

Board Meeting Agenda, Wednesday 29 June 2018
 Tāmaki Makaurau Boardroom, L8 139 Quay Street

Item	Subject	Action	Start Time	Duration	Pg.
OPEN AGENDA					
1	Apologies	To Note	1.15 p.m.	1 mins	
2	Open Minutes 23 March 2018 and Open Action Tracker , Nick Hill	To Approve	1.16 p.m.	2 mins	
3	Directors Interest Register, Conflicts of Interest Declaration , David McConnell	To Note	1.18 p.m.	2 mins	
4	Presentation from Waitemata Low Carbon Network , Sarah Thomson and Dr. Grant Hewison	To Note	1.20 p.m.	10 mins	
5	ATEED's Statement of Intent , Nick Hill and James Robinson	To Approve	1.30 p.m.	30 mins	
6	Chief Executive's Activity Report , Nick Hill	To Note	2.00 p.m.	10 mins	
7	Finance Report , Joy Buckingham		2.10 p.m.	10 mins	
	Close of Meeting		2.20 p.m.		

OPEN BOARD MINUTES

What:	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
Where:	Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland
When:	Wednesday, 30 May at 4.36 p.m.
Directors:	David McConnell (Chair) Danny Chan Glenys Coughlan Evan Davies Stuart McCutcheon Helen Robinson (via teleconference) Mike Taitoko (via teleconference) Sir Pita Sharples (Board Consultant)
Apologies:	None
In Attendance:	Tim Kingsley-Smith, Company Secretary Joy Buckingham, Chief Financial Officer
Public & Media Attendance:	N/A

Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum is a majority of the directors (12.9 of the Constitution) and there currently being seven directors, a quorum of Directors was present. It was noted that each Director had been given proper notice of the meeting.

Meeting Business

1. Apologies

There were no apologies.

2. Minutes of Previous Meeting and Action Tracker

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

The Board **approved** the minutes of the meeting held on 23 March 2018 and confirmed the minutes were a true and correct record.

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

The Board **noted** the Directors' interests register.

4. Chief Executive's Activity Report

On behalf of Nick Hill, David McConnell spoke to the paper:

- The Governing Body had provided positive feedback on ATEED's strategy review, but it was also clear that more work needed to be done.
- The Destination AKL 2025 strategy was successfully launched on 11 May at an event attended by the Mayor, the Minister of Tourism, members of the Industry Leaders' Group, the media, and other key stakeholders.
- Auckland's hosting of APEC 2021 and the next America's Cup are both progressing well.

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

5. Finance Report

Joy Buckingham spoke to the paper:

- ATEED is tracking \$0.8m behind Forecast 3 primarily due to:
 - A timing underspend of \$0.3m in marketing campaigns for Study Auckland and Trade Partnership marketing activities;
 - A decrease in staff costs of \$0.2m, mainly due to vacancy savings; and
 - A decrease in occupancy costs of \$0.1m due to reclassification of expenses to capital expenditure and reduction in the BizDojo doubtful debt provision.
- Forecast 3 has been approved by the Board and updated in the finance and reporting systems.

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

The Chairperson declared the meeting closed at 4.58 p.m.

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

Chair

Date

ATEED Board Interests and Conflicts Register

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

	<p>Director, H Infrastructure Limited (3691835) Director, Addison Group Limited (3377631) Director, Hawkfleet Limited (3329470) Director, Addison Developments Limited (855954) Director, HUC Limited (826148) Director, Blackpool Services Limited (6106907) Director, Leeds Construction Limited (6106928) Director, Mariner Rise Limited (1897890) Director, 429 Limited (882429) Director, Spiral Welded Pipes Limited (599333) Director, Mcconnell Property Services Limited (2093843) Director, Orange H Management Limited (3691975) Director, H Construction N.I. Limited (3874817) Director, Wilkins & Davies Limited (5860549) Director, Learning Infrastructure Partners Gp 1 Limited (5862845) Director, Beaumont Park Limited (1892636) Director, Mcconnell Developments Holdings Limited (2066570) Director, Orange H Construction Limited (3723877) Director, H Construction Group Limited (3746315) Director, MTC Land Investments Limited (5452582) Director, Steelpipe Limited (49280) Director, Citygate Limited (2072237) Director, McConnell Developments Limited (886504) Director, Galleon Limited (597939) Director, H Infrastructure (NZ) Limited (5995721) Director, MP Shelf Company 2002 Limited (1231221) Director, McConnell Funds Management Limited (2396949) Director, Learning Infrastructure Investment Limited (3765221) Director, Element NZ Limited (2163263)</p>
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	<p>Director, McConnell Property Limited (2396928) Director, H Construction South Island Limited (3691841) Director, McConnell GP No. 1 Limited (2478228) Director, The Shooting Box Limited (866096) Director, Arnot Investments Limited (3945959) Director, McConnell Limited (634938) Director, Shelf Company 2012a Limited (401431)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Evan Davies	<p>Director, Kimono Capital Limited (6341449) Director, Long Bay Village Limited (5830034) Director, Todd Property Group Limited (2291506) Director & Shareholder, Welch Securities Limited (1122606) Director, Long Bay Communities Limited (1415659) Director, Stonefields Communities Limited (1025439) Director, Okura Holdings Limited (1512475) Director, Long Bay Farming Limited (1560352) Director, Ngunguru Coastal Holdings Limited (1285296) Director, Ngunguru Coastal Investments Limited (1570675) Director, Tall Oaks Holdings Limited (1968803) Director, Todd Land Holdings Limited (2152132) Director, Todd Th Limited (1875941) Director, Lld Limited (1308103) Director, Paris Magdalinos Architects Limited (1941004) Director, Todd Property Pegasus Development Limited (4857639)</p>

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

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

	<p> Director, COTTAGE DESIGN LIMITED (553363) Director, DANTING INVESTMENTS LIMITED (1101054) Director, DIABETIC FOOD LIMITED (5785571) Director, EDUCATION INVESTMENT LIMITED (2099558) Director, ENROLMY LIMITED (5746128) Director, EVERGROW PROPERTIES LIMITED (638821) Director, FASTCOM LIMITED (2292668) Director, FMG INSURANCE LIMITED (1801045) Director, GLOBAL ACADEMIC GROUP HOLDCO LIMITED (5789309) Director, GREEN CUT LIMITED (2200640) Director, GREEN HARVEST EXPORTS LIMITED (424593) Director, GREEN HARVEST PACIFIC HOLDINGS LIMITED (912715) Director, GREEN HARVEST PACIFIC LIMITED (807760) Director, MARLBOROUGH WINE ESTATES GROUP LIMITED (5639568) Director, NEW ZEALAND YACON LIMITED (3893137) Director, ORIENT PACIFIC CORPORATION LIMITED (482579) Director, PISCES TRUSTEES COMPANY LIMITED (4364838) Director, SEAPLIES INTERNATIONAL (NELSON) LIMITED (931103) Director, SIMTICS LIMITED (1405985) Director, TAHERE GROUP LIMITED (6090882) Director, TURNERS FLOWER EXPORTS N.Z. LIMITED (1677418) Shareholder, AIRE CUT COMPANY LIMITED (1255160) Shareholder, B.L.TECH LIMITED (4425298) Shareholder, CLOUD M LIMITED (3170790) Shareholder, DANTING INVESTMENTS LIMITED (1101054) Shareholder, IMONITOR INTELLECTUAL PROPERTY LIMITED (1874643) Shareholder, ORGANIC INITIATIVE LIMITED (5595738) Shareholder, RAWHITI MANUKA HONI LIMITED (2369144) Shareholder, SHORTLAND FLATS LIMITED (41534) Shareholder, SIMTUTOR LIMITED (5285041) </p>
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	<p>Shareholder, SUPERTHRILLER JET SPRINT LIMITED (110844) Shareholder, THE CABLE FERRET COMPANY LIMITED (4482398) Shareholder, THE CAREER ACADEMY LIMITED (1245347) (Removed) Shareholder, THE DIGITAL CAFE LIMITED (6094889) Shareholder, VOLT TECHNOLOGY LIMITED (5684947) Shareholder, ZENITH ASSET MANAGEMENT LIMITED (1770979) Member, NZ China Advisory Council (appointed 20 November 2012) Member, NZ Markets Disciplinary Tribunal Director, Farmers Mutual Group (Mutual Society)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Helen Robinson	<p>Chair Director and Shareholder, Cloud M Limited (3170790) Director and Shareholder, KND Trustees Limited (5691575) Managing Director and Shareholder, Penguin Consulting Limited (1694891) Co-Founder & Executive Director, Organic Initiative Limited (5595738) Director and Chair, The Network For Learning Limited (3897339) Shareholder, KND Investments Limited (1694892) Shareholder, Organic Initiative Limited (5595738) Chair, Valens Group Director, Fulbright NZ Ltd Director, NZ Defence Force Trustee, Aktive Auckland Sport & Recreation Trustee, Robinson Family Trust</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and</p>

	funded by the Company
Director	Roles & Responsibilities outside of ATEED
Stuart McCutcheon	<p>Director, Lexington Properties Limited (1605485) Chairman of Directors, Auckland Uniservices Limited (373821) Chairman, Universities New Zealand (From 1 January 2017) Director, Universitas 21 International University Network Council Member, University Of Auckland Member, Partnership Board, The Worldwide Universities Network Member, Steering Committee, The Association Of Pacific Rim Universities Trustee, Uk Friends Of The University Of Auckland</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Board Advisor	Roles & Responsibilities outside of ATEED
Sir Pita Sharples	<p>Director, Tu Maori Mai Limited (5584726) Director, Arapita Limited (1369621)</p> <p>Hoani Waititi Marae - Taumata Te Ropu Manatangi – Kai ako Te Whare Tu Taua – Tumu Whakaarei Ngā ti Kahungungu iwi – Taumata Te Toa Takitini – Kaumatua advisor Aorangi maori trust board – Kaumatua Rakau Tatathi Marae – Paepae Mahi Tahī trust Board – Member Maori and Pacific Trade Training – Manawhaka haere</p>

	<p>Maori Heritage Council – Member NZ Heritage Trust Board – member Emerge Aotearoa – Board Kaumatua NPM – Patron Te Arapai – Member Auckland Museum Trust Board - Member Auckland Museum Maori Council – Member Special Expert Group on Organ Donation – Member Pacific Leaders Programme – Consultant Matatini – Life Member Zin and Tane Chinese Maori Dance Production – Producer White Ribbon Campaign – Ambassador West Auckland Task Force against Domestic Violence – Member Pillars – Patron Tamaki Makaurau Haka Society – Life Member Unitech Maori Advisor Maori Chinese youth forum – Kaumatua Heritage NZ Pouhere Taonga Trust</p>
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Waitemata Low Carbon Network

Submission on draft ATEED Statement of Intent 2018-2021

The Waitemata Low Carbon Network ('WLCN') is a diverse community of residents, groups and businesses passionate about making low carbon living, working and playing part of the distinct identity of central Auckland. The WLCN welcomes the opportunity to speak regarding Auckland Tourism, Events and Economic Development ('ATEED') draft Statement of Intent 2018-2021 ('SOI').

Our Climate Crisis

An important point we wish to make is that the climate crisis is with us now; it is not something far off into the future. According to NIWA, New Zealand has warmed by almost a degree over the last 100 years due to greenhouse gases.

The effects of the climate crisis are being felt very close to home. Auckland was drenched with more than one-third of the normal annual rainfall only 48 days into 2018.

In January, Rosedale Road on the North Shore had over 50mm of rain in an hour. Houses flooded, people had to be rescued from cars. Water rose to waist height in minutes.

The largest impact was associated with king tides, combining with a storm surge and strong onshore winds and swells. This created major coastal inundation most evident in coastal parts of the Coromandel, but also in parts of Auckland.

These are not one-off weather events, but an increasing and accelerating pattern.

Auckland Council's Strategic Responses to Climate Change

Together with all other council-controlled organisations, the Mayor sent a Letter of Expectation to ATEED on 18 January 2018 setting out the council's priorities and expectations to inform ATEED's SOI.

As a follow-up, the Mayor sent a further letter to all council-controlled organisations, including ATEED on 16 February 2018. In that letter, the Mayor stated that he wanted all CCOs also consider climate change in their planning and operational processes:

"Climate change is one of the pressing issues of our time. Addressing the challenges that it presents for Auckland is a priority for Council. The impacts of climate change will require the application of renewed thinking and approaches to your areas of responsibility, as we respond to mitigate and adapt to the effects of climate change."

The Auckland Council is currently refreshing the Auckland Low Carbon Plan, which aims to reduce Auckland's emissions by 40% by 2040.

We also note Mayor Phil Goff's C40 Fossil-Fuel-Free Street Declaration which includes a pledge to ensure a major area of Auckland has zero emissions by 2030. We have included a copy of the C40 Fossil-Fuel-Free Street Declaration in this Statement.

ATEED's draft SOI

ATEED has incorporated its new strategic framework, which includes a cross cutting theme of sustainability, into its draft 2018-2021 SOI. We understand that the strategic framework document is not yet public.

ATEED has also integrated the 'circular economy' model into the draft SOI, which reflects ATEED's acknowledgement of the benefits of a circular economy, as outlined in '*The Circular Economy Opportunity for Auckland*'. The paper estimates that "Auckland could liberate up to \$8.8 billion in additional economic activity and reduce carbon emissions by 2,700 ktCO₂e in 2030 by shifting from the current linear take, make and waste model to a circular economy."

We welcome the new direction that ATEED is taking, which puts a greater emphasis on sustainability and better aligns the organisation with Auckland's wider aspirations to become a low carbon city. However, we would like to see this more directly reflected in the Statement of Intent.

