

Open

Run sheet: Board Meeting, Friday 24 February 2016
 2.05pm, Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland

Item	Subject	Action	Start Time	Duration	Pg.
OPEN AGENDA					
1	Start of Meeting: Chairman's Welcome, Apologies	To Note	2.05 p.m.	1 mins	
2	Open Minutes 27 January 2017 and Open Action Tracker, Brett O'Riley	To Approve	2.06 p.m.	2 mins	4
3	Directors Interest Register, Conflicts of Interest Declaration	To Note	2.08 p.m.	2 mins	7
4	Chief Executive's Activity Report, Brett O'Riley	To Note	2.10 p.m.	15 mins	15
5	Finance Report, Avika Singh	To Note	2.25 p.m.	15 mins	26
	Chairman's close and invitation to the public to leave				
	Close of Meeting		2.40 p.m.		

Auckland Tourism, Events and Economic Development Ltd Board meeting

OPEN AGENDA

Will be held as follows:

DATE: 24 February 2017
TIME: 2.05 p.m. 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**

No apologies have been received

2. **MINUTES OF 27 JANUARY 2017 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, 24 February 2017



OPEN AGENDA

2. **MINUTES OF 27 JANUARY 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:	Tamaki Makaurau Boardroom, Level 8, 139 Quay St, Auckland
When:	Friday, 27 January 2017 at 1.30 p.m.
Directors:	Norm Thompson Danny Chan Mike Taitoko Stuart McCutcheon
Consultant:	Sir Pita Sharples
Apologies:	David McConnell Helen Robinson Franceska Banga
In Attendance:	Brett O'Riley, Chief Executive Joy Buckingham, Chief Financial Officer Tim Kingsley-Smith, Company Secretary
Public & Media Attendance:	N/A

Background

- A. Norm Thompson 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 apologies of David McConnell, Helen Robinson and Franceska Banga were **noted**.

2. Minutes of Previous Meetings and Action Tracker

The Board discussed the draft minutes of the meeting held on 25 November 2016 and the Open Action Tracker.

Following the conclusion of discussions, the Board resolved that the minutes of the meeting held on 25 November 2016 be **approved** as a true and correct record.

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

Danny Chan, Mike Taitoko, and Norm Thomson each noted changes to their interests and requested that Secretariat make the required changes to the Directors' Interests Register.

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:

- The Board discussed health and safety, The Vault, and the health and safety culture of ATEED. Management agreed that staff culture was a key part of health and safety and noted the importance of all ATEED staff being regularly reminded of their health and safety obligations and responsibilities. Health and safety obligations and responsibilities were being regularly pushed to all ATEED staff via team meetings and the intranet. The Board noted that it was vital that staff continued to be reminded of their health and safety obligations.
- John Kirwan had been hired by ATEED as an ambassador. He would be used by ATEED for promotional purposes, particularly for the upcoming Lions' Tour and for specific projects related to Japan.

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 contained a minor mistake in Appendix 1 relating to i-Site overheads due to a formula error. The bottom line for i-Sites was correct.
- The half year audit review was making good progress and on track. No material issues had been identified.

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

The Chairperson declared the meeting closed at 2.00 p.m.

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

Chair

Date

Friday, 24 February 2017



OPEN AGENDA

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>
--	--

	<p>Director, Wilkins & 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>
Director	Roles & Responsibilities outside of ATEED
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 2017 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>
Director	Roles & Responsibilities outside of ATEED
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"> - Pohutukawa Fund, Maui Capital Indigo Fund - 82 Limited Partnership and Advisory Board member <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>
Director	Roles & Responsibilities outside of ATEED
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>
Director	Roles & Responsibilities outside of ATEED
Danny Chan	<p>Director and Shareholder, A1 Flower Wholesalers Limited Director and Shareholder, Global Academic Group Holco Limited Director and Shareholder, Alpha Asset Management Limited</p>

	<p> Director and Shareholder, ARN Investments Limited Director and Shareholder, Danting Investments Limited Director and Shareholder, New 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 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 Group Limited and subsidiary Director and Shareholder, The Academic Coaching School Limited Director and Shareholder, Turners Flower Exports NZ Limited Director and Shareholder, Asia Pacific Centre for Food Integrity 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>
--	--

Director	Roles & Responsibilities outside of ATEED
Helen Robinson	<p> Chair, CLOUD M Ltd Co-Founder & 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 Director, Fulbright NZ Ltd Director, NZ Defence Force Trustee, Aktive Auckland Sport & 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>
Director	Roles & Responsibilities outside of ATEED
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>

Board Advisor	Roles & Responsibilities outside of ATEED
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 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>

Friday, 24 February 2017



OPEN AGENDA

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

Brett O'Riley, Chief Executive

Chief Executive Review of February 2017

Report to Auckland Tourism, Events and Economic Development Limited Board

Health & Safety (H&S)

The main focus for the start of the year has been on reporting and recording near misses. A message was published on the hub by the Health and Safety committee in January, emphasising the importance of recording all H&S incidents. This message resulted in a number of incidents being reported which we believe would not have been prior to the hub article.

