

# **Auckland Tourism, Events and Economic Development Ltd Board meeting**

## **OPEN AGENDA**

### **Will be held as follows:**

**DATE:** 18 September 2015  
**TIME:** 12.00 noon start  
**VENUE:** The Gulf Boardroom, Level 8, 139 Quay St, Auckland

### **Board members:**

<i>Chair</i>	David McConnell
<i>Deputy Chair</i>	Norm Thompson
<i>Director</i>	Franceska Banga
<i>Director</i>	Richard Jeffery
<i>Director</i>	Danny Chan
<i>Director</i>	Helen Robinson
<i>Director</i>	Stuart McCutcheon

### **Attendees**

<i>CEO</i>	Brett O'Riley
<i>Company Secretary</i>	Libby Nuth
<i>Board Intern</i>	Daniel Mussett
<i>Others TBC</i>	

OPEN AGENDA

1. **APOLOGIES**

An apology has been received from Francesca Banga.

2. **MINUTES OF 28 AUGUST AND OPEN ACTION TRACKER**

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3. **REGISTER OF DIRECTORS' INTERESTS & DECLARATION OF CONFLICT OF INTEREST**

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4. **CHIEF EXECUTIVE'S ACTIVITY REPORT**

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5. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer.....26

Friday, 18 September 2015



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1. **APOLOGIES**

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Friday, 18 September 2015



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2. **MINUTES OF 28 AUGUST AND OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

## BOARD MINUTES

- What:** Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
- Where:** Gulf Boardroom, ATEED Central Office, Level 8, 139 Quay Street
- When:** Friday, 28 August 2015 at 12.00pm
- Directors:** David McConnell  
Norm Thompson  
Franceska Banga  
Richard Jeffery  
Danny Chan  
Helen Robinson
- Apologies:** Stuart McCutcheon
- In Attendance:** Brett O'Riley (Chief Executive)  
Martin Fairweather (Chief Operating Officer)  
Barbara Imlach (Chief Financial Officer)  
Joshua Ong (Operational Strategy Adviser)
- Public & Media Attendance:** Tom Shields
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### Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum (12.9 of the Constitution) is a majority of the directors and there currently being 7 directors, a quorum of directors was present. It was noted that each director had been given proper notice of the meeting.

### Meeting Business

#### 1. Apologies

An apology was received from Stuart McCutcheon.

#### 2. Minutes of Previous Meetings and Open Action Tracker

The draft minutes of the meeting held on 31 July 2015 and the Open Action Tracker were discussed. The Board was advised that the procurement of a provider to conduct a Health and Safety audits was in the process of being finalised. The Board requested comfort on any health and safety regulations which might impact on them.

**Following the conclusion of discussions, the Board resolved that the minutes of the ATEED meeting held on 31 July 2015 be confirmed as a true and correct record.**

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

David McConnell advised that a company in which he has an interest (McConnell Property Ltd) has submitted a Request for Expression of Interest in respect of the Screen and Studio Infrastructure Precinct Project at Hobsonville.

The Chief Executive noted that he was not aware of any ATEED Management or Officers having any undeclared Conflicts of Interests in relation to any ATEED activities and/or events.

### **4. Chief Executive Review of August 2015**

Brett O'Riley spoke to the Report. The key points were as follows:

- A presentation was provided to the Board on the proposed Halsey Wharf extension.
- The review of the FoodBowl had been completed and a report back would be provided to the Board later in November or December.

**Following the conclusion of discussions, the Board resolved to receive the Chief Executive Review of August 2015.**

### **5. Annual Accounts, including Statement of Service Performance**

Barbara Imlach spoke to the Report. The Board provided comments and feedback on the Annual Report for the year ended 30 June 2015.

**Following the conclusion of discussions, the Board resolved, subject to review of the comments and feedback from the Board to:**

- 1. approve the Annual Accounts, including Statement of Service Performance, for the year ended 30 June 2015, and authorise The Chair and Deputy Chair to sign the Directors Report as part of these accounts;**
- 2. authorise The Chair and Deputy Chair to sign the representation letter to Audit NZ.**

### **6. Finance Report, July 2015**

Barbara Imlach spoke to the Report. The Board congratulated management on the smooth year end audit process.

**Following the conclusion of discussions, the Board resolved to note the Finance Report for the period 31 July 2015.**

### **7. Closing the Meeting to the Public**

It was resolved to exclude the public from the remainder of the meeting in accordance with paragraph 12.3 of the Company's constitution.

Resolutions in relation to the discussions around confidential items are recorded in the confidential section of these minutes and are not publicly available.

The Chairperson noted the open part of the meeting concluded at 1.00pm.

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

DRAFT

### Open Board Action Tracker

Action	Result of Action	Status of Action	Target Date	Responsibility
<b>5 May 2015 Meeting</b>				
Finance Report: Provide a full list of sponsors to the Major and Business Events Committee.	In progress	In progress	To be circulated to the Major and Business Events Committee	Barbara Imlach
<b>31 July 2015 Meeting</b>				
Health and Safety: the Board requested that a schedule of Directors event site visits be maintained, and a schedule of upcoming events be provided to the Board.	In progress	Item C5 – 18 September 2015	Q2 2015/16	Barbara Imlach