Low Carbon Auckland Plan

We are concerned, in light of the Mayor's emphasis on climate change, that the strategic direction and performance measures in the 2014 Low Carbon Action Plan did not find a place in ATEED's SOI. We note that the 2017-2020 SOI commits to supporting the Low Carbon Auckland Plan, but this year's SOI makes no mention of it.

We would like to see ATEED include a clear statement in the SOI that it will work to achieve the objectives in the Low Carbon Auckland Plan and contribute to the refresh. As an example, the 2017-2020 SOI said:

"ATEED is committed to supporting green growth, as well as to the Low Carbon Auckland Action Plan (2014) and is committed to working with industry to support the development of Auckland's low carbon industries. In collaboration with the Ministry for the Environment and other agencies ATEED will explore the size and potential of low carbon industries and future interventions to support them."

Circular/Zero Carbon Economy Business Programmes

Under its "Cross Cutting Theme" of Sustainable Development, ATEED says it will raise the awareness of the benefits of operating in an environmentally sustainable way through private sector operators, support operators who lead in this space, and provide preferential profile to organisations that embrace sustainability throughout their business.

We think the big gap at the moment is that there are no Auckland business programmes driving the development of a zero carbon economy for the region. Auckland Council no longer has a sustainable business programme or advisors, so it makes sense that ATEED would deliver or enable this function. Internationally, Councils are supporting the development of zero carbon economy networks and initiatives, with quite big investments in supporting expertise and resources, alongside or integrated with circular economy initiatives.

We would like to see a strong commitment to a business programme to support the development of circular/zero carbon economy incorporated into the SOI.

Sustainable Outcomes for Events

We note that ATEED has also incorporated sustainability initiatives into some of its work programs, including to:

- work across the Tourism industry to advocate for higher standards of sustainable practice; and
- promote eco-innovation, the adoption of sustainable business practices and the development of the circular economy.

These are positive initiatives that we support. We recommend that ATEED also integrates environmental sustainability initiatives into its work program for Major Events, and Business Events. This could include working towards low waste and low carbon events. For example, the America's Cup and APEC are both great opportunities to showcase innovation and leadership by planning low waste and low carbon events.

Reporting

ATEED recently joined the NZ Tourism Sustainability Commitment in 2017 and says it will work to develop a set of sustainability measures, and a framework for measuring and reporting these within the first year. The baseline for measurements will be 2019. We support the development of sustainability measures, and would like to see strong environmental sustainability measures in the next SOI which reflect the business commitments in the NZ Tourism Sustainability Commitment, including:

- 11. Ecological Restoration:** Businesses contribute to ecological restoration initiatives.
- 12. Carbon Reduction:** Businesses have carbon reduction programmes towards carbon neutrality.
- 13. Waste Management:** Businesses have waste reduction and management programmes.
- 14. Education:** Businesses actively engage with their visitors and communities on the importance of restoring, protecting and enhancing New Zealand's natural environment.

These measures need to materially correspond to the impacts of businesses/the tourism industry and ideally provide net benefits for the environment.

It is important to a) report on the carbon/environmental impact of Auckland's tourism industry and b) create a roadmap for the region showing how it will transition to zero carbon. The same is necessary for events funded by the city. Reporting and roadmaps can be integrated with a broader sustainability response, but carbon impacts need to be clearly measured, and plans for reduction, monitoring and management articulated. These will also need to be integrated into the next Auckland Low (Zero) Carbon Plan.

Measuring and reporting plays a vital role in promoting accountability, and will allow both ATEED and the public to understand the impact of the ATEED's sustainability initiatives.

We note one concern we have with the Tourism Sustainability Commitment is that it does not require any third party verification of claims made by businesses. We believe this may be something that ATEED can work to address.

Conclusion

The key question is: how does ATEED plan to support the transition of Auckland businesses and the tourism sector to being part of a zero carbon economy? In order for Auckland to enjoy the benefits of a low carbon, circular economy as outlined in the May 2018 report, it is vital that ATEED prioritise this transition in its SOL.

If you have any questions or would like to discuss this further, please feel free to contact us.

Yours sincerely



Waitemata Low Carbon Network (Members)
Sarah Lorraine Thomson
Grant Hewison

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OPEN

JUNE 2018

Final ATEED Statement of Intent 2018-21

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

Proposal

This report seeks Board approval of the ATEED Statement of Intent (SOI) 2018-21 for submission to Auckland Council on or before June 30 2018.

Strategic Alignment

The Local Government Act requires all CCOs to prepare an SOI each year. The ATEED SOI 2018-21 states our activities and intentions over the next three years according to our strategic priorities and the Auckland Council objectives to which those activities contribute. As such, it provides the strategic link between the Auckland Plan and ATEED's operational activities.

Comment

On 1 March, a first draft of the ATEED SOI 2018-21 was presented to Council for shareholder feedback.

Since the delivery of the first draft, the following have prompted further development and refinement of the first draft.

- Formal shareholder feedback (see attached letter) plus additional conversations and detailed contributory feedback from Council.
- The Governing Body workshop on May 8, 2018
- Finalisation of the Destination AKL 2025 Strategy and further development of the associated operational plans
- Input into the Council LTP process
- Consideration of a second draft SOI by the Board at the May 2018 meeting.
- Further refinement by management

The attached Final ATEED SOI 2018-21, reflects the feedback received through the processes above and is presented to the Board for feedback and final adoption.

Since consideration of the second draft SOI at the May Board meeting, the following substantive changes have been made.

- Re-drafting of the Foreword and About ATEED sections to better reflect ATEED's new strategic direction, the key opportunities for Auckland and ATEED, and....
- Re-drafting of the commentary related to Maori Economic Growth to align with the most recent work with Council on the Te Toa Takitini programme
- Addition of a new section describing the key areas of development of our new measurement framework over the next 12 months.
- Condensing of the section related to Monitoring Measures to reduce potential confusion between these and the KPIs
- Other

In addition, the attached table provides an overview of how the key points raised via formal shareholder feedback have been addressed in the final SOI.

Consultation

ATEED's Senior Leadership Team have provided input into the attached final ATEED SOI 2018-21.

Decision Making

The Board is asked to approve the final ATEED SOI 2018-21. If Board members have substantive changes they would like to see incorporated into the final SOI, management request that these are communicated prior to the meeting to avoid late delivery to Auckland Council.

Financial Implications

None.

Recommendations

1. The Board approves the attached final ATEED SOI 2018-21.

Attachments

1. Final ATEED Statement of Intent 2018-21
2. Shareholder feedback letter to David McConnell
3. Response to shareholder feedback points

Signatories

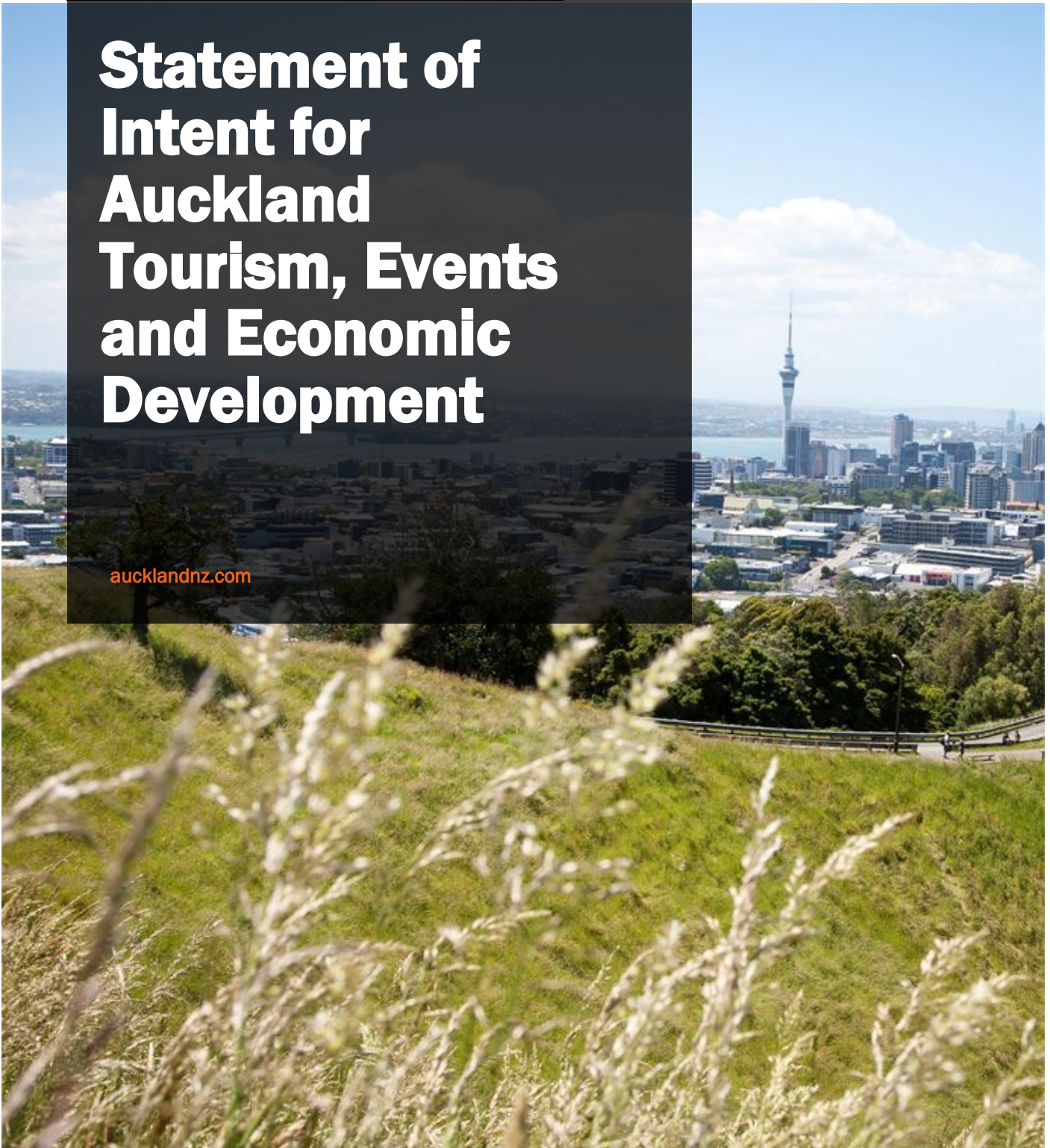
Unit Manager: James Robinson, Head of Strategy and Planning

General Manager: Nick Hill, Chief Executive

2018 - 2021

Statement of Intent for Auckland Tourism, Events and Economic Development

aucklandnz.com



He Mihi

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

E whakaruruhau ana i ngā ahikaa mai tawhiti.

E maumahara ana i te nguha a Mataoho

Rātou kua poto ki tua o te ārai, e moe e okioki

Tātou te hunga ora e kawē ana i te aronganui mō te pai me te whai rawa o Tāmaki, tēnā rā tātou katoa.

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

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

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

DRAFT

Foreword

Auckland is growing rapidly, as is investment to meet this growth. Auckland Council has committed to spending \$26.5 billion on infrastructure over the next decade, in addition to central government and private sector investment. At the same time, technological disruption will change the structure of industries and the jobs they create profoundly: Some estimate that forty percent of the tasks and activities that make up the jobs we do today will disappear in the next 10 years, replaced by new and different job families.

These rapidly changing market dynamics present tremendous opportunities – if managed well – for Auckland to develop further as a world-class, globally competitive city that attracts and retains talented and skilled people. There is a real need to focus on creating the right environment for Auckland to be ready for this monumental change in our working lives.

Many exciting companies based in Auckland are leading the region's transformation. ATEED is committed to working with these companies, their leaders and talent, and Auckland's 'anchor institutions' - enterprises that spur economic growth and innovation such as universities and hospitals - to speed up the shift towards an Auckland economy that's more heavily weighted towards advanced industries and tradeable sectors.

Auckland needs to work together to drive greater international flows of products and services, ideas, people and capital; increase the competitiveness of our markets; and aggressively promote a culture of innovation. Of equal importance is the need to ensure economic growth creates prosperity for all Aucklanders. Parts of Auckland, and groups of Aucklanders, are not sharing in the economic opportunities our region offers. It is a priority for ATEED that Auckland pioneers city-led solutions that enable inclusive growth.

The Mayor, in his letter of expectation to ATEED, outlined three strategic priorities for us to focus on. This Statement of Intent details how we will respond to these priorities. First, ATEED will continue to narrow our focus during the term of this Statement of Intent towards those activities and industry sectors that will have the greatest impact on increasing investment in quality jobs – particularly where Auckland's south and west can benefit.

Second, ATEED will actively support identified urban regeneration areas, and leverage Council's investment in them. We will initially concentrate our efforts on Manukau and Onehunga, looking for opportunities to attract investment and grow business and employment in these areas, working with the Council family, community leaders, business and government agencies.

Third, ATEED will make the most of large-scale events coming to Auckland, including APEC and the America's Cup in 2021. Globally important events present an opportunity to showcase Auckland and help to transform our region – bringing enduring benefits to all Aucklanders and helping make Auckland the place where talent wants to live, where entrepreneurs and businesses want to invest, and where innovation and skills drive economic growth for all.

Work on our sharper focus is already underway. The recently launched *Destination AKL 2025* – a new strategy that encourages the sustainable growth of Auckland's visitor economy by focusing on destination management alongside destination marketing – exemplifies ATEED's focus on partnering with industry to create a new, better way of doing things, for the benefit of Auckland.

The next year will be a period of transition for ATEED. We will continue to re-prioritise our resources. We will also focus on quantifying the impact our interventions have and develop new capabilities to deliver on our purpose to create quality jobs for all of Aucklanders.



David McConnell
Chair



Nick Hill
Chief Executive

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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. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

About ATEED

ATEED is Auckland's economic development agency. Our purpose is to support the growth of:

"Quality jobs¹ for all Aucklanders."

Our vision is that Auckland's firms and workers are increasingly productive. Productivity is the key driver of prosperity and rising standards of living.

