

OPEN

Run sheet: Board Meeting, Friday 27 January 2016  
 8.00am, Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland

OPEN AGENDA					
1	Start of Meeting: Chairman's Welcome, Apologies	To Note	1.30 p.m.	1 mins	
2	Open Minutes 26 August 2016 and Open Action Tracker, Brett O'Riley	To Approve	1.31 p.m.	2 mins	<b>4</b>
3	Directors Interest Register, Conflicts of Interest Declaration	To Note	1.33 p.m.	2 mins	<b>9</b>
4	Chief Executive's Activity Report, Brett O'Riley	To Note	1.35 p.m.	15 mins	<b>18</b>
5	Finance Report	To Note	1.50 p.m.	10 mins	<b>30</b>
	Chairman's close and invitation to the public to leave				
	<b>Close of Meeting</b>		<b>2.00 p.m.</b>		

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

## **OPEN AGENDA**

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

**DATE:** 27 January 2017  
**TIME:** 1.30 pm Start  
**VENUE:** The Tamaki Makaurau Boardroom, Level 8, ATEED Central Office, 139 Quay Street, Auckland

### **Board members:**

<i>Chair</i>	David McConnell
<i>Deputy Chair</i>	Norm Thompson
<i>Director</i>	Franceska Banga
<i>Director</i>	Mike Taitoko
<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>	Tim Kingsley-Smith
<i>Others TBC</i>	

OPEN AGENDA

1. **APOLOGIES**

Apologies have been received from: David McConnell and Franceska Banga

2. **MINUTES OF 25 NOVEMBER 2016 MEETING & OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

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

Brett O'Riley, Chief Executive

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

Brett O'Riley, Chief Executive

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

Friday, 27 January 2017



OPEN AGENDA

2. **MINUTES OF 25 NOVEMBER OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

# BOARD MINUTES

<b>What:</b>	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
<b>Where:</b>	Tamaki Makaurau Boardroom, Level 8, 139 Quay St, Auckland
<b>When:</b>	Friday, 25 November 2016 at 11.43 a.m.
<b>Directors:</b>	David McConnell Norm Thompson Franceska Banga Danny Chan Mike Taitoko Helen Robinson Stuart McCutcheon
<b>Apologies:</b>	Sir Pita Sharples
<b>In Attendance:</b>	Brett O'Riley, Chief Executive Martin Fairweather, Chief Operating Officer Joy Buckingham, Chief Financial Officer Tim Kingsley-Smith, Company Secretary
<b>Public &amp; Media Attendance:</b>	N/A

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## Background

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

## Meeting Business

### 1. Apologies

The apology of Sir Pita Sharples was **noted**.

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

The Board discussed the draft minutes of the meeting held on 30 September 2016 and the Open Action Tracker.

Following the conclusion of discussions, the Board resolved that the minutes of the meeting held on 30 September 2016 be **approved** as a true and correct record.

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

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

### 4. Chief Executive's Activity Report

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

- Major Events was conducting a review of the health and safety policies, SOPs and procedures. Screen Auckland had begun a review of its health and safety systems to make sure they comply with the legislation and local bylaws. The AR/VR Garage was making good progress on rectifying identified hazards. As new businesses moved into the space, they were being given a site-specific induction process that reiterated the need for a strong H&S culture.
- GridAKL is progressing well with resident businesses increasing from 59 to 64 over the past month. The interest in GridAKL was continuing to grow so the number of resident businesses was expected to grow. There were 43 events hosted at GridAKL in October and since opening the Lysaght Building, there had been more than 240 events held at the facility.
- The BuildAKL campaign was now nearing its conclusion. The 20 finalists would now receive a training package and support before the 10 competition winners were selected via a public vote on social media.
- The Princes Wharf i-SITE was due to relocate to Lower Queen Street from 1 December 2016. The i-Site would be positioned in Lower Queen Street until 1 May 2017, and would the i-SITE would be housed in two 3x6 metre Portacom buildings. The Waiheke Island i-SITE was closed on 1 November. This was prompted by the resignations of i-SITE staff at Matiatia Wharf, as well as a continued decline in sales.
- Project Palace, a project focussed on improving the efficiency of planned and scheduled construction within the Auckland accommodation sector, continued to be a focus of the Business Attraction and Investment Team. The Team was continuing to meet with potential investors to discuss potential hotel sites.
- ATEED's three-year sponsorship of the McKayson New Zealand Women's Open (LPGA golf) from 2017-2019 was recently announced. The LPGA confirmed the event in its release of the 2017 calendar.

Following the conclusion of discussions, the Board **noted** the Chief Executive's Activity Report.

### 5. Finance Report

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

- The Report was in-line with the budget and expectations.
- The Report was clear and concise and covered all of the key matters.

Following the conclusion of discussions, the Board **noted** the Finance Report.

The Chairperson declared the meeting closed at 12.25 p.m.

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

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Chair

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Date

**Open Board Action Tracker**  
**As at 27 January 2017**

No.	Action	Status	Result	Target Date	Responsibility
<b>26 June 2016 Meeting</b>					
1	Management to circulate to the Board the programme of work to be delivered under the ATEED Sector Framework.	<b>COMPLETED</b>	Email from Patrick McVeigh to the Board dated 20 January 2017	31 October 2016	Patrick McVeigh



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

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

	<p> Director, Hawkins Construction North Island Limited  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 </p>
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	<p>Director, Wilkins &amp; Davies Limited          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	<p>Director, Dot.Kiwi Limited          Director, Preno Limited          Director, Queenstown Airport Corporation Limited          Director, Tourism New Zealand Board          Chartered Fellow of Institute of Directors          Trustee, Young Enterprise Scheme (YES)          Member, New Zealand Golf Open 2016 Committee</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>
Franceska Banga	<p>Director, Fab NZ Limited          Director, Constellation Capital          Director, Continuity Capital Limited (NZ)          Director, Frogparking Limited          Trustee, Fred Hollows Foundation</p>

