

Report to Auckland Council

For the quarter ending 31 March 2017



He Mihi

E tu noa ana nga maunga whakahii i te riu o Tāmaki Makaurau.

E whakaruruhau ana i nga ahikaa mai tawhiti.

E maumahara ana i te nguha a Mataoho.

Ratou kua poto ki tua o te arai, e moe e okioki

Tatou te hunga ora e kawe ana i te aronganui mo te pai me te whai rawa o Tāmaki, tena ra tatou katoa.

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

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

For those of us who have been left behind to build the most liveable city in the world, greetings to us all.

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1. Executive summary

A number of significant achievements reflect another busy major events summer season, accompanied by a diverse range of business growth programmes. This report covers ATEED's delivery of work based on the strategic pillars in ATEED's Statement of Intent 2016-19.

Key highlights of the quarter include:

- The Auckland visitor economy continues to thrive, with a record-breaking 2.53m international visitor arrivals in the year to March 2017, up 9.9 per cent year-on-year. Tourism spend for the year to March 2017 was \$7.62b, up 3.8 per cent on the previous year.
- The successful delivery of the 2017 Tāmaki Herenga Waka Festival, with attendees noting that this was the best cultural event of its kind. ATEED also delivered the Downer NRL Auckland Nines, the Auckland Lantern Festival, and Pasifika Festival during Q3. Other notable events that ATEED enabled include the Headland Sculpture on the Gulf, Pride Parade, Splore, ASB Classic, Pop Up Globe, night noodle markets, *Goodbye Pork Pie* premiere, stadium concerts such as Justin Bieber, Adele, Bruce Springsteen, and Guns 'n' Roses, the Auckland Colour Run, the international cricket series, and super rugby. These events are key to the delivery of Auckland's Major Events Strategy, which aims to attract visitors from beyond our borders and help grow the economy, as well as bring the excitement, culture and entertainment that Aucklanders want in their region. ATEED invested \$100k in the Adele Auckland concerts, which resulted in contribution to regional GDP of \$6.3m and 52 per cent return on regional investment. The concert attracted 53,430 visitors to Auckland, generating 76,420 visitor nights.
- During the quarter, ATEED was fully engaged in final preparations for World Masters Games (WMG2017), the largest multi-sport event New Zealand will host in at least the next decade. Engagement took place with key stakeholders, including local boards, residents, business owners and the wider Council family to deliver the best Games ever held. Results will be published in the Quarter 4 report.
- ATEED successfully delivered the inaugural Auckland Economic Symposium in March. ATEED partnered with the New Zealand Institute of Economic Research (NZIER) to deliver the event, held at the Auckland War Memorial Museum. The event was attended by 120 influencers from across government and industry. ATEED's objectives for the forum were to augment the dialogue and debate regarding housing, infrastructure and transport, as well as to discuss other key issues impacting Auckland's productivity and prosperity (such as economic infrastructure, talent, trade and advanced industries). A post-event evaluation will be carried out during Q4.
- During Q3, ATEED successfully delivered the inaugural ASB Lantern Forum (held during the 2017 Auckland Lantern Festival), which was designed to promote bilateral investment opportunities, and connect Chinese delegates, migrants and business people with Auckland businesses and political leaders.

The total GDP contribution of deals completed as a result of ATEED involvement to date is \$339m, which is well over the target of \$56.7 million. The value of investment deals as a result of ATEED involvement within the financial year is \$484.5m, exceeding the target of \$278m. The Tesla deal and six screen projects (TV series and films) contributed to these results.

- The #BuildAKL campaign now has more than 3,000 followers on Facebook, with the #BuildAKL four weeks' work experience winners attracting 2,500 followers. Facebook analysis shows that more than 70 per cent of these followers are under 30 years of age. The year-long campaign ends in September 2017 and aims to get 4,000 young people into the construction and infrastructure sector, with a focus on young women, and Māori and Pasifika populations.

- By the end of Q3, the number of residents at GridAKL grew to 165 across 98 start-up businesses (compared to 76 businesses at the end of Q2). New residents include Agility Mobile Solutions (mobile applications and quality assurance), Edition Productions (tech-based productions), and End Game (software development).
- ATEED worked in partnership with Tourism New Zealand (TNZ) to create the short-break destination campaign using the tag line 'Auckland. One City. Two Worlds.' – the first time that ATEED has run a major Auckland-focused digital activation with TNZ in Australia. The campaign, which went live in February, aims to drive visitation to Auckland by showing Australians the diverse and wonderful experiences they can have in the region as part of a 3-5 day getaway.

Grow the visitor economy

During Q3, Auckland enjoyed the busiest-ever week for cruise ship arrivals, highlighted by four cruise ships docking in Auckland on 18 February – the first time four cruise ships had docked here on the same day. During the quarter, 65 cruise ships visited Auckland, bringing in 197,495 passengers and crew.

As part of the GEMS (golf, equine, marine and screen) programme, which aims to attract high net worth investors (HNWI), ATEED worked with various stakeholders to secure a new partnership agreement between Emirates Team New Zealand and the China Cup International Regatta. The partnership enhances the Emirates Team New Zealand brand associated with the China Cup, raising Auckland's profile with China Cup, Volvo Ocean Racing and other world-renowned sailing events. ATEED also collaborated with the Institute of Golf to film a video showcasing Auckland as a premiere destination, targeting high-end golf enthusiasts. Filming took place at Michael Joseph Memorial Park, with Auckland's cityscape and Rangitoto Island forming the backdrop.

ATEED hosted Matthew Upchurch, CEO of Virtuoso, a luxury travel provider based in the US. His visit was part of his year-long effort to vacation at locations seen as Virtuoso's sustainable travel leaders. ATEED collaborated with several partners such as the Department of Conservation (DOC) to create a series of unique, sustainable and family-friendly experiences that align well with the CEO's sustainable tourism agenda. As a result of this visit, Virtuoso will create special Auckland packages to promote premium sustainable tourism, therefore bringing more visitors and spend to Auckland.

By the end of Q3, ATEED's Auckland Convention Bureau (ACB) had handled a number of opportunities to bring business events to Auckland, resulting in year-to-date bid wins valued at \$35m. This was done in collaboration with ACB membership and industry partners. ACB business events include conventions, conferences, exhibitions, and incentive reward travel undertaken by associations, corporations, government departments and organisations.

Build a culture of innovation and entrepreneurship

The number of actively managed businesses through the Regional Business Partner Network programme (RBP) increased significantly, reaching 664 – and is well on track to reach the target of 720 by the end of the financial year.

The Lion Foundation Young Enterprise Scheme E-Days took place in February, and saw 1,600 high school students attend. The E-days were held across Auckland to provide students with the opportunity to discover what the 2017 programme entails, and to enable students to test their initial business ideas with 400 volunteer speed coaches. This year's YES scheme has about 1,325 students participating from 56 different schools.

During Q4, ATEED will support the delivery of Techweek, a week-long event that brings together New Zealand's brightest technology and innovation talent to tackle global issues with local ingenuity. The event runs from 6-14 May, and includes up to 150 events nationally, with about 80 of these events held in Auckland. A number of events will be held at GridAKL and the AR/VR Garage, providing a platform for the tech industry to collaborate, innovate and promote their capability.

Attract business and investment

During Q3, ATEED and the Mayor's office have worked together on Sir Richard Branson's visit from 25-26 March. Sir Richard's visit was to further explore investment opportunities targeting HNWI.

Chinese Premier Li's visit during Q3 resulted in positive actions such as a commitment to launch the first round of Free Trade Agreement upgrade negotiations, which will take place in Beijing from 25-27 April. A Memorandum of Understanding (MoU) was also signed between China and the Government for the 'Belt and Road Initiative'. This is the first time China has signed such an agreement with a western country.

The AR/VR Garage continues to grow, with more than 20 resident companies by the end of Q3. During the quarter, ATEED secured corporate sponsorship with Jasmox and Hewlett-Packard. During Q4, discussions will continue with a multinational (ICT/digital) firm who is considering setting up a global presence at the Garage.

The Tesla launch event in Auckland took place during Q3, with Tesla acknowledging that the New Zealand market electric vehicle launch was one of its most successful. ATEED facilitated meetings for Tesla with the Mayor and John Mauro from Council's Chief Sustainability Office. The purpose of these meetings was to reinforce Auckland's alignment and commitment to pursue a sustainable energy-based transportation plan. The team also worked with a commercial realtor to develop a list of prospective properties, from which Tesla's K Road showroom and maintenance site was selected.

Grow and attract skilled talent

By the end of Q3, there were 66 Youth Employer Pledge partners, with seven new partners welcomed at an event on 4 April hosted by KPMG in Wynyard Quarter, where Sir Stephen Tindall was the keynote speaker. City Care, Asplundh, Cushman & Wakefield, Dempsey Wood, Viridian Glass, YMCA, and Z-Energy signed the pledge during the quarter.

Building on its success, the final six months of the #BuildAKL campaign will focus on connecting the target audiences (youth aged under 25 years – particularly women, Māori and Pacific peoples) to careers and entry-level jobs in Auckland's booming construction and infrastructure sectors.

