

Auckland Tourism, Events and Economic Development Ltd

May 2016 Board Papers

1. **CHIEF EXECUTIVE'S ACTIVITY REPORT**
2. **FINANCE REPORT**

Chief Executive Review of May 2016

Report to Auckland Tourism Events and Economic Development Limited Board

Health & Safety (H&S)

Famil update: ATEED has now established a list of 354 approved operators New Zealand wide. This list continues to grow on a daily basis as we continue to collate operator evidence. An update to staff on new processes was given this month.

Risk Profile: The Corporate Risk Profile is now complete and is ready for management review. An overall report and any actions/improvements raised throughout the profile have been inserted into the corporate H&S action tracker. In addition, all business units have completed their risk profiles; this information is currently being collated with a report due at the end of May.

ATEED's Emergency and Evacuation Manual is being updated and will be circulated for review by end of May. The new manual will act as a guide at all ATEED locations.

Health & Safety Workshops: Two workshops were conducted in April for the Major Events team on Risk profile and Health & Safety Plans and Site Specific Safety Plans (SSSP). Further workshops will be held in upcoming months.

Health & Safety Scorecard update

Incidents: One incident was reported in April. A staff member from Destination and Marketing reported muscular pain from occupational overuse. A previous assessment had been carried out in November 2014 and advice given on how to manage the repetitive strain injury. We have carried out a further assessment, and the manager is following up to ensure work practices are in place to ensure the injury is not aggravated.

In addition, we have one outstanding muscular pain incident from last month, as we were awaiting new equipment. This has now been installed so the incident will be closed once the manager has confirmed that all issues have been addressed.

Near Misses: None

Hazards: Twelve hazards were identified in April two relating to the Quay Street building where we worked with the building manager to address these; and ten relating to the Health & Safety representative inspection at the Waiheke i-Site visitor information centre. In total ATEED has 18 hazards still outstanding and work continues to close these as soon as possible.

H&S Training:

- 96% of all staff have attended the ATEED H&S Journey.
- Two staff members had not received the Health & Safety induction training; one from Business Attraction and Investment and one from Finance and Corporate Services (since closed).

ATEED Strategic Priorities

Growing Auckland's Innovation Ecosystem

GridAKL

The number of resident businesses located at GridAKL has increased from 42 to 49. New arrivals include One Fat Sheep innovative digital solutions agency, an offshore business that has established in New Zealand from Australia.

Grow the visitor economy

World Masters Games 2017

Work continues to focus on addressing the challenges associated with the accommodation sector and pricing. Commercial partnerships have been agreed this month with Mighway and Airbnb, which has increased the range of accommodation options for WMG2017 participants. Other options to create more accommodation solutions are being explored such as school boarding houses, temporary campervan parks and a cruise ship.

Above the line marketing, primarily targeted at New Zealanders, started in April 2016 and continues through to June 2016. This includes use of outdoor assets such as bus backs and billboards, in Wellington and Christchurch as well as in Auckland. Two campaigns were launched in conjunction with 1YTG – one aimed at an international audience and the other at a domestic audience. A focus this month was on B2B (business to business) marketing to larger organisations and corporates.

Auckland Convention Bureau (ACB)

IMEX

ATEED attended the annual Incentive Travel, Meetings & Events (IMEX) Trade Show held in Frankfurt between the 19 and 21 April 2016. The IMEX event hosted approximately 9000 buyers and was attended by over 3,500 companies. ATEED assisted the development of NZICC's appointment stream and conducted its over 44 appointments over the three days. As a result two leads have been generated, categorized as opportunities for 2,000 and 1,500 delegates.

In addition ATEED was for the first time invited to attend the Politicians Forum which takes place during IMEX. The forum brings together meetings industry leaders with representatives of government, business, professional and academic communities in support of an ongoing discussion about how the meetings industry can better support economic and community advancement, and determine the best course of action for destinations around the world. This was a unique opportunity to present Auckland to a global audience of considerable political influence. Sixty politicians and political influencers attended.

ACB Activity

Auckland has been announced as host the 2017 World Forum on Early Care and Education from 9-12 May 2017, bringing an estimated \$1.2 million to the local economy. The ACB team, with support from Tourism New Zealand, worked with the New Zealand Tertiary College (NZTC) and the Early Childhood Council to secure the rights to hold this leading international conference in Auckland. Around 800 early childhood professionals from around the world are expected to attend the forum.

