

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

## **OPEN AGENDA**

**Will be held as follows:**

**DATE:** 29 July 2016  
**TIME:** 1.25 p.m. start  
**VENUE:** Tamaki Makaurau Boardroom, Level 8, 139 Quay St,  
Auckland

**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
<i>Director</i>	Stuart McCutcheon

OPEN AGENDA

1. **APOLOGIES**  
No apologies have been received.
  
2. **MINUTES OF 24 JUNE 2016 MEETING AND OPEN ACTION TRACKER**  
Brett O'Riley, Chief Executive
  
3. **REGISTER OF DIRECTORS' INTERESTS & DECLARATION OF CONFLICT OF INTEREST**  
Brett O'Riley, Chief Executive
  
4. **CHIEF EXECUTIVE'S ACTIVITY REPORT**  
Brett O'Riley, Chief Executive
  
5. **FINANCE REPORT**  
Barbara Imlach, Chief Financial Officer

Friday, 29 July 2016



OPEN AGENDA

**1. APOLOGIES**

No apologies have been received.

**2. MINUTES OF 26 JUNE 2016 AND OPEN ACTION TRACKER**

An apology has been received from Stuart McCutcheon.

## BOARD MINUTES

<b>What:</b>	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
<b>Where:</b>	Precinct Properties, Level 12, 188 Quay St, Auckland
<b>When:</b>	Friday, 24 June 2016 at 12.35pm
<b>Directors:</b>	David McConnell Norm Thompson Richard Jeffery Danny Chan Helen Robinson Stuart McCutcheon
<b>Board Advisor:</b>	Sir Pita Sharples
<b>Board Intern:</b>	Daniel Mussett
<b>In Attendance:</b>	Brett O'Riley, Chief Executive Martin Fairweather, Chief Operating Officer Barbara Imlach, Chief Financial Officer Libby Nuth, Company Secretary
<b>Apologies:</b>	Franceska Banga
<b>Public &amp; Media Attendance:</b>	N/A

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### Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum (12.9 of the Constitution) is a majority of the directors and there currently being 7 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

An apology was received from Franceska Banga.

#### 2. Public Meeting under Section 96 of the Local Government (Auckland Council) Act 2009

The Chair advised that at this meeting the Board would consider Shareholder feedback on ATEED's draft Statement of Intent for 2016-19 and that members of the public were entitled to attend and address the Board in relation to this. The Board noted that there had been no registrations for the meeting and there were no members of the public in attendance.

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

The Board discussed the draft minutes of the meeting held on 29 April 2016 and the Open Action Tracker.

**Following the conclusion of discussions, the Board resolved that the minutes of the meeting held on 29 April 2016 be confirmed as a true and correct record.**

### 4. 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 interest in relation to any ATEED activities and/or events.

### 5. ATEED 2016-19 Statement of Intent

James Robinson spoke to the paper. The draft Statement of Intent (SOI) was discussed and the key points were as follows:

- Minor changes had been made to the SOI to incorporate the Shareholder's feedback
- The Chair of the Major and Business Events Committee advised the Board of the Committee's discussions regarding performance measures for the value of major events and business events.
- The Board agreed to delegate the finalisation of these measures to the Major and Business Events Committee, with the Board to be advised of the final measures as agreed by the Committee.
- Management were requested to amend "sports events" to "events".
- The Board was advised that the measure for the number of businesses engaged in the Regional Partners Development Programme would be settled next week following a meeting with Central Government agencies.

**Following the conclusion of discussions, the Board resolved to:**

1. **delegate the finalisation of the major and business events measures to the Major and Business Events Committee; and**
2. **approve, subject to the three final measures (Number of international business event bids submitted or supported; business event bid win/loss ratio, based on results received in financial year; and value of business event bids won in financial year) being confirmed, the Statement of Intent as ATEED's final 2016-19 Statement of Intent for submission to Council.**

### 6. Chief Executive's Report

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

- Health and Safety: the Board noted the health and safety update. Management advised that the increase in hazards identified reflected an increased reporting culture.
- The Board congratulated management on the success of the AR/VR initiative which followed from Techweek.

**Following the conclusion of discussions, the Board resolved to receive the paper.**

## 7. Finance Report

Barbara Imlach spoke to the Report.

**Following the conclusion of discussions the Board resolved to note the Finance Report for the period 31 May 2016.**

## 8. ATEED's Sector Framework

Patrick McVeigh spoke to the paper. The key points were as follows:

- The Framework would shape ATEED's interventions in partnership with the private sector and Central Government and would provide a stronger economic narrative to assist with brand positioning and business attraction. In particular the Framework would inform how ATEED would intervene and what ATEED could do.
- The Board noted that the Framework would also include the Auckland Maori economy.
- Management advised that next steps included testing and the alignment of interventions currently underway.
- The Board advised management to include Government sectors in the Framework.
- The Board noted that ATEED's work should reference the Framework with a programme of work in place to deliver under the Framework.
- Management undertook to circulate to the Board the programme of work to deliver under the Framework. **(ACTION)**

The Board agreed to move this item to the Open Agenda and to publish the Auckland Sector Framework paper on the ATEED website.

**Following the conclusion of discussions the Board resolved to:**

1. **note the findings of the research; and**
2. **approve ATEED's Sector Framework and next steps to internally disseminate the Framework and progress to adaption and progress to an outward facing published paper.**

The Chairperson declared the meeting closed at 12.50pm.