Friday, 18 September 2015



OPEN AGENDA

3. **REGISTER OF DIRECTORS' INTERESTS & DECLARATION OF CONFLICT OF INTEREST**

Brett O'Riley, Chief Executive

### ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
David McConnell	Managing Director, McConnell Group Deputy Chair, Committee for Auckland Board Member, University of Auckland’s Business School Advisory Board Director, 429 Limited Director, Addison Developments Limited Director, Addison Group Limited Director, Addison Retirement Village Limited Director, Anselmi Ridge Limited Director, Arnot Investments Limited Director, Ascot Parade Limited Director, Beaumont Park Limited Director, BPB Plasterboard Limited Director, British Plasterboard Limited Director, C 60 Display Limited Director, Citygate Limited Director, Ecoclean Technology SDS BHD Ltd Director, Element NZ limited Director, Galleon Limited Director, Harker Underground Construction Limited Director, Hawkins Construction Group Limited Director, Hawkins Construction Guam Inc. Director, Hawkins Construction Hobsonville Limited Director, Hawkins Construction Limited Director, Hawkins Construction NI Limited Director, Hawkins Construction North Island Group Limited Director, Hawkins Construction North Island Limited

	<p> Director, Hawkins Construction South Island Limited  Director, Hawkins (Fiji) Ltd  Director, Hawkins Group Limited  Director, Hawkins Infrastructure Guam Inc.  Director, Hawkins Infrastructure Limited  Director, Hawkins Management Limited  Director, Hawkins Plant Limited  Director, Hawkins PNG Ltd  Director, Learning Infrastructure Partners GP Limited  Director, Learnings Infrastructure Investment Limited  Director, McConnell Development Holdings Limited  Director, McConnell Developments Limited  Director, McConnell Funds Management Limited  Director, McConnell GP No.1 Limited  Director, McConnell Group Limited  Director, McConnell International Pty Ltd  Director, McConnell Limited  Director, McConnell Property Limited  Director, McConnell Property Services Limited  Director, MTC Land Investments Limited  Director, Pancho Hawkins Phillipines Inc.  Director, Pomander Holdings Limited  Director, Projects (M.I.L.) Limited  Director, Shelf Company 2012A Limited  Director, Spiral Welded Pipes Limited  Director, Steelpipe Limited  Director, The Shooting Box Limited  Director, Titanium Park Development Limited  Director, Wilkins &amp; Davies Limited </p>
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	<p>Director, Hawkins Singapore Pte Limited          Director, MC (Jervois) General Partner Limited          Director, Hawkins Construction Schools 2 PPP Limited          Director, Future Schools Partners GP 1 Limited          Director, Future Schools Partners GP 2 Limited</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Norman Thompson	<ul style="list-style-type: none"> <li>· Director, Dot.Kiwi Limited</li> <li>· Director, Preno Limited</li> <li>· Director, Queenstown Airport Corporation Limited</li> <li>· Director, Tourism New Zealand Board</li> <li>· Chartered Fellow of Institute of Directors</li> <li>· Trustee, Young Enterprise Scheme (YES)</li> <li>· Member, New Zealand Golf Open 2016 Committee</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Franceska Banga	<ul style="list-style-type: none"> <li>· Chief Executive, NZ Venture Investment Fund Limited</li> <li>· Director, Constellation Capital</li> <li>· Director, Halo Fund No. 1 Limited (non-operating company)</li> <li>· Director, Halo Fund Investment Management Limited (non-operating company)</li> <li>· Director, 82 Above Limited (non-operating company)</li> <li>· Director, Frogparking Limited</li> </ul>

	<ul style="list-style-type: none"> <li>· Trustee, Fred Hollows Foundation</li> <li>· Trustee, Peka Peka Trust (Family Trust) Investments in:             <ul style="list-style-type: none"> <li>- Pohutukawa Fund, Maui Capital Indigo Fund</li> <li>- 82 Limited Partnership and Advisory Board member</li> </ul> </li> <li>· Shareholder (1%) – Business Growth Limited (Holds shares in Xero)</li> <li>· Shareholder – the Breakthrough Co. Limited (Family business)</li> <li>· Shareholder – National Business Coaching Limited</li> <li>· Member, Institute of Directors NZ Inc.</li> <li>· Observer – Fisher &amp; Paykel Healthcare Corporation (IoD Future Directors Initiative)</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Richard Jeffery	<ul style="list-style-type: none"> <li>· Chief Executive, Vodafone Events Centre</li> <li>· Trustee of the Rising Foundation</li> <li>· Owner – I Like Gallery Limited, Art Gallery &amp; Project Consulting</li> <li>· Director and Shareholder, Knight Star Covenants Limited</li> <li>· Director, The Original Art Sale Limited</li> <li>· Director, Museum of Transport and Technology (MOTAT)</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Danny Chan	<ul style="list-style-type: none"> <li>· Director and Shareholder, A1 Flower Wholesalers Limited</li> <li>· Director and Shareholder, Academic Colleges Group Limited and subsidiaries as follows:             <ul style="list-style-type: none"> <li>Australian International Schools Limited (BVI)</li> <li>New Zealand International College Limited</li> <li>ACG New Zealand International College Jakarta Limited</li> </ul> </li> </ul>