ACB hosted their annual networking luncheon for Wellington clients this month along with 20 other member based suppliers of conference products and services. The event allowed ACB to bring a taste of Auckland to Wellington reminding clients just how diverse and exciting Auckland is as a business event destination. Guests were treated to an uplifting afternoon which included a fun and vibrant theme, a delicious lunch, entertainment, a contemporary dance piece and a prize draw to finish off the day.

Attract business and investment

Screen and Innovation Production

A stakeholder meeting convened by Penny Hulse and James Hill (Chair Chair Auckland Film Studios Ltd) took place on 30 May 2016. This meeting considered the long term strategy for AFSL and whether AFSL will be permitted to assume a tenancy on a privately-owned and operated screen precinct should a commercially viable proposition become available.

Month in review

Tripartite Economic Summit 2016, Auckland

On numbers alone, the Tripartite Economic Summit Auckland 2016 (Summit) was an outstanding success – 700 delegates from five countries - 300 business meetings and 90 speakers – at the Viaduct Events Centre on 16 – 17 May.

The Summit positioned Auckland as a significant influencer in the Asia-Pacific region with the capability, innovation and connectivity of a world-class city. This was evidenced by the level of deals in discussion and anecdotal feedback from people such as Madam Li, the highly regarded President of the Chinese People's Association for Friendship with Foreign Countries.

The Summit also positioned ATEED among its central and local government peers as an expert in facilitating international business and delivering world-class major business events. Prime Minister John Key and three Government ministers all had speaking roles - both demonstrating the value the Summit held at central government level, and adding to the event's esteem in the eyes of our international delegates.

Influential international investors and entrepreneurs who attended the Summit are now providing Auckland businesses with the connections and credibility to gain a foothold in the gateway cities of two of Auckland's three largest trading markets. People such as investor Bob Perille of Los Angeles, Derrick Xiong of drone company EHANG, uber-connected Sunny Bates from New York, and Tom Cassell – a 22-year-old from the UK who has 10 million weblog subscribers, routinely 'influences' almost triple the population of New Zealand, and has an estimated net worth of NZ\$6 million.

The Summit was supported by 12 financial partners ranging from BNZ to Silicon Valley Bank, Aecom to Huawei. The experience of the Summit bodes well for ongoing partnerships with these organisations, and others who attended and will want to collaborate with ATEED on future work.

The city officials agreed that the alliance among the sister cities of Los Angeles, Guangzhou and Auckland came of age during Auckland's hosting of the Summit. The delegations, led by Mayor of the City of Los Angeles, Eric Garcetti, and Vice Mayor of Guangzhou, Wang Dong, each spent at least five days in Auckland and left with outstanding praise for Auckland as a city. Many stated genuine plans to come back and invest (President of Sister Cities, Tom Gilmore) and holiday with family (Mayor Garcetti and keynote speaker, Dr Erez Morag).

In a three-week period, the Summit was the subject of more than 90 English language media articles and broadcast stories, with many more in the Chinese language media.

A survey of Summit attendees took place the week following the event, and an ongoing alumni programme will be put in place. Further information on Summit results will be provided in due course.

Growing Auckland's Innovation Ecosystem

Techweek AKL 2016

Techweek AKL 2016 has been a huge success with up to 6,000 Aucklanders and visitors attending 55 events from virtual and augmented reality to nanotech and biotech, big data to gaming.

In its inaugural year, Techweek AKL attracted 86 speakers, 30 from overseas who are world leaders in their fields, and achieved considerable media coverage across television, print, radio and via online news networks.

ATEED's goal of showcasing the technological expertise that Auckland and New Zealand is home to has been realised and not only have we had very positive feedback from event hosts but Economic Development Minister Steven Joyce praised Techweek AKL at the Hi Tech Awards and expressed his desire to make it a national event.

Trenz 2016 and 2017

The Tourism Trade Team attended TRENZ 2016 in Rotorua from the 10 to 13 May. The team held two appointment streams with over 160 appointments over 3 days.

More than 1,000 tourism operators and buyers from New Zealand and abroad attended the event, which was held at the Rotorua Energy Events Centre.

TRENZ is an important forum for the New Zealand industry to showcase products, forge relationships with key international tourism buyers and write business plans for the seasons ahead.

