

Auckland Tourism, Events and Economic Development Ltd Board meeting

OPEN AGENDA

Will be held as follows:

DATE: 3 March 2015
TIME: 8.00 am Start
VENUE:

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

Attendees

<i>CEO</i>	Brett O'Riley
<i>Company Secretary</i>	Libby Nuth
<i>Others TBC</i>	

OPEN AGENDA

1. **APOLOGIES**

An apology has been received from Danny Chan.

2. **MINUTES OF 27 JANUARY 2015 AND OPEN ACTION TRACKER**

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

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

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5. **FINANCE REPORT**

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FOR INFORMATION ONLY

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Tuesday, 3 March 2015



OPEN AGENDA

2. **MINUTES OF 27 JANUARY 2015 AND OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

BOARD MINUTES

- What:** Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
- Where:** Orakei Marae, 59B Kitemoana St, Orakei
- When:** Tuesday, 27 January 2015 at 8.55am
- Directors:** David McConnell
Norm Thompson
Richard Jeffery
Helen Robinson
Danny Chan
- In Attendance:** Brett O'Riley (Chief Executive)
Barbara Imlach (Chief Financial Officer)
Libby Nuth (Company Secretary)
- Apologies:** Franceska Banga
- 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 6 directors, a quorum of directors was present. It was noted that each director had been given proper notice of the meeting.

Meeting Business

1. Apologies

An apology was received from Franceska Banga.

2. Minutes of Previous Meetings and Open Action Tracker

The draft minutes of the meeting held on 12 December 2014 and the Open Action Tracker were discussed.

Following the conclusion of discussions, the Board resolved that the minutes of the ATEED meeting held on 12 December 2014 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's Review of January 2015

The Chief Executive spoke to the Report. The Report was taken as read.

Following the conclusion of discussions, the Board resolved to receive the Chief Executive's Review of January 2015.

5. Finance Report, December 2014

Barbara Imlach spoke to the report which was taken as read.

There was discussion on the monthly financial reporting and the Board requested that the Finance Report include:

- budget and last year comparatives;
- monthly results; and
- a separate analysis of the i-Sites as part of the quarterly reporting.

(ACTION)

The Board discussed Sundry Income and it was noted that the Q2 Forecast will detail the risks and opportunities.

The sponsorship targets were discussed and the Board was advised that the risks as noted in the forecast commentary were continually monitored and as a result the next forecast will most likely see these reduced significantly. There was no financial risk to the overall deficit as an equivalent pool fund had been ring-fenced to counter this target.

Following the conclusion of discussions, the Board resolved to note the Finance Report for the period 31 December 2014.

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 9.40am.

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

Chairman

Date

Open Board Action Tracker

Action	Result of Action	Status of Action	Target Date	Responsibility
25 October 2013 Meeting				
Glossary to be developed in 2014 for inclusion in the Dropbox to capture key terminology to assist new Board members and employees.	A glossary is being developed for the ATEED Hub Intranet Site and will be included in the Board pack once completed.	In Progress	Q2 2014/2015	Libby Nuth
28 March 2014 Meeting				
Management to look at ways to include The Southern Initiative activities more explicitly in the ATEED Strategic Framework.		<i>Currently on hold pending outcome of TSI review</i>		Brett O'Riley / Patrick McVeigh
30 May 2014 Meeting				
<p>Health and Safety Update - provide an update on the programme of work and what the Directors needed to do in order to help management achieve best practice Health and Safety processes.</p> <p>29 August Meeting</p> <p>The Board requested that the Health and Safety implementation plan set out the scope of Directors' responsibilities, particularly with respect to subsidiary and joint venture companies.</p>		In Progress	Q3 2014/2015 (27 March 2015)	Barbara Imlach

Action	Result of Action	Status of Action	Target Date	Responsibility
12 December 2014 Meeting				
Finance Report: the Board discussed the Finance Report and requested further detail on the year end implications of these.		In Progress		Barbara Imlach
Finance Report: There was discussion on the monthly financial reporting and the Board requested that the Finance Report include: <ul style="list-style-type: none"> • budget and last year comparatives; • monthly results; and • a separate analysis of the i-Sites as part of the quarterly reporting. 			Item 5 – 3 March 2014 Meeting	Barbara Imlach

