Achieving this requires effective partnership, coordination and leadership. There is also a need to focus future activity and investment on enhancing economic outcomes for south and west Auckland. In these locations there are opportunities to work with anchor institutions and to support skills and jobs matching to create more high-value employment outcomes.

Key activities over the next three years will include:

- Working in partnership with Pānuku Development Auckland, Auckland Transport, Auckland Council (The Southern Initiative and The West Way) and others (Tamaki Regeneration Company) to bring an economic development focus to place-based initiatives – includes undertaking studies and research for key areas, leveraging economic opportunities from housing and transport investment, and the Transform Manukau, Transform Onehunga and Unlock Henderson projects
- Developing and managing the Local Discretionary Initiative (LDI) work programme with Local Boards
- Building knowledge and supporting skills and job-matching in growth sectors working with business, Business Improvement Districts and Business Associations
- Partnering with Local Boards, The Southern Initiative, Comet and relevant Business Improvement Districts to support and promote skills matching, training and small business start-ups

Innovation

Innovation is the most significant driver of productivity and ultimately prosperity and is a key feature of building a resilient economy. Businesses need to be connected to innovate and Auckland businesses need to increase their investment in research and development, and to ensure they are effectively adopting new digital technologies and making conscious efforts to prepare for current and future technological disruptions.

Auckland also needs to grow and attract a workforce that has greater skills in the fields of science, technology, engineering, arts and maths (STEAM) which are critical to the advanced industry sectors. In addition, there is an opportunity to support innovation across the Council group by leveraging our role in Auckland's innovation ecosystem and investment in GridAKL to address Auckland's urban and economic challenges and support improvements to Council service delivery through disruption and technological adoption.

Key activities over the next three years will include:

- Deliver GridAKL updated Strategic Framework 2019-23 focused on delivery and measurement of place, community and services
- Building Auckland's innovation eco-system through partnerships with The Southern Initiative (including Te Haa O Manukau), Grow North, Callaghan Innovation, NZTE, tertiary institutions and others
- Delivering the GridAKL Hatchbox to support InnovationAKL projects and cross-Council initiatives and co-delivery of projects to address Auckland's urban and economic challenges
- Building business technology capability to support growth and innovation, including through pop up incubator spaces
- Supporting key sector development, innovation and business productivity improvements, with a focus on industry 4.0, food and beverage, tech and entrepreneurship, green technology, creative industries and screen
- Promoting low carbon and circular economy opportunities, including development of Auckland's green economy sector
- Partnering to drive social innovation for economic outcomes and skills development

Business growth

The small business sector is the bedrock of any economy and the growth of small businesses nationally has been concentrated in Auckland. While there is still a need to attract and retain larger employers to the city, helping local economies to grow requires an enhanced focus on existing small businesses, raising their capability, encouraging business networking, connecting them to talent and facilitating access to export markets. There is also a need to continue to support entrepreneurship and business start-ups in less prosperous places.

Key activities over the next three years will include:

- Local business growth and innovation support including delivery of the Regional Business Partner Network programme to facilitate connections to funding and experts in NZTE, Callaghan Innovation, NZ Business Mentors and the wider business support and innovation ecosystems
- Working with government and partners to promote commercial growth and development of the Māori economy through key initiatives such as Dig My Idea and the Whāriki Business Network
- Supporting growth of creative industries, including the screen sector through attraction, facilitation and permitting
- Supporting the growth of Māori and Pasifika businesses and entrepreneurs
- Supporting the growth of local tourism operators

FOCUS AREA 2: SUPPORT SUSTAINABLE GROWTH OF THE VISITOR ECONOMY

The benefits of an enhanced visitor economy extend beyond the direct economic impacts that increased visitor numbers bring. A city that is attractive and offers a high-quality experience to visitors also attracts residents, students, migrants and investment, in turn providing jobs and an improved standard of living. In this way, the visitor economy underwrites much of the amenity of Auckland that benefits visitors and residents alike.

Through our role as the guardian and driver of the Destination AKL 2025 strategy, ATEED will work closely with the accommodation sector governance mechanism and the broader Auckland visitor sector to deliver on the strategy’s vision for Auckland to be sustainable – economically, socially, culturally and environmentally, as a place to live and work and as a place to visit. Specifically, ATEED’s role in implementation of Destination AKL 2025 through our Tourism, Major Events, Business Events and International Education teams is as outlined below.

PROGRAMMES	DESCRIPTION
Tourism	<p>Aligned to the <i>Destination AKL 2025</i> strategy, ATEED’s Tourism team has two key areas of focus; leading and partnering in Destination Marketing and advocating or coordinating in Destination Management</p> <p><i>Destination Marketing</i></p> <p>ATEED has an ongoing role to lead in destination marketing activity. Industry operators do not have a mandate or a desire to perform a broader destination marketing role beyond where their business opportunities lie. However, the visitor industry has indicated a strong desire to work alongside ATEED to deliver a concise Auckland message, where a broad range of beneficiaries exist and where greater benefits can be generated from collaboration.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Leading the development of Auckland stories, creating a narrative and a unified positioning, utilising Auckland’s unique Māori proposition • Leading data-centric digital marketing campaigns targeting high-value holiday visitors with a focus on the shoulder and off peak • Leading the creation of world-class destination content for distribution on owned and third-party digital platforms • Maintaining a focus on domestic, Australia, China and U.S. markets • Partnering with TNZ, Auckland Airport and others to leverage marketing spend and reach. <p><i>Destination Management</i></p> <p>Destination management is complex as ATEED does not hold tourism-related assets or supporting infrastructure in which it can manage and direct visitor flows. It relies on government agencies and Council organisations to achieve the destination management outcomes which have been identified.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Working across the industry to advocate for higher standards of sustainable practice. ATEED is already a signatory to the Tourism Industry Aotearoa Sustainability Commitment focused on sustainable growth

- Working with Auckland Transport and Pānuku Development Auckland to advocate for more visitor-friendly wayfinding
- Working closely with Māori tourism operators and other key stakeholders to introduce a capability programme and lift awareness of Māori tourism as an important component of Auckland's unique destination proposition
- Coordinating activity across agencies and cluster groups to increase regional dispersal and spread economic and social benefits to the Auckland region as well as supporting new product investment.

Business events

Business events deliver a range of highly desirable benefits to the cities that host them, including tourism expenditure benefits, building business relationships through the exchange of knowledge and ideas and enhancing investment and talent flows. The Auckland Convention Bureau is a business unit within ATEED that undertakes sales and marketing activity to grow the value and volume of business events in Auckland and position Auckland as a premium business events destination. Business events also support growth across Auckland's key priority sectors and initiatives.

Key activities over the next three years will include:

- Developing Auckland's global business events messaging tailored to the business events community
- Partnering to attract business events to Auckland through research and tailoring marketing programmes into international and Australian corporate, association and incentive markets
- Creating platforms that provide members with opportunities to market their services in a collective manner
- Working across ATEED to leverage the broader benefits of business events across key focus sectors
- Advocating for the Auckland business events sector through ongoing growth of the Auckland Advocate Alliance programme and continuing to leverage the expertise of the Auckland International Business Events Advisory Group.

Major Events

Major Events are one of the core pillars of the visitor economy. Events not only attract visitors from beyond our borders, helping to grow the visitor economy, they also enhance and shape public perceptions of Auckland as an exciting and vibrant place to live and work as well as enhancing the quality of peoples' lives. Major Events also help us tell the story of our city and strengthen our brand. They raise awareness of Auckland as a potential destination through international media and digital coverage.

Driven by ATEED's Major Events Strategy, the team will continue to intervene on behalf of Auckland in the events landscape by:

- Strategic influencing: Meeting partners and facilitating connections at Auckland, national and international levels and ensuring approaches are aligned, co-ordinated and delivering what Auckland requires.
- Investment: Working with partners on event propositions and investing on behalf of Auckland Council to create additional benefits for the region and its people.

- Event production Taking a lead role in producing events which are owned by and important to the region.
- Facilitation: Supporting event partners and city agencies to make it easier to put on major events in Auckland, enabling the events to realise maximum additional benefits to the region while keeping it flowing and functioning.
- Activation, leverage and marketing: Identifying ways to create greater value around an event through targeted interventions to enhance the experience of attendees, provide opportunities for business, trade and foreign investment, and/or ensuring the events most effectively contribute to and communicate the Auckland narrative to desired targeted audiences.

