

Confidential

Board Meeting Agenda, Wednesday 30 May 2018  
 Tāmaki Makaurau Boardroom, L8 139 Quay Street

OPEN AGENDA					
1	Apologies	To Note	4.35 p.m.	1 mins	
2	Open Minutes 23 March 2018 and Open Action Tracker, Nick Hill	To Approve	4.36 p.m.	2 mins	
3	Directors Interest Register, Conflicts of Interest Declaration, David McConnell	To Note	4.38 p.m.	2 mins	
4	Chief Executive's Activity Report, Nick Hill	To Note	4.40 p.m.	10 mins	
5	Finance Report, Joy Buckingham		4.50 p.m.	10 mins	
	<b>Close of Meeting</b>		<b>5.00 p.m.</b>		

## OPEN 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, L8 139 Quay Street, Auckland
<b>When:</b>	Friday, 23 March at 2.42 p.m.
<b>Directors:</b>	David McConnell (Chair) Danny Chan Mike Taitoko Helen Robinson (via teleconference) Glenys Coughlan Evan Davies Sir Pita Sharples (Board Consultant)
<b>Apologies:</b>	Stuart McCutcheon
<b>In Attendance:</b>	Nick Hill, Chief Executive Tim Kingsley-Smith, Company Secretary Joy Buckingham, Chief Financial Officer
<b>Public &amp; Media Attendance:</b>	N/A

---

### Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum is a majority of the directors (12.9 of the Constitution) 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 Stuart McCutcheon was noted.

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

The Board discussed the draft minutes of the meeting held on 23 January 2018 and the Open Action Tracker.

The Board **approved** the minutes of the meeting held on 23 January 2018 and confirmed the minutes were 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

Nick Hill spoke to the paper. The key points discussed were:

- The six monthly local board reports summarising ATEED's local economic growth activity, were submitted and presented to boards during February and March. There continues to be a high degree of engagement by boards with an interest in tourism and economic development. Highlights include support for the Manurewa town centre revitalisation project, further development of the Hunua cycle trail and business support workshops. ATEED is working with Waiheke local board to dovetail the Auckland Destination Strategy into its plan for sustainable tourism, and with the Waitakere Ranges local board on the impact of kauri dieback disease on the tourism and film industries.
- Māori engagement in February included the preparation of internal advice to council's Executive Leadership Team regarding Māori outcomes and funding priorities for the Long-term Plan 2018-2028. ATEED's Chief Executive has continued a round of engagement on ATEED's developing strategy, meeting a number of Councillors and visiting The Southern Initiative operation.
- ATEED will not meet the related website targets for the 'total visits to [www.aucklandnz.com](http://www.aucklandnz.com)', or 'Percentage of visitors to [www.aucklandnz.com](http://www.aucklandnz.com) located outside of Auckland'. Marginal improvements have been made in relation to the latter as a result of optimisation targeting ex-Auckland traffic, however the gains are not material in the context of the overall target. Following a cost benefit assessment in of possible solutions, Management have decided to avoid significant further investment in this area. As previously reported, both these KPIs will be revised as part of the delivery of the new SOI.
- At its 23 February meeting, the ATEED Board queried the reason for tourist arrivals from the UK seeing the biggest growth in the past year. There was substantial growth from the UK market in June 2017 which correlates with the British and Irish Lions Tour from 3 June to 8 July. There were 17,700 arrivals in June 2017, representing a 294 percent increase in visitor arrivals compared with the 4500 arrivals in June 2016.

Following the conclusion of discussions, the Board **noted** the paper.

#### 5. Finance Report

Joy Buckingham spoke to the paper and noted that an issue regarding the treatment of depreciation had now been resolved. The issue was really a timing issue relating to when the depreciation was expected to be capitalised. The annual forecast would be circulated to the Board at the end of April.

Following the conclusion of discussions, the Board **noted** the paper.

The Chairperson declared the meeting closed at 3.02 p.m.

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

---

Chair

---

Date

### ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
David McConnell	Managing Director, McConnell Group Deputy Chair, Committee for Auckland Board Member, University of Auckland's Business School Advisory Board Director, Future Schools Partners GP Limited (5625905) Director, Future Schools Partners GP 1 Limited (5616086) Director, H Construction Schools 2 PPP Limited (5508209) Director, Malcolm Nielson Limited (5879529) Director, Ascot Parade Limited (2157240) Director, C 60 Display Limited (2247276) Director, Mc (Jervois) General Partner Limited (5486582) Director, Malcolm Custodian Limited (5892176) Director, What Comes Next Limited (5860568) Director, H Construction North Island Limited (175077) Director, H Construction Hobsonville Limited (3893218) Director, Ayrlires Parklands Limited (1646167) Director, H Plant Limited (3691839) Director, H Construction North Island Group Limited (3873056) Director, H Infrastructure Holdings Limited (5995672) Director, London Group Holdings Limited (634236) Director, BPB Plasterboard Limited (1644304) Director, Titanium Park Development Limited (1731580) Director, Orange H Group Limited (3691741) Director, Projects (M.I.L.) Limited (606848) Director, Mcconnell Group Limited (6106847) Director, Newquay Infrastructure Investments Limited (6106950)

	<p>Director, H Infrastructure Limited (3691835)                  Director, Addison Group Limited (3377631)                  Director, Hawkfleet Limited (3329470)                  Director, Addison Developments Limited (855954)                  Director, HUC Limited (826148)                  Director, Blackpool Services Limited (6106907)                  Director, Leeds Construction Limited (6106928)                  Director, Mariner Rise Limited (1897890)                  Director, 429 Limited (882429)                  Director, Spiral Welded Pipes Limited (599333)                  Director, Mcconnell Property Services Limited (2093843)                  Director, Orange H Management Limited (3691975)                  Director, H Construction N.I. Limited (3874817)                  Director, Wilkins &amp; Davies Limited (5860549)                  Director, Learning Infrastructure Partners Gp 1 Limited (5862845)                  Director, Beaumont Park Limited (1892636)                  Director, Mcconnell Developments Holdings Limited (2066570)                  Director, Orange H Construction Limited (3723877)                  Director, H Construction Group Limited (3746315)                  Director, MTC Land Investments Limited (5452582)                  Director, Steelpipe Limited (49280)                  Director, Citygate Limited (2072237)                  Director, McConnell Developments Limited (886504)                  Director, Galleon Limited (597939)                  Director, H Infrastructure (NZ) Limited (5995721)                  Director, MP Shelf Company 2002 Limited (1231221)                  Director, McConnell Funds Management Limited (2396949)                  Director, Learning Infrastructure Investment Limited (3765221)                  Director, Element NZ Limited (2163263)</p>
--	---