	<p>ACG Australian International Education Services Company Limited          New Zealand Management Academies Limited          ACG Yoobee School of Design Limited          Yoobee Pty Limited (Australia)          New Zealand Career College Limited          NZ Nannies Plus Limited          ACG Norton College Limited          ACG NZIC Limited          ACG English School Limited          ACG Parnell College Limited          ACG Senior College Limited          ACG Strathallan Limited          ACG Tauranga Limited          ACG Sunderland Limited          ACG Property Holdings (NZ) Limited          ACG Property 345 Queen Street Limited          ACG Parnell College Property Limited          ACG Senior College Property Limited          ACG Strathallan College Property Ltd          ACG Education Services Limited          ACG Tauranga Property Limited          Education Investments Group Limited          Sunderland School Property Limited          ACG Early Childhood Education Group limited</p> <ul style="list-style-type: none"> <li>• Director and Shareholder, Alpha Asset Management Limited</li> <li>• Director and Shareholder, ARN Investments Limited</li> <li>• Director and Shareholder, Danting Investments Limited</li> <li>• Director and Shareholder, Education Investment Limited</li> <li>• Director and Shareholder, Flowerzone International Limited and subsidiaries</li> <li>• Director and Shareholder, Green Cut Limited</li> <li>• Director and Shareholder, Griff Trading Limited</li> <li>• Director and Shareholder, Lady White Snake Film Limited</li> <li>• Director and Shareholder, Orient Group Limited and subsidiaries</li> <li>• Director and Shareholder, Orpac International Limited</li> <li>• Director and Shareholder, Planit Products NZ Limited</li> </ul>
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	<ul style="list-style-type: none"> <li>· Director and Shareholder, Rhino Security Limited and subsidiaries</li> <li>· Director and Shareholder, Sharp Multi-Media Limited</li> <li>· Director and Shareholder, Sharp Multi-Media Productions Limited</li> <li>· Director and Shareholder, Simtics Limited</li> <li>· Director and Shareholder, SimTutor Limited</li> <li>· Director and Shareholder, Tahere Callas Limited and subsidiary</li> <li>· Director and Shareholder, Talaforde Investments Limited and subsidiary</li> <li>· Director and Shareholder, The Academic Coaching School Limited</li> <li>· Director and Shareholder, Turners Flower Exports NZ Limited</li> <li>· Director, Abano Healthcare Limited</li> <li>· Director, Simtics Limited</li> <li>· Shareholder, Aire Cut Company Limited</li> <li>· Shareholder, CLOUD M Limited</li> <li>· Member, NZ China Advisory Council (appointed 20 November 2012)</li> <li>· Member, NZ Markets Disciplinary Tribunal</li> <li>· Director, Farmers Mutual Group (Mutual Society)</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<ul style="list-style-type: none"> <li>· Chair, CLOUD M Ltd</li> <li>· Chair, Organic Initiative Ltd</li> <li>· Chair, The Network for Learning Ltd (N4L)</li> <li>· Chair, Valens Group</li> <li>· Director, KND Investments Ltd</li> <li>· Director, KND Trustees Ltd</li> <li>· Managing Director, Penguin Consulting Ltd</li> <li>· Member, NZ Rugby, Board Strategic Relations &amp; Planning Committee</li> <li>· Council Member, Open Polytechnic NZ</li> </ul>

	<ul style="list-style-type: none"> <li>· Trustee, Aktive Auckland Sport &amp; Recreation</li> <li>· Trustee, Robinson Family Trust</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart McCutcheon	<ul style="list-style-type: none"> <li>· Chairman of Directors, Auckland UniServices Ltd</li> <li>· Director, Universitas 21 international university network</li> <li>· Council Member, University of Auckland</li> <li>· Member, Partnership Board, the Worldwide Universities Network</li> <li>· Member, Steering Committee, the Association of Pacific Rim Universities</li> <li>· Trustee, UK Friends of the University of Auckland</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Board Intern Programme Participant</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Daniel Mussett	<ul style="list-style-type: none"> <li>· Trustee and Board Chairman, Dilworth Old Boys Centennial Foundation Trust, a registered charity</li> </ul> <p>An insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>



Friday, 18 September 2015



OPEN AGENDA

4. **CHIEF EXECUTIVE'S ACTIVITY REPORT**

Brett O'Riley, Chief Executive

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# Chief Executive Review of September 2015

Report to Auckland Tourism Events and Economic Development Limited Board

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## Health & Safety (H&S)

We have appointed a consultant for our events assurance work, including individual event audits, who will commence this month.

We are also recruiting an advisory consultant to complete a detailed H&S risk assessment and gap analysis with the aim of delivering a detailed action plan that will enable ATEED to achieve a best practice H&S model and culture. Concurrently we are recruiting an internal H&S advisor to implement this plan and influence change across the organisation.

It is recommended as part of our HS& delivery plan that directors complete regular site visits to view H&S systems in action, enabling a director to review hazard management systems, emergency planning, contractor management, as well as note areas of good practice and areas where improvement could be added. This can be observed by any director attending the Diwali event, and in addition, we have arranged a pre-event briefing and site visit during pack-in on 16 October. We will follow-up with the directors who are keen to attend the event.

Hazard assessments (carried out six monthly) have been completed across all ATEED occupied premises with no additional hazards reported, and all issues requiring action completed.

We are also in the process of obtaining earthquake ratings and Initial Evaluation Procedures for all ATEED occupied or leased buildings. A full report will be made available to the Health, Safety & Rem Committee when completed. Investigations to date shows almost all buildings (Lysaght and i-SITEs outstanding) except for one are graded B or above. The Orewa office (which is located in the Auckland Council premise where ATEED uses desk space) has a C grade and sits at 40% of the new building standard due to possible liquefaction.

## Health & Safety Scorecard update

**Two incidents** were reported in August. One related to a fire evacuation at GridAKL, the other was a slip off-premises during work hours. Both of these occurred at the end of the month and the follow-up is still in progress.

No **near misses** were reported.

No **hazards** were reported.

**Training:** We have three staff who have not received H&S training (these are new staff members employed in the last 30 days).