ATEED, in conjunction with Auckland Council, is finalising the implementation of our new H&S management system, Risk Manager. This is a far more user-friendly system, and will help with the reporting and management of incidents, near misses and hazards within ATEED's work spaces. This system is being rolled out with appropriate training to give all ATEED staff the ability to see what happens, where the information goes and the importance of reporting to improve the workplace and reduce risk further.

The Major Events team delivered the Tāmaki Herenga Waka Festival over Auckland Anniversary weekend. The main focus again was contractor management and identifying and reducing hazards and risks within the scenario sessions. A similar exercise was carried out for Lantern Festival, which ran smoothly from 9-12 February.

AR/VR Garage induction implementation and training is underway. After a joint PCBU (Person conducting a business or undertaking) site meeting to discuss induction and training, feedback has been received and is being implemented into an induction plan specific to the AR/VR Garage.

Wellbeing activity for ATEED staff in the past month has included:

- Participant survey about the six-week Mindfulness workshop (held at Quay Street in October/November 2016) completed in January. Results show that more than 70 per cent of participation in this workshop was funded through staff Cube (personal development) plans – an excellent incorporation of wellbeing.
- Wellbeing updates to business units through H&S reps.
- Planning ATEED's participation in the Aotearoa Bike Challenge and the Inter-Council Sport Tournament scheduled in March.
- Mini workstation assessments for new and existing staff.

Incidents: Four incidents were recorded and reported in January (three following the hub article).

Near misses: One near miss was reported in January.

Hazards: One new hazard was reported in January.

H&S training:

- **First day, ATEED staff induction:** Eight outstanding, of which six staff members are from Visitor and External Relations, one from Operations, and one from BIS. Plans are in place to facilitate those inductions as soon as possible.

ATEED strategic priorities

Building a Culture of Innovation and Entrepreneurship

GridAKL - The Place

Lysaght

Momentum at Lysaght Building as a hub for start-ups continues, as a number of new businesses have moved in during the past month. Mish Guru, a Snapchat marketing and analytics platform, has taken up residency at GridAKL as larger growing businesses have graduated from the space. Other new tenants include BoardPro, Whey Cartel, One Fat Sheep and Crystalnix. There are now 145 residents located at Lysaght working across 81 businesses. BizDojo has continued to foster emergent innovative businesses, and is sponsoring eight start-ups.

12 Madden Street

A significant focus of GridAKL is the 12 Madden Street operator contract negotiations, which are progressing well. It is anticipated that heads of terms will be agreed by the end of February, with contracts executed by the end of March. ATEED has had significant tenant interest for 12 Madden Street. Commercial terms have been agreed with an anchor tenant for a whole floor, and negotiations on the final deed of lease are underway. Should this be approved, the negotiated terms will yield income in line with our original business model predictions.

Mason Brothers

Detailed design has been completed and the first stage of the building consent is with Auckland Council. It is expected that physical works will begin as scheduled in late March, pending final design sign-off and negotiations with appointed contractor. The forecast practical completion date is 1 June 2017. There has been significant interest in tenant opportunities by businesses for Mason Brothers, and ATEED is pursuing a number of leads in conjunction with the operator. Marketing for the space will go live in early March.

GridAKL - The Community

There were 12 events during January. GridAKL hosted 35 young people (18-21-year-olds) taking part in the Venture Up Programme, which is an entrepreneurial accelerator for New Zealand's aspiring leaders being sponsored by ATEED. The group was able to learn about GridAKL and met residents who shared their journeys and gave presentations on the latest AR/VR projects.

Following a successful incubation of Fonterra's Disrupt Accelerator Programme in 2016, Fonterra's New Ventures team has joined the GridAKL community. This team is responsible for managing new venture projects for Fonterra globally. This is a great outcome, showing the ecosystem connected across different Auckland and nation-wide initiatives and multiple agencies are collaborating to ultimately create a more powerful economic impact.

Muralidhar, the Head of People from rapidly scaling Australian start-up Canva re-joins the community. Muralidhar delivered a presentation to the GridAKL community at the end of January on *Recruitment in Start-up Land*, and how to think of your employee and operation's experience as a product. This is part of a BizDojo road trip organised to connect with the innovation ecosystem across the country.

