

Auckland Tourism, Events and Economic Development Ltd Board meeting

OPEN AGENDA

Will be held as follows:

DATE: 26 June 2015
TIME: 12.00 noon start
VENUE:

Board members:

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

Attendees

<i>CEO</i>	Brett O'Riley
<i>Company Secretary</i>	Libby Nuth
<i>Others TBC</i>	

OPEN AGENDA

1. **APOLOGIES**

Apologies have been received from Richard Jeffery and Helen Robinson.

2. **MINUTES OF 5 MAY 2015 AND OPEN ACTION TRACKER**

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

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6. **FINANCE REPORT**

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Friday, 26 June 2015



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1. APOLOGIES

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Friday, 26 June 2015



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2. **MINUTES OF 5 MAY 2015 AND OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

BOARD MINUTES

- What:** Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
- Where:** Gulf Boardroom, ATEED Central Office, Level 8, 139 Quay Street
- When:** Tuesday, 5 May 2015 at 8.05 am
- Directors:** David McConnell
Norm Thompson
Franceska Banga
Richard Jeffery
Danny Chan
Helen Robinson
- In Attendance:** Brett O'Riley (Chief Executive)
Martin Fairweather (General Manager - Strategy)
Barbara Imlach (Chief Financial Officer)
Laura Fayerman (Executive Manager)
Libby Nuth (Company Secretary)
- Public & Media Attendance:** Dave Jaques, Good Governance NZ Ltd
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Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum (12.9 of the Constitution) is a majority of the directors and there currently being 6 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

No apologies were received.

2. Minutes of Previous Meetings and Open Action Tracker

The draft minutes of the meeting held on 27 March 2015 and the Open Action Tracker were discussed. The Board noted that an amendment was required to page 5 paragraph 4 of the minutes.

Following the conclusion of discussions, the Board resolved that the minutes of the ATEED meeting held on 5 May 2015 be confirmed, subject to an amendment to page 5 paragraph 4, as a true and correct record.

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

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

4. Finance Report, March 2015

Barbara Imlach spoke to the report which was taken as read. The key points were as follows:

- The Board noted that a forecast is brought to the Board every three months and the monthly report highlights any key variances to this. The Board requested that the Finance Report provide commentary on significant variations to forecast and that key points relating to variances (such as those in the Corporate Sponsorships area) be reported in each monthly Finance Report. **(ACTION)**
- The Board requested that the Finance Report include a note from the CFO detailing how ATEED was tracking to forecast. **(ACTION)**
- Revenue recognition rules for sponsorship were discussed and the Board were advised that sponsorship revenue was recognised when it was due as per the terms of the individual contract. This is set out in the accounting policies of ATEED's annual accounts.
- The Board requested that a full list of sponsors be provided to the Major and Business Events Committee for further discussion. **(ACTION)**

Following the conclusion of discussions, the Board resolved to:

1. **note the Finance Report for the period 31 March 2015; and**
2. **request that future Finance Reports highlight and provide commentary on significant variations to forecast.**

5. Chief Executive Review of April 2015

The Chief Executive spoke to the Report which was taken as read. The key points were as follows:

- This had been a busy quarter with a large volume of work undertaken in the investment attraction area as well as a particular focus on GridAKL.
- There had been a significant amount of work around the expansion of the Auckland Investment Office which was timely due to ATEED's focus on the Business Attraction & Investment area.
- The record levels of tourist numbers continued and this was placing increased stress on city infrastructure such as public transport.
- The Ports of Auckland wharf extension and the Central Wharves Strategy were discussed. The Board discussed the importance of the cruise industry to Auckland and noted there was a need to provide relevant economic data on the benefits that cruise ships bring. Brett O'Riley advised that he would be briefing Mayor Len Brown on the options for cruise, including anticipated numbers, as well as the advantages and costs involved. The Board requested that management update the Board on the Mayor's briefing. **(ACTION)**
- The Board noted that Auckland was currently ahead of forecast ticket sales for the FIFA U-20 World Cup and there were risk mitigation strategies in place to ensure full stadia for the event. The Business Attraction team which worked on the Cricket World Cup 2015 would also be leveraging the FIFA U-20 World Cup.

- The Innovate Auckland Forum held at GridAKL was well attended with good feedback received on the GridAKL precinct and useful advice provided on the establishment of an innovation corridor.
- Statement of Intent: ATEED had received the Shareholder comments on its Statement of Intent and would work with Council to incorporate these comments.
- Health and Safety: the Board were advised that reported incidents covered people employed, contracted or working at ATEED's offices (not external events which are monitored separately). The Health, Safety & Remuneration Committee would review the monitoring and reporting of these external events. **(ACTION)**

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

6. Closing the Meeting to the Public

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

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

The Chairperson noted the open part of the meeting concluded at 9.15am.

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

Chairman

Date

Open Board Action Tracker

Action	Result of Action	Status of Action	Target Date	Responsibility
5 May 2015 Meeting				
CE Report: Provide the Board with the briefing to the Mayor on cruise.	In progress		Q1 2015/2016	Brett O'Riley / Vivien Bridgwater
CE Report: Health and Safety – reported incidents covered ATEED's offices only (not events) and were workplace injuries. The Health, Safety & Remuneration Committee would monitor the reported health and safety incidents and near misses.	To be monitored by the Health, Safety and Remuneration Committee	In Progress	Health, Safety & Remuneration Committee meeting – October 2015	Brett O'Riley / Barbara Imlach
Finance Report: <ul style="list-style-type: none"> • The Board requested that the Finance Report highlight and provide commentary on significant variations to forecast. • The Board requested that the Finance Report include a note from the CFO detailing how ATEED was tracking to forecast. 	Complete	Complete	Item 6 – 26 June 2015 meeting	Barbara Imlach
Finance Report: Provide a full list of sponsors to the Major and Business Events Committee.	In progress		Major and Business Events Committee Meeting - August 2015	Barbara Imlach

Friday, 26 June 2015



OPEN AGENDA

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

Brett O'Riley, Chief Executive

ATEED Board Interests and Conflicts Register

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

	<p> Director, Hawkins Construction South Island Limited Director, Hawkins (Fiji) Ltd Director, Hawkins Group Limited Director, Hawkins Infrastructure Guam Inc. Director, Hawkins Infrastructure Limited Director, Hawkins Management Limited Director, Hawkins Plant Limited Director, Hawkins PNG Ltd Director, Learning Infrastructure Partners GP Limited Director, Learnings Infrastructure Investment Limited Director, McConnell Development Holdings Limited Director, McConnell Developments Limited Director, McConnell Funds Management Limited Director, McConnell GP No.1 Limited Director, McConnell Group Limited Director, McConnell International Pty Ltd Director, McConnell Limited Director, McConnell Property Limited Director, McConnell Property Services Limited Director, MTC Land Investments Limited Director, Pancho Hawkins Phillipines Inc. Director, Pomander Holdings Limited Director, Projects (M.I.L.) Limited Director, Shelf Company 2012A Limited Director, Spiral Welded Pipes Limited Director, Steelpipe Limited Director, The Shooting Box Limited Director, Titanium Park Development Limited Director, Wilkins & Davies Limited </p>
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	<p>Director, Hawkins Singapore Pte Limited Director, MC (Jervois) General Partner Limited Director, Hawkins Construction Schools 2 PPP Limited Director, Future Schools Partners GP 1 Limited Director, Future Schools Partners GP 2 Limited</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Norman Thompson	<ul style="list-style-type: none"> • Director, Dot.Kiwi Limited • Director, Golf Tourism New Zealand (GTNZ) • Director, Queenstown Airport Corporation Limited • Director, Tourism New Zealand Board • Chartered Fellow of Institute of Directors • Trustee, Young Enterprise Scheme (YES) • Member, New Zealand Golf Open 2015 Committee <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Franceska Banga	<ul style="list-style-type: none"> • Chief Executive, NZ Venture Investment Fund Limited • Director, Constellation Capital • Director, Halo Fund No. 1 Limited (non-operating company) • Director, Halo Fund Investment Management Limited (non-operating company) • Director, 82 Above Limited (non-operating company) • Director, Frogparking Limited

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

	<p>ACG Yoobee School of Design Limited Yoobee Pty Limited (Australia) New Zealand Career College Limited NZ Nannies Plus Limited ACG Norton College Limited ACG NZIC Limited ACG English School Limited ACG Parnell College Limited ACG Senior College Limited ACG Strathallan Limited ACG Tauranga Limited ACG Sunderland Limited ACG Property Holdings (NZ) Limited ACG Property 345 Queen Street Limited ACG Parnell College Property Limited ACG Senior College Property Limited ACG Strathallan College Property Ltd ACG Education Services Limited ACG Tauranga Property Limited Education Investments Group Limited Sunderland School Property Limited ACG Early Childhood Education Group limited</p> <ul style="list-style-type: none"> · Director and Shareholder, Alpha Asset Management Limited · Director and Shareholder, ARN Investments Limited · Director and Shareholder, Danting Investments Limited · Director and Shareholder, Education Investment Limited · Director and Shareholder, Flowerzone International Limited and subsidiaries · Director and Shareholder, Green Cut Limited · Director and Shareholder, Griff Trading Limited · Director and Shareholder, Lady White Snake Film Limited · Director and Shareholder, Orient Group Limited and subsidiaries · Director and Shareholder, Orpac International Limited · Director and Shareholder, Planit Products NZ Limited · Director and Shareholder, Rhino Security Limited and subsidiaries · Director and Shareholder, Sharp Multi-Media Limited
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	<ul style="list-style-type: none"> • Director and Shareholder, Sharp Multi-Media Productions Limited • Director and Shareholder, Simtics Limited • Director and Shareholder, Tahere Callas Limited and subsidiary • Director and Shareholder, Talaforde Investments Limited and subsidiary • Director and Shareholder, The Academic Coaching School Limited • Director and Shareholder, Turners Flower Exports NZ Limited • Director, Abano Healthcare Limited • Shareholder, Aire Cut Company Limited • Shareholder, CLOUD M Limited • Shareholder, SimTutor Limited • Member, NZ China Advisory Council (appointed 20 November 2012) • Member, NZ Markets Disciplinary Tribunal • Director, Farmers Mutual Group (Mutual Society) <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>
Helen Robinson	<ul style="list-style-type: none"> • Chair, CLOUD M Ltd • Chair, Mondiale Technologies Ltd • Chair, Organic Intimates Ltd • Chair, The Network for Learning Ltd (N4L) • Chair, Valens Group • Director, KND Investments Ltd • Director, Penguin Consulting Ltd • Co-Op Member, NZ Rugby Union, Board Strategic Relations & Planning Committee • Trustee, Active Auckland Sport & Recreation • Trustee, Open Polytechnic NZ • Trustee, Robinson Family Trust <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>