International student attraction and retention

ATEED aims to grow the reputation of Auckland as an innovative international education hub through the delivery of interventions that attract international students and ensure international students in Auckland (and their visiting friends and relatives) can access high-value tourism services and experiences. In addition, ATEED connects students into high-value sectors that require skilled international graduate talent and build alumni networks.

Key activities over the next three years will include:

- Targeting high-value international students (and their families) who create value for Auckland and position Auckland as a premium study destination
- Working with partners to provide international students with meaningful life experiences that enable personal development and stronger employability prospects
- Enabling international graduate employability pathways into high-value Auckland jobs requiring global talent
- Growing NZ Inc networks with domestic and international graduates to keep Auckland top of mind with influencers and advocates.

Priority Projects

Within these programmes, ATEED has identified three Priority Projects that cut across the Economic Development and Destination focus areas. These are:

Auckland 2021

Auckland 2021 is an umbrella programme covering ATEED's work leading into America's Cup 2021, APEC 2021 and the broader development of an Auckland destination narrative to ensure that Auckland is presenting a consistent and coordinated story to a global audience in the lead up to and over 2021.

ATEED is the lead agency for event delivery and integration of the 36th America's Cup (AC36) on behalf of Crown and Auckland Council, working alongside America's Cup Events (ACE) to ensure the event is executed well. Event delivery begins late 2020. The main focus for the project team over 2019/20 is on governance and operational planning.

ATEED is the key partner to central government for the co-ordination of the Auckland Council Group in support of a safe and successful APEC in Auckland in 2021. The APEC21 Auckland project management office is based at ATEED. Part of ATEED's role is to maximise the leverage opportunities and legacy benefits of the event for Auckland, particularly in the areas of sustainability, success for Māori, youth, destination and economic wellbeing. The APEC21 Auckland programme will not be in delivery until the 2021/22 financial year. Activity until then involves governance, and operational and leverage planning, in preparation for APEC events in Auckland in late 2021.

South and West Regeneration

The Council family is collaborating on a multi-tiered programme working with ATEED, Auckland Council, Panuku Development Auckland, the Southern Initiative, Auckland Transport and other corner-stone partners aimed at delivering enhanced economic outcomes for the Manukau area. Key projects focus on the following sectors; Construction and Infrastructure, Industry 4.0, Green Economy, Creative Industries, Tourism Development and include proactive investment, the Manukau Jobs and Skills hub, Te Haa O Manukau, social procurement and supplier diversity and south Auckland Industry Leaders' Group. All the projects have cross cutting themes of Maori Economic Outcomes and Sustainability.

Auckland investment story: Invest AKL

ATEED has been tasked to deliver a co-ordinated and well-communicated investment story for Auckland including an associated governance and reporting framework. There are currently a number of agencies working within the investment area in Auckland, and engagement of these investment audiences is paramount. Invest AKL will seek to create a digital platform, to showcase current investable opportunities in the Auckland region, clearly outlining Auckland's sectors and themes, which will enable investors to navigate the investment landscape intuitively and with ease.

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Performance Outlook

Key Performance Indicators

A key feature of the measurement framework below is the use of aggregated contributory measures that express outcomes from across the business in 'common currencies' (e.g. \$, jobs). Previous KPI frameworks have focussed at this contributory measure level. While results will still be available at this level, our focus is now on measuring our performance based on the more holistic outcomes we are aiming to achieve in alignment with our purpose.

These KPIs will be reported on quarterly in accordance with the CCO Accountability Policy.

KEY PERFORMANCE INDICATOR	2017/18	2018/19	2019/20	2020/21	2021/22
	ACTUAL	FORECAST	TARGETS		
KPI 1: Contribution to regional GDP from ATEED interventions. ^{1,2}	NA	tbc	Grow	Grow	Grow
<i>Contributory measure: Contribution to regional GDP from major and business events attracted or supported</i> (LTP measure)	NA	\$49m	\$52.5m	\$66.5m	tbc
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). ^{1,2}	3,537	3,000	3,000	3,000	3,000
<i>Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention</i> (LTP measure)	188	120	120	120	120
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. ^{1,2}	NA	tbc	Grow	Grow	Grow
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure) ^{2,4,5}	NA	340,000	370,000	435,000	tbc
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	NA	tbc	Maintain or grow	Maintain or grow	Maintain or grow
KPI 6: [FOR DISCUSSION] Domestic and International Media Value of ATEED programmes and initiatives	NA	tbc	Maintain or grow	Maintain or grow	Maintain or grow

1. Also able to be analysed and reported by target sectors

2. Also able to be analysed and reported by target locations

4. Also able to be analysed and reported by commercial and non-commercial nights

5. Also able to be analysed and reported by peak, shoulder and off-peak season nights

Developing our Indicator Framework

ATEED will continue to refine its indicator framework to ensure our KPIs reflect the impact of the work we do and inform all key stakeholders of the effectiveness of our activities. As an example, ATEED is exploring the inclusion of a media KPI that captures the work we do in providing national and international exposure for Auckland. However, ATEED acknowledges that due to the nature of much of the work that we undertake, not all impacts can be easily measured via a quantitative indicator framework. The table below outlines in more detail the coverage of each of our KPIs. ATEED will work with Auckland Council to test and share the development of our indicator framework.

KEY PERFORMANCE INDICATOR	
KPI 1: Contribution to regional GDP from ATEED interventions.	<p>ATEED has developed a more consistent and conservative approach to the measurement of additional GDP attracted through ATEED interventions including addressing attribution and additionality. This approach is currently applied to the following ATEED interventions:</p> <ul style="list-style-type: none"> • Major events attraction and investment • Business events attraction • Business and investment attraction • Screen attraction (including activity through Auckland and Kumeu Film Studios) • GridAKL,
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure).	<p>The number of businesses that have been through an ATEED programme or benefited from an ATEED intervention provides an indicator of the reach of ATEED activity. When disaggregated by intervention type, location and business sector, and in combination with customer perceptions of ATEED interventions (KPI 5: Voice of the Customer), a deeper understanding of the reach and quality of ATEED's activity can be derived. .</p>
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention.	<p>ATEED interventions can result in new jobs in a number of ways. These include the attraction of new businesses and new investment that creates jobs, interventions that retain jobs in Auckland, and supporting the generation of new economic activity (through major events for example) that generate new employment. ATEED has developed a consistent approach to the measurement of jobs linked to KPI 1 including a transparent approach to the issues of attribution and additionality.</p>
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure)	<p>ATEED primarily generates visitor nights through major and business event activity. Advancements in digital technology also present the opportunity to capture the impact of digital marketing activity on visitation. ATEED will continue to explore the potential to capture the impact of a broader range of its activities on visitor nights in the city.</p>
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED.	<p>Measurement of customer satisfaction is important not only to gauge the quality of interactions with customers but also to develop and refine activities and interventions to meet customer needs. ATEED has developed a Voice of the Customer (VoC) programme that measures the satisfaction of key partners and stakeholders with whom ATEED holds longer term relationships. Over 2019/20 the programme will be expanded to capture satisfaction with medium term, purpose driven interactions and short term, event-based interactions. In addition to measuring satisfaction, the VoC programme also measures ATEED's effectiveness in assisting customers to meet their business objectives. This will further help to refine the design of programmes and interactions.</p>
KPI 6: Media value of ATEED programmes and initiatives	<p>ATEEDs portfolio including major events, destination promotion, investment attraction, and others generates significant media attention and creates tangible value for Auckland. As a new KPI, we will develop a measurement framework to quantify this value and track performance across relevant ATEED activities. We anticipate creating a baseline measure in 2019/20 and will use this to set future targets</p>

Measurement against cross-cutting strategic themes

ATEED will also establish a more objective methodology to measure performance related to our cross-cutting themes. As embedded components of broader initiatives, the outcomes related to this activity has historically been difficult to quantify and measure or has been tracked simply as a quantification of budget expenditure. We will develop a more consistent outcomes-based approach to enable ATEED to track performance against these objectives over time with more reliability and transparency.

Monitoring Indicators

In addition to our performance measures, ATEED has identified a range of monitoring indicators which we report regularly through the AKL Index (www.aucklandnz.com/auckland-index). These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our direct control (e.g. exchange rates, natural disasters, government policy) but which we aim to influence through our activity. As the city's economic growth agency, we take a leadership role in monitoring, reporting and influencing these indicators as we can, however we do not measure the performance of our organisation against them.

Alignment with the Auckland Plan

The Auckland Plan is Auckland Council’s roadmap to deliver on Auckland’s vision of a world class city where talent wants to live. The Auckland Plan is a 30-year plan that is underpinned by a set of outcomes to achieve this vision. ATEED plays a critical part in delivering on outcomes, actions and targets in the Auckland Plan as outlined in the table below.