The CBD Job and Skills Hub was officially opened in Wynyard Quarter during Q3, with a blessing by the Pānuku Development Auckland mana whenua group. The opening was attended by local employers and stakeholders. Since then, work brokers have placed 19 individuals into work with six employers delivering construction and infrastructure projects in Auckland's city centre. More than 80 per cent of the successful candidates have been able to come off the Work and Income register. About a third of these candidates are Māori, and a further quarter are Pacific peoples.

During Q4, JobFest will be delivered, with nearly 75 employers already registered and a waiting list in operation for the next JobFest. The event will be held on 3 May at the Manukau Vodafone Events Centre.

Build Auckland's brand and identity

A number of promotional campaigns were in market during Q3, a busy events and holiday season. During Q4, ATEED will continue to work with Google on a project to capture Auckland landmarks and attractions with historical significance. With ATEED's assistance, Google has mapped and photographed Rangitoto and Tiritiri Matangi islands, which will be live on Google Maps in the next few weeks. The Hillary Trail will be mapped in May, and will provide an opportunity to undertake joint PR activity with DOC.

The Digital Development project continued to make progress during Q3 resulting in the introduction of an improved new aucklandnz.com website in Q4. The website can be viewed at www.aucklandnz.com.

Performance measures

As at 31 March, ATEED was on track to achieve 23 of its 24 targets set out in the Statement of Intent (SOI 2016-19). Five targets are measured on an annual basis, and ATEED anticipates these will be achieved by the end of the financial year.

Below is ATEED's KPI SOI scorecard, including supporting commentary of the key highlights.

ATEED KPI Scorecard					Mar-17
ATEED SOIKPIs	Measurement	Date of Measure/latest	Latest Result	Annual Target to 30 June 2017	Status
Build a culture of innovation and entrepreneurship					
No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" ¹	Number & (%)	31-Mar-17	98 (88%)	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-Mar-17	664	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	—
Attract business and investment					
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	31-Mar-17	4	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	31-Mar-17	61	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	31-Mar-17	339	56.7	●
Value of investment deals effected by ATEED within the financial year	\$(million)	31-Mar-17	484.5	278	●
Grow and attract skilled talent					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	31-Mar-17	66	50	●
Growth in value of international student spend to Auckland	\$(billion)	30-Jun-16	2.1	1.888	—
Grow the visitor economy					
Spend by visitors in Auckland ²	\$(million)	28-Feb-17	5,104	5,412	●
Number of international business event bids submitted or supported	Number	31-Mar-17	23	35	●
Business event bid win/loss ratio (based on results received in financial year) ⁴	%	31-Mar-17	80%	60%	●
Value of business event bids won in financial year	\$(million)	31-Mar-17	25.3	19	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	31-Mar-17	96	85	●
Contribution to regional GDP from major events invested in (LTP measure) ⁵	\$(million)	31-Mar-17	25.5	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-Mar-17	195,680	415,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	31-Mar-17	90	85	●
Build Auckland's global brand identity					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	31-Mar-17	2.6m	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	%	N/A	N/A	Establish baseline	—
Key: ● On track / target exceeded ● Off-track ● Potential for Slippage — No recent result					
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). From March 2017 we are reporting year to date figures from July each FY to provide an accumulative view. Previously this was reported as current Year End figures. 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.					

Attract Business and Investment

- The number of intensively account-managed customers in the Aroha Auckland programme stands at 61. The increase in the number of customers in the Aroha programme has provided confidence that the target of 85 will be met by the end of the financial year.

Grow 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. From Q4, we will report year-to-date figures to provide an accumulative view. Year-to-date visitor spend in Auckland stands at \$5,104m, and is well on track to reach the target of \$5,412m by the end of the financial year.
- Although the number of ACB bids submitted/supported is below target and unlikely to be achieved by the end of the financial year, both the event bid win/loss ratio and value of business event bids won are well above their targets (60 per cent and \$19m respectively).
- Although a number of potential bids were followed up during the last quarter and are now going ahead, work on these will not begin until after July 2017. These bids will therefore be counted in the new financial year.

Build Auckland's Brand and Identity

- Visits to www.aucklandnz.com continue to track strongly with 2.6m unique visits as at 31 March. ATEED is now reporting 'sessions' instead of 'views' as previously used from Google Analytics. This reflects the LTP definition more closely, and reflects more meaningful 'visits' to the site.

Financial performance

As at the end of Q3, external revenue was higher than forecast due to registration revenue from World Masters Games 2017 being higher than forecast. Overall, the year-to-date (31 March 2017) whole-of-programme revenue is higher than forecast, with commercial revenue exceeding forecast by \$0.6m. This compensates for the \$0.3m decrease in planned registration revenue. WMG2017 is not expecting any increase in funding requirements from ATEED, and expects to deliver the programme within budget.

Operational expenditure is slightly lower than forecast. This positive variance is due to a timing underspend in the GridAKL programme of \$0.2m for agency letting fees relating to 12 Madden Street, and an underspend in Major Events of \$0.1m for various projects. These have been offset by corporate internal audit fees of \$0.1m incurred in March but not forecast.

Capital expenditure relates mainly to the fit-out costs for the three buildings that form part of GridAKL. This spend is lower than forecast due to work on 12 Madden Street and Mason Brothers being slightly behind schedule. This has no impact on the scheduled opening of both buildings.

2. Strategic framework and focus areas

ATEED's Strategic Framework (Figure 1 below), clearly articulates ATEED's role in creating the world's most liveable city by focussing on five key priorities:

1. Grow the visitor economy
2. Build a culture of innovation and entrepreneurship
3. Attract business and investment
4. Grow and attract skilled talent
5. Build Auckland's global brand and identity.

Through these objectives, we can connect Auckland-wide strategies (the Auckland Plan and Economic Development Strategy) and ATEED's ongoing strategic interventions, growth programmes and projects. The framework below provides the organisation with focus on those areas of our role that will make a difference to Auckland both regionally and locally. The key strategic objectives are supported by more detailed action plans, investment proposals and delivery partnerships.



Figure 1: ATEED's strategic objectives

3. Highlights for last quarter and forthcoming activity

Grow the visitor economy

The Auckland visitor economy continues to thrive, with a record-breaking 2.53m international visitor arrivals in the year to March 2017, up 9.9 per cent year-on-year. Tourism spend for the year to March 2017 was \$7.62b, up 3.8 per cent on the previous year.

Domestic spend was up 3.2 per cent, while international spend grew by 4.4 per cent. Visitor numbers from the US saw the biggest growth, up 27.2 per cent for the year. Spend by Chinese visitors was down by 10.4 per cent compared with the year to March 2016, with visitors citing the cost of accommodation and activities as the main reason for their lack of spending. Visitor numbers from the US saw the biggest growth, up 27.7 per cent for the year ending March 2017.

The average daily rates for hotels continue to rise, averaging at \$191 a night – up 13.3 per cent on the previous year. Occupancy rates were also up, averaging 86.6 per cent¹ – up 2.6 per cent on the previous year.

New airline capacity

During the quarter, Qatar Airways commenced daily direct flights from Doha to Auckland, adding 189,000 new return seats per year. ATEED facilitated a Qatar Airways media visit relating to its inaugural flight in February, which also included media from the UK (managed via Tourism New Zealand). Five UK media arrived on the first Qatar Airways Auckland flight, and were hosted together with TNZ. Media represented a variety of publications and content on Auckland is expected to be published over the next six months. The Qatar Airways Doha-Auckland route.

Sichuan Airlines will start flying between Auckland and Chengdu in China from June 2017. The direct service will operate three times a week. This service is expected to add 81,000 seats a year to and from China, and deliver an estimated \$102 million annual boost to the New Zealand economy.

Golf, equine, marine, screen (GEMS) programme

The GEMS programme connects with Chinese high net worth investors (HNWI) through the golf, equine, marine and screen sectors. ATEED's focus is to create awareness in sectors where Auckland can leverage its brand and assets strongly. ATEED has built significant relationships with key influencers over the past three years, including partners such as Mission Hills China, New Zealand Bloodstock, China Cup Regatta, and the Wanda Group. These organisations represent significant access to HNWI through their membership bases.

As part of the GEMS programme, ATEED again sponsored activity at the annual New Zealand Bloodstock Karaka Millions in January. ATEED worked closely with New Zealand Bloodstock to welcome and host international buyers, premier sale vendors and top New Zealand buyers who arrived in Auckland ahead of the National Yearling Sales series (Karaka 2017). Purchases at the National Yearling Sales Series amounted to total receipts for \$82m, with 943 horses sold. International buyers accounted for 64 per cent of the total spend.

The MoU between ATEED and New Zealand Bloodstock (NZB) was signed during Q3. As part of this MoU, collaboration with NZB to support the Karaka Millions and the Karaka Yearling Sales events was agreed.

ATEED welcomed the second group of China Cup sailing school students to Auckland in January. This was part of their New Zealand Winter Camp programme, which ran from 14 to 27 January. Although there are 20 students in this group, only five students were able to visit due to Chinese New Year celebrations. ATEED has made a recommendation to schedule the visit next year at a different time, to allow more students to make the trip to

¹ Tourism Industry Aotearoa

Auckland. During the quarter, ATEED also worked with various stakeholders to secure a new partnership agreement between Emirates Team New Zealand and the China Cup International Regatta. The partnership enhances the Emirates Team New Zealand brand associated with the China Cup, raising Auckland's profile with China Cup, Volvo Ocean Racing and other world-renowned sailing events.