Friday, 26 June 2015



OPEN AGENDA

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

Brett O'Riley, Chief Executive

Chief Executive Review of June 2015

Report to Auckland Tourism Events and Economic Development Limited Board

Health & Safety

We are currently looking at procuring services of an experienced health and safety person to help us build internal capability in this area. We need to identify events and other areas where serious harm could occur, and then look to see what is in place by the relevant stakeholders to mitigate this risk and identify what our role is. As a start we are undertaking a review of our events contracts to ensure that we have the right to audit and investigate H&S plans and capability of our event partners or organisers.

Our recruitment of an advisor in this area has been delayed due to market conditions and so we are re-scoping this role and will look at using the external advisor to give us the expertise we require, and use our internal resource as support.

We will work with the Remuneration Committee to ensure we have a plan in place with agreed milestones that the Board can review. This will also be done in conjunction with our internal plan, developed by our H&S committee with an internal ATEED focus.

As a follow up to the reported fire, we are still working through the findings from our own internal review and will be in a position to share this with the Board next month. We are still waiting for the building owners to give us a copy of the fire report received and have escalated this. We did have a fire drill in May and no major concerns were raised. We will share findings of this with staff, reinforcing messages such as using both stairwells, no drinks, no use of cell phones or other devices while evacuating.

Health & Safety Scorecard update

Six incidents were reported in May, four relating to the fire. These have now all been closed. The other incidents were relating to a vehicle accident (our driver not at fault and not hurt), and another with debris from a bin outside Quay street falling into a staff members eye.

One near miss relating to glass breakage in general work area.

Hazards: No hazards were reported

Training: We only have 8 staff members outstanding, six of which are new joiners employed in the past two weeks. A great effort across the business to encourage and cajole team mates into completing the online training and ensuring new starters and contractors are inducted as soon as possible.

Fire warden training and first aid training was also carried out over the month.

ATEED “Big Rock” Priorities

Grid AKL

Polperro Building

The number of residents in the Polperro Building remained at capacity with 15 businesses. 24 events were held at GridAKL in May including Bill Reichert (Garage Technology Ventures) and Adiba Barney (SV Forum) from the US who visited GridAKL as part of a nationwide tour. Respected Silicon Valley Entrepreneur and investor Trent Bigelow was the keynote speaker at the Auckland Lightning Lab Demo Day on 4 June, and GridAKL resident Mark Pascall from 3 Months together with Angela Farrelly launched the Digital Disrupt event series from 19 May.

Auckland Investment Office (AIO)

The AIO is progressing towards being a separate functioning unit within Council, with ATEED seconding resources into the office.

While the preliminary AIO 2016-18 Business Plan framework has been tabled, this will be subject to review as part of a new Executive Director coming on board.

The AIO continued to playing a valuable role building relationships with Treasury and Central Government. A senior officials’ meeting was held in June, and is to be followed by a pan-Council and Government officials group meeting looking at accelerating funding on several multi-outcome projects (scheduled for early July).

New investors continue to be hosted by the AIO in conjunction with representatives from several of the CCOs and Council. And the AIO has participated in the formative work on a Group wide policy and process for unsolicited proposals.

International Education

The INAKL International Student Experience programme is currently in conclusion phase, with certain components being moved into business as usual.

A repeat study to residence seminar was arranged in collaboration with Immigration NZ on 28 May and had a turnout of 50% more attendees than the first seminar. Over 440 international students were hosted at five FIFA U-20 World Cup 2015 games in Auckland.

The latest report figures from Education New Zealand show that in 2014 there were 68,581 international students in Auckland, an increase of 17% (9,790 students) from 2013. The economic contribution of international education to Auckland during this period, as reported previously, amounted to \$1.606 billion.

Development of the Auckland Global Brand

The Global Auckland Project is nearing the end of the Discovery Phase. Activity in April and May was focused on interviewing internal and external stakeholders. Focus groups with selected audiences are booked for early July.

The “Love Auckland” campaign was launched on 15 June to engage Aucklanders regarding what Auckland means to them. Other activities includes staff workshops, desk research (looking at international place making best practice) and getting surveys underway for KEA, Auckland Council’s People’s Panel and international students.

June in Perspective

Tripartite Alliance Summit in Los Angeles

ATEED jointly organised the Mayoral led business delegation of 43 companies that participated in the Tripartite Alliance Summit, and a separate program of business activity organised with NZ central government agencies and ATEED's LA Strategic Advisor Mitch Berman. The results were impressive, at a company level almost all participants reported significant quantifiable benefits. ATEED also established closer connections with the California innovation Eco-system, at both an individual incubator and state-wide system level.

Local Government New Zealand Awards

ATEED were named as a finalist in the Local Government New Zealand Awards for its work on the Lantern Festival. The award category that ATEED was shortlisted for is the Fulton Hogan Excellence Award for Community Impact, which recognises projects or programmes that have brought about greater cultural connectivity and have improved the way local government has engaged with their community. The Board will be updated on the results at the LGNZ Awards in July.

FIFA U-20 World Cup 2015

At the time of writing, more than 30,000 people have visited the Fever Pitch activation on Queens Wharf and it has been an outstanding success for the tournament's activation programme. Community engagement has been a huge priority and the Pitch has helped to deliver genuine engagement with Auckland based football clubs, ethnic communities, disability football teams, schools and universities.

The domestic campaign on the back of the event continued during the period, encouraging event goers visiting Auckland to experience the destination beyond the stadium.

It was also announced that Aucklanders will be able to enjoy the third and fourth play off game and the grand final action live at the Fever Pitch fan zone on Queens Wharf on the big screen.

IDEA Starter

Fifteen IdeaStarter winners were announced from a group of 146 young, talented would-be Auckland entrepreneurs at the IDEA Starter Summit held at GridAKL on 28 May. The winning teams and individuals will receive two mentoring sessions with a business or social entrepreneur.

Pacific Wave Forum

ATEED provided support to the Pacific Wave Forum, a conference held in Auckland exploring ICT connectivity in the Pacific and its link to the region's economic growth. Led by the Pacific Cooperation Foundation (PCF), Pacific Wave was held in May and was attended by more than 110 people from a range of public and private organisations.

The focus of the conference was on exploring ways to encourage ICT enablement among Pacific-based firms with export potential; promoting internet infrastructure development across the Pacific and promoting business development opportunities for Auckland firms in the Pacific region.

Speakers included Derek Handley, founder of multi-million dollar global mobile marketing company 'Hyperfactory', and satellite business and technology expert, Christian Patouraux.

Tourism Marketing Activity (May Update)

- Following the Aussie Aussie Aussie project framework and background document completion, positive discussions with Tourism NZ are underway around PR initiatives. ATEED has agreed to focus on the two sectors that it can most influence, namely leisure and business events, and work primarily on a demand creation (awareness and preference) content-led campaign.
- The domestic marketing team are finalising “The Show Never Stops” creative and media plans around the Restaurant Month promotion with Heart of the City, to go into market in July. Discussions have started on how to build a series of F&B related activities and festivals into a calendar of events during our shoulder seasons to address seasonality and create reasons to visit.

Progress towards delivery of ATEED’s KPIs

Visits to Aucklandnz.com are currently tracking at 2,924,133 for 1 July to 31 May 2015, compared to 2,008,609 for the same period last year – an increase of +46%.

ATEED is tracking well against its business and investment targets. By 30 April 2015 ATEED had facilitated the establishment or significant expansions of six multinational companies in target sectors, already ahead of the year-end target of five. There are 85 intensively account managed customers in ATEED’s Aroha Auckland aftercare programme (vs. the year-end target of 105). Total GDP contribution of deals facilitated to date this year has reached \$479 million and the value of investments deals secured by ATEED so far is estimated at \$264 million, already ahead of the year-end target of \$252 million.

ATEED is on track to meet all Major Events targets this year with current results of 1,648,445 attendees (against a target of 1,500,000) and 230,690 visitor nights (against a target of 150,000).

Four targets have the potential for slippage and one is off-track against its annual target. Most of these have been communicated to the Board via the Chief Executive’s report and/or the monthly Scorecard. The targets include:

- Number of businesses taking up tenancy at GridAKL; 15 tenants (annual target: 20 tenants)
- Total value of Callaghan Innovation R&D grants through the Regional business Partner programme; \$2.4 million (annual target: \$4.0 million)
- Number of intensively account managed customers in ATEED Aftercare programme; 85 customers currently (annual target: 105 customers)
- Number of ‘live’ signatories to the Youth Traction Hub Employers Pledge: 13 pledges as at 29 May (annual target: 50)
- Overall visitor satisfaction with the experience in Auckland: 7.8 (annual target: 8.1)

Looking Forward

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

Scheduled event date	Event name	Location
30 May – 20 June	FIFA U-20 World Cup 2015	QBE Stadium
8 August	Lion Foundation Young Enterprise Scheme Trade Fair	ASB Showgrounds

Finance

We are expecting that we will not be utilising all of our opex funding this current year, with overall funding for the year reduced by \$1.3m. However, our agreement with Council allows us to return any unused major event funding to be drawn on in future years. We are looking to increase this fund by \$1.1m of approved unused funding this year. Overall, excluding the "deposit" into our major events fund, funding will be lower than our approved opex funding by \$0.2m.