	<p>Trustee, Peka Peka Trust (Family Trust) Investments in:</p> <ul style="list-style-type: none"> <li>- Pohutukawa Fund, Maui Capital Indigo Fund</li> <li>- 82 Limited Partnership and Advisory Board member</li> </ul> <p>Shareholder (1%) – Business Growth Limited  Shareholder – the Breakthrough Co. Limited (Family business)  Shareholder – National Business Coaching Limited  Member, Institute of Directors NZ Inc.</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Mike Taitoko	<p>Director and Shareholder of Waiora Consulting Limited  Director and Shareholder of Waiora Pacific Limited  Director of Takiwi Health Limited  Director of Mercury NZ Limited  Director of Mercury LTI Limited  Director of Cognition Education Limited  Director of the Committee for Auckland Limited  Advisory Board Member of Massey University School of Business</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Danny Chan	<p>Director and Shareholder, A1 Flower Wholesalers Limited  Director and Shareholder, Academic Colleges Group Limited and subsidiaries as follows:  Australian International Schools Limited (BVI)</p>

	<p> New Zealand International College Limited  ACG New Zealand International College Jakarta Limited  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  Director and Shareholder, Alpha Asset Management Limited  Director and Shareholder, ARN Investments Limited  Director and Shareholder, Danting Investments Limited  Director and Shareholder, Education Investment Limited  Director and Shareholder, Flowerzone International Limited and subsidiaries  Director and Shareholder, Green Cut Limited  Director and Shareholder, Griff Trading Limited  Director and Shareholder, Lady White Snake Film Limited  Director and Shareholder, Orient Group Limited and subsidiaries </p>
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	<p>           Director and Shareholder, Orpac International Limited            Director and Shareholder, Planit Products NZ Limited            Director and Shareholder, Rhino Security Limited and subsidiaries            Director and Shareholder, Sharp Multi-Media Limited            Director and Shareholder, Sharp Multi-Media Productions Limited            Director and Shareholder, Simtics Limited            Director and Shareholder, SimTutor Limited            Director and Shareholder, Tahere Callas Limited and subsidiary            Director and Shareholder, Talaford Investments Limited and subsidiary            Director and Shareholder, The Academic Coaching School Limited            Director and Shareholder, Turners Flower Exports NZ Limited            Director, Abano Healthcare Limited            Director, Simtics Limited            Shareholder, Aire Cut Company Limited            Shareholder, CLOUD M Limited            Member, NZ China Advisory Council (appointed 20 November 2012)            Member, NZ Markets Disciplinary Tribunal            Director, Farmers Mutual Group (Mutual Society)         </p> <p>           Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company         </p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<p>           Chair, CLOUD M Ltd            Co-Founder &amp; Executive Director, Organic Initiative Ltd            Chair, The Network for Learning Ltd (N4L)            Chair, Valens Group            Director, KND Investments Ltd            Director, KND Trustees Ltd            Managing Director, Penguin Consulting Ltd         </p>

	<p>Director, Fulbright NZ Ltd          Director, NZ Defence Force          Trustee, Aktive Auckland Sport &amp; Recreation          Trustee, Robinson Family Trust</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart McCutcheon	<p>Chairman, Universities New Zealand (from 1 January 2017)          Chairman of Directors, Auckland UniServices Ltd          Director, Universitas 21 international university network          Council Member, University of Auckland          Member, Partnership Board, the Worldwide Universities Network          Member, Steering Committee, the Association of Pacific Rim Universities          Trustee, UK Friends of the University of Auckland</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Board Advisor</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Sir Pita Sharples	<p>Director, Tu Maori Mai Limited          Hoani Waititi Marae - Taumata          Te Ropu Manatangi – Kai ako          Te Whare Tu Taua – Tumu Whakaarei          Ngā ti Kahungungu iwi – Taumata          Te Toa Takitini – Kaumatua advisor          Aorangi maori trust board – Kaumatua</p>



	<p>Rakau Tatathi Marae – Paepae          Mahi Tahi trust Board – Member          Maori and Pacific Trade Training – Manawhaka haere          Maori Heritage Council – Member          NZ Heritage Trust Board – member          Emerge Aotearoa – Board Kaumatua          NPM – Patron          Te Arapai – Member          Auckland Museum Trust Board - Member          Auckland Museum Maori Council – Member          Special Expert Group on Organ Donation – Member          Pacific Leaders Programme – Consultant          Matatini – Life Member          Zin and Tane Chinese Maori Dance Production – Producer          White Ribbon Campaign – Ambassador          West Auckland Task Force against Domestic Violence – Member          Pillars – Patron          Tamaki Makaurau Haka Society – Life Member          Unitech Maori Advisor          Maori Chinese youth forum – Kaumatua          Heritage NZ Pouhere Taonga Trust</p>
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Friday, 27 January 2017



OPEN AGENDA

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

Brett O'Riley, Chief Executive

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# Chief Executive Review of January 2017

Report to Auckland Tourism, Events and Economic Development Limited Board

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## Health & Safety (H&S)

As we begin a new year, staff across the organisation and work sites have been reminded of the importance to comply with health and safety procedures. Employees have been encouraged to commit to the establishment of a healthy and safe workplace, and to the integration of health and safety into all workplace activities, including identifying potential new hazards and/or risks.

The Major Events team started communicating H&S rules to stall holders. The team also shared the Site Specific Safety Plan (SSSP), with all physical work contractors working at events run by ATEED.

A review to identify and rectify new hazards will be undertaken at the new temporary iSITE, which opened in December at Lower Queen Street. Other sites will also be reviewed to ensure compliance.

The H&S team along-with the AR/VR team is currently finalising the induction process at the AR/VR Garage, and will then begin training for new and existing companies/contractors within the AR/VR space.

**Reporting of incidents and near misses:** The number of incidents and near misses remains low. It has been noticed that some incidents and near misses have not been reported in the past six months. An investigation is ongoing at the Lower Queen Street iSITE to establish why a staff member did not log an injury into the VAULT reporting system, and didn't inform his manager. ATEED has received claims from ACC for that injury. The H&S team has received feedback that VAULT is not user-friendly. The H&S team aims to ensure better buy-in when Risk Manager, the new H&S system replacing VAULT, is implemented.

**Wellbeing activity** in December included:

Results from a participant survey in the six-week Mindfulness workshop held at Quay Street in October/November will be available late January.

- H&S reps will provide an update to various work groups.
- Started planning ATEED participation in the Aotearoa Bike Challenge.
- Started planning ATEED participation in Inter-Council Sport Tournament scheduled in March.
- The EAP December newsletter focusing on the holiday season and financial wellbeing was posted on The Hub.