Below is a dashboard summarising key activity at GridAKL.



Grow and attract skilled talent

Investor migrant update

The Edmund Hillary Fellowship (EHF) immigration programme was launched by the Minister of Immigration on 31 January in Wellington. This three-year programme is open for exceptional entrepreneurs and investors to setup ventures in New Zealand. Up to 100 fellows will be accepted each year into the programme.

ATEED is working with the EHF to ensure that Auckland is well-placed to attract high-impact international business people as they setup businesses in New Zealand. Positioning the Government's investor migrant programme remains an important part of the Auckland attraction story, given the current high level of interest in residency in jurisdictions considered safe with a strong, developed economy such as New Zealand.

Meetings have been held with four Investor Plus applicants and two potential applicants. ATEED also co-hosted an investor migrant networking function in San Francisco as part of the Developer Week programme.

Student experience

Study Auckland has partnered with Education New Zealand to co-design and launch a new international student experience programme to ensure that international students make the most out of their time in Auckland, and help high value sectors attract the best and brightest international talent into companies.

This project is aligned to the Auckland Agency Group Student Wellbeing programme, and will involve a series of interviews with students, education providers, destination service providers and companies hiring international graduates. The project commenced in February.

Growing the visitor economy

Australia marketing

A joint Facebook marketing campaign for Auckland kicked off on 6 February. This was done in collaboration with Tourism New Zealand (TNZ) and Auckland International Airport (AIAL). The target audience is the Australian leisure traveller located in New South Wales and Queensland. The target audience will shift to Victoria, Australia in Q4.

ATEED is leveraging TNZ's partnership with Facebook, and branding will be under the 100% Pure brand at this stage. The campaign uses the tag line "One city, two worlds", which showcases Auckland's urban and natural landscape, and aims to show Australians the exciting experiences they can have in Auckland on a 3-5 day getaway. The campaign is focused on attracting Australians to Auckland during autumn, and includes new footage of Auckland, including new 360 degree content. This is an equal three-way split of funding, and will be the first time that TNZ has run an Auckland-specific campaign in Australia, as well as the first time that ATEED has run a major digital activation in Australia – a key milestone.

Industry skills development

The Tourism Destination Development team met the Ministry of Social Development, ServiceIQ, Tourism Export Council (TEC), MBIE and TIA to discuss the development of a tourism industry skills attraction campaign for Auckland. This was an excellent meeting, with clear goals and actions resulting. The Tourism team is working in collaboration with the Skills team in BIS, and likely to use the #BuildAKL programme as the template.

The aim is to attract more people to study and enter the tourism industry, and stay in it as a career rather than a part-time job or stepping stone. The project aims to educate parents, academics, and the public about the career opportunities beyond waiting, bar work, and hotel receptions, and to also show that the tourism industry is well-placed to meet the needs of Māori and Pacific students to tell their stories and impart their culture into industry.

With the thriving visitor economy, more people are required in the industry at every level. This project will showcase the opportunities and pathways in tourism and hospitality, and look to fill the gaps with local New Zealand talent rather than needing to look overseas to fill jobs. It also aims to change the culture and attitude towards providing great service.

Visitor Plan – half-way point

Five years into the 10-year plan, we are now in a position to measure the progress and results. In 2016, tourism spend in Auckland was \$7.51b, up 10.9 per cent on the previous year. This is well above the \$6.17b target for 2016 in the revised Visitor Plan, and already ahead the 2019 target of \$7.44b.

International arrivals to Auckland were at a record-high year-to-date for December 2016, with the number of arrivals at \$2.49m – up 11.9 per cent compared to the previous year. Hotel occupancy continues to be high, up 86.5 per cent on average in 2016 - up 3 per cent compared to the previous year. The average daily spend rate also increased in 2016, with the average daily rate at \$183, up 11.6 per cent.

GEMS

The MoU between ATEED and New Zealand Bloodstock (NZB) has been completed, a signing event was held at the Karaka Yearling Sales in January for formalise the partnership. As part of this MoU, collaboration with NZB to support the Karaka Millions and the Karaka Yearling Sales events was agreed. ATEED is also providing a pop-up i-SITE concierge service to provide Auckland regional travel information at events.

i-SITE update

Extensive construction work behind the Lower Queen Street i-SITE is expected to continue indefinitely. This has caused numerous complaints from operators, customers, consultants and the general public regarding the level of noise and vibration. The PSA has raised concerns, and a site inspection is planned. ATEED's Risk Manager has organised safety/security training for the i-SITE team, to enable the team to feel more secure given the exposed nature of the new location. Further discussions are taking place between ATEED, Auckland Transport (AT) and City Rail Link to look at ways to improve the surrounding environment of this site, and have it look more inviting to visitors as soon as practically possible.