AUCKLAND PLAN OUTCOMES	DEGREE OF CONTRIBUTION	HOW ATEED CONTRIBUTES
 <p>Belonging & participation</p>	Primary	<ul style="list-style-type: none"> Working with key local employers and institutions in less prosperous places, to facilitate local recruitment, workforce development training and progression Ensuring that events support the creation of a shared sense of belonging for Aucklanders and recognise, value and celebrate Auckland’s diversity Promoting Auckland to Aucklanders as a place to meet, connect and enjoy participation in the community.
 <p>Māori identity & wellbeing</p>	Primary	<ul style="list-style-type: none"> Strengthening employment outcomes by connecting rangatahi to employment and training and entrepreneurship opportunities Showcasing Māori culture to the world including exploration of Māori cultural expression as the unique competitive advantage that Auckland has in the international tourism landscape Supporting Māori enterprise and economic wellbeing through the Māori economic growth programme.
 <p>Homes & places</p>	Secondary	<ul style="list-style-type: none"> Partnering with Panuku Development Auckland, Auckland Transport and Auckland Council to integrate economic outcomes into place based and transport initiatives delivered across the Council group.
 <p>Transport and access</p>	Secondary	<ul style="list-style-type: none"> Partnering with Panuku Development Auckland, Auckland Transport and Auckland Council to integrate economic outcomes into place based and transport initiatives delivered across the Council group.
 <p>Environment and cultural heritage</p>	Secondary	<ul style="list-style-type: none"> Focus on economic growth that can be sustained in the long term and benefits both current and future generations including support of inclusive growth, technological adoption and the growth of the circular economy Raising awareness of the benefits of operating in an environmentally sustainable way through supporting operators who lead in this space and providing preferential profile to organisations that embrace sustainability throughout their business.
 <p>Opportunity & prosperity</p>	Primary	<ul style="list-style-type: none"> Building a pipeline of opportunities that create higher value employment across Auckland Enhancing Auckland’s innovation ecosystem and delivering new responses to the city’s urban and economic challenges Growing more dynamic, connected and export focused businesses across Auckland.

Alignment with Development Strategy

Concurrently, and through partnership with the broader council family, ATEED will align relevant activities with areas of focus identified through the Auckland Plan Development Strategy – in particular in the south and west of Auckland.

Summary of Financial Information

The following summary of financial information supports the delivery of the strategic deliverables and performance targets for ATEED. Financial data is Actuals for 2017/18 , Revised LTP for 2018/19 Board approved Annual Plan for 2019-20 and the LTP for financial years 2020-22.

Financial Position:

Financial year ending 30 June	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenue					
Fees and user charges	2.0	0.6	0.6	0.5	0.5
Subsidies and grants (opex)	2.5	1.5	1.7	1.5	1.5
Other direct revenue	10.3	16.8	18.3	17.3	17.7
TOTAL REVENUE	14.8	18.9	20.6	19.3	19.7
Expenditure					
Employee benefits	21.9	22.1	25.0	24.1	24.1
Grants, contributions and sponsorship	10.2	9.8	9.2	12.3	12.0
Other operating expenses	31.3	37.3	37.9	35.8	37.2
TOTAL EXPENDITURE	63.4	69.2	72.1	72.2	73.3
NET DIRECT EXPENDITURE / (INCOME)	48.6	50.3	51.5	52.9	53.6
Funding from Auckland Council ¹	(49.1)	(50.3)	(50.4)	(51.4)	(51.9)
APEC Funding ²	-	-	(1.1)	(1.5)	(1.7)
Depreciation and amortisation	2.6	2.8	3.1	2.9	3.0
NET EXPENDITURE / (INCOME)	2.1	2.8	3.1	2.9	3.0

Note 1: Funding includes Approved Annual Plan/LTP and LDIs

Note 2: APEC funding from existing AC Group budget

Expenditure by Activity:

Activity (\$m)	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Economic Development	15.4	16.4	15.0	16.3	16.6
Destination	21.8	21.8	23.8	25.5	25.7
Operational Support	11.4	12.1	12.7	11.1	11.3
Total	48.6	50.3	51.5	52.9	53.6

Note: Economic Development includes funding from LDIs which varies year on year depending on Local board approvals.

Operational Support includes Strategy (including Media, Comms, Marketing), People and Culture, Finance, Risk, Health & Safety, Business Support Services and Executive Leadership.

Specific Expenditure towards Māori Outcomes:

Initiatives (\$m)	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Tāmaki Herenga Waka Festival **	0.5	-	0.5	0.5	0.5
Maori Economic Development	0.5	0.7	0.2	0.7	0.7
Total	1.0	0.7	0.7	1.2	1.2

*Note that expenditure towards Māori outcomes does not include staff costs and corporate overhead costs.

** Following consultation with the Mana Whenua Kaitiaki Forum, it was agreed to defer the Tāmaki Herenga Waka Festival from January 2019.

Capital Expenditure

CAPITAL EXPENDITURE	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
TOTAL CAPITAL EXPENDITURE	7.9	3.8	0.2	0.2	0.2
Sources of capital expenditure					
Capital funding from Auckland Council	7.9	3.8	0.2	0.2	0.2
Subsidies and grants - capex	-	-	-	-	-
TOTAL CAPITAL FUNDING	7.9	3.8	0.2	0.2	0.2

Targeted Rate on Commercial Accommodation Providers

The Council Governing Body has adopted a targeted rate on commercial accommodation providers to fund a proportion of the visitor attraction and major events expenditure of ATEED. The amount of the targeted rate was set at 50 percent of ATEED's budgeted expenditure on visitor attraction and major events (including associated staff and operational support costs).

ATEED's expected funding activity on visitor attraction and major events expenditure is estimated to be \$28.6m in 2019/20.

Category	Expenditure 2019-20	Description
Tourism	\$7.0 m	Supports the delivery of the <i>Destination AKL 2025 Strategy</i> , with an emphasis on international and domestic marketing joint ventures, attracting high-yielding visitors, facilitating product development and enhancing the tourism offering
Major events	\$15.4 m	Build and deliver a portfolio of world class major events that are aligned with the <i>Destination AKL 2025 Strategy</i> and contribute to the regional economy. Major Events are also designed to improve the visitor experience and grow visitor numbers
Business events	\$3.1 m	Auckland Convention Bureau is a specialist unit which provides services to a sector membership base, and drives the growth of Auckland as a premium destination for business events such as conferences, meetings, seminars, trade shows and exhibitions
International education	\$0.9 m	Partnering with Education New Zealand and the education sector to attract international students
Other	\$2.2 m	Other Destination initiatives
Total	\$28.6 m	

Other Financial Information

Current value of assets	The value of ATEED's assets as at 30 June 2018 was \$32.024million, based on total assets (current and non-current) of the ATEED group as disclosed in the audited financial statements.	
Accounting Policies	ATEED accounting policies are consistent with those of the Auckland Council group policies.	
Acquisition of shares	ATEED will consult with Auckland Council before purchasing or otherwise acquiring shares in any company or other organisation,	
Financial Reporting	ATEED financial reporting to Council will be in accordance with requirements of the CCO Governance Manual.	
Asset sales (\$ million)	2017/18 Actual	Nil
	2018/19 LTP	Nil
	2019/20 LTP	Nil
	2020/21 LTP	Nil
	2021/22 LTP	Nil

Approach to Governance

Working in Partnership with the Council Group

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual which sits alongside this SOI and also forms part of the annual binding agreement between Council and ATEED. ATEED will adhere to the common expectations for CCOs contribution to the council's objectives and priorities, outlined in the CCO Accountability Policy as they relate to:

- 1) Building public trust and confidence in the council group, including through a commitment to the no surprises protocols set out in the CCO Governance Manual
- 2) Providing value for money
- 3) Building a group approach to achieve outcomes for Aucklanders
- 4) Improving outcomes for Māori
- 5) Health and Safety
- 6) Managing risk appropriately
- 7) Understanding and giving effect to Auckland's shared governance
- 8) Climate change and reducing carbon emissions.

Within this, ATEED will commit to pursuing shared back-office delivery where appropriate and aligning ICT investments to optimise value and efficiency and avoid duplication.

Further, ATEED will continue to work with local boards to progress local board economic development initiatives and will continue to build on its engagement with all elected members and relevant communities of Auckland to proactively build and maintain relationships.