## **ATEED Strategic Priorities**

### **Development of the Global Auckland Brand**

The Global Auckland Project continues to make good progress, with key highlights including:

- The recommended strategic framework was presented by Colenso to the Board on 28 August.
- The second Project Advisory Group met on 10 September and were presented with the strategic framework and recommended target audience profiles.
- Validation research workshops have kicked-off with all ATEED staff. This has been a valuable exercise to engage staff and refine the thinking and stimulus before validating with external audiences.
- The Project Team are getting underway with proactive media to generate stories around the importance of place making branding.

### **Māori Signature Festival**

ATEED continues to progress the development of the internal project team's capability and planning for the delivery of the event. Initial engagement with city partners has been positive with Community Development Arts and Culture (CDAC), Pānuku Development Auckland, RFA – Auckland War Memorial Museum and the Maritime Museum all expressing a desire to collaborate.

The first meeting for the Mana Whenua Steering Group (MWSG) is set for 17 September with good progress being made on getting nominations for the group. A preliminary event concept which builds on what was consulted on and a draft creative brief will be presented to the MWSG at the first meeting for feedback / endorsement.

Overall the project is tracking well with risks identified, review dates set and mitigations in place to manage them.

### **Tripartite Alliance**

The scope of the 2015/16 programme was approved by the OLT, with budget allocation for the programme coming from the ATEED Integration Fund.

The Chief Executive accompanied the Mayor as part of his small delegation to Singapore, Xiamen and Guangzhou. Meetings were held with existing and prospective investors (both individual and institutional) in Singapore.

The CE also met with ATEED's equivalent agencies in Singapore to explore a number of opportunities, including investment, talent, cruise, innovation and economic development. There are several follow-up areas of interest. The CE also participated in Immigration NZ and private sector investor migrant attraction activities, and met with INZ and NZTE to discuss the investment engagement model.

In Xiamen, the Mayor and CE participated in the inaugural NZ-China Mayoral Forum, alongside 12 other Mayors from New Zealand and 13 from China. The key themes were tourism, education and primary production, and a working group is being established coordinated by Local Government New Zealand

Meetings were held with sister cities Guangzhou, Ningbo and Qingdao with further opportunities to develop, particularly around the marine sector, education and tourism. MOUs were also signed with Xiamen around marine industry development. Follow-up meetings were also held with the Fu Wah Group and with other members of the CK Alumni group, particularly from the latter's visit to Auckland last March. Significant investment opportunities are being progressed in hotels, marine, high end retail, food and beverage and early stage IP intensive companies.

ATEED's Manager, Trade and Export Relations and Tourism Trade Executive joined the delegation in Guangzhou. Meetings were held with our Tripartite Alliance partner Guangzhou, and businesses and leads from previous Tripartite engagements, including drones, screen and digital, early stage IP intensive companies, design, and food and beverage.

ATEED signed an MOU for cooperation between Chinese innovation network Inno-Hub and GridAKL, and also formally launched its WeChat tourism site in partnership with China Southern.

Initial discussions were held with New Zealand Trade and Enterprise (NZTE), Ministry of Foreign Affairs and Trade (MFAT), Ministry of Business, Innovation and Employment (MBIE) and Callaghan Innovation regarding their continued involvement in the Tripartite programme.

## **Visitor Infrastructure**

### *Tourism Infrastructure and development*

- The resource consent for the new Park Hyatt Hotel at Viaduct Harbour was approved with construction to commence by the end of 2015.
- A new 14 unit luxury lodge is under construction at Matakana Estate.
- ATEED has ensured that a representative from Cruise New Zealand (Chairman, Kevin O'Sullivan) is now part of the Ports consensus groups feeding into the main steering committee for the independent ports report.
- The 4th Māori Trade Day was held successfully again in Auckland in August following the handover of this initiative from ATEED and Air NZ to NZ Māori Tourism.
- The Rangitoto Motutapu Haerenga walk will open commercially for business from 1 October and has already taken its first group booking.

## **Screen and Innovation Production Precinct (SIPP)**

The Auckland Investment Office (AIO) is in receipt of at least six qualified responses from both international and local companies to the Requests for Expressions of Interest (REOI) process. This is more than anticipated by ATEED in its communication with potential respondents. The AIO will look to identify a Preferred Respondent shortly and to undertake negotiations with a view to cementing a deal by the 31 October deadline, as agreed with the Auckland Development Committee.

In parallel with the procurement process, ATEED is leading the engagement with a variety of stakeholders who have a strong interest in the proposed precinct, including the Hobsonville Point Residents Society:

- ATEED undertook an industry briefing at Unitec in front of an audience of some 200 people on 27 August to outline the proposal and process to interested parties, with the industry providing its unqualified support for ATEED's efforts, including approximately 30 companies indicating they would relocate to a Hobsonville Point SIPP.
- ATEED attended a workshop with the Upper Harbour Local Board at Albany on 1 September to address any misconceptions about the proposal and to emphasis the fact that no determination has yet been made as to whether the SIPP will progress or otherwise.

## **Business Attraction**

Day-to-day management of the Business Attraction and Investment team has transferred to Steve Armitage until a permanent appointment is made to fill the vacant GM – BA&I role.

Following the review of the Business Attraction and Investment (BA&I) strategy and function, the team has begun to organise its activities into the revised core areas, with the exception of our stand-alone Screen Auckland unit, which continues to attract and advise film productions in Auckland as it does today.

Repeat business and new enquiries to shoot television and feature film productions in Auckland remain at high levels, however the lack of suitable studio space continues to be an ongoing issue.

