

Open

Board Meeting Agenda, Tuesday 26 March 2019
ATEED Boardroom Hau Raki, Level 7, 167b Victoria St West, Auckland

Item	Subject	Action	Start Time	Duration	Pg.
OPEN AGENDA					
1	Apologies	To Note	1.45 p.m.	1 min	
2	Open Minutes 26 January 2019 and Open Action Tracker, Nick Hill	To Approve	1.46 p.m.	2 mins	
3	Directors Interest Register, Conflicts of Interest Declaration, Mark Franklin	To Note	1.48 p.m.	2 mins	
4	Finance Report, Jacky Hollingsworth	To Note	1.50 p.m.	10 mins	
5	Chief Executive's Monthly Report, Nick Hill	To Note	2.00 p.m.	10 mins	
	Close of Meeting		2.10 p.m.		

OPEN BOARD MINUTES

What:	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
Where:	Hau Raki Boardroom Level 7, 167b Victoria St West, Auckland
When:	Tuesday, 26 March 2019 at 2.02 a.m.
Directors:	Mark Franklin (Chair) Danny Chan Mike Taitoko Stuart McCutcheon
Apologies:	Helen Robinson, Glenys Coughlan and Evan Davies
In Attendance:	Nick Hill, Chief Executive Melissa Crawford, Board Intern Tim Kingsley-Smith, Company Secretary and Legal Counsel Jacky Hollingsworth, CFO
Public & Media Attendance:	N/A

1 Apologies

The apologies of Helen Robinson, Glenys Coughlan and Evan Davies were noted.

2. Open Minutes of Previous Meeting

The Board **approved** the minutes of the meeting held on 29 January 2019 and confirmed the minutes were a true and correct record.

3. Directors Interests Register

The Board **noted** the Directors Interests Register.

4. Chief Executive's Monthly Report

The Board welcomed Steven England-Hall and Iain Cossar to the meeting.

Nick Hill spoke to the paper.

- Management noted that following ATEED's consent, Precinct Properties has now taken full control of Generator. ATEED has also helped accommodate a short-term tenant of Precinct Properties which will be a positive for GridAKL.

- The Board queried ATEED's ranking of the risk surrounding delays to the completion of the ICC. Management agreed to review it.

The Board **noted** the CE Report.

The Board meeting closed at 2.18 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
Mark Franklin	<p>Director, Precinct Management Limited (3014500) Director, Te Kuha General Partner Limited (3378973) Director, Aquaclear Dewatering Technology Limited (1421603) Director, Rangitira Developments Limited (636073) Director, Stevenson Engineering Limited (1421605) Director, Stevenson South Island Limited (1908766) Director, Stevenson Group Limited (827774) Director, Drury South Limited (1488624) Director, Stevenson Agriculture Limited (1645457) Director, Auckland Regional Chamber Of Commerce & Industry Limited (364056) Director, Lochinver Station Limited (1488629) Director, Oteha Valley Investments Limited (1856790) Director, Cloudview Holdings Limited (1025273) Director, Stevenson Properties (2015) Limited (2164755) Director, Stevenson Mining Limited (1274011) Director, Stevenson Waikato Limited (697315)</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>Chair, Capital Investment Committee Chair, Hospital Redevelopment Partnership Group Chair, Tamaki Regeneration Company (5840214) Trustee, Anglican Trust for Women and Children Trustee, Auckland Arts Festival</p>

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	<p>Trustee, Auckland City Mission Trustee, Melanesian Mission Trust Board</p> <p>Director, Todd Property Group Limited (2291506) Director, Paris Magdalinos Architects Limited (1941004) Director, Flinders Mines Director, BBIG Group Director, Western Hills Holdings Limited (6948733)</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</p>

Updated 21/03/2019

	and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and 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>

Updated 21/03/2019

	<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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Updated 21/03/2019

	<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>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) Shareholder, KND Investments Limited (1694892) Shareholder, Organic Initiative Limited (5595738) Director, Fulbright NZ Ltd Director, NZ Defence Force Trustee, Robinson Family Trust Trustee, Maurice Research and Education 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 funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Stuart	Director, Lexington Properties Limited (1605485)

Updated 21/03/2019

McCutcheon	<p>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>
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Finance Report, month ending February 2019

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

Summary Revenue Statement												TABLE 1
For the Period Ended 28 February 2019												\$000's
Month			Year to Date				Full Year					
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
Net operational expenses:												
2,290	2,807	517	10,140	11,254	1,114	21,687	22,266	86	0	22,180	21,888	
1,600	1,539	(61)	9,917	10,991	1,073	18,806	18,827	580	68	18,178	17,512	
517	421	(95)	3,086	3,291	204	5,833	5,779	95	0	5,684	5,335	
529	618	89	5,125	5,148	23	7,760	6,794	190	0	6,604	6,376	
4,937	5,385	448	28,268	30,683	2,415	54,086	53,666	951	68	52,646	51,111	
Approved opex funding						50,867	50,872	951	68	49,852	49,065	
Operating Deficit						(3,218)	(2,794)	0	0	(2,794)	(2,046)	
Capex funding						3,547	3,833	404	0	3,428	7,906	
Surplus						329	1,039	404	0	634	5,859	