ATEED has recently completed a First Principles Review of its activities. This review confirmed the key ways in which ATEED creates value for Auckland. We do this by:

- promoting and advocating for Auckland nationally and globally as a place to work, invest, study and visit
- facilitating collaboration between the City, business and Government – particularly in key sectors (e.g. the visitor sector)
- sharing data, intelligence, information and analysis to improve understanding of economic development opportunities
- developing and delivering specific economic development projects with partners where there is market failure and Auckland leadership and support is required
- transferring mature and established activities to capable owners where this is feasible.

This Statement of Intent signals some changes to the way that ATEED will operate over the next three years. These changes include:

- Undertaking a smaller number of more impactful interventions
- Adopting a stronger spatial focus working alongside Panuku and Auckland Transport
- Placing a greater focus on Auckland businesses as our customers
- Partnering with industry sectors and key economic institutions to coordinate action, based on a systemic view of how industry eco-systems operate
- Making more use of economic intelligence, data and market analysis.

Core to the achievement of our refreshed purpose are our values which drive our ways of working both internally and externally with partners. ATEED's values are:

It's all about people: great company

- We respect and support each other and value our differences;
- We encourage each other to be the best we can be;
- We recognise and reward effort and achievement.

Let's be clear: great communication

- We are open and honest in what we say and do;
- We listen first and speak respectfully;
- We have straightforward conversations in a non-judgemental environment.

¹ Quality jobs are defined by the Southern Initiative as jobs that offer potential for transformation through paying a living wage, presenting prospects for progression and providing access to training and skill development.

Connect and collaborate: great relationships

- We seek to understand others and work together to make a difference;
- We celebrate our diversity and share our individual strengths;
- We are one team with a common goal, to grow our economy.

Bold actions, smart choices: great thinking

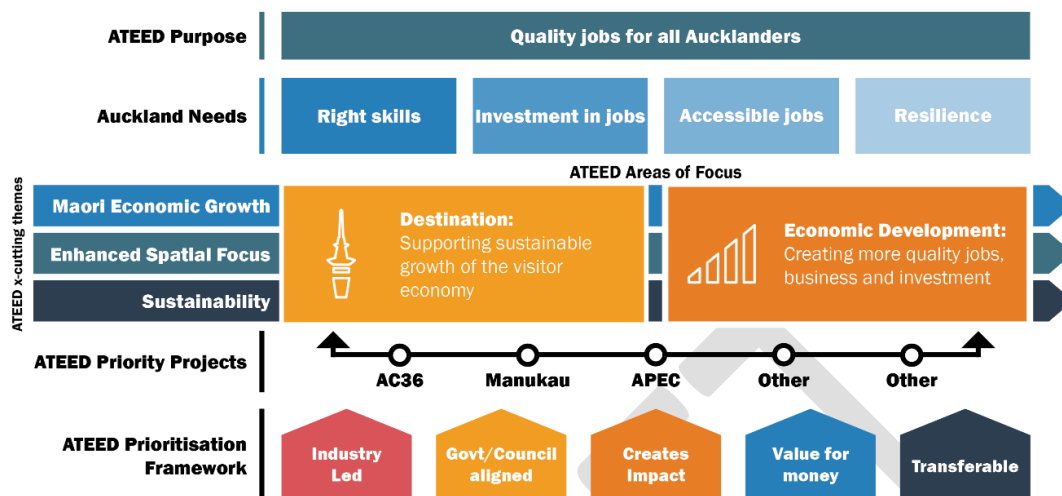
- We are courageous;
- We welcome fresh ideas, try new things and embrace change;
- We ask how we can do it differently and do it better.

Get it done and make it yours: great results

- We make things happen by taking personal ownership and responsibility;
- We believe time is precious and use it wisely.

ATEED Strategic Framework

Figure 1: ATEED Strategic Framework



Four conditions need to be satisfied to achieve our purpose of quality jobs for all Aucklanders:

1. Auckland must have workers who have the **right skills** to fill the quality jobs
2. Auckland needs **more investment in quality jobs**, either attracted from offshore or grown from within the region
3. These jobs need to be **accessible** to those who need them – both because they are aware of them, and/or because they can reach them
4. Auckland's economy needs to be **resilient** and sustainable over the long term in the face of technological disruption, environmental constraints and cultural diversity.

ATEED has two areas of focus:

Economic Development – supporting business and investment attraction, business growth, innovation and skills

Firstly is our wider set of economic development activities, including business support, business attraction and investment, local economic development, trade and industry development, skills employment and talent and innovation and entrepreneurship. This work is outlined in more detail in our three-year work programme and will be driven through implementation of a new ATEED **Economic Development Plan**.

Destination - supporting sustainable growth of the visitor economy

Secondly is the work ATEED undertakes to support Auckland's visitor economy, a critical lever for economic development. This work including our focus on destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention, which is outlined in more detail in our three-year work programme and will be driven through implementation of the new **Destination AKL 2025 Strategy** and the underlying ATEED implementation plans.

These two focus areas are not mutually exclusive. The economic growth of the wider economy reinforces Auckland as a destination by creating supply chain opportunities, international linkages, talent and student attraction, and by making the city attractive to international business events and conventions. Similarly, Auckland's visitor economy is an important part of the city's wider economy that underwrites the amenity of the city, making it more attractive to residents and visitors alike. It provides significant employment opportunities for Aucklanders, supports other sectors including food and beverage and arts and culture, and it generates significant export revenues for the city.

These two portfolios also share a common platform relating to the promotion of the city globally to ensure that Auckland competes effectively with other mid-tier high quality of life cities.

Cross cutting themes

In support of the two strategic focus areas, ATEED focuses on the following cross cutting priorities.

Theme	Description
Māori economic growth	ATEED will take an opportunities and obligations approach to working with Māori in Auckland. We will work with Māori communities directly and through partners to identify economic potential and focus our resources on unlocking that potential.
Enhance spatial focus	While Auckland has a concentration of highly skilled and talented workers, the city also has many people with poor education outcomes and low incomes. There is clear evidence of regional disparity, with South and West Auckland lagging behind the rest of the region in terms of household prosperity. ATEED will work with Panuku Development Auckland, The Southern Initiative and other area-based initiatives to ensure a stronger spatial focus for economic development activities.
Sustainability	Sustainability is about meeting our current needs without compromising those of future generations. For ATEED this means we focus on economic growth that can be sustained in the long term and benefits both current and future generations. This focus on sustainability intrinsically links to Auckland Council's priorities to reduce carbon emissions and achieve a climate resilient future and as such ATEED will work with Auckland council in the review and update of Low Carbon Auckland.

ATEED will work to effectively integrate these themes in the design, implementation, monitoring and evaluation of all current and future activities. The process of integrating these themes will require ATEED to be innovative, flexible, and willing to experiment and establish new operational norms.

Prioritisation

To support decision making, ATEED will implement a refreshed prioritisation framework that ensures that all work undertaken is:

- **Industry led:**
 - Does the activity complement and support the operation of markets?
 - Does the activity reflect and address the concerns of industry?
 - Has the activity been developed in partnership/collaboration with industry?
- **Government and Council aligned:**
 - Does the activity support government and council policy, and can it be leveraged both to benefit national objectives and for Auckland?
- **Creates impact:**
 - Does the activity deliver sufficient impacts to warrant it being undertaken?
 - Would the activity happen without ATEED's investment, without displacing existing activities; and is there evidence that the level of public sector investment is appropriate vis-à-vis other funders?
- **Provides value for money:**
 - Can value for money be clearly demonstrated from the investment?
- **Transferable:**
 - Has the activity been developed with a transfer or exit strategy under a range of scenarios? Does the activity create dependence?

Māori Responsiveness at ATEED

ATEED's Māori Responsiveness Plan outlines how we will build and grow our Māori cultural capability across the organisation to enhance the way we engage with Māori communities and deliver Māori outcomes. It specifies the capability ATEED will need to deliver on the Māori economic growth cross-cutting theme of our strategic framework and connects ATEED's Māori economic development activities with broader ATEED initiatives as captured in our Māori Economic Growth Strategy.

ATEED will build Māori cultural capability through activities such as focusing on opportunities to incorporate Auckland Council's Te Reo Māori Policy in such things as signage, use in daily situations and in communications and promoting Te Reo Māori as part of the unique identity of the city.

ATEED will foster strong and positive relationships with the Mana Whenua both through the Mana Whenua Kaitiaki Forum and recognising the autonomous authority of individual iwi. We will develop and implement a schedule of one on one meetings and enable opportunities for consulting and engaging with Mana Whenua in decision making and the development of programmes.

ATEED will continue to strengthen our relationships with Mana Whenua in order to support iwi to progress their own development aspirations and to contribute to enabling positive outcomes for Māori across ATEED's work programme. Through collaboration with CCOs and participation in cross-Council initiatives, ATEED is committed to improving the effectiveness of Māori engagement processes.

ATEED Three Year Work Programme

This section outlines our strategic programmes over the next three years to support Auckland Council priorities and our refreshed purpose to support the creation of quality jobs for all Aucklanders.

Reprioritising resources

Through our First Principles Review, ATEED has identified a number of activities included in our previous Statement of Intent that have or will be transferred or exited. Examples of activities that have already been transferred include the sale of the visitor information centres (i-Sites) to a private operator and transfer of the management of the Auckland Young Enterprise Scheme (YES) to the Auckland Chamber of Commerce.

In addition, other initiatives will be reviewed over the coming year in accordance with our prioritisation framework. These may include but will not be limited to:

- Operational management of facilities
- Delivery of employment and entrepreneurship programmes
- Delivery of business networking events.

Through this prioritisation and review process, resources will be freed up to deliver on our re-aligned work programme below.

Work Programme

The following are the key initiatives/projects to deliver on ATEED's two strategic objectives.

FOCUS AREA 1: SUPPORTING BUSINESS AND INVESTMENT ATTRACTION, BUSINESS GROWTH, INNOVATION AND SKILLS

Auckland's current economic circumstances, namely overall positive growth masking significant spatial and socio-economic disparities, signals a need to reconsider how traditional economic development activities can be reshaped to deliver continuous growth, prosperity and inclusion.

From an economic development perspective ATEED needs to place increased emphasis on stimulating quality jobs, more businesses and more investment across Auckland, with a particular focus on enhancing the economic outcomes of South and West Auckland. Consequently, there are four programme areas that should be the focus for ATEED's economic development activities. These programme areas are also informed by global good practice, analysis of what works and established practice on the role of economic development agencies.

PROGRAMMES	DESCRIPTION
Business and Investment Attraction	<p>Given Auckland's continued growth and recognised infrastructure deficit, significant investment is being made across the city in new and enhanced physical infrastructure. Ensuring that the associated opportunities to maximise economic outcomes aligned to this infrastructure investment are realised, through attracting high value business and investment to the city will lead to enhanced long term impacts at a local and regional level.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Develop a shared <i>Auckland Investment Story</i> (action from s17A Review) • Continue focused business and investment attraction to Auckland working in partnership with NZTE • Leverage America's Cup (AC) 36, APEC 2021 and other key events to maximise business and investment attraction opportunities

	<ul style="list-style-type: none"> • Work with multinational corporations and investors to retain and expand their presence in Auckland • Build sustainable connections with key cities in the Asia Pacific region working with the Auckland Council Global Partnerships and Strategy team.
Local Economic Regeneration	<p>There is a need to focus future activity and investment on enhancing economic outcomes for our Māori and Pacifica populations, for young people, and from a spatial perspective for South and West Auckland. These communities have experienced worse outcomes than other parts of the city and Auckland's recent growth has failed to deliver prosperity evenly across the city. In these locations there are opportunities to work with anchor institutions and to support skills and jobs matching to create more high value employment outcomes.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Work with Panuku Development Auckland (with a focus on <i>Transform</i> and <i>Unlock</i> areas), Auckland Transport and Auckland Council to integrate economic outcomes into place-based initiatives delivered across the Council group • Leverage economic opportunities from housing and transport investment including actions to improve access to key skills • Partner with The Southern Initiative, Comet and relevant Business Improvement Districts to support and promote initiatives in skills matching, skills training and small business start-ups.
Innovation	<p>Innovation is the most significant driver of productivity and ultimately prosperity and is a key feature of building a resilient economy. Businesses need to be connected to innovate and Auckland businesses need to increase their investment in research and development, and to ensure they are effectively adopting new digital technologies and making conscious efforts to prepare for current and future technological disruptions.</p> <p>Auckland also needs to grow and attract a workforce that has greater skills in the fields of science, technology, engineering, arts and maths (STEAM) which are critical to the advanced industry sectors. In addition, there is an opportunity to support innovation across the Council group by leveraging our role in Auckland's innovation ecosystem and investment in GridAKL to address Auckland's urban and economic challenges and support improvements to Council service delivery through disruption and technological adoption.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Transition the leadership and management of GridAKL to a broader-based governance model to provide visible and active hub for investment • Support cross council innovation to address Auckland's urban and economic challenges • Partner with Callaghan Innovation, tertiary institutions and others to promote Auckland's innovation eco-system • Build business technology capability to support growth and innovation • Partner to drive social innovation for economic outcomes and skills development.
Support Small and Medium	<p>The small business sector is the bedrock of any economy and the growth of small businesses nationally has been concentrated in Auckland. While there is still a need to attract and retain larger employers to the city, helping local economies to grow requires an enhanced focus on</p>

Enterprise (SME) Growth	<p>existing small businesses, raising their capability, encouraging business networking, connecting them to talent and facilitating access to export markets. There is also a need to continue to support entrepreneurship and business start-ups in less prosperous places.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Continue support for small business growth and capability building through the Regional Business Partner programme working with NZTE and Callaghan Innovation • Promote low carbon and circular economy opportunities • Support skills and job matching in growth sectors working with business, Business Improvement Districts and Business Associations • Support the growth of Maori and Pacifica businesses and entrepreneurs • Support enhanced employment and training outcomes for rangatahi.
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FOCUS AREA 2: SUPPORT SUSTAINABLE GROWTH OF THE VISITOR ECONOMY

The benefits of an enhanced visitor economy extend beyond the direct economic impacts that increased visitor numbers bring. A city that is attractive and offers a high quality experience 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.