A range of opportunities are being progressed following hosting programmes with delegates from the US, China, and Australian markets in the medtech, agritech, infrastructure and hotel sectors. ATEED also has a role to play with upcoming investment missions from India, Japan and US in the ICT, medtech and processed food sectors.

A full review of the Aroha Auckland programme has been completed and a work plan agreed for Q1 and Q2, while business propositions for the Tripartite programme for Summit 2016 are under development.

ATEED's Manager Tourism is part of the Hon Steven Joyce led NZ-China Partnership Forum delegation to Beijing in September, and ATEED's Investment Specialist is part of Minister Amy Adams' delegation to India (Kerala) in October. ATEED hosted the Finistere Food Investment group from the USA in partnership with NZTE, and we are hosting a number of other delegations over the next few months including Bank of China, Australia-NZ School of Government China Advanced Leadership program

## **Talent Attraction**

Work continues under each of the five priority areas in the ATEED Talent Attraction Framework, with a focus on the Auckland Regional Partnership Agreement (ARPA) economic work programme, and identifying industry-led in-market activity.

Consequent from engagement with the construction and engineering, and ICT sectors and employers respectively, a decision has been made not to attend the Working International UK Expos. Discussions are underway to partner again with the Auckland Chamber of Commerce to attend the Working International Perth Expo (28 – 29 November).

As part of the ARPA partnership approach planning continues on a range of ATEED and Immigration New Zealand activities including:

- Support to a 'tech coalition', targeting digital and on-ground small-scale expos on the US West Coast.
- Expansion of the Aroha Auckland programme to include investor migrants.
- Development of the off-shore representation model to include Europe (replacing the UK project role), China, SE Asia and the USA.

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

### *Auckland Innovation Advisory Board*

Sir Stephen Tindall has agreed to chair the Auckland Innovation Advisory Board (working title) to represent the innovation community in Auckland. ATEED has provided Sir Stephen with a draft Terms of Reference for the board and Sir Stephen will use this as a starting point to draw up the final terms of reference for the board. It is anticipated that the first meeting of the advisory board will be held late November.

### *GridAKL*

#### *Polperro Building*

15 businesses remain at GridAKL (93% capacity) with 29 events held throughout August, up from 22 in July.

#### *Lysaght Building*

- CANAM has been appointed to carry out physical works for the internal fit out, construction works are due to start on site on 14 September and Polperro residents are expected to relocate to the Lysaght office space in mid-November with the events space and Launchpad café due to be completed in December.
- The commercial Heads of Terms between ATEED and WA (now Panuku Development Auckland) were executed and the legal teams have been preparing a new Deed of Lease. This has been reviewed by both parties and a final revised lease should be complete by 18 September. Colliers are currently negotiating a sublease (on behalf of ATEED) with BizDojo to lease the Lysaght offices space.

#### *Innovation 5A*

The design team has continued their work to develop the preliminary designs, based on the research and stakeholder interviews carried out by the team. Final preliminary designs will be ready at the end of September.

### *Tertiary Student Entrepreneurship*

Several tertiaries have expressed a willingness to explore opportunities for a pan-Auckland approach to student entrepreneurship. ATEED will take a procurement approach to allocation of funding and will issue a call for expressions of interest in October. In addition to achieving better connected more scaled up programmes for building entrepreneurial culture at Auckland's TEIs the initiative sets the platform for National and Global collaboration with globally relevant initiatives.

### *Auckland Innovation Events*

Planning for the innovation festival is progressing well, with high level objectives and outcomes now identified. The programme is targeting May 2016 for the inaugural events programme and will coincide with the Tripartite forum and the NZ Hi Tech Awards. The innovation and entrepreneurship team is engaged across ATEED to leverage necessary expertise, including with the Auckland Convention Bureau, Major Events and Business Attraction and Investment. Planning includes close integration with the Economic Tripartite Summit, NZ Hi Tech Awards, TEIs event organisers and other key players in the innovation ecosystem.

## August in Perspective

### Tourism Marketing Activity

- The ATEED domestic campaign program continues to roll out with the spring campaign, 'AKL: The Show Never Stops – Stellar Spring Line-up'. The campaign is focused on the cluster of events and concerts coming up during this period with a mix of digital, print and outdoor media.
- Our joint marketing project in Australia with Auckland Airport (Aussie Aussie Aussie) is underway with campaigns with Flight Centre in place and discussions with Tourism New Zealand. A final strategy session to agree and commit to major new initiatives is expected in October.
- Sales and trade partnership activity is underway in all our key tier 1 and tier 2 markets including Australia, China, US, and Japan.

### Local Board Pilot Engagement Project

The Local Board Pilot Engagement Project, which launched in January 2015 to improve ATEED's communication and engagement with local boards has received overwhelming support from local board members. 78 per cent of those surveyed agreed they now have a very good or excellent understanding of ATEED's role and activities, compared with just seven per cent prior to the start of the project.

The project sought to establish a clear way for ATEED to engage with local boards, and six 'pilot' boards (Franklin, Kaipātiki, Orākei, Waiheke, Waitākere Ranges and Waitemātā) were selected to participate. In addition to the engagement component, ATEED also worked with each local board to develop an action plan that will guide ATEED and local board relations in the future.