NB: Operational Support is made up of Corporate, CFO, and People, Culture, and Change

Key Points

ATEED is \$2.4m lower net spend than forecast. This is due to:

\$1.1m decrease in Operating revenue due to Pasifika sponsorship and stallholder revenue delays, and reduced Kumeu Studio property rental

\$0.8m decrease in Staff costs relates to unfilled positions across the business

\$0.5m decrease in Professional fees due to delays for project resourcing in Strategy and across the Economic Development business, offset by overspend in Destination

\$0.5m decrease in Grants, contributions, sponsorship due to Major Events forecasted that are no longer going ahead

\$0.5m decrease in Occupancy due to lower turnover rent for Kumeu Film Studios

\$1.4m decrease in Advertising, marketing and research due to timing across Destination and Economic Development

\$0.2m increase in Other expenditure on activities across the business

Finance will be reviewing and revising reporting over the following months to align reporting to the Statement of Intent and Council reporting formats.

* The 2017/18 deferrals have been approved and reflected above.

** The approved budget changes relate to Local Board budget.

*** Forecast 3 has started

ATEED total net favourable variance of \$2.4m

Destination: Feb YTD net spend is \$1.1m lower than forecast. A reduction in revenue by \$0.3m due to Pasifika sponsorship contracts still being finalised and a shortfall in stallholder revenue. Staff cost savings of \$0.2m relate to staff vacancies across the Destination business and \$0.5m in Grants, contributions, sponsorship due to timing of sponsorship payments and major events forecasted and now cancelled/replaced by other events. A \$1.0m underspend in Advertising, marketing & research is mainly due to a change in timing for various campaigns offset by an overspend in Professional Fees of \$0.3m mainly due to additional Lantern Festival costs.

Economic Development: Feb YTD net spend is \$1.1m lower than forecast. A reduction of revenue by \$0.8m is mainly due to the current Licensee commencing at KFS later than originally planned, with the time period changing to end in September instead of July. This reduction will be offset by a similar reduction on Turnover rent expense. Staff cost savings of \$0.4m relate to staff vacancies and reduced temporary staff costs and training. There are timing related underspends of \$0.4m in Professional fees, consultancy & contractors due to delays for Local board spend and project resourcing across the business. There are underspends in Occupancy of \$0.6m due to lower turnover rent and \$0.4m in Advertising, marketing & research driven primarily by Business & Enterprise and Skills & Workforce.

Strategy: Feb YTD net spend is \$0.2m lower than forecast. Staff cost savings of \$0.1m relate to staff vacancies and reduced temporary staff costs and training. An underspend of \$0.2m in Professional fees, consultancy & contractors is mainly due to a delay in the CRM upgrade (now completing in March), with the balance spread across the business and \$0.1m in Other expenditure on activities for Computer Software expenses relating to CRM licences.

Operational Support: Feb YTD net spend is on forecast.

Revenue Statement

Revenue Statement												TABLE 2
For the Period Ended 28 February 2019												\$'000's
Month			Year to Date				Full Year					
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
			Operational revenue									
41	55	(13)	Fees and user charges	477	519	(43)	710	617	0	0	617	2,037
438	442	(4)	Grants and subsidy revenue	1,568	1,544	24	2,917	1,454	0	0	1,454	2,501
382	489	(107)	Sponsorship	1,357	1,557	(199)	1,572	1,792	0	0	1,792	1,955
823	1,095	(272)	Property rental revenue	8,007	8,771	(764)	14,277	14,310	0	0	14,310	6,361
50	153	(104)	Sundry revenue	812	968	(156)	1,654	979	0	0	979	1,995
1,735	2,234	(499)	Total Operating revenue	12,221	13,359	(1,138)	21,129	19,152	0	0	19,152	14,850
			Operating expenditure									
1,753	1,949	196	Staff costs	13,910	14,660	750	23,053	22,544	0	0	22,544	21,857
1,311	1,047	(263)	Professional fees, consultancy & contractors	4,006	4,482	476	8,186	8,747	637	68	8,042	7,155
1,054	1,462	408	Grants, contributions, sponsorship	4,886	5,398	512	10,345	9,174	0	0	9,174	10,206
255	277	23	Depreciation & amortisation	2,086	2,146	60	3,218	2,794	0	0	2,794	2,633
1,018	1,221	203	Occupancy	8,831	9,377	547	15,558	15,749	0	0	15,749	9,855
187	205	18	Travel & entertainment	869	886	17	1,502	1,280	0	0	1,280	1,274
468	1,047	579	Advertising, marketing & research	3,876	5,226	1,351	10,620	10,025	294	0	9,732	8,377
626	411	(216)	Other expenditure on activities	2,026	1,867	(159)	2,733	2,504	21	0	2,484	4,604
6,671	7,619	948	Total Operating expenditure	40,489	44,042	3,553	75,215	72,818	951	68	71,798	65,961
4,937	5,385	448	Operating deficit before Council funding	28,268	30,683	2,415	54,086	53,666	951	68	52,646	51,111

Total Operating revenue

YTD total Operating revenue is \$1.1m lower than forecast.