	<p>Director, McConnell Property Limited (2396928)          Director, H Construction South Island Limited (3691841)          Director, McConnell GP No. 1 Limited (2478228)          Director, The Shooting Box Limited (866096)          Director, Arnot Investments Limited (3945959)          Director, McConnell Limited (634938)          Director, Shelf Company 2012a Limited (401431)</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>
Evan Davies	<p>Director, Kimono Capital Limited (6341449)          Director, Long Bay Village Limited (5830034)          Director, Todd Property Group Limited (2291506)          Director &amp; Shareholder, Welch Securities Limited (1122606)          Director, Long Bay Communities Limited (1415659)          Director, Stonefields Communities Limited (1025439)          Director, Okura Holdings Limited (1512475)          Director, Long Bay Farming Limited (1560352)          Director, Ngunguru Coastal Holdings Limited (1285296)          Director, Ngunguru Coastal Investments Limited (1570675)          Director, Tall Oaks Holdings Limited (1968803)          Director, Todd Land Holdings Limited (2152132)          Director, Todd Th Limited (1875941)          Director, Lld Limited (1308103)          Director, Paris Magdalinos Architects Limited (1941004)          Director, Todd Property Pegasus Development Limited (4857639)</p>

	<p>Director, Todd Capital Limited (936395)                  Director, Todd Winegrowers Limited (2152133)                  Director, Todd Property Usa Limited (3912181)                  Director, Altera Apartments General Partner Limited (4566279)                  Director, Stonefields Development Limited (3692395)                  Director, Panuku Development Auckland Limited (3089645)                  Director, Todd Property Pegasus Town Limited (4126839)                  Director, Todd International Investments Limited (1017227)                  Director, Pegasus Town R24 Limited (4869619)                  Director, Win Limited (6192307)                  Director, Nel Farms Limited (4969859)                  Director, Tc Farms Group Limited (5477244)                  Director, Todd Property Ormiston Town Centre Limited (3027783)                  Director, Todd Property Napier Hill Limited (3483383)                  Director, Todd Property Huapai Development Limited (5293201)                  Director, Pegasus Town R23 Limited (4868161)                  Director, Ilico Apartments General Partner Limited (4757340)                  Director, Todd Property Stonefields Apartments Limited (3736202)                  Director, Todd Property Albany Development Limited (3808876)                  Director, Saltus Apartments General Partner Limited (3809036)                  Director, Titanium Park Development Limited (1731580)                  Director, Kapiti Coast Airport Holdings Limited (3917540)                  Director, Todd Property Pegasus Town Services Limited (3250819)                  Director, Todd Property Whitby Development Limited (4102938)                  Director, Bellus Apartments General Partner Limited (5830670)                  Director, Verto Apartments General Partner Limited (5716247)                  Director, Priory Pastoral Farm Limited (1370798)                  Director &amp; Shareholder, Kokako Farms Limited (152400)                  Director, Priory Pastoral Developments Limited (1472500)</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>
Glenys Coughlan	<p>Director, Dunedin Venues Management Limited (2298338)          Director &amp; Shareholder, GJ &amp; Company Limited (6095649)</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 (5330302)          Director and Shareholder of Waiora Pacific Limited (3887379)          Director, Canvasland Holdings Limited (429999)          Director, Cognition Education Limited (963400)          Director, Committee For Auckland Limited (1121413)          Director, Maratini Holdings Limited (6261547)          Director, Mercury LTI Limited (4387380)          Director, Mercury NZ Limited (936901)          Director, Takiwa Health Limited (5783499)          Advisory Board Member of Massey University School of Business</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and</p>



	funded by the Company
Director	Roles & Responsibilities outside of ATEED
Danny Chan	<p>Director and Shareholder, A1 FLOWER WHOLESALERS LIMITED (810599)            Director and Shareholder, ALPHA ASSET MANAGEMENT LIMITED (645615)            Director and Shareholder, ARN INVESTMENTS LIMITED (2192871)            Director and Shareholder, FLOWERZONE INTERNATIONAL LIMITED (582216)            Director and Shareholder, FLOWERZONE TURNERS LIMITED (491878)            Director and Shareholder, GRIFF TRADING LIMITED (1212490)            Director and Shareholder, LADY WHITE SNAKE FILM LIMITED (1531000)            Director and Shareholder, NEW EDUCATION INVESTMENT LIMITED (323228)            Director and Shareholder, ORIENT ASSET MANAGEMENT LIMITED (424595)            Director and Shareholder, ORIENT PACIFIC INVESTMENTS LIMITED (1169701)            Director and Shareholder, ORIENT PACIFIC MANAGEMENT LIMITED (1169702)            Director and Shareholder, ORPAC INTERNATIONAL LIMITED (668742)            Director and Shareholder, PLANIT PRODUCTS NZ LIMITED (1812117)            Director and Shareholder, RHINO SECURITY LIMITED (1218758)            Director and Shareholder, SHARP MULTI-MEDIA LIMITED (1222077)            Director and Shareholder, SHARP MULTI-MEDIA PRODUCTION LIMITED (1488659)            Director and Shareholder, SIMTUTOR LIMITED (5285041)            Director and Shareholder, SUMFOOD LIMITED (6281982)            Director and Shareholder, TAHERE CALLA &amp; BULB COMPANY LIMITED (620632)            Director and Shareholder, TAHERE CALLAS LIMITED (541102)            Director and Shareholder, TALAFORD INVESTMENTS LIMITED (243773)            Director and Shareholder, THE ACADEMIC COACHING SCHOOL LIMITED (1218520)            Director, ABANO HEALTHCARE GROUP LIMITED (13802)            Director, ASIA PACIFIC CENTRE FOR FOOD INTEGRITY LIMITED (4798639)            Director, BOSS SYSTEMS LIMITED (1566017)            Director, CARBONSCAPE LIMITED (3953398)            Director, CLUB Q CONDOMINIUMS LIMITED (366215)</p>

	<p> Director, COTTAGE DESIGN LIMITED (553363)  Director, DANTING INVESTMENTS LIMITED (1101054)  Director, DIABETIC FOOD LIMITED (5785571)  Director, EDUCATION INVESTMENT LIMITED (2099558)  Director, ENROLMY LIMITED (5746128)  Director, EVERGROW PROPERTIES LIMITED (638821)  Director, FASTCOM LIMITED (2292668)  Director, FMG INSURANCE LIMITED (1801045)  Director, GLOBAL ACADEMIC GROUP HOLDCO LIMITED (5789309)  Director, GREEN CUT LIMITED (2200640)  Director, GREEN HARVEST EXPORTS LIMITED (424593)  Director, GREEN HARVEST PACIFIC HOLDINGS LIMITED (912715)  Director, GREEN HARVEST PACIFIC LIMITED (807760)  Director, MARLBOROUGH WINE ESTATES GROUP LIMITED (5639568)  Director, NEW ZEALAND YACON LIMITED (3893137)  Director, ORIENT PACIFIC CORPORATION LIMITED (482579)  Director, PISCES TRUSTEES COMPANY LIMITED (4364838)  Director, SEAPLIES INTERNATIONAL (NELSON) LIMITED (931103)  Director, SIMTICS LIMITED (1405985)  Director, TAHERE GROUP LIMITED (6090882)  Director, TURNERS FLOWER EXPORTS N.Z. LIMITED (1677418)  Shareholder, AIRE CUT COMPANY LIMITED (1255160)  Shareholder, B.L.TECH LIMITED (4425298)  Shareholder, CLOUD M LIMITED (3170790)  Shareholder, DANTING INVESTMENTS LIMITED (1101054)  Shareholder, IMONITOR INTELLECTUAL PROPERTY LIMITED (1874643)  Shareholder, ORGANIC INITIATIVE LIMITED (5595738)  Shareholder, RAWHITI MANUKA HONI LIMITED (2369144)  Shareholder, SHORTLAND FLATS LIMITED (41534)  Shareholder, SIMTUTOR LIMITED (5285041) </p>
--	---