**Incidents:** No incidents were recorded in December.

**Near misses:** No near misses were reported in December.

**Hazards:** No new hazards were identified in December.

## **H&S training**

- **First day, HS009 staff induction:** There are nine outstanding. Seven staff members from Visitor and External Relations, one from Operations, and one from BIS.

## **ATEED strategic priorities**

### ***Building a Culture of Innovation and Entrepreneurship***

#### **GridAKL – the place**

There are 160 residents working across 80 businesses located in Lysaght – down from 169 last month due to some residents finishing up during the holiday period, and relocating elsewhere.

Construction works continue on the building at 12 Madden Street. The internal fit out of ATEED's design is progressing well with the main structure now complete and the roof framing underway. The contractor has reported it is four-weeks behind schedule on the external façade and is pushing to recover this time. The programme remains on track for practical completion in mid-June this year. However, the delay to the façade will be closely monitored as this may delay the overall completion date if not recovered.

Last month, ATEED released to market a request for proposal opportunity to recruit a Place Operator to manage part of the facility (encompassing the ground to third floors). A preferred Place Operator has been selected and is discussing potential design changes with ATEED. Cost and delays will occur if changes are made. No change will go ahead without proceeding to a full assessment and mutual agreement between respective parties. A negotiation phase with the preferred bidder is scheduled for completion by early March.

Mason Brothers' tenancy remains in Precinct Properties' possession. A number of administrative items will be closed out with Precinct prior to taking possession of the tenancy. An operational model for the facility is being developed reviewing multiple options. The internal Steering Group will be having a strategic planning session on 8 February.

The procurement of soft fit-out items has been needed this month to enable operation to start by May.

#### **GridAKL – the community**

GridAKL staff supported the YMCA Raise Up Graduation Innovation challenge as judges in December. This was an end of year celebration for 100 YMCA youth. Split into regional groups, they aimed to solve one of the United Nations' Global Issues using the Lean Canvas concept to come up with a new start-up.

Twelve events and activation programmes were hosted at Lysaght in December.

The *New Zealand Herald* published a feature on BoardPro (BizDojo at GridAKL resident), which generated great publicity and a significant spike in inquiries and trial requests.

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

#### **#BuildAKL**

Ten young Auckland jobseekers started work in Auckland's thriving construction and infrastructure sector in the New Year having won work placements as part of the #BuildAKL industry recruitment

campaign. The winners, aged between 16 and 23 years, were selected from a short-list of 20 finalists, and have started their rotational job placements mid-January.

The four-week work experience placements are being managed by recruitment company AWF, with work experience provided by Fletcher Building, City Care, Downer, Hawkins Group, iTraffic and Watercare Services.

The 10 winners received a free training package from AWF and the Solomon Group which included the Site Safe passport, traffic control training and training on resilience in the workplace.

### **Investor migrant update**

ATEED used two sessions of ASB Classic tennis hosting rights to meet with new investor migrants in January. New connections and plans for future engagement were made with French, Swiss, Indonesian and Japanese investor migrants, and commercial partners Malcolm Pacific and ANZ bank.

ATEED addressed 45 Chinese investor migrants about Auckland's economy and investment opportunities at a JBWere and BNZ seminar for JBWere clients.

Last month, the US launch of the GIVs programme (Global Impact Visas) was mentioned. Following the US launch, the GIVs private operator, Edmund Hillary Foundation will host its New Zealand launch in Wellington on 31 January. Representatives of ATEED will attend.

### ***Growing the visitor economy***

#### **GEMS**

Equine: ATEED will sponsor the activity at the annual New Zealand Bloodstock Karaka Million for the third year on 29 January 2017. The project team continues to work closely with New Zealand Bloodstock to welcome and host international buyers, premier sale vendors and top New Zealand buyers who have all arrived in Auckland ahead of the National Yearling Sales series (Karaka 2017), which commences on 30 January.

Marine: The project team welcomed the second group of China Cup Sailing school students to Auckland on 14 January. This is part of their New Zealand Winter Camp programme, which runs from 14 to 27 January.

Golf: The project team is working closely with The Institute of Golf in Albany to attract and provide investment opportunities for high net worth individuals from Asia and the US. A lot of activity will continue to develop after Chinese New Year.

#### **New airline capacity**

ATEED will assist with the Qatar Airways media visit relating to inaugural flight in February, including media from the UK (managed via Tourism New Zealand).

#### **Cruise**

Ovation of the Seas, the fourth largest cruise ship in the world, arrived in Auckland for the first time on 27 December. ATEED provided a Māori welcome with a waka greeting upon arrival in the harbour. This was very well received by passengers and crew.

Ovation of the Seas was back in Auckland on 14 January, with another ATEED-facilitated welcome upon arrival in the harbour and there was a smoother process for transferring passengers based on the

learnings from the 27 December visit. She will be in port one more time during the 2016/17 cruise season.

### **Kai Collaboration project**

The Kai Collaboration research project is progressing well. All interviews with external stakeholders have been completed and the findings presented to the working group. Two main issues were identified: the fragmentation in the industry; and the lack of an Auckland value proposition for food and beverage. These are being workshopped with the group to develop ideas/concepts that will address these issues. Once completed, these concepts and all the research will be shared internally at ATEED to determine next steps.

There are several other projects which members of the Kai Collaboration group are working on together, including:

- TRENZ 2017 welcome function – working with Tourism Industry Aotearoa on which Auckland food and beverage producers will be showcased and how.
- Creative Matakana – providing support to the food and beverage component on this event and leveraging the outcomes.

### **World Masters Games 2017**

Six sports (archery, football, hockey, golf, softball and squash) have now reached capacity.

As has been the case for a number of months now, accommodation availability and pricing remains the biggest risk/issue to the organisation. However, there has been anecdotal indications that some hotels have made a little movement on accommodation pricing over the past month. ATEED continues to work with partners to provide alternative options and help mitigate this issue.

The leverage and legacy programme update is provided by ATEED (Major Events), and ATEED provided MBIE with an update mid-December.

### **Major Events**

#### Tāmaki Herenga Waka Festival

Hau Rawiri (Mana Whenua Steering Group Chair) and Sir Pita Sharples (ATEED) have been confirmed to speak at the Tāmaki Herenga Waka Festival's VIP hosting event taking place on Thursday, 26 January. Mayor Phil Goff is unable to attend and the Deputy Mayor, Bill Cashmore will speak and attend in his place. An invitation has been sent to King Tuheitia for the festival's VIP event.