ATEED is also working closely with The Institute of Golf in Albany to attract and provide investment opportunities for investors from Asia and the US. During Q3, ATEED worked in collaboration with The Institute of Golf to film a series of videos showcasing Auckland as a premiere destination, targeting high-end golf enthusiasts. Eight golf improvement drill videos will be produced for LeTV, one of the most popular sport media channels in China. The videos will promote Auckland as must-do destination for Chinese golf lovers. The videos will include English and Chinese subtitles to have maximum reach, with a target to reach at least two million views on LeTV. ATEED continues to work closely with TNZ's Golf Special Interest team, and activity is closely aligned with the national golf strategy.

As a result of ATEED's visit to Fujian province in 2016, the Fujian Provincial Department of Commerce visited Auckland from 13-15 March. The delegation included participants from China's top 500 enterprises, as well as listed companies in the e-commerce industry in China. A business seminar was hosted by ATEED at the Langham Hotel on 13 March. The purpose of the seminar was to inform and inspire business development between Auckland and Fujian, as well as New Zealand and China. Following this visit, ATEED has been in discussions with the Fujian Department of Commerce regarding potential hotel development opportunities in Auckland. Discussions have also taken place regarding potential opportunities between the Fujian E-commerce Association and Auckland e-commerce industry. These opportunities will be explored further during the next quarter.

ATEED is also reviewing its digital assets relating to the China market. The review will inform a revised targeted strategic operational plan, which will incorporate expert advice to ensure best practice when using Chinese digital marketing platforms. It is envisaged that WeChat and Weibo will continue to be used for digital marketing and maximum reach in the China market.

PRVILGES (premium visitation, investment, luxury golf, education and screen) programme

The PRVILGES programme targets HNWI in another of Auckland's key markets – the US.

The Tourism Trade team worked with CSQ.com to host US-based media in Auckland from 1-7 April, with the key focus to feature Auckland's golfing assets through this network via a media article. CSQ.com's integrated media membership base is made up of LA's most influential and affluent change makers. The controlled circulation is 25,000 subscribers, with a readership of 150,000. Visiting media were overwhelmed by the high caliber of Auckland's golf courses, and as a result of this visit, there will be an Auckland feature in their publication.

Travel Leaders International Summit

The Travel Leaders International Summit was held from 17-19 March 2017, with the main conference being held at the Langham Hotel. Travel Leaders Group is a North American travel company that generates gross travel sales approaching \$21 billion annually.

The Travel Leaders International Summit was run in partnership with Tourism New Zealand and ATEED, and brought 75 of the very best agency owners, managers and performing agents to Auckland for a fully immersive conference. Auckland's diverse offering was showcased to participants through pre and post event hosting and activity. President Roger Block noted that this was one of the best international summits held to date. Support for conversion activity is underway, with a larger discussion around data analytics planned for 2017/18.

During Q4, ATEED will prepare for several famils from the US, including American Express platinum and centurion senior agents and partnership managers (13-14 May), and the Virtuoso Study Tour (1-3 June).

Also during the next quarter, ATEED will sponsor the Down Under Answers Tourism Exchange in Auckland from 4-6 May. This bespoke event will connect the best travel suppliers with 60 of North America's best destination

specialist travel agents. As frontline travel agents, these specialists collectively produce more than US \$10m in combined annual revenue across Australia, New Zealand, South Pacific, Asia and Africa. The two-day exchange will provide an excellent platform for ATEED to directly engage with this valuable group.

Virtuoso

Virtuoso CEO Matthew Upchurch visited Auckland on 14 March. This visit was part of Matthew and his family's year-long effort to vacation at locations seen as Virtuoso's Sustainable Travel leaders. Taking into consideration the theme of their family trip, along-with several willing partners such as the Department of Conservation (DOC), ATEED created a series of unique, sustainable and family-friendly experiences that aligned well. ATEED received tremendous feedback on the activities and the potential of the Hauraki Gulf islands to further develop the high-value sustainable tourism proposition. This fits with ATEED's intention to develop a Hauraki Gulf Tourism Development Plan, leveraging the recently completed Sea Change study, in conjunction with partners including local boards, Council, DOC and tourism operators.

Sir Richard Branson's visit

ATEED and the Mayor's office worked together to facilitate Sir Richard Branson's visit in March. ATEED developed an itinerary that included a tour of RocketLab facilities and meeting with founder, Peter Beck, a visit to Waiheke Island, feeding baby takahē on Rotoroa Island (hosted by the NEXT Foundation), a visit to Shakespeare Park conservation projects, and a media conference with the Mayor. Sir Richard's visit provided an opportunity to showcase Auckland's innovative industries, culture and environmental diversity and to explore investment opportunities.

Cruise

Ovation of the Seas, the fourth largest cruise ship in the world, visited Auckland for the second time on 14 January, with another ATEED-facilitated welcome in the harbour. There was a smoother process for transferring passengers based on the lessons from the 27 December visit. Ovation of the Seas visited Auckland three times during the 2016/17 cruise season, bringing more than 4,000 passengers each visit.

There was at least one cruise ship a day in port from 12 February until early April, with some ships in port for longer stays. The large ships, Seabourn Encore and Norwegian Star, visited Auckland for the first time in February. During the quarter, 65 cruise ships visited Auckland – bringing in more than one hundred thousand passengers in total and contributing to the Auckland economy. This reiterated the urgent need for fit-for-purpose cruise infrastructure in Auckland.

Cruise infrastructure

As noted previously, cruise ships that are too long to fit at existing cruise berths have already started to visit Auckland, and this will increase in the coming seasons. As larger ships replace older ships, investment in fit-for-purpose cruise infrastructure is essential to allow the industry to continue to grow. Cruise is now New Zealand's fastest growing tourism, doubling in the past five years. This growth is forecast to continue. Nearly half of the cruise ships on order to be built by 2026, of which many will service our region, are too long to berth in Auckland.

Ovation of the Seas will visit three times during the 2017/18 season, and five times in the 2018/19 season. Princess Cruises announced plans for Majestic Princess, a new 330m Royal-class ship, to visit Auckland 11 times during the 2018/19 cruise season, with three full exchanges and eight partial turnarounds – subject to the availability of a suitable berth. Current cruise infrastructure in Auckland can only accommodate 320m ships.

Queens Wharf mooring 'dolphin'

Options for interim infrastructure to accommodate larger cruise ships continue to be analysed. They include the use of the existing port berths or Wynyard Wharf, as well as the proposed addition of mooring dolphins (or wharf extensions) at Queens Wharf, Princes Wharf or Halsey Street Wharf.

A short-term mooring dolphin off the end of Queens Wharf has been endorsed by Council's Planning Committee as the next phase of cruise infrastructure. Progress is subject to further technical analysis and a resource consent, with delivery anticipated for the 2018/19 cruise season.

The need for further cruise infrastructure will be considered as part of the Central Wharves Framework being prepared by Pānuku Development Auckland, part of the Waterfront Plan refresh. Preparation of the framework has included consultation with key stakeholders, including the Waitemātā Local Board and previous opponents to the Bledisloe Wharf reclamation. Pānuku has also engaged with its Mana Whenua Forum on a number of occasions. Further discussions and planning will take place during Q4.

i-SITE

A new location has been found for the Lower Queen Street i-SITE, which should alleviate some of the issues caused by the construction works. The main focus for Q4 will be the fit-out of the new location, and preparing the wider team for WMG2017 and British and Irish Lions visitor arrivals.

Industry skills development

During Q3, ATEED met the Ministry of Social Development, ServiceIQ, Tourism Export Council (TEC), Ministry of Business, Innovation and Employment (MBIE) and Tourism Industry Aotearoa (TIA) to discuss the development of a tourism industry skills attraction campaign for Auckland. The productive meeting resulted in a number of actions. The Tourism team is working in collaboration with the Skills team, and is likely to use the successful #BuildAKL programme as a template.

The project's aim is to attract more people to look at Tourism 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. The goal of this project is to 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. During Q4, ATEED will facilitate the delivery of the Service IQ Regional Roadmap for the Service Sector².

Māori development

The Destination Development team has prepared a brochure showing all Māori tourism operators in Auckland. This will be used during WMG2017 and the DHL New Zealand Lions Series 2017. There will also be a Māori tourism booth at WMG2017. The booth will promote the Māori tourism experiences Auckland has to offer.

Major events

Downer NRL Auckland Nines (4-5 February)

The Downer NRL Auckland Nines was successfully delivered over Waitangi weekend. There has been significant media speculation on whether the event will take place. ATEED is currently awaiting confirmation from Duco.

Pasifika Festival (25-26 March)

During Q3, the 2017 Pasifika Festival was successfully delivered by Orange Productions, on behalf of ATEED, with approximately 60,100 people attending the event. The Pasifika Festival 25th Anniversary Showcase took place on

² <http://www.serviceiq.org.nz/assets/Attachments/Workforce-Development/Auckland-Tourism-Regional-Roadmap-v1-Mar17-Web.pdf>

Saturday, 25 March. The post-event survey returned a satisfaction rating of 87 per cent, and 95 per cent of Aucklanders agree that the event makes Auckland a great place to live.