Tuesday, 3 March 2015



OPEN AGENDA

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

Brett O'Riley, Chief Executive

ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
David McConnell	<ul style="list-style-type: none"> · Managing Director, McConnell Group · Deputy Chair, Committee for Auckland · Board Member, University of Auckland’s Business School Advisory Board · Director, Hawkins Group · Director, 429 Limited · Director, Addison Developments Limited · Director, Addison Group Limited · Director, Addison Retirement Village Limited · Director, Anselmi Ridge Limited · Director, Arnot Investments Limited · Director, Ascot Parade Limited · Director, Ayrlires Holdings Limited · Director, BPB Plasterboard Limited · Director, British Plasterboard Limited · Director, C 60 Display Limited · Director, Citygate Limited · Director, Element NZ limited · Director, Galleon Limited · Director, Harker Underground Construction Limited · Director, Hawkins Construction Group Limited · Director, Hawkins Construction Hobsonville Limited · Director, Hawkins Construction Limited · Director, Hawkins Construction NI Limited · Director, Hawkins Construction North Island Group Limited · Director, Hawkins Construction North Island Limited · Director, Hawkins Construction South Island Limited · Director, Hawkins Group Limited

	<ul style="list-style-type: none"> • Director, Hawkins Infrastructure Limited • Director, Hawkins Management Limited • Director, Hawkins Plant Limited • Director, Learning Infrastructure Partners GP Limited • Director, Learnings Infrastructure Investment Limited • Director, McConnell Development Holdings Limited • Director, McConnell Developments Limited • Director, McConnell Funds Management Limited • Director, McConnell GP No.1 Limited • Director, McConnell Group Limited • Director, McConnell Limited • Director, McConnell Property Limited • Director, McConnell Property Services Limited • Director, McLennan Developments Limited • Director, Pomander Holdings Limited • Director, Projects (M.I.L.) Limited • Director, Shelf Company 2012A Limited • Director, Spiral Welded Pipes Limited • Director, Steelpipe Limited • Director, The Shooting Box Limited • Director, Titanium Park Development Limited • Director, Wilkins & Davies Limited <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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Director	Roles & Responsibilities outside of ATEED
Norman Thompson	<ul style="list-style-type: none"> · Director, Dot.Kiwi Limited · Director, Golf Tourism New Zealand (GTNZ) · Director, Queenstown Airport Corporation Limited · Director, Tourism New Zealand Board · Chartered Fellow of Institute of Directors · Trustee, Young Enterprise Scheme (YES) · Member, New Zealand Golf Open 2015 Committee <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
Franceska Banga	<ul style="list-style-type: none"> · Chief Executive, NZ Venture Investment Fund Limited · Director, Constellation Capital · Director, Halo Fund No. 1 Limited (non-operating company) · Director, Halo Fund Investment Management Limited (non-operating company) · Director, 82 Above Limited (non-operating company) · Director, Frogparking Limited · Trustee, Fred Hollows Foundation · Trustee, Peka Peka Trust (Family Trust) Investments in: <ul style="list-style-type: none"> - Pohutukawa Fund, Maui Capital Indigo Fund - 82 Limited Partnership and Advisory Board member · Shareholder (1%) – Business Growth Limited (Holds shares in Xero) · Shareholder – the Breakthrough Co. Limited (Family business) · Shareholder – National Business Coaching Limited · Member, Institute of Directors NZ Inc. · Observer – Fisher & Paykel Healthcare Corporation (IoD Future Directors Initiative)

	<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>
Richard Jeffery	<ul style="list-style-type: none"> · Chief Executive, Vodafone Events Centre · Trustee of the Rising Foundation · Owner – I Like Gallery Limited, Art Gallery & Project Consulting · Director and Shareholder, Knight Star Covenants Limited · Director, The Original Art Sale Limited · Director, Museum of Transport and Technology (MOTAT) <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
Danny Chan	<ul style="list-style-type: none"> · Director and Shareholder, A1 Flower Wholesalers Limited · Director and Shareholder, Academic Colleges Group Limited and subsidiaries as follows: <ul style="list-style-type: none"> Australian International Schools Limited (BVI) New Zealand International College Limited ACG New Zealand International College Jakarta Limited ACG Australian International Education Services Company Limited New Zealand Management Academies Limited ACG Yoobee School of Design Limited Yoobee Pty Limited (Australia) New Zealand Career College Limited NZ Nannies Plus Limited ACG Norton College Limited ACG NZIC Limited ACG English School Limited ACG Parnell College Limited ACG Senior College Limited ACG Strathallan Limited ACG Tauranga Limited