We have moved funding between business areas over these past few months as we look to take advantage of opportunities where we can maximise the return in this current year, or look to ensure we are on track for 2016. This is especially visible in the tourism area where we have been able to bring forward campaigns and some partnership activity working on those shoulder months.

Risk

We have started our review of the risk management process with a focus on looking at our project framework including risk reporting and linking this back to our overarching Risk Management Framework. This will result in clearer reporting of project risk aligned to our overall business.

Recommendations

1. The report be received.
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Signatory

Chief Executive: Brett O'Riley

Friday, 26 June 2015



OPEN AGENDA

5. **ATEED 2015-18 STATEMENT OF INTENT**

Brett O'Riley, Chief Executive

OPEN

JUNE 2015

ATEED 2015-18 Statement of Intent

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

Proposal

This report presents the Board with the proposed final ATEED 2015-18 Statement of Intent – incorporating shareholder comments – for final adoption and submission to Auckland Council.

Strategic Alignment

The Local Government Act requires all CCOs to prepare a Statement of Intent (SOI) each year. As part of the development process, a Board approved draft ATEED SOI was delivered to shareholders for comment in late February.

Shareholder comments were received on 30 April (Attachment A) and the draft SOI has been amended to reflect these comments.

ATEED is required to finalise and submit a final SOI to Council by June 30. As part of this process ATEED is required to hold a meeting open to members of the public for the purpose of considering comments from shareholders on the organisations draft SOI.

Comment

On 30 April, the ATEED Chair received official shareholder comments on the draft ATEED SOI 2015-18 (Attachment A). Since then, staff have met with Council to address these comments in further detail.

In addition to this feedback, a number of other events/processes have prompted further changes to the draft SOI including:

- On-going internal management review
- Finalisation of the Long Term Plan
- Finalisation of ATEED's 2015-16 Business Plan

As a result of both shareholder comments and other developments (as above) a number of changes to the draft SOI submitted in February are proposed. These are detailed in the attached draft SOI (Attachment B). In summary, key changes proposed are:

- Language changes to align with Te Toa Takitini – the Maori Responsive High Performance Council programme
- Incorporation of a Mana Whenua engagement measure
- Clearer articulation of some activities to address shareholder comments
- Alignment with the recently developed Business Attraction and Investment Strategy
- Re-inclusion of the international education spend KPI
- Other minor edits to KPIs and footnotes

As above, shareholder comments requested the inclusion of a focussed service performance measure on engagement with Mana Whenua. This feedback was common to all CCOs. Staff have worked with Council to develop a common approach to this that is acceptable to CCOs and the IMSB.

The proposed approach is to expand a face-to-face survey that Council currently undertake with Mana Whenua on an annual basis – to incorporate a measure of CCO engagement. Council would work with CCOs to ensure appropriate questions are included and undertake all measurement (CCOs would make a small contribution to additional survey costs). Council would then advise us of results. A baseline would be established over the next year with the aim of maintaining or improving beyond that.

ATEED management are comfortable with this proposed approach.

Options

Options open to the Board are to:

1. approve the proposed SOI as attached for submission to Council on or before June 30
2. provide further feedback on changes/edits required before submission to Council on or before June 30.

Financial Implications

None

Recommendations

1. That the Board note public feedback on shareholder comments on ATEED's draft 2015-18 SOI.
2. That the Board approve the attached SOI as ATEED's final 2015-18 SOI for submission to Council.

Attachments

- A. Shareholder comments on draft Statement of Intent 2015-18

B. Draft Statement of Intent 2015-18

Signatories

Unit Manager: James Robinson, Manager Operational Strategy and Planning

General Manager: Steve Armitage, General Manager – External Relations

30 April 2015

Mr David McConnell
Chair
Auckland Tourism, Events and Economic Development Limited
BY EMAIL

Tēnā koe David,

RE: Shareholder comments on the draft Statement of Intent 2015-2018

The Council Controlled Organisations Governance and Monitoring Committee considered Auckland Tourism, Events and Economic Development Limited's (ATEED) draft Statement of Intent 2015-2018 (SOI) at its 14 April meeting.

During the meeting, the committee resolved on a number of general shareholder comments that relate to all CCOs and some specific comments relating directly to ATEED. Each CCO is asked to work with council staff to ensure that these comments and any minor editorial changes are reflected in your final SOI.

General shareholder comments

1. ATEED has worked well to support council's objective to improve the quality and consistency of SOIs across all CCOs. We would like this to continue, going forward, as the 2015-2018 SOIs are finalised.

Long-term Plan 2015-2025 alignment with final SOI

2. The final SOI must align to the decisions made as part of the council's Long-term Plan 2015-2025 (LTP). This must ensure:
 - a. information contained in the final SOI is consistent with the LTP,
 - b. financial information is provided for FY 2014/2015, and the first three years of the LTP,
 - c. agreed non-strategic asset sale targets are included, and
 - d. performance information aligns with the LTP and includes:
 - i. all related LTP measures, that are clearly labelled in the SOI, with measures and targets worded exactly as in the LTP,
 - ii. 2013/2014 actual performance, 2014/2015 target, and
 - iii. next three years' targets.

Te Toa Takitini

3. Te Toa Takitini – Māori Responsive High Performance Council has been recently established by the Executive Leadership Group. It will be led by this group with a top-down council family approach to:
 - a. significantly lift Māori social and economic well-being,
 - b. strengthen the council's effectiveness for Māori as part of a high performance council, and
 - c. maximise post-Treaty settlement opportunities for the benefit of mana whenua, Auckland Council and the wider public of Auckland.
4. The final SOI should reflect the shift from "contributing to Māori well-being and Māori outcomes" to "Māori responsiveness – contributing to Māori well-being, organisational effectiveness, and post-Treaty settlement opportunities".
5. The SOI should also include activities, projects, programmes and expenditure over the next three years identified through the Long-term Plan 2015-2025 that support Auckland Council group's Māori responsiveness.
6. The final SOI should include a focused service performance measure on your engagement with mana whenua, to be drafted in consultation with the Independent Māori Statutory Board.

Specific shareholder comments

7. ATEED should work with council staff to clarify and amend the final SOI in areas where priorities are raised but there are no clear or specific initiatives supporting them. For example, the Southern Initiative developing as a leading regional development and urban regeneration programme, driving investment, employment, income growth and in particular delivering on Maori economic development outcomes, is referred to as a priority. But there are no clear or specific projects supporting these in the initiatives section.
8. In addition, ATEED should work with council staff on clarifications of the three year work plan. For example, under Sector Development programme in the SOI, the Economic Development Strategy has other sector focus such as tourism, creative and health technologies, which are not included in the SOI.

I look forward to receiving the final SOI by 30 June 2015.

Nāku noa, nā



**DEPUTY MAYOR PENNY HULSE
CHAIR CCO GOVERNANCE AND MONITORING COMMITTEE
AUCKLAND COUNCIL**

cc. Mayor Len Brown
cc. Stephen Town, Chief Executive, Auckland Council
cc. Brett O'Riley, Chief Executive, Auckland Tourism, Events and Economic Development

STATEMENT OF INTENT
FOR
AUCKLAND TOURISM, EVENTS AND
ECONOMIC DEVELOPMENT
2015-2018

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HE MIHI

E tu noa ana nga maunga whakahii i te riu o Tamaki 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 Tamaki, tena ra tatou katoa.

The volcanic cones of Tamaki 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.

FOREWORD

This Statement of Intent (SOI) sets out ATEED's strategic framework, activities and performance measures, for the next three years in order to deliver on our role, and contribute to Auckland Council's targets and priorities. The content of this SOI for 2015-18 reflects the continued evolution of ATEED's role and focus from an approach weighted towards visitor and major events initiatives to one which provides an increasingly balanced and fully leveraged portfolio of innovation and entrepreneurship, business and investment attraction, education and talent, skills, visitor and branding activities.

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ATEED will continue to work as a key partner in Council's spatial initiatives - the Central City and The Southern Initiative - and in delivering against the transformational shifts in the Auckland Plan with a particular focus on:

- dramatically accelerate the prospects of Auckland's children and young people
- substantially raise living standards for all Aucklanders and focus on those most in need
- significantly lift Maori social and economic well-being

ATEED's specific activities against these shifts are articulated through this SOI.

Through the LTP process and through his Letter of Expectation, the Mayor has clearly articulated an expectation that ATEED will fully utilise current resources to incorporate new proposals for economic and skills development including our role in youth employment. We will also continue to promote Auckland's Maori identity as a point of difference in the world including ensuring delivery of a Maori Signature Festival for Auckland.

During 2015/16, we will undertake a range of diverse and dynamic projects in the collaborative spirit of kotahitanga with our broad range of partners including Auckland Council's governing body and local boards, other Council Controlled Organisations (CCOs), central government, iwi, industry organisations, education and training providers, private businesses and not for profit groups. Our focus will continue to be on fully leveraging our relationships with these partners to ensure maximum value for money from our activities for all Aucklanders.

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We are committed to a single minded focus on significant interventions that will leave a lasting legacy for Auckland and New Zealand, delivering world class or world leading outcomes. We are pleased to present this document as our statement of this commitment.