	<p>Shareholder, SUPERTHRILLER JET SPRINT LIMITED (110844)  Shareholder, THE CABLE FERRET COMPANY LIMITED (4482398)  Shareholder, THE CAREER ACADEMY LIMITED (1245347) (Removed)  Shareholder, THE DIGITAL CAFE LIMITED (6094889)  Shareholder, VOLT TECHNOLOGY LIMITED (5684947)  Shareholder, ZENITH ASSET MANAGEMENT LIMITED (1770979)  Member, NZ China Advisory Council (appointed 20 November 2012)  Member, NZ Markets Disciplinary Tribunal  Director, Farmers Mutual Group (Mutual Society)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<p>Chair Director and Shareholder, Cloud M Limited (3170790)  Director and Shareholder, KND Trustees Limited (5691575)  Managing Director and Shareholder, Penguin Consulting Limited (1694891)  Co-Founder &amp; Executive Director, Organic Initiative Limited (5595738)  Director and Chair, The Network For Learning Limited (3897339)  Shareholder, KND Investments Limited (1694892)  Shareholder, Organic Initiative Limited (5595738)  Chair, Valens Group  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</p>

	funded by the Company
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart McCutcheon	<p>Director, Lexington Properties Limited (1605485)  Chairman of Directors, Auckland Uniservices Limited (373821)  Chairman, Universities New Zealand (From 1 January 2017)  Director, Universitas 21 International University Network  Council Member, University Of Auckland  Member, Partnership Board, The Worldwide Universities Network  Member, Steering Committee, The Association Of Pacific Rim Universities  Trustee, Uk Friends Of The University Of Auckland</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Board Advisor</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Sir Pita Sharples	<p>Director, Tu Maori Mai Limited (5584726)  Director, Arapita Limited (1369621)</p> <p>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 Tahī trust Board – Member  Maori and Pacific Trade Training – Manawhaka haere</p>

	<p>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>
--	--

---

# Chief Executive Review of May 2018

Report to Auckland Tourism, Events and Economic Development Limited Board

---

## Purpose

The purpose of this report is to provide an update to the ATEED Board on key activities and results received for the month ending 18 May 2018.

## Strategy development

### ATEED strategy review

The Governing Body met on 8 May, and although there was positive feedback, Councillors repeated previous queries on the strategy – signalling the need to do more work before elected members can advocate on ATEED's behalf with examples of concrete outcomes. Mayor Goff summarised that he could see clear value in ATEED's work in tourism, film, international students, and innovation, but wasn't as confident understanding how ATEED would address low productivity and better distribution of quality jobs. However, he closed saying that he had "no doubt" that ATEED was a "critical part" of Auckland's future success.

### 'Voice of the Customer'

The Voice of the Customer programme has been included in forecast 3. The pilot phase of the programme is expected to be completed by the end of August. The programme was initiated in response to the s17a review on Investment Attraction and Global Partnerships.

## Month in review

### *Destination AKL 2025*

The public launch for the *Destination AKL 2025* strategy took place at the ASB Waterfront Theatre on 11 May. The event was attended by the Mayor, the Minister of Tourism, members of the Industry Leaders' Group, and stakeholders who participated in shaping the strategy or have a key part to play in achieving its outcomes. There was excellent media coverage as a result of proactive pre-launch media management.

## Stakeholder relations and Māori economic development

A key focus during the past month has been to explore opportunities for greater collaboration with Pānuku, the City Rail Link (CRL) and The Southern Initiative (TSI). Preliminary meetings have been held with these stakeholders, resulting in an agreement to develop plans.

Following a review of Council's Youth Connections Programme, ATEED and COMET chief executives met to explore alignment in the delivery of skills for young job-seekers. Further opportunities will be considered in Māori youth development. A workshop organised with the Mana Whenua Kaitiaki Forum to discuss ATEED's three-year strategy was delayed at the forum's request. The team also supported a Taiwanese indigenous business delegation, and a visit to the Kumeu Film Studios by New Zealand's next Ambassador to Korea. A tour of Auckland at the end of May has been planned for Ministry of Foreign Affairs and Trade (MFAT) ambassadors visiting for a pre-posting summit. The itinerary will include a visit to GridAKL, Kumeu Film Studios, and the planned America's Cup base.

## **ATEED strategic priorities**

### ***Build a culture of innovation and entrepreneurship***

#### **GridAKL**

The GridAKL 'Solutions Lab' (working title) – a purpose designed facility dedicated to supporting innovation in the public sector and community, including tackling urban and economic challenges. This is scheduled to open at the end of May. On 30 / 31 May, the lab will host an inter-government symposium for Policy by Design led by the Auckland Co-design Lab and TSI. GridAKL is a key partner of the event which will bring together more than 60 delegates from across national and local government.

GridAKL is working with the TSI team and co-funding the development of the first community led Manukau Maker / Co-work space. GridAKL is also supporting the procurement of a local community social enterprise operator to manage the site, which is expected to go live in late July.

In-kind sponsorship from Generator and support from GridAKL will see Madden Street activated as a hub during Techweek'18 for the ATEED and national teams.

ATEED's CE is progressing the formation of an advisory group on the future governance of GridAKL.

### **Stimulating and promoting innovation and entrepreneurship**

More than 85 events were confirmed for the Auckland Techweek'18 programme being coordinated by ATEED. This was in addition to the 10 events managed by Tech NZ for the Headline Event Series. Key themes for the Auckland programme included: Māori and Pasifika in tech; woman in tech; children in tech; community innovation-inspiration; and Auckland innovation in technology – a showcase comprising big data, cryptocurrency and artificial intelligence. ATEED is sponsoring /delivering three DIGMYIDEA events, the Sports Performance Innovation Forum, and activations at the AR/VR Garage. Event details can be found at <https://techweek.co.nz/>. A Techweek branded Vector Lights display will occur on the Harbour Bridge 19-22 May.

### **Supporting R&D and STEM-focused industries and advanced industries**

Marketing activity is underway to boost registrations for the Sport Performance Innovation Forum, to be held 23 May. A partner/sponsor function is planned for 22 May.

The Human Performance Innovation Centre project group has been advised that ATEED will no longer provide project management support to the project and steering group meetings, as it has done for the last 18 months. ATEED will continue to facilitate connections and provide support where appropriate (innovation expertise, international investment and corporate partnerships etc.).

### **International trade**

The Lord Mayor of Brisbane and a 28-strong delegation visited Auckland from 12-15 April. ATEED and Council's Global Partnerships and Strategy (GPS) team organised visits to the City Rail Link, Hobsonville and Wynyard Quarter. A Brisbane Auckland business forum was also held at GridAKL resulting in a number of new and renewed connections that indicate likely business deals in the near future.