World Masters Games 2017 (21-30 April)

The total number of expected visitors as at 31 March stood at 34,876 (97.2 per cent of target). Australia (8,042) and the rest of the world (10,989) are above target, while Auckland (9,510) and the rest of New Zealand (6,335) are below target.

As part of the leverage and legacy programme, and to assist WMG2017 in supporting its objectives, ATEED will run an Eden Park precinct activation two hours prior to the gates open for the Opening Ceremony on 21 April. ATEED will also run a WMG2017 business programme from 24-28 April. These events will be by invitation-only, and provide an excellent opportunity to network with individuals looking to work, study or do business in Auckland.

The post-event report for WMG2017 Leverage and Legacy will be co-ordinated by ATEED, circulated to Council, and is due to MBIE by 30 June.

DHL New Zealand Lions Series 2017 (7 June – 8 July)

ATEED continues to work with various stakeholders to make Auckland visitor-ready for the DHL New Zealand Lions Series 2017. The team is working with Auckland Transport to ensure there is a city-wide lens on crowd management and public transport so that visitors are able to get to and from the games without any major issues. There will also be lightboxes on Queen Street, telling Auckland's transformation story to visitors.

The All Blacks offshore brand campaign (video) was launched on 31 March via ATEED and All Blacks channels. The objective of the campaign is to provide destination content to international audiences. Within five days of the launch, the video had received 120,000 views on social media. This campaign will also feature on Air New Zealand's inflight rugby channel from June.

Filming for video destination content featuring Sir John Kirwan begins in Q4. The content will be distributed through DHL NZ Lions Series consumer channels, and assist in supporting social media activations with highlights for use in the live broadcasts to increase Auckland's profile.

Accommodation pricing and availability continues to be a risk for the series. A Memorandum of Understanding (MoU) has been signed with Airbnb, which will allow access to listings and assist with Auckland's accommodation needs during the event. Lions Rugby Travel has pre-booked most of the campervan sites at the Ellerslie Racecourse. The 'Campable' mobile app has been created, and will allow motorhome travellers to check availability to stay with local landowners and businesses. There is also an allocation of 200 sites at Alexandra Park.

ATEED has commissioned further research to estimate accommodation capacity across the Auckland region, covering a range of accommodation types. Historical data from the 2005 Lions series and Rugby World Cup 2011 will be used as an overlay for the capacity forecast. The average daily room rates will also be a factor in the analysis. The findings are expected by the end of Q4.

Rugby League World Cup 2017

By the end of Q3, ticket sales were ahead of target, with the majority of sales expected in September-October 2017. There will be two games held at Mt Smart stadium, the first being on 28 October (pool game), and the semi-final on 25 November.

Rugby League World Cup (RLWC) has appointed 22 community ambassadors from Auckland rugby league clubs who will help promote the tournament at grassroots level. A major emphasis is on Pacific community engagement, with a focus on appointing community ambassadors and engaging with church/cultural groups. RLWC2017 had a presence at the ASB Polyfest and Pasifika festivals during Q3. There are also planned activations at Auckland Rugby League/NZRL events and Council events throughout 2017.

A full schedule of major events is available on ATEED's website, www.aucklandnz.com

Auckland Convention Bureau (ACB)

In the nine months to the end of Q3, ATEED's ACB team had handled a number of opportunities to bring business events to Auckland, resulting in year-to-date wins valued at \$35m. This was done in collaboration with ACB membership and industry partners.

During Q3, ACB engaged and participated in other events and trade shows along-with other Auckland and New Zealand partners. A number of client familiarisation visits were also arranged and hosted for key international markets, including a bespoke PCO (professional conference organiser) familiarisation visit with owners and directors from top five organisations based in Australia, and a visit from the Incentive Research Foundation board based in North America, with a panel session for ACB members held during this visit. A number of media opportunities were also secured during the quarter, with editorials and features on Auckland as a growing city and business events opportunities from *CEI Asia* and *MICENET* magazine.

Accommodation Provider Targeted Rate

The proposed Accommodation Provider Targeted Rate (APTR) received a lot of media coverage over Q3. As covered in previous reports, Mayor Goff has expressed his intentions to implement a targeted rate from 1 July 2017. ATEED management has continued to support the Mayor's proposal for a targeted rate for accommodation providers, including the latest revision presented to Councillors and the public on 5 May. Management has supplied budget and performance information for those ATEED work programmes within the scope of the rate. A workshop is to be held with Councillors on 17 May, before a decision is made at the 1 June Finance and Performance Committee meeting, where a proposal to adopt the rate will be on the agenda.

Build a culture of innovation and entrepreneurship

Local economic development

During Q3, ATEED delivered three 'Starting off Right' workshops across Auckland. These workshops are part of ATEED's programme of business support, and offer free expert advice on how to establish and grow a new business. The workshops were attended by 67 people. ATEED also delivered 22 business clinics offering advice on business challenges and growth. Forty business people booked one-to-one sessions. In addition, there has been over \$1.8m in Callaghan Innovation / Research and Development grants facilitated by ATEED to businesses for the year ending 31 March.

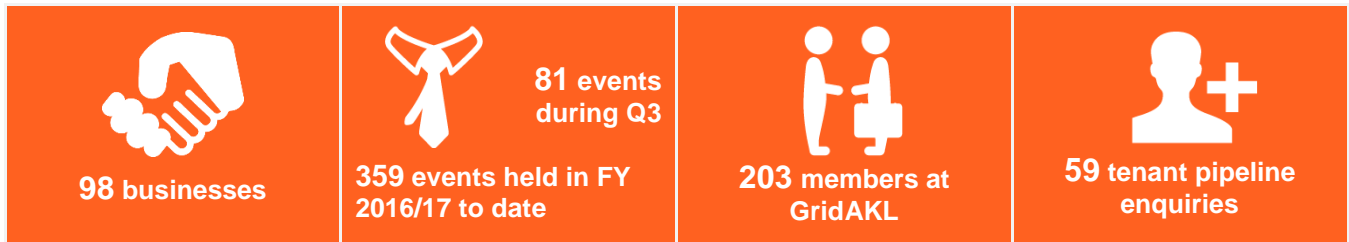
GridAKL – the place

By the end of Q3, the number of residents at GridAKL grew to 165 across 98 start-ups (compared to 76 businesses at the end of Q2). New residents include Agility Mobile Solutions (mobile applications and quality assurance), Edition Productions (tech-based productions) and End Game (software development).

The fit-out of the upper level of 12 Madden Street is forecast for completion on 15 June, and completion date for the lower levels is to be confirmed after design changes have been assessed. Lease negotiations are continuing with a corporate anchor tenant for level 5, and smaller tenants for a portion of level 4. The tenanting pipeline continues to grow, with 59 enquiries and property agents actively promoting the new sites.

GridAKL – the community

Below is the dashboard summarising key activity at GridAKL as at the end of Q3.



The 81 events included hosting Fonterra & Accenture (Direction of Travel for IT), Air New Zealand (Digital Dragons Den), Summer of Tech (Hackfest & Bootcamps) and the UK FinTech Delegation Session.

Prime Minister Bill English visited Lysaght during the quarter to meet and engage with GridAKL residents. The Prime Minister was provided with a quick overview of GridAKL and Council/ATEED's involvement and investment in the facility. He was introduced to three resident companies, Mish Guru (Lightning Lab graduate which has experienced rapid expansion in offshore markets), Previously Unavailable (innovation thinking) and One Fat Sheep (interactive technology).

International start-up lawyer Christina Tsakona ran a successful workshop that focused on better understanding venture capitalists across the globe. This was a great opportunity for local entrepreneurs to upskill from an international expert, and also to promote the GridAKL facility.

GridAKL – the services

Deloitte and HGM Legal are providing drop-in mentoring sessions to GridAKL residents and community members. As part of the Step Up Mentoring programme (partnership between BizDojo and Xero), GridAKL will host a series of speaker events during Q4, featuring high profile staff members from Xero. There will be four sessions covering a range of topics relevant to growing start-ups, sharing lessons learnt from Xero's journey. These free sessions are open to the public.

ATEED is identifying all its touch points with GridAKL, to determine how it can amplify initiatives for maximum impact. Two recent initiatives included WMG2017 and Techweek.

GridAKL will welcome two out-of-town ecosystem contributors to Auckland during Q4. Vodafone Xone (Christchurch-based incubator) and Mahuki (Wellington-based accelerator) will host information sessions and mentoring drop-ins at GridAKL as part of their national roadshow.

The Lion Foundation Young Enterprise Scheme (YES)

YES E-Days took place across Auckland in February 2017, involving 1,600 high school students. They gave students the opportunity to discover what the 2017 programme entails, and to test their initial business ideas with 400 volunteer speed coaches. This year, YES has about 1,320 students from 56 schools.