Governance of the Accommodation Providers Targeted Rate

In June 2018, ATEED adopted new governance arrangements for its Destination focussed work programme, which is 50 percent funded (via Council) by the Accommodation Providers Targeted Rate (APTR). Through these arrangements:

- Auckland Council will appoint a director with accommodation sector expertise to fill a future ATEED Board vacancy
- ATEED has established a subcommittee of the ATEED Board (The Destination Committee) to make recommendations on visitor attraction and major events activities. The Destination Committee includes three representatives of accommodation provider targeted ratepayers and three representatives of the ATEED Board. The Destination Committee operates in accordance with its own Terms of Reference.

Public Meetings

Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009):

PURPOSE	DATE	FORM OF PUBLIC NOTIFICATION
Consider prior year performance against SOI targets	August 2019	Public notice, New Zealand Herald
Consider shareholder comments on draft SOI	June 2020	Public notice, New Zealand Herald

Health Safety and Wellbeing

Health, safety and wellbeing will be owned by us all and integrated into everything we do. We will put the health, safety and welfare of our people, our visitors and the people of Auckland first, making this a great place to work, visit and live.

“We look after our safety and wellbeing” (Ka tiaki tātou kia āhuru, kia ora tonu tatou).

ATEED will align its health and safety system with that of Auckland Council enabling our health and safety advisors to more fully support managers and staff, empowering our people with the right training, information, knowledge and experience to exceed our health and safety requirements driving both safety leadership and continuous improvement.

ATEED’s safety culture will continue to mature, moving away from an organisational compliance driver towards focussing on health safety and wellbeing for their intrinsic value - “it’s what we do around here”.



30 April 2019

Mark Franklin
Chair
Auckland Tourism, Events and Economic Development Limited

BY EMAIL

Tēnā koe Mark

RE: Shareholder comments on ATEED's draft Statement of Intent 2019-2022

The Finance and Performance Committee considered Auckland Tourism, Events and Economic Development's (ATEED's) draft Statement of Intent 2019 - 2022 (SOI) at its 16 April 2019 meeting.

The Committee resolved to make a number of general comments that relate to each CCO and some comments that are specific to ATEED.

Staff from ATEED should work with council staff to ensure that these comments and any minor editorial changes are reflected in your final SOI.

Specific shareholder comments

Performance measures

For the final SOI, the draft 2019/2020 performance measures require further refinement, clarification on scope, and for some (KPI 1, KPI 3 and KPI 5) the establishment of benchmark data.

- KPI 1 contribution to regional gross domestic product – this proposes to include facilities in the scope of its interventions. ATEED should consider how this fits with the framework for how ATEED adds value, which includes transferring mature and established activities to capable owners where this is feasible.
- KPI 2 number of businesses - the target could be more ambitious given actual results for 2017/2018. ATEED should also clarify how 'businesses that have benefitted from an ATEED intervention' will be defined.
- KPI 2 contributory measure on Māori businesses – it is unclear how this relates to the delivery of the cross-cutting Māori economic theme. If no further specific measures are identified, ATEED should support the development of the council group Māori Outcomes Performance Measurement Framework and contribute and report on agreed metrics when developed.
- KPI 3 number of new jobs created, safeguarded or retained - ATEED should clarify the definition of a new job and how this will be calculated. It is unclear what the difference is between a job 'safeguarded' and 'retained' and how this will be defined and measured. ATEED should also attempt to provide this data by sector, location and type of job.
- KPI 5 customer satisfaction - ATEED should clarify the extent of customer segmentation that will be available under this measure (e.g. by central government stakeholder, elected members, business associations etc).

- Wherever possible, ATEED's performance measures should be able to be classified spatially (e.g. North, West, South) which will aid in building a picture of how these areas (and ATEED's interventions in these areas) are performing.

Climate change

The draft 2019-21 SOI refers to working with council on the Auckland Climate Action Plan but is largely silent on its response to the ambitions in this plan and in the Auckland Plan 2050. The final SOI should include any new ideas or approaches ATEED may apply or how it might contribute to reducing carbon emissions and ensuring resilience to climate change, in terms of ATEED as an organisation and the programmes/activities it delivers in Auckland.

Clarity on ATEED contribution

There are some areas in the draft 2019-2022 SOI where more clarity and progress are required, namely:

- APEC 2021 (Asia-Pacific Economic Cooperation meeting)
- America's Cup activity
- the ATEED Economic Development Plan
- a review of the governance model of GridAKL.

ATEED should also include in its final SOI an acknowledgement of the public good benefits resulting from its activities.

Accommodation Provider Targeted Rate

In your final SOI, ATEED should reinstate the table (present in the current SOI) which shows budgeted expenditure on various activities from the Accommodation Provider Targeted Rate, to provide greater transparency of the activities funded, and the benefits derived.

Work to be further progressed or completed

There are some activities or projects in ATEED's current SOI which have carried over into the draft 2019-2021 SOI and require further progression, or clarity on the completion timeframe for the final SOI. These are:

- Working with other organisations (under the New Zealand Tourism Sustainability Commitment) to develop a set of sustainability measures and a framework for measuring and reporting these within the first year. Given this work has not progressed in 2018/2019, ATEED should accelerate this activity in 2019/2020 and confirm the measurement base year in the final SOI.
- Development of a shared Auckland Investment Story (action from the s17A review). Given it has not yet been completed, ATEED should accelerate this activity in 2019/2020 and confirm in the final SOI when it will be completed and rolled out. I look forward to the investment story being presented to a council committee of the whole as it is finalised. The draft 2019-2022 SOI is also silent on the ongoing governance and reporting framework referred to in the letter of expectation and this should be included.

- ATEED's Māori Economic Growth Strategy which is currently being refreshed (noting the strategy was developed a year ago). The strategy should move from draft to final and ATEED should ensure the final strategy provides more specifics on the initiatives/projects it has in place to deliver on the aspirations referenced in the SOI.

General shareholder comments

The council is seeking consistency in the provision of their financial information for its CCOs. In completing the final SOI, CCOs must ensure that the financial information is agreed with council staff and includes the following:

- i. 2017/2018 actual results
- ii. 2018/2019 long-term plan (LTP) budget, updated for any carry-forwards from 2017/2018 and any other agreed changes
- iii. 2019/2020 budget consistent with annual plan submission to council
- iv. 2020/2021 and 2021/2022 LTP budget, updated for any changes agreed as part of the 2019/2020 Annual Plan
- v. a breakdown by activity as LTP
- vi. agreed non-strategic asset sales targets.

In addition, performance measures should align with the LTP. CCOs should ensure that in the final documents:

- LTP measures are clearly identified
- measures and targets are worded exactly as in the Annual Plan 2019/2020
- 2017/2018 actual performance is included, and 2018/2019 and the next three years' targets. These should be updated for any changes agreed as part of the Annual Plan 2019/2020.

CCOs should continue to work closely with Auckland Council staff on providing consistent and transparent financial and performance information.

CCO final SOIs should include a commitment to the no surprises protocols set out in the Governance Manual for substantive CCOs. The final SOI should also include a statement on how ATEED will continue to build on and improve its engagement with councillors and the diverse communities of Auckland.

Auckland Council is working with the Mana Whenua Kaitiaki Forum on Te Hōanga. This is an initiative to make the engagement processes open to all nineteen mana whenua entities with interests in Tāmaki Makaurau more effective and efficient for mana whenua and the council group. ATEED will need to actively participate in this project, and should include this in its final SOI.

The Local Government Act requires (Schedule 8, clause 9(1)(i)) that each CCO should include in its final SOI 'the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation.'

As a matter of procedure, this needs to be included in each of the final documents.

We look forward to receiving the final SOI by 30 June 2019.

Yours sincerely



Phil Goff
MAYOR OF AUCKLAND

Copy to: Deputy Mayor Bill Cashmore
Councillor Ross Clow, Chair, Finance and Performance Committee
Councillor Penny Hulse, Chair, Environment and Community Committee
Councillor Chris Darby, Chair, Planning Committee
Stephen Town, Chief Executive, Auckland Council
Nick Hill, Chief Executive, Auckland Tourism, Events and Economic Development Limited

Finance Report, month ending May 2019

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

Summary Revenue Statement												TABLE 1
For the Period Ended 31 May 2019												\$'000's
Month			Year to Date				Full Year					
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
Net operational expenses:												
3,383	2,811	(572)	17,050	17,880	830	21,691	21,766	86	(500)	22,180	21,888	
2,586	2,131	(456)	15,206	15,249	43	18,724	18,769	580	11	18,178	17,512	
397	818	421	4,454	5,000	546	5,527	5,779	95	0	5,684	5,335	
696	705	10	7,146	7,195	48	7,936	6,794	190	0	6,604	6,376	
7,062	6,465	(597)	43,857	45,323	1,467	53,878	53,108	951	(489)	52,646	51,111	
Approved opex funding						50,839	50,314	951	(489)	49,852	49,065	
Operating Deficit						(3,039)	(2,794)	0	(0)	(2,794)	(2,046)	
Capex funding						3,547	3,833	404	0	3,428	7,906	
Surplus						509	1,039	404	(0)	634	5,859	

NB: Operational Support is made up of Corporate, CFO, and People, Culture, and Change

Key Points

ATEED is \$1.5m lower net spend than forecast.