Through our role as the guardian and driver of the Destination AKL 2025 Strategy, ATEED will work closely with the accommodation sector governance mechanism and the broader Auckland visitor sector to deliver on the strategy's vision for Auckland to be sustainable – economically, socially, culturally and environmentally, as a place to live and work and as a place to visit. Specifically, ATEED's role in implementation of Destination AKL 2025 through our Tourism Major Events, Business Events and International Education teams is as outlined below.

PROGRAMMES	DESCRIPTION
Tourism	<p>Aligned to the Destination AKL 2025 strategy, ATEED's Tourism team has two key areas of focus; leading and partnering in Destination Marketing and advocating or coordinating in Destination Management</p> <p><i>Destination Marketing</i></p> <p>ATEED has an ongoing role to lead in destination marketing activity. Industry operators do not have a mandate or a desire to perform a broader destination marketing role beyond where their business opportunities lie. However, the visitor industry has indicated a strong desire to work alongside ATEED to deliver a concise Auckland message, where a broad range of beneficiaries exist and where greater benefits can be generated from collaboration.</p> <p>Key activities over the next three years will include:</p> <ul style="list-style-type: none"> • Leading the development of Auckland stories, creating a narrative and a unified positioning, incorporating the stories and cultural heritage of iwi • Leading data-centric digital marketing campaigns targeting high value holiday visitors with a focus off peak • Leading the creation of world-class destination content for distribution on owned and third party digital platforms • Maintaining a focus on domestic, Australia, China and U.S. markets

- Partnering with TNZ, Auckland Airport and others to leverage marketing spend and reach.

Destination Management

Destination management is complex as ATEED does not hold tourism-related assets or supporting infrastructure in which it can manage and direct visitor flows. It relies on government agencies and council organisations to achieve the destination management outcomes which have been identified.

Key activities over the next three years will include:

- Working across the industry to advocate for higher standards of sustainable practice. ATEED is already a signatory to the Tourism Industry Aotearoa Sustainability Commitment focused on sustainable growth
- Working with Auckland Transport and Panuku Auckland to advocate for more visitor-friendly way finding
- Working closely with Māori tourism operators and other key stakeholders to introduce a capability programme and lift awareness of Māori tourism as an important component of Auckland's unique destination proposition
- Coordinating activity across agencies and cluster groups to increase regional dispersal and spread economic and social benefits to the regions as well as supporting new product investment.

Business events

Business events deliver a range of highly desirable benefits to the cities that host them including tourism expenditure benefits, building business relationships through the exchange of knowledge and ideas and enhancing investment and talent flows. The Auckland Convention Bureau is a business unit within ATEED that undertakes sales and marketing activity to grow the value and volume of business events in Auckland and position Auckland as a premium business events destination. Business events also support growth across Auckland's key priority sectors and initiatives.

Key activities over the next three years will include:

- Developing Auckland's global business events messaging tailored to the business events community
- Partnering to attract business events to Auckland through research and tailoring marketing programmes into international and Australian corporate, association and incentive markets
- Creating platforms that provide members with opportunities to market their services in a collective manner
- Working across ATEED to leverage the broader benefits of business events across key focus sectors
- Advocating for the Auckland business events sector through ongoing growth of the Auckland Advocate Alliance programme and continuing to leverage the expertise of the Auckland International Business Events Advisory Group.

Major Events

Major Events are one of the core pillars of the visitor economy. Events not only attract visitors from beyond our borders, helping to grow the visitor economy, they also enhance and shape public perceptions of Auckland as an exciting and vibrant place to live and work as well as enhancing the quality of peoples lives. Major Events also help us tell the story of our city and strengthen our brand. They raise awareness of Auckland as a potential destination through international media and digital coverage.

Key activities over the next three years will include:

- Continuing to work with central government and the wider Council family to maximize the economic development leverage opportunities that APEC 2021 and the 36th Americas Cup will bring to Auckland
- Working with event partners at the Auckland, national and international level to ensure their approaches are aligned, coordinated and delivering against outcomes for Auckland
- Working with partners on event propositions and investing in a portfolio of events that seek a balance between cultural, sporting and arts events to create a range of benefits for Auckland, including addressing seasonality
- Taking responsibility for the delivery of events that are important to the city
- Providing facilitation support to identified events to enhance the client and customer experience
- Identifying ways to leverage greater value around events through targeted marketing, activation or specific communications to ensure the messages from events fit the Auckland brand.

International student attraction and retention

ATEED aims to grow the reputation of Auckland as an innovative international education hub through the delivery of interventions that attract international students and ensure international students in Auckland (and their visiting friends and relatives) can access high value tourism services and experiences. In addition, ATEED connects students into high value sectors that require skilled international graduate talent and build alumni networks.

Key activities over the next three years will include:

- Targeting high value international students (and their families) who create value for Auckland and position Auckland as a premium study destination
- Working with partners to provide international students with meaningful life experiences that enable personal development and stronger employability prospects
- Enabling international graduate employability pathways into high-value Auckland jobs requiring global talent
- Growing NZ Inc networks with domestic and international graduates to keep Auckland top of mind with influencers and advocates.

ATEED Cross Cutting Themes

Cross Cutting Theme 1: Māori Economic Growth

ATEED is responsible for promoting and fostering economic development and opportunities for all Aucklanders, including the 19 recognised mana whenua (local tribal groups) and mataawaka (the wider Māori community). We will take an obligations and opportunities approach to working with Māori, to meet our obligations under the Treaty of Waitangi as well as leveraging the significant positive contribution Māori make to Auckland.

The Māori economy continues to show strong performance through enterprise and in particular SMEs as the engine room of the Māori economy in Auckland. Māori culture provides a distinctive and unique competitive advantage that can inform identity and lead to the creation of new opportunities particularly in the creative sector and in tourism. We will work in partnership with Māori and champions of Māori business to deliver a range of initiatives that explore those growth opportunities and place Māori in a position to take advantage of them.

Commitment to Te Toa Takitini

ATEED is a sponsor of Auckland Council's Te Toa Takitini – Māori Wellbeing Strategy and leads the Whai Rawa (economic development) work stream. Te Toa Takitini is a Council wide work programme specifically designed to deliver 'transformational' outcomes for Māori. As a sponsor of the Te Toa Takitini programme ATEED will work with the council family to implement responses to the findings of the 2017 report commissioned by the Independent Māori Statutory Board (IMSB), 'Assessment of expenditure incurred by Auckland Council to deliver Māori outcomes'. ATEED will also continue to work with council to input into and implement the findings of the 2018 Treaty of Waitangi Audit.

ATEED Maori Economic Growth Strategy

ATEED has developed the first draft of our Māori Economic Growth Strategy which gives a high-level overview of how we intend to deliver on the Māori economic growth cross-cutting theme of our strategic framework. The Māori Economic Growth Strategy embeds outcomes across the key strategies in ATEED such as Destination AKL 2025 and our commitments as a sponsor of Te Toa Takitini.

The Maori Economic Growth Strategy is in draft and has been developed as part of the First Principles review undertaken by ATEED and the development of ATEED's strategic framework. It is ATEED's strategy and not intended to be Auckland's strategy or replace the Māori Outcomes Framework in development through Te Toa Takitini. To date the Māori Economic Growth Strategy has been informed by the IMSB business cases and Issues of Significance, Te Toa Takitini, and the refreshed Auckland Plan.

ATEED's draft Maori Economic Growth Strategy identifies three levels of activity on which ATEED will lead, deliver and partner as outlined below.

ACTIVITY TYPE	DESCRIPTION
Tier 1 Te Toa Takitini Projects	In addition to the delivery and development of the Tamaki Herenga Waka Festival, ATEED is proposing an enhanced programme of Tier 1, transformational Te Toa Takitini projects. These include a programme focussed on leveraging key 2021 activity (Americas Cup, APEC, Te Matatini) for enhanced Maori outcomes and the incorporation of Auckland's Maori identity into the development of our destination narrative
Embedded ATEED programmes	In addition to the Te Toa Takitini transformational projects, ATEED will continue to facilitate opportunities and deliver programmes that support Maori SMEs, entrepreneurs and rangitahi employment. This includes our work with Maori tourism operators, continuing to support and build the Whariki Maori Business Network, and a strong focus on Maori outcomes through our Jobs and Skills Hub programme.

Working with Partners

ATEED will continue to build and lead stronger collaborations across the range of agencies and organisations that deliver Māori economic development such as TPK, MBIE and non-government organisations that work in Māori communities.

Cross Cutting Theme 2: Enhanced Spatial Focus

While Auckland has a concentration of highly skilled and talented workers, the city also has many people with poor education outcomes and low incomes. There is clear evidence of regional disparity, with South and West Auckland lagging behind the rest of the region in terms of household prosperity. ATEED will work with Panuku Development Auckland, TSI and other area-based initiatives to ensure a stronger spatial focus for economic development activities.

Cross Cutting Theme 3: Sustainable Development

Sustainable development is about ensuring that the decisions we make today do not hinder the future generation's ability to benefit. For ATEED this means there is a need to focus on economic growth that can be sustained in the long term and benefits both current and future generations.

Sustainable development and economic growth should not be seen as trade-offs and there are clear opportunities for an approach to sustainable development that can unlock new forms of value that support inclusive growth, technological adoption and the growth of the circular economy. Aligned to this, ATEED will work with council in the review and update of Low Carbon Auckland to contribute to an integrated approach to climate change.

Further, ATEED has recently joined the NZ Tourism Sustainability Commitment launched in November 2017, and will work with other council organisations and agencies to develop a set of sustainability measures and a framework for measuring and reporting these within the first year. Once confirmed, a base year for this measurement will be 2019.

Other initiatives will include raising the awareness of the benefits of operating in an environmentally sustainable way through private sector operators, supporting operators who lead in this space, and providing preferential profile to organisations that embrace sustainability throughout their business.

Performance Outlook

Key Performance Indicators

As part of ATEEDs strategic review, a significant revision of key performance indicators (KPIs) has been undertaken to ensure performance is measured against:

1. A smaller number of more easily understood KPIs that provide **clarity** on the city's return on its investment in ATEED.
2. KPIs focussed on measuring the achievement of key **outcomes** that Council is aiming to achieve through its investment in ATEED
3. KPIs that reflect **aggregated** activity across all ATEED activities
4. KPIs that can be directly **attributed** to ATEED's activity and interventions

A key feature of the measurement framework below is the use of aggregated contributory measures that express outcomes from across the business in 'common currencies' (e.g. \$, jobs). Previous KPI frameworks have focussed at this contributory measure level. While results will be still be available at this level, our focus is now on measuring our performance based on the more holistic outcomes we are aiming to achieve in alignment with our purpose.

These KPIs will be reported on quarterly in accordance with the CCO Accountability Policy.

KEY PERFORMANCE INDICATOR	2016/17 ACTUAL	2017/18 FORECAST	2018/19	2019/20 TARGETS	2020/21
KPI 1: Contribution to regional GDP from ATEED interventions. ^{1,2}	NA	NA	Benchmark	Grow	Grow
<i>Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)</i>	\$75m	\$49m	\$49m	\$52.5m	\$66.5m
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). ^{1,2}	4,178	3,000	3,000	3,000	3,000
<i>Contributory measure: Number of Maori businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure)</i>	183	120	120	120	120
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. ^{1,2}	NA	NA	Benchmark	Grow	Grow
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure) ^{2,4,5}	NA	NA	340,000	370,000	435,000
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	NA	NA	Benchmark	Maintain or grow	Maintain or grow

1. Also able to be analysed and reported by target sectors

2. Also able to be analysed and reported by target locations

4. Also able to be analysed and reported by commercial and non-commercial nights

5. Also able to be analysed and reported by peak, shoulder and off-peak season nights

Developing our Indicator Framework

A key priority over 2018/19 is the development of a comprehensive measurement framework based on the KPIs above, that clearly show the impact of ATEED's investments and interventions. The table below outlines in more detail the proposed development. ATEED will work with Auckland Council over 2018/19 to test and share these developments.

KEY PERFORMANCE INDICATOR	DEVELOPMENT OVER 2018/19
KPI 1: Contribution to regional GDP from ATEED interventions.	ATEED has historically measured the GDP impact of major events and business attraction activity. Over the next 12 months this focus will be broadened and a consistent approach to attribution will be developed to capture the wider impact of ATEED activity on Auckland's GDP.
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure).	Over the last three years, ATEED has measured the number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention. Over the next 12 months ATEED will refine this measure to ensure more timely reporting over the year and the ability to report by business type and location.
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention.	ATEED interventions can result in new jobs in a number of ways. These include the attraction of new businesses and new investment that creates jobs, interventions that retain jobs in Auckland, and supporting the generation of new economic activity (through major events for example) that generate new employment. Jobs is a new measure for ATEED and will require the development of a new methodology to capture across the business.
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure)	ATEED has always captured visitor nights resulting from major and business event activity. Advancements in digital technology now present the opportunity to capture the impact of digital marketing activity on visitation. ATEED will explore the potential to capture the impact of a broader range of its activities on visitor nights in the city.
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED.	Measurement of customer satisfaction is important not only to gauge the quality of interactions with customers but also to develop and refine activities and interventions to meet customer needs. ATEED is in the process of developing a Voice of the Customer programme which will allow the timely reporting of customer satisfaction across the business over the year.