DIGMYIDEA, a Māori Innovation Challenge providing a new generation of young Māori entrepreneurs with a place to develop and showcase their innovative ideas, received 93 entries this year – with some incredible digital ideas that have the potential to go global. All finalists' ideas are grounded in Māori tikanga, with digital capabilities that help to showcase Māori culture and business ideas that will benefit the wider community. The finals of DIGMYIDEA (DIGIwānanga) will be held from 13-14 May (during Techweek) at Te Wananga o Aotearoa, Mangere.

Auckland represented at Developer Week 2017

ATEED led an Auckland collective at the Developer Week Conference and Festival 2017 in San Francisco in February. Auckland was promoted as ‘tech’s best kept secret’³ to attract skilled software professionals to live and work in Auckland. The key focus of activity is to support tech, digital and software businesses and the industry to grow skilled migrant interest in Auckland, and help fill key skills gaps. Immigration New Zealand provided visa support and advice. Techweek 2017 and Air New Zealand sponsored the Auckland tech package for two winners to visit Auckland during Techweek 2017. Interest in Auckland as an emerging tech hub was strong, with 1,500 software developers attending the Hiring Mixer. Partner feedback on the event was positive, and businesses are following up with prospective candidates.

Auckland Economic Symposium

ATEED successfully delivered the inaugural Auckland Economic Symposium in March. ATEED partnered the New Zealand Institute of Economic Research to deliver the event, held at the Auckland War Memorial Museum. The event was attended by 120 leaders from across government and the industry.

ATEED’s objectives for the forum were to augment the dialogue and debate regarding housing, infrastructure and transport, as well as to discuss other key issues impacting Auckland’s productivity and prosperity (such as economic infrastructure, talent, trade and advanced industries). The event had four sessions, each covering important topics relating to the challenges of achieving inclusion and prosperity in Auckland, stimulating high-value employment to grow prosperity, Auckland’s role in increasing New Zealand’s competitiveness, and the workforce of tomorrow – technology and talent. ATEED secured a great line-up of speakers, including David Skilling (Director of Singapore-based Landfall Group), Consulting Economist, Hayden Glass, Lillian Grace (CEO of Figure NZ), and the new CEO of Callaghan Innovation, Vic Crone. The event was well-received by all attendees, and positive feedback received. Next steps will be to review the event feedback from the post-event survey and consider options for the future work programme

Techweek

During Q4, ATEED will support the delivery of Techweek, a week-long event that brings together New Zealand’s brightest technology and innovation talent to tackle global issues with local ingenuity. The event runs from 6-14 May, and includes up to 150 events nationally, with about 80 in Auckland.

ATEED will support the event with significant marketing and media activities including Facebook paid adverts, 30-second videos on demand, street posters, ad shells, bus backs, a feature in *Idealog*, and articles and podcasts in *The Spinoff*. A significant number of events will be held at GridAKL, the AR/VR Garage, ASB Cube, Viaduct Events Centre, MOTAT, Massey University and AUT.

The AR/VR Garage will host a number of exciting events aimed at bringing together the AR/VR development ecosystem, educating the community on emerging technologies, capabilities and experiences, while also catering to digital technologists and gaming enthusiasts.

ATEED has worked to bring world-class speakers to New Zealand for two days of presentations, panels and networking during Techweek (8-9 May). The NZ Hi-Tech Awards will also be held during Techweek, to celebrate New Zealand’s most successful high-tech companies and highest achieving individuals. ATEED will also support the delivery of a number of other events during Techweek.

The full programme of Techweek events can be found at techweek.co.nz.

³ [Why Auckland techs best kept secret](#)

Attract business and investment

Investor migrant update

During Q3, ATEED hosted a potential investor migrant who is a leader in artificial intelligence (AI) in the US. This investor works for Elon Musk's not-for-profit organisation, OpenAI. The investor visited New Zealand to determine which city to live in once a resident, and understand the innovation ecosystem as well as explore investment opportunities. Since returning to the US, the guest has confirmed he will progress with his investor plus application.

Investment Attraction Taskforce

ATEED CE, Brett O'Riley continues to represent the regional economic development agencies on the Government's Investment Attraction Taskforce. There has been a strong focus on attracting research and development partnerships and investment, which will be important for growing Auckland's advanced industries, such as companies like Fisher & Paykel Healthcare, Orion Health, RocketLab, Avertana, Power by Proxi, and Revolution Fibres.

The Global Impact Visa Scheme (GIVS) being managed through the Edmund Hillary Fellowships, has attracted tremendous international interest, with over 300 applications from candidates wishing to undertake globally impactful projects in New Zealand. Auckland is well-placed to host some of the successful candidates through our tertiary, research and business organisations. Investor migrant interest in Auckland and New Zealand remains very strong, with applications from the US increasing significantly.

Lantern Forum

During Q3, ATEED successfully delivered the inaugural ASB Lantern Forum during the 2017 Auckland Lantern Festival. It was designed to promote bilateral investment opportunities and connect Chinese delegates, migrants and business people with Auckland businesses and political leaders. The forum was followed by business networking activities that attracted more than 200 attendees, including local and international speakers. The forum addressed important topics such as how to convert China's growth potentials into real economic opportunities for Auckland, as well as the issues that the investment and businesses from China are facing – with a focus on migrant investors.

Tripartite Economic Summit

ATEED is preparing for the Tripartite Economic Summit to be held in Guangzhou, China from 8-10 November 2017. It is the third year of the economic alliance between Auckland, Guangzhou and Los Angeles.

ATEED is working with Council's Global Partnerships and Strategy team as well as other stakeholders and partners to assemble a strong business delegation to Guangzhou. Developing a strong partnership approach will enable ATEED to build on the momentum of last year's successful summit in Auckland. Showcasing Auckland's strengths in industries such as advanced manufacturing, digital and creative industries including screen, animation, gaming and AR/VR, food innovation, education, bio-medicine, urban design, tourism, will be key. A pre-Summit programme of workshops and seminars will be developed to engage businesses and industry groups, to develop offshore connections for investment or export opportunities, and promote Auckland as a destination to work, study and do business.

Premier Li Keqiang visit

During Premier Li's visit an MoU was signed for the Belt and Road Initiative that seeks to jointly build the trade routes of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, which effectively link trade in over 60 countries. New Zealand is one of the first countries supporting the initiative, and the first country to sign such an MoU with China. The partnership promotes collaboration in transportation, economy and trade, agriculture, investment, technology and innovation, and tourism, thereby offering benefits to Auckland.

The visit included announcements that New Zealand will offer five-year visas for Chinese tourists, and that the 2019 calendar year is to be the China-New Zealand Tourism Year. Both of these announcements support ATEED's tourism objectives for the china market.

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

During the period ATEED continued to support Project Palace, a project led by New Zealand Trade and Enterprise (NZTE), and including Tourism New Zealand and the Ministry of Business, Innovation and Employment, looking into the supply and demand of visitor accommodation in New Zealand. NZTE is the lead agency for the Investment Attraction Strategy and Framework, which mandates ATEED's role to support the attraction of hotel investments. ATEED works with NZTE to identify viable land options for new hotels in Auckland to present to investors in New Zealand and abroad.

During Q3, an overseas hotel developer was introduced to Auckland Transport and Mayor Goff, with Project Palace being one of the agenda items. There were other meetings held with potential investors from Japan and Australia during the quarter in relation to 10 potential hotel sites in Auckland.

ATEED will have follow-up meetings with potential investor representatives during Q4 to discuss opportunities, as well as continue to engage on prospective overseas leads.

Augmented Reality/Virtual Reality (AR/VR) content creation

The AR/VR Garage continued to grow, with more than 20 resident companies at the end of Q3. During the period, ATEED continued to assist companies with their plans to grow their businesses, develop new markets, and establish offshore partners and a brand presence. A number of new start-ups are now operating out of the Garage.

Multiple tertiary institutions are also now working in the Garage alongside industry, with the University of Auckland and AUT students working on a number of separate projects, including earthquake informatics, fire safety, education and children's health to name a few. ATEED also secured corporate sponsorship enabling companies in the Garage to access shared resources that they would not otherwise be able to afford.

ATEED continues to work on attracting new international partners, and to develop working relationships and build alliances with other AR/VR centres around New Zealand. Work is being done to drive consistent messaging regarding international profile and the brand for the New Zealand AR/VR community.

During Q4, the AR/VR Garage will also host international speakers during Techweek (May), and has assisted in creating an itinerary that maximises their exposure to the New Zealand industry and academics during their stay. Opportunities to collaborate with the Victorian State Government in relation to AR/VR and Gaming technologies will continue, as will work to attract a wider audience of investors and talent to New Zealand shores.

Tesla

The BA&I team facilitated meetings for Tesla with the Mayor and John Mauro from Council's Chief Sustainability Office. The purpose of these meetings was to reinforce Auckland's alignment and commitment to pursue a sustainable energy based transportation plan. The team worked with a commercial realtor to develop a list of prospective properties from which Tesla's K Road showroom and maintenance site was selected.

Work was undertaken with Ports of Auckland to facilitate the clearance and release of the first delivery of vehicles into Auckland in support of the launch event. ATEED and Ports of Auckland also set up a unique 'private road' experience for customers on the Port property for the launch event. Tesla acknowledged that the New Zealand market EV launch was one of their most successful ever into any market.