#### DHL NZ Lions Series 2017

ATEED is working with central government (World Cup's Office within Sport New Zealand) to secure a lead event management provider for the DHL NZ Lions Series 2017 Fanzone on Queens Wharf. The successful supplier will be responsible for planning, developing and operating the Fanzone from shortly before the first All Blacks test match on 24 June until after the last test match on 8 July. Activity will be planned for all test matches, and a Fanzone of presence of some description will be made available throughout this period. The tender opened on 9 January and will close on 27 January.

Based on the lessons of RWC2011, which highlighted the need for overflow/contingency planning, ATEED will activate secondary sites to increase capacity and provide regional outreach. The secondary fan sites will only operate on the three test match days and have been booked:

- West: Trusts Arena (Saturday, 24 June)

- South: Vodafone Events Centre (Saturday, 1 July)
- North: North Shore Events Centre (Saturday, 8 July)

Filming took place on 19 January with the All Blacks as part of ATEED's contractual benefits from sponsorship of the DHL NZ Lions Series. The clip will be distributed via ATEED's, All Blacks and NZ Rugby's social media channels and through the Lions Rugby Travel and All Blacks Tours fan databases. In addition, a media piece will be developed around the three All Black's favorite places and activities in Auckland.

### ***Attract business and investment***

#### **Project Palace (Auckland accommodation sector – planned and scheduled construction)**

Project Palace continues to engage with a number of parties expressing interest in the sector. ATEED met with potential investor representative in January to discuss opportunities prior to visiting potential sites in late January.

#### **Kumeu screen production complex**

An update on the screen sector, including the Kumeu film studios will be presented to the Board. There is no marketing activity to date, this will commence in February/March, in conjunction with the New Zealand Film Commission and Warner Brothers.

#### **AR/VR content creation**

The AR/VR Garage continues to grow with a further three companies signing up in the last week of December and a further two companies indicating they will be at the site in January. There are 19 companies now resident in the AR/VR Garage, with careful applicant selection required to ensure the right cohort mix to maximize the collaboration and outcome from the facility.

The focus for January was to attract further corporate sponsorship, promoting the work underway at the Garage and with our partners, and extending our international connectivity through collaborative R&D. Universities will play a strong role this year with student internships and interaction with industry being planned in the coming months.

Several companies in the Garage are now looking to extend themselves into the US market (establishing a US presence on the west coast). We are assisting them with contacts within NZTE, and with entities that assist foreign companies to land in the US.

The Garage is looking to engage with a number of Auckland events throughout 2017, developing a service delivery platform for digital technology that can be built on over the next few years to make Auckland the most AR-activated city in the world. Events include WMG2017, Techweek, StoryEdge Conference, DHL NZ Lions Series 2017, and LPGA, amongst others.

#### **Fintech hub**

A second industry workshop with key partner stakeholders including Callaghan Innovation, MBIE, and NZ Tech's financial technology (fintech) lead will be held on 24 February.

A study tour of the Stone and Chalk FinTech hub in Sydney, and Telstra Australia's Muru D accelerator and CIC centre, is scheduled for 30 January, to gain insights into the successful elements of these initiatives.

## Month in review

### ATEED draft Statement of Intent 2017-2020

ATEED has used the Letter of Expectation received on 21 December to further refine and develop the Statement of Intent 2017-2020. A draft Statement of Intent has been circulated to the Board as a separate document for review.

### ASB Classic – destination results

ATEED facilitated a visit to a private beach on Waiheke Island for Serena Williams, and created a destination press and video release out of the trip, including quotes from Serena on her experience in Auckland. From this, the release was distributed domestically via ATEED's media channels and internationally via PR Newswire, a global media distribution agency – the first time ATEED has trialed this. The uptake of the footage, quotes and images in the media was hugely successful – due in part to the announcement of Serena's engagement the day prior to her Waiheke Island trip. The results are outlined below:

Serena was highly active on social media during her trip to Waiheke, as was her fiancé, Alexis Ohanian. Both used multiple platforms to showcase their experience:

- Snapchat – Serena posted multiple Snapchats while on Waiheke Island exploring the beach.
- Instagram (Followers: 4.7 million) – Serena posted two photos to Instagram of her exploring Waiheke.
- Twitter (Followers: 7.3 million) – Serena tweeted her two Instagram posts.

Each social media post (Instagram and Twitter only) by Serena Williams has a media value quantified by Forbes at US\$704,347, meaning the estimated advertising value (EAV) of the social media posts created by Serena was at or about US\$2.8 million.

The international press release was picked up by 251 international media outlets, resulting in a viewership of 88 million people worldwide. The strongest markets for pick up were the US and UK, followed by Australia. Of this pick up, 41.3 per cent were newspapers, 30.6 per cent were broadcast channels and the remainder were blogs and online news channels.

Variations of the story also appeared on E! Online, and in the *Daily Mail* (UK) and the *Washington Post* (US) amongst others. *Australian Women's Weekly* contacted ATEED off the back of the press release to run a two page destination feature on Serena's trip to Auckland.

The headline 'Serena Williams and fiancé ring in New Year in Auckland' appeared on the Bloomberg Digital Banner – Times Square (1585 Broadway), New York with an image of Serena on Waiheke Island, on New Years' Day 2017.

## Statement of Intent KPIs

KPI results as at 31 December are recorded in the appendix.

Key highlights include:

### *Building a Culture of Innovation and Entrepreneurship*

- The resident population of GridAKL is 76, approximately 85 per cent of these businesses are considered 'innovation led'.



- A new SOI KPI measure was set for 2016/17, defined as “number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme”. Latest results show that 1975 individuals have already been supported, exceeding the target of 1500 for the year.

#### *Attracting Business and Investment*

- ATEED has facilitated the establishment of three significant multinationals during the year-to-date, and is on track to achieve their annual target of five by 30 June 2017. Two of the multinationals newly established are in the construction sector, with the remaining one from the screen sector.
- The total GDP contribution of deals resulting with ATEED involvement to date is \$255 million, which is well over the target of \$56.7 million.
- The value of investment deals resulted by ATEED within the financial year is \$387 million, exceeding the target of \$278 million.
- The number of intensively account-managed customers in the Aroha Auckland programme stands at 32, with a risk of not reaching the target of 85 by 30 June 2017, based on the tighter qualification criteria now being applied.