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

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

**Open Board Action Tracker**

No.	Action	Status	Result	Target Date	Responsibility
<b>26 June 2016 Meeting</b>					
1	Management to circulate to the Board the programme of work to be delivered under the ATEED Sector Framework.				Patrick Mcveigh

Friday, 29 July 2016



OPEN AGENDA

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



### ATEED Board Interests and Conflicts Register

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

	<p> Director, Hawkins Construction North Island Limited  Director, Hawkins Construction South Island Limited  Director, Hawkins (Fiji) Ltd  Director, Hawkins Group Limited  Director, Hawkins Infrastructure Guam Inc.  Director, Hawkins Infrastructure Limited  Director, Hawkins Management Limited  Director, Hawkins Plant Limited  Director, Hawkins PNG Ltd  Director, Learning Infrastructure Partners GP Limited  Director, Learnings Infrastructure Investment Limited  Director, McConnell Development Holdings Limited  Director, McConnell Developments Limited  Director, McConnell Funds Management Limited  Director, McConnell GP No.1 Limited  Director, McConnell Group Limited  Director, McConnell International Pty Ltd  Director, McConnell Limited  Director, McConnell Property Limited  Director, McConnell Property Services Limited  Director, MTC Land Investments Limited  Director, Pancho Hawkins Phillipines Inc.  Director, Pomander Holdings Limited  Director, Projects (M.I.L.) Limited  Director, Shelf Company 2012A Limited  Director, Spiral Welded Pipes Limited  Director, Steelpipe Limited  Director, The Shooting Box Limited  Director, Titanium Park Development Limited </p>
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	<p>Director, Wilkins &amp; Davies Limited          Director, Hawkins Singapore Pte Limited          Director, MC (Jervois) General Partner Limited          Director, Hawkins Construction Schools 2 PPP Limited          Director, Future Schools Partners GP 1 Limited          Director, Future Schools Partners GP 2 Limited</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Norman Thompson	<ul style="list-style-type: none"> <li>· Director, Dot.Kiwi Limited</li> <li>· Director, Preno Limited</li> <li>· Director, Queenstown Airport Corporation Limited</li> <li>· Director, Tourism New Zealand Board</li> <li>· Chartered Fellow of Institute of Directors</li> <li>· Trustee, Young Enterprise Scheme (YES)</li> <li>· Member, New Zealand Golf Open 2016 Committee</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Franceska Banga	<ul style="list-style-type: none"> <li>· Director, Fab NZ Limited</li> <li>· Director, Constellation Capital</li> <li>· Director, Continuity Capital Limited (NZ)</li> <li>· Director, Frogparking Limited</li> <li>· Trustee, Fred Hollows Foundation</li> </ul>

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

	<p> New Zealand Management Academies Limited  ACG Yoobee School of Design Limited  Yoobee Pty Limited (Australia)  New Zealand Career College Limited  NZ Nannies Plus Limited  ACG Norton College Limited  ACG NZIC Limited  ACG English School Limited  ACG Parnell College Limited  ACG Senior College Limited  ACG Strathallan Limited  ACG Tauranga Limited  ACG Sunderland Limited  ACG Property Holdings (NZ) Limited  ACG Property 345 Queen Street Limited  ACG Parnell College Property Limited  ACG Senior College Property Limited  ACG Strathallan College Property Ltd  ACG Education Services Limited  ACG Tauranga Property Limited  Education Investments Group Limited  Sunderland School Property Limited  ACG Early Childhood Education Group limited </p> <ul style="list-style-type: none"> <li>• Director and Shareholder, Alpha Asset Management Limited</li> <li>• Director and Shareholder, ARN Investments Limited</li> <li>• Director and Shareholder, Danting Investments Limited</li> <li>• Director and Shareholder, Education Investment Limited</li> <li>• Director and Shareholder, Flowerzone International Limited and subsidiaries</li> <li>• Director and Shareholder, Green Cut Limited</li> <li>• Director and Shareholder, Griff Trading Limited</li> <li>• Director and Shareholder, Lady White Snake Film Limited</li> <li>• Director and Shareholder, Orient Group Limited and subsidiaries</li> <li>• Director and Shareholder, Orpac International Limited</li> <li>• Director and Shareholder, Planit Products NZ Limited</li> <li>• Director and Shareholder, Rhino Security Limited and subsidiaries</li> </ul>
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	<ul style="list-style-type: none"> <li>• Director and Shareholder, Sharp Multi-Media Limited</li> <li>• Director and Shareholder, Sharp Multi-Media Productions Limited</li> <li>• Director and Shareholder, Simtics Limited</li> <li>• Director and Shareholder, SimTutor Limited</li> <li>• Director and Shareholder, Tahere Callas Limited and subsidiary</li> <li>• Director and Shareholder, Talaforde Investments Limited and subsidiary</li> <li>• Director and Shareholder, The Academic Coaching School Limited</li> <li>• Director and Shareholder, Turners Flower Exports NZ Limited</li> <li>• Director, Abano Healthcare Limited</li> <li>• Director, Simtics Limited</li> <li>• Shareholder, Aire Cut Company Limited</li> <li>• Shareholder, CLOUD M Limited</li> <li>• Member, NZ China Advisory Council (appointed 20 November 2012)</li> <li>• Member, NZ Markets Disciplinary Tribunal</li> <li>• Director, Farmers Mutual Group (Mutual Society)</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<ul style="list-style-type: none"> <li>• Chair, CLOUD M Ltd</li> <li>• Chair, Organic Initiative Ltd</li> <li>• Chair, The Network for Learning Ltd (N4L)</li> <li>• Chair, Valens Group</li> <li>• Director, KND Investments Ltd</li> <li>• Director, KND Trustees Ltd</li> <li>• Managing Director, Penguin Consulting Ltd</li> <li>• Member, NZ Rugby, Board Strategic Relations &amp; Planning Committee</li> <li>• Council Member, Open Polytechnic NZ</li> <li>• Trustee, Aktive Auckland Sport &amp; Recreation</li> </ul>