There was a 45 per cent decline in travel bookings during the month of December compared to the same time the previous year. Approximately 25 per cent of this decline relates to direct sales via Shed 10 to cruise passengers, however we believe the new location and noise levels has had a significant impact on sales at the Lower Queen Street site.

It is important to note that six key i-SITES across the country also experienced a drop in sales in December.

Efforts continue to be made to source a new location for the Lower Queen Street i-SITE before the end of April, which is when the lease at the current site expires. Submissions have been made to AT for three potential Portacom locations, all of which have been rejected for various reasons.

Sales at SKYCITY i-SITE were down by 20 per cent compared to December 2015, however foot traffic increased by 38 per cent. Sales at the Auckland International Airport i-SITE were up by 12 per cent compared to December 2015.

World Masters Games 2017

Total registrations to 31 January 2017 were above 21,600 (more than 19,800 athletes and 1850 non-playing officials and supporters). International participation was at 62 per cent.

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

As has been the case for a number of months now, accommodation pricing remains the biggest risk/issue to the organisation. While there have been anecdotal indications that some hotels have made a little movement on accommodation pricing, cancellations citing accommodation pricing as the reason continue to be received.

The impact on the visitor experience of multiple large-scale works in the city is the third highest rated risk in the risk register. While management is confident the appropriate permits are in place to minimise the works' operational impact on sport competition, there is potential for the works to deter visitors from coming into the CBD, or drive them out of the CBD, therefore impacting visitor satisfaction and their perception of Auckland as a world-class destination.

Major Events

DHL NZ Lions Series 2017

The tender for the Lead Event Manager for the Queens Wharf Fan Zone and Fan Trail ended on 27 January with expressions of interest received. Application evaluations been completed and negotiations are underway with a preferred supplier. ATEED met with Lions Rugby Travel earlier in the month to discuss the commercial and operational framework of the Fan Zone on Queens Wharf. Scope and design for the Queens Wharf Fan Zone and the secondary fan zones will be approved by end of March.

The taiaha trophy for the Blues vs British & Irish Lions match on 7 June 2017 was handed back to the Mayor on behalf of the city on 3 February, for Auckland to care for and protect until the match day. The taiaha was designed and crafted by the expert team at Te Puia, Rotorua.

Progress is being made on securing a secondary campervan site, with Mt Smart Stadium no longer a suitable option due to the Auckland Warriors home-game scheduling.

Attract business and investment

Screen Auckland

Outcomes from screen production activity throughout January were consistent, with employment and income for screen sector contractors and suppliers steady, and an increased profile for Auckland as a filming destination.

There were 31 film permits issued for 21 productions filmed. The permits issued were for 16 local productions and five international productions. A New Zealand family feature film *Kiwi Christmas* started filming in mid-February, and the US TV series *Power Rangers* has begun filming until the end of March. Award-winning Australian TV series *800 Words* has started filming its third series, and MTV's *The Shannara Chronicles* returned to film a second season in early February.

Screen Auckland and the New Zealand Film Commission are partnering on a stand at Auckland's Pasifika Festival. The stand will promote and feature Auckland-based Pasifika film-making talent.

Fintech hub

Detailed meetings were held with Stone and Chalk and the Muru d incubator and accelerator programmes in Sydney in early February to gain insight into what elements of these programmes and spaces worked, and how their business model was formed

ATEED hosted the Fintech New Zealand Auckland launch event on 9 February in ATEED's boardroom. This was attended by 80 Auckland-based fintech companies, and the agenda for the next twelve months of activity was discussed.

Month in review

Tāmaki Herenga Waka Festival

The 2017 Tāmaki Herenga Waka Festival was a tremendous success, with the initial attendance count at 33,500 – more than double the attendance in 2016. Approximately 250 people attended the early morning waka parade and pōwhiri which opened the event on Saturday, 28 January.

The new venue, ANZ Viaduct Events Centre, Karanga Plaza and the Viaduct Basin, proved a winning footprint that enabled the on-land and on-water activity to be more aligned. The free waka paddling experiences were booked out, with more than 1,100 tickets given out over the weekend. More than 600 tickets were allocated for the waka hourua (ocean-going waka) sailings. The main stage performances were well-received, particularly the Waka Huia kapa haka group which drew large crowds. There were 16 teams in the waka racing.