#### *Growing a Skilled Workforce*

- The number of ‘live’ signatories to the Auckland Youth Employers Pledge stands at 58. The SOI target requires ATEED to maintain a pool of 50 signatories.

#### *Growing the Visitor Economy*

- Spend by visitors to Auckland has previously been an annual measure, however it is now available on a monthly basis as well. Auckland has seen significant growth in visitor spend, which stood at \$7.4 billion to the end of November 2016. This was an increase of 8.6% from \$6.9 billion for the year-end November 2015. (Please note, the 2016 figures are MBIE estimates and are subject to revisions when the data is finalised in October 2017). Latest numbers are delayed due to the recent Wellington earthquakes.
- The Auckland Convention Bureau has achieved an 86 per cent win ratio in the year-to-date, against a target of 60 per cent for the year.
- Customer satisfaction with the provision of visitor information through iSITEs continues to be exceptional. The satisfaction rate sits at 95.3 per cent year-to-date, well above the 85 per cent target for the year.
- Contribution to regional GDP from major events invested in has now risen to \$10.33 million, and with several large scale events on the way in the first half of 2017, is well on the way to reach target.

#### *Building Auckland’s Brand and Identity*

- Visits to [www.aucklandnz.com](http://www.aucklandnz.com) continue to track strongly with 4.4 million visits (page views) as at 31 December, already exceeding the target of 3.4 million.

## **Burning issues**

### **Downer NRL Auckland Nines**

A radio and social media campaign promoting travel to Auckland for the tournament and Guns and Roses concert went live in December targeting Auckland’s domestic fly/drive visitor markets.

The first of two marketing campaigns is now live in Australia in conjunction with Air New Zealand and Tourism New Zealand targeting upwardly mobile league fans in Sydney, Melbourne and Brisbane. This is a digital and radio campaign promoting travel to the NRL Auckland Nines using travel partner Sportsnet as the conversion tactic.

A second campaign will go live in this month in conjunction with Tourism New Zealand promoting couples travelling to Auckland beyond the NRL Auckland Nines using famous league 'influencer' couples – league players and their social media savvy wives.

In early January, ATEED hosted the Fox Sports commentary team to film destination content for the Fox Sports NRL pre-season coverage. This was aired in mid-January and previewed Auckland and the NRL Auckland Nines as a great weekend away.

Six Auckland rugby league clubs will host NRL teams and neighbouring Auckland clubs during the event in the revamped club programme. One of the primary outcomes of the club programme is to enable and support the growth of rugby league at the grassroots level throughout Auckland. Manurewa, Mangere East, East Coast Bays, Mt Albert, Pakuranga and Waitemata rugby league clubs will each host two to three NRL teams at public events in the lead-up to the tournament.

The Nines Fan Day is on track and will be delivered in conjunction with NRL and Duco. The onsite activations, aimed to enhance the engagement and pride of Aucklanders, will include an MC, DJ, Q&A with captains, signatures and plenty of photo opportunities with a selfie wall, and locker room photo booths.

### **Local boards**

The six-monthly local board report is due on 7 February. Reports are being prepared, and will be reviewed internally using the new primary point-of-contact system.

### **Global Auckland Project**

Having delivered the Global Auckland Project's creative outputs which signaled the project's end, the focus for the next couple of months is to move to a new phase of work. We will re-engage with corporate stakeholders interviewed during the project to get feedback and support for telling the Auckland Story to the world.

Separately, ATEED will present to the elected representatives in March to discuss how the Auckland Story will be brought to life. The focus will be making the most of the opportunity to partner with the corporate sector to deliver council projects, assets and channels – which aligns with Mayor Goff's view on the next steps.

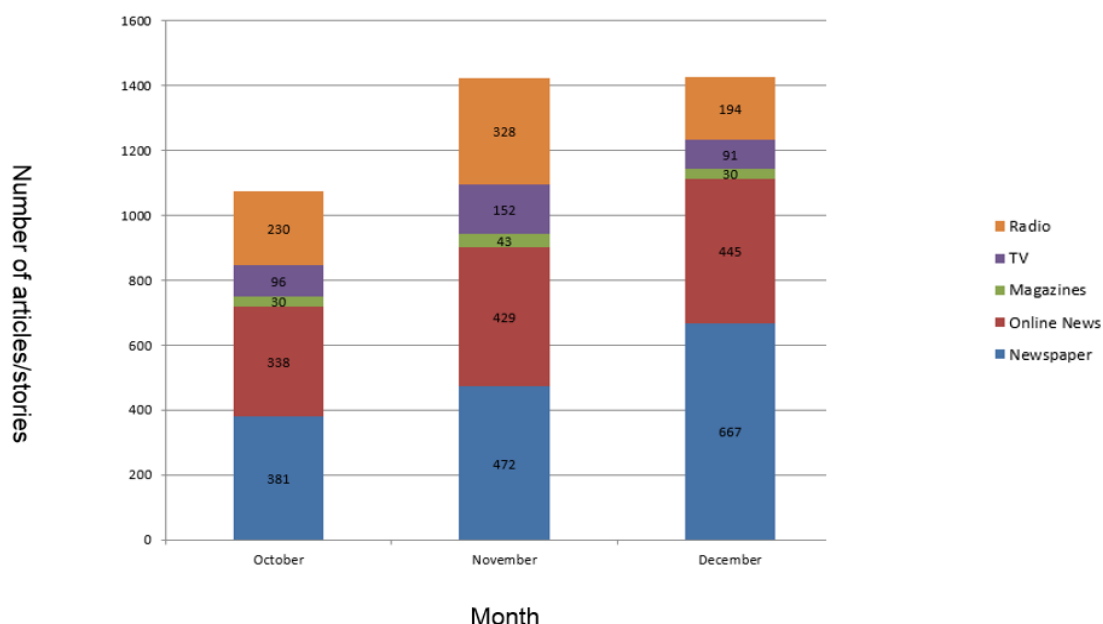
ATEED continues to work with the Strategic Partnerships teams to identify and develop future commercial opportunities that create desirable outcomes aligned to the Auckland Plan.

## **Media summary**

A quarterly summary of media coverage relating to ATEED and/or projects the organisation is involved in has been prepared for Q2 2016/17, covering October to December. The summary is included as an attachment to this report. The amount of coverage segmented by month of publication and channel type is outlined below.