	<p>ACG Sunderland Limited ACG Property Holdings (NZ) Limited ACG Property 345 Queen Street Limited ACG Parnell College Property Limited ACG Senior College Property Limited ACG Strathallan College Property Ltd ACG Education Services Limited ACG Tauranga Property Limited Education Investments Group Limited Sunderland School Property Limited ACG Early Childhood Education Group limited</p> <ul style="list-style-type: none"> • Director and Shareholder, Alpha Asset Management Limited • Director and Shareholder, ARN Investments Limited • Director and Shareholder, Danting Investments Limited • Director and Shareholder, Education Investment Limited • Director and Shareholder, Flowerzone International Limited and subsidiaries • Director and Shareholder, Green Cut Limited • Director and Shareholder, Griff Trading Limited • Director and Shareholder, Lady White Snake Film Limited • Director and Shareholder, Orient Group Limited and subsidiaries • Director and Shareholder, Orpac International Limited • Director and Shareholder, Planit Products NZ Limited • Director and Shareholder, Rhino Security Limited and subsidiaries • Director and Shareholder, Sharp Multi-Media Limited • Director and Shareholder, Sharp Multi-Media Productions Limited • Director and Shareholder, Simtics Limited • Director and Shareholder, Tahere Callas Limited and subsidiary • Director and Shareholder, Talaforde Investments Limited and subsidiary • Director and Shareholder, The Academic Coaching School Limited • Director and Shareholder, Turners Flower Exports NZ Limited • Director, Abano Healthcare Limited • Director, ASPEQ Limited and subsidiaries • Shareholder, Aire Cut Company Limited
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	<ul style="list-style-type: none"> · Shareholder, CLOUD M Limited · Shareholder, SimTutor Limited · Member, NZ China Advisory Council (appointed 20 November 2012) · Member, NZ Markets Disciplinary Tribunal · Director, Farmers Mutual Group (Mutual Society) <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>
Helen Robinson	<ul style="list-style-type: none"> · Chair, CLOUD M Ltd · Chair, Mondiale Technologies Ltd · Chair, OPNZ Commercialisation Committee · Chair, The Network for Learning Ltd (N4L) · Chair, Valens Group · Director, KND Investments Ltd · Managing Director, Penguin Consulting Ltd · Member, Risk & Audit Committee, N4L · Council Member, Open Polytechnic NZ (OPNZ) · Strategy Committee Member, New Zealand Rugby Union (NZRU) · Trustee, Auckland Sport · Trustee, Robinson Family Trust <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>

Tuesday, 3 March 2015



OPEN AGENDA

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

Brett O'Riley, Chief Executive

Chief Executive Review of February 2015

Report to Auckland Tourism Events and Economic Development Limited Board

ATEED “Big Rock” Priorities

Grid AKL

There are now 15 resident businesses at GridAKL, increasing occupancy of the hub to 89%. Three events were held at GridAKL in January including Kiwa Digital’s Graphic Novella product launch. The launch was supported by ATEED as part of its Māori Economic Development Programme.

Auckland Investment Office (AIO)

The Stakeholder Plan for communicating the vision internally (in Council) and externally (government and global investment community) has been approved with key messages being drafted. It is expected to be communicated to our stakeholders in March 2015.

International Education

Study Auckland is progressing the International Student Experience Programme. The programme will launch with the International Student Welcome event at the Cloud, Queens Wharf on 12 March 2015. The programme has been branded ‘INAKL’, has a Facebook profile and its own webpage on www.aucklandnz.com/INAKL

Further activities in the programme include establishing an international student ambassador programme, offering ongoing activities/experiences for international students with corporate partners and a digital strategy to increase student engagement in Auckland. These initiatives are designed to ensure Auckland’s economically important international students have an unbeatable experience during their time in Auckland.

ATEED Kaiarahi Vision to Values Programme

Our second cohort of Kaiarahi (K2) were tasked with delivering an induction programme from recruitment to the first three months as well as looking at ways we could reinforce our vision and values into our everyday ways of working. In addition to this K2 also investigated ways of making our workspace more collaborative and encourage innovative thinking. K2 have been working on this since April 2014 and are now at a stage where they have delivered a successful values hui and have other pieces of work that can be handed back to the business to implement. Barbara Imlach and Elizabeth Hughes, ATEED’s HR advisor are tasked with completion of the pending work and its staged rollout over the coming months.

We also have some good learnings from this programme and look forward to planning our K3 programme later this year.

Development of the Auckland Global Brand

The focus has been on placing strong project foundations in place with the Steering Group being confirmed over the month. Other progress within the project include the development of a two-year communications plan with a plan for pre-engagement during the “discovery” phase, a soft launch of the project during the 175 year celebrations of Auckland via the CE’s speech and agreement on the project timeline commencing with the discovery phase from February to September.

February in Perspective

JobFest15

More than 2000 unemployed Auckland young people attended JobFest15, a youth employment summit designed to connect them with potential employers and job opportunities. JobFest15 is the 3rd summit staged as part of Len Brown’s Mayoral Youth Employment Traction Plan launched in April 2014 and had participation from 50 businesses.

Attracting Talent

We are continuing to work with Immigration NZ (INZ) under the Regional Partnership Agreement (RPA). We presented at the Strengthening Auckland’s migrant skills pathway forum on 10 Feb on how the partnership is working in action, noting the success and learnings of the Perth and Sydney expos held last November.