Sponsorship, \$0.2m lower: A reduction in revenue due to Pasifika sponsorship contracts still being finalised.

Property rental revenue, \$0.8m lower: Stallholder revenue delayed for Pasifika Festival due to a change in timing of stallholder process and the current Licensee commencing at KFS later than originally planned, with the time period changing to end in September instead of July. This reduction will be offset by a similar reduction on Turnover rent expense.

Sundry Revenue, \$0.2m lower: The variance mainly relates to the NZFIA joint venture loss processed in December and Kumeu Film Studios due to new licensee not being at full production.

Total Operating Expenditure

YTD Operating expenditure is \$3.6m lower than forecast.

Staff costs, \$0.8m lower: This is mainly due to vacant positions and underspends in temporary staff costs and training across Destination, Economic Development and Strategy.

Professional Fees, consultancy & contractors, \$0.5m lower: An underspend is due to delays for project resourcing in Strategy for the CRM upgrade and in the Economic Development business of \$0.4m is across Local Economic Growth and Local Boards, GridAKL, Business & Enterprise, GM Economic Development, and Operations. There is an overspend in Destination costs relating to the Lantern Festival that is offset by additional revenue received.

Grants, Contributions, sponsorship, \$0.5m lower: This is due to Major Events forecasted that are no longer going ahead, replacement events and timing of sponsorship payments.

Occupancy, \$0.5m lower: Due to lower turnover rent for Kumeu Film Studios.

Advertising, marketing and research, \$1.4m lower: Underspend in Destination of \$1.0m is mainly due to timing delays for Pasifika contra sponsorship costs and a change in timing for various tourism campaigns. Economic Development underspend of \$0.4m is driven by Business & Enterprise and Skills & Workforce.

Other expenditure on activities, \$0.2m higher: Mainly due to Computer software expenses for CRM licences in Strategy with the balance being variances across the business.

Summary of Activities

Summary of Activities: Net Amount of Spend and/or (Revenue) > 0.5m													TABLE 3
For the Period Ended 28 February 2019													\$000's
Month			Year to Date						Full Year				
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year		
Destination													
478	534	56	ITM Auckland Supersprint	1,050	1,100	50	1,766	1,550	0	0	1,550	1,380	
86	87	1	Auckland convention bureau	321	310	(10)	1,162	798	0	0	798	811	
0	0	0	Trade marketing - Premium	25	20	(5)	20	775	0	0	775	710	
11	0	(11)	Tāmaki Herenga Waka Festival	10	(1)	(11)	(1)	500	0	0	500	478	
(104)	(20)	84	Pasifika Festival	(178)	(232)	(54)	382	374	0	0	374	399	
928	591	(337)	Auckland Lantern Festival	286	255	(31)	255	255	21	0	234	196	
Economic Development													
402	363	(39)	GridAKL	2,881	3,051	169	5,002	4,028	300	0	3,728	4,505	
(7)	(13)	(5)	Maori Economic Development	42	60	18	352	536	0	0	536	342	
0	0	0	Kumeu Screen Precinct	0	0	0	0	0	0	0	0	0	
(86)	(65)	21	Auckland Film Studio	(657)	(599)	58	(771)	(245)	0	0	(245)	(13)	
(97)	(92)	5	Auckland regional partnership programme	(744)	(711)	34	(1,059)	(1,072)	0	0	(1,072)	(1,083)	
39	83	44	Local Boards	343	540	197	894	1,102	102	68	932	657	
Strategy													
26	1	(25)	Brand Services	137	129	(8)	662	792	0	0	792	184	

ITM Auckland Supersprint, \$0.1m lower: Underspend due to sponsorship withheld and planned marketing activity not going ahead. The sponsorship was withheld due to the event not meeting its KPIs.

Pasifika Festival, \$0.1m lower: Underspend due to the sponsorship still being negotiated.

GridAKL, \$0.2m lower: Due to Lysaght revenue shortfall and underspends in community activations, services and temporary staff costs.

Auckland Film Studio, \$0.1m higher: Due to increased revenue from new licences.

Local Board, \$0.2m lower: Mainly timing related with some activity still subject to Local Board approval before commencing initiatives. This funding may get re-prioritised across other local board initiatives outside ATEED's remit, and if so, this could result in any associated unspent funding being returned to the central fund.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 28 February 2019		
TABLE 4	YTD	\$000's Jun-18
Current assets		
Cash and cash equivalents	14	1,084
Receivables and prepayments	15,577	10,763
Other current assets	0	0
Total current assets	15,590	11,847
Current liabilities	11,713	7,704
Working capital	3,877	4,143
Non-current assets		
Receivables and prepayments (non-current)	10	24
Property, plant and equipment	19,117	18,135
Investment in Joint Venture, The FoodBowl	1,929	2,018
Total non-current assets	21,055	20,177
Non-current liabilities	2,960	2,938
NET ASSETS	21,973	21,382
EQUITY	21,973	21,382
Capex spend	3,066	7,906
Total future commitments	\$90.1m	\$75.7m

Cash and cash equivalents: Variance due to the timing of cash sweeps to Group Treasury.