The VIP hosting event, held on 26 January at the Auckland Art Gallery, was attended by about 120 guests. Speakers included Hau Rawiri (Mana Whenua Steering Group), Sir Pita Sharples (ATEED) and Deputy Mayor Cashmore.

The onsite operations centre (OSOC) ran smoothly with no notable production and health and safety issues.

Auckland Lantern Festival

Foamhand Ltd, a crowd management company, was engaged to provide feedback on the event's proposed layout. Foamhand advised ATEED that numerous positive changes had been implemented for the 2017 event, which reduced the risk of crowd movement issues.

Approximately 270 people attended the ASB Business Forum on 9 February, with 210 guests indicating they would also attend the festival VIP function. Deputy Prime Minister, Hon. Paula Bennett attended the VIP function on the PM's behalf.

Statement of Intent KPIs

Building a Culture of Innovation and Entrepreneurship

- The resident population of GridAKL stands at 81, approximately 85 per cent of these businesses are considered 'innovation led'. Both results are well over the annual target of 55 residents and 70 per cent 'innovation led'.
- The number of actively managed businesses through the Regional Business Partner programme (RBP) stands at 433, and is well on track to reach the target of 720 by the end of the financial year.

Attracting Business and Investment

- The total GDP contribution of deals resulting with ATEED involvement to date is \$255 million, which is well above the annual target of \$56.7 million.

- The value of investment deals resulted by ATEED within the financial year is \$387 million, exceeding the annual target of \$278 million.
- The number of intensively account-managed customers in the Aroha Auckland programme now stands at 36, with a risk of not reaching the target of 85 by year-end (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 59, with the inclusion of TradeMe. 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 \$7.5 billion to the end of December 2016.
- The number of international business event bids submitted or supported stands at 19. There is potential to not reach the annual target of 35 due to resourcing restraints in quarter 1. Progress will be monitored in conjunction with the other targets, which are well ahead.
- The value of business event bids won in the financial year-to-date stands at \$20.9 million, exceeding the \$19 million target.

Building Auckland's Brand and Identity

- Visits to www.aucklandnz.com continue to track strongly with 4.388 million visits (unique page views) as at 31 January, exceeding the annual target of 3.4 million. Please note that we are now reporting 'unique page views' instead of 'page views' as previously used from Google Analytics. This reflects the LTP definition of a 'session' more closely.

Key highlights on how ATEED is tracking against the SOI KPIs is represented in the infographic on the next page.

Burning issues

Accommodation Provider Targeted Rate (formerly Visitor Levy)

Discussions continue with the project team led by the Mayor's office. A separate paper detailing the progress to date has been submitted as part of the Board pack.

Downer NRL Auckland Nines

The MoU for the Legacy Grassroots Fund has been signed. The funding MOU commits the NRL and Carlaw Heritage Trust to providing \$2 million (NZD) over a three-year period towards the development of grassroots rugby league facilities in the greater Auckland region.

Although ticket sales for the 2017 Downer NRL Nines event were down compared to 2016, the event was a success. The post-event evaluation report is due at the end of April, at which time confirmed figures against contractual KPIs will be available. The total attendance figure is calculated on Ticketek sales, tickets allocated to sponsors, corporate hosting packages, and the attendance of teams, media and onsite event staff.

ATEED's strategy around the sponsorship for 2017 has been to boost the overall regional presence for the event, through an increase in the scale of the ancillary event programmes. Both the Fan Day and the club programme were hugely successful from a community perspective, with good numbers attending both events. The CE breakfast was held at SKYCITY on Sunday, 5 February, and was well attended by NRL Club management and Board members.

ATEED is in ongoing discussions with the NRL and Duco about the future of the Nines.

Digital Development Project

Despite some good progress on the 'Visit' and 'Study, Work and Live' sections of the site, a software bug temporarily stalled the content loading of the remaining 'Business and Investment', 'Meet', 'Film' and 'About' sections. The project team has confirmed the root cause of the problem as being a Drupal core issue, which will be fixed by upgrading to the latest Drupal 8.2.6.

Sitehost will be increasing the frequency of back-ups to mitigate the risk of losing data going forward (as a precautionary measure). At this stage, it is inevitable that this issue will cause a delay to the launch date by potentially three weeks due to lost time and the additional time required to reload existing data.

Project Lumens

Following Board approval of the business case to support the Auckland Harbour Bridge Lighting Project, Mayor Phil Goff announced the strategic partnership between Vector and the Auckland Council family. Good progress has been made with Pānuku on securing space at Wynyard Quarter to support the development of an interactive kiosk, which will include a solar and battery showcase.