### Auckland food and beverage

In August, ATEED facilitated a workshop for the Auckland food and beverage industry with three award-winning foodies from the United States. Will Guidara, co-owner of two Michelin Star restaurants in New York; Christina Tosi, winner of the James Beard Outstanding Pastry Chef and new US MasterChef judge; and Brian Canlis, owner of the iconic Canlis restaurant in Seattle met with around 50 Auckland chefs, restaurateurs and people from the wider industry including the likes of Simon Gault, Annabel Langbein, Lauraine Jacobs, Judith Tabron, Scott Brown and Jo Pearson to meet and share ideas to help grow the food and beverage sector.

To further leverage the three US restaurateurs' presence in Auckland, ATEED also facilitated the trio to experience local tourism offerings, including the EcoZip adventure and wine tasting on Waiheke Island. Part of their Auckland trip will also feature in a digital content campaign that Tourism New Zealand is running later in the year with high-end US publication, The Robb Report.

### International Media Hosting

During the 2014/15 financial year Auckland hosted more than 130 journalists and social media influencers, with the resulting coverage helping to put the region on the map for many travelers. Based on the coverage Auckland received in the past year the total value would be worth well over \$7 million and reached an audience of millions.

ATEED's worked with Tourism New Zealand to arrange itineraries for 96 media who visited Auckland as part of the International Media Programme (IMP). There were also 40 ATEED-led media famils organised, many of these leveraging the seasonal marketing campaigns. As a result, many good stories and imagery were featured in some of the world's leading publications online and in print.

### **Commonwealth Games Federation General Assembly**

The cocktail ceremony for the General Assembly was hosted by the Mayor of Auckland and ATEED on 31 August. It was a successful assembly with key decisions including the unanimous approval of Transformation 2022, the Commonwealth Games Federation's ambitious new strategic plan, the election of a new President for 2015-2019 and the appointment of Durban, South Africa as host of the XXII Commonwealth Games.

The Assembly closed with a Gala Farewell at the Auckland War Memorial Museum, attended by the Hon Jonathan Coleman, Minister for Sport, His Worship James Nxumalo Mayor of Durban and CEO of Sport New Zealand Pete Miskimmin.

## **Statement of Intent KPIs and Monitoring Indicators**

Metrics within the ATEED SOI are categorised as either:

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

Latest progress against both sets of metrics are provided in the attached Scorecard. Key highlights year to date are summarised below.

### **KPIs**

Among KPIs for which information is available:

- 20 employers have now signed up to a Youth Traction Hub Employers Pledge with 26 in the pipeline.
- The ACB has supported the submission of 9 international bids and received confirmation of 1 successful bid (50% success rate).
- Visits to [www.aucklandnz.com](http://www.aucklandnz.com) continue to track strongly with 487,673 page visits over the first two months of the year. Visits remain on track to hit than annual SOI target of 3.0 million visits.
- As at 31 August, we have facilitated \$129,000 worth of Callaghan Innovation R&D grants (target \$4.0 million) and have 198 actively managed businesses through Regional Business Partner programme (target 360).

### **Monitoring Indicators**

- Commercial visitor nights are up 3.9% to 7.14 million for the year end July 2015.
- International visitor arrivals through Auckland airport are up 7.1% to 2.1 million for the year end July 2015.



## Looking Forward

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

Scheduled event date	Event name	Location
24-27 September	Auckland on the Water Boat Show	Viaduct Harbour
29 September	EY Youth Employer Pledge signing	EY, Britomart
17-18 October	Auckland Diwali Festival	Auckland CBD
21-28 October	Young Enterprise Scheme Awards	Various
1 November	Auckland Marathon	Various
5-8 November	Taste of Auckland	Western Springs
6-8 November	ITM 500 Auckland V8 Supercars	Pukekohe Park Raceway
26 November	'Young at Heart' Employer Awards	Crowne Plaza
29 November	Farmers Santa Parade	CBD

## Finance

There are no concerns around budgetary risk with our year-to-date (YTD) result. ATEED's revenue YTD is ahead of budget as we have been able to continue to generate revenue earlier than planned. Expenses are in line with budget and at this stage line item variances do not present any concerns both in terms of monetary spend as well as planned activity.

We will complete our Quarter One forecast this month and a report will be sent out in October. At this stage we anticipate our only variance to budget will be as a result of

- Extra costs and associated funding for the transfer of the local economic development staff from Auckland Council
- Reductions in planned operational expenditure (opex) to fund extra capital expenditure (capex) spend relating to a newly approved digital project.

Within individual business units there will be some movement of funds as we reallocate funding from the integration fund to cover approved projects.

## Risk

The quarterly risk report with a heat map of the top 10 risks is reported separately.

## Recommendations

1. The report be received.
- 

## Signatory

Chief Executive: Brett O'Riley

Friday, 18 September 2015



OPEN AGENDA

5. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer

## Finance Report, August 2015

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

<b>Summary Income Statement</b>						<b>TABLE 1</b>
<b>For the Period Ended 31 August 2015</b>						<small>\$000's</small>
	Year to Date					Last Year
	Actual	Budget	Variance	Budget	Budget	
<b>Net operational expenses:</b>						
Business Attraction & Investment	347	412	65	412	3,590	3,282
Destination & Marketing	1,325	1,415	90	1,415	10,257	11,267
Major Events	2,312	2,390	78	2,390	11,599	15,992
Business, Innovation and Skills	1,462	1,529	67	1,529	10,301	7,969
Corporate	1,770	1,611	(159)	1,611	12,627	9,138
<b>ATEED net deficit</b>	<b>7,217</b>	<b>7,356</b>	<b>139</b>	<b>7,356</b>	<b>48,374</b>	<b>47,648</b>
Major Events Fund	0	0	0	0	1,000	280
World Masters Games 2017 Ltd, net deficit	1,129	1,361	232	1,361	1,642	50
<b>Operating deficit before Council funding</b>	<b>8,347</b>	<b>8,717</b>	<b>370</b>	<b>8,717</b>	<b>51,016</b>	<b>47,978</b>
<b>Approved Council funding</b>					51,888	48,381