During Q2 2016/17 3,926 pieces of coverage were recorded, up from 1,531 in the previous period. This high level of coverage is the result of a number of exceptionally high profile projects involving ATEED, and is abnormally high in comparison to previous – and likely future – periods.

## Combined media coverage total Q2 October-December 2016



## Looking forward

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

Scheduled event date	Event name	Location
<b>28-30 January 2017</b>	Tāmaki Herenga Waka Festival	Viaduct Event Centre and Viaduct Basin
<b>3-26 February 2017</b>	Headline Sculpture on the Gulf	Waiheke Island
<b>9-12 February 2017</b>	Auckland Lantern Festival	Auckland Domain
<b>17-19 February 2017</b>	Auckland Splore Music and Arts Festival	Tapapakanga Park
<b>25 February</b>	Auckland Pride Parade	Ponsonby Road
<b>4-5 Feb 2017</b>	Downer NRL Auckland Nines	Eden Park
<b>25-26 March</b>	Pasifika Festival	Western Springs Park

Scheduled event date	Event name	Location
21-30 April	World Masters Games 2017	Various Auckland locations
28 April-21 May	NZ International Comedy Festival	Various Auckland venues
16-21 May	Auckland Writers Festival	Aotea Centre
7 June-8 July	Blues vs British & Irish Lions (7 June); All Blacks vs Lions (24 June and 8 July)	Eden Park

## Finance

ATEED is tracking \$0.6m behind forecast. This positive variance is due to an underspend across multiple projects and activity which has been deferred, in particular Auckland Lantern Festival, Warriors League, GridAKL, Domestic and International Marketing Tourism campaigns, Trade Partnership and the cancellation of the Auckland Partner Programme.

### World Master Games

WMG has a \$1.5m underspend due to revenue being lower than forecast. WMG management remain confident that sales are attainable, however mitigation plans are in place to hedge against this risk, should it eventuate.

## Recommendations

1. The report be received.

## Attachments

- ATEED KPI Scorecard

## Signatory

Chief Executive: Brett O'Riley

## Appendix – ATEED SOI KPI's (YE December)

ATEED SOI KPIs	Measurement	Date of Measure/latest	Latest Result	Annual Target to 30 June 2017	Status
<b>Building a Culture of Innovation and Entrepreneurship</b>					
No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" <sup>1</sup>	Number & (%)	31-Dec-16	76 (85%)	55 (70%)	●
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme	Number	31-Oct-16	1975	1500	●
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure)	%	30-Jun-16	91	85	●
Number of actively managed business through Regional Business Partner programme	Number	31-Dec-16	383	720	●
No. businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	30-Jun-16	4073	1500	—
No. Maori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	30-Jun-16	157	100	—
<b>Attracting Business and Investment</b>					
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	31-Dec-16	3	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	31-Dec-16	32	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	31-Dec-16	255.4	56.7	●
Value of investment deals effected by ATEED within the financial year	\$(million)	31-Dec-16	387	278	●
<b>Growing a Skilled Workforce</b>					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	31-Dec-16	58	50	●
<b>Enabling Education and Talent</b>					
Growth in value of international student spend to Auckland	\$(billion)	30-Jun-16	2.1	1.888	—
<b>Growing the Visitor Economy</b>					
Spend by visitors in Auckland <sup>2</sup>	\$(million)	30-Nov-16	7.420	5.412	●
Number of international business event bids submitted or supported	Number	31-Dec-16	14	35	●
Business event bid win/loss ratio (based on results received in financial year) <sup>4</sup>	%	31-Dec-16	86%	60%	●
Value of business event bids won in financial year	\$(million)	31-Dec-16	18	19	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	31-Dec-16	95.3	85	●
Contribution to regional GDP from major events invested in (LTP measure) <sup>5</sup>	\$(million)	31-Dec-16	10.33	86	●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-16	73	80	—
Visitor nights generated by major events invested in <sup>6</sup>	Number	31-Dec-16	89,410	415,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	31-Dec-16	90%	85	●
<b>Building Auckland's Brand and Identity</b>					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	31-Dec-16	4.4m	3.4m	●
<b>Local Economic Development</b>					
Percentage of actions in ATEED Local Board Engagement and Action Plans completed	%	30-Aug-16	86	80	●
<b>Mana Whenua Engagement</b>					
Percentage Mana Whenua satisfaction with quality of engagement	%	31-Dec-16	N/A	Establish baseline	—
<p><b>Key:</b></p> <ul style="list-style-type: none"> <li>● On track / Target exceeded</li> <li>● Potential for Slippage</li> <li>● Off-track</li> <li>— No recent result</li> </ul>					
<p><sup>1</sup> Innovation-led is defined as businesses developing new or improved technologies or services</p> <p><sup>2</sup> From 2016/17 targets have reset to align with latest Ministry of Business, Innovation and Employment Monthly Regional Tourism Estimates (MRTEs)</p> <p><sup>4</sup> Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted</p> <p><sup>5</sup> Target includes the impact of World Masters Games 2017</p> <p><sup>6</sup> Target includes the impact of World Masters Games 2017. Targets for visitor nights generated by major events reflect the targets originally endorsed by council through the Major Events Strategy. It has since become apparent that these targets are low and ATEED aims for significantly higher KPIs internally. Refreshed target will be developed for 2017/18.</p>					

Friday, 27 January 2017



OPEN AGENDA

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

## Finance Report, month ending December 2016

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

Summary Income Statement								TABLE 1	
For the Period Ended 31 December 2016									
								\$000's	
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
			<b>Net operational expenses:</b>						
391	302	(89)	Business Attraction & Investment	1,539	1,594	55	4,278	2,549	
423	397	(26)	Destination & Marketing	2,269	2,371	102	4,338	5,043	
491	627	136	Major Events	4,109	4,195	86	10,375	11,739	
530	680	150	Visitor and External Relations	3,782	4,036	254	9,924	7,759	
732	910	178	Business, Innovation and Skills	4,274	4,389	115	11,405	9,838	
653	696	43	Corporate	4,133	4,143	10	9,093	9,088	
<b>3,220</b>	<b>3,611</b>	<b>391</b>	<b>ATEED net deficit</b>	<b>20,107</b>	<b>20,727</b>	<b>620</b>	<b>49,414</b>	<b>46,016</b>	
(546)	(619)	(73)	World Masters Games 2017 Ltd, net deficit	(399)	(1,850)	(1,451)	8,015	1,427	
<b>2,674</b>	<b>2,992</b>	<b>318</b>	<b>Operating deficit before Council funding</b>	<b>19,708</b>	<b>18,878</b>	<b>(830)</b>	<b>57,428</b>	<b>47,443</b>	
			Approved opex funding				55,972	46,856	
			WMG Reserves drawdown				691	0	
			<b>Operating Deficit</b>				<b>(766)</b>	<b>(587)</b>	
			Capex funding				14,207	2,975	
			<b>Surplus</b>				<b>13,441</b>	<b>2,387</b>	