David McConnell
Chair



Brett O'Riley
Chief Executive

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1. PURPOSE OF STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Auckland Tourism Events and Economic Development Limited (ATEED) for the next three years, and the objectives ~~to which~~ those activities will contribute. It also serves as the SOI of World Masters Games 2017 Limited (WMG2017 Ltd), a wholly owned subsidiary of ATEED. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

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2. ABOUT ATEED

ATEED's role is to support the Council's vision of creating the world's most liveable city and deliver great value for money by supporting the growth of a vibrant and competitive economy, with a particular focus on **facilitating new smart money and high value jobs for Auckland**. The extent to which new opportunities deliver new **smart** money into Auckland and also increase the level of **high value** jobs within Auckland are two key pre-requisites upon which we prioritise and allocate our resources. This is our intervention logic for the investment of ratepayer funds.

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ATEED believes there are a number of priorities that can significantly impact Auckland's economic growth. These priorities will drive growth and help differentiate Auckland internationally as a leading city. They include:

- Developing the Auckland visitor economy into a 12 month sustainable industry, including world class attractions and a focus on working with Auckland iwi to highlight the brand attributes of Tamaki Makaurau and Tamaki Herenga Waka in a contemporary context, removing the current impacts of seasonality;
- Attracting new business, investment and talent into our key sectors of focus to improve Auckland's growth and competitiveness internationally
- The Southern Initiative developing as a leading regional development and urban regeneration programme driving investment, employment and income growth and in particular delivering on Maori economic development outcomes;
- Auckland's education sector operating as a leader in future focused digital learning to build a world class skilled workforce, reducing youth unemployment and creating world leading educational IP;
- The continuing expansion of Auckland as a world leading sports city in events, high performing, nutrition, training, sports medicine and rehabilitation and in particular provide economic and social development opportunities for Maori and Pacific Island communities;
- Auckland as an Innovation Hub of the Asia-Pacific rim offering a world leading eco-system for the establishment of innovation based entrepreneurs, attracting talent from across the region. This would include the creation of new opportunities for Maori and Pacific Island business start-ups.

ATEED regards **innovation** as the most crucial driver of growth and the area where it can make the greatest contribution to delivering Auckland Council's economic priorities.

In delivering on our role, ATEED will contribute to the priorities and growth goals contained in the Auckland Plan and the Auckland Council Economic Development Strategy to:

- Grow a business friendly and well-functioning city
- Develop an innovation hub of the Asia-Pacific rim
- Become internationally connected and export driven
- Enhance investment in people to grow skills and a local workforce
- Develop a vibrant, creative, international city

ATEED Operating Principles

ATEED has identified the following operating principles which we will adhere to in fulfilling our role:

Being customer-centric

ATEED acknowledges that the experience for the customer should be seamlessly integrated between the CCO and the Council ensuring a consistent approach to service delivery. Responsive and seamless customer service is a priority for ATEED. ATEED's organisational structure ensures delivery is designed from the "outside-in", deploying customer-centric design techniques to ensure ATEED is accessible and transparent about its activities.

Partnering for growth – Kotahitanga

ATEED recognises that sustainable economic growth is underpinned by the development of a strong partnering model, based on the principle of kotahitanga – unity in a common sense of purpose. ATEED is committed to the spirit of kotahitanga, to being open, transparent, accessible and easy to do business with, and to working closely with partners to deliver positive economic outcomes for Auckland. For example, ATEED will provide business training and R&D funding through its role as the Auckland delivery agent for the government's Regional Business Partner network, and it will leverage funding for major events through the national Major Events Development Fund. ATEED collaborates with a range of agencies and organisations including the Ministry of Business Innovation and Employment, Callaghan Innovation, Tourism New Zealand, New Zealand Trade and Enterprise, Sport New Zealand, Immigration New Zealand, Te Puni Kokiri, Ministry of Pacific Island Affairs, Treasury, Film New Zealand, NZ Film Commission, Ministry of Culture and Heritage, Ministry of Social Development and Education New Zealand.

Delivering Value for Money

ATEED recognises the ongoing pressures on public funding and the need to deliver ever improving value for money to ratepayers. ATEED will continue to focus on commercial opportunities to partner with third parties and alternate revenue streams to ensure we are delivering enhanced levels of service without increasing rate funding requirements.

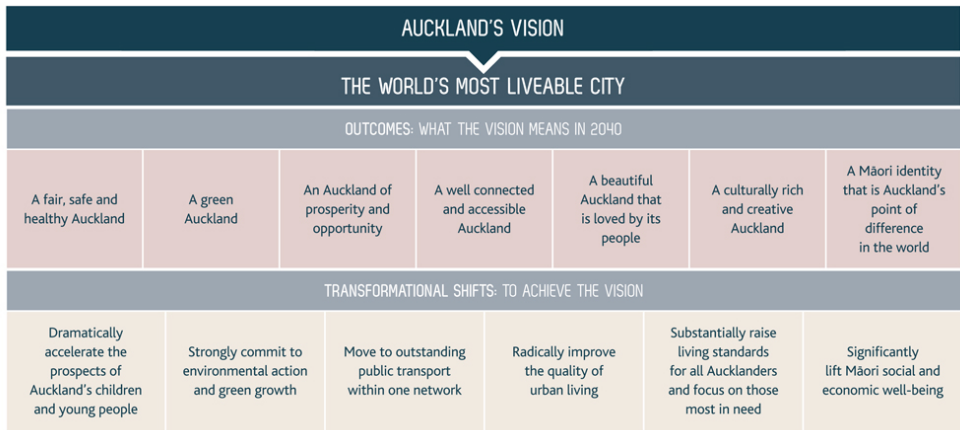
Many Minds – One Mission

ATEED's goal is to be number one, **and for Auckland to be number one**: number one liveable city, , number one event city, number one visitor destination, number one Maori city, number one Pacific Island city, number one innovation hub and number one economic growth agency. We will get there by living our values, which permeate all the work we do. Our values are:

- It's all about people: *great company*
- Let's be clear: *great communication*
- Connect and collaborate: *great relationships*
- Bold actions, smart choices: *great thinking*
- Get it done and make it yours: *great results*

3. ATEED'S CONTRIBUTION TO THE WORLD'S MOST LIVEABLE CITY

The Auckland Plan is the roadmap to deliver on Auckland's vision to be the world's most liveable city. This is a thirty year plan that is under pinned by a set of outcomes and transformational shifts to achieve this vision which help ensure we focus on the right things.



The transformational shifts in the Auckland Plan, work together to achieve the transformations that are required to get there. ATEED plays a critical part in delivering on these shifts through both primary and secondary contributions. This is outlined in the table below:

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Auckland Plan	Degree of contribution	How ATEED contributes
Children & young people	Secondary	Through our work in enhancing the visitor economy growing our target sectors and enabling skill development, education and talent, ATEED contributes directly to the following goals of I Am Auckland (Council's strategic action plan on children and young people): <ul style="list-style-type: none"> Given opportunities to succeed and being given a fair go Auckland is my playground Rangatahi tu rangatira (transforming from a young person into a leader)
Environmental action & green growth	Secondary	Development of a sustainable visitor economy. Growth of service based low carbon emitting industries.
Outstanding public transport	Secondary	Facilitating the development of digital industries and solutions and clean technology industries including electric vehicles. Attraction of investment for significant infrastructure projects, including transport infrastructure.

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Auckland Plan	Degree of contribution	How ATEED contributes
Quality urban living	Secondary	Business attraction and investment activity including assisting high quality investors with a commitment to ethical and sustainable development. The visitor economy underpins the amenity of urban and rural living in Auckland.
Raised living standards	Primary	ATEED's focus on facilitating new smart money and high value jobs for Auckland through delivering on its six strategic priorities (innovation, investment, education, skills, visitors, brand) will lead to a transformational uplift in income for all Aucklanders and help to improve socio-economic inequalities.
Maori social and economic wellbeing	Primary	Through our lead role in the Whai Rawa workstream of the Te Toa Takitini programme and through projects and programmes like Sports City, the Maori Economic Growth Forum, the Major Events Strategy, the Maori Signature Festival, Maori tourism development and iwi investment facilitation, ATEED will take every opportunity to incorporate Maori responsiveness – contributing to <u>Maori wellbeing, and post-Treaty settlement opportunities</u> into its activity.

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4. ATEED'S STRATEGIC OBJECTIVES

ATEED has identified six key strategic objectives that collectively articulate ATEED's role in creating the world's most liveable city, delivering on a number of key strategies to bring new smart money and high value jobs into Auckland. The six strategic objectives are:

- Build a culture of innovation and entrepreneurship
- Attract business and investment
- Enable education and talent
- Grow a skilled workforce
- Grow the visitor economy
- Build Auckland's brand and identity

Through these objectives we can connect Auckland wide strategies (Auckland Plan, 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. The key strategic objectives are supported by more detailed action plans, investment proposals and delivery partnerships.