Auckland has been named host region for the 2017 instalment of TRENZ – New Zealand's biggest annual tourism event.

The four-day event will be held 9-12 May 2017 at The Cloud and Shed 10 on Auckland's waterfront.

TRENZ brings together more than 300 New Zealand tourism exhibitors with at least 350 targeted international travel buyers and media from New Zealand's key established and emerging tourism markets.

Visitor economy

Tourism continues to be a star performer for Auckland's economy with record numbers of visitors flocking to the region and bringing with them a wave of benefits for the city.

A record breaking 2.3 million international visitors arrived into Auckland in the past 12 months in the year ending March 2016, up 10 per cent. International holiday arrivals are up 16 per cent to more than 1.1 million. There were 247,184 international visitors in March alone, up 18.4 per cent on the previous year.

Auckland recorded 7.16 million guest nights in the year to February 2016, with domestic guests accounting for 57 per cent of these nights.

JobFest

Around 3,200 young job seekers are thought to have attended yesterday's Jobfest 2016 event - 1,000 more than expected from event registrations.

Two young people were offered jobs on the spot, and feedback from employers indicates that meeting face to face with young people at events like Jobfest helps to form better connections.

More than 70 employers attended this year's event.

Final jobseeker attendance and job match figures will be available early June.

IDEAStarter

Six IDEAStarter winners were selected out of 137 entries and announced at an awards ceremony held at ATEED's office on 17 May.

The winning ideas include an app to help young people share their feelings through colours, a pocket

water meter and an idea to attract more school girls into Science, Technology, Engineering and Maths (STEM).

IDEAStarter backs young entrepreneurs aged 15-24 years to turn their business ideas into action, whether they want to change the world or solve a problem in their own community. The competition is sponsored by The Tindall Foundation and delivered by ATEED and Auckland Council's Youth Connections.

Business mentors will work with award winners in the coming weeks to help them develop their ideas further with a view to bringing them to market if feasible on further investigation.

Statement of Intent KPIs

Metrics within the ATEED SOI are categorised as either:

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

Progress against KPIs are included in the attached KPI Scorecard. To the end of May, issues of note are as follows:

- As reported last month it is still anticipated that KPIs related to Callaghan Innovation R&D grants facilitated through the RBPN programme, GDP generated from major events invested in, and attendees at major events invested in, will not be met. A written report covering the major events targets will be presented to Major and Business Events Committee (MBEC) for their meeting on 1 June. This will provide an overview of actual and forecast results.
- Also reported last month, the target related to the number of business events supported may not be met – although the win/loss ratio remains on target. This issue will also be discussed in more detail with the Major Events Sub-Committee on 1 June.
- All other SOI KPIs are on track.

Burning Issues

Statement of Intent:

ATEED received final shareholder comments on the draft Statement of Intent 2016-19, as detailed in the attached letter to David. These comments will result in minor changes to the SOI that will be presented to the Board for consideration and sign off at the public meeting in June.

All staff meeting coming up

An all staff meeting to celebrate ATEED's successes and preview the key milestones for 2016-17 will be held on 3 June. The programme will provide an update on people and capability development, global brand, process improvement and new ways of working, Māori responsiveness and Kaiārahi Toru.

Looking Forward

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

Scheduled event date	Event name	Location
9 - 19 July 2016	Pan Pacific Youth Water Polo Festival	St. Cuthbert's College and AUT Millennium
14 - 31 July 2016	New Zealand International Film Festival	Various
22 - 28 August 2016	New Zealand Fashion Week	ANZ Viaduct Events Centre
29 Sep - 2 Oct 2016	Auckland On Water Boat Show	Viaduct Harbour
7 Oct - 11 Nov 2016	Priscilla Queen of the Desert – The Musical	The Civic
15 - 16 October 2016	Auckland Diwali Festival	Various
22 October 2016	Bledisloe Cup: All Blacks vs Australia	Eden Park
30 October 2016	ASB Auckland Marathon	Various

Recommendations

1. The report be received.

Attachments

- ATEED KPI Scorecard
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Signatory

Chief Executive: Brett O'Riley

ATEED KPI Scorecard
Apr-16

ATEED SOI KPIs	Measurement	Date of Measure	Latest Result	Annual Target to 30 June 2016	Status
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Building a Culture of Innovation and Entrepreneurship