Receivables and prepayments: An increase in Intercompany Receivables due to intercompany transactions held and cleared on a quarterly basis and a decrease in GST, Other Current Receivables and Provision for Doubtful Debts under IFRS9.

Current liabilities: A decrease in Trade Payables and accruals, and Current Account due to the Intercompany settlement in December and an increase in Revenue in advance, and Other Creditors due to passage of time entries.

Non-current Assets: Relates to Fixed Asset movements and a decrease in The Foodbowl investment.

Non-current Liabilities: Relates to non-current revenue in advance.

Total Future Commitments: Operating lease costs of \$67.1m for GridAKL program over a twelve-year period including passage of time rent increases, \$8.1m for 167B Victoria Street over a 9 year period, \$1.2m for Kumeu Film Studio over a 3 year period, \$0.1m for the B:Hive at Smales Farm over a 2 year period and \$13.4m for operational commitments.

Receivables *

By System:

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
Auckland Council System	1,195	162	42	43	757	2,199	
Grid AKL	67	5	9	3	28	112	
Total Debtors	1,262	166	51	46	785	2,311	

By Consolidated Debt:

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
New Zealand Trade & Enterprise	0	0	0	0	618	618	Government funding grant - payable in 12 monthly instalments. Final payment due July 2019.
Generator New Zealand Ltd	412	0	0	0	0	412	GridAKL operator - collection being actively managed. Since received \$407k to 07/03/18
Ministry of Business Innovation and Empl	337	0	0	0	0	337	Government funding grants
Victoria Capital Limited	219	0	0	0	0	219	ATEED Landlord - Rent Incentive. Since received \$219k to 11/3/19
880 Productions NZ Ltd Partnership	90	0	2	0	0	92	Licensee - Kumeu Film Studio. Since received \$49k to 07/03/19
Asia New Zealand Foundation	0	58	0	0	0	58	Sponsorship
Puget Sound NZ Limited	53	0	0	0	0	53	Licensee - Kumeu Film Studio. Full payment received.
Other Debtors	152	109	49	46	167	523	Other debts are being actively managed by Council and ATEED
Other Debtors	1,262	166	51	46	785	2,311	

* Debt collection is performed by the Group Credit Control team and follows the Council process of collection. The above identifies overall debt greater than \$50k.

There has been \$25k of debt sent to Auckland Council shared services to start the collection process relating to the 4 months plus debt in the Exchequer system. Since collected \$1k.

Recommendation

It is recommended that the Board note the Finance Report for the period ended 31 January 2019.

Signatories

Manager: Claire McCracken, Finance Manager

GM: Jacky Hollingsworth, Chief Financial Officer

OPEN

March 2019

Chief Executive Report – March 2019

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

Purpose

This report provides the Board with a summary of key issues and opportunities facing ATEED, and a summary of operational highlights during the previous month.

Strategic issues/opportunities

Christchurch

The Christchurch terrorist event on 15 March had an immediate impact on ATEED. The Pasifika Festival was due to be held on the weekend of 23-24 March. Initial discussions with New Zealand Police post these terrible events gave us hope they would be able to resource the festival as planned for it to go ahead. However, the next day I was advised through the Mayor's office and then directly through the New Zealand Police that they needed to optimize police resources elsewhere. We had hoped the festival would have been able to bring Auckland's communities together at this time of national mourning, however, given the unprecedented nature of what happened we appreciated and respected the New Zealand Police's need to deploy offices to other areas of the community and beyond. On Tuesday, 18 March we advised elected representatives, event stakeholders and media that we would need to cancel Pasifika for 2019.

We considered postponement, but for a number of reasons this was not feasible. The cancellation has created financial, operational and other implications for ATEED, and we are working through those. Delivering Pasifika is a significant undertaking, and many people will be disappointed the event is not proceeding. However, no one has questioned the priority which is to support the police and others who are in the front line in responding to the Christchurch tragedy.

In the longer run, it is inevitable that security planning for our major events will be reviewed, and this in turn is likely to add financial and other costs. We have yet to form any views on the impact the attack may have on overseas visitor decisions.

Q2 Presentation to Council Finance and Planning Committee

Board Chair Mark Franklin, Chief Financial Officer Jacky Hollingsworth and I presented ATEED's Q2 results to Council's Finance and Performance Committee meeting this month. The presentation focused on three tangible deliverables from Q2 (Tourism Skills Campaign, GridAKL status, and the Winter Festival – *Elemental AKL*) and four key activities we will be delivering before 30 June (Manukau Programme, Film Investment, Destination Narrative and Tripartite). The session was low key. There was some discussion on priority setting and public

good versus narrow visitor night metrics (a follow on from the Santa Parade funding debate) and what role we play with supporting Māori identity.