Growing Skills and Entrepreneurs

We are working closely with Young Enterprise Trust on the Auckland 120 Plan. We are on target with approximately 15 new schools on board this year (mainly in the East). Our first round of events “Enterprise Day”, was hosted during the week of 23 February. This was the first opportunity to connect with our students. We are expecting to host 1200 students & 200 business people across the 4 events.

Tourism Marketing Activity

- ATEED tourism marketing team worked with the Today show from Australia and arranged 5 live crosses a day for 4 days from various scenic spots all over Auckland. The weather was amazing and the coverage was great during the week of 16 February, leading up to the NZ vs Australia cricket match to maximise leverage.
- The Show Never Stops campaign TVC hit the screens again during February supported by print and digital activity across NZ supporting the never ending summer of events and building the brand.
- 2014 was a record year for international arrivals hitting 2.03 million, growth of 5% and hotel occupancy rates at a record high of 82% average across the year.

Dick Smith NRL Auckland Nines

The Dick Smith NRL Auckland Nines was successfully delivered on January 31 and February 1. The event generated significant exposure for the Auckland region with Auckland featuring heavily through the event broadcast and via ancillary coverage the week of the events. This was enhanced by Auckland hosting the NRL Season Launch and joint-ventures with both The Today Show & Fox News. ATEED has commissioned Repucom who are evaluating the total value of the international exposure generated.

ICC Cricket World Cup 2015 (CWC 2015) – 14 February – 29 March 2015

ATEED's programme of activation for the CWC 2015 is well underway with the Fanzone in Takutai Square, Britomart having been active since 14 February. Attendances have been well within the venue capacity and as a result no activation of overflow sites has been needed. Attendance is expected to grow as the tournament builds momentum along with the progress of the BLACKCAPS. The Fanzone, which is dry and family friendly, has attracted good publicity both in creating a physical presence for the tournament in Auckland, and as a lunch time and early evening destination.

The first of Auckland's four matches takes place on 28 February along with the first fan trail, including a parade of fans along the Great North Road section at 1:00pm, and crowd dressers and entertainment en-route to Eden Park. This Australia v NZ match at Eden Park is a sell-out. The match is preceded by a full day of Trans-Tasman business events and functions, including the Australia New Zealand Leadership forum, and a Trans-Tasman 2015 Gala dinner.

FIFA U-20 World Cup New Zealand – 30 May – 20 June 2015

The FIFA U-20 Official Draw event took place at SKYCITY on 10 February, with 20 of the 24 teams known and an estimated 120 FIFA representatives present for the Draw. The opening match being played in Auckland is between New Zealand and Ukraine. Auckland has also drawn the USA and Panama for pool games along with a yet to be determined African team.

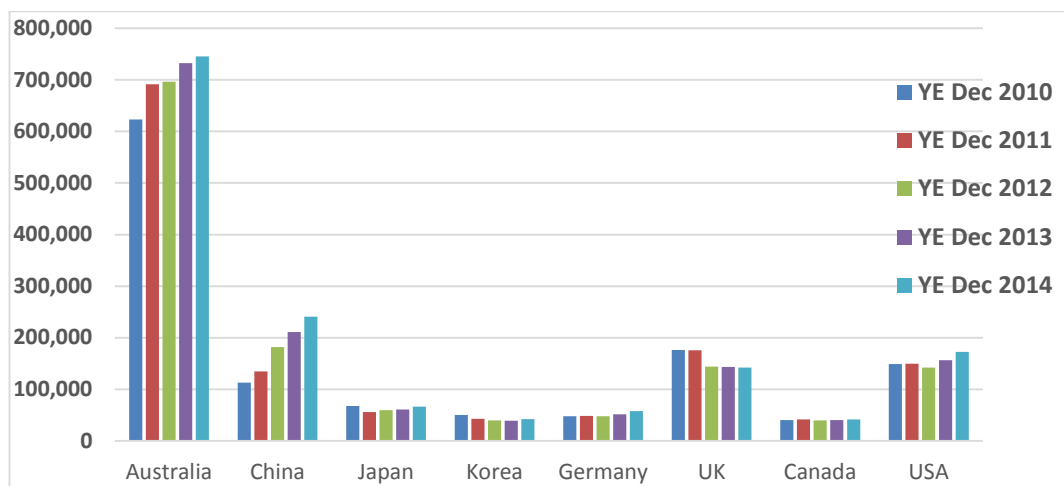
In addition to a destination promotion booth (along with the six other host cities), media liaison and engagement opportunities with the Ukraine, USA and Panama teams, the streets around SKYCITY were dressed with FIFA U-20 banners, and four days of Futsal activation took place in Aotea Square.