Revenue is \$0.1m higher than forecast due to additional licensee revenue in Kumeu Film Studios offset by utilities underspend across Auckland and Kumeu Film Studios

The variances in expenditure are:

\$0.1m decrease in Staff costs driven by unfilled temporary roles across Economic Development

\$0.1m decrease in Professional fees, consultancy & contractors is mainly due to decreased costs in Strategy & PCC offset by overspend in Economic Development

\$0.2m increase in Grants, contributions, sponsorship due to higher Local Board activity in Local Economic Growth

\$0.2m increase in Occupancy due to increased turnover rent due to higher licence fees at Kumeu Film Studios

\$1.5m decrease in Advertising, marketing and research due to timing across Destination, Economic Development and Strategy

Finance will be reviewing and revising reporting over the following months to align reporting to the Statement of Intent and Council reporting formats.

* The 2017/18 deferrals have been approved and reflected above.

** The approved budget changes relate to Local Board budget.

*** Reporting is against Forecast 3

ATEED total net favourable variance of \$1.5m

Destination: May YTD net spend is \$0.8m lower than forecast. Revenue is on track to meet the end of year forecast target. Expenditure underspend of \$0.8m relates to underspends in the ACB business events investment fund \$0.1m, delays in various major event contracts, timing of event related marketing spend \$0.4m and delays in Tourism contracts and timing of Tourism marketing activity \$0.2m. Destination team are working to close out the year end to forecast year spend.

Economic Development: May YTD net spend is on forecast. Revenue is \$0.1m higher than forecast driven by Property rental revenue due to additional licensee revenue in Kumeu Film Studios and Sundry revenue due to lower utility costs across the studios. There is an Expenditure overspend of \$0.1m made up of temporary staff costs underspend of \$0.1m, Professional fees, consultancy & contractors overspend of \$0.2m driven by Investment team spend on various projects offset by Local Board and Business Programmes underspend. Overspends in Grants, contributions, sponsorship of \$0.2m relates to Local Board and \$0.2m in Occupancy is mainly driven by increased turnover rent due to higher license fees at Kumeu Film Studios. An underspend of \$0.4m in Advertising, marketing & research is mainly in the Skills & Workforce team \$0.2m and across the business.

Strategy: May YTD net spend is \$0.5m lower than forecast. An underspend of \$0.1m in Professional fees, consultancy & contractors relates to the CRM project and \$0.4m in Advertising, marketing & research relates to delayed marketing spend in the Brand team of which \$0.2m relates to a RFP currently in process and the remaining across several activities, including Road to 2021 and APEC21.

Operational Support: May YTD net spend is on forecast.

Revenue Statement

Revenue Statement												TABLE 2
For the Period Ended 31 May 2019												\$000's
Month			Year to Date				Full Year					
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
			Operational revenue									
40	27	13	Fees and user charges	581	577	4	611	617	0	0	617	2,037
167	157	9	Grants and subsidy revenue	2,123	2,065	57	2,969	1,454	0	0	1,454	2,501
(3)	30	(33)	Sponsorship	1,201	1,230	(30)	1,230	1,542	0	(250)	1,792	1,955
1,338	1,080	258	Property rental revenue	10,961	10,795	166	11,900	14,299	0	(11)	14,310	6,361
105	182	(76)	Sundry revenue	1,321	1,446	(125)	1,504	979	0	0	979	1,995
1,647	1,476	171	Total Operating revenue	16,187	16,114	73	18,215	18,891	0	(261)	19,152	14,850
1,946	2,078	132	Staff costs	19,594	19,710	117	21,638	22,086	0	(458)	22,544	21,857
1,320	894	(426)	Professional fees, consultancy & contractors	6,434	6,560	126	7,714	8,285	637	(394)	8,042	7,155
1,938	929	(1,009)	Grants, contributions, sponsorship	8,315	8,136	(179)	10,667	9,779	0	605	9,174	10,206
265	251	(13)	Depreciation & amortisation	2,854	2,845	(9)	3,097	2,794	0	0	2,794	2,633
1,417	1,185	(232)	Occupancy	12,604	12,411	(193)	13,685	15,749	0	0	15,749	9,855
281	192	(88)	Travel & entertainment	1,242	1,215	(27)	1,360	1,170	0	(110)	1,280	1,274
1,212	2,243	1,031	Advertising, marketing & research	6,150	7,663	1,513	10,025	9,844	294	(181)	9,732	8,377
331	169	(162)	Other expenditure on activities	2,851	2,897	46	3,907	2,292	21	(212)	2,484	4,604
8,709	7,941	(768)	Total Operating expenditure	60,043	61,437	1,394	72,093	71,999	951	(750)	71,798	65,961
7,062	6,465	(597)	Operating deficit before Council funding	43,857	45,323	1,467	53,878	53,108	951	(489)	52,646	51,111

Total Operating revenue

YTD total Operating revenue is \$0.1m higher than forecast due to increased Property rental revenue \$0.2m for increased licensee revenue in Kumeu Film Studios and decreased Sundry revenue \$0.1m due to lower utility costs across the Auckland and Kumeu Film Studios.

Total Operating Expenditure

YTD Operating expenditure is \$1.4m lower than forecast.

Staff Costs, \$0.1m lower: Mainly due to unfilled temporary roles across Economic Development.

Professional Fees, consultancy & contractors, \$0.1m lower: An underspend in Strategy and PCC due to delays in CRM and work programmes are offset by an overspend in the Economic Development investment team over various project initiatives.

Grants, Contributions, sponsorship, \$0.2m higher: An overspend in Economic Development Local Economic Growth due to increased Local Board initiatives.

Occupancy, \$0.2m higher: Increased turnover rent due to higher licence fees at Kumeu Film Studios.

Advertising, marketing and research, \$1.5m lower: Underspend in Strategy \$0.4m, Destination \$0.7m and Economic Development \$0.4m with some activity expected in June.

Summary of Activities

			Summary of Activities: Net Amount of Spend and/or (Revenue) > 0.5m								TABLE 3	
			For the Period Ended 31 May 2019								\$000's	
Month			Year to Date			Full Year						
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
Destination												
425	222	(203)	1,514	1,295	(219)	1,739	1,550	0	0	1,550	1,380	
159	265	106	572	756	184	1,161	798	0	0	798	811	
0	0	0	26	25	(0)	25	775	0	0	775	710	
0	0	0	2	2	0	2	0	0	(500)	500	478	
(75)	0	75	333	515	182	515	374	0	0	374	399	
2	0	(2)	277	278	0	278	255	21	0	234	196	
Economic Development												
524	402	(122)	4,121	4,077	(44)	4,569	4,028	300	0	3,728	4,505	
36	73	37	169	212	43	394	536	0	0	536	342	
0	0	0	0	0	0	0	0	0	0	0	0	
(150)	(134)	15	(1,072)	(1,041)	30	(1,092)	(245)	0	0	(245)	(13)	
(71)	(74)	(3)	(1,002)	(993)	9	(1,065)	(1,072)	0	0	(1,072)	(1,083)	
121	30	(91)	719	615	(103)	1,070	1,045	102	11	932	657	
Strategy												
41	366	325	250	600	350	663	792	0	0	792	184	

ITM Auckland Supersprint, \$0.2m higher: Overspend relates to a milestone triggered earlier than planned.

Auckland Convention Bureau, \$0.2m lower: Underspend relates to planned spend for Business Events Investment Fund that did not eventuate.

Pasifika Festival, \$0.2m lower: Underspend due to conservative forecasting on potential expenses due to cancellation of event.

Local Boards, \$0.1m Higher: Overspend of Local Board initiatives, managed by Group through a central fund.