Aroha Auckland programme

The Aroha Auckland aftercare programme engages with multinational investor companies and high net worth investors, to help retain their investment and support their future expansion through their own growth or through

attracting their suppliers to Auckland. Minister Joyce recently noted that New Zealand is now the fourth fastest growing economy in the developed world, and New Zealand's employment rate is 66.9 per cent – the second highest rate of employment in the developed world. This is an extremely attractive environment for investors to setup or expand their business. By the end of Q3, the number of intensively account-managed customers in the Aroha Auckland programme stood at 61, against the target of 85. ATEED will continue to work with Aroha clients during Q4.

Screen Auckland

Screen production activity throughout Q3 was consistent, with employment and income for screen sector contractors and suppliers steady, and an increased profile for Auckland as a filming destination. ATEED's screen attraction activity aims to grow the region's \$900 million⁴ a year screen industry into a \$1 billion industry.

There were 155 film permits issued for 64 productions filmed during Q3, valued at approximately \$150m to the Auckland economy. The number of permits for the same period in 2016 was 134. The permits issued were for 55 local productions and 19 international productions. A New Zealand family feature film *Kiwi Christmas* started filming in mid-February, and the US TV series *Power Rangers* also began filming during Q3. Award-winning Australian TV series *800 Words* started filming its third series, and MTV's *The Shannara Chronicles* returned to film a second season in early February.

Investment from the private sector has been a milestone development in Auckland and New Zealand's film industry, namely the creation of the Kumeu Film Studios. As a result of this facility, Auckland and New Zealand's ability to service international productions has grown, with multiple international enquiries seeking to secure the facility.

China is the world's second largest film market, and continues to grow exponentially. China is reshaping the global film industry through co-production and outbound direct investment (ODI). Through ATEED's work with the New Zealand Film Commission and the industry and agency partners, ATEED has launched a series of programmes to leverage the opportunities from China, and has placed Auckland in the minds of key decision-makers and influencers.

ATEED will continue to work with China-based Gravity Pictures during the next quarter and beyond to explore opportunities to bring future film projects from China to Auckland, benefiting both our region and New Zealand's film industry.

Grow and attract skilled talent

As part of Council's wider priorities, ATEED continued to focus on programmes which help to reduce social inequality by accelerating the prospects of Auckland's young people. This came from delivering initiatives which encourage youth entrepreneurship and create employment pathways.

Youth Employment Pathways Programme

By the end of Q3, there were 66 Youth Employer Pledge partners, with seven new partners welcomed at a pledge event on 4 April hosted by KPMG in Wynyard Quarter, where Sir Stephen Tindall was the keynote speaker. City Care, Asplundh, Cushman & Wakefield and Dempsey Wood were among the new pledge partners, as well as Viridian Glass, YMCA, and Z-Energy in the CBD. A Q3 survey of Youth Employer Pledge partners showed that more than three-quarters of organisations benefit through participating in the pledge network by accessing information on youth employment and development expertise, participating in JobFest events, and seeing their youth employment achievements recognised.

⁴ Statistics NZ, 2016

#BuildAKL campaign

The #BuildAKL campaign has more than 3,000 followers on Facebook, with the #BuildAKL four weeks work experience winners attracting 2,500 followers. Facebook analysis shows that more than 70 per cent of these followers are under 30 years of age. Followers watched the #BuildAKL squad competition winners get a taste of the industry with leading employers such as Downer, Fletcher Building and Watercare.

The final six months of the campaign will focus on connecting the target audiences (people aged under 25 years – particularly women, Māori and Pacific peoples) to careers and entry-level jobs in Auckland’s booming construction and infrastructure sectors. MIT and Unitec have committed to providing full scholarships.

In Q4 the campaign will focus on communicating the importance of driver licensing, and encouraging more young women embarking on careers in the construction and infrastructure sectors.

CBD Jobs and Skills Hub

The CBD Job and Skills Hub was officially opened in Wynyard Quarter with a blessing by the Pānuku mana whenua group in late February. The opening was attended by local employers and stakeholders. Since then, work brokers have placed 19 individuals into work with six employers delivering construction and infrastructure projects in Auckland’s city centre.

More than 80 per cent of the successful candidates have now been able to come off the Work and Income register, with one-third of candidates being Māori, and over a quarter of Pacific peoples ethnicity. These results show that the CBD Jobs and Skills Hub is delivering in line with key performance targets. The hub is also working with employers to identify upskilling opportunities prior to, as well as during employment.

Planning will take place during Q4 for a mid-year Youth Employer Pledge summit, bringing together network members and experts to share knowledge and experience, and therefore reinforce their commitment to increasing youth employment.

During Q4, JobFest will be delivered, with nearly 75 employers already registered and a waiting list in operation for the next JobFest. The event will be held on 3 May at the Manukau Vodafone Events Centre.

Enabling education and talent

Data for the number of visitor nights generated by international students is not collected. However the average length of stay for students is 2 years. According to Education New Zealand data⁵, international students were reported to be worth \$2.2b to the Auckland economy in 2015/16. This value includes course-related costs but does not account for other significant benefits that these students bring, including tourism spend generated by visiting friends and family, advocacy value, and the students becoming future residents and skilled workers.

ATEED’s research⁶ into the short stay Study Abroad cohort from the US showed that the value that half of all students had friends or family visit them during their stay. Family accounted for two-thirds of all visits, with one in five (18 per cent) of the visits included three or more people. Half reported spending more than 25 days travelling the country, typically spending about \$8000 during their time in New Zealand, in addition to course fees.

The Study Auckland team has also completed the following:

- Research with international students, tertiaries and companies that has identified ten priority themes which will enable industry partners to deliver authentic and unique international student experiences.

⁵ Auckland has a 66% share of the New Zealand market for international students. Source: Infometrics, p.5 - <https://www.enz.govt.nz/news-and-research/research/the-economic-impact-of-international-education-201516/>

⁶ Sample: 242 AUT and University of Auckland students

- A *Safety in the City* video to ensure that international students make the most of their time in Auckland, and are informed about personal safety, employee rights, and sexual and mental health. This was a key deliverable of the Study Auckland team to support the work undertaken by the Auckland Agency Group, which includes the Ministry of Education, Education New Zealand, MBIE, New Zealand Police, Ministry of Health, and the Human Rights Commission. The group is tasked to improve the wellbeing of international students based in Auckland.
- Tailored tech graduate boot camps for ICT firms in Auckland seeking talented international student graduates from universities and institutes. Partners in the project include Industry Connect, Education New Zealand, and Immigration New Zealand.
- Two new short introduction videos were developed to promote Auckland as a premium study destination.
- Distribution of two graduate video stories via Education New Zealand's Study in New Zealand Facebook, Twitter and Weibo accounts, showcasing the employment and skilled migration pathway options of international graduates educated in Auckland.

Build Auckland's global brand and identity

International marketing

A joint Facebook marketing campaign for Auckland kicked off on 6 February, in collaboration with Tourism New Zealand (TNZ) and Auckland International Airport (AIAL). The target audience is leisure travellers in New South Wales and Queensland. The target audience will include Victoria 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 'Auckland. 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. ATEED has invested \$100k in this joint activity with partners, and will be the first time that ATEED has run a major Auckland-specific digital activation with TNZ in Australia – a key milestone. Results will be measured by visits to ATEED's website, referrals to operators, and bookings via trade partners such as Flight Centre.

During Q3, ATEED worked with The Urban List, an online lifestyle guide, on a campaign promoting Auckland's short-break proposition in the Australian market. The campaign runs from March-May, and includes three advertorials and a video. ATEED also worked with Travel Associates on a four-page Auckland destination spread in Travel Associates *Inspirations* magazine targeting high-end clients. A digital campaign also ran in conjunction, promoting existing video content through social media.

During Q4, ATEED will continue to work with Google on a project to capture Auckland landmarks and attractions with not only historical significance, but also those with tourism benefits. With ATEED's assistance, Google has captured Rangitoto and Tiritiri Matangi Islands, which will be live on Google Maps in the next few weeks. The Hillary Trail will be captured in May, and will provide an opportunity to undertake joint PR activity with the Department of Conservation.

Domestic marketing

As part of ATEED's partnership with the 2017 Downer NRL Auckland Nines, we received live broadcast destination coverage through Sky TV and Fox Sports in Australia, therefore generating a high viewership from those watching the game. The Domestic Marketing team worked on a series of two-minute clips on each of the four pool names (named after four iconic Auckland locations), using an NRL player to showcase each of these destinations – Piha Beach, Hunua Ranges, Waiheke Island and Rangitoto Island. The clips were also promoted online in a social campaign via ATEED's *Visit Auckland* Facebook channel, with an overwhelmingly positive response – a total of over 230,000 engagements (likes, shares and comments), a reach of over 750,000, and almost one million impressions (937,000).

ATEED's Domestic Marketing team also worked on a campaign for WMG2017, using a series of short video clips with ambassador, Jenny-May Clarkson. The videos showcased Auckland's diverse regions, encouraging participants and attendees to stay and play while they are here for the event, with highlights and ideas of what to see and do in each area. These videos are housed on ATEED's website, and were promoted on social media through the *Visit Auckland* Facebook page, as well as being promoted by WMG2017 through newsletters to participants and through their social channels.