### Key Points

#### Current month's financial results

ATEED is tracking \$0.6m behind forecast. This positive variance is due to an underspend across multiple projects and activity which has been deferred, in particular Auckland Lantern Festival, Warriors League, Grid AKL, Domestic and International Marketing Tourism campaigns, Trade Partnership and the cancellation of the Auckland Partner Program.

#### World Master Games

WMG has a \$1.5m underspend due to revenue being lower than forecast. WMG Management remain confident that sales are attainable, but mitigation plans are in place to hedge against this risk should it eventuate.

Total net favourable variance of \$0.6m.

### Destination and Marketing

YTD net underspend of \$0.1m against the forecast is due to timing of activity for Auckland Convention Bureau bids and the cancellation of the Auckland Partner Program.

### Major events

YTD net underspend of \$0.1m against the forecast is due to timing of spend for the Auckland Lantern Festival (\$0.1m) and Warriors League (\$0.1m), these are offset by earlier than planned spending on the Pasifika Festival (\$0.1m).

### Visitor and External Relations

YTD net underspend of \$0.3m against the forecast in Tourism and Trade Partnerships. Adverse weather conditions have delayed marketing spend in Tourism, and Trade Partnerships.

### Business, Innovation and Skills

YTD net underspend of \$0.1m against the forecast is due to consultancy work for Grid AKL and for Techweek being managed in-house.

## Income Statement

			Income Statement					TABLE 2		
			For the Period Ended 31 December 2016							
						Year to Date		Full Year		
Month						Actual	Forecast	Variance	Forecast	Last Year
Actual	Forecast	Variance				Actual	Forecast	Variance	Forecast	Last Year
			<b>Operational income</b>							
107	107	0	Funding from Government			996	996	0	2,241	1,742
4	76	(72)	Sponsorship			646	738	(91)	1,580	1,580
(110)	6	(116)	Fees & Subscriptions			288	281	7	328	446
177	210	(34)	i-Sites			981	1,038	(57)	2,000	2,502
245	262	(17)	Sundry income			961	982	(21)	2,164	1,229
<b>423</b>	<b>662</b>	<b>(239)</b>	<b>Total Operating income</b>			<b>3,873</b>	<b>4,035</b>	<b>(162)</b>	<b>8,313</b>	<b>7,630</b>
1,906	1,891	(15)	Staff costs			10,750	10,700	(50)	22,099	20,728
341	697	356	Professional fees, consultancy & contractors			3,041	3,484	444	9,676	7,004
556	447	(109)	Grants & sponsorships			3,760	3,594	(166)	7,454	8,739
54	83	29	Depreciation & amortisation			331	359	28	765	591
45	43	(2)	Shared services and lease costs			258	258	(0)	516	2,141
223	232	9	Occupancy			1,048	1,121	73	3,151	2,599
29	64	34	Travel & entertainment			487	549	61	1,518	1,653
170	240	70	General, admin & other			1,251	1,233	(18)	2,782	2,823
317	576	259	Advertising, marketing & research			3,052	3,463	411	9,765	7,367
<b>3,643</b>	<b>4,273</b>	<b>630</b>	<b>Total Operating Expenditure</b>			<b>23,979</b>	<b>24,762</b>	<b>783</b>	<b>57,726</b>	<b>53,645</b>
<b>3,220</b>	<b>3,611</b>	<b>391</b>	<b>ATEED Net deficit</b>			<b>20,107</b>	<b>20,727</b>	<b>620</b>	<b>49,414</b>	<b>46,016</b>



## Revenue

YTD under recovery of \$0.2m.

**Sponsorship income Variance, \$0.1m:** Tamaki Herenga Waka Festival forecast sponsorship will be received in January. Maori ED program sponsorship discussions are currently underway to secure a sponsor.

**i-Sites Variance, \$0.1m:** Lower sales for the Princes Wharf and Sky City i-Sites are partially offset by a lower cost of goods sold compared to forecast.

## Expenditure

YTD underspend of \$0.8m.

**Professional Services Variance, \$0.4m:** This favourable underspend is due to timing differences of \$0.3m and classification of costs of \$0.1m. Cost incurred in advertising but forecast in professional fees (\$0.1m), timing underspend for Maori Economic Growth Program (\$0.1m), the remaining \$0.2m is across multiple projects.

**Grants and Sponsorships, \$0.2m:** This overspend is due to sponsorship payments incurred earlier than planned for the Pasifika festival and for the Velocity Entrepreneurship project.

**Advertising and Marketing, \$0.4m:** This positive variance is due to campaigns for Tourism and Trade Partnerships (\$0.2m) occurring later than forecast, the timing of costs across multiple Major Events projects (\$0.1m) and the cancellation of the Auckland Partner Program (\$0.1m).

## Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m								TABLE 3	
For the Period Ended 31 December 2016									
Month				Year to Date					
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
<b>Business, Innovation and Skills</b>									
83	83	(0)	New Zealand Food Innovation Auckland	500	500	(0)	1,000	1,015	
157	182	25	Grid AKL	559	614	55	2,831	1,557	
<b>Major Events</b>									
12	7	(5)	World Masters Games 2017 leverage	28	37	9	947	36	
11	0	(11)	V8 Supercars	1,034	1,057	23	1,057	2,097	
42	85	43	NRL 9s competition	50	110	60	715	2,868	
161	153	(8)	Lions Tour 2017	158	189	32	1,430	268	
22	(50)	(72)	Tāmaki Herenga Waka Festival	32	(42)	(74)	513	514	
<b>Total of all Major Events Projects</b>				<b>3,181</b>	<b>3,259</b>	<b>78</b>	<b>8,122</b>	<b>9,642</b>	

- NRL9's – Underspend in advertising and marketing is due to timing.
- Tamaki Herenga Waka Festival – Sponsorship income to be received in January.