Mark and I were scheduled to meet Chris Fletcher and John Tamihere on 25 March. Chris raised the question of scope and priority setting, and we expect this question to arise on Monday.

GridAKL

The review to assess the impact of GridAKL against the 2016-19 Strategic Framework is underway. The review will inform a strategy reset for years 2019-21, with recommendations presented to the Economic Development Committee and Board in April.

NZICC update

A number of issues have impacted NZICC construction, delaying completion. The conference centre is now expected to open in the second half of 2020. ACB is working with clients and their conference organisers with confirmed conferences at the NZICC to relocate to other parts of Auckland where possible, based on size, capacity and venue availability.

ATEED priority projects

The overall status and overview of current ATEED priority projects – APEC 2021, 36th America’s Cup, and Manukau is provided below.

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
APEC 2021 (APEC21)				
●	●	●	●	The Crown's APEC21 Programme Board's first meeting was held on 20 February, with the next scheduled for 20 March. The main focus for the APEC team has been on integrated planning and risk management with the Ministry of Foreign Affairs and Trade (MFAT).
36th America’s Cup (AC36)				
●	●	●	●	The main focus for the event aspect of AC36 is agreeing the Host Venue Agreement and pre-event planning.
Manukau				
●	●	●	●	Cross-council project teams have been established to progress the integrated programme of high impact projects agreed with The Southern Initiative (TSI) and Pānuku. ATEED will lead the following partnership initiatives: <ul style="list-style-type: none"> Manukau Jobs and Skills Hub: employer engagement, marketing and communications for the opening of a new Manukau Hub in June 2019

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
				<ul style="list-style-type: none"> Industry 4.0: scoping for a food and beverage manufacturing cluster based in South Auckland, including Industry 4.0 work already underway with The University of Auckland and Siemens <p>Other key projects supported by ATEED:</p> <ul style="list-style-type: none"> Te Haa o Manukau Transform Manukau investment attraction Social procurement The Puhinui Engagement and communication Greentech: CCO alignment around clean tech and Greenstar Communities.

Month in review

Economic Development

Invest AKL

Work continues towards delivering a consolidated Auckland investment story, with the completion of the stakeholder review of Auckland's investment landscape, the CCO investment research, and the evidence-based research to current investors. A best practice review of leading global economic sites, including London, Atlanta and Halifax, has been completed and a conceptual wireframe has been developed for a possible stand-alone website. A project rescope has been approved and the project is on the agenda for the CCO Chief Executive's meeting on 20 March.

Tripartite 2019

Tripartite 2019 celebrates the fifth anniversary of the Tripartite Economic Alliance between Guangzhou, Los Angeles and Auckland. ATEED, in partnership Auckland Council, is leading the planning of Tripartite 2019, which will be held on 20-21 May in Auckland aligned with Techweek19. ATEED has a compact programme developed with sessions on innovation, investment, and screen; and a Whāriki event planned in conjunction with Māori TV supporting the screen and creative theme. More than 50 delegates from Guangzhou and LA are expected to attend.

Business and Enterprise

February saw more than 110 business engagements as part of the RBP programme. More than 420 referrals were made; 54 NZTE Capability Development Vouchers were issued valued at \$90,000, and three R&D grants were approved. ATEED's Net Promoter Score remains high at 81 – ahead of the national average of 76 for this high-performing government funded programme.

ATEED is working with the Kaitiaki Roopu (group) to establish new, more ambitious and network owned goals for the Whāriki Māori Business Network. Work is also underway with the Young Enterprise Scheme and Te Wānanga o Aotearoa to develop a strategy to expand DigMyIdea nationally, support Māori tech business development, and encourage more Māori into the tech sector.

Local Economic Growth

A feasibility study was completed in late 2018 that identified potential to develop a green sector-focused innovation hub and shared workspace in Henderson. The proposed facility – The Greenhouse – has strong alignment to the ATEED SOI (West Auckland spatial and sustainability focus) and Pānuku’s Unlock Henderson initiative.

Skills and Workforce

Since the January launch of the three-month *Auckland. We’re Hiring* digital campaign, in partnership with Immigration NZ, more than 790 job applications and 44 visa applications were received mid-campaign, with 7-9 per cent of email recipients applying for jobs. The campaign targets INZ’s database of 94,000 high skilled potential construction and technology sector migrants in the northern hemisphere. A final email in March led to more than 8000 aucklandnz.com views, including 5400 new users. The next campaign is planned for June.

The ATEED tourism skills campaign – *Go with Tourism* – has been postponed from 19 March to a tentative date of Friday the 5th of April as a result of the Christchurch attacks. The Minister of Tourism (Hon. Kelvin Davis) and Mayor Goff had been confirmed for the March date. Media interest has been strong with mainstream and technical publication coverage of the youth perceptions research and planned activity. A week-long *NZ Herald* media campaign was scheduled to run from 18-22 March, however it has been postponed, and will run from 1-5 April. At 14 March, more than 29 employers representing 67 companies were registered and onboarded for the campaign.