Progress towards delivery of ATEED's KPIs

Visits to Aucklandnz.com are currently tracking at 1,669,719 for 1st July to 31st January 2015, up 44% on the same period last year.

International visitor arrivals into Auckland airport continue to experience good levels of growth, up 5% to the YE December 2014, with particularly strong growth from China (14%), Germany (12%) and USA (10%). Holiday arrivals were up 6% over the same time period, while visits to friends and relatives saw a 4% growth.

Figure1: Arrivals into Auckland (source: IVA, Statistics NZ)



International guest nights in commercial accommodation increased 2.5% in Auckland to the YE December, compared to national figures which saw an increase of 5.9%. This is behind the growth rate of international holiday arrivals, suggesting that visitors are either not staying in commercial accommodation in Auckland, or are not staying overnight in Auckland during their stay. Domestic guest nights in commercial accommodation are up 7.4% for YE December, ahead of national growth of 5.7%.

Visitor satisfaction with Auckland continues to be below target, with an average rating of 7.7 out of 10 – compared to a target of 8.1.

\$1.952m worth of Callaghan Innovation R&D grants have been distributed through the Regional Partner programme in this financial year. There are currently 342 actively managed businesses through the Regional Business partner programme, as well as 115 account managed businesses in the ATEED aftercare programme (Aroha Auckland).

There have now been five signatories to the Youth Traction Hub Employers Pledge, which is well below this year’s target of 50.

Looking Forward

A portfolio of upcoming events/activities for March – April 2015 is provided for the Board’s information:

Scheduled event date	Event name	Location
25 February – 24 March	ICC Cricket World Cup (Auckland matches)	Eden Park, Kingsland
26 February – 1 March	Auckland Lantern Festival	Various, CBD
28 February – 15 March	Volvo Ocean Race Auckland Stopover	Viaduct Basin, CBD
5 – 8 March	NZ PGA Championship	Remuera Golf Club
14-15 March	Pasifika Festival	Western Springs Park
14-21 March 2015.	The Ultimate Waterman	Various
28-29 March	ITU Barfoot & Thompson World Triathlon Series 2015	Various
24 April – 17 May	2015 New Zealand International Comedy Festival	Various
28 April – 3 May	New Zealand Badminton Open 2015	North Shore Events Centre

Risk

ATEED has no critical risks and 5 high portfolio risks after moderation.

Health & Safety

Work is underway on reviewing the charter for the Remuneration Committee to act as a working group on health & safety. This will be brought to next month's board meeting. In addition, we have started work on designing an ATEED health and safety policy that incorporates our vision and values to sit underneath Council's policy. The H&S committee has been asked to lead this piece of work and will be working across the business to ensure a consultative approach, an important part of our H&S framework. Our SOI has been reviewed by our H&S consultant and based on recommendations, we will incorporate our H&S vision into the document.

We have also started reviewing possible site visits and a briefing on our role in H&S of the Volvo Ocean race will be presented as part of this meeting, followed by a site visit. A briefing paper will be distributed prior to the meeting to enable the Board to gain an understanding of what to get out of the visit, questions to ask and things to look out for.

We are also looking to add to our H&S reporting to include a report on external H&S. Elements of the report include:

- A table of events giving a brief outline of what H&S actions we are taking for each
- A table of major incidents reported at events and our follow-up actions.

This will be presented at next month's meeting.

Wellbeing initiatives include linking with the Council's RE:NEW programme with our wellbeing champions working to bring this to ATEED. There has been some delay to the planned wellbeing awareness sessions and alternate dates are being pursued.

Health & Safety Scorecard update

Two **incidents** were reported in January: Both of these involved car crashes and neither were serious. The H&S committee are investigating whether defensive driving courses for frequent, high mileage drivers could be beneficial.

Of the 16 year-to-date incidents, all investigations have been completed, and all have now been closed. Of the two closed in February:

1. We received an assessment concluding that a stand-up desk was not required and are working with the staff member and manager to implement the other recommendations from this report
2. In relation to the serious slip incident this has now been closed. The landlord has made improvements to the foyer to reduce the likelihood of falls and the injury is being managed as an ongoing injury. There is an ACC review hearing which ATEED as an interested party will attend.

Near Misses: No near misses were reported in January.

Hazards: No hazards were reported in January.

Training: This continues to be an issue and is being managed by individual GM's, with assistance from their H&S representatives.