Figure 3: ATEED's Strategic Framework



5. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION

The following are the key initiatives/projects to deliver on ATEED strategic objectives. ~~Many of these initiatives/projects are delivered across the region including into Council's key spatial priority areas, the Central City and the Southern Initiative.~~

Key projects and programmes	Description
Building a Culture of Innovation and Entrepreneurship	
<i>Working with industry and tertiary institutions, ATEED will promote a culture of innovation and entrepreneurship across the city and establish Auckland as an Innovation Hub of the Asia-Pacific rim, encouraging further investment into Auckland and into innovation. Auckland's innovation ecosystem has reach far beyond regional boundaries, with formal connections to other national and international locations where innovation is thriving.</i>	
GridAKL	Develop GridAKL as a showcase of innovation, including the nurturing of high-growth start-ups and a programme of events and activation. Focus on the development of the Lysaght Building, new buildings, and the hub business proposition. GridAKL is critical in showcasing Auckland as an Innovation Hub of the Asia-Pacific rim. GridAKL will also develop a Maori Media Lab to foster innovation in Auckland's youth, and innovation hubs at tertiary institutions and metro hubs e.g. Takapuna.
The Foodbowl	Support New Zealand Food Innovation Auckland (the Foodbowl – Te Ipu Kai) to achieve its vision for a motivated and internationally recognised industry. Leverage the Foodbowl through an integrated programme of interventions in the food and beverage sector, including for Maori food and beverage businesses.
Support Research & Development (R&D)	Support investment in R&D including through delivery of the Regional Business Partner programme via ATEED hubs (north, south, west, central) and through interventions that link businesses with research providers to develop more innovation based entrepreneurs and enterprise, with a particular focus on developing innovative Maori businesses.
<u>Support Auckland's Innovation Culture</u>	<u>Increase the visibility of innovation led entrepreneurship and support the development of the broad ICT and technology sector, to encourage the increased use of technology in developing business solutions and generate new high value jobs.</u>
Sector Development	Facilitate collaboration, innovation based entrepreneurship and enterprise development across Auckland's key sectors of specialisation with a particular focus on ICT (including health tech), screen and digital, creative , food and beverage processing, marine, equine, bio-sciences, high performing sport, tourism and international education.
Regional Showcasing	Showcase Auckland business success through the aucklandnz.com website, offshore promotional activities in partnership with central government agencies, tertiary institutes and the private sector, sponsorship of business events and showcases, the Young Enterprise Awards, delivery of the Regional Business Awards Programme in partnership with the Auckland Chamber of Commerce to celebrate enterprise excellence and through external communication channels.
Local Business Events/ Networking	Deliver initiatives and local business events through ATEED hubs and venues that foster connectivity and collaboration both within and across sectors.

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Key projects and programmes	Description
Attracting Business and Investment	
<p><i>The attraction of more businesses of scale, and a focus on productive inward investment, is crucial if the EDS* growth goals are to be achieved. The proactive attraction of business and investment opportunities into sectors of focus for Auckland, turning these opportunities into positive outcomes, and the implementation of post-investment aftercare service will ensure we retain this investment and associated jobs and skills and actively encourage further investment.</i></p>	
<u>Business Attraction</u>	Identify and facilitate business attraction opportunities in Auckland's key sectors <u>linked to</u> geographic priority areas <u>(including the Southern Initiative)</u> .
<u>Investment Promotion and Attraction</u>	<u>Promote Auckland as an international business and investment destination. Continue to implement our lead generation programme to attract productive FDI into key projects, initiatives and sectors of specialisation.</u>
Investment Friendly	Understand barriers to business attraction and investment and work to ensure Auckland is an investment friendly destination that delivers appropriate investment <u>opportunities and compelling reasons for businesses to establish in Auckland</u> .
Post Investment Support	Deliver post investment support services through the Aroha Auckland programme to <u>companies and individuals to ensure the retention of existing multi-national businesses and investors and identify opportunities for further expansion.</u>
<u>Partner & Channel Development</u>	<u>Develop strategic partnerships with central government, and the private sector to maximise business and investment opportunities and ensure that services are effectively leveraged and coordinated.</u>
Visitor Economy Investment	Actively <u>support investment into the Auckland visitor economy including into the accommodation sector, new hotel infrastructure and major new attractions for Auckland.</u>
Screen and Digital	Attract international screen and digital production and project activity to Auckland, develop local productions and sector capability and facilitate the permitting of screen activity (through Screen Auckland) to ensure a thriving Auckland screen sector.
Event Leverage	Leverage major and business event activity to ensure business growth, business attraction and investment opportunities are fully utilised (e.g. motorsport investment) and increase the amenity and liveability of the city.
Auckland Investment Office	<u>Support</u> the development of the Auckland Investment Office (AIO) function for Auckland Council to lead an integrated approach to major investment attraction for Auckland's key transformation projects.
Enabling Education and Talent	
<p><i>Success in education is essential to building a productive and competitive economy. We need to ensure our education system is world class to retain our home grown talent, reduce youth unemployment and attract the right international talent to the economy. Through a strong focus on education at all levels we will develop a workforce tailored to the needs of our high-growth innovative sectors, increase median incomes and grow the export potential of our education sector.</i></p>	
Export Education	<u>Develop a proposition and promote</u> Auckland as an international education destination. <u>Support</u> sectoral leadership with particular emphasis on supplementing domestic talent capacity to resource key economic growth sectors (through Study Auckland).
<u>Talent Attraction and Retention</u>	Work in partnership with Immigration New Zealand to support the attraction of <u>migrant and expat</u> talent into <u>skill gaps in</u> Auckland for key sectors through a range of channels including <u>employment expos</u> locally and offshore.

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Key projects and programmes	Description
Employment Pathways	Work with Education New Zealand to <u>retain international students and</u> develop pathways into employment in alignment with our key economic growth sectors.
Education as an Export Sector	Work with education providers to maximise opportunities to export education products (e.g. software, certifications) in areas of expertise into target markets.
Growing a Skilled Workforce	
<i>Nurturing a strong skills base is identified internationally as key to developing an innovation and knowledge based economy. People with the right skills can give firms a competitive edge through increased innovation, use of new technologies, improved workplace practices and access to new markets</i>	
Youth Employment	Support youth employment <u>by delivering the employers Pledge Programme and Jobfests in partnership with Youth Connections. As part of the</u> Mayor's Youth Employment Traction Plan, <u>continue to host</u> the Traction Hub <u>working with employers to improve youth employment and recruitment strategies.</u>
Youth Entrepreneurship	Support youth entrepreneurship including delivery and expansion of the Young Enterprise Scheme across Auckland to develop business and entrepreneurial skills among young Aucklanders <u>and IDEA starter, a youth entrepreneurial challenge for 15-24 year olds.</u>
Business Capability	Support the building of business capability including delivery of the Regional Business Partner programme through ATEED hubs (<u>north, south, west, central</u>) to support investment in business capability for Auckland SMEs and connecting businesses with Auckland's wider business support network.
Skill Shortages	Work with government and tertiary education providers to identify and support training in areas of emerging shortages such as information and communications technology (ICT) and the science, technology, engineering and mathematics (STEM) skills needed for innovation and economic growth. <u>With COMET, deliver the Science in Society pilot in South Auckland</u>
Growing the Visitor Economy	
<i>The benefits of an enhanced visitor economy extend beyond the direct economic impacts that increased visitor numbers bring. A city that is attractive to visitors also attracts residents, students, migrants and investment, in turn providing jobs and an improved standard of living. In this way, the visitor economy underwrites much of the amenity of Auckland that benefits visitors and residents alike.</i>	
International Destination Marketing	Undertake international trade and consumer marketing and media activity in Australia, China, Japan and the USA in partnership with Tourism NZ, AIAL, <u>Flight Centre,</u> and other partners.
Domestic Marketing	Continue marketing Auckland domestically including through new and existing events and through the "AKL The Show Never Stops" campaign.
Trade Marketing	Focus on increasing yield from key markets through the high value "AKL GEM" visitor programme (e.g. Golf, Equine, Marine including super yachts) <u>and trade partnerships with TNZ, Virtuoso, AMEX, Air New Zealand, China Southern and others</u>
Visitor Product Development	Working with partners to identify and address product gaps, including the Rangitoto, <u>Motutapu</u> Haerenga, new developments like Skypath, Wero water park, Waka on the Waitemata, new ferry services, cycling and walking trails, and a waterfront Maori cultural attraction. Continue to work with local tourism operators and regional cluster groups to facilitate connectivity and position and promote local areas as distinctive destinations within Auckland.
Business Events	Grow the value and volume of business events in Auckland and focus on using business events to address seasonality in the visitor economy and support growth and investment into key Auckland sectors (through the Auckland Convention Bureau) <u>aligned with the Auckland</u>

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Key projects and programmes	Description
	<u>Business Events Plan</u> . Continue to promote the importance of an International Convention Centre with the capacity to attract major business events.
Major Event Attraction and Development	Work in partnership to attract, create, develop and facilitate, a portfolio of economic anchor and Tier A major events. Over the period of this SOI, these events will include: ITM Auckland (V8 Supercars), Dick Smith NRL Nines, The Ultimate Waterman and Volvo Ocean Race Auckland Stopover 2018
Major Event sponsorship and leverage	Deliver and leverage the annual major events portfolio, including the baseline sponsorship programme.
Major event delivery and operational support	Ensure the successful delivery of the annual Maori Signature Festival, Auckland Lantern Festival, Auckland Pasifika Festival and the Auckland Diwali Festival of Lights. Offer city operations expertise and support of major events.
World Masters Games 2017	Through WMG2017 Ltd, deliver an operationally successful event that meets or exceeds KPIs while maintaining at least a balanced budget and in accordance with contractual obligations to the International Masters Games Association (IMGA) and the Ministry of Business Innovation and Employment (MBIE)
Visitor Information	Continue to improve the provision of visitor information services particularly through digital channels and i-SITES
Building Auckland's brand and identity <i>Every great city has a great brand and positioning. A brand is a complete value proposition that sets a city's identity apart. A clearly articulated brand position for a city is important for attracting tourists, students, migrants, researchers, innovators, entrepreneurs, investors and events and the associated benefits they bring</i>	
Global Auckland	Lead the development of a global <u>brand proposition</u> for Auckland.
<u>Auckland identity</u>	<u>Promote the Auckland identity and brand story consistently and seamlessly across all business, tourism and major event activity in domestic and international markets in a way that leverages our distinct advantages. Benchmark and validate brand awareness and traction.</u>
www.aucklandnz.com	Maintain www.aucklandnz.com and associated social media as key channels to promote the Auckland identity and brand story <u>including ongoing investment in search engine marketing and optimisation to ensure traffic continues to grow in key markets.</u>
Tri-partite Alliance	Manage the economic growth activity and programme associated with this alliance to promote the Auckland brand in these key markets.
Global events	Seek business and major event opportunities to promote the Auckland brand globally.