## World Masters Games

World Masters Games 2017 Ltd									TABLE 4
Summary Income Statement									
For the Period Ended 31 December 2016									
\$000's									
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
709	1,282	(573)	Revenue from Activities	4,013	5,699	(1,686)	6,794	1,616	
333	333	0	Funding from Government	2,000	2,000	0	3,655	2,625	
(5)	0	(5)	Sponsorship	53	70	(18)	1,208	475	
300	0	300	Sundry income	500	600	(100)	600	610	
<b>1,337</b>	<b>1,615</b>	<b>(278)</b>	<b>Total Operating income</b>	<b>6,565</b>	<b>8,369</b>	<b>(1,803)</b>	<b>12,257</b>	<b>5,326</b>	
			<b>Net Operational costs</b>						
372	366	(6)	Staff costs	1,938	1,938	0	4,158	2,621	
125	516	391	Professional fees, consultancy & contractors	1,808	2,565	757	8,126	1,302	
49	0	(49)	Grants & sponsorships	794	787	(7)	2,017	695	
2	0	(2)	Depreciation & amortisation	20	9	(11)	9	111	
11	13	2	Occupancy	74	78	4	177	164	
47	33	(14)	Travel & entertainment	169	155	(14)	925	267	
128	41	(87)	General, admin & other	835	381	(454)	3,774	671	
56	25	(31)	Advertising, marketing & research	513	592	79	1,057	905	
<b>791</b>	<b>996</b>	<b>205</b>	<b>Total Operating Expenditure</b>	<b>6,166</b>	<b>6,519</b>	<b>353</b>	<b>20,272</b>	<b>6,753</b>	
<b>546</b>	<b>619</b>	<b>(73)</b>	<b>Operating surplus/(deficit)</b>	<b>399</b>	<b>1,850</b>	<b>(1,451)</b>	<b>(8,015)</b>	<b>(1,427)</b>	

- WMG's are \$1.5m behind forecast. Cumulative revenue at the end of December is 64% against a target of 85%. Registrations have fallen below WMG2017's aspirational target to secure 85% of registrations by year end. Management confidence remains high in regards to achieving this target when sales close at the beginning of March 2017, hence KPI's are close to being achieved.

## Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 December 2016		
\$000's		
TABLE 5	YTD	Jun-16
<b>Current assets</b>		
Cash and cash equivalents	2,886	2,024
Receivables and prepayments	7,597	10,714
Other current assets, including iSite inventory	49	80
<b>Total current assets</b>	<b>10,532</b>	<b>12,818</b>
<b>Current liabilities</b>	<b>9,962</b>	<b>12,448</b>
<b>Working capital</b>	<b>570</b>	<b>370</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	242	697
Property, plant and equipment	6,109	5,098
Investment in Joint Venture, The FoodBow I	2,067	2,067
<b>Total non-current assets</b>	<b>8,418</b>	<b>7,862</b>
<b>Non-current liabilities</b>	<b>193</b>	<b>253</b>
<b>NET ASSETS</b>	<b>8,795</b>	<b>7,979</b>
<b>EQUITY</b>	<b>8,795</b>	<b>7,979</b>
<b>Capex spend</b>	<b>1,350</b>	<b>Annual Plan Bud \$7.8m</b>

- Receivables and prepayments: Decrease of \$3m mainly due to intercompany settlement and cash sweeps.
  - Current liabilities lower due to large accruals raised at year end for Grid AKL capex and paid in the current year.
- 

### **Recommendation**

It is recommended that the Board note the Finance Report for the period 31 December 2016.

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### **Signatories**

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer

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## Appendix 1

### i-Sites Summary Income Statement

	Year to Date			Full Year		
	Actual	Forecast	Variance (u)/f	Forecast	Budget	Last year
Total Revenue	981	1,038	(57)	2,000	2,270	2,502
Cost of Goods Sold	309	363	(54)	731	678	734
Gross Margin	673	675	(3)	1,269	1,592	1,768
Overhead	875	926	51	(731)	2,098	(734)
<b>Surplus/Deficit</b>	<b>(203)</b>	<b>(251)</b>	<b>48</b>	<b>(566)</b>	<b>(506)</b>	<b>(300)</b>

- i-Sites's year to date result slightly lower than forecast due to lower revenue.
- At the end of this financial year, we are forecasting to spend \$0.1m more than budget. This is due to lost revenue resulting from the closure of Devonport and Waiheke i-Sites and the relocation of the Princes Wharf i-Site to a smaller location.

## Appendix 2

### GridAKL Summary Income Statement

GridAKL									\$ 000's
Month			Year to Date				Full Year		
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget		
0	0	0	Sponsorship revenue	333	333	0	333	433	
56	62	(6)	Property rental revenue	357	365	(8)	859	883	
<b>56</b>	<b>62</b>	<b>(6)</b>	<b>Total Revenue</b>	<b>690</b>	<b>698</b>	<b>(8)</b>	<b>1,192</b>	<b>1,316</b>	
37	11	(27)	Staff costs	53	47	(6)	265	280	
41	91	50	Professional fees, consultancy & contractors	568	538	(30)	1,891	1,748	
20	19	(1)	Depreciation & amortisation	119	117	(2)	316	634	
0	0	0	Shared services and lease costs	0	0	0	0	0	
87	85	(2)	Occupancy	384	439	55	1,206	1,057	
0	0	0	Travel & entertainment	1	2	0	18	34	
9	16	7	General, admin & other	45	84	39	209	54	
17	21	4	Advertising, marketing & research	79	85	6	115	0	
<b>213</b>	<b>244</b>	<b>31</b>	<b>Total Expenditure</b>	<b>1,249</b>	<b>1,312</b>	<b>63</b>	<b>4,022</b>	<b>3,807</b>	
<b>(157)</b>	<b>(182)</b>	<b>25</b>	<b>SURPLUS / (DEFICIT)</b>	<b>(559)</b>	<b>(614)</b>	<b>55</b>	<b>(2,831)</b>	<b>(2,491)</b>	

December YTD underspend of \$0.1m.

- Decrease in occupancy costs includes a provision for compensation raised in November but released after a rent holiday was given instead to the Management Company. The accounting treatment for a rent holiday is to amortise over the period of the lease.