ATEED has been providing support to BNZ for its delegation, of up to 10 clients, to Fukuoka and Tokyo in early May. Feedback on the Fukuoka visit, which was added after advice from ATEED, has been overwhelmingly positive, with deeper relationships with Auckland's partner city. ATEED helped facilitate meetings in Fukuoka and links with the NZ Ambassador in Tokyo.

About 10 people from nine companies have registered their interest in attending the SelectLA Investment Summit in Los Angeles from 23-25 May. This will be part of a small Auckland delegation under the Tripartite Economic Alliance, led by Deputy Mayor Bill Cashmore.

### **Supporting local economies and local businesses**

A Chatbot prototype, named Anahera (translates to Angel) was launched on aucklandnz.com on 1 May. This responds to market research and website analytics that shows how hard it is for customers to find the

information they need, and low website conversion to ATEED services. The chatbot enables an improved customer experience and will allow ATEED to track online customer journeys as well as have access to richer daily reports and data. The first phase accesses predetermined questions and answers to assist the business owner. Phase two will be a more artificial intelligence/machine learning iteration.

Post event survey results for the Local Economic Development Masterclass, held 22-23 March, have reinforced the value of the event. Of those surveyed, 90 per cent believed that the information presented was very useful or useful, 93.5 per cent felt the information presented was extremely relevant or relevant and 93.6 per cent rated the international material as having strong application or some application. The event attracted 218 registrants and up to 1617 people on the Facebook live stream<sup>1</sup>.

### **Māori Economic Growth Programme**

A new bilingual website has been launched as part of DIGMYIDEA 2018 Māori Innovation Challenge, running 16 April to 27 May, targeting rangatahi and supporting competition entries. The challenge will deliver or contribute to two Techweek'18 events: DIGMYIDEA Ideation Weekend (19-20 May) (in partnership with Centrality and Māori Women Development Inc) and the XLR8 Techweek event being delivered by TSI.

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

The Auckland screen production sector became a billion-dollar industry last year, earning more than \$1.1b in gross revenue (up 16 per cent from 2016, accounting for 43 per cent of total national gross revenue)<sup>2</sup>. The numbers reflect Auckland's burgeoning international reputation as a feature film destination, with a 37 per cent increase in gross revenue contribution from feature film production/post-production – to nearly \$490m. Auckland was also the dominant location for television production with 90 per cent (or \$420m) of national gross revenue.

The number of businesses involved in the Auckland screen industry grew by 9 per cent in 2017 compared to the previous year. Businesses in the Auckland region also spent \$537m on screen productions, up 44 per cent on the previous year.

The New Zealand screen production industry is doing well, which has been helped by the New Zealand Government's globally competitive Screen Production Grant programme. Statistics New Zealand recorded an 8 per cent increase to \$1.8b in revenue from businesses involved in production and post-production, and says export income for New Zealand from the screen sector was up 19 per cent – mostly from North America.

### **Screen Auckland**

Work is continuing with Council's Regional Parks team on the discretionary process for filming in areas impacted by track closures in the Waitākere and Hunua ranges.

### **RFP/Studio management**

The Request for Proposal for a KFS and AFS studio operator has closed. Despite receipt of a number of proposals and a robust evaluation process, no appropriate operator eventuated. ATEED is working with key stakeholders to explore other options for management of the studios looking for the best long-term outcome for the industry, Auckland, and New Zealand. In the meantime, ATEED are continuing to efficiently manage both studios.

### **Business and investment attraction**

The University of Auckland has moved three architectural VR students to the AR/VR Garage, bringing the total number of tenant companies to 10 and the total number of individuals working in the space to 25. The students are gaining valuable insight to their projects from the other tenant companies.

---

<sup>1</sup> The 2017 event attracted 129 attendees and 300 viewers via livestream.

<sup>2</sup> Screen industry: 2016/17, <https://www.stats.govt.nz/information-releases/screen-industry-201617>, 10 April 2018



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

### **Workforce development**

The tourism career and skills research report will be launched with industry at the end of June (date subject to Minister of Tourism availability).

Preliminary Lion Foundation YES student figures from The Auckland Chamber of Commerce show partial achievement of set targets: 57 schools (against target of 55) and 1271 students (against target of 1400).

### **Employment pathways**

As at 30 April, the CBD Jobs and Skills Hub supported 179 people into employment towards a 12-month target of 200 by March 2018. Of those employed, 37 per cent were Māori – against target of 40 per cent. More than 660 training outcomes were also facilitated. The majority (78 per cent) of placements continue to be off the Work and Income benefit register, with only 10 per cent returning to a benefit.

### **Study Auckland**

#### Industry pathways and partnerships

Study Auckland is working with human resources consultancy, Talent Solutions on a new employability programme that provides coaching, mentoring and job-matching services for international students seeking professional employment in business, design, creative, tech, engineering and science-based industries. This programme is due to launch mid-year.

#### International student experience

Preliminary discussions are underway with the Royal Akarana Yacht Club (RAYC) regarding the delivery of a premium programme for international students. The focus is on using RAYC's dingy sailing and waka ama assets to provide international students access to the harbour, provide youth leadership experiences, and create business networking opportunities with America's Cup alumni.

#### International student attraction

Study Auckland sponsored and co-organised the Australia New Zealand Agent Tradeshow (ANZA) welcome reception with ICEF, which hosted approximately 450 attendees from 50 countries around the world. The ANZA tradeshow is targeted at the buyers and sellers of New Zealand and Australia's international education industry, raising awareness of Auckland as a study destination. The event provides the Study Auckland team the opportunity to meet high-quality agents committed to sending premium students and visiting friends and relatives to Auckland. It also provides access to the senior officials leading the Australian study brands operating in Queensland, Victoria, Western Australia, Adelaide and offshore such as Australia Future Unlimited.

## ***Grow the visitor economy***

### **APEC 2021**

The MFAT APEC21 Programme Board met again in mid-April. Greater clarity was provided on how the national APEC21 programme is phased and will be rolled out over the next three years, and the structure and processes being used to give effect to this. This sees a three-step government budget bid process with operations and hosting being the focus for Budget 2018, security requirements being the focus for Budget 2019, and leverage and legacy being the focus for Budget 2020. The Minister of Foreign Affairs has confirmed the Budget 2018 allocation to APEC2021 as being \$118m. Government's structure includes a CE Sponsors' Group which Stephen Town has been invited to join. Auckland is already represented on the APEC21 Programme Board through ATEED's GM Destination and remains the only city represented – a reflection of the key role Auckland will play in hosting APEC events in 2021.

Notwithstanding central government's intention to not address leverage and legacy until 2019 for Budget 2020, ATEED has commenced leading the Auckland conversation regarding the development of a legacy vision and ambitious outcomes to maximise the achievement of enduring, positive benefits to Auckland from APEC21 activity. The APEC21 Auckland Executive Steering Group chaired by ATEED's GM Destination met on 30 April, and the APEC21 Auckland City Operations Working Group met on 5 April. Now that the capital works programme in the central city during 2021 has been mostly confirmed as being limited to CRL works

(with a number of downtown and waterfront projects having been accelerated to be completed by late 2020 in time for the America's Cup), consideration is being given to the implications of an immediate start to light rail on APEC21 preparations and readiness.