	<ul style="list-style-type: none"> <li>· Trustee, Robinson Family Trust</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart McCutcheon	<ul style="list-style-type: none"> <li>· Chairman of Directors, Auckland UniServices Ltd</li> <li>· Director, Universitas 21 international university network</li> <li>· Council Member, University of Auckland</li> <li>· Member, Partnership Board, the Worldwide Universities Network</li> <li>· Member, Steering Committee, the Association of Pacific Rim Universities</li> <li>· Trustee, UK Friends of the University of Auckland</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Board Advisor</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Sir Pita Sharples	<ul style="list-style-type: none"> <li>· Director, Tu Maori Mai Limited</li> <li>· Hoani Waititi Marae - Taumata</li> <li>· Te Ropu Manatangi – Kai ako</li> <li>· Te Whare Tu Taua – Tumu Whakaarei</li> <li>· Ngā ti Kahungungu iwi – Taumata</li> <li>· Te Toa Takitini – Kaumatua advisor</li> <li>· Aorangi maori trust board – Kaumatua</li> <li>· Rakau Tatathi Marae – Paepae</li> <li>· Mahi Tahī trust Board – Member</li> <li>· Maori and Pacific Trade Training – Manawhaka haere</li> <li>· Maori Heritage Council – Member</li> </ul>

	<ul style="list-style-type: none"> <li>· NZ Heritage Trust Board – member</li> <li>· Emerge Aotearoa – Board Kaumatua</li> <li>· NPM – Patron</li> <li>· Te Arapai – Member</li> <li>· Auckland Museum Trust Board - Member</li> <li>· Auckland Museum Maori Council – Member</li> <li>· Special Expert Group on Organ Donation – Member</li> <li>· Pacific Leaders Programme – Consultant</li> <li>· Matatini – Life Member</li> <li>· Zin and Tane Chinese Maori Dance Production – Producer</li> <li>· White Ribbon Campaign – Ambassador</li> <li>· West Auckland Task Force against Domestic Violence – Member</li> <li>· Pillars – Patron</li> <li>· Tamaki Makaurau Haka Society – Life Member</li> <li>· Unitech Maori Advisor</li> <li>· Maori Chinese youth forum – Kaumatua</li> <li>· Heritage NZ Pouhere Taonga Trust</li> </ul>
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Friday, 29 July 2016



OPEN AGENDA

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

Brett O'Riley, Chief Executive

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# Chief Executive Review of July 2016

Report to Auckland Tourism, Events and Economic Development Limited Board

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## Health & Safety (H&S)

The following provides a summary of health and safety related activity this month. A full report has been provided to the Board separately.

**Incidents:** Two incidents were recorded in June (one in relation to pain and discomfort, the other a staff member feeling faint). Both incidents were managed appropriately.

**Near misses:** None.

**Hazards:** A high number (27) of hazards were identified last month at ATEED's Manukau and Quay Street offices, and GridAKL. This reflected an increase in awareness of health and safety practices and subsequent vigilance and reporting by staff. It also reflects the recent move of staff into the new Manukau premises and the completion of a 6-month audit of the Quay Street office. Appropriate actions have been taken to manage and rectify these hazards.

**H&S training:** A series of H&S refresher sessions were held in June and July. The sessions are an essential part of ATEED's audit readiness and are compulsory for all staff. At the time of writing, more than half of staff have attended these sessions, with further sessions scheduled before the end of July.

**Wellbeing:** Initiatives for June included: 'Eat, Move, Live', as well as some tips for health and wellbeing provided in this month's Employee Assistance Programme flyer.

## ATEED strategic priorities

### Build a culture of innovation and entrepreneurship

#### GridAKL

The **Lysaght Building** continues to provide space for a total of 56 start-up businesses as reported in June, although the mix of tenants has changed. Other residents at GridAKL continue to experience growth, with a number of businesses expanding their teams.

The first new build (working title '**Innovation 5A**') remains on target for completion in July 2017. Discussions with potential tenants continue. The Future Building Strategy Report was approved by the ATEED Board and now allows for ATEED to enter into negotiations for future expansion of GridAKL at Wynyard Quarter.

#### GridAKL community

A total of 24 events were hosted in June bringing the total number hosted since January to 133. The most significant event was the launch of Singularity University's November 2016 Summit to a full house. Although the summit will be held in Christchurch, GridAKL and ATEED will seek further opportunities

to support the university in the future.

GridAKL uses Twitter as a key communication tool to reach the innovation community. The account has about 3000 followers who gain access to news of upcoming events, live coverage of community sessions, information about Kiwi success stories, and other valuable entrepreneurial content.

## **Growing the visitor economy**

### **World Masters Games 2017 (WMG2017)**

#### **Registrations**

As at 30 June, 67 per cent of registrations are international. WMG2017 has overtaken the 2009 (Sydney) registration rate at the same point. The most popular sports continue to be archery, softball, football, and hockey.

#### **Accommodation**

WMG2017 has continued to have meetings with hotels across Auckland to discuss availability and pricing, which has resulted in commitments to work together. The ATEED-seconded, WMG2017-focused, i-SITE resource has conducted an audit of motels to determine availability, and continued to assist participants with accommodation placements.

#### **Major and anchor events**

The leverage and legacy planning work for World Master's Games is progressing well as part of our 2017 Major Events leverage and legacy programme. An update will be provided on the direction of this programme.

An update covering the above items will be provided to the Major and Business Events Committee at its meeting on Monday 25 July. This will include an update on work being undertaken to confirm the future direction/position of the Pasifika, Lantern and Diwali Festivals, and a review of the governance/structure of the Maori Signature Festival.

#### **Achieving 6 per cent growth from the Australian holiday market**

The plan to achieve our 6 per cent visitor growth target from Australia is well underway. We recently partnered AIAL to undertake some extensive qualitative research (in-depth individual and group interviews) on the appeal of Auckland as a short break destination in the Sydney, Brisbane and Melbourne markets, with further quantitative research due to take place in August with Tourism New Zealand (TNZ) and AIAL.

Initial planning meetings were held with Flight Centre Australia, TNZ and Fairfax in Australia in June and the annual TNZ Upper North Island touring campaign is in market from 18 July for six weeks, followed by a two-week Auckland-specific short break campaign.

Further planned activity includes a proposed plan with Flight Centre, generating new still and digital content with TNZ in spring for use in a joint Facebook campaign in 2017, and providing a content brief to Fairfax media following the qualitative and quantitative research results to explore new partnership opportunities. The purpose of this activity is to generate increased visitation during the shoulder and off-peak periods, which aligns with and leverages TNZ and AIAL activity.