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Māori responsiveness projects and activities

As Auckland’s lead economic growth agency, ATEED is responsible for promoting and fostering economic development and opportunities for everyone across the region, including Tamaki Makaurau’s 19 recognised iwi groups and the wider Maori community.

We know the value of strong performing sectors within the economy, and the Maori economy contributes across Auckland’s economic sectors at all levels. We recognise that the Maori economy is becoming a formidable force within Auckland’s domestic economy, and that it encompasses business, social and community dimensions.

Through our lead role in the Whai Rawa workstream of the Te Toa Takitini – Maori Responsive High Performance Council programme ATEED has a strong vision about the role we can play to advance the business and economic well-being of mana whenua and mataawaka in the region. This includes identifying appropriate investment partners, sector partners and growth initiatives.

Key projects that ATEED has identified that specifically contribute to Maori well-being and post-Treaty settlement opportunities are specified below.

Key projects and initiatives	Description	Contribution to Māori wellbeing/ opportunities
Maori Signature Festival	Work with key partners (including iwi and Auckland Council) to develop <u>and ensure delivery of a</u> Maori Signature Festival for Auckland.	Celebrates and showcases Maori culture and provides a vehicle to leverage Maori business and investment opportunities.
Maori Economic Growth Forum	Deliver a Maori Economic Growth Forum and support the implementation of resulting action plan(s).	Provides networking opportunities, advice and channels to support the ongoing growth of Maori business.
Maori Tourism Development programme	Advocate for greater Maori presence in Auckland’s attractions, public spaces and visitor services, and support new and existing Maori tourism businesses (e.g. Rangitoto-Motutapu Haerenga).	Support for Maori tourism businesses from market intelligence and start-up advice through to assistance in connecting with export opportunities.
Iwi Investment Support	<u>Work with Auckland iwi to identify opportunities to invest and/or co-invest in initiatives that have positive outcomes for Maori.</u>	Maximise Maori business and investment opportunities.
Maori Media Lab	Through GridAKL, <u>investigate the development of a</u> Maori Media Lab to foster innovation in Auckland’s youth <u>and generate high value jobs.</u>	Develop skills <u>and high value jobs</u> among young Maori in Auckland’s growing ICT sector.
Maori Cultural Showcasing	<u>Take all opportunities to showcase Maori culture through key initiatives including major sporting and business events (e.g. NRL9s).</u>	Celebrates and showcases Maori culture.
Maori Cultural Centre	<u>Work with partners to facilitate the development of a significant Maori cultural Centre in Auckland.</u>	The Centre will celebrate and showcase Maori culture to the world and provide employment and economic development opportunities.

In addition, we will also continue to look for one-off opportunities of significance for showcasing and developing the Maori economy, culture and capability, whether in Auckland or internationally. This programme of work and ATEED’s initiatives to improve our organisational responsiveness to Maori are also reflected through ATEED’s Maori Responsiveness Plan.

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6. PERFORMANCE OUTLOOK

ATEED has an agreed set of performance measures and targets which form the basis for accountability to delivering on our strategic objectives. These will be reported on quarterly in accordance with the CCO Governance Manual and align to the measures agreed as part of the Long-term Plan 2015-2025.

Service Level Statement	Measure	2013/14 Actual	2014/15 Annual Plan	2015/16	2016/17	2017/18
Building a Culture of Innovation and Entrepreneurship						
Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce	Number of businesses taking up tenancy at GridAKL (Wynyard Innovation Precinct) (cumulative)	9	20	25	30	35
	Total value of Callaghan Innovation R&D grants through the Regional Business Partner Programme ¹	\$4.66m	\$4m	\$4m	\$4m	\$4m
	Percentage of stakeholders satisfied with provision of business advice start-up and training programmes (LTP measure)	94%	85%	85%	85%	85%
	Number of actively managed business through Regional Business Partner Programme ² .	842	360	360	360	360
	Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	New measure	1,500	1,500	1,500	1,500
	Number of Maori businesses that have been through an ATEED programme or	New measure	75	100	100	100

¹ ATEED's contract to deliver the Regional Business Partner programme currently ends on 31 December 2015. Our ability to achieve these targets will depend on our continued delivery of this programme beyond this date

² ATEED's contract to deliver the Regional Business Partner programme currently ends on 31 December 2015. Our ability to achieve these targets will depend on our continued delivery of this programme beyond this date.

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Service Level Statement	Measure	2013/14 Actual	2014/15 Annual Plan	2015/16	2016/17	2017/18
	benefitted from an ATEED intervention (LTP measure)					
Attracting Business and Investment						
Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce	Facilitation of the establishment or significant expansion of multinational <u>and local</u> companies in target sectors (LTP measure)	5	5	5	5	5
	Number of intensively account managed customers in ATEED Aftercare programme	100	105	80	85	85
	Total GDP contribution of deals effected with ATEED involvement	\$49m	+5%	+5%	+5%	+5%
	Value of investment deals effected by ATEED within the financial year	\$266m	\$252m	\$265m	\$278m	\$292m
Growing a Skilled Workforce						
Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce	Number of 'live' signatories to the Youth Employment Traction Hub Employers Pledge (LTP measure)	n/a	50	50	50	50
Enabling Education and Talent						
<u>Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce</u>	<u>Growth in value of international student spend to Auckland</u>	<u>\$1.458b (2012)</u>	<u>\$1.454b</u>	<u>\$1.564b</u>	<u>\$1.888b</u>	<u>tbc</u>
Growing the Visitor Economy						
	Spend by visitors in Auckland	\$5,001	\$5,194m	\$5,412m	\$5,655m	\$5,922

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Service Level Statement	Measure	2013/14 Actual	2014/15 Annual Plan	2015/16	2016/17	2017/18
Promote and develop Auckland as a national and international visitor and business destination, including through the attraction, facilitation, funding and delivery of major events	Number of international business event bids submitted (and win/loss ratio).	22	28 ^c (60%)	35 (60%)	40 (60%)	40 (60%)
	Percentage of customers satisfied with visitor information centres and services (LTP measure)	92%	90%	85%	85%	85%
	Contribution to regional GDP from major events invested in (LTP measure)	\$43.6m	\$47m	\$49m	\$86m ³	\$49m
	Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	79%	80%	80%	80%	80%
	Visitor nights generated by major events invested in ⁴	298,000	150,000	170,000	tbc	tbc
	Estimated number of attendees at major events invested in	1.47m	1.52m	1.57m	1.93 ⁵ m	tbc
	Percentage of customers satisfied with delivered major events (LTP measure)	90%	85%	85%	85%	85%
Building Auckland's Brand and Identity						
Promote and develop Auckland as a national and international visitor and business destination, including through the attraction, facilitation, funding	Total visits to www.aucklandnz.com (LTP measure)	2.17m	2.6m	3 m	3.4m	3.8m

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³ Target includes the impact of World Masters Games 2017.

⁴ 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 over 2015/16.

⁵ Target includes the impact of World Masters Games 2017.

Service Level Statement	Measure	2013/14 Actual	2014/15 Annual Plan	2015/16	2016/17	2017/18
and delivery of major events						

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Note: Measures related to major event activity may be subject to some volatility due to the type and size of major events held from year to year. For example, the resources required to deliver a significant major event such as the World Masters Games may mean relatively less activity can be funded and/or delivered in the period leading up to it. As a result, RORI in the year of WMG should be considerable, but is likely to be significantly lower in the year preceding. A 'rolling average' approach to major event measurement may be more appropriate. **Mana Whenua Engagement**

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Measure	2013/14 Actual	2014/15 Annual Plan	2015/16	2016/17	2017/18
Percentage Mana Whenua satisfaction with quality of engagement	Not available	New measure	Establish baseline	Maintain/improve	Maintain/improve

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Measuring Performance of World Masters Games 2017 Ltd

WMG2017 is a multi-year project. The major KPIs are based on the outcome of the Games and are specified in the Terms of Reference between ATEED and WMG2017 Ltd. Achieving these KPIs will be the basis on which the performance of the organisation is judged. For this reason, there are no specific annual KPIs. However, the organisation will ensure that regular reporting to ATEED, MBIE and IMGA reflects appropriate budgetary and financial management, risk management and demonstrated progress with the planning of the Games and achieving milestones.

The project's major KPIs specified between ATEED and WMG 2017 Ltd include:

- GDP impact meets or exceeds \$36.16 million (incorporated into the Major Events RORI measure in the table above)
- Auckland visitor nights exceed 250,810 (incorporated into the major events visitor nights measure in the table above)
- The direct cost to ATEED does not exceed \$11 million and the direct cost to MBIE does not exceed \$11 million
- Revenue/ income managed to deliver a neutral and/or preferably a positive financial outcome.
- IMGA agree that Auckland successfully met the obligations of the Hosting Agreement.
- A survey of competitors / participants captures that over 85% agree that the Games were well organised
- A survey of public attendees captures that over 85% agree that the Games were well delivered and enhanced their pride in the city.

7. MONITORING INDICATORS

In addition to our performance measures, ATEED has identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our direct control (e.g. exchange rates, natural disasters, government policy) but which we aim to influence through our activity. As the city's economic growth agency, we take a leadership role in monitoring, reporting and influencing these indicators as we can, however we do not measure the performance of our organisation against them.