Recommendations

1. The report be received.
-

Signatory

Chief Executive: Brett O'Riley

Tuesday, 3 March 2015



OPEN AGENDA

5. **FINANCE REPORT**

Barbara Imlach, Chief Financial Officer

Finance Report, January 2015

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

Summary Income Statement											TABLE 1
For the Period Ended 31 January 2015											
Month					Year to Date				Year-to-Go	Full Year	
Actual	Forecast	Variance	Budget		Actual	Forecast	Variance	Budget		Forecast	Budget
				Net operational expenses:							
204	186	(18)	192	Business Attraction & Investment	1,430	1,694	264	2,231	2,114	3,544	3,664
521	765	244	643	Destination & Marketing	4,956	5,343	387	5,658	5,130	10,086	9,681
4,105	4,705	600	3,829	Major Events	8,417	8,606	189	8,964	6,961	15,378	14,164
457	623	166	654	Economic Growth	3,843	4,723	880	5,528	4,859	8,702	8,535
48	33	(15)	47	iSites	474	487	13	507	252	726	686
774	690	(84)	745	Corporate	4,827	4,883	56	5,219	4,477	9,304	9,386
6,108	7,003	895	6,109	Total net operational expenses	23,947	25,736	1,789	28,107	23,793	47,740	46,116
(368)	(309)	58	57	World Masters Games 2017 Ltd, net deficit	528	729	201	1,928	341	869	2,098
5,740	6,693	953	6,166	Operating deficit funded by Council	24,475	26,464	1,989	30,035	24,134	48,609	48,214

Key Points
<ul style="list-style-type: none"> January's deficit was 0.9m lower than plan due to delays in our tourism initiative with external parties, and Major Events where key contractual payments scheduled in January had to be paid earlier, and Lantern festival revenue forecast last month but received this month. Our YTD operating deficit at \$2.0m less than the last forecast is due to a mixture of savings in staff costs and Innovation grants as well as spend across major events and tourism happening later than planned.
<ul style="list-style-type: none"> Our updated full year forecast will be presented at the February meeting. This will focus on revised revenue streams and cost reduction to ensure we remain within our approved funding envelope; as well as cost reprioritisation amongst projects and work streams to maximise benefits from our 2015 Integration work.
<ul style="list-style-type: none"> The increase in Council funding for the full year is due to increased funding transferred to cover increased costs as part of Council's Economic Development reorganisation earlier this year.

Income Statement											TABLE 2
For the Period Ended 31 January 2015											
Month					Year to Date				Year-to-Go	Full Year	
Actual	Forecast	Variance	Budget		Actual	Forecast	Variance	Budget		Forecast	Budget
				Operational income							
93	105	(12)	105	Funding from Government	2,516	2,579	(63)	1,978	960	3,476	2,779
19	0	19	1	Sponsorship	742	710	32	486	1,381	2,123	2,599
4	6	(2)	5	Fees & Subscriptions	411	408	2	418	68	479	418
294	331	(37)	332	i-Sites	1,504	1,557	(54)	1,505	1,091	2,595	2,547
309	237	72	245	Sundry income	953	1,010	(57)	950	1,251	2,204	2,590
719	679	41	688	Total Operating income	6,125	6,265	(140)	5,335	4,752	10,877	10,932
				Expenditure							
207	304	97	310	Business Attraction & Investment	1,653	2,042	389	2,643	2,912	4,565	5,057
522	765	243	648	Destination & Marketing	5,482	5,867	385	5,996	5,371	10,853	10,481
4,349	4,745	396	3,869	Major Events	10,722	10,812	89	10,354	8,202	18,924	17,004
621	797	176	832	Economic Growth	5,302	6,240	938	7,114	6,156	11,458	11,709
343	364	21	379	iSites	1,977	2,044	67	2,012	1,344	3,321	3,232
786	706	(80)	760	Corporate	4,937	4,996	60	5,323	4,560	9,497	9,565
6,827	7,681	854	6,797	Total Operating Expenditure	30,073	32,001	1,928	33,442	28,544	58,617	57,049
(368)	(309)	58	57	World Masters Games Ltd, net deficit	528	729	201	1,928	341	869	2,098
(5,740)	(6,693)	953	(6,166)	Operating deficit	(24,475)	(26,464)	1,989	(30,035)	(24,134)	(48,609)	(48,215)

Income

- Overall revenue for the month is favourable, however this includes events revenue received a month later than planned, offset by \$0.1m of external revenue targets not achieved
- The January revenue target and i-Sites revenue has resulted in the unfavourable YTD variance