#### **USA market**

ATEED hosted the groups associated with the respective United Airlines and American Airlines new services to Auckland. We are working closely with both airlines on marketing campaigns.

#### **Destination Development**

We have a number of significant projects underway that will expand Auckland's likely offerings to visitors and improve livability.

## **Attract business and investment**

### **Project Palace**

In the initial phase of the Project Palace programme in partnership with NZTE, ATEED is concentrating its search for suitable hotel sites in the CBD.

The leads have been passed to NZTE, with further qualification work underway to develop a more detailed opportunity profile on each site. NZTE is scheduled to start an international roadshow through Australia and Asia in late July through August.

### **Screen Innovation and Production Precinct**

ATEED continues to supply chief executive services to Auckland Film Studios Ltd (AFSL), and the expectation is AFSL will adopt this agreement in its new long-term operating strategy which is due late July, and will most likely reflect ATEED's position in the Auckland Screen Precinct Discussion Paper. This would result in AFSL ceasing to be a landlord of the existing Henderson site, instead becoming a tenant on a new privately owned and operated screen precinct.

ATEED has sought expert advice and analysis on the commercial viability of a screen precinct, and the extent to which council might financially support though guaranteeing lease obligations.

### **Screen production**

June was a busy month for filming activity with 44 film permits issued by Screen Auckland. Current production enquiries indicate that July through to the end of this year will be even busier than last year.

Screen Auckland is working with council on the development of an online film/event application form and booking system that will streamline application processes for customers. The project is a significant undertaking that is targeted to go live in September, and will deliver solid operational efficiencies.

Development of a Screen Auckland internship programme is underway with UNITEC School of Performing and Screen Arts.

## **Month in review**

### **E Rea Project**

ATEED 2.4 has been renamed the E Rea Project, which means to 'grow and prosper'. Work is underway to optimise ATEED's business model by harnessing the principles of 'exponential organisations'. PwC is leading the process using a design-led, collaborative approach to develop a simplified business model. This will enable ATEED to further develop strategic partnership opportunities and build scale in order for us to continue to lift the Auckland economy and deliver our strategic objectives.

### **Young entrepreneurs venture into 'Dragons' Den'**

Young entrepreneurs from across Auckland pitched their business ideas to panels of local business people on 29 June as part of this year's Lion Foundation Young Enterprise Scheme (YES) programme. More than 300 YES students from 51 teams took part in the 2016 Sanitarium Young Enterprise Scheme Auckland Regional Dragons Den Finals, with five regional winners selected:

- Girl Boss, Albany Senior High School which aims to inspire New Zealand girls to develop their science, technology, engineering skills (and was also winner of the 2016 IDEAS Starter youth entrepreneurship contest)
- Brightlife, ACG Parnell College which makes lycra cycling shirts with LED lighting sewn in

- Chopped NZ, Waiuku College which creates chopping boards made from recycled timber
- Spice Boys, Ormiston Senior College (East Auckland) which makes spicy mayonnaise based on a traditional family recipe
- Arahina, Titirangi Rudolf Steiner which designs basic brochure-style websites for small business owners.

Each winning team received \$1000 from Sanitarium, while the second place team in each region received \$400 from Kiwibank.

YES is delivered in the Auckland region by ATEED on behalf of council. The scheme gives year 12 and 13 students the chance to set up and run their own business for a year.

### **Awards**

New Zealand Association of Event Professionals (NZAEP) has announced the finalists of the 2016 New Zealand Event Awards.

Ruth Barraclough from ATEED's Major Events team is a finalist in the 'Emerging Event Professional of the Year' category. All event and exhibition finalists will be entered into the new public poll to decide for 'Best Regional Event of the Year'. Also in the running, the Auckland Food Show for 'Best Exhibition of the Year', ASB Tennis Classic for 'Best Major Event of the Year' and ICC Cricket World Cup 2015 for 'Best Hosted Major Event of the Year'.

Hosted by Eventfinda, the New Zealand Event Awards Dinner will be held on 4 August at Auckland Museum.

### **GEMS**

We continued to make significant progress with the development of the China GEMS programme, with screen recently having been added to the focus areas of golf, equine and marine.

A major follow-up visit to China with a focus on continuing to develop partnerships and major investment, high value tourism and trade opportunities has recently been completed.

## **Statement of Intent KPIs**

Metrics within the ATEED SOI are categorised as either:

1. Key Performance Indicators: an agreed set of performance measures and targets which form the basis for accountability for delivering on our strategic objectives.
2. Monitoring Indicators: indicators which we have a strong interest in and we aim to influence through our activity, but which ultimately are driven by a range of factors outside our direct control.

Performance against KPIs is included in the attached KPI Scorecard. Issues of note are:

- The target for total value of Callaghan Innovation R&D grants through RBPN was not met due to a reduced government investment in R&D in Auckland, and increased scrutiny and administration across the grants process from Callaghan Innovation. Callaghan Innovation will not be measuring the dollar value of R&D investment going forward, but is creating a greater focus and measure for the number of businesses being supported through their innovation journey. ATEED has now removed this metric from its SOI.
- The target for bids submitted for major international business events was not achieved, however the targeted win/loss ratio was achieved. In addition to the 22 bids submitted, a further 7 bids were supported during the year, but for a range of reasons were not submitted.

- The regional GDP target from major events was not met due to a lower level of major event investment and activity during the year – including the absence of any significant one-off events.
- The measure of the percentage of Aucklanders who agree events make Auckland a great place to live, did not reach the target. This is measured via the council Annual Residents Survey. A change in the questionnaire design possibly contributing to the result. The absence of significant one-off events may have also influenced this perception. Analysis of the results showed generally higher agreement ratings from residents living in central suburbs, while ratings from those living in outer areas were generally much lower.
- All other SOI KPIs were met.

## **Burning issues**

### **People resources**

From 1 July, the Tourism, i-Sites and International Education teams now report to the General Manager External Relations – a re-organisation which balances the workloads of the GM External Relations and the GM Destination and Marketing in preparation for another busy year of major events in particular. The GM's titles remain the same at present.