Brand Services, \$0.4m Lower: Mainly driven by an underspend of \$0.2k relating to an RFP that is currently in process and \$0.2k relates to delays across several activities, including Road to 2021 and APEC21.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 May 2019		
TABLE 4	YTD	\$000's Jun-18
Current assets		
Cash and cash equivalents	430	1,084
Receivables and prepayments	15,260	10,763
Total current assets	15,690	11,847
Current liabilities		
	15,082	7,704
Working capital	608	4,143
Non-current assets		
Receivables and prepayments (non-current)	11	24
Property, plant and equipment	18,323	18,135
Investment in Joint Venture, The FoodBowl	1,929	2,018
Total non-current assets	20,263	20,177
Non-current liabilities		
	2,885	2,938
NET ASSETS	17,986	21,382
EQUITY	17,986	21,382
Capex spend	3,079	7,906
Total future commitments	86.8m	75.7m

Cash and cash equivalents: Variance due to the timing of cash sweeps to Group Treasury.

Receivables and prepayments: An increase in Intercompany Receivables due to intercompany transactions held and cleared on a quarterly basis and a decrease in GST, Other Current Receivables and Provision for Doubtful Debts under IFRS9.

Current liabilities: An increase in Current Liabilities due to a decrease in Trade Payables and accruals offset by an increase in Current Account due to treasury movements, and Revenue in advance, and Other Creditors due to passage of time entries.

Non-current Assets: Relates to Fixed Asset movements and a decrease in The Foodbowl investment.

Non-current Liabilities: Relates to non-current revenue in advance.

Total Future Commitments: Operating lease costs of \$67.1m for GridAKL program over a twelve-year period including passage of time rent increases, \$8.1m for 167B Victoria Street over a 9 year period, \$1.2m for Kumeu Film Studio over a 3 year period, \$0.1m for the B:Hive at Smales Farm over a 2 year period and \$10.1m for operational commitments.

Receivables *

By System:

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
Auckland Council System	1,061	160	54	10	343	1,628	
Grid AKL	56	12	6	2	5	80	
Total Debtors	1,117	172	59	12	348	1,708	

By Consolidated Debt:

Aged debtors (\$000's)	Current	1 month	2 month	3 month	4 months+	Total
ATEED's debtors	1,117	172	59	12	348	1,708

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
880 Productions NZ Ltd Partnership	441	0	0	0	0	441	Licensee - Kumeu Film Studio. Since received \$213k to 12/06/19
Generator New Zealand Limited	408	0	4	0	0	412	GridAKL operator. Since received \$408k to 12/06/19
New Zealand Trade & Enterprise	0	0	0	0	247	247	Government funding grant - payable in 12 monthly instalments. Final payment due July 2019.
Manu One Limited	129	0	0	0	0	129	Licensee - Auckland Film Studio. Since received \$117k to 12/06/19
Cricket Hop Productions NZ Ltd	0	99	0	0	0	99	Licensee - Kumeu Film Studio. Debt is offset by deposit held
Other Debtors	139	73	55	12	101	380	Other debts are being actively managed by Council and ATEED
	0	0	0	0	0		
Total Debtors	1,117	172	59	12	348	1,708	

* Debt collection is performed by the Group Credit Control team and follows the Council process of collection. The above identifies overall debt greater than \$50k.

There has been \$25k of debt sent to Auckland Council shared services to start the collection process relating to the 4 months plus debt in the Exchequer system. Since collected \$1k.

Recommendation

It is recommended that the Board note the Finance Report for the period ended 31 May 2019.

Signatories

Manager: Claire McCracken, Finance Manager

GM: Jacky Hollingsworth, Chief Financial Officer

Chief Executive Report – June 2019

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

Purpose

This report provides the Board with a summary of key issues and opportunities facing ATEED, and a summary of operational highlights during the previous month.

CE update

Food Innovation Auckland Limited (The FoodBowl)

Additional funding has been allocated to Callaghan Innovation for The FoodBowl as part of the Government’s 2019 Budget.

ATEED priority projects

The overall status and overview of current ATEED priority projects – APEC 2021, 36th America’s Cup and Manukau is provided below.

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
APEC 2021 (APEC21)				
				The APEC21 Auckland project management office is based at ATEED. The APEC21 Auckland programme will not be in delivery until the 2021/22 financial year. Activity until then involves governance, and operational and leverage planning, in preparation for APEC events in Auckland in late 2021.

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
36th America's Cup (AC36)				
●	●	●	●	Event delivery begins late 2020. The main focus for the project team is on governance and operational planning.
Manukau				
●	●	●	●	<p>Work commenced in May to map the south Auckland socio-economic ecosystem and identify key people in anchor institutions, industry and the community to collaborate on each of the projects in the south Auckland programme (see Figure 1 below).</p> <p>Ian Short, who worked with the London Docklands Development Corporation, is also working across ATEED and The Southern Initiative (TSI), to provide a systems approach focused on regenerative outcomes. A Business Leaders' Forum with a core group of 10-15 south Auckland leaders and stakeholders is being convened for the programme.</p> <p>Figure 1: South Auckland Programme</p> <p>The diagram illustrates the South Auckland Programme. At the top, six key sectors are listed with icons: Infrastructure & Development (building icon), Creative industries (mask icon), Green economy (leaf icon), Industry 4.0 (network icon), Technology, innovation (gears icon), and Tourism (airplane icon). Below these, a grid of programme vehicles is shown. The first row includes Investment attraction, Talent (Jobs & Skills Hubs), Innovation, and Social procurement. The second row includes Marketing, communications, engagement, Placemaking, Maori economic outcomes, and Sustainability. The entire grid is labeled 'Business Leaders Forum' at the bottom.</p>

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
				<p>ATEED's Destination division, Healthy Families Manukau (a Ministry of Health initiative delivered in partnership with TSI), Papatuanuku marae, Manukau Institute of Technology (MIT) and TSI held a hui to advance the approach for culinary tourism in south Auckland. This included links with global culinary and gastronomy tourism expert Eric Pateman's recommendations for an Auckland culinary strategy framework.</p> <p>Te Papa's baseline funding has been increased by \$12.5m per annum as part of the Government's 2019 Budget to maintain the museum's asset base. There was no mention of funding for a cost-benefit analysis for a Te Papa facility in Manukau. Findings from the Te Papa research project will now be part of the creative industries project.</p> <p>Manukau Jobs and Skills Hub</p> <p>MBIE has convened a Manukau hub establishment group with representation from Downer-Hawkins, Housing New Zealand, Ghella-Abergeldie Harker Joint Venture, Pānuku, MIT and TSI.</p> <p>ATEED has created an employer database that the wider establishment group (including the Northern hub) is using, as the basis for developing a hub database and employer engagement plan.</p> <p>Industry 4.0</p> <p>A feasibility paper has been developed for a potential food and beverage (F&B) manufacturing cluster in south Auckland, to accelerate the growth of added value export products developed by New Zealand firms. ATEED is in the process of evaluating a proposal from The University of Auckland's Business School to support mapping and development of the F&B cluster programme.</p>

Month in review

Economic Development

Tripartite 2019

Tripartite 2019 was successfully delivered from 19-21 May and continues to receive positive feedback from international delegates and speakers, domestic stakeholders, the Mayor, elected members and Council family leadership. Post-event evaluation and debriefs are underway, including considerations for Tripartite 2020 in Guangzhou in April/May next year.

Screen facilitation

Sixty-three permits were issued, and 196 enquiries received between 1 May and 5 June, including 36 projects with low impact conditions that do not require permits.

Regional Business Partner Network programme (RBP programme)

More than 825 businesses have been actively engaged YTD, including 58 businesses in May (115 per cent of the annual target). Fifty-six Māori business owners have engaged YTD, including five in May. About \$1.44m of NZTE capability vouchers and \$3.3m of Callaghan Innovation R&D grants have been issued. ATEED's Net Promoter Score is at +77, compared with the national average of +72 and target of +50.

Green economy

The investment case for the green economy programme was approved. The FY19/20 programme includes three key projects:

- Sustainable Business Network (SBN) annual conference sponsorship, with a view of showcasing green innovation in the conference programme.
- NZBiotech partnership to develop an insights report for the biotech sector. ATEED's interest is based on the cleantech opportunity.
- Development of a circular economy innovation lab in partnership with Circularity, to foster industry led circular innovation. This builds on the circular economy insights report produced by ATEED and SBN.