No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" ⁴	Number & (%)	30-Apr-16	49	25	●
Total value of Callaghan Innovation R&D grants through the Regional business Partner programme	\$(million)	30-Apr-16	1.262	4.0	●
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure)	%	30-Apr-16	91	85	●
Number of actively managed business through Regional Business Partner programme	Number	31/12/2015 + Jan - Apr 2016 (new contract)	740+ 174	360	●
No. businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	N/A	N/A	1500	—
No. Maori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	N/A	N/A	100	—

Attracting Business and Investment

Facilitation of the establishment, or significant expansion, of multinational companies in target sectors (LTP Measure)	Number	30-Apr-16	7	5	●
Number of intensively account managed customers in ATEED Aftercare programme	Number	30-Apr-16	61	80	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	30-Apr-16	180.2	54.0	●
Value of investment deals effected by ATEED within the financial year	\$(million)	30-Apr-16	354.5	265	●

Growing a Skilled Workforce

Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	30-Apr-16	51	50	●
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Enabling Education and Talent

Growth in value of international student spend to Auckland	\$(billion)	30-Jun-15	1.75	1.564	—
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Growing the Visitor Economy

Spend by visitors in Auckland	\$(million)	30-Jun-15	5.315	5.412	—
Number of international business event bids supported (and win/loss ratio based on results received)	Number & (%)	30-Apr-16	23 supported (65% conversion rate)	35 supported (60% conversion rate)	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	30-Apr-16	89	85	●
Contribution to regional GDP from major events invested in (LTP measure)	\$(million)	30-Apr-16	16.55	49	●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-15	79	80	—
Visitor nights generated by major events invested in	Number	30-Apr-16	129,900	170,000	●
Estimated number of attendees at major events invested in	Number (million)	30-Apr-16	702,620	1.57	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	30-Jun-15	92	85	—

Building Auckland's Brand and Identity

Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	30-Apr-16	3.17	3.0	●
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Mana Whenua Engagement

Percentage Mana Whenua satisfaction with quality of engagement	%	N/A	N/A	Establish Baseline	—
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MONITORING INDICATORS	Measurement	Date of Measure	Latest Result	Regional Target
Auckland Real GDP Growth	% per annum.	2015	3.7%	>5% p.a.
Auckland annual average exports growth	av. % per annum	2008-2013	2.2%	>6% p.a.
Auckland annual average productivity growth	av. % per annum	2014	-0.3%	>2% p.a.
Percentage of Auckland businesses innovating	%	2015	76.0%	-
Auckland youth (15-24yrs) NEET ⁵ rate	%	2015	9.9%	-
Auckland commercial guest nights	Number (million)	29-Feb-16	7.16m	-
Visitor arrivals through Auckland airport	Numer (million)	29-Feb-16	2.27m	-
Overall visitor satisfaction with Auckland experience (/10)	Rating /10		8.4 (Domestic) 9.0 (International)	-

- On track / Target exceeded
- Potential for Slippage
- Off-track
- No recent result

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

5 NEET: Not in employment, education or training

Finance Report, April 2016

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

Summary Income Statement							TABLE 1		
For the Period Ended 30 April 2016							\$000's		
Month				Year to Date			FULL YEAR		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year
			Net operational expenses:						
188	190	2	Business Attraction & Investment	2,028	2,029	1	2,797	3,590	3,282
1,098	986	(112)	Destination & Marketing	7,871	7,758	(113)	10,801	10,257	11,267
255	331	76	Major Events	8,905	8,982	77	11,643	11,599	15,992
998	1,125	127	Business, Innovation and Skills	7,427	7,554	127	10,256	10,301	7,969
735	984	249	Corporate	8,322	8,571	249	11,108	12,627	9,138
3,274	3,616	342	ATEED net deficit	34,552	34,894	342	46,605	48,374	47,648
			Major Events Fund drawdown				2,317	1,000	280
228	98	(130)	World Masters Games 2017 Ltd, net deficit	921	110	(811)	410	1,642	50
3,503	3,715	212	Operating deficit before Council funding	35,473	35,004	(469)	49,331	51,015	47,977
			Opex Funding, Council				49,099	50,307	47,952
			Operating Deficit				(232)	(709)	(25)
			Capex Funding				3,077	2,777	300
			Surplus				2,845	2,068	275

Key Points

Current year's financial results

ATEED is tracking favourably to our Q3 forecast. The underspend for the month is all timing related with no impact on end of year funding.