### **Engagement Survey**

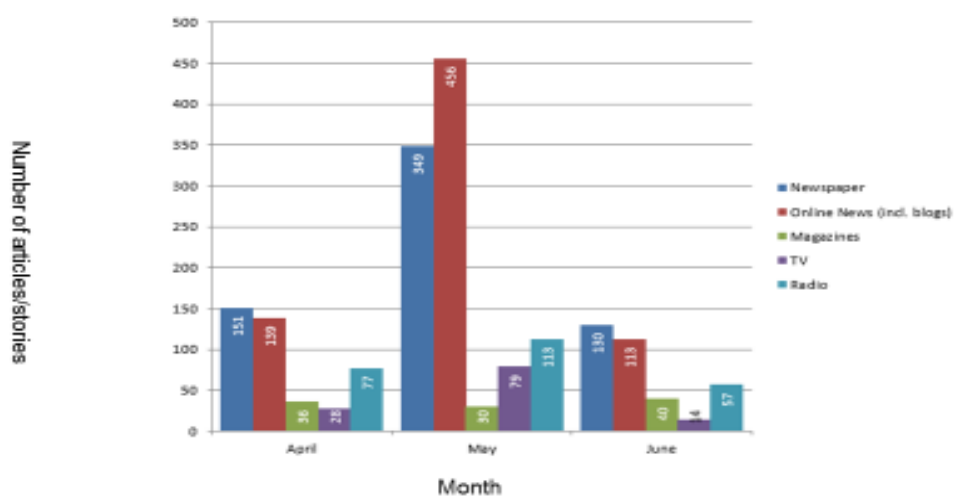
The Board will be briefed separately at the July meeting on the engagement survey once the results from the new AON Hewitt methodology have been fully analysed.

## **Media summary**

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

Events held in May including the Tripartite Economic Summit, Techweek AKL 2016 and the Joseph Parker bout account for the considerable increase in coverage during that month in comparison to April and June.

## Media type breakdown April-June 2016



auckland.ec.com/ated

## Looking forward

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

Scheduled event date	Event name	Location
<b>22 - 28 August 2016</b>	New Zealand Fashion Week	ANZ Viaduct Events Centre
<b>29 Sep - 2 Oct 2016</b>	Auckland On Water Boat Show	Viaduct Harbour
<b>7 Oct - 11 Nov 2016</b>	<i>Priscilla Queen of the Desert – The Musical</i>	The Civic
<b>15 - 16 October 2016</b>	Auckland Diwali Festival	Various
<b>22 October 2016</b>	Bledisloe Cup: All Blacks vs Wallabies	Eden Park
<b>30 October 2016</b>	ASB Auckland Marathon	Various

## Finance

ATEED has ended the year in a good financial position. As a result of the \$1m challenge and tight monitoring of our Q3 forecast over this past month, our positive position enables us to maximise our

approved deferrals in 2017.

As part of our Annual Plan submission to council, we identified \$3.7m of 2016 underspend which would be required in 2017 (mainly due to major events and WMG2017). While our mix of deferred expenditure has changed (as identified as part of our Q3 forecast), we ended the year with \$3.6m of deferrals.

The Governing Body, as part of the approved Annual Plan, approved our 2017 budget (which also included a complete drawdown of what was our Major Events Fund, \$3.5m).

We will still need to go through the deferral process for our deferred capex for the Digital Project and GridAKL. This will be business cased and presented to council for submission to the Finance and Performance Committee in September.

## **Risk**

There are no new high or critical risks being managed within the business. The risk as noted last month (staff work demands) has been removed from our Top 10 as this was investigated and there were no HR indicators or feedback to support the risk.

One issue managed during the month related to WMG2017. The Chief Executive of WMG2017 reports this issue is in hand.

## **Recommendations**

1. The report be received.

## **Attachments**

- ATEED KPI Scorecard
- Internal scorecard

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## **Signatory**

Chief Executive:                      Brett O'Riley



**ATEED KPI Scorecard** **Jun-16**

ATEED SOIKPIs	Measurement	Date of Measure/latest	Latest Result	Annual Target to 30 June 2016	Status
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**Building a Culture of Innovation and Entrepreneurship**

No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" <sup>4</sup>	Number & (%)	30-Jun-16	56 & (70%)	25	
Total value of Callaghan Innovation R&D grants through the Regional business Partner programme	\$(million)	30-Jun-16	1.307	4.0	
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure)	%	30-Jun-16	94	85	
Number of actively managed business through Regional Business Partner programme	Number	30-Jun-16	833	360	
No. businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	30-Jun-16	3170	1500	
No. Maori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	30-Jun-16	129	100	

**Attracting Business and Investment**

Facilitation of the establishment, or significant expansion, of multinational companies in target sectors (LTP Measure)	Number	30-Jun-16	9	5	
Number of intensively account managed customers in ATEED Aftercare programme	Number	30-Jun-16	81	80	
Total GDP contribution of deals effected with ATEED involvement	\$(million)	30-Jun-16	249.7	54.0	
Value of investment deals effected by ATEED within the financial year	\$(million)	30-Jun-16	328.5	265	

**Growing a Skilled Workforce**

Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	30-Jun-16	54	50	
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**Enabling Education and Talent**

Growth in value of international student spend to Auckland	\$(billion)	30-Jun-15	2.1	1.564	
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**Growing the Visitor Economy**

Spend by visitors in Auckland	\$(million)	30-Jun-15	5.593	5.412	
Number of international business event bids submitted (and win/loss ratio)	Number & (%)	30-Jun-16	22 submitted (65% conversion rate)	35 submitted (60% conversion rate)	
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	30-Jun-16	90.8	85	
Contribution to regional GDP from major events invested in (LTP measure)	\$(million)	30-Jun-16	43.7*	49	
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-16	73	80	
Visitor nights generated by major events invested in	Number	30-Jun-16	283,679*	170,000	
Estimated number of attendees at major events invested in	Number (million)	30-Jun-16	1.7*	1.57	
Percentage of customers satisfied with delivered major events (LTP measure)	%	30-Jun-16	-	85	