Monitoring Indicators

In addition to our performance measures, ATEED has identified a range of monitoring indicators which we report regularly through the AKL Index (www.aucklandnz.com/auckland-index). 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.

Alignment with the Auckland Plan

The Auckland Plan is Auckland Council's roadmap to deliver on Auckland's vision of a world class city where talent wants to live. The Auckland Plan is a thirty year plan that is underpinned by a set of outcomes to achieve this vision.

ATEED plays a critical part in delivering on outcomes, actions and targets in the Auckland Plan as outlined in the table below.

AUCKLAND PLAN OUTCOMES	DEGREE OF CONTRIBUTION	HOW ATEED CONTRIBUTES
 <p>Belonging & participation</p>	Primary	<ul style="list-style-type: none"> Working with key local employers and institutions in less prosperous places, to facilitate local recruitment, workforce development training and progression Ensuring that events support the creation of a shared sense of belonging for Aucklanders and recognise, value and celebrate Auckland's diversity Promoting Auckland to Aucklanders as a place to meet, connect and enjoy participation in the community.
 <p>Māori identity & wellbeing</p>	Primary	<ul style="list-style-type: none"> Strengthening employment outcomes by connecting rangatahi to employment and training and entrepreneurship opportunities in growth sectors Showcasing Māori culture to the world including exploration of Māori cultural expression as the unique competitive advantage that Auckland has in the international tourism landscape and delivery of the Tāmaki Herenga Waka Festival Supporting Māori enterprise and economic wellbeing through the Māori economic growth programme.
 <p>Homes & places</p>	Secondary	<ul style="list-style-type: none"> Partnering with Panuku Development Auckland, Auckland Transport and Auckland Council to integrate economic outcomes into place based and transport initiatives delivered across the Council group.
 <p>Transport and access</p>	Secondary	<ul style="list-style-type: none"> Partnering with Panuku Development Auckland, Auckland Transport and Auckland Council to integrate economic outcomes into place based and transport initiatives delivered across the Council group.
 <p>Environment and cultural heritage</p>	Secondary	<ul style="list-style-type: none"> Focus on economic growth that can be sustained in the long term and benefits both current and future generations including support of inclusive growth, technological adoption and the growth of the circular economy Raising awareness of the benefits of operating in an environmentally sustainable way through supporting operators who lead in this space and providing preferential profile to organisations that embrace sustainability throughout their business.
 <p>Opportunity & prosperity</p>	Primary	<ul style="list-style-type: none"> Building a pipeline of opportunities that create higher value employment across Auckland Enhancing Auckland's innovation ecosystem and delivering new responses to the city's urban and economic challenges Growing more dynamic, connected and export focused businesses across Auckland.

Alignment with Development Strategy

Concurrently, and through partnership with the broader council family, ATEED will align relevant activities with areas of focus identified through the Auckland Plan Development Strategy – in particular in the south and west of Auckland.

Summary of Financial Information

The following summary of financial information supports the delivery of the strategic deliverables and performance targets for ATEED. Financial data is based on the published annual plan for financial year 2017-2018. Financial years 2018-21 are based on the LTP 2018-2028.

Financial Position:

Financial year ending 30 June	2017-18	2018-2019	2019-2020	2020-2021
Revenue				
Fees and user charges	0.9	0.6	0.5	0.5
Subsidies and grants (opex)	2.6	1.5	1.5	1.5
Other direct revenue	11.9	17.0	17.2	17.3
TOTAL REVENUE	15.4	19.1	19.2	19.3
Expenditure				
Employee benefits	21.0	22.5	22.9	23.2
Grants, contributions and sponsorship	11.9	9.1	11.1	11.2
Other operating expenses	33.8	37.4	35.1	35.8
TOTAL EXPENDITURE	66.7	69.0	69.1	70.2
NET DIRECT EXPENDITURE / (INCOME)	51.3	49.9	49.9	50.9
Funding from Auckland Council	(52.0)	(49.9)	(49.9)	(50.9)
Depreciation and amortisation	2.4	2.8	2.9	2.9
NET EXPENDITURE / (INCOME)	1.7	2.8	2.9	2.9

Specific Expenditure towards Māori Outcomes:

Initiatives (\$m)	2017-18	2018-2019	2019-2020	2020-2021
Tāmaki Herenga Waka Festival	0.5	0.5	0.5	0.5
Maori Economic Development	0.6	0.7	0.7	0.7
Total	1.1	1.2	1.2	1.2

*Note that expenditure towards Māori outcomes does not include staff costs and corporate overhead costs.

Capital Expenditure

CAPITAL EXPENDITURE	2017-18	2018-2019	2019-2020	2020-2021
TOTAL CAPITAL EXPENDITURE	6.4	3.4	0.2	0.2
Sources of capital expenditure				
Capital funding from Auckland Council	6.4	3.4	0.2	0.2
Subsidies and grants - capex	-	-	-	-
TOTAL CAPITAL FUNDING	6.4	3.4	0.2	0.2
CAPITAL FUNDING SURPLUS/DEFICIT	0.0	0.0	0.0	0.0

Targeted Rate on Commercial Accommodation Providers

In 2017, the Council Governing Body adopted a targeted rate on commercial accommodation providers to fund a proportion of the visitor attraction and major events expenditure of ATEED. The amount of the targeted rate was set at 50 percent of ATEED's budgeted expenditure on visitor attraction and major events, being \$13.9 million.

As consulted on, the 50 percent of the targeted rate covers expenditure on the following activities, noting the numbers include staff costs and corporate overhead costs:

Category	Expenditure 2018-19	Description
Tourism	\$7.1m	Supports the delivery of the <i>Destination AKL 2025 Strategy</i> , with an emphasis on international and domestic marketing joint ventures, attracting high-yielding visitors, facilitating product development and enhancing the tourism offering
Major events	\$14.9m	Build and deliver a portfolio of world class major events that are aligned with the <i>Destination AKL 2025 Strategy</i> and contribute to the regional economy. Major Events are also designed to improve the visitor experience and grow visitor numbers
Business events	\$2.8m	Auckland Convention Bureau is a specialist unit which provides services to a sector membership base, and drives the growth of Auckland as a premium destination for business events such as conferences, meetings, seminars, trade shows and exhibitions
International education	\$1.2m	Partnering with Education New Zealand and the education sector to attract international students
Other	\$1.8m	Other Destination initiatives including Americas Cup and APEC
Total	\$27.8m	

Other Financial Information

Current value of assets	The value of ATEED's group current assets as at 30 June 2017 was \$35.1 million, total assets \$50.2 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)	2016/17 Actual	Nil
	2017/18 Annual Plan	Nil
	2018/19 LTP	Nil
	2019/20 LTP	Nil
	2020/21 LTP	Nil

DRAFT

Approach to Governance

Working in Partnership with the Council Group

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual which sits alongside this SOI and also forms part of the annual binding agreement between Council and ATEED. ATEED will adhere to the common expectations for CCOs contribution to the council's objectives and priorities, outlined in the CCO Accountability Policy as they relate to:

- 1) Building public trust and confidence in the council group
- 2) Providing value for money
- 3) Building a group approach to achieve outcomes for Aucklanders
- 4) Improving outcomes for Māori
- 5) Health and Safety
- 6) Managing risk appropriately
- 7) Understanding and giving effect to Auckland's shared governance
- 8) Climate change and reducing carbon emissions.

Within this, ATEED will commit to pursuing shared back-office delivery where appropriate and aligning ICT investments to optimise value and efficiency and avoid duplication.

Governance of the Accommodation Provider Targeted Rate

In December 2017, the Governing Body approved governance arrangements for the accommodation provider targeted rate. Through these arrangements:

- Auckland Council will appoint a director with accommodation sector expertise to fill a future ATEED board vacancy
- ATEED has established a subcommittee of the ATEED Board (The Destination Committee) to make recommendations on visitor attraction and major events activities. The Destination Committee includes three representatives of accommodation provider targeted ratepayers and three representatives of the ATEED Board. The Destination Committee operates in accordance with its own Terms of Reference.

New Zealand Food Innovation Auckland Ltd - trading as The FoodBowl (Te Ipu Kai)

New Zealand Food Innovation Auckland Ltd (NZFIA) is a product development facility for food and beverage, intended to help Auckland and New Zealand companies 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 and Crown agency Callaghan Innovation. 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

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

PURPOSE	DATE	FORM OF PUBLIC NOTIFICATION
Consider prior year performance against SOI targets	August 2018	Public notice, New Zealand Herald
Consider shareholder comments on draft SOI	June 2019	Public notice, New Zealand Herald

Health and Safety

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

- Ensuring that best practice health and safety standards are consistently applied in every aspect of our business activities
- Developing staff to take individual responsibility for the identification, reporting, resolving of issues and risks;
- Introducing improved processes to ensure key health and safety information is both captured and used to enable clear decision making at an operational level
- Complying with all health and safety obligations under relevant legislation
- Having a safe, healthy and enjoyable environment for everyone within ATEED's area of control.

Collaboration across the wider Council group is essential to deliver the health and safety goals set by ATEED. We use Auckland Council group capability to maintain and refresh our framework and systems including policies and processes. In addition to complying with Council group policies and systems ATEED also has additional bespoke health and safety policies and processes in place in respect to:

- The delivery of regional cultural events
- The operation of Grid AKL.
- The operation of the Auckland Film Studio, Kumeu Film Studio and the AR/VR Garage.

[] April 2018

David McConnell
Chair
Auckland Tourism, Events and Economic Development Limited

By email

Dear David

RE: Shareholder comments on ATEED's draft Statement of Intent 2018-2021

The Finance and Performance Committee considered Auckland Tourism, Events and Economic Development's (ATEED's) draft Statement of Intent 2018 - 2021 (SOI) at its 17 April meeting.

The Committee resolved to make a number of general comments that relate to each CCO and some comments that are specific to ATEED. Staff from ATEED should work with council staff to ensure that the final SOI represents these comments.

I acknowledge that you are anticipating further refinement from the draft SOI. Now that the first principles review is drawing to a close, and will be discussed at a workshop between ATEED and the Governing Body on 8 May, I look forward to seeing the final SOI represent the agreed strategic direction.

General shareholder comments

As you know, the final SOI must reflect the decisions made as part of the council's Long-term Plan 2018 - 2028 and meet statutory requirements. You should ensure that the SOI:

- Is fully consistent with the Long-term Plan 2018 – 2028, including all financial and non-financial information, performance measures and targets.
- Includes financial information for 2017/18, and the three subsequent years.

We expect that your staff will work with council staff to ensure that the legislative requirements are met and that all financial and non-financial information is well aligned between these documents as they are finalised.

In addition, you should ensure that:

1. **The Auckland Plan:** The final SOI refers to the final version of the Auckland Plan 2050, including the Development Strategy, relevant performance measures, and any associated guidance.
2. **Māori outcomes:** The final SOI includes:
 - i. A commitment to implement the responses to the findings in the 2017 report commissioned by the Independent Māori Statutory Board (IMSB) 'Assessment of expenditure incurred by Auckland Council to deliver Māori outcomes'.
 - ii. A statement about its role in participating and implementing the findings of the current Treaty Audit.
 - iii. The refined priorities of Te Toa Takitini, the specific project / programme contributions that CCOs agree to make and any related performance measures. These should be reported on through the CCO quarterly reports.

3. **Shared services:** The final SOI includes an appropriate commitment to optimise efficiency and value, remove unnecessary duplication and different approaches to core systems and business processes, to pursue shared back-office delivery where appropriate and to better align our respective investment in information and communications technology.

Specific shareholder comments

You should be clear in the final SOI on what activities have been re-prioritised for the new focus areas.

The SOI should show more evidence of how ATEED will engage with Panuku and the Southern Initiative (TSI) to integrate economic outcomes into their work. It should also have a greater focus on working more with Business Improvement Districts.

The 'support business growth' workstream (in the preamble) talks about the importance of small business but the work programme activities largely relate to large, multi-national businesses and those that can trade internationally. ATEED should provide more clarity on what it proposes to do for small-medium businesses.

The draft SOI includes a greater emphasis on achieving outcomes for Māori. However, the specific activities do not appear to reflect a change in scope or scale of Māori economic development. ATEED should include specific detail on additional programmes which give effect to this greater emphasis.

ATEED is proposing five new composite measures to assess their performance. With the information provided, staff have not been able to determine the value of these key performance indicators or to determine that the measures will be able to be updated and reported on quarterly. Council staff will work with ATEED to further to understand how these measures will be developed. In particular:

- how 'value' in the 'value of investment' key performance indicator is determined (for example, does it represent additional jobs, revenue or Gross Domestic Product), and how it is calculated
- what is the definition of a new job, and how will the number of new jobs be calculated. Whether a baseline can be created from existing data and past performance in this area, and if so, whether targets could be provided.
- which measures will be incorporated into the long-term plan.
- how the measures will provide information on how well ATEED is performing for target sectors, locations and Maori.

In addition to the five new composite key performance indicators, ATEED are proposing a set of monitoring indicators. It is positive that the indicators align to those in the proposed Auckland Plan 2050. ATEED should consider using the Auckland Plan 2050 measure 'relative deprivation across Auckland' as an alternative to 'a decline in poverty'.

You should also ensure that the final SOI responds to the supplementary letter of expectations, and considers ATEED's contribution to reducing carbon emissions and ensuring resilience to climate change. In particular, ATEED could play a role in understanding the risks to Auckland's economy from climate change, and helping to mitigate those where appropriate.

I look forward to receiving the final SOI by 30 June 2018.