Skills and Workforce

ATEED-MIT strategic engagement action plan delivery

Progress is being made on delivery of the ATEED-MIT strategic engagement plan developed at a December 2018 workshop with TSI. The plan is supporting action in the following areas:

- Pacific community engagement for the *Go with Tourism* campaign and Careers Expo showcase on destination pathways.
- MIT is active in the Manukau Jobs and Skills Hub establishment group and is keen to play a leading role in supporting employers to upskill their workforce.
- ATEED and MIT (in collaboration with partners), are exploring opportunities to share south Auckland's Pacific and Māori culture and history through development of the destination and culinary offering.
- Primary research for the ATEED-led employment land study with MIT students.
- TSI engagement and procurement opportunities with MIT's new TechPark build.

Future Ready Summit

The Future Ready Summit on 26 June at Vodafone Events Centre is fully subscribed, with more than 250 people representing 70 large employers and 30 young people. Elected members Efeso Collins and Penny Hulse are expected to attend. Speakers include Sir Stephen Tindall KGCNZ, Nancy McConnell, Gus Gilmour and TSI.

Local Economic Growth (LEG)

Tāmaki Employment Precinct strategy

ATEED's LEG team, in partnership with Tāmaki Regeneration Company (TRC), has developed an Employment Precinct strategy for the TRC area. This will be presented to the TRC Board in June and then to the ATEED Board in July for approval. The strategy provides a framework for public sector activity in the Tāmaki Employment Precinct over the next 20 years. The precinct encompasses the light industrial and business (mixed use) zoned land that runs adjacent to the rail corridor in the Tāmaki Regeneration area. The strategy has been developed in collaboration with local businesses and landowners, political and other key stakeholders, and the wider Auckland Council family.

Local Boards work programme

ATEED has achieved its target of spending 80 per cent of the Local Board Locally Driven Initiatives (LDI) budget allocated to local economic development initiatives delivered on the local boards' behalf by the LEG team. The FY19/20 programme is being finalised with local boards and will be reported to them in June for approval.

Destination

Major Events

Elemental AKL

Elemental Feast went live on 4 June, with 120 restaurants participating in plating up unique festival dishes or menus using ingredients sourced from the Auckland region and inspired by the elements. Accommodation providers are also being contacted and invited to take part in the festival which will run from 1-31 July.

National Programme

Evaluation is underway for the 15 applications received in the last round of the National Programme.

Tourism

International Consumer and Trade Marketing

Building on the strong results of the February campaign, the latest short breaks campaign ran from 27 May to 16 June, with Flight Centre as the conversion partner. Digital display advertising was down-weighted due to under-performance, and video content was up-weighted, with new video channels added due to strong performance.

The 2019 *Short Breaks* campaign focuses on wine content, highlighting the uniqueness of the Auckland wine region, partnering with online wine distributor Vinomofu. The campaign runs from 29 May to 25 June, targeting passionate wine appreciators, professionals between 25-54 years-old, who are frequent travellers with disposable income on Australia's eastern seaboard. Vinomofu has created *The Auckland Drop* – cases of six bottles of wine from Auckland's three wine regions. A pamphlet is included in every case with tasting notes on the wine, along with a suggested itinerary and a five per cent discount on flights offer. There is also a *Golden Ticket* competition offering free return flights to Auckland in every 50 cases featuring Auckland wine.

To amplify the current *Short Breaks* campaign, ATEED will host news.com.au and lifestyle.com.au in Auckland, showcasing the city's unique offering that is promoted in the campaign. News.com.au has a reach of six million and will produce a dedicated feature on Auckland as well as share one article on Facebook with their 1.1m followers. Lifestyle.com.au has a reach of 1.2m unique viewers and will produce two dedicated online features.

A five-day flash sale with Flight Centre from 10-16 June was also finalised to coincide with the *Short Breaks* campaign. The sale is designed to drive increased length of stay.

The Trade team attended TRENZ in Rotorua from 13-16 May. TRENZ is New Zealand's biggest annual business-to-business travel and trade event. The team held more than 100 appointments with international buyers and members of Tourism New Zealand's international teams during the three days. ATEED setup *Auckland Street* at TRENZ, which had 12 Auckland-based tourism operators, eight tour/attraction operators, and three accommodation providers.

ACB

Working with ACB membership and industry partners, ACB's business events opportunities won to date this year represent total future spend of \$25.1m, generating 44,345 delegates and 63,038 visitor nights. A total of 305 opportunities have been submitted¹, with a potential tourism spend value of \$120m and 259,389 delegates / 353,260 visitor nights.

Market	Total	Delegates	Economic value (million)	Visitor nights
International associations	12	5,710	\$11.5m	31,565
New Zealand	50	22,227	\$8.3m	21,075
Australia	40	16,408	\$5.4m	10,398
Total	102	44,345	\$25.1m	63,038

Study Auckland

ATEED presented the ON: Futures in Tech at the Techweek19 event on 20 May in partnership with the Young Enterprise Scheme and Niesh, New Zealand's largest student engagement platform. During the event, students and judges selected the winners for the 'ON: Pitch' idea competition. There were more than 100 applications for the competition, with three start-ups having the opportunity to pitch to the audience on why they deserve New Zealand's support to win the ultimate start-up package, worth \$60,000. The winner was Prosthet-X, two students from the University of Auckland who are preparing to produce prosthetic sockets.

Two days of the Rukuhia Global Leadership Programme, a Māori culture and leadership programme developed by Ngāti Whātua Ōrākei in 2018, were delivered for tertiary students on 10 and 11 May. Feedback collected on the day showed that students felt that the programme was one of the best experiences you could have in New Zealand and that they would share their experience with family and friends. Attendees were from a range of institutions including AUT, Massey University, New Zealand Tertiary College, Unitec, the University of Auckland, UUNZ Institute of Business, Eastern Institute of Technology, International Travel College and Aspire2.

¹ YTD

People, Culture and Change

People	Current	Last month
Head count	224	226
FTE	211.78	211.96

Strategy

Māori Responsiveness Plan

A review of ATEED's Māori Responsiveness Plan is underway, with a draft plan expected for delivery in September 2019. The focus of the new Māori Responsiveness Plan is the inclusion of a Māori economic development performance measurement framework that will allow ATEED and Council to better report on the delivery of Māori outcomes using three methods (expenditure, outputs and outcomes).

Corporate Communications strategy

An updated *Corporate Communications strategy* is in draft stage; and highlights a continually increasing focus on utilising our digital platforms and networks of staff and directors to 'tell the story' of Auckland and ATEED. The plan will be circulated to the Board once management feedback has been incorporated.

Media

The America's Cup, Auckland Writers' Festival, Auckland Art Fair, and the ATEED-led Tripartite event in Auckland dominated the news cycle in May. Online news had the highest volume of coverage (164 items or 61 per cent). Please see Attachment 1 for a full media summary for May.

Key Performance Indicators

Attachment 2 shows how ATEED is tracking against the SOI KPIs, where results are available.

Finance

ATEED is \$1.5m lower net spend than forecast. Revenue is \$0.1m higher than forecast due to additional licensee revenue at Kumeu Film Studios, offset by utilities underspend across Auckland Film Studios and Kumeu Film Studios.

The variances in expenditure are:

- \$0.1m decrease in staff costs, driven by unfilled temporary roles in Economic Development.
- \$0.1m decrease in professional fees, consultancy and contractors, mainly due to decreased costs in Strategy and People, Culture and Capability, offset by overspend in Economic Development.
- \$0.2m increase in grants, contributions and sponsorship due to higher local board activity in Local Economic Growth.
- \$0.2m increase in occupancy due to increased turnover rent due to higher licence fees at Kumeu Film Studios.
- \$1.5m decrease in advertising, marketing and research due to timing across Destination, Economic Development and Strategy.

The Finance team will be reviewing and revising reporting during the coming months, to align reporting to the Statement of Intent and Council reporting formats.

Health and Safety

The health and safety scorecard for May is included in Attachment 3.

Recommendations

1. The report be received.

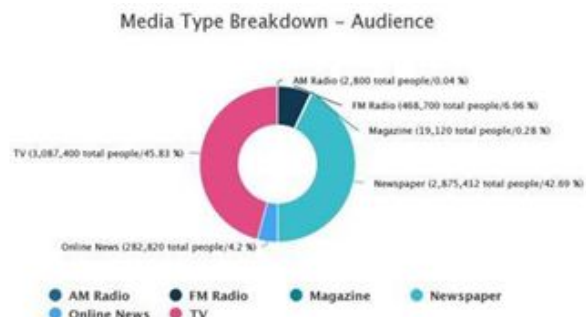
Attachments

1. Media summary for May 2019
2. SOI KPI scorecard – at 10 June 2019
3. Health and Safety scorecard for May 2019
4. Upcoming events / activity

Signatory

Nick Hill, Chief Executive

Attachment 1: Media summary for May 2019



Overall coverage (268 stories)

The America's Cup, Auckland Writers' Festival, Auckland Art Fair, and the ATEED-led Tripartite event in Auckland dominated the news cycle in May. Online news had the highest volume of coverage (164 items or 61 per cent).