**Building Auckland's Brand and Identity**

Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	31-May-16	3.7	3.0	
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**Mana Whenua Engagement**

Percentage Mana Whenua satisfaction with quality of engagement	%	N/A	N/A	Establish Baseline	
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- On track / Target exceeded
- Potential for Slippage
- Off-track
- No recent result

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

5 NEET: Not in employment, education or training

\* Forecasted - awaiting final figure

**ATEED Operational Scorecard - June 2016**



<b>HEALTH, SAFETY &amp; WELLBEING</b>				
	Date of Measure	Latest Result	Open Cases	Year-to-Date
No. incidents reported in month	Jun-16	2	1	29
No. near misses reported in month	Jun-16	0	0	4
No. hazards identified	Jun-16	27	46	113
	Date of Measure	Latest Result	Previous Result	Trend
No. outstanding H&S training	Jun-16	3	3	→
No. employees > 20 days annual leave	Jun-16	25	25	→
No. sick days in month	Jun-16	90.3	73.57	↑
<b>HUMAN RESOURCES</b>				
	Date of Measure	Latest Result	Previous Result	Jun-15
Employee engagement score		78%	80%	78%
<b>Head Count</b>				
Employees (incl. Permanent, Fixed term, Casual)	Jun-16	205	233	197
Non-Employees (incl. Agency, Contractors, Volunteers)	Jun-16	21	0	26
FTE (Employees only)	Jun-16	195	215	188
Turnover	Jun-16	16.9%	13.0%	19.0%
Vacancies	Jun-16	28	0	44
<b>PROCESSES</b>				
	Date of Measure	Latest Result	Previous Result	YTD
No. new contracts in month	Jun-16	22	10	137
	Date of Measure	Latest Result	No. of open LGOIMAS	YTD
No. LGOIMA's received in month	Jun-16	0	1	33
	Date of Measure	Latest Result	Previous Result	Trend
% invoices paid on time in month	Jun-16	78%	81%	↓
% PO date on or after date of invoice in month	Jun-16	19%	17%	↓
P&L Forecast Accuracy	Jun-16	98%	93%	↑
<b>RISK</b>				
	Date of Measure	Latest Result	Previous Result	Trend
No. of high/critical project risks (with controls)	Jun-16	17	15	↑
No. of high/critical risks not updated in the last 4 weeks	Jun-16	0	0	→
No. of risks with 'red' flags	Jun-16	4	0	↑
No. of open issues red flagged	Jun-16	0	9	↓

Friday, 29 July 2016



OPEN AGENDA

5. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer

## Finance Report, June 2016

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

<b>Summary Income Statement</b>								<b>TABLE 1</b>	
<b>For the Period Ended 30 June 2016</b>									
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Budget	Last Year	
			<b>Net operational expenses:</b>						
284	467	183	Business Attraction & Investment	2,549	2,797	248	3,590	3,282	
1,528	1,405	(123)	Destination & Marketing	10,798	10,801	3	9,257	11,267	
2,177	2,245	68	Major Events	11,739	11,643	(96)	12,599	15,992	
1,349	1,189	(160)	Business, Innovation and Skills	9,838	10,256	418	10,301	7,969	
1,295	1,186	(109)	Corporate	11,092	11,108	16	12,627	9,138	
<b>6,633</b>	<b>6,492</b>	<b>(141)</b>	<b>ATEED net deficit</b>	<b>46,016</b>	<b>46,605</b>	<b>589</b>	<b>48,374</b>	<b>47,648</b>	
577	169	(408)	World Masters Games 2017 Ltd, net deficit	1,427	410	(1,017)	1,642	50	
<b>7,210</b>	<b>6,662</b>	<b>(548)</b>	<b>Operating deficit before Council funding</b>	<b>47,443</b>	<b>47,014</b>	<b>(429)</b>	<b>50,015</b>	<b>47,697</b>	
			2016 Approved opex funding	50,451			50,307	47,952	
			Deferrals	3,595			1,000	280	
			<b>Operating Deficit</b>	<b>(587)</b>			<b>(708)</b>	<b>(25)</b>	
			Capex funding	2,975			2,777	300	
			<b>Surplus</b>	<b>2,388</b>			<b>2,069</b>	<b>275</b>	

### Key Points

#### Current year's financial results

ATEED has ended the year in a good financial position, with our deferred expenditure aligned to 2017 budget approvals, ensuring we can maximise our 2017 approved funding.

As part of our Annual Plan/Budget submission to Council, we had identified \$3.7m of 2016 expenditure, (mainly due to major events and WMG), which would be required to be carried over to the 2017 financial year. Whilst our mix of deferred expenditure has changed (as identified in our Q3 forecast), we have ended the year with \$3.6m of deferrals.

This deferred expenditure, along with \$3.5m deferred from prior years as part of our major events fund, accounts for \$7.1m of additional funding in 2017. This was approved by the Governing Body in June.

World Master Games total net spend for the year (and ATEED funding) was \$1.4m. Whilst there was a lot of movement and uncertainty prior to year end, this final position means our ATEED funding for WMG in 2017 is close to what we had previously included in our detailed budget, so there is no funding risk to any of ATEED's 2017 projects or activities.

**Total favourable (net) variance of \$0.6m.**

Due to early identification of delayed project activity and associated spend, we were able to build a certain level of deferred expenditure into our 2017 budget submission, giving us certainty of funding for this coming year. Whilst there is always some movement at year end, with some activity having to be deferred to the following year, and unplanned expenditure being incurred, this is part of our usual forecasting process, and presents no financial risk to these projects or activities.

**Business Attraction and Investment (BA&I)**

YTD net underspend of \$0.25m against forecast. The main areas of underspend are in salaries and professional fees as a result of delayed recruitment and workplan due to organisational structure revisions.