Kind regards

Phil Goff
MAYOR OF AUCKLAND

Copy to: Deputy Mayor Bill Cashmore
Councillor Ross Clow, Chair, Finance and Performance Committee
Councillor Penny Hulse, Chair, Environment and Community Committee
Councillor Chris Darby, Chair, Planning Committee
Stephen Town, Chief Executive, Auckland Council
Nick Hill, Chief Executive, Auckland Tourism, Events and Economic
Development Limited

ATEED Response to Shareholder feedback

Shareholder comments	ATEED response
<i>General comments</i>	
<p>Final SOI must reflect the decisions made as part of the council's Long-term Plan 2018 - 2028 and meet statutory requirements. Ensure that the SOI:</p> <ul style="list-style-type: none"> • Is fully consistent with the Long-term Plan 2018 – 2028, including all financial and non-financial information, performance measures and targets. • Includes financial information for 2017/18, and the three subsequent years. 	<p>ATEED management have continued to work with Council staff to ensure alignment with the LTP 2018-28 and the Auckland Plan.</p>
<p>Staff will work with council staff to ensure that the legislative requirements are met and that all financial and non-financial information is well aligned between these documents as they are finalised.</p>	<p>As above</p>
<p>Ensure that the final SOI refers to the final version of the Auckland Plan 2050, including the Development Strategy, relevant performance measures, and any associated guidance.</p>	<p>As above</p> <p>Short statement regarding alignment to Development Strategy added.</p>
<p>Ensure that the final SOI includes:</p> <ul style="list-style-type: none"> • A commitment to implement the responses to the findings in the 2017 report commissioned by the Independent Māori Statutory Board (IMSB) 'Assessment of expenditure incurred by Auckland Council to deliver Māori outcomes'. • A statement about its role in participating and implementing the findings of the current Treaty Audit. • The refined priorities of Te Toa Takitini, the specific project / programme contributions that CCOs agree to make and any related performance measures. 	<p>Additional text included to emphasise commitment</p> <p>Included</p> <p>Management are continuing to work with Auckland Council to finalise our contributions to the Te Toa Takitini (TTT) programme. The SOI reflects the most up to date conversations with Council regarding the TTT programme.</p>
<p>The final SOI should include an appropriate commitment to optimise efficiency and value, remove unnecessary duplication and different approaches to core systems and business processes, to pursue shared back-office delivery where appropriate and to better align our respective investment in information and communications technology.</p>	<p>Additional text included to emphasise this commitment in the Approach to Governance section</p>

<i>Specific shareholder comments re ATEED</i>	
Should be clear in the final SOI on what activities have been re-prioritised for the new focus areas.	Additional commentary added in the Three Year Workplan section explaining activities exited/transferred to date and those that will be reviewed over the next year.
Should show more evidence of how ATEED will engage with Panuku and the Southern Initiative (TSI) to integrate economic outcomes into their work. It should also have a greater focus on working more with Business Improvement Districts.	Additional commentary included to reflect ongoing conversations with Panuku re Manukau and Onehunga. Working with BIDs reflected in work programme
The 'support business growth' workstream (in the preamble) talks about the importance of small business but the work programme activities largely relate to large, multi-national businesses and those that can trade internationally. ATEED should provide more clarity on what it proposes to do for small-medium businesses.	Wording changed to reflect a stronger emphasis on small business support
The draft SOI includes a greater emphasis on achieving outcomes for Māori. However, the specific activities do not appear to reflect a change in scope or scale of Māori economic development. ATEED should include specific detail on additional programmes which give effect to this greater emphasis.	Conversations are ongoing with Auckland Council regarding our future commitments to Maori economic development and the Te Toa Takitini (TTT) programme. The SOI now reflects the proposed direction of a Draft Maori Economic Development Strategy for ATEED that has been presented to the Council TTT Governance Group
<p>ATEED is proposing five new composite measures to assess their performance. With the information provided, staff have not been able to determine the value of these key performance indicators or to determine that the measures will be able to be updated and reported on quarterly. Council staff will work with ATEED to further to understand how these measures will be developed. In particular:</p> <ul style="list-style-type: none"> • how 'value' in the 'value of investment' key performance indicator is determined (for example, does it represent additional jobs, revenue or Gross Domestic Product), and how it is calculated • what is the definition of a new job, and how will the number of new jobs be calculated. Whether a baseline can be created from existing data and past performance in this area, and if so, whether targets could be provided. • which measures will be incorporated into the long-term plan. • how the measures will provide information on how well ATEED is performing for target sectors, locations and Maori. 	<p>Additional commentary has been included on the development of ATEED Evaluation Framework over 2018/19.</p> <p>Proposed that value measure will use a currency of GDP.</p> <p>New jobs is an area that will require further work to define and this is acknowledged in the additional commentary on Evaluation Framework development.</p> <p>This has now been clarified</p> <p>Contributory Maori business measure included.</p>

<p>ATEED should consider using the Auckland Plan 2050 measure 'relative deprivation across Auckland' as an alternative to 'a decline in poverty'.</p>	<p>Specific measures have been removed from the Monitoring Indicators section. As such, this is not included in the SOI, but can be monitored via the Auckland Index based on availability of data.</p>
<p>Ensure that the final SOI responds to the supplementary letter of expectations, and considers ATEED's contribution to reducing carbon emissions and ensuring resilience to climate change. In particular, ATEED could play a role in understanding the risks to Auckland's economy from climate change, and helping to mitigate those where appropriate.</p>	<p>Additional commentary included to emphasise alignment with Council's aspirations. It should be noted that Council's CCO Accountability Policy now includes expectations that CCOs will contribute to Council's policies as they related to climate change and reducing carbon emissions and this has been reflected in the Approach to Governance section.</p>

Chief Executive Review of June 2018

Report to Auckland Tourism, Events and Economic Development Limited Board

Purpose

The purpose of this report is to provide an update to the ATEED Board on key activities and results received for the month ending 22 June 2018.

Strategy development

Draft Statement of Intent

Refer to separate Board agenda item.

Month in review

Destination AKL 2025

The *Destination AKL 2025* strategy was launched on 11 May at the Waterfront Theatre, with approximately 200 representatives from the local and national visitor economy in attendance. Event speakers included the Mayor, the Minister for Tourism, Industry Leaders Group chair Martin Snedden, and ATEED's GM Destination,

The strategy was well-received by industry at the launch, with a panel session featuring ATEED's CE, representatives from the hotel industry, Auckland Airport and Tourism New Zealand. Media coverage for the event included a lead story and editorial in the *Weekend Herald*, a lead story on Newsroom, a feature on *Checkpoint* on Radio New Zealand, and an opinion piece by ATEED's GM Destination in the *New Zealand Herald*.

Since the launch, management has focused on developing the ATEED Destination Plan, which outlines the work programme ATEED will undertake across its destination activities to support the strategy's vision. This will be shared in early July with the Industry Leaders Group which guided the strategy's development.

Stakeholder relations and Māori economic development

During the period, ATEED hosted a successful tour of Auckland by MFAT ambassadors and high commissioners highlighting its activity including AC36, GridAKL and the Kumeu Film Studios. Work was undertaken with local boards focussed on a project to create a tourism product in Albert Park Tunnels, created in 1942 to shelter 20,400 people.

Iwi relations progressed during the month with a meeting between the chief executives of ATEED and Ngāti Manuhiri, and a member of the Independent Māori Statutory Board. Discussion included the impact of Auckland's growth on the role of Ngāti Manuhiri (Mangawhai, Omaha), future infrastructure needs and the iwi's long-term strategy. Relations with Ngāti Whatua Orakei were further strengthened through attendance at the Bastion Point 40th anniversary commemoration and sponsorship of the Manu Korero Secondary Schools speech competition.

ATEED participated in a preliminary meeting with Panuku Development Auckland senior leaders to agree areas of alignment and potential workstreams. Manukau, Onehunga and Wynyard Quarter were prioritised and ATEED awaits advice from Panuku on which ATEED capabilities it wishes to draw upon.

ATEED strategic priorities

GridAKL

Place: The Lysaght Building had 70 per cent resident capacity in May. Tiramarama Way, the lane between Halsey and Daldy streets connecting Lysaght, Mason Brothers and Madden Street is due to open to the public on 29 June. There were 150 residents at Lysaght at the end of May, and 223 residents at Madden Street / Mason Brothers at the end of April.

Community: More than 75 events were held over the last period (April/May) with more than 1900 delegates. This included sponsorship of the inaugural NZ Space Challenge and The Funding Network event which raised \$30,000 for Auckland social enterprise projects.

Services: GridAKL is working with Auckland Council and CCO colleagues on the InnovateAKL joint initiative that will develop a platform for cross-Council innovation. InnovateAKL, in concept stage, will bring together public sector, business and community to tackle complex urban and economic issues affecting Auckland. A pilot smart cities challenge will be the first project to be delivered by the platform.

Key to GridAKL is its role in connecting Auckland's innovation ecosystem and corridor. GridAKL continues to be represented on the Grow North Innovation District Steering Group providing strategic advice and guidance. On 7 May, GridAKL co-sponsored a symposium for growth businesses, hosted by Grow North, as a precursor to Techweek'18.

Stimulating and promoting innovation and entrepreneurship

Techweek'18 was successfully delivered from 19-26 May. Post event results will be available in July.

Forty-three out of 255 start-up ideas won prizes at The University of Auckland's Velocity programme Innovation Challenge on 24 May. Velocity is a signature entrepreneurship programme of Auckland's tertiary education sector, sponsored by ATEED. The 2018 programme runs from March to October and consists of two competition elements, seminars and business workshops, culminating in the \$100,000 Challenge and prizegiving in October.

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

The Sport Performance Innovation Forum was held at QBE Stadium on 23 May with 133 delegates. Initial feedback from delegates, partners and sponsors has been positive. Full post event results will be available in July.

A sponsorship contract has been signed with Women in Sport Aotearoa for Auckland to host the International Working Group (IWG) on Women and Sport Secretariat from 2018-22, and 8th IWG conference in autumn 2022. ATEED is looking to the secretariat time and legacy to implement activity to support women and girls, Māori and Pacific peoples using sport to channel into jobs and use the vast international network of IWG for sport performance businesses. The conference is expected to attract 1000 delegates, 5100 visitor nights and an economic impact of \$1.8m. Sponsorship benefits include positioning Auckland as a destination and profiling Auckland's high-performance sport sector as a global leader.

ATEED will be a key member of the New Zealand Advisory Group and will provide advice on the four-year programme of activity and ensure oversight of its delivery via Women in Sport Aotearoa. ATEED will also inform and advocate for various parts of Council to be involved where appropriate. ATEED will also provide input to the Women in Sport Strategic Framework for New Zealand as part of the legacy of hosting IWG.

International trade

About 50 people attended the Auckland Art Fair VIP event held at The Cloud on 24 May, in association with Immigration NZ and JBWere. Objectives of this event were to showcase Māori and Pacific art to investor migrants based in Auckland and their channel partners (for example, accountants, lawyers, bankers) with the aim of deepening ATEED relationships with this group. Three prominent New Zealand artists were convened for a panel discussion, followed by a private tour of the fair. While there has been no formal

confirmation of the event outcomes to date, several guests were interested in purchasing art and one new investor migrant has followed up with ATEED on wanting deeper engagement with Auckland businesses.

A delegation of 14 people, including eight Auckland businesses, participated in the Select LA Investment Summit from 23-25 May, as part of the Tripartite 2018 programme in Los Angeles. The visit, led by Deputy Mayor Bill Cashmore, included exclusive opportunities for networking, workshops, business matching and site visits to Warner Bros. and the LA Cleantech Incubator. Anecdotal feedback has been positive with stronger connections built with Los Angeles and Guangzhou at both the business and civic levels. The participating businesses are being followed up on their experiences and outcomes.

Supporting local economies and local businesses

Potential vendors have been engaged for phase one of the Business Support Forum project, which seeks to validate the market need and options for providing a platform and/or tool to help businesses navigate the business support ecosystem and access the support they need to operate their business efficiently. The platform should allow the options of self-help and provide wider and more direct access to support, de-clutter the market place and provide knowledge and intel to the Business Support Forum partners – The Auckland Chamber of Commerce, and EMA – including Export New Zealand, Manufacturers' Network and ATEED, to cater to future business needs. Four proposals were received at RFP close in May with shortlist presentations to partners on 7 June. The procurement process is expected to be completed by late June prior to review of the current forum MOU due 30 June.

Māori Economic Growth Programme

Entries closed for the DIGMYIDEA Māori Innovation Challenge 2018 on 27 May, with the number of entries more than doubling from 93 in 2017 to 203 in 2018. Ten finalists will be chosen and mentored through June with the two winners selected at Digiwānanga in the first weekend in July. Planning will now start for a programme of support offerings for all entrants and Māori with tech business aspirations.

The first 2018 South Auckland Whāriki Māori Business Network event will take place on 7 June in partnership with Poutama Trust.

Attract business and investment

Screen Auckland

More than 70 permits were issued in May, including 22 international productions, 10 co-productions and 40 domestic productions. The *Guns Akimbo* co-production, which involved the most complex road closures for any production in Auckland, has now wrapped up.

Studio management

ATEED facilitated a meeting with several screen industry leaders after they formally raised a number of concerns regarding the outcome of the Film Studios Operator RFP process that resulted in no appointment of an operator. The meeting provided an opportunity to clarify the process that was undertaken and to understand their concerns. It was agreed that ATEED will continue to communicate with industry on future studio management options and support for industry challenges.

Grow and attract skilled talent

Workforce development

The tourism career and skills research report and campaign will be launched with industry on 30 August.

Employment pathways

JobFest was held at the ASB Showgrounds on 24 May, in association with Careers Expo. About 2500 youth attended, including more than 600 NEET youth. About 25 job offers were made on the day (follow up survey data to come).

As at 30 May, the CBD Jobs and Skills Hub supported 204 people into employment (12-month target of 200 by March 2018). Of those employed, 38 per cent were Māori – against target of 40 per cent. More than 795 training outcomes were also facilitated; 79 per cent of placements remain in work and not claiming Work and Income benefits, and only 10 per cent have returning to a benefit since the hub opened in March 2017. The typical return to benefit rate for Work and Income clients is much higher – around 60 per cent.