### **36<sup>th</sup> America's Cup (AC36)**

The resource consent application for the Wynyard Hobson location option was notified on 30 April and closes 28 May. A decision is expected from the Environment Court in August.

With the location confirmed and contracted, Auckland Council and the Crown's attention has turned to arrangements for the joint governance and management of the overall AC36 programme. While still being finalised, this is envisaged to comprise a new AC36 Joint Chief Executives' Group with Crown, Council and mana whenua representatives (including ATEED's CE), and two key project arms: infrastructure development (with an Infrastructure Alliance Board); and the Auckland-based events (with an Event Steering Group led by Emirates Team New Zealand's America's Cup Events Ltd, with Council represented by ATEED's Head of Major Events), supported by a programme management office (PMO). The size and role of the PMO is still being worked on, as is development of the workstreams needed to give effect to the Crown and Council's wider programme interests and elements, such as legacy and offshore event promotion, including Dubai 2020 and America's Cup World Series events in 2019 and 2020, etc. The first steps on the Auckland-based event side is the development of an event concept, which under the Host City Appointment Agreement is to be developed by the end of August 2018. Once the event concept is agreed, a Host Venue Agreement will be negotiated.

### **Tourism**

The year to March 2018 saw 2.72m international visitors, an increase of 7.5 per cent on the previous year to date. Arrivals from the UK saw the biggest growth, up 15.8 per cent for the year.

March saw an 11.8 per cent increase in international visitor numbers compared to March last year. Tourism spend for the year to March was \$8.36b, up 9.2 per cent year to date. Domestic spend was \$3.97b for the year to date, international spend was \$4.39b.

Hotel average daily rates were \$214 over the past 12 months, and \$249 for March (up 12 per cent on the previous March). Occupancy rates were high (averaging 86.1 per cent for the year to date, down 0.6 per cent).

#### World Travel and Tourism Council 2018 Global Summit

ATEED's GM Destination, Head of Tourism, and Manager Trade Partnerships attended the World Travel and Tourism Council (WTTC) 2018 Global Summit in April (Global Summit). The Global Summit provides a strong platform for ATEED to meet and engage with key international tourism influencers and investors in one place. Interest in Auckland and New Zealand was high, with a number of new opportunities identified for further consideration and discussion.

#### Domestic Marketing

- The 2018 Winter domestic marketing campaign's objective is to stimulate increased domestic visitation, spend and stay to offset Auckland's traditional winter domestic tourism off-peak period. This year's campaign will focus on Wellington, Christchurch, the Bay of Plenty, Waikato and Northland and showcase Auckland's rich and unique food and beverage stories. The creative will show Sir John Kirwan talking to the makers, doers and artisans who are integral to the city's culinary culture. These videos will uncover the unique stories behind some of Auckland's best food and beverage operations. Filming for the campaign began in early May, with the campaign in market from the end of May until mid-August.
- Winter festival: The Tourism Domestic Marketing team is currently working with the Major Events team on developing a winter festival which will promote Auckland as a winter holiday destination, while simultaneously bringing to the forefront Auckland's food and beverage story. The long-term view is that this becomes an annual winter programme for Auckland.

### International Marketing

- ATEED has partnered Air New Zealand and Auckland Airport to deliver a campaign from 2 April to 30 May, promoting short break holidays to Australians. The campaign is designed to be an alternative proposition to touring (driven by Tourism NZ brand campaigns). The campaign uses digital outdoor advertisements, social media and a content partnership with online lifestyle website, Broadsheet to help create a desire for a short break via destination content and ease of accessibility messaging.
- A Travelport agent campaign is in market until July. The aim of this campaign is to attract high-value visitors (targeting Southeast Asia through Travelport's agent network) and increase length of stay in Auckland from May to September.

### Destination Development

ATEED has been working with the Waitākere Tourism Group and Auckland screen companies impacted by the closure of the Waitākere Ranges tracks.

### Cruise

ATEED is participating in the Downtown Programme to ensure that the proposed ferry terminal redevelopment is based on an agreed strategic direction for ferry public transport, and is consistent with future plans for public access to Queens Wharf and the downtown waterfront.

### i-SITES

The sale of the three Auckland i-SITES managed by ATEED to AIS Tourism Limited (AIS) came into effect on 1 May. ATEED and the Auckland i-SITES will continue to collaborate to deliver great results for Auckland. Di Reid, the new i-SITE Manager, is based at Quay Street to signify this new partnership.

### **Major Events**

#### SportAccord Convention

ATEED's Head of Major Events and the Manager Design and Development attended the SportAccord Convention in Bangkok in April. The convention is a five-day gathering of the most important global decision-makers from international sport, and ATEED's best annual platform for connecting with the international sports industry and rights holders. This engagement is crucial to the development of the major events pipeline and a number of relationships have been strengthened because of attending this event.

#### Softball World Champs

Contract negotiations are ongoing, and it is anticipated that the contract will be signed in May.

### **World Masters Games 2017 surplus**

On 30 April, key sporting organisations from the 28 sports involved in World Masters Games 2017 (WMG2017) were invited to apply for funding from the WMG2017 Legacy Programme. Of the \$831,000 surplus achieved by WMG2017 Ltd, \$50,000 was awarded to New Zealand Masters Games, with the remainder (\$390,500) distributed via direct grants and a contestable legacy fund (\$390,500).

The direct grants include a fixed component of \$6,973 for each sport, and a variable component that is pro-rated based on the number of participants who took part in the sport in WMG2017. The organisations are also invited to submit a single application for funding of up to \$16,000 from the contestable legacy fund for initiatives that will benefit Auckland amateur sports, such as bidding for and/or staging an event, capability building relating to events, to put towards infrastructure upgrades, purchasing sporting equipment, or strategic planning support.

Applications for the contestable legacy fund will close on 31 July and a panel, including representatives from ATEED, will decide the outcomes in August.

### **Auckland Convention Bureau**

Year-to-date wins from the domestic and Australia market have reached \$14.4m, which exceeds the 2016/17 financial year total results of \$14m, with two months remaining in this financial year.

## Operational summary

The operational dashboard appended to this report provides an overview of progress against the SOI KPIs, and key management information covering health and safety, people and a media summary. This dashboard is reviewed by management monthly. Key highlights for the Board's attention are as follows, with additional detail appended:

### Statement of Intent KPIs

To the end of April, all but three KPIs were on track to being achieved by year-end. A full update and commentary for each KPI is included Appendix 1.

### Health & Safety (H&S)

In April, staff reported three incidents, no near misses, and no unsafe conditions.

### Section 17a – Value for Money Review

The ICT and Customer Services reviews are underway across the group.

ATEED had no input to the Procurement review as all procurement services are delivered by Auckland Council shared services.

A quarterly progress review on ATEED's response to the Investment Attraction and Global Partnership recommendations will be submitted to Council by 7 June.