AC36 (140 stories)

Emirates Team New Zealand (ETNZ) Grant Dalton spoke to Newstalk ZB's Mike Hosking on preparations to defend the Cup. Luna Rossa skipper Jimmy Spithill was quoted saying he is confident he can win the America's Cup once again. Liam Napier (a UK-based *NZ Herald* journalist) continued to speculate on Auckland's readiness to host challengers for AC36, citing comments from Sir Ben Ainslie (Ineos Team UK skipper), suggesting construction complications have delayed the arrival of his team in Auckland.

Dean Barker admitted to some "hard learnings" as video emerged of his American Magic AC36 test boat capsizing during training in Florida. New Zealand yachting stars, Peter Burling and Blair Tuke re-stamped their authority on the 49er Olympic class by winning the European championships.

The second round of structural testing of the one design AC75 foil arms has successfully been conducted at Persico Marine in Italy. The focus can now turn towards completing the production of the foil arms before they are distributed to the teams, in preparation for the respective launches of their AC75s.

The marine industry escalated calls for the Government not to tamper with its on-the-job training amid concerns industry training will be part of a planned mega-merger of polytechs. A court showdown has been set for two Aotea/Great Barrier Island groups fighting a company's plans to dump millions of cubic metres of Auckland's seafloor waste off their coast. As part of their opposition, the groups earlier referenced separately consented dumping of sediment from excavations from the viaduct harbour for AC36 preparations, however none of the new disputed consents relates to AC36 dredging.

AC36 will have one fewer challenge than expected after the withdrawal of Malta Altus was confirmed. This was described as a "disappointing outcome" by ETNZ boss Grant Dalton.

Favorability

	Tone of Voice		
	Neutral	Positive	Negative
May 2019	7%	71%	**20%
Apr 2019	19%	63%	*18%
Mar 2019	42%	48%	10%

	Share of Voice			
	ME	CORP	ED	DEST
May 2019	65%	5%	16%	12%
Apr 2019	69%	6%	2%	23%
Mar 2019	64%	5%	2%	29%

** Relates to Team Malta Abu withdrawal from AC36 *Largely relates to kauri dieback prevention.

Tripartite (41 stories)

Tripartite 2019 was held during Techweek19 to showcase the Auckland region's world-class tech sector and its opportunities to international guests. ATEED's Comms and Media team facilitated high-profile media interviews with Los Angeles-based guest speakers across national radio (Radio NZ *Nine to Noon*, NBR radio), television (NewsHub), *New Zealand Herald*, and online platforms (Newsroom). The coverage raised the speakers' New Zealand profile and the opportunities the Tripartite represents for the alliance's cities. Between 1 May and 12 June, 41 media items were secured for Tripartite, of which 24 were in mainstream media and the rest in social media.

Auckland Art Fair / Auckland Writers' Festival (41 stories)

There was extensive coverage of the festivals' programmes. The Auckland Writers' Festival reported it had broken the previous attendance record with more than 82,000 seats filled across the week-long event.

Other ATEED-related stories that garnered media coverage:

Dolphin mooring

Dismayed project opponents banded together to fight the controversial planned extension to Queens Wharf to facilitate larger cruise ships.








Screen

Applications to film in the Auckland region are set to reach an all-time high. This resulted in an extensive Radio NZ video and radio segment on location with ATEED Manager Creative Industries, Michael Brook. And there was coverage of changes to Auckland Council's film permit process regarding vehicle access at Bethells Beach and other west coast beaches.

Go with Tourism

ATEED partnered NZ Careers Expo to deliver a tourism careers expo as part of the Go with Tourism initiative.

Attachment 2: SOI KPI scorecard – as at 10 June 2019

KEY PERFORMANCE INDICATOR	2018/19 TARGET	LATEST RESULT	DATE OF MEASURE / LATEST AVAILABLE RESULT	STATUS	COMMENTS
KPI 1: Contribution to regional GDP from ATEED interventions. 1,2	Benchmark	No result to date			Benchmark in development with Market Economics.
<i>Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)</i>	\$49m	\$23.613m	30-May-19		Result does not include impact of business events but will at year-end. Despite this, it is expected that the year-end target will not be achieved due to fewer major events in the portfolio, the cancelling of Pasifika Festival, the exclusion of Auckland franchises from the portfolio and movement of some business events.
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). 1,2	3,000	2,495	3-May-19		On track to meet year-end target. Businesses include those that have been through the Regional Business Partner programme, Auckland Skills and Job Hub employers, GridAKL residents, businesses that have benefitted from tourism promotion, ACB members and major event stallholders.
<i>Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)</i>	120	147	3-May-19		Target exceeded. Businesses include those that have benefitted from Māori tourism product development work, RBP programme and the Whāriki Māori Business Network activity.
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. 1,2	Benchmark	No result to date			Benchmark in development with Market Economics.
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure)2,4,5	340,000	193,560	30-May-19		Result does not include impact of business events but will at year end. Despite this, it is expected that the year-end target will not be achieved due to fewer major events in portfolio, the cancelling of Pasifika Festival, the exclusion of Auckland franchises from the portfolio and movement of some business events.
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	Benchmark	No result to date			ATEED is working with AC Nielson to develop a comprehensive, cross-organisational Voice of the Customer (VoC) programme on which a benchmark will be developed. A VoC pilot was completed with select teams in Q3. Next steps are to roll out the programme across the organisation during Q4, to establish a baseline.

1. Also able to be analysed and reported by target sectors.
2. Also able to be analysed and reported by target locations.
4. Also able to be analysed and reported by commercial and non-commercial nights.
5. Also able to be analysed and reported by peak, shoulder and off-peak season nights

Attachment 3: Health and Safety scorecard for May 2019

Update



- A working group has been formed, including key representatives from Council CCOs to continue to identify best practice on safety and security at our events, venues and open spaces following the 15 March events. Work is ongoing and discussions are taking place with the New Zealand Police, MBIE, DPMC and others as required.
- ATEED is assisting Council H&S with Council's H&S Symposium.
- ATEED's Health and Safety Advisor has returned from one months' leave. Screen Auckland's H&S Advisor covered during this time.

Risk Manager



Incidents: 3

- Fire alarm did not sound in response to an actual incident involving a small toaster fire in the neighbouring Spark tower C. Contractors had isolated the alarms during work and not informed us or the building managers (CBRE). ATEED's Building Services Manager and Risk Manager are aware of this and are working to ensure controls are in place to manage isolation safely moving forward.
- Simple request for ergonomic assistance for an employee with an existing back injury.
- ATEED building lift door closed on a staff member and did not released. Serviced and fixed the same day. No injuries.



Near misses: 1

- Uber cab being used by staff member was rear-ended. No injuries. No issue for follow-up.



Unsafe condition/hazard: 0



Open Incidents in Risk Manager:

- H&S Advisor continuing to work with people leaders to close items.

Attachment 4: Upcoming events / activity

Key events / activity	Date	Location
Nelson Mandela My Life: Exhibition	13 April – 8 August	Eden Park
Outward Business Delegation with BNZ	3 – 7 June	Los Angeles
Auckland Wine Week	13-23 June	Various
High-skilled migrant attraction winter campaign	June	Digital with Immigration New Zealand
KEA World Class NZ Awards	20 June	SKYCITY Auckland Convention Centre
War Horse 2019	21 June - 7 July	Civic
NZRL NZ vs Tonga Double Header	22 June	Mt Smart
Future Ready Summit 2019	26 June	Vodafone Events Centre, Manukau
Celebrating Matariki at Auckland Zoo	28 June - 26 July	Auckland Zoo
GABS Beer, Cider & Food Fest	29 June 2019	ASB Showgrounds, Greenlane
Matariki Glow Show	Various June and July	Various (Papakura (June) Henderson, Freemans Bay, Western Springs)
Lights out on Great Barrier Island	Various June and July	Great Barrier Island
Elemental AKL	1-31 July	Various venues

Key events / activity	Date	Location
Spartan Auckland Urban Sprint	2 – 4 August	Ellerslie Racecourse
AmCham Business Awards	15 August	Cordis, Auckland
New Zealand Fashion Week	26 August – 1 September	Auckland Town Hall and Aotea Square
Pacific Islands Rugby Double Header	31 August	Eden Park