ATEED's role in future Auckland-wide hub activity is being scoped, given Auckland's changing workforce and employment needs, and current demand from the construction and infrastructure industries. ATEED has been approached about a hub in Manukau and is providing advice to the establishment group for a Northern jobs and skills hub based in Kaipatiki Local Board, with Pānuku and Homes, Land, Community (HLC) – wholly-owned subsidiary of Housing New Zealand Corporation.

Youth entrepreneurship

Entries for the iDEAStarter youth entrepreneurship competition closed on 18 June. The number of entries is likely to be lower than 2017 levels despite increased marketing efforts by ATEED and partners. The youth entrepreneurship market has a growing range of activity on offer and may be reaching saturation.

Study Auckland

Ngāti Whātua Ōrākei international student leadership programme

Study Auckland met the CEO of Whai Maia (Ngāti Whātua Ōrākei's development arm) to discuss the future of the Rukuhia International Student Leadership Programme. The CEO reiterated that the pilot programme had been a very positive initiative for the organisation. Student feedback is equally positive. Study Auckland has expressed a commitment to support an enhanced programme in the new financial year, with further emphasis placed on enhancing the kaitiakitanga / sustainability themes and testing a version for high school and language school students.

International Education Regional Partners' workshop

Education New Zealand (ENZ) plans to facilitate access to Ministry of Education funding to analyse the challenges facing Auckland's international students when accessing quality accommodation. The analysis will include recommendations for the accommodation sector to address these challenges and may result in a programme similar to Project Palace to provide solutions with involvement from government and the sector.

ATEED Regional Partnership and Funding with Education New Zealand

Negotiations are underway with ENZ for funding support of \$150,000 for the new financial year to deliver Auckland-based student experience and graduate talent development initiatives.

Grow the visitor economy

The year to April 2018 saw 2.7m international visitors, up 5 per cent on the previous year-to-date. For April, international visitor numbers were down 9.8 per cent on the previous April due to the impact of the World Masters Games 2017. However, they were 9 per cent higher than April 2016. Arrivals from China grew significantly, up 10.1 per cent for the year.

Tourism spend for the year to April 2018 was \$8.3b, up 8.8 per cent on the previous year. Domestic spend was \$4.0b for the year (up 6.7 per cent), and international spend was \$4.4b (up 10.9 per cent). Hotel average daily rates were \$213 over the past 12 months (up 9.6 per cent), and \$193 for April (down 6.3 per cent on the previous April). Occupancy rates were high (averaging 85.5 per cent for the year, down 1.3 per cent compared with the previous year).

APEC 2021 (APEC21)

The Ministry of Foreign Affairs and Trade (MFAT) APEC21 programme board met in late-May, at which key considerations were the approach to the security business case, Māori engagement, and an operations and hosting project management plan. Of interest was the proposed role Auckland will play in hosting APEC21 events, with three events proposed in Auckland prior to Leaders' Week. The other pre-leaders' week events will be held in Christchurch and Wellington.

ATEED has started the Auckland conversation about developing a legacy vision and ambitious outcomes from APEC21 activity in the city. This will include Council and other CCO staff and external stakeholders (such as industry leaders, iwi and government agencies).

The APEC21 Auckland Executive Steering Group, chaired by Steve Armitage, has been given an update on the national APEC21 programme, and the ATEED/MFAT MoU has been signed and a press release issued. The MoU outlines the working relationship between the parties for co-ordination and planning of APEC activities in Auckland. The APEC21 Auckland City Operations Working Group has also met and briefed wider Auckland utility operators and service providers. Representatives of the light rail project and CRL are part of this working group.

36th America's Cup (AC36)

The Joint Chief Executives' Group (JCEG) met for the first time on 31 May. Matters discussed included signing-off on role and remit of the group as well as agreeing membership. Issues around timelines for host venue agreement were raised, also a discussion on an overall vision and objectives for the event, which is envisaged will be in place by July.

The agenda for the first Event Steering Group meeting (19 June) includes a review of the event concept prior to it being considered at a special meeting of JCEG on 21 June. Consultation on the required resource consent has closed. An ATEED AC36 group has been established and meets fortnightly. Work is ongoing to develop the event concept and America's Cup Event Ltd. has met key stakeholders, with support from ATEED.

Tourism

Destination marketing

A number of campaigns are underway or in the final stages of planning:

- The winter campaign targeting domestic visitors from 1 June until mid-August. This aims to drive visitation during the quieter months of the year, and this year focuses on visitation to the regions, rather than the central city as in previous years. Video collateral features Sir John Kirwan talking to popular Auckland food & beverage (F&B) leaders so that the promotion supports ATEED's F&B strategy.
- A short break campaign promoting Auckland to the Australian market from mid-August to mid-September.
- The North Island campaign from June to mid-August focusing on touring the north island. This is one of ATEED's longest running campaigns and has run successfully for the past six years in conjunction with TNZ and North Island RTOs as partners.

Trade Partnerships

- ATEED's Trade Partnerships team attended TRENZ 2018 in Dunedin in early May. More than 400 international travel sellers and media outlets from around the world attended the event. ATEED met and trained almost 100 international buyers and TNZ offshore staff on *Destination AKL 2025* and product updates. Several famils and hosting opportunities were also secured, as well as joint marketing opportunities with various tourism trade partners which will be deployed from June 2018.
- Virtuoso: A study tour was organised for 16 North American travel advisors and 4 hosts from Virtuoso, TNZ and Air New Zealand who spent three days in Auckland as part of their premium New Zealand experience itinerary. Preparations have begun for Virtuoso Travel Week in August (held in the US), with ATEED in attendance. A Māori showcase event is being planned as part of this activity.

- Travel Leaders Network (TLN): The joint marketing programme between ATEED and TLN has been modified and is now under review by executive teams from both parties. The activity is expected to start in June and run until the end of May 2019. ATEED will attend TLN's national conference and trade show in the US in June.
- Institute of Golf (IoG): The planned joint marketing programme to promote golf tourism of Auckland is underway. The IoG has continued to progress a bilateral strategic partnership with the China Golf Association under the China State Administration of Sports.

Auckland Convention Bureau

The ACB team attended the MEETINGS trade show at the end of May, with 33 appointments over two days, and 10 lead referrals and leads generated.

Major Events

Cultural events sponsorship

The Strategic Partnerships team is continuing to develop sponsorship opportunities for the four cultural festivals.

FIBA Tall Blacks vs China (1 July)

Basketball New Zealand has confirmed a delegation of 30 players, including representatives from the International Basketball Federation (FIBA) and cities hosting the FIBA World Cup China 2019. Among the delegates is Chinese Basketball Association President and ex-National Basketball Association player, Yao Ming. Basketball is one of the second most watched and played sports in China. ATEED is currently working with internal business units and MBIE on leverage opportunities.

Investment from ATEED ensures increasing New Zealand's international profile in the Asia zone basketball league and strengthening New Zealand's positioning in bidding for future FIBA Asia Cup tournaments.

Tāmaki Herenga Waka Festival

Hau Rawiri has resigned as chair of the Tāmaki Herenga Waka Festival Mana Whenua Steering Group and as a member of the Steering Group. ATEED has acknowledged Hau's contribution to the festival during the three years he has been chair.

World Symposium of Choral Music 2020

The New Zealand Choral Federation won the rights to host this internationally renowned event in Auckland between 11 and 18 July 2020. ATEED confirmed investment support in March 2018, alongside New Zealand Major Events which confirmed support in July 2017.

It is anticipated that the event will attract over 2,500 international visitors, including around 850 of the world's best choral singers. The investment is expected to generate a good economic return during the off-peak tourist season and is a good opportunity to showcase New Zealand's talented choirs and unique culture to an international audience. ATEED has confirmed a Heads of Agreement and is currently working through investment agreement with the event organiser.

Operational summary

Statement of Intent KPIs

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

Health & Safety (H&S)

In May, staff reported one incident, one near miss and no unsafe conditions.

Section 17a – Value for Money Reviews

As reported last month, the ICT and Customer Services reviews are underway across the group and management is providing the necessary information to council. ATEED also continued to work with Council colleagues on delivering improvements to the effectiveness of Māori engagement processes through strategic communications and engagement. This was one of the recommendations of the s.17a Communications and Engagement Review.

Media

This month there was widespread coverage of the announcement of the AC36 free-to-air broadcast agreement, the closure of the forested areas of the Waitākere Ranges Regional Park, and Techweek'18.

Recommendations

1. The report be received.

Attachments

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

Signatory

Nick Hill, ATEED Chief Executive

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

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
Build a culture of innovation and entrepreneurship			
Number of businesses taking up tenancy at GridAKL (Wynyard Quarter Innovation Precinct) (cumulative) and percentage "innovation-led" ¹	91 (80% (Lysaght, 58% 12 Madden St & Mason Bros)	100 (70%)	91 total businesses (down 1 from previous month): Lysaght (48 in May; Madden St / Mason Bros (43 in April). 386 total individuals (same as previous month): Lysaght (150 in May); Madden St / Mason Brothers (223 in April). Note: there is a 1-month lag in results reported for Generator operated properties (12 Madden Street & Mason Bros).
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme		1500	A result will be available in July. Some programmes will run into the new year and may be counted in FY19.
Level of advocacy by stakeholders involved in the provision of business advice, start-up, training & mentoring programmes. ²	+52	+50	NPS is now on target at +52 with excellent feedback from customers resulting in a monthly score of +75 in May. April's result was +67 in April.
Number of actively managed business through Regional Business Partner programme.	789	750	Target exceeded. Increase from 753 reported last month.
Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	2475	3000	At 31 March, approximately 2745 businesses had been through an ATEED programme or benefitted from an ATEED intervention. Final results will be available in July.
Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	123	120	Target met. At 31 March, approximately 123 Maori businesses had been through an ATEED programme or benefitted from an ATEED intervention. Final results will be available in July.
Attract business and investment			
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	3	5	Analysis of recently completed deals that contribute to this target is underway. Confirmed deals YTD: 3 MNCs in target sectors, 1 MNC in other.
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	85	85	Increase from 72 in April.
Total GDP contribution of deals effected with ATEED involvement	87.2	59.6	Target exceeded by 146%. FDI projects in target sectors: \$42.7m; FDI projects in other sectors: \$1.7m; Screen projects (export of services): \$42.8m; Note: GDP impact for 2 projects not yet finalised with necessary data being collated.
Value of investment deals effected by ATEED within the financial year	218	292	Deals have been completed that will meet or exceed this target. Further analysis is underway to confirm exact values. Confirmed values YTD: FDI projects in target sectors: \$82m FDI projects in other sectors: \$3.4m Screen projects (export of services): \$132.4m
Grow and retain skilled talent			

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

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

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	70	50	Target exceeded. 70 pledge partners as at 16 March. No longer actively recruiting partners.
Number of young people enabled into employment as a result of ATEED and partner activity (Youth - incl. Māori and Pacific youth)	358	500	Final results will be calculated in July.
Number of expressions of interest from skilled migrants in working and living in Auckland resulting from ATEED Marketing activity (Talent) - via LinkedIn	3043	1500	Target exceeded. 3043 Auckland - Make the Smart Move LinkedIn followers at 28 May. Around half of page visitors are viewing jobs in construction and tech; remainder viewing Auckland lifestyle and immigration information.
Growth in value of international student spend to Auckland		2.306	New result due in August 2018
Grow the visitor economy			
Number of international business event bids submitted or supported	35	35	Change from 34 in March to 35 as at 30 April.
Business event bid win/loss ratio (based on results received in financial year) ⁴	60	60	No change from previous month.
Value of business event bids won in financial year	\$26m	\$22m	Change from \$24.9m at the end of March to \$26m as at 30 April.
Percentage of customers satisfied with visitor information centres and services (LTP Measure)	97.3%	85%	Change from 98.58% to 97.3% as at 30 April
Contribution to regional GDP from major events invested in (LTP measure)	\$59.64m	\$49m	Change from \$58.64m at 31 March to \$59.64m as at 30 April.
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	-	80%	Annual measure. Next result due in June 2018.
Visitor nights generated by major events invested in	312,320	165,000	Change from 305,370 at 31 March to 312,320 as at 30 April.
Percentage of customers satisfied with delivered major events (LTP measure)	83.25%	85%	Attributed to Lantern Festival score being not as high this year, and the Pasifika Festival score being low - weather was a key factor. The final result will be recorded as "substantially achieved" under the council's definition as it is within 2% of the annual target.
Build Auckland's global brand identity			
Total visits to www.aucklandnz.com (LTP Measure)	1.96m	3.8m	Month-on-month sessions to www.aucklandnz.com increased by 0.24 per cent from 152,742 sessions in April, to 153,119 sessions in May. There was a significant decrease (9.6 per cent) in Auckland-based search volume, from 95,789 sessions in April to 87,010 sessions in May (search volume reduces in winter). The decrease in local search was offset with an increase (86 per cent) in international paid search, from 5,831 sessions in April to 14,684 sessions in May. The increase can be attributed to additional spend from ACB targeting an international audience. The target will not be met at year end.
Percentage of visitors to www.aucklandnz.com located outside of Auckland	43.80%	50%	Non-Auckland sessions year-to-date result increased from 42.3 per cent in April to 43.9 per cent in May. The increase is mainly driven by paid campaigns targeting an international audience. However, the 50 per cent target for 'Percentage of visitors to www.aucklandnz.com located outside of Auckland' is still unlikely to be met.

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
Local economic development			
Percentage of approved local economic development projects delivered by ATEED using local board "Locally Driven Initiatives" (LDI) funding.	60% funding spent as at 29 May. <u>Projected 85% by 30 June.</u>	70%	The revised total value of the work programme for 2017/18 is \$866k down from \$960k at the start of the year. This is due to boards reprioritising budgets away from local ED. A notable example being Manurewa LB that reallocated \$86k away from local ED. At 29 May, \$533,869 (60% of the \$866,000) was spent, with \$738,000 (85% of the total budget for local economic development) expected to be spent by year end. The under spend is due to local board decisions to defer projects and spend into the next financial year.