Restaurant Month domestic marketing campaign will be in market during Q4, and leverage Heart of the City's annual Restaurant Month event to drive increased visitation and visitor spend in Auckland, therefore helping to address seasonality. The focus of this campaign is on priority fly markets, namely Wellington and Christchurch.

Digital Development Project

The Digital Development project team will continued to work on the various pages of the new website in Q3 to replace the almost obsolete existing technology. The new website will be on a digital platform, and have an improved user experience. The project is still on track to be finished by the end of Q4.

4. Financial performance

This report covers the operational performance of the ATEED Group, including our subsidiary, World Masters Games 2017 Ltd (WMG2017).

Operational expenditure is slightly lower than forecast. This positive variance is due to a timing underspend in the GridAKL programme of \$0.2m for agency letting fees relating to 12 Madden Street, and an underspend in Major Events of \$0.1m for various projects. These have been offset by corporate internal audit fees of \$0.1m incurred in March but not forecast.

As at the end of Q3, external revenue was higher than forecast due to registration revenue from WMG2017 being higher than forecast. Overall, the year-to-date (31 March) whole-of-programme revenue is higher than forecast, with commercial revenue exceeding forecast by \$0.6m. This compensates for the \$0.3m decrease in planned registration revenue. WMG2017 is not expecting any increase in funding requirements from ATEED, and expects to deliver the programme within budget.

Overall, the YTD whole-of-programme revenue is higher than forecast, with commercial revenue exceeding forecast by \$0.6m, compensating for the \$0.3m decrease in forecast registration revenue. WMG2017 is not expecting any increase in funding requirements, and expects to deliver the programme within budget.

Capital expenditure relates mainly to the fit-out costs for the three buildings that form part of GridAKL. This spend is lower than forecast due to work on 12 Madden Street and Mason Brothers being slightly behind planned schedule. This however has no impact on the scheduled opening of both buildings.

As at the end of March, ATEED's funding from Council is slightly lower than forecast due to lower WMG2017 funding requirement than planned, and timing-related underspend across ATEED's business units.

Financial Performance for the Period Ending 31 March 2017				
\$'m	Actual	Forecast	Variance f/(u)	Full year budget
Operational				
External Revenue	17.6	16.4	1.3	19.6
<i>AC Funding</i>	31.1	32.6	(1.5)	56.2
Operational expenditure excl. depreciation	47.4	47.6	0.2	75.8
Depreciation	0.5	0.5	0.0	1.2
Capex				
Expenditure	2.1	3.9	1.8	7.9
<i>AC Funding</i>	2.4	3.7	(1.3)	7.9

5. Māori transformational shifts activities

How it contributes to Māori outcomes	Progress over Q3
To significantly lift Māori economic well-being, and enable and contribute to Māori economic needs and aspirations through activities that target: <ul style="list-style-type: none"> tribal development whanau wellbeing Māori business sector development. 	<p>Procurement – (Whai Rawa Project):</p> <p>ATEED is a part of wider Auckland Council discussions supporting the increase of the contract value awarded to Māori businesses (direct and indirect).</p>
Grow Māori business capability and economic prosperity	<p><u>Whāriki promotional videos</u></p> <p>During the period December to February, ATEED commissioned the filming of ten two-minute success stories to showcase Māori entrepreneurship in Tāmaki Makaurau, and to increase networking capabilities of current Māori business operators. The sectors covered in these video are cosmetics, fashion, tourism, creative industries, and food and beverage. To support this activity, ATEED has developed social media channels, including Whāriki Facebook and LinkedIn pages.</p> <p>In addition to being used on the Whāriki social media channels, the videos will be used to support other ATEED activity such as DIGMYIDEA (April-May 2017), the Whāriki event showcasing the Māori economy at WMG2017 (21-30 April), and Techweek 2017 (6-14 May).</p> <p><u>Māori Tourism - international market development</u></p> <p>The objective of this project is to promote unique commissionable Māori tourism businesses to the North American travel trade and consumer audience.</p>

How it contributes to Māori outcomes

Progress over Q3

ATEED's Māori tourism and economic growth teams have taken a collaborative approach to support The World Indigenous Tourism Alliance (WINTA) New Zealand. The focus has been on how to support the 19+ Māori tourism operators that are based in Tāmaki Makaurau to attend the conference, famils and make use of tradeshow space. ATEED will support a 'Tāmaki Makaurau Māori Tourism Contingent' to attend the conference. This contingent will include Māori tourism operators and mana whenua representatives, aiming to connect them to international trade opportunities and other indigenous communities.

The conference will be held in April 2018, and be hosted at the Waitangi Copthorne. ATEED is collaborating with Air New Zealand to use its communications and operational channels to achieve the objectives of the project.

Food and Beverage Incubator

A meeting was held in February with the wider Council group to progress a strategy relating to for the food and beverage sector with a special focus on Māori. The group included teams representing The Southern Initiative, International Partnerships and Trade, Corporate Partnerships and Pānuku Development. A feasibility report was commissioned in March to contribute to the business case for the development of a Food and Beverage Incubator kitchen in South Auckland. Such a facility would allow Māori start-up food and beverage businesses to access commercial kitchens, business acumen and market development opportunities. The feasibility report will be delivered by 30 June.

Social Procurement - Supplier Development Programme

ATEED will build a Māori procurement strategy, designed to allow Māori businesses and iwi organisations to develop the capability and capacity to successfully bid for potential tender contracts within the public and private sector.

During February and March preliminary discussions were held with the wider Council procurement team and Te Waka Angamua to discuss a procurement strategy for the wider Auckland Council group. Key relationships have also been established with Air New Zealand, Westpac, Spark and the Pacific Business Trust to discuss a procurement strategy to promote Māori business suppliers to these organisations.

A hui was held in March with ATEED, Te Waka Angamua, Pānuku Development, Auckland Transport and City Rail Link to discuss and align social procurement outcomes across CCOs, to create more consistency in the approach and messaging. The hui also determined how organisations could support each other to advocate for social procurement outcomes. The hui concluded that there was interest among participants to be involved in a "Social Procurement Symposium". The Social Procurement Symposium will be held at the end of June, which will include international speakers from the City of Manchester and Supply Nation, Australia.

How it contributes to Māori outcomes	Progress over Q3
	<p>"Procurement Cafes" will be held in May and June with Westpac, Air New Zealand, the Pacific Business Trust and Spark, focusing on ICT digital, food and beverage and the creative sector. ATEED will target approximately 15 businesses per cafe within this pilot.</p>
<p>Celebrates and showcases Māori culture and provides a vehicle to leverage Māori business and investment opportunities</p>	<p><u>Tāmaki Herenga Waka Festival (28-30 January)</u></p> <p>The second Tāmaki Herenga Waka Festival was successfully delivered over Auckland Anniversary weekend in Q3. The Tāmaki Herenga Waka Festival post-event evaluation showed that attendance numbers doubled compared to the inaugural 2016 event, rising to 33,000. Survey results returned a customer satisfaction score of 95 per cent.</p> <p>ATEED hosted a <i>Tāmaki Makaurau Māori Tourism</i> booth in partnership with New Zealand Māori Tourism (NZTM) at the festival. The booth was in place on each of the three days of the festival, with more than 4000 people engaged in at least one activity at the booth. NZTM was very impressed with the outcomes.</p> <p>Feedback from the Mana Whenua Steering Group, Auckland Council stakeholders, Pānuku Development Auckland and RFA (Auckland Conventions – Viaduct Events Centre) has all been positive, and improvements suggested for 2018. Feedback shows that the Tāmaki Herenga Waka Festival was the best major event of its kind to have occurred to date, and there is keen interest in the festival returning in 2018. Auckland Conventions has advised that ATEED would need to pay for the venue in future – this will have an effect on the budget.</p>
<p>Tourism business development opportunities for locals and iwi</p>	<p>During the quarter, ATEED continued to support new and existing tourism operators. This included the launch of a new Māori tourism operator offering a day and evening cultural experience aboard the waka. ATEED provided links to industry contacts and supported the distribution of invitations to the launch.</p> <p>ATEED included Te Haerenga in an opportunity to host the CEO of Virtuoso, the tourism industry's leading luxury travel network. ATEED worked with Te Haerenga and DoC to organise a traditional Māori welcome and experience on Rangitoto and Motutapu Islands, including a kiwi release. As a result of this, Te Haerenga will be profiled in the 2017/18 edition of <i>Virtuoso Life</i> magazine.</p> <p>Famils facilitated during the quarter included The Southern Initiative Mana Whenua group visiting Woodhill Forest. ATEED, in partnership with The Southern Initiative, facilitated its second mana whenua tourism famil on 25 January - hosted by Ngā Maunga Whakahii o Kaipara (NMWK) at Woodhill Forest. Representatives from Ngāti Whatua Orakei, Ngāti Paoa, Ngāti Rehua, Ngāti Te Ata, Te Ahiwaru Makaurau Marae, and Manurewa Marae were all in attendance, eager to share and learn tourism insights with one another.</p> <p>The famil started with whakawhanuatanga (welcome and introductions), and was followed by a presentation highlighting their differing roles as kaitiaki (guardians) of the ngahere (forest), their current involvement in tourism ventures, and also a brief discussion on the future tourism aspirations for Ngāti Whatua o Kaipara.</p>

How it contributes to Māori outcomes

Progress over Q3

During Q3, ATEED continued to engage with iwi and mana whenua, providing a range of support. Some highlights are noted below.