The World Master Games (WMG) \$0.8m variance is a result of registration revenue being behind projections. WMG management are carefully monitoring the situation, noting that the differential stems from timing issues and concerns around accommodation pricing. WMG are currently undertaking a piece of work to quantify the accommodation issue. Mitigation plans are in place as outlined in their sales planning paper as presented to the Board earlier this year.

Funding Implications

We continue to work with Council on the new process for funding roll-over. At this stage we are confident we will be able to obtain funding for our deferred activity. We had

previously reported to the Board, that we expect to defer \$3.7m of project related underspend this year to FY17. Although this number has not materially changed since reported, the original mix has changed. The majority of the original \$3.7m was due to Major Events (including World Master Games) deferrals. During the Q3 forecast, \$1.5m of Major Events' related payments have been brought forward to FY16 from FY17 due to earlier than planned milestones being achieved thereby reducing deferrals for Major Events. A correlating increase in deferrals across ATEED's other business units has subsequently been identified thereby bringing the deferrals similar to what was reported.

Total favourable variance of \$0.3m

This is made up as follows:

- Tripartite revenue of \$0.2m received a month earlier than planned
- Deferred expenditure across BIS, mainly in relation to GridAKL, \$0.1m
- Corporate projects including Kaiarahi, Visitor Funding, and Economic Impact modelling deferred, \$0.1m
- Offset by tourism activity of \$0.1m incurred earlier than planned.

Income Statement

Income Statement									TABLE 2
For the Period Ended 30 April 2016									\$000's
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year
			Operational income						
107	107	0	Funding from Government	1,559	1,559	0	1,854	1,211	3,518
93	15	78	Sponsorship	1,355	1,277	78	1,635	2,005	967
9	18	(9)	Fees & Subscriptions	432	441	(9)	482	609	510
157	173	(15)	i-Sites	2,241	2,256	(15)	2,507	2,483	2,580
238	100	138	Sundry income	1,247	1,109	138	1,412	1,683	1,348
605	413	192	Total Operating income	6,834	6,642	192	7,890	7,991	9,053
1,687	1,796	109	Staff costs	16,859	16,968	109	20,811	20,735	19,208
429	656	227	Professional fees, consultancy & contractors	5,111	5,338	227	7,659	10,644	7,675
381	307	(74)	Grants & sponsorships	5,781	5,707	(74)	8,268	7,586	12,004
118	55	(63)	Depreciation & amortisation	590	527	(63)	650	656	540
181	183	2	Shared services and lease costs	1,785	1,789	4	2,154	2,192	2,475
258	275	17	Occupancy	2,143	2,160	17	2,629	2,676	2,495
229	246	17	Travel & entertainment	1,211	1,228	17	1,623	1,445	1,510
39	47	8	General, admin & other	2,250	2,255	6	2,757	1,741	2,610
556	463	(93)	Advertising, marketing & research	5,656	5,563	(93)	7,943	8,689	8,182
3,879	4,029	150	Total Operating Expenditure	41,386	41,536	150	54,494	56,365	56,701
3,274	3,616	342	ATEED Net deficit	34,552	34,894	342	46,605	48,374	47,648

Revenue

Tripartite revenue received from partners earlier than planned (\$0.2m).

Expenditure

Underspend of \$0.15m across the business will not impact our year end position as this is expected to even out over the remaining two months.

Staff Cost: Variance of \$0.1m due to training planned for April taking place in May, as well as annual leave credits which will even out over the remaining two months as our leave liability builds up.

Professional Services: Variance of \$0.2m is timing related and is mainly attributable to GridAKL activation programmes of \$0.1m, and Corporate project work deferred to May.

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m										TABLE 3
For the Period Ended 30 April 2016										\$'000's
Month				Year to Date			Forecast			Last Year
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			Business, Innovation and Skills							
73	83	10	The FoodBowl	838	849	10	1,015	1,000	1,000	
123	220	97	GridAKL	1,274	1,371	97	1,795	2,255	1,486	
			Destination and marketing							
36	33	(3)	Global Auckland Project	184	181	(3)	351	550	253	
			Major Events							
(9)	0	9	Maori Signature Event	509	518	9	518	500	29	
6	0	(6)	V8 Supercars	1,432	1,426	(6)	1,648	1,993	461	
(16)	0	16	2016 NRL Nines - Delivery	1,697	1,713	16	2,913	2,450	3,262	
			Total Major Events	7,140	7,212	72	8,295	9,544	14,371	
			Contingent Asset				5,966	4,649	3,649	

- GridAKL underspend for the month is due to income received earlier than plan and timing of professional services
- Delays in the Global Auckland Project will now result in an extra \$0.1m being deferred to next year, reducing the full year forecast to \$0.25m

World Masters Games

World Masters Games 2017 Ltd										TABLE 4
Summary Income Statement										\$'000's
Month				Year to Date			Full Year			Last Year
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
203	516	(313)	Revenue from Activities	980	2,550	(1,570)	2,900	1,212	26	
0	0	0	Funding from Government	2,000	2,000	0	2,625	2,625	2,500	
(75)	0	(75)	Sponsorship	425	0	425	0	885	1,225	
75	0	75	Sundry income	595	520	75	520	0	200	
203	516	(313)	Total Operating Income	4,000	5,070	(1,070)	6,045	4,722	3,951	
			Net Operational costs							
231	319	88	Staff costs	2,010	2,403	393	3,108	3,105	1,605	
			Professional fees, consultancy & contractors	643	800	157	1,050	855	447	
65	144	79	Grants & sponsorships	695	695	0	749	832	861	
0	0	0	Depreciation & amortisation	48	55	7	67	51	21	
5	6	1	Occupancy	140	147	7	173	502	83	
12	13	1	Travel & entertainment	233	238	5	275	164	124	
17	33	16	General, admin & other	360	302	(58)	343	856	362	
(73)	28	101	Advertising, marketing & research	780	539	(241)	689	0	498	
173	72	(101)	Total Operating Expenditure	4,920	5,180	260	6,455	6,364	4,001	
(228)	(98)	(130)	Operating surplus/(deficit)	(921)	(110)	(811)	(410)	(1,642)	(50)	
				Prior Year	2016 YTD	2016 YTG	2017	Revised Forecast	Original Budget	
Total Spend				8,885	4,920	1,535	19,410	34,750	33,000	
ATEED Funding, including revenue in kind of 0.75m				3,004	921	889	6,936	11,750	11,000	

World Master Games has a \$0.8m unfavourable variance as a result of registration revenue of \$1.6m being behind projections. Mitigation plans are in place as outlined in their sales planning paper previously presented to the Board.

World Master Games (WGM) forecast completed in December, required ATEED funding of \$0.4m. A high level discussion recently undertaken with WGM, indicates that additional funding of \$1.4m is anticipated this year. This is purely a timing issue.

This would change ATEED's funding to \$1.8m which is similar to their original budget this year. The additional funding will have no negative impact on ATEED because we would be able to reduce our deferrals to FY17 accordingly. This would mean that WGM's funding will decrease by the same amount (\$1.4m) next year, which ensures our funding for the whole program remains unchanged at \$11.75m (including funding by way of staff secondments).

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 30 April 2016		
TABLE 5	YTD	\$000's Jun-15
Current assets		
Cash and cash equivalents	2,549	2,206
Receivables and prepayments	7,541	9,512
Other current assets, including iSite inventory	78	55
Total current assets	10,168	11,773
Current liabilities	9,159	11,230
Working capital	1,009	543
Non-current assets		
Receivables and prepayments (non-current)	1,853	1,236
Property, plant and equipment	4,450	2,240
Investment in Joint Venture, The FoodBow l	2,047	2,047
Total con-current assets	8,350	5,523
Non-current liabilities	477	436
NET ASSETS	8,882	5,630
EQUITY	8,882	5,630
Capex spend	2,843	ADJ FY Funding \$3,030
Total commitments (at April 2016)	\$25.4m	\$46.1m

- The increase in working capital mainly driven by increased cash on hand at the end of the month. This is all timing related and dependant on Council bank account sweeps.
- Receivables and prepayments are lower in April than at year end last year, but we expect our year end position to be similar to that of last year.
- The increase in property, plant and equipment relates to GridAKL fit out on the John Lysaght building. Full year capex budget of \$0.3m is expected to be utilised over the remaining months.

Recommendation

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

Signatories

Manager: Avika Singh, Finance Manager

GM: Barbara Imlach, Chief Financial Officer