**Destination and Marketing**

YTD spend in line with forecast. This however includes a number expenses not forecasted (TRENZ, One Tree Hill planting event and the Jonah Lomu Family Day), offset by \$0.1m of expenditure deferred to 2017.

**Major Events**

YTD net overspend of \$0.1m. A milestone payment of \$0.4m for V8 Supercars was due earlier than forecast due to KPI being met by event organisers. This was offset by \$0.3m of project spend not going ahead until the new financial year (Venue Pilot Partnership Project, RFA Event Attraction fund).

**Business, Innovation and Skills**

YTD net underspend of \$0.4m. The majority of this relates to project activity now due to take place in 2017, including \$0.1m for GridAKL.

**Corporate**

YTD spend in line with forecast, with some unplanned provisioning (\$40k) for the Young Enterprise Scheme loan, and reduced sponsorship revenue, offset by \$0.1m of consultancy costs for strategic project work deferred to 2017.

## Income Statement

Income Statement									TABLE 2
For the Period Ended 30 June 2016									
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Budget	Last Year	
			<b>Operational income</b>						
(134)	107	(242)	Funding from Government	1,612	1,854	(242)	1,211	3,518	
(21)	130	(151)	Sponsorship	1,580	1,635	(55)	2,005	967	
7	17	(10)	Fees & Subscriptions	446	482	(35)	609	510	
136	128	8	i-Sites	2,502	2,507	(5)	2,483	2,580	
97	132	(35)	Sundry income	1,489	1,412	77	1,683	1,348	
<b>85</b>	<b>514</b>	<b>(429)</b>	<b>Total Operating income</b>	<b>7,630</b>	<b>7,890</b>	<b>(260)</b>	<b>7,991</b>	<b>9,053</b>	
1,937	2,053	116	Staff costs	20,728	20,929	202	20,735	19,208	
759	1,071	312	Professional fees, consultancy & contractors	7,004	7,659	654	10,644	7,675	
2,480	2,079	(401)	Grants & sponsorships	8,739	8,268	(470)	7,586	12,004	
26	68	42	Depreciation & amortisation	591	650	59	656	540	
181	183	2	Shared services and lease costs	2,141	2,154	13	2,192	2,475	
212	232	21	Occupancy	2,599	2,629	30	2,676	2,495	
151	132	(20)	Travel & entertainment	1,653	1,623	(30)	1,445	1,510	
320	98	(222)	General, admin & other	2,823	2,639	(184)	1,741	2,610	
653	1,091	438	Advertising, marketing & research	7,367	7,943	576	8,689	8,182	
<b>6,718</b>	<b>7,007</b>	<b>289</b>	<b>Total Operating Expenditure</b>	<b>53,645</b>	<b>54,494</b>	<b>849</b>	<b>56,365</b>	<b>56,701</b>	
<b>6,633</b>	<b>6,492</b>	<b>(141)</b>	<b>ATEED Net deficit</b>	<b>46,016</b>	<b>46,605</b>	<b>589</b>	<b>48,374</b>	<b>47,648</b>	

## Revenue

YTD revenue from Government was \$0.2m lower than forecast due to revenue from Education New Zealand for work on International Education now recoverable in 2017 on completion of the work programme.

## Expenditure

YTD underspend of \$0.8m across the business. Most of this underspend has been deferred to FY17.

**Staff Costs YTD Variance, \$0.2m:** largely due to vacancies in Corporate and BA&I. BA&I is transitioning to a new organisation structure and Corporate are currently carrying five vacancies.

**Professional Services YTD Variance, \$0.7m:** Whilst we have some savings in this area, \$0.4m of this underspend is a result of a number of projects which were deferred to 2017, as well as delays in the consultancy work at GridAKL on the new building (approx \$0.1m).

**Grants and Sponsorships YTD Variance, \$0.5m:** Overspend is largely due to the earlier than planned payment for V8's of \$0.4m. This had been budgeted in FY17 and our Q1 forecast will be adjusted to reflect this payment being brought forward.

**General Admin and Other YTD Variance, \$0.2m:** A number of small unplanned expenses and provisions at year end, including providing for the non-recovery of the Young Enterprise Scheme loan, GridAKL emergency costs and compensation \$0.1m, and costs associated with the relocation of the Highbrook office to Manukau.

**Advertising and Marketing YTD Variance, \$0.6m:** International Education deferral of activity to FY17 (matched by NZ Education funding) of \$0.25m, and deferral of a number of major events projects (including Venue Pilot Partnership Project, and RFA attraction Fund) of \$0.5m.

## Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m								TABLE 3
For the Period Ended 30 June 2016								\$000's
Month				Year to Date				
Actual	Forecast	Variance		Actual	Forecast	Variance	Budget	Last Year
			<b>Business, Innovation and Skills</b>					
126	83	(43)	The FoodBowl	1,015	1,015	(0)	1,000	1,000
158	229	72	GridAKL	1,557	1,795	238	2,255	1,486
			<b>Destination and marketing</b>					
80	85	5	Global Auckland Project	264	351	87	550	253
			<b>Major Events</b>					
(509)	0	509	Maori Signature Event	0	0	(0)	0	29
444	222	(222)	V8 Supercars	2,097	1,648	(449)	1,993	461
1,169	1,200	31	2016 NRL Nines - Delivery	2,868	2,913	45	2,450	3,262
			<i>Total Major Events</i>	<i>9,642</i>	<i>9,544</i>	<i>(98)</i>	<i>9,544</i>	<i>14,371</i>

- GridAKL: Underspend due to loss on asset disposal less than planned, and delays with Innovation 5A consultancy work. Refer appendix 2 for the detailed P&L.
- V8 Supercars. Milestone payment made earlier than planned.