### Corporate Partnerships

In October 2016, the Corporate Partnership team began working with the Council's Strategic Partnerships team under an amalgamated model. As at 1 April, this came to an end with Strategic Partnerships now taking full responsibility for selling sponsorship across ATEED's cultural festivals (Diwali, Lantern, Pasifika) and Council festivals (including Movies and Music in Parks, and Matariki etc.)

Highlights under the amalgamated model include:

- Securing \$3m+ sponsorship investment for ATEED's cultural festivals.
- Leading ANZ's \$1.35m+ Splash Pads investment in council parks at Pakuranga and Stanmore Bay.

### Media

The main themes covered in the media during the past month were: the 36<sup>th</sup> America's Cup; kauri dieback; Auckland accolades; DIGMYIDEA; BizDojo financial situation at GridAKL; and The Body World's Exhibition. Media coverage of Auckland Council and CCO's sensitive expenditure is likely in the near future.

## **Recommendations**

1. The report be received.

## **Attachments**

1. SOI KPIs - summary of progress to date
2. Upcoming events / activity

---

## **Signatory**

Nick Hill, ATEED Chief Executive

## Appendix 1: ATEED SOI KPI scorecard for year-ending April 2018

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
<b>Build a culture of innovation and entrepreneurship</b>			
Number of businesses taking up tenancy at GridAKL (Wynyard Quarter Innovation Precinct) (cumulative) and percentage "innovation-led" <sup>1</sup>	89 (81% (Lysaght, 58% 12 Madden St & Mason Bros)	100 (70%)	92 total businesses: Lysaght (52 in April), 12 Madden St / Mason Bros (40 in March), increase from 89 reported last month. 386 total individuals: Lysaght (163 in April), 12 Madden St / Mason Brothers (223 in March), increase from 343 reported last month. Note: there is a 1-month lag in results reported for Generator operated properties (12 Madden Street & Mason Bros).
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme		1500	Measured annually in June.
Level of advocacy by stakeholders involved in the provision of business advice, start-up, training & mentoring programmes. <sup>2</sup>	+50	+50	NPS is now on target at +50 from a strong base of +67 in April. Increase from +48 reported last month. The measure still has potential to not be met due to the sensitivity of the NPS scoring system.
Number of actively managed business through Regional Business Partner programme.	753	750	Target met with 753 businesses actively engaged YTD. Increase from 683 reported last month.
Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention ( <b>LTP Measure</b> )	2475	3000	At 31 March, approximately 2745 businesses had been through an ATEED programme or benefitted from an ATEED intervention. Final results will be available in July.
Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention ( <b>LTP measure</b> )	123	120	Target met. At 31 March, approximately 123 Māori businesses had been through an ATEED programme or benefitted from an ATEED intervention. Final results will be available in July.
<b>Attract business and investment</b>			
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors ( <b>LTP Measure</b> )	3	5	Analysis of recently completed deals that contribute to this target is underway, and ATEED may hit 4 MNCs within target sector with an additional 2-3 outside target sectors. Confirmed deals YTD: 3 MNCs in target sectors, 1 MNC in other.
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	84	85	Increase from 72 in April
Total GDP contribution of deals effected with ATEED involvement	\$87.2M	\$59.6M	Target met. FDI projects in target sectors: \$42.7M FDI projects in other sectors: \$1.7M Screen projects (export of services): \$42.8M Note: GDP impact for 3 projects not yet finalised with necessary data being collated.
Value of investment deals effected by ATEED within the financial year	\$218M	\$292M	Deals have been completed that will meet or exceed this target. Further analysis is underway to confirm exact values. Confirmed values YTD: FDI projects in target sectors: \$82m FDI projects in other sectors: \$3.4m Screen projects (export of services): \$132

1. Innovation-led is defined as businesses developing new or improved technologies or services.

2. New measure replacing the previous percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure). The change reflects the new methodology (Net Promoter Score) adopted by NZTE for the Regional Business Partners programme. The new metric captures stakeholder satisfaction, loyalty and advocacy. A NPS of +50 can be considered as excellent.

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
<b>Grow and retain skilled talent</b>			
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	70	50	Target met. 70 pledge partners as at 16 March. No longer actively recruiting partners - now approaching ATEED.
Number of young people enabled into employment as a result of ATEED and partner activity (Youth - incl. Māori and Pacific youth)	358	500	93 youth enabled into employment in Q3 (increase from 265 at end of Q2): <ul style="list-style-type: none"> <li>• Backstage VIP (17 youth participated – 7 into employment)</li> <li>• Dine Academy with SkyCity and Spotless (40 youth)</li> <li>• JobFest work readiness – Mahi Gains (30 rangatahi)</li> <li>• CBD Jobs and Skills Hub - &lt;25 years (6 employed)</li> </ul> (Excludes Youth Connections talk - 500 participants) Note: reported quarterly - next result due end of Q4.
Number of expressions of interest from skilled migrants in working and living in Auckland resulting from ATEED Marketing activity (Talent) - via LinkedIn	2871	1500	Target met. 2871 Auckland - Make the Smart Move LinkedIn followers at 24 April 2018. Increase from 2815 last month. 51% of visitors viewing jobs in construction and tech.
Growth in value of international student spend to Auckland		2,306	Data due from ENZ August 2018
<b>Grow the visitor economy</b>			
Number of international business event bids submitted or supported	35	35	Change from 34 in March to 35 as at 30 April.
Business event bid win/loss ratio (based on results received in financial year) <sup>4</sup>	60	60	No change from previous month.
Value of business event bids won in financial year	\$26m	\$22m	Change from \$24.9m at the end of March to \$26m as at 30 April.
Percentage of customers satisfied with visitor information centres and services (LTP Measure)	97.3%	85%	Change from 98.58% to 97.3% as at 30 April
Contribution to regional GDP from major events invested in (LTP measure)	\$59.64m	\$49m	Change from \$58.64m at 31 March to \$59.64m as at 30 April.
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	-	80%	Annual measure. Next result due in June 2018.
Visitor nights generated by major events invested in	312,320	165,000	Change from 305,370 at 31 March to 312,320 as at 30 April.
Percentage of customers satisfied with delivered major events (LTP measure)	83%	85%	Change from 85.3 per cent at 31 March to 83 per cent as at 30 April (attributed to Lantern Festival score being not as high this year, and the Pasifika Festival score being low - weather was a key factor). This score means we will miss the KPI year-end target by 2%, however can be classified as "substantially achieved".
<b>Build Auckland's global brand identity</b>			