Measure	2010	2011	2012	2013	Regional target
Auckland Real GDP growth	3.7%	2.8%	2.7%	2.8%	>5% p.a.
Auckland exports growth	0.2%	3.0%	2.7%	2.1%	>6% p.a.
Auckland productivity growth	1.3%	0.3%	2.8%	3.2%	>2% p.a.
Percentage of Auckland businesses innovating	na	42%	na	na	
Auckland youth (15-24yrs) NEET ⁶ rate	12.3%	12.1%	12.8%	9.6%	
Auckland commercial guest nights	5.69m	6.25m	6.43m	6.67m	
Visitor arrivals through Auckland airport	1.72m	1.85m	1.82m	1.93m	
Overall visitor satisfaction with Auckland experience (/10)	na	7.7	7.9	7.8	

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⁶ NEET: Not in employment, education or training

8. SUMMARY OF FINANCIALS

The following summary of financials supports the delivery of the strategic deliverables and performance targets for ATEED.

Operating budgets (\$million)	Annual Plan	Long-term Plan		
	2014/15	2015/16	2016/17	2017/18
Revenue				
Funding from Auckland Council	48	50	55	52
Fees and user charges	4	6	13	9
Subsidies and grants	3	4	5	3
Other revenue	1	3	4	2
Vested assets	0	0	0	0
Total revenue	57	63	77	66
Expenditure				
Employee benefits	20	24	27	22
Depreciation and amortisation	1	1	1	2
Other operating expenses	37	39	51	44
Total expenses	57	64	78	68
Finance expense	0	0	0	0
Net operating income	(1)	(1)	(1)	(2)

Capital budgets (\$million)	Annual Plan	Long-term Plan		
	2014/15	2015/16	2016/17	2017/18
Total capital expenditure	2	2	7	0
Sources of capital funding:				
Subsidies and grants	0	0	0	0
Auckland Council	2	2	7	0
Total sources of capital funding	2	2	7	0
Shareholder equity ratio	42%	47%	63%	60%

Specific expenditure towards Māori outcomes

Initiatives (\$million)	Annual Plan	Long-term Plan		
	2014/15	2015/16	2016/17	2017/18
Maori Signature Festival	N/A	0.50	0.50	0.50
Maori Economic Growth Forum	N/A	0.10	0.10	0.10
Maori Tourism Development programme	N/A	0.15	0.15	0.15

Other financial information

Current value of assets	The current value of ATEED's assets as 30 June 2014 was \$4.825 million based on the net asset value of the ATEED group as disclosed in the audited financial statements.	
Accounting Policies	ATEED accounting policies are consistent with those of the Auckland Council group policies.	
Financial Reporting	ATEED financial reporting to Council will be in accordance with requirements of the CCO Governance Manual.	
Asset sales (\$ million)	2013/14 Actual	<u>Nil</u>
	2014/15 Annual Plan	<u>Nil</u>
	2015/16 LTP	<u>Nil</u>
	2016/17 LTP	<u>Nil</u>
	2017/18 LTP	<u>Nil</u>

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9. APPROACH TO GOVERNANCE

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual (which incorporates all requirements under the CCO Accountability Policy) which sits alongside this SOI and also forms part of the annual binding agreement between council and ATEED.

In addition to its governance relationship with Council, ATEED also holds governance relationships with World Masters Games 2017 Ltd and New Zealand Food Innovation Auckland Ltd.

World Masters Games 2017 Ltd

World Masters Games 2017 Limited is a limited liability company that has been incorporated by ATEED as a subsidiary and consequently is a council-controlled organisation for the purposes of the Local Government Act 2002. WMG2017 Ltd has its own board of directors, guided by the Constitution and Terms of Reference put in place by ATEED.

WMG2017 Ltd reports to the ATEED Board via quarterly whole of programme reporting, and fortnightly to ATEED management via a Steering Group involving the WMG2017 Ltd Chief Executive and two members of ATEED's Leadership Team.

New Zealand Food Innovation Auckland Ltd (NZFIA) – trading as The Foodbowl (Te Ipu Kai)

NZFIA is a food and beverage new product development facility, intended to help Auckland and New Zealand create new and innovative products, with an emphasis on added-value and export orientated, food and beverage products. Success for NZFIA is based on how much it helps Auckland and New Zealand's food and beverage sector to expand.

NZFIA is jointly owned and funded by ATEED (one third) and Crown agency, Callaghan Innovation (two thirds). The relationship between NZFIA, ATEED and Callaghan Innovation is governed by a Shareholders Agreement which specifies the way in which the shareholders will work with NZFIA and provide oversight of it as a subsidiary company of each parent entity. Details of the public funding of NZFIA by each shareholder is also outlined in the Shareholders Agreement.

On an annual basis, as specified in the Shareholders Agreement, ATEED and Callaghan Innovation will review and jointly approve a Business Plan for NZFIA for the coming financial year, which will include financial targets and other KPIs for NZFIA.

Public Meetings

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009):

Purpose	Date	Form of Public Notification
Consider performance against SOI targets	August 2015	Public notice, New Zealand Herald
Consider shareholder comments on draft SOI	June 2016	Public notice, New Zealand Herald

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Health and Safety

ATEED is committed to driving a strategy that delivers a culture of zero harm for employees, contractors, visitors, customers and anyone who may be affected by ATEED's activities. We will do this by:

- Ensuring that best practice health and safety standards are consistently applied in every aspect of our business activities;
- Complying with all health and safety obligations under relevant legislation; and
- Having a safe, healthy and enjoyable environment for everyone within ATEED's area of control.

DRAFT

Friday, 26 June 2015



OPEN AGENDA

6. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer

Finance Report, May 2015

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

Summary Income Statement									
For the Period Ended 31 May 2015									
<small>\$'000's</small>									
	Year to Date				Full Year				
	Actual	Board Noted Forecast	Variance	Last Year	Latest Forecast	Board Noted Forecast	Variance	Budget	Last Year
Net operational expenses:									
Business Attraction & Investment	2,782	3,178	396	2,569	3,507	3,726	219	3,664	3,227
Destination & Marketing	8,475	9,084	609	7,892	10,203	9,968	(235)	9,681	8,980
Major Events	14,136	14,545	409	12,972	15,300	15,984	684	15,850	14,592
Economic Growth	6,348	6,901	553	5,971	7,892	8,087	195	8,535	6,807
iSites	829	669	(160)	651	863	711	(152)	686	768
Corporate	7,955	8,262	307	7,177	8,907	9,793	886	9,386	7,931
ATEED net deficit	40,525	42,639	2,114	37,233	46,671	48,269	1,598	47,802	42,306
Major Events Fund drawdown	0	0	0	0	1,080	(152)	(1,232)	(1,686)	0
World Masters Games 2017 Ltd, net deficit	696	838	142	849	696	685	(11)	2,098	1,143
Operating deficit	41,221	43,477	2,256	38,081	48,447	48,802	355	48,214	43,450
Council Funding					48,438	48,659	221	47,962	43,226

Key Points

- We are forecasting our required Council funded opex at year end to be \$0.2m less than our approved funding, after returning \$1.1m to the major events fund. This fund is held as a contingent asset to be utilised for future events.
 - Our operating deficit has reduced by \$0.3m due to this reduced expenditure and third party sponsorship received for capital of \$0.1m
 - Current protocols with Council mean we cannot be funded for an amount greater than we have utilised (paid for or accrued), except for our major event funding, and our revenue from Council will reduce accordingly.
- Our YTD operating deficit is \$2.2m less than plan (including WMG). As well as our reduced major event spend, a number of our current year initiatives have been slower to activate than we had planned and this is being addressed with extra resourcing into those areas for FY16. This has had impact on some current year deliverables (Grid tenancies, pledges for youth employment, BA&I actively managed customers) where we will not reach agreed targets.
- A very busy month is planned for June as we look to finalise year end activity as well as capitalise on some new opportunities, mainly as regards some tourism activities to address shoulder seasonality.
- A full year analysis against budget and last year will be provided as part of our year end reporting

Income Statement										TABLE 2
For the Period Ended 31 May 2015										
	Year to Date				Full Year					
	Actual	Board Noted Forecast	Variance	Last Year	Latest Forecast	Board Noted Forecast	Variance	Budget	Last Year	\$000's
Operational income										
Funding from Government	3,245	3,264	(19)	1,676	3,561	3,561	0	2,779	1,770	
Sponsorship	983	1,025	(41)	953	1,046	1,194	(148)	2,599	976	
Fees & Subscriptions	495	449	46	546	485	454	31	418	691	
i-Sites	2,442	2,372	70	2,530	2,517	2,517	0	2,547	2,600	
Sundry income	1,488	1,561	(73)	1,610	1,436	1,431	5	2,590	1,421	
Total Operating income	8,654	8,541	113	7,314	9,045	9,156	(111)	10,932	7,457	
Expenditure										
Business Attraction & Investment	3,108	3,521	413	3,024	3,955	4,304	349	5,057	3,672	
Destination & Marketing	9,033	9,633	600	8,756	10,795	10,560	(235)	10,481	9,701	
Major Events	16,995	17,400	405	14,493	18,151	18,880	728	18,690	16,123	
Economic Growth	8,653	9,148	495	7,748	10,334	10,471	137	11,709	8,691	
iSites	3,271	3,042	(230)	3,181	3,380	3,228	(152)	3,232	3,461	
Corporate	8,118	8,436	317	7,345	9,101	9,983	881	9,564	8,115	
Total Operating Expenditure	49,179	51,180	2,001	44,547	55,716	57,425	1,709	58,734	49,764	
Major Events Fund deposit/(drawdown)	0	0	0	0	1,080	(152)	(1,232)	(1,686)	0	
ATEED net deficit	40,525	42,639	2,114	37,233	47,751	48,117	366	46,116	42,306	
World Masters Games Ltd, net deficit	696	838	142	849	696	685	(11)	2,098	1,143	
ATEED Group - Operating deficit	41,221	43,477	2,256	38,081	48,447	48,802	355	48,214	43,450	

Income

Income is trending to plan, and some good trends as regards year on year increases in obtaining government funding. The majority of this increase is for specific major events but this does highlight an opportunity for us to continue to target those events which attract government funding.