The Auckland network of jobs and skills hubs will provide backstop support to tourism job candidates and employers. Community engagement is underway in south Auckland, initially with Pasifika stakeholders.

Research has been commissioned on Auckland’s future skills needs to provide ATEED with an insights report on the *Future of Work*. The research includes modelling and interviews with youth employer pledge partners, ATEED staff, TSI, Wynyard Innovation Neighbourhood members, education/training providers and other employers in key sectors in south and west Auckland (retail, logistics, accommodation etc.).

Destination

Major Events

Elemental AKL

The *Elemental AKL* winter festival website had a successful soft launch on 28 February, with the full website launch on track for 29 April. The event Facebook page also went live on 28 February. The festival will run for all of July and coincide with Matariki.

Work is continuing on contracting events, with new events being sourced to address any gaps in programming.

Cultural festivals

Preliminary results for this year's Auckland Lantern Festival shows a total of 173,000 attendees, a decrease of 15,980 compared to last year's event. There was an increase in attendees on the Thursday night and a significant decrease in attendees on Saturday night, which could be attributed to attendees choosing a traditionally less busy night to attend the festival. Overall customer satisfaction for the 2019 festival was 89 per cent, an increase of nine per cent compared to the 2018 festival.

National programme

Round two of funding under the national major events portfolio programme will be open from 1-30 April, with communications going out to the industry from mid-March.

Tourism

International Consumer and Trade Marketing

A short break campaign aimed at leisure travellers on Australia's eastern seaboard was in market from 18 February to 10 March. This campaign focused on themes of nature, food and wine, and ultimate things to do in Auckland. Tourism New Zealand recently shared audience data with ATEED, which means that this campaign could target anyone who has shown interest in Auckland on newzealand.com, therefore providing a wider audience.

Tourism Investment

The Auckland WeChat official account and mini programme aimed at connecting Chinese travellers with ex-pats living in Auckland had a soft launch at the Auckland Lantern Festival. More than 300 people signed up as advocates at the festival. Further marketing will be carried out to sign-up more local Chinese users as advocates before the app is launched to the Chinese market at the end of April.

ACB

ACB's business events opportunities won (YTD February 2019), will deliver total tourism spend of \$20.4m, generating 36,420 delegates and 52,713 visitor nights. A total of 223 opportunities have been submitted YTD, with a tourism spend value of \$91m, 113,531 delegates and 282,359 visitor nights.

Breakdown of YTD win activity:

	TOTAL	DELEGATES	ECONOMIC VALUE (million)	VISITOR NIGHTS
International Associations*	11	5,455	\$10,962,006	30,025
New Zealand	36	17,287	\$5,987,300	15,400
Australia	29	13,678	\$3,459,600	7,288
TOTAL	76	36,420	\$20,408,906	52,713

5

Study Auckland

Tokyo has been chosen as the destination for the first alumni programme, given it is a priority education, tourism, trade, and investment market for Auckland. ATEED intends to activate the alumni programme via a VIP influencers’ networking event at the New Zealand embassy in Shibuya, which will aim to attract 80 attendees (20 alumni and 60 key destination partners). The objective is to showcase the new Japanese alumni ambassadors and use their profiles to support ‘NZ Inc’ destination marketing activity, and accelerate ATEED’s partnership with Air New Zealand Japan to grow the educational travel market.

People, Culture and Change

Employees continue to be engaged with our score remaining at 7.6 out of 10, which means that we can expect to see positive impact on productivity.



Trust and participation in the pulse surveys also remains high with about 80 per cent of employees completing the fortnightly surveys since the start in July 2018.

Wellbeing continues to be a focus area and we’ve seen great progress so far with initiatives well received by staff and resulting in an increase from 6.5 in July 2018 to 7.2 in March. We expect further positive development in this space as the Mental Wellbeing programme is launched this month.

Another key focus is building leadership capability. A learning needs assessment has been completed, and ALT will start team development later this month, followed by an organisation wide leadership programme starting in April. The programme will be run by Ilume International which specialises in leadership development and executive coaching.

People	Current	Last month
Head count	225	224
FTE	216.60	208.09

Workplace

We continue to bed down our new ways of working in Victoria Street, and teams are settling in well. Some minor changes have been made in response to a workplace survey and on the whole feedback has been positive with over eight out of 10 people saying they are proud of our new workplace.

Strategy

Destination narrative

The ATEED Marketing team continues to share Auckland's Place DNA™ report with interested parties e.g. The Auckland Design Office of Auckland Council, ATEED All Staff Hui, Destination Narrative Marketing Advisory Group. Propagating the message widely is a key driver of government, industry and stakeholder alignment on Auckland's narrative gaps and will continue for the foreseeable future. Frank Cuypers, Strategy Lead from Destination Think! returns to Auckland 25, 26, 27 March for the next stage of this project, facilitating workshops to distil the Auckland's Place DNA™ report into a 'destination narrative and positioning framework' that can be used to brief agencies, influence industry and media communications, engage residents and prioritise work programmes.