## World Masters Games

World Masters Games 2017 Ltd								TABLE 4
Summary Income Statement								\$000's
Month				Year to Date				
Actual	Forecast	Variance		Actual	Forecast	Variance	Budget	Full Year
393	175	218	Revenue from Activities	1,616	2,900	(1,284)	1,212	26
313	313	0	Funding from Government	2,625	2,625	0	2,625	2,500
0	0	0	Sponsorship	475	0	475	885	1,225
15	0	15	Sundry income	610	520	90	0	200
<b>721</b>	<b>488</b>	<b>233</b>	<b>Total Operating income</b>	<b>5,326</b>	<b>6,045</b>	<b>(720)</b>	<b>4,722</b>	<b>3,951</b>
			<b>Net Operational costs</b>					
355	380	25	Staff costs	2,621	3,108	487	3,105	1,605
547	139	(408)	Professional fees, consultancy & contractors	1,302	1,050	(252)	855	447
0	0	0	Grants & sponsorships	695	749	54	832	861
58	6	(52)	Depreciation & amortisation	111	67	(44)	51	21
12	13	1	Occupancy	164	173	9	502	83
12	23	11	Travel & entertainment	267	275	8	164	124
237	18	(219)	General, admin & other	671	343	(328)	856	362
77	78	1	Advertising, marketing & research	905	689	(216)	0	498
<b>1,298</b>	<b>657</b>	<b>(641)</b>	<b>Total Operating Expenditure</b>	<b>6,753</b>	<b>6,455</b>	<b>(298)</b>	<b>6,364</b>	<b>4,001</b>
<b>(577)</b>	<b>(169)</b>	<b>(408)</b>	<b>Operating surplus/(deficit)</b>	<b>(1,427)</b>	<b>(410)</b>	<b>(1,017)</b>	<b>(1,642)</b>	<b>(50)</b>
				<b>Prior Year</b>	<b>2016 YTD</b>	<b>2,017</b>	<b>Revised Forecast</b>	<b>Original Budget</b>
Total Spend				8,885	6,753	19,112	34,750	33,000
ATEED Funding, including revenue in kind of 0.75m				3,004	1,427	7,319	11,750	11,000

- Our 2017 budget work anticipated (based on latest estimate from WMG) \$1.8m of funding required in 2016. The actual year end result is less than this, however the extra

funding now required for 2017 can be managed without impacting any of ATEED's budgeted activity.

- Whilst registration revenue is lower than plan, actual pipeline revenue (team sports) is up 85% of forecast. Also important to note, that the registration revenue is tracking ahead of Sydney 2009.
- Additional sponsorship revenue of \$0.5m was received in this last quarter.

## Summary Statement of Financial Position

<b>Statement of Financial Position, ATEED Group</b>		
<b>As at 30 June 2016</b>		
<b>TABLE 5</b>	<b>YTD</b>	<b>\$000's Jun-15</b>
<b>Current assets</b>		
Cash and cash equivalents	2,024	2,206
Receivables and prepayments	10,714	9,512
Other current assets, including iSite inventory	80	55
<b>Total current assets</b>	<b>12,818</b>	<b>11,773</b>
<b>Current liabilities</b>		
	<b>12,448</b>	<b>11,230</b>
<b>Working capital</b>	<b>370</b>	<b>543</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	697	1,236
Property, plant and equipment	5,098	2,240
Investment in Joint Venture, The FoodBow l	2,067	2,047
<b>Total con-current assets</b>	<b>7,862</b>	<b>5,523</b>
<b>Non-current liabilities</b>		
	<b>253</b>	<b>436</b>
<b>NET ASSETS</b>	<b>7,979</b>	<b>5,630</b>
<b>EQUITY</b>	<b>7,979</b>	<b>5,630</b>
<b>Capex spend</b>	<b>3,611</b>	<b>ADJ FY Funding \$3,030</b>
<b>Total commitments (at June 2016)</b>		<b>\$31m</b>

- The increase in current receivables is due to the transfer of the V8 capital grant (\$0.4m) from non-current to current, and \$0.4m due from Biz Dojo for bond fees and carpark costs at GridAKL. There is no risk of non-recovery as this is a timing issue resulting from delays in the signing of the lease.
- The increase in property, plant and equipment relates to GridAKL fit out on the John Lysaght building.
- Capex spend is higher than Council funding due to the capex contribution received from Panuku and third party capex grant.

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## Recommendation

It is recommended that the Board note the Finance Report for the period 30 June 2016

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## Signatories

Manager: Avika Singh, Finance Manager

GM: Barbara Imlach, Chief Financial Officer

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## Appendix 1

### iSite Summary Income Statement

	Full Year				
	Actual	Forecast	Variance (u)/f	Budget	Last year
Total Revenue	2,502	2,507	(5)	2,483	2,580
Cost of Goods Sold	734	725	9	742	891
Gross Margin	1,768	1,782	(14)	1,741	1,689
Overhead	2,068	2,129	61	2,086	2,576
<b>Surplus/Deficit</b>	<b>(300)</b>	<b>(347)</b>	<b>47</b>	<b>(345)</b>	<b>(887)</b>

iSites have performed well with a year end result in line with forecast and budget.

## Appendix 2

### GridAKL Summary Income Statement

GridAKL					
Full Year					
	Actual	Forecast	Variance	Budget	Last Year
Sponsorship revenue	333	333	0	411	334
Property rental revenue	725	672	53	803	622
<b>Total Revenue</b>	<b>1,058</b>	<b>1,005</b>	<b>53</b>	<b>1,214</b>	<b>956</b>
Staff costs	61	60	(1)	0	19
Professional fees, consultancy & contractors	1,474	1,635	161	2,362	1,580
Depreciation & amortisation	74	115	41	211	100
Occupancy	887	910	23	868	731
Travel & entertainment	19	18	(1)	23	13
General, admin & other	86	11	(75)	77	0
Advertising, marketing & research	1	1	0	0	0
Loss on Disposal	14	50	36		
<b>Total Expenditure</b>	<b>2,615</b>	<b>2,800</b>	<b>185</b>	<b>3,541</b>	<b>2,443</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(1,557)</b>	<b>(1,795)</b>	<b>(238)</b>	<b>(2,327)</b>	<b>(1,487)</b>

- Professional fees are less than plan due to delays in Innovation 5A work.
- The unfavourable variance in general and admin reflects the additional costs incurred managing the heat issues at Lysaght.