Expenditure

- **BA&I.** The Digital Aggregator project was slightly behind plan and has resulted in reduced spend to date, however a pilot AKL On will be rolled mid-February using CBD Wi-Fi access points, with library locations and airport to follow
Some permanent savings across marketing and consultancy spend to offset the budget revenue targets that are not going to be achieved (\$0.1m YTD, \$0.4m for the full year), as well as \$0.2m related to staff vacancies.
- **Destination & Marketing.** The Airport Partnership Programme is behind plan with contract negotiations still to be completed, resulting in deferred spend of \$0.2m. Work is expected to ramp up in February once this is signed.
Auckland Convention Bureau remains behind plan in terms of the timing of their international bids, as well as savings from projects on hold.
- **Major Events.** The favourable monthly variance is due to the payment of Ironman 70.3 being paid in December (\$0.3m) on completion of contractual KPI's.
YTD spend is behind plan due to planned deferral in spend on the ICC Cricket World Cup Project with deposits required for some infrastructure (fan zone projector and screen) not paid in advance and marketing spend deferred due to the revised communications plan.
These savings are offset by additional costs relating to the outsourcing of Pasifika and the unplanned Baseball Feasibility Project.
- **Economic Growth.** January's variance relates to continual savings in staff cost due to vacancies. YTD we have the savings from our Health Hub grant (\$0.5m), coupled with underspend on the Innovation 5A project with a delay in signing a construction management contract (\$0.1m). This construction contract is expected to be signed in February and the master agent appointed in March.

Revenue Analysis

Revenue Analysis											TABLE 3
For the Period Ended 31 January 2015											
Month					Year to Date				Year-to-Go	Full Year	
Actual	Forecast	Variance	Budget		Actual	Forecast	Variance	Budget		Forecast	Budget
SPONSORSHIP											
0	0	0	0	GridAKL	334	334	0	381	0	334	563
0	0	0	0	Major Events	109	94	15	90	715	824	820
0	0	0	0	Commercial Partnerships Targets	250	250	(0)	0	681	931	1,200
19	0	19	1	Other	49	32	17	14	(15)	34	16
19	0	19	1	Total SPONSORSHIP	742	710	32	486	1,381	2,123	2,599
SUNDRY INCOME											
52	57	(5)	84	GridAKL income	331	355	(25)	478	355	686	975
0	100	(100)	100	BA&I revenue target; govt/ third party funding	0	100	(100)	100	400	400	400
173	0	173	0	Fees and Income from Activities	259	235	23	80	259	517	512
83	80	4	55	Other incl. sub leasing arrangements	311	263	48	167	123	434	333
309	237	72	245	Total SUNDRY INCOME	953	1,010	(57)	950	1,250	2,204	2,590

- ATEED commercial partnerships revenue remains behind plan, however over \$0.75m of sponsorship was achieved for Council for the Auckland Anniversary 175th celebrations
- Our February forecast will include updated estimates of what revenue will be achieved over the next five months

Expense Analysis

Analysis by Expense Type											TABLE 4
For the Period Ended 31 January 2015											
Month					Year to Date				Year-to-Go	Full Year	
Actual	Forecast	Variance	Budget		Actual	Forecast	Variance	Budget		Forecast	Budget
1,431	1,752	321	1,640	Staff costs	10,718	11,225	507	11,302	8,919	19,637	19,401
501	535	34	482	Professional fees, consultancy & contractors	2,443	2,844	402	3,821	6,478	8,921	7,288
3,517	3,922	405	3,160	Grants & sponsorships	8,051	8,490	439	8,421	3,629	11,680	10,912
44	48	4	57	Depreciation & amortisation	309	339	30	397	300	609	681
196	196	0	192	Shared services and lease costs	1,369	1,369	0	1,341	978	2,347	2,299
219	200	(19)	191	Occupancy	1,457	1,460	2	1,426	1,325	2,782	2,498
100	63	(37)	76	Travel & entertainment	757	815	59	897	1,033	1,790	1,674
231	185	(47)	394	General, admin & other	1,262	1,224	(38)	1,419	1,067	2,329	3,687
589	783	194	605	Advertising, marketing & research	3,707	4,234	528	4,417	4,817	8,524	8,610
6,827	7,681	854	6,797	Total Operating Expenditure	30,073	32,001	1,928	33,442	28,544	58,617	57,049

- **Staff Costs.** Staff vacancies continue to account for the majority of savings in this area, \$0.3m as well as a favourable annual leave expense and some raining deferred until later in the year. The majority of these vacant roles have now been filled so we do not expect this level of savings to continue over the rest of the year.
- **Professional Fees.** YTD spend is less than plan due to the delays in a number of projects as well as the delays relating to 5A contract management.
- **Grants and Sponsorship.** The monthly favourable variance relates to the payments for Ironman and Ultimate Waterman due earlier than planned as KPI's had been met. YTD, the majority of the variance is due to the cancellation of the grant to the Health Hub.
- **Advertising.** Delay in spend across the Airport Partnerships Programme, \$0.2m, and ICC Cricket World Cup (\$0.2m), as well as the delays in the timing of the ACB international bidding.