External Relationships

An External Relationship Management Plan for ATEED has been created to guide the approach to relationships for the entire business, and outline a process for ATEED to keep track of these relationships.

A messaging framework outlining key opportunities for central government in Auckland – in areas relevant to ATEED – is under development, and will be a key tool in this relationship management plan.

Media

The America's Cup, Auckland Lantern Festival, and the impact on business events in Auckland as a result of a further delay to the opening of the NZICC, dominated the news cycle in February. Online News had the highest volume of coverage (152 items or 57 per cent of the total). See Attachment 1 for a full media summary.

Key Performance Indicators

Attachment 2 shows how ATEED is tracking against the SOI KPIs, where results are available.

Finance

ATEED is \$2.4m lower net spend than forecast. This is due to:

- \$1.1m decrease in Operating revenue due to Pasifika sponsorship and stallholder revenue delays, and reduced Kumeu Film Studios property rental
- \$0.8m decrease in Staff costs relates to unfilled positions across the business
- \$0.5m decrease in Professional fees due to delays for project resourcing in Strategy and across the Economic Development business, offset by overspend in Destination
- \$0.5m decrease in Grants, contributions, sponsorship due to Major Events forecasted that are no longer going ahead
- \$0.5m decrease in Occupancy due to lower turnover rent for Kumeu Film Studios
- \$1.4m decrease in Advertising, marketing and research due to timing across Destination and Economic Development
- \$0.2m increase in Other expenditure on activities across the business.

Finance will be reviewing and revising reporting over the following months to align reporting to the *Statement of Intent 2018-2021* and Council reporting formats.

Health and Safety

The health and safety scorecard for February is included in Attachment 3.