<b>Key Points</b>
<p>The net deficit for the Group is \$0.4m less than budget. This is a result of timing differences in both revenue and expenditure as well as some small operational unders and overs that are being actively managed at a business unit level and presents no risk to overall funding.</p>
<p>The difference between our approved annual funding of \$51.9m and our budgeted operational deficit of \$51m relates to the surplus of capital funding over depreciation/amortisation.</p>
<p><b>ATEED's net deficit for the year is \$0.1m favourable to budget.</b></p> <ul style="list-style-type: none"> <li>• <b>Destination and Marketing.</b> Favourable variance mainly due to ACB membership revenue and Diwali stalls revenue invoiced earlier than budgeted.</li> <li>• <b>Corporate:</b> Unfavourable variance of \$0.2m due to some earlier than planned consultancy work undertaken, as well as some costs held centrally until further information available to allocate to respective business units</li> </ul>

## Income Statement

Income Statement								TABLE 2
For the Period Ended 31 August 2015								\$'000's
Month				Year to Date				
Actual	Budget	Variance		Actual	Budget	Variance	Budget	Last Year
			<b>Operational income</b>					
76	93	(17)	Funding from Government	186	186	0	1,211	3,518
34	92	(58)	Sponsorship	53	93	(40)	2,005	967
(10)	195	(205)	Fees & subscriptions	269	200	69	609	510
121	125	(3)	i-Sites	262	260	2	2,483	2,580
184	80	104	Sundry income	256	161	96	1,683	1,348
<b>405</b>	<b>585</b>	<b>(180)</b>	<b>Total operating income</b>	<b>1,027</b>	<b>899</b>	<b>127</b>	<b>7,991</b>	<b>9,053</b>
1,614	1,568	(46)	Staff costs	3,398	3,258	(140)	20,735	18,813
428	634	207	Professional fees, consultancy & contractors	793	1,021	228	11,309	8,103
710	670	(39)	Grants & sponsorships	2,194	2,082	(111)	7,921	12,004
42	61	19	Depreciation & amortisation	83	122	38	656	540
178	183	4	Shared services and lease costs	357	365	8	2,192	2,475
200	211	11	Occupancy	414	422	8	2,676	2,495
128	117	(10)	Travel & entertainment	183	154	(30)	1,445	1,510
129	79	(50)	General, admin & other	322	244	(77)	1,741	2,577
128	273	145	Advertising, marketing & research	500	586	86	8,689	8,182
<b>3,557</b>	<b>3,797</b>	<b>240</b>	<b>Total operating expenditure</b>	<b>8,244</b>	<b>8,256</b>	<b>12</b>	<b>57,365</b>	<b>56,701</b>
<b>3,151</b>	<b>3,212</b>	<b>61</b>	<b>ATEED net deficit</b>	<b>7,217</b>	<b>7,356</b>	<b>139</b>	<b>49,374</b>	<b>47,648</b>

## Revenue

Operating income at the end of August is ahead of budget.

- Sponsorship revenue in the month is lower than budget. This relates to the Youth Enterprise Scheme and is a phasing variance only. There is no risk to our overall sponsorship revenue and a plan is in place to deliver on revenue targets prior to the rollout of the 2016 scheme.
- Membership fees for ACB were invoiced earlier than budgeted however we have had some reversals over the past month as companies are in discussion over their level of membership and renewal. We are currently working through these with our customers and at this stage no negative budgetary impact is envisaged.
- Sundry income is higher than budget due to the early invoicing of Diwali stall revenue.

## Expenditure

We have a favourable variance for the month and are on track with budget on a YTD basis.

**Staff costs** are over budget by \$0.14m, with half of this attributable to the economic development staff transferred from Council. Funding for this will be finalised this month. In addition, parts of the business have incurred temp or contractor costs with the budget for these projects classified as contractor/consultancy. These inconsistencies are under active management to ensure they are classification errors only and will be addressed as part of our Q1 forecast.

**Professional fees, consultancy and contractors:** This \$0.2m underspend is timing related as certain projects are yet to become fully activated, as well as classification inconsistencies as noted above.

**Grants and sponsorships.** YTD overspend relates to timing of certain grant payments as well as some unplanned sponsorship which were covered from within the project budget.

**Advertising and marketing** favourable variance for both the month and YTD mainly driven by timing of campaign work plans across tourism, major events teams and brand and marketing. There is also an element of permanent savings which can be utilised elsewhere.

### Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m									TABLE 3
For the Period Ended 31 August 2015									\$'000's
Month				Year to Date					
Actual	Budget	Var		Actual	Budget	Variance	Budget	Last Year	
			<b>Business, Innovation and Skills</b>						
18	83	66	The FoodBowl	167	167	(0)	1,000	1,000	
121	205	84	GridAKL	273	386	113	2,255	1,486	
			<b>Destination and marketing</b>						
46	45	(1)	Global Auckland Project	53	90	37	550	253	
			<b>Major Events</b>						
(0)	25	25	Maori Signature Event	2	40	38	500	29	
0	15	15	V8 Supercars	224	231	7	1,549	461	
(0)	0	0	2016 NRL Nines - Delivery	700	700	(0)	1,750	3,262	
<i>Total Major Events Projects</i>				<i>1,931</i>	<i>2,047</i>	<i>116</i>	<i>9,532</i>	<i>14,371</i>	
<i>Contingent Asset - major event funding</i>							<i>4,369</i>	<i>3,369</i>	

GridAKL spend has been impacted by delays in the Lysaght fit-out, so projected costs have not been incurred. We are approximately two months behind in our spend profile and are now working to the revised December completion date. In addition, Innovation 5A work is behind plan with the property manager not yet appointed, and the marketing of tenant opportunities not started. Our Q1 forecast will incorporate the revised timelines and efficiency savings identified to date, enabling reprioritisation of emerging Grid opportunities.