Looking forward

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

Scheduled event date	Event name	Location
3-26 February 2017	Headland Sculpture on the Gulf	Waiheke Island
17-19 February 2017	Auckland Splore Music and Arts Festival	Tapapakanga Park
25 February 2017	Auckland Pride Parade	Ponsonby Road
25-26 March 2017	Pasifika Festival	Western Springs Park
21-30 April 2017	World Masters Games 2017	Various Auckland locations
28 April-21 May 2017	NZ International Comedy Festival	Various Auckland venues
16-21 May 2017	Auckland Writers Festival	Aotea Centre
7 June-8 July 2017	Blues vs British and Irish Lions (7 June) All Blacks vs Lions (24 June and 8 July)	Eden Park

Finance

ATEED is tracking \$2.2m behind forecast. This positive variance is due to an underspend across multiple projects where activity has been deferred, staff costs include annual leave credits creating timing differences, and revenue received earlier than planned for the Auckland Lantern Festival.

World Master Games 2017

WMG2017 has a \$1.1m underspend due to registration revenue being lower than forecast. WMG2017 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

ATEED Chief Executive, Brett O'Riley

Appendix I – ATEED SOI KPIs (YE January)

ATEED KPI Scorecard					Jan-17
ATEED SOI KPIs	Measurement	Date of Measure/latest	Latest Result	Annual Target to 30 June 2017	Status
Building a Culture of Innovation and Entrepreneurship					
No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" ¹	Number & (%)	31-Jan-17	81 (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-Jan-17	433	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	—
Attracting Business and Investment					
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	31-Jan-16	3	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	31-Jan-16	36	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	31-Jan-16	255.4	56.7	●
Value of investment deals effected by ATEED within the financial year	\$(million)	31-Jan-16	387	278	●
Growing a Skilled Workforce					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	31-Jan-17	59	50	●
Enabling Education and Talent					
Growth in value of international student spend to Auckland	\$(billion)	30-Jun-16	2.1	1.888	—
Growing the Visitor Economy					
Spend by visitors in Auckland ²	\$(million)	31-Dec-16	7,514	5,412	●
Number of international business event bids submitted or supported	Number	31-Jan-17	19	35	●
Business event bid win/loss ratio (based on results received in financial year) ⁴	%	31-Jan-17	82%	60%	●
Value of business event bids won in financial year	\$(million)	31-Jan-17	20.9	19	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	31-Jan-17	95.7	85	●
Contribution to regional GDP from major events invested in (LTP measure) ⁵	\$(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 ⁶	Number	31-Dec-16	89,410	415,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	31-Dec-16	90	85	●
Building Auckland's Brand and Identity					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	31-Jan-17	4.388	3.4m	●
Local Economic Development					
Percentage of actions in ATEED Local Board Engagement and Action Plans completed	%	30-Aug-16	86	80	●
Mana Whenua Engagement					
Percentage Mana Whenua satisfaction with quality of engagement	%	31-Dec-16	N/A	Establish baseline	—
Key: ● On track / Target exceeded ● Off-track ● Potential for Slippage — No recent result					
<small>1 Innovation-led is defined as businesses developing new or improved technologies or services 2 From 2016/17 targets have reset to align with latest Ministry of Business, Innovation and Employment Monthly Regional Tourism Estimates (MRTes) 4 Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted 5 Target includes the impact of World Masters Games 2017 6 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.</small>					

Friday, 24 February 2017



OPEN AGENDA

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

Finance Report, month ending January 2017

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

Summary Income Statement For the Period Ended 31 January 2017								TABLE 1	
								\$000's	
Month			Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
			Net operational expenses:						
203	313	110	Business Attraction & Investment	1,742	1,907	165	4,278	2,549	
203	193	(10)	Destination & Marketing	2,472	2,565	93	4,338	5,043	
1,017	1,722	705	Major Events	5,126	5,917	791	10,375	11,739	
519	803	284	Visitor and External Relations	4,300	4,839	539	9,924	7,759	
393	787	394	Business, Innovation and Skills	4,668	5,176	508	11,405	9,838	
1,186	804	(382)	Corporate	4,799	4,947	148	9,093	9,088	
3,520	4,623	1,103	ATEED net deficit	23,106	25,350	2,244	49,414	46,016	
(364)	(59)	305	World Masters Games 2017 Ltd, net deficit	(763)	(1,909)	(1,146)	8,015	1,427	
3,155	4,563	1,408	Operating deficit before Council funding	22,343	23,441	1,098	57,428	47,443	
			Approved opex funding				55,972	46,856	
			WMG Reserves drawdown				691	0	
			Operating Deficit				(766)	(587)	
			Capex funding				8,407	2,975	
			Surplus				7,641	2,387	

Key Points

Current month's financial results

ATEED is tracking \$2.2m behind forecast. This positive variance is due to an underspend across multiple projects where activity has been deferred, staff costs include annual leave credits creating timing differences (\$0.4m), and revenue received earlier than planned for the Auckland Lantern Festival (\$0.3m). Management expect the spend at year end to be in line with the forecast, but if there are unforeseen circumstances that cause delays to certain projects, ATEED has the ability to defer the unutilised opex funds to the next financial year, subject to approval.