ATEED SOI KPIs	Latest Result	Annual Target to 30 June 2018	Comment
Mana whenua engagement			
Percentage Mana Whenua satisfaction with quality of engagement		Maintain / improve	Results pending annual survey in June 2018.
Monitoring indicator			
Spend by visitors in Auckland ³	\$7,180	\$6,617m	Total visitor spend from 31 July to 30 April was \$7.18m. Domestic tourism spend was \$3.38m and international spend was \$3.01m.

³ We are reporting year to date figures from July each FY to provide an accumulative view.

⁴ Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted

Appendix 2: Upcoming events / activity

Upcoming events/activity (next three months)

Event	Date	Location
Vector Lights event: Matariki	June	
iDEAStarter	14 May – 18 June	Various
MFAT Leaders' Week	21 – 25 May	Wellington / Auckland
Toowoomba delegation (100 people)	11-13 June	Pullman
Screen industry career event with schools	21 June	West Auckland
Mayoral visit to Fukuoka and Tokyo	29 July – 2 August	Japan

Finance Report, month ending May 2018

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

Summary Income Statement For the Period Ended 31 May 2018												TABLE 1
Month			Year to Date				Full Year					5000's
Actual	Forecast 3	Variance	Actual	Forecast 3	Variance	Forecast 3 ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
			Net operational expenses:									
281	354	73	Business Attraction & Investment	3,726	3,953	227	4,399	5,050	513	0	4,537	2,549
0	0	0	Amateur Sports fund	0	0	0	140	540	540	0	0	3,239
577	81	(496)	Major Events	11,487	11,325	(162)	12,338	13,412	483	0	12,929	11,739
1,252	1,741	489	Destination	10,179	11,037	858	12,902	12,255	55	0	12,200	7,759
1,325	1,746	421	Business, Innovation and Skills	11,446	12,030	584	14,241	13,735	779	967	11,990	11,642
573	1,064	493	Corporate	9,023	9,297	273	10,361	8,595	174	843	7,579	9,088
343	481	138	Operations	4,203	4,380	177	5,009	5,274	174	0	5,058	0
129	291	162	People, Culture & Change	443	604	161	746	0	0	43	0	0
80	73	(7)	Stakeholder Relations	628	621	(7)	694	0	0	0	0	0
19	219	200	Corporate	3,749	3,691	(58)	3,912	3,321	0	800	2,521	9,088
4,006	4,986	980	ATEED net deficit	45,863	47,642	1,779	54,381	53,587	2,543	1,809	49,234	46,016
0	0	0	World Masters Games 2017 Ltd, net deficit	(29)	(29)	(0)	(29)	0	0	0	0	1,427
4,006	4,986	980	Operating deficit before Council funding	45,834	47,613	1,779	54,352	53,587	2,543	1,809	49,234	47,443
			Approved opex funding				52,010	52,004			47,791	46,856
			Operating Deficit				(2,343)	(1,583)			(1,443)	(588)
			Capex funding				6,439	797			657	2,975
			Surplus				4,096	(786)			(786)	2,387

Key Points

Current month's financial results

ATEED is tracking \$1.8m behind Forecast 3. This is due to:

- lower revenue of \$0.3m mainly due funding for the Volvo Ocean race being delayed, while waiting on the post race report, now expected in July;
- a decrease of \$0.4m in Staff costs due to unfilled vacancies in Destination;
- a decrease of \$0.6m in Professional fees due to delays in project resourcing and recruitment costs;
- moving 139 Quay Street make good from Occupancy to Depreciation & amortisation \$0.6m and interest in General, admin & other \$0.2m;
- a decrease of \$1.1m in Advertising, marketing & research due to timing of activity in Destination of \$0.7m and \$0.2m in BIS and \$0.1m in BA&I.

*Deferrals relate to an increase in revised budget of \$2.5m due to underspend in key projects from the last financial year being deferred to this financial year.

** Approved Budget changes are \$1.0m from Group Local Board, \$0.8 for Quay Street make good and People & Capability costs,

*** Forecast 3 surplus of \$4.1m is mainly due to \$6.4m internal and external Capex funding and (\$2.7m) depreciation

ATEED total net favourable variance of \$1.8m

Business Attraction and Investment (BA&I): May YTD underspend is \$0.2m lower than the forecast. The primary drivers of this underspend is a reduction in revenue by \$1.0m from delays in licence renewals at Auckland Film Studio and delayed spend in Marketing & research and Professional fees.

Major Events: May YTD overspend is \$0.2m higher than forecast. Mainly due to (\$0.3m) funding for Volvo ocean race delayed while waiting on post race report, due in July, \$0.2m additional revenue for the Lantern and Pasifika Festivals, (\$0.3m) payments to WMG2017 sporting bodies and NRL Double header sponsorship and \$0.1m event consultant no longer required.

Destination: May YTD underspend is \$0.9m lower than forecast. This relates to \$0.2m role vacancies and timing of marketing campaigns for Study Auckland of \$0.2m and Destination Marketing of \$0.5m.

Business, Innovation and Skills (BIS): May YTD underspend is \$0.6m lower than forecast. This is mainly due to \$0.1m underspend in Professional fees, a \$0.1m decrease of the BizDojo Doubtful debt provision and \$0.2m underspend in Advertising, marketing & research mainly relating to programmes of work for skills & employment, international partnerships & trade, business support forum and the Auckland Regional Partnership programme.

Corporate: May YTD underspend is \$0.3m lower than forecast being made up of \$0.1m underspend for Staff costs relating to structural changes and \$0.2m underspend for Professional fees in the workplace strategy and the CRM programme of work.

Income Statement

Income Statement												TABLE 2
For the Period Ended 31 May 2018												\$000's
Month			Year to Date			Full Year						
Actual	Forecast 3	Variance	Actual	Forecast 3	Variance	Forecast 3	Revised Budget	Deferrals	Approved changes	Budget	Last Year	
Operational income												
107	442	(335)	2,199	2,614	(415)	2,741	2,589	0	0	2,589	1,742	
16	35	(19)	1,945	1,791	154	1,796	2,285	0	0	2,285	1,580	
13	3	9	250	239	11	244	326	0	0	326	446	
5	41	(35)	1,371	1,427	(55)	1,427	340	0	0	340	2,502	
734	785	(51)	7,772	7,781	(10)	8,632	9,884	0	0	9,884	1,359	
875	1,307	(432)	13,537	13,852	(315)	14,839	15,424	0	0	15,424	7,630	
Total Operating income												
1,765	1,930	164	20,220	20,604	384	22,680	20,963	0	43	20,921	20,728	
492	1,095	603	7,223	7,853	630	9,347	9,949	1,099	757	8,093	7,004	
596	234	(362)	9,552	9,136	(416)	10,239	11,855	831	210	10,815	8,739	
850	274	(575)	2,949	2,366	(583)	2,681	2,361	118	0	1,443	591	
0	0	0	532	441	(91)	441	516	0	0	516	2,141	
(49)	761	810	8,235	9,162	928	9,942	10,960	337	800	10,623	2,599	
98	120	22	1,165	1,251	86	1,407	1,209	27	0	1,181	1,653	
196	141	(55)	3,257	3,295	39	3,428	2,504	27	0	2,478	2,823	
933	1,738	805	6,268	7,385	1,117	9,057	8,694	105	0	8,589	7,367	
4,881	6,293	1,412	59,400	61,494	2,094	69,220	69,011	2,543	1,809	64,659	53,645	
Total Operating Expenditure												
4,006	4,986	980	45,863	47,642	1,779	54,381	53,587	2,543	1,809	49,234	46,016	
ATEED Net deficit												

Total Operating income

YTD total operating income is \$0.3m lower than forecast.

Funding from Government, \$0.4m lower: \$0.3m funding for Volvo ocean race is delayed waiting for the postrace report, due in July, and \$0.1m funding for the DigMyIdea project not yet received.

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

Total Operating Expenditure

YTD operating expenditure is \$2.1m lower than forecast.

Staff costs, \$0.4m lower: This is mainly due to \$0.2m vacancy and training savings in Destination and \$0.1m temporary staff cost savings across BIS.

Professional Fees, consultancy & contractors, \$0.6m lower: Relates to an underspend of \$0.2m in People, Culture and Change recruitment costs, \$0.2m in delays in project resourcing for CRM, \$0.1m underspend in BIS projects relating to Skills & Employment, GridAKL and International Partnerships & Trade and \$0.1m underspend in BA&I.

Grants & sponsorships, \$0.4m higher: Due to \$0.1m WMG2017 sporting bodies payment, \$0.2m NRL Double header sponsorship payment made and \$0.1m overspend across BIS.

Depreciation & amortisation, \$0.6m higher: Due to an accounting reclassification of make good costs at 139 Quay Street, from occupancy costs.

Occupancy, \$0.9m lower: Resulting from an accounting reclassification of \$0.8m make good costs at 139 Quay Street to depreciation and general expenses (interest).

Advertising, marketing and research, \$1.1m lower: This is mainly due to timing underspend of \$0.2m for a marketing campaign for Study Auckland, \$0.5m Destination Marketing, and \$0.2m across BIS programmes of work.

Summary of major projects


Summary of Major Projects: Spend and/or (Revenue) > 0.5m												TABLE 3
For the Period Ended 31 May 2018												\$000's
Month				Year to Date			Full Year					
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Revised Budget	Deferrals	Approved changes	Budget	Last Year
Business, Innovation and Skills												
83	83	0	New Zealand Food Innovation Auckland	625	625	0	708	1,000	0	0	1,000	1,015
285	404	120	GridAKL	3,951	4,277	326	5,076	4,502	559	0	3,943	0
Major Events												
1	8	7	Tāmaki Herenga Waka Festival	477	511	34	513	500	0	0	500	514
0	0	0	Lions Tour 2017	675	684	8	684	932	337	0	595	268
(12)	(300)	(288)	Volvo Ocean Race Auckland Stop-over	2,510	2,231	(279)	2,231	2,137	0	0	2,137	134
0	0	0	ITM Auckland Supersprint	1,280	1,299	20	1,399	1,758	0	0	1,758	2,097
0	0	0	Downer NRL Auckland Nines	0	0	0	0	2,000	0	0	2,000	2,868
0	0	0	McKayson NZ Open (LPGA)	1,080	1,080	(0)	1,080	1,050	0	0	1,050	0
130	200	70	Trade marketing - Premium	317	408	90	697	0	0	0	0	0
(14)	0	14	NRL Double header	560	415	(145)	575	0	0	0	0	0
Total of all Major Events Projects				9,598	9,364	(234)	10,147	11,083	483	0	10,600	9,642

GridAKL is \$0.3m lower than forecast due to a reduced events calendar and a reduction in the BizDojo provision for Doubtful debts provision of \$0.1m

Volvo Ocean Race Auckland Stop-over is \$0.3m higher than forecast due to waiting on post event report before the government funding is released. This is expected in July.

NRL Doubleheader is \$0.1m higher than forecast due to \$0.2m sponsorship being paid earlier than planned and underspend on marketing related costs.

Summary Statement of Financial Position

 Auckland Tourism, Events and Economic Development <small>An Auckland Council Organisation</small>		
Statement of Financial Position, ATEED Group		
As at 31 May 2018		
TABLE 4	YTD	Jun-17
\$000's		
Current assets		
Cash and cash equivalents	2,233	3,410
Receivables and prepayments	10,832	13,469
Other current assets, including iSite inventory	0	24
Total current assets	13,065	16,903
Current liabilities	11,480	16,353
Working capital	1,585	550
Non-current assets		
Receivables and prepayments (non-current)	31	73
Property, plant and equipment	17,924	12,883
Investment in Joint Venture, The FoodBow I	2,104	2,067
Total non-current assets	20,059	15,023
Non-current liabilities	768	64
NET ASSETS	20,876	15,509
EQUITY	20,876	15,509
Capex spend	7,385	657
Total future commitments	\$73.6m	\$29.5m

Cash and cash equivalents: Decrease mainly due to the timing of the cash sweeps and removal of i-SITEs petty cash.

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

Current liabilities: Decrease in related party payables due to the timing of intercompany settlement and processing entries for i-SITE sale of \$0.2m.

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

Non-current Liabilities: Increase of \$0.7m mainly due to 139 Quay Street make good provision.

Total Future Commitments: Operating lease costs of \$51m for GridAKL program over a twelve-year period, \$9.7m for 167B Victoria Street over a 9 year period and \$12.8m for operational commitments.

Receivables

Aged debtors (\$000's)	Current month	1 month	2 months	3 months	4 months+	Total	Comments
880 Productions Limited	0	301	0	0	0	301	Deposit payable on AFS Studios. No financial exposure
Cricket Hop Productions Limited	20	2	241	0	23	286	Current tenant at KFS until December 2018
New Zealand Trade and Enterprise	2	2	0	0	247	251	Invoiced annually but payment is made monthly. No financial exposure.
BizDojo Auckland Limited (In Liquidation)	0	0	0	(272)	498	226	Biz Dojo is in liquidation and the debt is being managed by Auckland Council's legal team.
Soft Technology JR Ltd	23	0	0	32	10	65	Landlord at KFS. Collection being managed
Other Debtors	24	76	20	9	74	204	Old debts are being actively managed.
Total Debtors - May 2018	70	382	261	(231)	852	1,333	

** Overall debt greater than \$50k

Recommendation

It is recommended that the Board note the Finance Report for the period ended 31 May 2018.

Signatories

Manager: Claire McCracken, Finance Manager

GM: Joy Buckingham, Chief Financial Officer