Recommendations

1. The report be received.

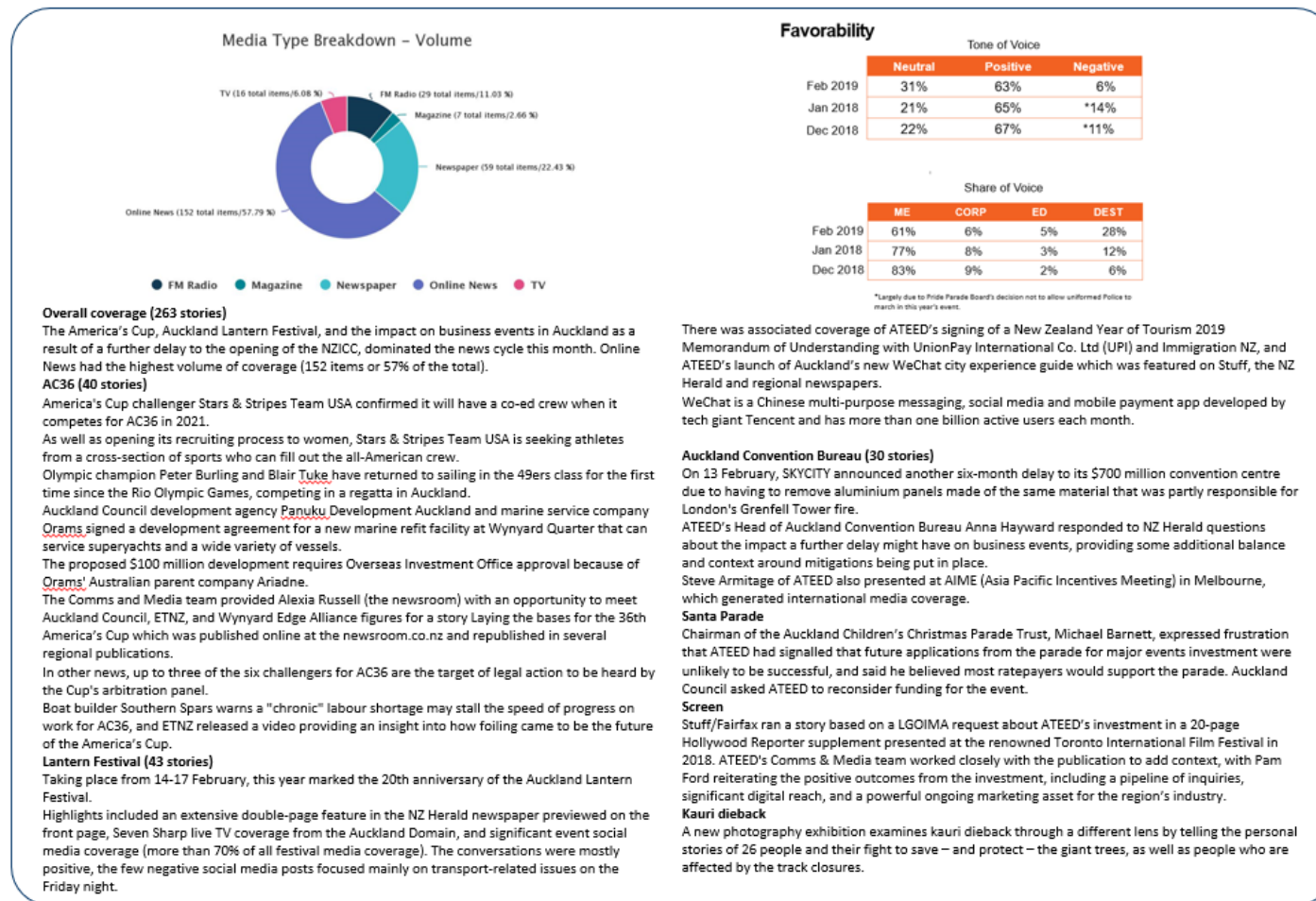
Attachments

1. Media summary for February 2019
 2. SOI KPI Scorecard – at 13 March 2019
 3. Health and Safety scorecard for February 2019
 4. Upcoming events / activity (March – June 2019)
-








Signatory

Nick Hill, Chief Executive

Attachment 1: Media summary for February 2019



Attachment 2: SOI KPI Scorecard – as at 13 March 2019

KEY PERFORMANCE INDICATOR	2018/19 TARGET	LATEST RESULT	DATE OF MEASURE / LATEST AVAILABLE RESULT	STATUS	COMMENTS
KPI 1: Contribution to regional GDP from ATEED interventions. ^{1,2}	Benchmark	\$17.35	31-Jan-19		Benchmark in development
<i>Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)</i>	\$49m	\$17.35	31-Jan-19		It is expected that the end of year target will be achieved.
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). ^{1,2}	3,000	1,931	8-Feb-19		Businesses include those that have been through the Regional Business Partner programme, Auckland Skills & Job Hub employers, GridAKL residents, businesses that have benefitted from tourism promotion, ACB members and Major Event stallholders.
<i>Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)</i>	120	81	8-Feb-19		Businesses include those that have benefitted from Māori tourism product development work, RBP Programme and the Whāriki business network.
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. ^{1,2}	Benchmark	No result to date			Benchmark in development
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure) ^{2,4,5}	340,000	133,710	31-Jan-19		It is expected that the end of year target will be achieved.
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	Benchmark	No result to date			Findings from the <i>Voice of the Customer</i> pilot programme were presented to ALT in February. Teams who formed part of the pilot have also received results. Next steps are to develop and implement the next phases of the programme to establish a baseline to the end of the FY.

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

Attachment 3: Health and Safety Scorecard for February 2019



FEBRUARY

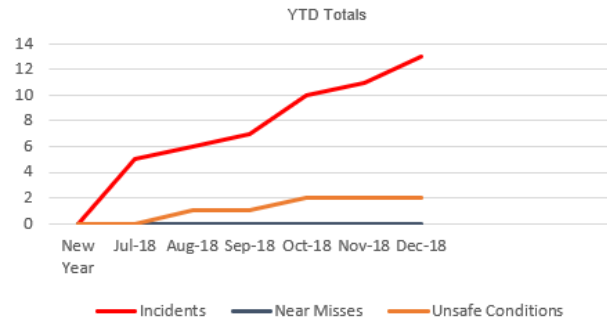
Incidents: 4

All four incidents linked to minor pain and discomfort requiring ergonomic adjustments to working station set up or employee activity (I.e. taking rest breaks, varying position). Two were aggravations of pre-existing conditions. All being monitored and addressed.

Near misses: 0

Unsafe condition/hazard: 0

Open Incidents in Risk Manager: 2 ; two incidents of pain and discomfort being monitored.



H&S Update

- Lantern Festival a success with some learnings to be addressed during the off season to improve the health and safety management system to ensure more streamlined processes.
- New Health & Safety Advisor for Screen now in place, forging links with the screen industry with a view to lifting the industry's standards.
- Work commencing on The Hub H&S content refresh to ensure it is relevant, up to date and engaging.
- Work plan based on the recommendations from the IMPAC review drafted and to be reviewed. ¹²

Attachment 4: Upcoming events / activity (March – June 2019)

KEY EVENTS / ACTIVITY	DATE	LOCATION
Sculpture on the Gulf	1-24 March	Waiheke Island
Whāriki Māori Business Network – creative sector focussed event	6 March	Te Haa o Manukau
Nitro Circus	9 – 19 March	Eden Park
Westpac Auckland Business Awards Best of the Best for 2018	14 March	Cordis Auckland
Outward Business Delegation with BNZ	17-22 March	Los Angeles/San Francisco
Pop-Up Business School	18 – 29 March	Albany
Tourism Skills Campaign launch	1 April – to be confirmed	Maritime Museum
Swim the Bridge	6 April	Harbour Bridge
Nelson Mandela My Life: Exhibition	13 April – 8 August	Eden Park
Tripartite Summit 2019	19 – 21 May	Various, Auckland
High-skilled migrant attraction winter campaign	June	Digital with Immigration New Zealand
FutureReady Summit 2019	Late June	Vodafone Centre, Manukau