World Master Games

WMG has a \$1.1m underspend due to registration 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. WMG do not believe there will be any additional funding required from ATEED.

Total net favourable variance of \$2.2m.

Business Attraction and Investments

YTD net underspend of \$0.2m against forecast is due to the timing of annual leave credits and temporary staff costs planned but not yet used for Kumeu Film Studio.

Destination and Marketing

YTD net underspend of \$0.1m against forecast is due to the cancellation of the Auckland Partner Program.

Major events

YTD net underspend of \$0.8m against forecast is due to sponsorship income being received earlier than planned for the Auckland Lantern festival (\$0.3m), the timing of spend for the RFA Events Attraction fund (\$0.3m), and World Masters Games Leverage events (\$0.1m).

Visitor and External Relations

YTD net underspend of \$0.5m against forecast. \$0.2m is due to the deferral of the Virtuoso project in trade partnerships, which is still expected to occur this year. An underspend in staff costs of \$0.1m is due to timing of annual leave credits, and \$0.1m was caused by adverse weather conditions impacting filming of Tourism promotional work. This underspend has been offset by \$0.1m subsidy revenue from Education New Zealand which was planned to be received in January, but now received in February.

Business, Innovation and Skills (BIS)

YTD net underspend of \$0.5m against the forecast. \$0.3m is due to timing underspend in consultancy work across multiple projects including Maori Economic Growth program and Innovation events program, \$0.1m is due to lower staff costs because of annual leave credits and \$0.1m is because of lower occupancy costs for Grid AKL

Corporate

YTD net underspend of \$0.1m against the forecast is due to lower occupancy costs and annual leave credits.

Income Statement

			Income Statement						TABLE 2	
			For the Period Ended 31 January 2017							
Month			Year to Date			Full Year		5000's		
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Last Year			
			Operational income							
132	207	(75)	Funding from Government	1,129	1,204	(75)	2,241	1,742		
446	108	338	Sponsorship	1,092	845	247	1,580	1,580		
5	9	(4)	Fees & Subscriptions	293	290	3	328	446		
173	219	(47)	i-Sites	1,154	1,258	(104)	2,000	2,502		
204	128	76	Sundry income	1,166	1,110	55	2,164	1,229		
961	671	289	Total Operating income	4,833	4,706	127	8,313	7,630		
1,892	1,931	39	Staff costs	12,122	12,631	509	22,099	20,728		
666	716	50	Professional fees, consultancy & contractors	3,707	4,201	493	9,676	7,004		
660	953	293	Grants & sponsorships	4,420	4,547	127	7,454	8,739		
57	53	(4)	Depreciation & amortisation	388	413	25	765	591		
45	43	(2)	Shared services and lease costs	301	301	(0)	516	2,141		
215	240	25	Occupancy	1,263	1,361	98	3,151	2,599		
67	154	86	Travel & entertainment	555	703	148	1,518	1,653		
279	360	81	General, admin & other	1,532	1,593	61	2,782	2,823		
599	844	245	Advertising, marketing & research	3,651	4,307	656	9,765	7,367		
4,480	5,294	814	Total Operating Expenditure	27,940	30,057	2,117	57,726	53,645		
3,520	4,623	1,103	ATEED Net deficit	23,106	25,350	2,244	49,414	46,016		

Revenue

YTD under recovery of \$0.1m.

Sponsorship income, \$0.3m higher: Auckland Lantern festival revenue of \$0.3m received earlier than planned.

i-Sites, \$0.1m lower: Lower sales for the Princes Wharf i-Sites was offset by a lower cost of goods sold compared to forecast.

Expenditure

YTD underspend of \$2.1m.

Staff Costs, \$0.5m lower: This favourable underspend is due to timing of annual leave credits of \$0.3m due to the staff taking leave in December and January, \$0.2m is due to vacancies and temporary staff costs forecasted but not incurred.

Professional Services, \$0.5m lower: This favourable underspend is due to timing differences of \$0.3m in BIS across multiple projects including Maori Economic Growth program and Innovation events program, \$0.1m underspend in Corporate in the Transformation Project and \$0.1m in Visitor and External Relations across multiple projects.