1. Ngāti Paoa stakeholder hui

ATEED attended the Ngāti Paoa stakeholder hui / brainstorming workshop, supported by The Southern Initiative. ATEED provided input into ways that participants could achieve some of the tourism ideas and economic aspirations that results from the workshop.

2. Ngāti Whatua ki Kaipara - linking CBD to attractions in North West Auckland

ATEED included the North West Van in the mana whenua famil with Ngāti Whatua ki Kaipara. This showed an example of how iwi can work with the regional business associations to achieve better outcomes, and in this case, increased accessibility to the West Auckland region.

3. Taiohi Whai Oranga - Manurewa marae

ATEED met with Te Mahurehure marae's youth development arm, Taiohi Whai Oranga to discuss pathways into the tourism industry for rangatahi. ATEED will invite rangatahi from the marae to be involved in some of ATEED's upcoming events and seek to provide opportunities for them to gain work experience.

6. Ngāti Paoa, Ngāti Whanaunga and Ngai Tai – The Hunua Ranges cycleway project

The Hunua Ranges cycleway project is focused on investigating the concept of developing a link between the Hunua Ranges and the rest of Auckland. Should this project progress into implementation, it has the potential to generate a number of employment and business opportunities for the community in the long term. Intermediate steps will open up recreational use in Hunua Ranges and improve cycling opportunities for Auckland.

During Q3, ATEED worked with Ngai Tai, Ngāti Whanaunga, the Franklin Local Board and Auckland Council Democracy Services, Parks and Auckland Transport on the Hunua cycleway project. The general response has been very optimistic and supportive of the idea of a proposed connection from the city to the Hunua region.

The focus of the project to date has been on stakeholder engagement. To support this, ATEED hosted a productive project meeting with iwi and relevant stakeholders in March. Representatives from Ngāti Paoa, Ngāti Whanaunga and Ngai Tai attended and provided important insights into the discussions. During Q4, ATEED will work with NZTA to workshop possible routes with key stakeholders, including iwi and local boards.

How it contributes to Māori outcomes	Progress over Q3
	<p><u>Communications and marketing</u></p> <p>A number of communications and marketing activities are underway, with the bi-monthly Tourism newsletter scheduled for release in May. ATEED is also in the process of creating more marketing collateral, such as the Tāmaki Makaurau Māori tourism brochure and destination video, in order to enhance the Māori tourism presence at major events. The video is expected to be finalised during Q4.</p> <p><u>Other activity</u></p> <p>During Q3, ATEED continued to support the Auckland/Northland Collaboration - City to Cape initiative. In collaboration with Northland Inc, ATEED will contribute \$5,000 towards this initiative. An MoU between Northland Inc. and ATEED has been drafted. Further discussions will take place during Q4.</p> <p>Māori Women's Development Inc (MWDI) will be taking up office space at ATEED's Quay Street offices from late April. It is a unique opportunity to unite two organisations who celebrate and support Māori economic development. MWDI welcomes the opportunity to strengthen entrepreneurship, and reach to marae, hapū, Iwi, and in particular wāhine Māori and their whānau within Tāmaki Makaurau.</p>
ATEED Māori Responsiveness Plan	<p>ATEED's Māori Responsiveness Advisory team delivered presentations to all ATEED business units during Q3, reminding staff about the content of the Māori Responsiveness Plan. Presentations were followed by a workshop asking the team to reflect on their contributions towards the Plan, and to identify ways of improving its implementation.</p> <p>A six-week Te Reo Māori course was also organised during Q3 (one hour per week). The aim of the course is for participants to become comfortable in Te Reo Māori, to learn about hui protocols, and more. All organisation-wide hui now start with a mihi and waiata, and most business units across the organisation have also adopted this at their regular hui and team planning sessions. ATEED remains committed to the Māori Responsiveness Plan in our current and future activities.</p>

6. Key Local Board activity

Initiatives	Comments
<p>Economic development</p>	<p>During Q3, ATEED's Local Economic Development team produced an economic overview for each of the region's 21 local boards. Each overview analyses a variety of comparative factors such as demographics, skills, economic activity, employment, industries, and travel-to-work patterns. Each overview includes an interpretation of the information highlights key areas of focus for local boards.</p> <p>The economic overviews are a key tool developed as part of our ongoing local economic development work, and are primarily intended to inform local board members. These can be used by council group staff to inform local or regional projects. It will also help to identify sub-regional differences between local areas and local board initiatives.</p> <p>Key highlights from the overviews are:</p> <ul style="list-style-type: none"> • There are significant employment areas in many of our most socio-economically challenged local board regions (which have unemployment rates above the Auckland average). • Some of our local board areas have experienced very rapid population growth (Upper Harbour increased by 25 per cent between the 2006 and 2013 census), which has implications for infrastructure, employment, land, and access to employment opportunities. • West Auckland is a net exporter of labour to other parts of the region, with Henderson-Massey, Whau and Waitākere Ranges all exporting labour to other parts of the city. On census day in 2013, more than 44,000 of the 77,000 work trips made from West Auckland that day were to other parts of Auckland. • In addition to Waitematā, the key GDP-generating local boards include Maungakiekie–Tāmaki, Howick, Māngere–Ōtāhuhu, Upper Harbour and Albert–Eden. <p>The team has also been engaging with local boards on the development of the local board locally driven Initiatives (LDI) work programme for 2017/18. This activity will continue in Q4.</p>
<p>Major Events</p>	<p>During Q3, local board members, business associations and business improvement districts (BIDs) were regularly updated on the Major Events 2017 programme. ATEED also managed the delivery and follow-up of WMG2017 local board area event dressing, marketing and activations.</p> <p>During the quarter, ATEED also worked with local boards to deliver planned local leveraging initiatives during WMG2017, with some local boards choosing to utilise the Local Economic Development budget for these activities. ATEED will work with local boards during Q4 on possible opportunities for the DHL New Zealand Lions Series 2017, and other events from the 2017 Major Events programme (such as Rugby League World Cup 2017). Lessons learnt from WMG2017 will be reflected on and will include a new collaborative approach to local board communications in the weeks leading up to the main event.</p>
<p>Tourism</p>	<p>ATEED also facilitated the Qrious research programme into the visitor demographics for Waiheke, Matakana and Waitākere Ranges, and gathered supporting data from suppliers to validate numbers for Waiheke dating back to more than 10 years. This data will be</p>

Initiatives	Comments
	shared with other Council agencies responsible for facilities, parks and infrastructure at these same locations to assess the impact in the local areas.

Local board engagement

During the last quarter, meetings were held with Local Board Services and local board members via ATEED's local board point-of-contact system.

7. Risk management

Health and Safety: ATEED's H&S routines continue to be embedded into our day-to-day activities by implementing a best practice H&S management system. All incidents, near misses, and unsafe practices will be better captured when Risk Manager (new H&S software) is implemented across Council. The Risk Manager system will be implemented in Q4, and users trained in advance to ensure good reporting from day one. From 1 June 2017, ATEED will be included in the app-based capability to quickly and efficiently report issues.

Key highlights over the last quarter include an internal review on ATEED's contractor management, assessing the use of physical works contractors who are often engaged to undertake work at festivals, events and projects on ATEED's behalf. Further discussions are required with Council's Procurement team and CCOs to ensure that we meet our legislative requirements, and develop an approved list of preferred contractors.

Portfolio Risk: A number of risks and issues were actively managed, with the overall risk profile of ATEED relatively stable. There are currently no critical or high risks after the application of mitigations.

Risks and issues managed during the quarter include:

- The development of ATEED's new website suffered several temporary setbacks, including the loss of data. The new website is due to be launched in Q4, with a robust contingency plan in place.
- The Kumeu Film Studios had a few minor issues during early induction. These issues were successfully managed and resolved, and a Project Facilitator was appointed.
- A new location for the Lower Queen i-SITE has been identified, resolving a number of issues created by being located next to a construction site and working from portocoms.

Internal Audit: ATEED continues to use a combination of internal and external audit capabilities to carry out business reviews, as directed by Council's Internal Audit unit. This method is used in order to capitalise further on the growing internal capability.

- The GridAKL review has been completed and all actions completed.
- As ATEED uses Auckland Council procurement process, the planned procurement audit has been postponed by six months, while Council's procurement process undergoes major changes.
- An internal audit on ATEED's Project Management Office by Council's Head of Internal Audit has been completed, and the draft report is due to ATEED's management team in May.
- A review of the 2015 Security Audit will be carried out during Q4.
- A review of the 2016 Sensitive Expenditure Audit will be carried out during Q4.
- ATEED's business continuity plan will also be developed during Q4, along-with ethics and integrity training for all ATEED staff.

External Audit: Audit New Zealand letter of engagement for the financial year-end has been completed, and interim audit work has commenced.