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
Total visits to www.aucklandnz.com (LTP Measure)	1.8m	3.8m	Month-on-month sessions to www.aucklandnz.com decreased across the board by 32.6 per cent from 226,938 sessions in March, to 152,742 sessions in April. The result is due to a decrease in activity across all channels (volume in search, social and email were all down). Factors include Easter holidays in March driving higher than normal activity, and less activity across our social channels. The status remains unchanged with a red status (off-track) and the target will not be met at year-end.
Percentage of visitors to www.aucklandnz.com located outside of Auckland	42.3%	50%	The non-Auckland sessions year-to-date result remains stable, with a slight increase from 41.5 per cent in March to 42.3 per cent in April. The 50 per cent target is still unlikely to be met, hence red status (off-track).
<b>Local economic development</b>			
Percentage of approved local economic development projects delivered by ATEED using local board "Locally Driven Initiatives" (LDI) funding.	54% funding spent YTD	70	The total value of the work programme for 2017/18 is \$960,000 across 31 projects. At 4 May, \$514,564 of the approved programme had been spent. This is an update from the approx. \$534,615 (56%) reported as either being spent or committed to be spent by the end of April.
<p><sup>3</sup> We are reporting year to date figures from July each FY to provide an accumulative view.</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>			
<b>Mana whenua engagement</b>			
Percentage Mana Whenua satisfaction with quality of engagement		Maintain / improve	Results pending annual survey in June 2018.
<b>Monitoring indicator</b>			
Spend by visitors in Auckland <sup>3</sup>	\$5,700m	\$6,617m	Total visitor spend from 31 July to 31 March is \$6.53m. Domestic tourism spend for this period is \$3.06m and international spend is \$3.47m. This compares to \$5.70m for the previous month.



## Appendix 2: Upcoming events / activity

### Upcoming events/activity (next three months)

Event	Date	Location
DIGMYIDEA Māori Innovation Challenge 2018	17 April – 27 May	Various
Gunter Von Hagen's Body Worlds Vital	23 April – 13 July	Hilton Hotel
2018 NZ International Comedy Festival	26 April – 20 May	Various
Auckland Writers Festival	15 May – 20 May	Various
Vector Lights event: International Day of Light	16 May	
Techweek'18 (including Vector Lights showcase)	19 – 27 May	Various
MFAT Leaders' Week	21 – 25 May	Wellington / Auckland
Sport Performance Innovation Forum	23 May	QBE Stadium
Select LA Investment Summit	23 – 25 May	Los Angeles
Auckland Art Fair	23 – 27 May	The Cloud, Queens Wharf
JobFest	24 May	ASB Showgrounds
Art Fair Investor Migrant Function	24 May	The Cloud
Vector Lights event: Matariki	June	
NZR Fixture: All Blacks v France	9 June	Eden Park
Toowoomba delegation (100 people)	11-13 June	Pullman
Mayoral visit to Fukuoka and Tokyo	29 July – 2 August	Japan



**ATEED total net favourable variance of \$0.8m.**

**Business Attraction and Investment (BA&I):** April YTD underspend is \$0.2m lower than the forecast. The primary drivers of this underspend is a delayed marketing & research spend of \$94k and delays in the Auckland Film Protocol project.

**Major Events:** April YTD underspend is \$0.3m lower than forecast. This is due to timing related underspend for Americas Cup \$0.1m and the Pasifika Festival and Sport Accord final costs being less than forecast by \$0.1m.

**Destination:** April YTD underspend is \$0.4m lower than forecast. This is due to timing related underspend in advertising and marketing campaigns, Study Auckland of \$0.2m and the short break campaign of \$0.2m.

**Business, Innovation and Skills (BIS):** April YTD underspend is \$0.2m lower than forecast. This is due to timing related underspend in grants and sponsorships of \$0.1m for BIS management and Maori economic development, a decrease of the BizDojo doubtful debt provision and reclassification of data cabling repairs & maintenance to capital expenditure of \$0.1m.

**Corporate:** April YTD overspend is \$0.2m higher than forecast. This occurred because of ICT migration costs of \$0.1m and staff costs relating to structural changes of \$0.1m.

## Income Statement

Income Statement										TABLE 2
For the Period Ended 30 April 2018										\$000's
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			<b>Operational income</b>							
157	237	(80)	Funding from Government	2,091	2,171	(80)	2,741	2,589	1,742	
31	22	10	Sponsorship	1,929	1,756	174	1,796	2,285	1,580	
4	3	1	Fees & Subscriptions	238	236	2	244	326	446	
92	121	(29)	i-Sites	1,366	1,386	(20)	1,427	340	2,502	
904	762	141	Sundry income	7,038	6,996	41	8,632	9,884	1,229	
<b>1,189</b>	<b>1,146</b>	<b>43</b>	<b>Total Operating income</b>	<b>12,662</b>	<b>12,545</b>	<b>117</b>	<b>14,839</b>	<b>15,424</b>	<b>7,630</b>	
2,386	2,555	169	Staff costs	18,455	18,675	220	22,680	20,921	20,728	
605	595	(10)	Professional fees, consultancy & contractors	6,731	6,758	27	9,347	8,093	7,004	
376	366	(10)	Grants & sponsorships	8,956	8,902	(54)	10,239	10,815	8,739	
363	287	(76)	Depreciation & amortisation	2,099	2,092	(7)	2,681	1,443	591	
5	50	45	Shared services and lease costs	532	441	(91)	441	516	2,141	
784	806	22	Occupancy	8,284	8,402	118	9,942	10,623	2,599	
92	121	29	Travel & entertainment	1,067	1,130	64	1,407	1,181	1,653	
(5)	122	127	General, admin & other	3,061	3,154	94	3,428	2,478	2,823	
723	789	67	Advertising, marketing & research	5,335	5,648	313	9,057	8,589	7,367	
<b>5,330</b>	<b>5,693</b>	<b>363</b>	<b>Total Operating Expenditure</b>	<b>54,518</b>	<b>55,201</b>	<b>683</b>	<b>69,220</b>	<b>64,659</b>	<b>53,645</b>	
<b>4,141</b>	<b>4,547</b>	<b>406</b>	<b>ATEED Net deficit</b>	<b>41,856</b>	<b>42,656</b>	<b>800</b>	<b>54,381</b>	<b>49,234</b>	<b>46,016</b>	

**Total Operating income**

YTD total operating income is \$0.1m higher than forecast.

**Funding from Government, \$0.1m lower:** This relates to funding for DigMyIdea and Study Auckland not yet received.

**Sponsorship, \$0.2m higher:** This occurred due to the Lantern and Pasifika festivals revenue being higher than forecasted.

**Total Operating Expenditure**

YTD operating expenditure is \$0.7m lower than forecast.

**Staff costs, \$0.2m lower:** This is due to vacancy savings in Destination.

**Shares services and lease costs, \$0.1m higher:** This relates to a one-off cost as we transition from Auckland Transport's ICT platform to Auckland Council's ICT platform.

**Occupancy, \$0.1m lower:** This has arisen because of a reclassification of expenses to capital expenditure and a reduction in the BizDojo doubtful debt provision.

**Travel and entertainment, \$0.1m lower:** This is an underspend of \$37K in Local Economic Development, GridAKL and \$28k in BA&I.

**General, administration and other, \$0.1m lower:** This is mainly an underspend due to timing of final costs for Pasifika and Lantern festival.

**Advertising, marketing and research, \$0.3m lower:** This is a timing underspend in a marketing campaign for Study Auckland and Trade Partnership activities.