Grants and Sponsorships, \$0.1m lower: This underspend is due to sponsorship for RFA event attraction fund (\$0.2m) deferred to March, offset by a grant payment to Tamaki Herenga Waka Trust (\$0.1m) which has been previously forecasted as entertainment.

Travel and Entertainment, \$0.1m lower: This under spend is due to Tamaki Herenga Waka Trust grant (\$0.1m) forecasted in entertainment, but incurred in grants.

Advertising and Marketing, \$0.7m lower: This positive variance is due to campaigns for Tourism and Trade Partnerships (\$0.5m) occurring later than forecast due to new opportunities identified for the Virtuoso Project, adverse weather delaying Tourism promotional work, and delays in the GEM project. The remaining \$0.2m relates to 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 January 2017								\$000's	
Month				Year to Date			Forecast		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
			Business, Innovation and Skills						
83	83	0	New Zealand Food Innovation Auckland	583	583	0	1,000	1,015	
121	152	31	Grid AKL	680	766	86	2,831	1,557	
			Major Events						
14	87	74	World Masters Games 2017 leverage	41	124	83	947	36	
12	0	(12)	V8 Supercars	1,046	1,057	11	1,057	2,097	
204	95	(109)	NRL 9s competition	255	205	(50)	715	2,868	
50	20	(30)	Lions Tour 2017	208	209	2	1,430	268	
423	555	132	Tāmaki Herenga Waka Festival	455	513	58	513	514	
			Total of all Major Events Projects	4,063	4,794	731	8,122	9,642	

- NRL9's – Overspend in advertising and marketing is due to timing.

World Masters Games

World Masters Games 2017 Ltd								TABLE 4	
Summary Income Statement									
For the Period Ended 31 January 2017								\$000's	
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
1,173	696	477	Revenue from Activities	5,186	6,394	(1,208)	6,794	1,616	
333	333	0	Funding from Government	2,333	2,333	0	3,655	2,625	
0	0	0	Sponsorship	53	70	(18)	1,208	475	
0	0	0	Sundry income	500	600	(100)	600	610	
1,507	1,029	477	Total Operating income	8,072	9,398	(1,326)	12,257	5,326	
			Net Operational costs						
352	343	(9)	Staff costs	2,290	2,281	(9)	4,158	2,621	
414	520	106	Professional fees, consultancy & contractors	2,222	3,084	862	8,126	1,302	
(1)	0	1	Grants & sponsorships	793	787	(6)	2,017	695	
2	0	(2)	Depreciation & amortisation	22	9	(13)	9	111	
16	14	(2)	Occupancy	91	92	1	177	164	
6	17	11	Travel & entertainment	175	172	(3)	925	267	
264	31	(233)	General, admin & other	1,097	413	(684)	3,774	671	
89	42	(47)	Advertising, marketing & research	602	634	32	1,057	905	
1,142	970	(172)	Total Operating Expenditure	7,309	7,488	179	20,272	6,753	
364	59	305	Operating surplus/(deficit)	763	1,909	(1,146)	(8,015)	(1,427)	

- WMG's are overall \$1.1m behind forecast. Total operating income is \$1.3m below forecast but as predicted by Management, registration revenue has increased in January and is ahead of the monthly forecast.
- Commercial revenue of \$0.5m has been secured in excess of the forecast as reported by Management in January. Commercial and revenue registration continue to be managed as a combined sum and registration revenue is now forecasted to be reduced by the corresponding amount.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 January 2017		
TABLE 5	YTD	\$000's Jun-16
Current assets		
Cash and cash equivalents	2,169	2,024
Receivables and prepayments	11,196	10,714
Other current assets, including iSite inventory	56	80
Total current assets	13,421	12,818
Current liabilities	11,226	12,448
Working capital	2,195	370
Non-current assets		
Receivables and prepayments (non-current)	240	697
Property, plant and equipment	7,043	5,098
Investment in Joint Venture, The FoodBow l	2,067	2,067
Total con-current assets	9,350	7,862
Non-current liabilities	228	253
NET ASSETS	11,317	7,979
EQUITY	11,317	7,979
Capex spend	2,342	Annual Plan Bud \$7.8m

- Receivables and prepayments: Increase of \$0.5m mainly due to timing of intercompany settlement and cash sweeps, scheduled for February.
- Current liabilities lower due to large accruals raised at year end for Grid AKL capex and paid in the current year.
- Property Plant and Equipment increase of \$2m due to capitalisation of assets for Grid AKL

Recommendation

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

Signatories

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer