

Auckland Tourism, Events and Economic Development Ltd Board meeting

OPEN AGENDA

Will be held as follows:

DATE: 29 April 2016
TIME: 12.45 pm start
VENUE: Tamaki Makaurau Boardroom, Level 8, 139 Quay St,
Auckland

Board members:

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

OPEN AGENDA

1. **APOLOGIES**
No apologies have been received.

2. **MINUTES OF 1 APRIL 2016 AND OPEN ACTION TRACKER**
Brett O'Riley, Chief Executive

3. **REGISTER OF DIRECTORS' INTERESTS & DECLARATION OF CONFLICT OF INTEREST**
Brett O'Riley, Chief Executive

4. **CHIEF EXECUTIVE'S ACTIVITY REPORT**
Brett O'Riley, Chief Executive

5. **FINANCE REPORT**
Barbara Imlach, Chief Financial Officer

Friday, 29 April 2016

OPEN AGENDA

- 1. APOLOGIES**
No apologies have been received.
- 2. MINUTES OF 1 APRIL 2016 AND OPEN ACTION TRACKER**

BOARD MINUTES

What:	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
Where:	Tamaki Makaurau Boardroom, Level 8, 139 Quay St, Auckland
When:	Friday, 1 April 2016 at 12.45 pm
Directors:	David McConnell Norm Thompson Franceska Banga Richard Jeffery Helen Robinson Danny Chan
Board Intern:	Daniel Mussett
Apologies:	Stuart McCutcheon
In Attendance:	Brett O'Riley, Chief Executive Martin Fairweather, Chief Operating Officer Barbara Imlach, Chief Financial Officer Libby Nuth, Company Secretary
Public & Media Attendance:	N/A

Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum (12.9 of the Constitution) is a majority of the directors and there currently being 7 directors, a quorum of directors was present. It was noted that each director had been given proper notice of the meeting.

Meeting Business

1. Apologies

An apology was received from Stuart McCutcheon.

2. Minutes of Previous Meetings and Open Action Tracker

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

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

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

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

4. Chief Executive Review – March 2016

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

- Health and Safety: the Board noted the ATEED Health and Safety Policy Statement and the Chief Executive provided an update on work underway on familiarisation tours.
- An update on key major events was provided and the i-Sites project was discussed.

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

5. Finance Report – February 2016

Barbara Imlach spoke to the Report. The key points were as follows:

- WMG 2017: WMG management have advised that they believe the registration revenue variance will neutralise over the remainder of the year, and noted that the 'go live' for registration was later than planned.
- Following discussion on professional fees, the Board requested an update on the arrangements in place with BizDojo detailing the services provided by BizDojo.

Following the conclusion of discussions the Board resolved to note the paper.

Following the conclusion of discussions, the Board resolved to note the Finance Report for the period ended February 2016.

6. Closing the Meeting to the Public

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

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

The Chairperson noted the open part of the meeting concluded at 1.00pm.

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

Chair

Date

Open Board Action Tracker

Action	Result of Action	Status of Action	Target Date	Responsibility
31 July 2015 Meeting				
Health and Safety: the Board requested that a schedule of Directors event site visits be maintained, and a schedule of upcoming events be provided to the Board.	A schedule of site visits for the 2016/17 Major Events season is in progress and invites will be sent to Directors.	In Progress	Q4 2015/16	Barbara Imlach

Friday, 29 April 2016



OPEN AGENDA

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

	<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 McCutcheon	<ul style="list-style-type: none"> · Chairman of Directors, Auckland UniServices Ltd · 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>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	<ul style="list-style-type: none"> · Director, Tu Maori Mai Limited · 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 · Maori Heritage Council – Member · NZ Heritage Trust Board – member · Emerge Aotearoa – Board Kaumatua

	<ul style="list-style-type: none"> · 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
Board Intern Programme Participant	Roles & Responsibilities outside of ATEED
Daniel Mussett	<ul style="list-style-type: none"> · Trustee and Board Chairman, Dilworth Old Boys Centennial Foundation Trust, a registered charity <p>An insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>

Friday, 29 April 2016



OPEN AGENDA

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

Brett O'Riley, Chief Executive

Chief Executive Review of April 2016

Report to Auckland Tourism Events and Economic Development Limited Board

Health & Safety (H&S)

ATEED's corporate risk profile is under development with a risk assessment underway across all business units to ensure teams are involved in identifying risk within their daily business activities and that any current risks have appropriate actions for managing these clearly defined.

The new approach to famil management and operator validation was rolled out in March. This will assist ATEED staff organising and managing famils and i-SITE consultants booking activities to comply with the new Health & Safety at Work Act 2015. ATEED is developing a set of guidelines, processes and procedures including risk assessment, safe driving policy, participant information, process to capture all incidents to ensure a consistent approach across all areas for famils (trade, staff, tourism, business).

A risk assessment on all i-SITE activities is being undertaken, including review of current processes to ensure H&S risks are minimised.

ATEED is following up on recommendations from the major events audits (Tamaki Herenga Waka Festival and Auckland Lantern Festival), and reviewing processes to ensure it follows an effective process in capturing H&S incidents. Auditing also continues for Pasifika Festival. The results will allow for learnings to be applied back to next year's events.

A health and safety audit is underway at GridAKL.

Health & Safety Scorecard update

Incidents: six incidents reported in March; five within Destination and one within BIS.

Two are in relation to muscular pain and discomfort. In both incidents a work station assessment has been undertaken with appropriate recommendations completed. Managers are being reminded that ATEED has quarterly work station assessments available to all staff and ad hoc assessments can be completed if new starters arrive or desk moves take place. Neither of the two staff reporting discomfort had undergone one of these assessments.

Three incidents were minor injuries around the office. All of these have been followed up and we are asking staff to be mindful of themselves and others.

The final incident was in relation to workload and this is being actively managed by the manager and HR to alleviate any further stress

Near Misses: Zero reported in March.

Hazards: Zero reported in March, and overall, a reduction from last month of 8, bring the total outstanding at the end of March to 30. The majority of these relate to office supplies such as safety blankets, additional first aid kits, updated noticeboards etc.

H&S Training:

- 95% of staff have attended our ATEED H&S Journey presentations
- All 12 H&S Reps attended Transitional H&S Representative Training
- All induction training up to date – none outstanding as at 31 March 2016

ATEED Strategic Priorities

Tripartite Summit

The Tripartite Economic Summit two-day programme is now confirmed. The programme features close to 60 speakers from the US, China, New Zealand, Israel and Singapore. Auckland will be showcased throughout the programme through speakers and audio-visual content.

Registrations to the invitation-only Summit opened on 16 March.

250 have registered to date including a 50:50 split between businesses and stakeholders. It is expected the trend will continue to skew towards businesspeople as they are the target audience for the Summit. A targeted approach to ensuring businesses a) know about the opportunity and b) register, is underway.

Growing Auckland's Innovation Ecosystem

Techweek AKL 2016

Planning for Techweek AKL 2016, which is being held from 14-22 May, is on-track. The Techweek programme, which includes more than 35 events, went live on the www.techweek.co.nz website on 4 April. These events will showcase thought leadership in design, innovation and technology with local and international experts.

Events in the programme are organised by universities, private businesses, start-up communities and industry associations. These events include virtual and augmented reality, start-up competitions, an instalment of the popular OMGTech! series, and a showcase of New Zealand's innovation heroes such as Glen Martin, the founder of Martin Jetpack. Confirmed speakers include Google Asia Pacific creative director Tara McKenty, Orion Health founder Ian McRae and NZTE International director Claudia Batten.

A marketing and communications campaign also kicked off on 4 April including news content, advertorial and advertising through the NZ Herald, Idealog and Newstalk ZB and social media channels.

Event hosts were acknowledged and briefed on what to expect from ATEED during Techweek at a kick-off event on 19 April. The Techweek AKL 2016 event experience online companion was also tested at that event.

GridAKL

This month has seen GridAKL continue to grow. Seven new businesses joined GridAKL at Lysaght, bringing the total to 49. 90 Seconds TV secured a significant capital injection from a Sequoia Capital led investor group, and were also shortlisted for NZ High Tech Awards. The events and activation programme is ramping up with a new focus on investors. 29 events have been held to date, including the launch of the Movac Investor Series.

World Masters Games 2017

Early bookings for WMG2017 have been strong. A full report will be provided to the Major and Business Subcommittee in June.

Attraction and Investment

The new General Manager of BA&I took up his role on 4 April, and has had a number of meetings with stakeholders and partners.

Month in review

Visitor economy

A record number of visitors have flocked to Auckland this summer with more than 824,000 international arrivals into the region between December 2015 and February 2016 - up 10.7 per cent on the previous summer.

Holiday visitor arrivals were up 15.2 per cent to 425,664 from 369,408 compared to the same period last summer, according to Statistics New Zealand International Travel and Migration data.

Double-digit growth amongst Chinese holidaymakers saw 85,616 arrivals into Auckland, up 16.9 per cent. Auckland is also continuing to prove a popular destination for Australian holidaymakers with 87,952 arrivals (up 5.9 per cent).

In January, Auckland experienced a record 715,000 guest nights (up 3.8 per cent), with the biggest growth occurring from international markets at 325,000 guest nights (up 4.5 per cent), according to the Ministry of Business, Innovation and Employment's Commercial Accommodation Monitor.

Youth employment

Auckland's **Youth Employment Pledge** initiative which is delivered by ATEED as part of the Auckland Council Youth Connections programme, has exceeded its target this month of signing up 50 employers in the first year. Seventeen more companies signed up at a ceremony hosted by Mayor Len Brown at The Warehouse Head Office Training Centre on 13 April, bringing the total number of pledge partners to 51.

Since January 2015, the Youth Connections programme has helped, directly or indirectly, more than 5000 young people become work ready and has unlocked more than 2,000 job vacancies, filling nearly half of them.

The Youth Employer Pledge which is generously supported by The Tindall Foundation is designed to help Auckland's 23,000 young jobseekers.

Another Auckland Council initiative in the push to ease the city's youth employment issue is JobFest, a regular summit which links employers and potential employers. The first of two 2016 JobFests will be held at The Cloud on Wednesday 11 May. More than 70 employers will take part as will thousands of young people.

Business Awards

Aside from the announcement of the Westpac Auckland Business Awards 'Best of the Best' winners last month, eight workshops were held over March and April in the north, west, central and south regions to prepare for the 2016 awards season which will be delivered by the Auckland Chamber of Commerce and ATEED. 169 people registered with 113 people attending. Four additional workshops are scheduled in May.

ATEED Business Advisors received 64 facilitation requests over March and April from companies in north, central and south needing coaching sessions.

Auckland was named **Best** Medium Sports City for the second time running at the 2016 Ultimate Sports Cities Awards held as part of the international SportAccord convention this month. Auckland was ranked fourth in the world overall, behind New York, London and Melbourne, and secured awards for Best Events Strategy and Best Security.

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 March, issues of note are as follow:

- As above, the Youth Employment Partner Pledge target of 50 signatories has been met.
- All BA&I KPIs have been met or are on track to be met.
- Work undertaken over the last month indicates that we will achieve our target for the number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention (target 1,500). However, it is possible that we will not achieve our target of 100 Maori businesses having been through an ATEED programme or benefitted from an ATEED intervention. 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.
- In addition, it has become apparent over the last month that the target related to the number of business events supported may not be met – although the win/loss ratio remains on target. External delays in the bidding process and delays in ‘turning the dirt’ on the NZICC have contributed to fewer bids than anticipated being supported. This issue will be discussed in more detail with the Major Events Sub-Committee over the coming month

Burning Issues

Health and Safety

The Health & Safety at Work Act 2015 came into force on Monday, 4 April, bringing new processes for staff booking families or hosting engagements involving third party tourism or attraction operators. From now on, only operators on ATEED’s approved list can be used for families initiated, planned or booked by ATEED. To be approved, operators have been asked to supply the necessary health and safety information and certification.

ATEED 2.4

ATEED is embarking on a business transformation journey coined ‘ATEED 2.4’, looking at a new business model for the organisation. This will engage the business at three operational levels. The ATEED Leadership Team will be undertaking a design-based process to establish a new business model that simplifies operations and transitions the business towards a more partnership-focused organisation. This project will provide a framework for strategic and operational decision making and ensure ATEED relevance in the market place.

The Senior Leadership Team (SLT) has discussed the concept of ATEED 2.4 in conjunction with various attributes of Exponential Organisations and cultural change, to understand the paradigm shift required to transition to the next phase of business operations. Once the framework has been established, SLT will come together again in mid-2016 to continue the ATEED 2.4 conversation and discuss next steps.

Looking Forward

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

Scheduled event date	Event name	Location
19 Feb – 23 April	Pop-up Globe	Aotea Square
22 April – 15 May	NZ International Comedy Festival	Various
11 May	Job Fest	Cloud

11-15 May	Auckland Writers Festival	Aotea Centre
16-17 May	Tripartite Economic Summit	ANZ Viaduct Events Centre
14-22 May	Techweek AKL 2016	Various
25-29 May	Auckland Art Fair	Queens Wharf

Finance

ATEED's March year to date favourable variance against Q2 forecast is \$3m. As part of the Million Dollar Challenge, efficiencies of \$1.1m have been found across ATEED. The majority of these savings relate to deferral or postponement of key projects (for example, Global Auckland) or specific work programs so we will be requesting a roll-over of funding in 2017 for this.

The balance of \$1.9m is planned to be spent over the remaining last quarter.

World Master Games have a \$0.7m unfavourable variance due to ticket sales uptake forecasted higher than actuals. We will get a revised forecast via our Steering Committee this month for changes to this forecast. Our funding for the program remains unchanged.

Risk

See the Risk Management Report.

Recommendations

1. The report be received.

Signatory

Chief Executive: Brett O'Riley

Friday, 29 April 2016



OPEN AGENDA

5. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer

Finance Report, March 2016

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

Summary Income Statement										TABLE 1
For the Period Ended 31 March 2016										<small>\$000's</small>
Month			Year to Date			Full Year				
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			Net operational expenses:							
314	403	89	Business Attraction & Investment	1,839	2,205	366	3,260	3,590	3,282	
753	1,159	406	Destination & Marketing	6,773	7,794	1,021	11,217	10,257	11,267	
544	548	4	Major Events	8,650	8,702	52	10,281	11,599	15,992	
916	1,366	450	Business, Innovation and Skills	6,429	7,500	1,071	10,710	10,301	7,969	
977	1,181	204	Corporate	7,586	8,170	584	11,493	12,627	9,138	
3,504	4,657	1,153	ATEED net deficit	31,278	34,371	3,093	46,962	48,374	47,648	
			Major Events Fund drawdown				3,669	1,000	280	
(649)	(788)	(139)	World Masters Games 2017 Ltd, net deficit	692	12	(681)	410	1,642	50	
2,855	3,868	1,013	Operating deficit before Council funding	31,970	34,383	2,413	51,041	51,015	47,977	
			Opex Funding, Council				50,451	50,307	47,952	
			Operating Deficit				(590)	(709)	(25)	
			Capex Funding				3,077	2,777	300	
			Surplus				2,487	2,068	275	

Key Points

Current year's financial results

ATEED's March year to date favourable variance against Q2 forecast is \$3m.

- As part of the Million Dollar Challenge and our usual quarterly forecast process, efficiencies of over \$1m have been found across ATEED.
- This has no impact on our performance measures for this financial year. The majority of these savings relate to deferral of key projects and specific work programs into 2017 and we will look to get approval for deferral of funding for these initiatives from Council.
- Our detailed quarterly forecast resulted in reduced funding requirements for this financial year of \$3.7m. This includes savings from the \$1m challenge, additional savings over Q2 forecast of \$0.5m, and deferrals of \$1.4m.

- World Master Games has a \$0.7m unfavourable variance with registration revenue still tracking behind plan. We will be monitoring the funding impact of this variance via the steering committee, with a formal report on registration revenue due to be tabled at the end of June.

2017 Budget

- ATEED's budget, as part of Council's Annual Planning process, was approved by the Board in February. We are currently working on detailed phased budgets, factoring in the implications of funding deferral from this current financial year and cost savings for 2017
- Council's Finance & Performance Committee will meet on 2 May to discuss CCO budgets. ATEED is not required to attend, having already presented at earlier workshops
- 13 May - Finance & Performance Committee make final Annual Plan recommendation
- 30 June - Governing Body adopts final Annual Plan

Business Attraction and Investment

The favourable variance of \$0.4m is mainly due to delays in work programs and recruitment. \$0.3m YTD permanent savings have been identified and these are reflected in the revised forecast.

Destination and Marketing

YTD net underspend of \$1m against forecast. Further deferral in advertising and marketing activities in the Global Auckland, Digital Development Project and Trade Partnership programmes are the main reasons for the underspend. Total project spend remains the same, however some of the project budget for Global Auckland will be deferred to 2017. Permanent savings of \$0.3m for this year has been identified and is reflected in the Q3 forecast.

Business, Innovation and Skills

YTD net underspend of \$1m against forecast is largely due to staff related costs and timing related spend of professional fees and marketing & research activities across the various BIS activities. The Tertiary Student Entrepreneurship accounts for \$0.3m of this underspend which is timing related. Permanent savings of \$0.4m for this year have been identified and is reflected in the Q3 forecast.

Corporate

YTD net underspend of \$0.6m. Impacting the variance for the month is underspend in staff related costs of \$0.2m (continued vacancies as we re-evaluate some of the new positions, as well as timing differences for training and organisational development programmes.) In addition, there are strategic projects starting later than planned. Permanent savings of \$0.4m, have been identified and are included in the Q3 forecast.

Income Statement

			Income Statement						TABLE 2	
			For the Period Ended 31 March 2016							
									5000's	
Month			Year to Date							
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			Operational income							
291	283	8	Funding from Government	1,451	1,426	25	1,803	1,211	3,518	
17	164	(147)	Sponsorship	1,262	1,445	(184)	1,936	2,005	967	
10	16	(6)	Fees & Subscriptions	424	398	26	493	609	510	
246	198	48	i-Sites	2,083	2,031	53	2,460	2,483	2,580	
30	124	(94)	Sundry income	1,009	1,078	(70)	1,444	1,683	1,348	
595	785	(190)	Total Operating income	6,229	6,379	(150)	8,136	7,991	9,053	
1,849	2,063	214	Staff costs	15,172	15,853	681	21,621	20,735	19,208	
			Professional fees, consultancy & contractors	4,682	6,135	1,453	8,960	10,644	7,675	
452	1,194	742	Grants & sponsorships	5,400	5,266	(134)	6,133	7,586	12,004	
377	359	(18)	Depreciation & amortisation	472	416	(57)	594	656	540	
111	55	(56)	Shared services and lease costs	1,606	1,623	17	2,171	2,192	2,475	
188	183	(5)	Occupancy	1,885	1,955	70	2,667	2,676	2,495	
213	240	26	Travel & entertainment	982	1,116	134	1,716	1,445	1,510	
70	202	132	General, admin & other	2,208	2,011	(197)	2,568	2,741	2,610	
292	174	(118)	Advertising, marketing & research	5,100	6,375	1,275	8,669	8,689	8,182	
546	973	426	Total Operating Expenditure	37,507	40,750	3,243	55,099	57,365	56,701	
4,099	5,442	1,343	ATEED Net deficit	31,278	34,371	3,093	46,963	49,374	47,648	
3,504	4,657	1,153								

Revenue

- Our Q2 forecast reflected an organisational sponsorship target, over and above committed budgets of \$0.2m. By the end of the year, we would have achieved \$0.1m of this, mainly as a result of securing additional partnerships for the Tripartite summit.
- No impact on bottom line funding as we have been able to reduce expenses accordingly.

Expenditure

We have an underspend for the month of \$1.2m, and \$3.1m YTD.

- This has been addressed in our forecasting process and we are working through funding implications with Council.
- Important to note that this reduced spend does not impact on the delivery of our 2016 KPI's.

Staff costs are lower than forecast; a favourable variance of \$0.7m.

- \$0.1m relates to annual leave credits. We do not forecast for annual leave credits as this should be close to cost neutral at year end
- Training expenses underspend of \$0.2m. We are currently reviewing our leadership development as we look to move towards an ATEED 2.4 and determine an organisational development programme to support this
- \$0.5m relates to staff vacancies. We are currently carrying 33 vacancies, 4 which are filled by temps, across ATEED. A large portion of the underspend in salaries is in BA&I and forms part of the permanent savings reflected in the Q3 forecast.

Professional fees, consultancy and contractors are lower than forecast, with a favourable variance of \$1.4m.

- Timing delays across the BIS programmes, with \$0.2m from Industry Development and the Innovation Events Programme, \$0.1m
- Tertiary Student Entrepreneurship, \$0.3m will be utilised over April
- Within Destination, timing variances of \$0.2m for The Auckland Story and Study Auckland, will be spent in April
- In addition, there were timing delays across a number of strategic programmes: Mobility, Partnering, Transformation and Visitor Funding, and some organisational support activity not incurring third party spend due to utilising internal and council resource.

In response to a query from last month, management fees paid under our contractual agreement with Biz Dojo cover onsite supervision and facilities management coordination for the Lysaght Building at GridAKL including internet provision, security, health and safety, visitor management, fault reporting etc; development of an event and activation programme; GridAKL 'landing pad' operation and management (tech café); and brand, marketing and communication for the Lysaght Building.

Advertising and marketing is lower than forecast, with favourable variance of \$1.3m.

Underspend in marketing driven by delays in work programs and a change in spend type from marketing to sponsorship or hireage charges. Large variances in

- Global Auckland due to delays in the length of time taken in gaining endorsements and approvals for the strategy from a wide range of stakeholders, \$0.2m
- NRL9's due to reduced marketing expense of \$0.2m due to achieving the outcomes via sponsorship
- Trade Partnerships rescheduled marketing activity of \$0.1m to the last quarter
- Digital development delays of \$0.1m
- Savings from the Australia campaign of \$0.2m

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m									TABLE 3
For the Period Ended 31 March 2016									\$000's
Month				Year to Date			Forecast	Budget	Last Year
Actual	Forecast	Variance		Actual	Forecast	Variance			
			Business, Innovation and Skills						
76	83	7	The FoodBowl	765	765	0	1,015	1,000	1,000
181	161	(20)	GridAKL	1,151	1,135	(16)	1,659	2,255	1,486
			Destination and marketing						
3	70	67	Global Auckland Project	148	358	211	550	550	253
			Major Events						
(10)	0	10	Maori Signature Event	518	529	11	529	500	29
1	0	(1)	V8 Supercars	1,426	1,420	(6)	1,420	1,993	461
5	0	(5)	2016 NRL Nines - Delivery	1,713	1,710	(3)	1,710	2,450	3,262
			Total Major Events	7,039	7,054	16	8,295	8,125	14,371
			Contingent Asset				7,318	4,649	3,649

- Global Auckland Project \$0.2m underspend. The creative work is underway, however we will need to defer \$0.2m to the next financial year
- All other major projects are tracking well against Q2 forecast

World Masters Games

World Masters Games 2017 Ltd Summary Income Statement For the Period Ended 31 March 2016										TABLE 4
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
427	686	(259)	Revenue from Activities	777	2,034	(1,257)	2,900	1,212	26	
625	625	0	Funding from Government	2,000	2,000	0	2,625	2,625	2,500	
210	0	210	Sponsorship	500	0	500	0	885	1,225	
0	0	0	Sundry income	520	520	0	520	0	200	
1,262	1,311	(49)	Total Operating income	3,797	4,554	(757)	6,045	4,722	3,951	
Net Operational costs										
215	315	100	Staff costs	1,778	2,084	306	3,108	3,105	1,605	
66	89	23	Professional fees, consultancy & contractors	578	656	78	1,050	855	447	
0	0	0	Grants & sponsorships	695	695	0	749	832	861	
5	6	1	Depreciation & amortisation	43	50	7	67	51	21	
12	13	1	Occupancy	128	134	6	173	502	83	
19	22	3	Travel & entertainment	216	206	(10)	275	164	124	
151	29	(122)	General, admin & other	435	274	(161)	343	856	362	
146	49	(97)	Advertising, marketing & research	606	468	(138)	689	0	498	
613	523	(90)	Total Operating Expenditure	4,489	4,566	77	6,455	6,364	4,001	
649	788	(139)	Operating surplus/(deficit)	(692)	(12)	(681)	(410)	(1,642)	(50)	

	Prior Year	2016 YTD	Revised Forecast	Original Budget
Total Spend	8,885	4,489	34,750	33,000
ATEED Funding, including revenue in kind of 0.75m	3,004	692	11,750	11,000

- Our steering committee receives regular reporting updates and at this stage WMG management have indicated they are not expecting any change to funding requirements for 2016 and 2017. However, given the impact on ATEED if we do need to defer some current year funding to next year, we are working with WMG to ensure we meet Council funding processes and safeguard our funding for 2017.
- Under the terms of reference, MBIE and ATEED as from April, will now receive monthly updates, with an update on registration revenues due at the end of June.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 March 2016		
TABLE 5	YTD	\$000's Jun-15
Current assets		
Cash and cash equivalents	2,183	2,206
Receivables and prepayments	8,907	9,512
Other current assets, including iSite inventory	65	55
Total current assets	11,155	11,773
Current liabilities		
	9,801	11,230
Working capital	1,354	543
Non-current assets		
Receivables and prepayments (non-current)	1,855	1,236
Property, plant and equipment	4,501	2,240
Investment in Joint Venture, The FoodBow I	2,047	2,047
Total con-current assets	8,403	5,523
Non-current liabilities	473	436
NET ASSETS	9,284	5,630
EQUITY	9,284	5,630
Capex spend	2,720	ADJ FY Funding \$3,030
Total commitments (at February 2016)	28.6m	\$46.1m

- Increase in working capital due to reduced liabilities compared to our position at last year end.
- Property, plant and equipment has increased due to GridAKL fit out on the John Lysaght building, however is behind plan due to delays with Innovation 5A. This is expected to be utilised over the remaining quarter. This is all within approved capex budgets.

Recommendation

It is recommended that the Board note the Finance Report for the period 31 March 2016

Signatories

Manager: Avika Singh, Finance Manager

GM: Barbara Imlach, Chief Financial Officer

Appendix 1

iSite Summary Income Statement

	Year to Date			Full Year			Last year
	Actual	Forecast	Variance (u)/f	Forecast	Budget	Variance (u)/f	
Total Revenue	2,034	1,969	65	2,460	2,483	(23)	2,580
Cost of Goods Sold	611	611	0	725	742	17	891
Gross Margin	1,423	1,358	65	1,735	1,741	(6)	1,689
Overhead	1,530	1,564	34	2,152	2,086	(66)	2,576
Surplus/Deficit	(106)	(206)	31	(417)	(345)	(72)	(887)

Our iSites are tracking well against forecast. Increase revenue is from shop sales at the Airport in March due to a bumper Summer season.

The full year Q2 forecast deficit is higher than the budget due to rent increases at Princes Wharf and the airport, as well as increased staff costs over the remainder of the year as we look to relieve some resourcing pressure with an additional short term contractor. However our latest forecast reflects a slight decrease in net spend due to reduced wage costs.

Appendix 2

GridAKL Summary Income Statement

	Year to Date			Full Year		
	Actual	Forecast	Variance	Forecast	Budget	Variance (u)/f
Sponsorship revenue	333	408	(75)	483	411	72
Property rental revenue	488	564	(76)	748	803	(55)
Total Revenue	821	972	(151)	1,231	1,214	17
Staff costs	21	23	2	27	0	(27)
Professional fees, consultancy & contractors	1,191	1,258	67	1,653	2,362	709
Grants & sponsorships	0	0	0	0	0	0
Depreciation & amortisation	76	66	(10)	105	211	106
Occupancy	605	642	36	907	868	(40)
Travel & entertainment	17	47	30	47	23	(25)
General, admin & other	11	11	0	90	77	(12)
Advertising, marketing & research	1	0	(1)	0	0	0
Loss on Disposal	50	59	9	59		(59)
Total Expenditure	1,972	2,106	133	2,889	3,541	652
SURPLUS / (DEFICIT)	(1,151)	(1,134)	18	(1,658)	(2,327)	669

- On a YTD basis, GridAKL is tracking well against this forecast. However the revised Q3 forecast for GridAKL will have an increased deficit as we are unable to meet sponsorship targets over our contracted partnerships. We have a more comprehensive approach to sponsorship associated with GridAKL moving forward.