**Summary of major projects**

Summary of Major Projects: Spend and/or (Revenue) > 0.5m									TABLE 3	
For the Period Ended 30 April 2018									\$000's	
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			<b>Business, Innovation and Skills</b>							
83	83	(0)	New Zealand Food Innovation Auckland	542	542	(0)	708	1,000	1,015	
265	557	292	GridAKL	3,666	3,873	206	5,076	3,943	0	
			<b>Major Events</b>							
(20)	0	20	Tāmaki Herenga Waka Festival	476	503	27	513	500	514	
0	0	0	Lions Tour 2017	675	684	8	684	595	268	
0	22	22	Volvo Ocean Race Auckland Stop-over	2,522	2,531	9	2,231	2,137	134	
(20)	0	20	ITM Auckland Supersprint	1,280	1,299	20	1,399	1,758	2,097	
0	0	0	Downer NRL Auckland Nines	0	0	0	0	2,000	2,868	
0	0	(0)	McKayson NZ Open (LPGA)	1,080	1,080	(0)	1,080	1,050	0	
7	0	(7)	Trade marketing - Premium	187	208	20	697	0	0	
314	50	(264)	NRL Double header	574	415	(159)	575	0	0	
			<b>Total of all Major Events Projects</b>	<b>9,165</b>	<b>9,449</b>	<b>283</b>	<b>9,858</b>	<b>10,600</b>	<b>9,642</b>	

**GridAKL** is \$0.2m lower than forecast due to a reduced events calendar, a reclassification of data cabling expenses to capital expenditure and a reduction in the BizDojo provision for doubtful debts provision.

**NRL Doubleheader** is \$0.2m higher than forecast due to sponsorship being paid earlier than planned.

## Summary Statement of Financial Position

<b>Statement of Financial Position, ATEED Group</b>		
<b>As at 30 April 2018</b>		
<b>TABLE 4</b>	<b>YTD</b>	<b>\$000's Jun-17</b>
<b>Current assets</b>		
Cash and cash equivalents	2,908	3,410
Receivables and prepayments	11,587	13,469
Other current assets, including iSite inventory	0	24
<b>Total current assets</b>	<b>14,495</b>	<b>16,903</b>
<b>Current liabilities</b>	<b>13,388</b>	<b>16,353</b>
<b>Working capital</b>	<b>1,107</b>	<b>550</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	34	73
Property, plant and equipment	17,923	12,883
Investment in Joint Venture, The FoodBow l	2,104	2,067
<b>Total con-current assets</b>	<b>20,061</b>	<b>15,023</b>
<b>Non-current liabilities</b>	<b>64</b>	<b>64</b>
<b>NET ASSETS</b>	<b>21,104</b>	<b>15,509</b>
<b>EQUITY</b>	<b>21,104</b>	<b>15,419</b>
<b>Capex spend</b>	<b>7,044</b>	<b>657</b>
<b>Total commitments</b>	<b>\$80.1m</b>	<b>\$29.5m</b>

**Cash and cash equivalents:** Decrease mainly due to the timing of the cash sweeps.

**Receivables and prepayments:** Decrease mainly due to timing of intercompany settlement in April.

**Current liabilities:** Decrease in related party payables due to the timing of intercompany settlement. i-Site sale of \$0.2m classified as revenue in advance until disposal of assets is processed at group level.

**Property Plant and Equipment:** Increase of \$5.0m due to capital spend for the fit out of the Grid AKL buildings.

The significant increase in future total commitments is largely due to operating lease costs of \$51m for the GridAKL program over a twelve-year period.

## Receivables

Aged Debtors (\$,000)	Current month	1 month	2 months	3 months	4 months+	Total	Comments
BizDojo Auckland Ltd (In Liquidation)				2	224	226	BizDojo is in liquidation and the debt is being managed by Auckland Council legal team
Ministry of Education		58				58	
New Zealand Trade and Enterprise					371	371	Invoiced annually, but payment is made monthly. No financial exposure
Online Republic Limited		90				90	
Warner Bros. International T.P. NZ Ltd	71	1				72	
Other Debtors	218	24	47	41	108	438	Old debts being actively managed, including AR/VR Garage
<b>Total Debtors - April 2018</b>	<b>289</b>	<b>173</b>	<b>47</b>	<b>43</b>	<b>700</b>	<b>1,252</b>	
** Overall debt greater than \$50k							

## GridAKL

			GridAKL Summary Income Statement					
							\$'000	
Month			Year to Date				Full Year	
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	
19	20	(1)	Revenue from activities	58	61	(3)	101	0
0	0	0	Sponsorship revenue	0	0	0	0	333
645	540	106	Property rental revenue	4,648	4,637	11	5,716	8,277
0	0	0	Interest income received	62	62	0	62	0
<b>664</b>	<b>560</b>	<b>105</b>	<b>Total Revenue</b>	<b>4,768</b>	<b>4,761</b>	<b>7</b>	<b>5,880</b>	<b>8,610</b>
68	84	16	Staff costs	302	318	17	503	402
30	68	38	Professional fees, consultancy & contractors	651	705	54	989	2,656
0	150	150	Grants & sponsorships	160	160	0	240	0
287	231	(55)	Depreciation & amortisation	1,556	1,560	5	2,023	1,158
555	546	(9)	Occupancy	5,142	5,194	52	6,286	8,369
13	21	8	Travel & entertainment	37	51	14	88	29
(40)	13	53	General, admin & other	467	507	40	544	438
17	4	(12)	Advertising, marketing & research	120	137	18	283	60
<b>929</b>	<b>1,117</b>	<b>188</b>	<b>Total Expenditure</b>	<b>8,435</b>	<b>8,633</b>	<b>199</b>	<b>10,956</b>	<b>13,112</b>
<b>(265)</b>	<b>(557)</b>	<b>292</b>	<b>SURPLUS / (DEFICIT)</b>	<b>(3,666)</b>	<b>(3,873)</b>	<b>206</b>	<b>(5,076)</b>	<b>(4,502)</b>

GridAKL is \$0.2m lower than forecast due to a reduced events calendar, a reclassification of data cabling expenses to capital expenditure and a reduction in the BizDojo provision for doubtful debts provision.

## i-Sites

	Year to Date			Full Year		
	Actual	Forecast	Variance (u)/f	Forecast	Budget	Last year
Total Revenue	1,366	1,386	20	1,427	340	1,839
Cost of Goods Sold	532	537	5	537	127	645
Gross Margin	834	849	15	890	213	1,194
Overhead	1,491	1,529	39	1,536	428	1,700
<b>Surplus/Deficit</b>	<b>(656)</b>	<b>(680)</b>	<b>54</b>	<b>(646)</b>	<b>(214)</b>	<b>(506)</b>

The Forecast for i-Sites is for 10 months and the budget is for 3 months. The i-Site business was sold to AIS Tourism as at 30 April 2018. The sale value of \$0.2m has been treated as revenue in advance and will be processed in ATEED's books once the assets are disposed of at group level.

**Recommendation**

It is recommended that the Board note the Finance Report for the period ended 30 April 2018.

---

**Signatories**

Manager: Claire McCracken, Finance Manager

GM: Joy Buckingham, Chief Financial Officer

---