Our latest forecast includes nil sponsorship revenue from the digital aggregator project.

Expenditure

Expenditure is behind forecast by \$2.0m for the year, however increased activity planned over June will reduce this to \$1.7m by year end.

- BA&I year to date expenses are underspent by \$0.4m. The original forecast was aggressive in that we were looking to recruit for the new staff structure. This has not been achieved although additional resourcing costs have been incurred to help achieve current year deliverables
- Destination & Marketing: Significant YTD underspend of \$0.6m primarily in advertising and marketing and professional fees. However the team have a number of activities in play which will be completed over June, as well as identified opportunities that can be brought forward. Expected year end position is \$0.2m over previous forecast
- Major Events: Our forecast expenses are now expected to be \$0.7m less than we had previously forecast due to savings across a number of events as well as some partnership opportunities (Vector and RFA) to be investigated next year. In addition, our previous forecast had included some expenses which were not fund related so has resulted in an extra \$0.4m being able to be returned to the fund.
- Economic growth: Reduced activity in our Innovation and Entrepreneurship programmes has resulted in \$0.4m less spend YTD. However our year-end position is expected to be close to our previous forecast.

This is due to an overall increase in June activity coupled with year-end provisioning for commission on contractual obligations that are currently under negotiation, (taking a prudent approach), as well as impairment costs relating to the early vacate of Polperro.

- iSites – Fixed asset write off of \$0.2m has been incurred in May due to vacating domestic terminal site and relocation at the international airport.

Expense Analysis

Analysis by Expense Type													TABLE 3
For the Period Ended 31 May 2015													
Month				Year to Date				Full Year					
Actual	Board Noted Forecast	Variance		Actual	Board Noted Forecast	Variance	Last Year	Latest Forecast	Board Noted Forecast	Variance	Budget	Last Year	
1,659	1,730	71		Staff costs	17,568	17,823	255	15,806	19,907	19,784	(123)	19,401	17,399
1,086	922	(164)	Professional fees, consultancy	6,402	6,935	533	4,850	7,580	7,859	279	7,288	5,420	
(35)	170	205	Grants & sponsorships	9,858	10,088	230	9,398	10,304	11,650	1,346	12,598	10,955	
62	47	(14)	Depreciation & amortisation	499	499	0	419	562	546	(15)	681	458	
156	196	40	Shared services and lease costs	2,271	2,271	0	3,097	2,467	2,467	0	2,299	2,257	
217	199	(19)	Occupancy	2,346	2,316	(31)	1,171	2,446	2,513	67	2,498	2,417	
94	103	9	Travel & entertainment	1,324	1,413	88	1,396	1,565	1,678	113	1,674	1,565	
177	128	(49)	General, admin & other	2,327	2,215	(112)	2,548	2,524	2,430	(94)	3,687	2,714	
584	705	121	Advertising, marketing & research	6,583	7,620	1,037	5,861	8,362	8,499	137	8,610	6,580	
3,999	4,200	201	Total Operating Expenditure	49,179	51,180	2,001	44,547	55,715	57,424	1,709	58,735	49,764	

Year to date total expenses are less than forecast by \$2.0m. Our latest forecast indicates that despite a very busy June, we will still have underspent our planned opex by \$1.7m

- **Staff costs** remain under forecast due to the number of vacant positions, partially offset by the use of temporary and contract staff which will increase significantly over June as we look to close out some key activity
- **Professional fees** are behind plan largely due to \$0.4m underspend in CWC as extra external services were not required, as well as reduced spend as a result of the revised Global Auckland timeline
- **Grants and sponsorships.** Our full year spend on grants and sponsorships is expected to be \$1.3m less than forecast due to underspend in Major Events as well as corporate funding not required.
- **Advertising and marketing** is significantly behind plan at the end of May, however the ACB sales activity and a large number of international bids are expected to be closed out in June, and the tourism team have a number of new initiatives in the month to counter the cancelled activity earlier in the year.

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m								TABLE 4
For the Period Ended 31 May 2015								\$000's
	Year to Date			Full Year				
	Actual	Board Noted Forecast	Variance	Latest Forecast	Board Noted Forecast	Variance	Budget	Last Year
Economic Growth								
The FoodBowl	768	834	66	1,000	1,000	0	1,000	1,000
Health Hub	0	0	0	0	0	0	500	500
GridAKL	1,273	1,494	221	1,909	1,909	0	2,169	1,174
Destination and marketing								
Domestic Campaigns	780	814	34	814	814	0	790	1,012
Tourism New Zealand Partnership (AUS)	588	680	92	680	680	0	700	0
Flight Centre Partnership	509	525	16	525	525	0	525	0
Major Events								
Volvo Ocean Race	2,200	2,200	0	2,200	2,200	0	1,978	450
2015 Cricket World Cup	2,467	2,824	357	2,475	2,838	363	2,838	162
2015 NRL Nines - Delivery	2,579	2,577	(2)	2,577	2,577	0	2,710	2,798
FIFA Under 20 World Cup - 2015	180	207	26	650	650	0	1,593	857
Auckland Pasifika Festival 2015	521	524	3	524	524	0	346	279
Auckland Lantern Festival 2015	326	244	(82)	319	245	(74)	278	235

Total Major Events Fund Spend, incl. WMG	13,905	15,137	1,232	16,671
Contingent Asset	4,449	3,217		1,683
				3,369

- GridAKL YTD savings are due to delayed activities, however our year end position includes the unplanned provisioning for commission which is under negotiation
- CWC savings of \$0.4m is largely due to reduced amount of external contractors required
- The latest major events fund forecast estimates \$1.2m of reduced funding requirements. We had budgeted on drawing down \$1.6m however due to timing of the WMG net costs, as well as savings across a number of events and some deferred projects, we have not needed this level of funding.

World Masters Games

World Masters Games 2017 Ltd								TABLE 5	
Summary Income Statement								\$000's	
For the Period Ended 31 May 2015									
	Year to Date				Full Year				
	Actual	Board Noted forecast	Variance	Last Year	Latest Forecast	Board Noted forecast	Variance	Budget	Last Year
Funding from Government	1,938	2,063	(125)	875	2,500	2,625	(125)	1,875	875
Sponsorship	425	465	(40)	375	590	465	125	400	375
Sundry income	213	200	13	0	200	200	0	0	0
Total Operating income	2,576	2,728	(152)	1,250	3,290	3,290	0	2,275	1,250
Net Operational costs									
Staff costs	1,480	1,571	91	855	1,796	1,796	0	1,780	1,014
Contractors	114	193	79	(0)	224	224	0	0	(0)
Professional fees, consultancy & contractors	130	128	(2)	165	149	149	0	564	193
Professional fees, consultancy & contractors	244	321	77	164	372	372	0	564	192
Grants & sponsorships	768	696	(72)	693	696	696	0	712	694
Depreciation & amortisation	20	23	3	0	25	25	0	0	13
Occupancy	66	124	58	47	151	151	0	262	52
Travel & entertainment	96	170	74	86	193	193	0	162	93
General, admin & other	127	197	70	40	217	206	(11)	269	52
Advertising, marketing & research	471	464	(7)	213	536	536	0	625	283
Total Operating Expenditure	3,271	3,565	294	2,099	3,986	3,975	(11)	4,373	2,393
Operating surplus/(deficit)	(696)	(838)	142	(849)	(696)	(685)	(11)	(2,098)	(1,143)

	Prior Year	2015 YTD	Total To Date	To Go	Revised Forecast	Revised Forecast	Total Project
Total Spend	4,884	3,271	8,156	26,784	34,940	34,940	33,000
ATEED Funding	2,265	696	2,961	8,039	11,000	11,000	11,000

- Funding from MBIE has now been confirmed as not able to be invoiced until next year
- Additional sponsorship funding is expected in June

- Underspend across a number of expenses is mainly a result of sports and venue partners not requiring as much operational funding at this time. The majority of this will be deferred to next year

We are continuing to work with WMG to identify savings and synergies to cover the \$0.9m of unbudgeted costs.

We currently have two staff on secondment at WMG, both of which are fully charged to WMG.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 May 2015		
	YTD	\$000's Jun-14
Current assets		
Cash and cash equivalents	2,340	1,464
Receivables and prepayments	4,840	5,836
Other current assets, including iSite inventory	65	85
Total current assets	7,245	7,385
Current liabilities	7,045	7,294
Working capital	200	91
Non-current assets		
Receivables and prepayments (non-current)	1,133	1,032
Property, plant and equipment	2,108	2,329
Investment in Joint Venture, The FoodBow I	1,991	1,991
Total non-current assets	5,232	5,352
Non-current liabilities	639	618
NET ASSETS	4,793	4,825
EQUITY	4,793	4,825
Capex spend	505	FY BUD 1,779
Total commitments (at Mar 2015)	\$35.5m	\$46.1m

- Cash is higher than at June due to the timing of the sweep from Council
- The variance in receivables relates to the timing of receipt of Council funding
- Capex: delays and repurposing of the Lysaght building has resulted in timing delays for capital expenditure in FY15. Expected capex spend at year end is \$0.6m. We will request that the remaining funds are rolled over via the capex deferral process.
- Commitments have decreased from Dec14 to Mar15 by a net \$12.7m. These decreases are due to major events completed in the third quarter.

Recommendation

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

Signatories

Manager: Avika Singh, Finance Manager

GM: Barbara Imlach, Chief Financial Officer