### World Masters Games

World Masters Games 2017 Ltd									TABLE 4
Summary Income Statement									\$'000's
For the Period Ended 31 August 2015									\$'000's
Month				Year to Date					
Actual	Budget	Var		Actual	Budget	Variance	Budget	Last Year	
16	5	11	Revenue from Activities	16	10	6	1,212	(0)	
125	125	0	Funding from Government	125	125	0	2,625	2,500	
0	10	(10)	Sponsorship	0	10	(10)	885	1,225	
70	0	70	Sundry income	70	0	70	0	226	
<b>211</b>	<b>140</b>	<b>71</b>	<b>Total operating income</b>	<b>211</b>	<b>145</b>	<b>66</b>	<b>4,722</b>	<b>3,951</b>	
			<b>Net operational costs</b>						
193	216	23	Staff costs	363	415	52	3,105	1,572	
56	75	19	Professional fees, consultancy & contractors	74	129	55	855	480	
785	721	(64)	Grants & sponsorships	692	722	30	832	861	
9	2	(7)	Depreciation & amortisation	10	4	(6)	51	21	
18	20	2	Occupancy	39	40	1	502	83	
20	26	6	Travel & entertainment	25	64	39	164	124	
38	22	(16)	General, admin & other	50	47	(3)	856	362	
23	43	20	Advertising, marketing & research	88	85	(3)	0	498	
<b>1,142</b>	<b>1,124</b>	<b>(18)</b>	<b>Total operating expenditure</b>	<b>1,340</b>	<b>1,506</b>	<b>166</b>	<b>6,364</b>	<b>4,001</b>	
<b>(931)</b>	<b>(984)</b>	<b>53</b>	<b>Operating surplus/(deficit)</b>	<b>(1,129)</b>	<b>(1,361)</b>	<b>232</b>	<b>(1,642)</b>	<b>(50)</b>	

YTD net underspend of \$0.2m

- Revenue received earlier than planned (in budget for June 2016)
- Changes to the proposed organisational structure resulted in recruitment delays
- Activation of the overseas marketing partner was delayed leading to savings in professional fees

	Prior Year	2015 YTD	Total To Date	To Go	Revised Forecast	Project Budget
Total Spend	8,885	1,340	10,225	24,525	34,750	33,000
ATEED Funding	3,004	1,129	4,133	7,617	11,750	11,000

- The revised total spend forecast of \$34.75m is partially offset by increased forecast revenue of \$1.0m.
- The steering group is reviewing our response to the paper tabled by WMG at the Events sub-committee requesting their terms of reference and ATEED's SOI be updated to reflect additional funding of \$0.75m.

### Summary Statement of Financial Position

<b>Statement of Financial Position, ATEED Group</b>		
<b>As at 31 Aug 2015</b>		
<b>TABLE 5</b>	<b>YTD</b>	<b>Jun-15</b>
	\$000's	
<b>Current assets</b>		
Cash and cash equivalents	1,826	2,206
Receivables and prepayments	7,821	9,512
Other current assets, including iSite inventory	86	55
<b>Total current assets</b>	<b>9,733</b>	<b>11,773</b>
<b>Current liabilities</b>	<b>9,009</b>	<b>11,230</b>
<b>Working capital</b>	<b>724</b>	<b>543</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	1,028	1,236
Property, plant and equipment	2,271	2,240
Investment in Joint Venture, The FoodBow I	2,047	2,047
<b>Total con-current assets</b>	<b>5,346</b>	<b>5,523</b>
<b>Non-current liabilities</b>	<b>552</b>	<b>436</b>
<b>NET ASSETS</b>	<b>5,518</b>	<b>5,630</b>
<b>EQUITY</b>	<b>5,518</b>	<b>5,630</b>
<b>Capex spend</b>	<b>\$0.1m</b>	<b>FY BUD \$1.6m</b>
<b>Total commitments</b>		<b>\$14.2m</b>

Capex: FY Budget reflects the approved 2016 budget, mainly GridAKL related. We are awaiting approval for \$1.1m relating to the carryover from 2015 for Lysaght fit-out works as well as an additional \$0.3m for expected capitalised costs relating to our newly approved digital upgrade project.

The Lysaght fit-out work has started with the expected completion date is December 2015.

## **Coming Up**

The Board will receive a report on our Q1 forecast in October. This first quarterly forecast will be undertaken later this month, with a focus on:

- Projected staff cost and headcount
- Reallocation of funds to the Business Units for approved projects funded from our Integration Fund
- Increased spend and increased funding from Council relating to the transfer of the local economic development (ED) team
- Impact of our additional capex funding request, 1.4m

## **Recommendation**

It is recommended that the Board note the Finance Report for the period 31 Aug 2015

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## **Signatories**

Manager: Avika Singh, Finance Manager

GM: Barbara Imlach, Chief Financial Officer

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