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m										TABLE 5	
For the Period Ended 31 January 2015											
Month				Year to Date				Year-to-Go		Full Year	
Actual	Forecast	Variance	Budget	Actual	Forecast	Variance	Budget	Year-to-Go	Forecast	Budget	
				Economic Growth							
68	68	0	83	488	476	(12)	583	512	1,000	1,000	
0	0	0	0	0	500	500	500	500	500	500	
145	180	35	228	758	804	45	1,319	1,379	2,138	2,169	
				Destination and marketing							
51	100	49	0	696	689	(7)	440	143	839	790	
7	0	(7)	0	207	200	(7)	300	493	700	700	
(4)	0	4	0	266	277	11	300	259	525	525	
				Major Events							
2,531	2,536	5	797	2,495	2,497	2	1,200	(293)	2,202	1,978	
422	379	(43)	255	10	159	148	872	2,636	2,646	2,838	
573	542	(31)	1,560	2,381	2,337	(44)	2,710	329	2,710	2,710	
43	22	(20)	7	121	110	(11)	58	577	698	1,593	
(28)	1	29	0	81	(6)	(87)	0	251	332	346	
(126)	22	148	0	(112)	(103)	9	0	387	275	278	
3,933	4,478	546	3,605	7,122	7,184	62	7,488	6,046	13,169	11,985	
				<i>Total Major Events</i>							
				<i>Contingent Asset</i>							

- Health Hub year-to-go spend will be removed when we reforecast in January
- 2015 Cricket World Cup project is on track with majority of spend to take place over February/March
- Lantern's favourable variance for the month is due to stall holder revenue planned for last month received in January.


World Masters Games

World Masters Games 2017 Ltd										TABLE 6	
Summary Income Statement											
For the Period Ended 31 January 2015											
Month				Year to Date				Year-to-Go		Full Year	
Actual	Forecast	Variance	Budget	Actual	Forecast	Variance	Budget	Year-to-Go	Forecast	Budget	
563	563	0	125	1,500	1,500	0	875	1,125	2,625	1,875	
0	0	0	25	0	40	(40)	25	465	465	400	
0	0	0	0	200	200	0	0	0	200	0	
563	563	0	150	1,700	1,740	(40)	900	1,590	3,290	2,275	
				Net Operational costs							
127	163	36	151	887	959	72	1,048	1,005	1,892	1,780	
30	24	(6)	19	133	212	79	241	341	474	564	
0	0	0	0	696	695	(1)	707	4	700	712	
2	0	(2)	0	13	0	(13)	0	(13)	0	0	
6	18	12	20	42	138	96	152	201	243	262	
11	10	(1)	10	71	74	3	81	102	173	162	
29	8	(21)	8	146	156	10	225	50	196	269	
(8)	30	38	0	240	235	(5)	373	241	481	625	
195	253	58	207	2,228	2,469	241	2,828	1,931	4,159	4,379	
368	309	58	(57)	(528)	(729)	201	(1,928)	(341)	(869)	(2,098)	

	Prior Year	2015 YTD	Total To Date	2015 YTD	To Go	Revised Forecast	Total Project
Total Spend	4,884	2,228	7,112	241	27,828	34,940	33,000
ATEED Funding	2,265	528	2,793	(201)	8,207	11,000	11,000

- A temporary timing difference from venue deposits (occupancy expense) not due as planned
- Some savings from delayed recruitment of three positions, now in progress
- Some delays in the funding to various sporting organisations (which had been planned for under contractor expenses).

Summary Statement of Financial Position

TABLE 7		
		
Statement of Financial Position, ATEED Group As at 31 January 2015		
	YTD	\$000's Jun-14
Current assets		
Cash and cash equivalents	3,005	1,464
Receivables and prepayments	4,756	5,836
Other current assets, including iSite inventory	117	85
Total current assets	7,878	7,385
Current liabilities		
	6,727	7,294
Working capital	1,151	91
Non-current assets		
Receivables and prepayments (non-current)	1,017	1,032
Property, plant and equipment	2,172	2,329
Investment in Joint Venture, The FoodBow I	1,991	1,991
Total non-current assets	5,180	5,352
Non-current liabilities	601	618
NET ASSETS	5,730	4,825
EQUITY	5,730	4,825
Capex spend	151	FY BUD 1,779
Total commitments (at Dec 2014)	\$48.2m	\$46.1m

- Cash is higher than at June due to the timing of the sweep from Council
- The variance in receivables relates to the timing of receipt of Council funding
- Other current assets includes iSites inventory which is higher at this time of the year, however has reduced from December's high
- Current liabilities are lower due to annualised accruals at year end
- YTD capex spend relates mainly to the iSite rejuvenation project. YTG capex spend relates to Lysaght.
- Commitments have increased to Dec 14 from Jun 14 by a net \$2.1m. These increases are due to some major events sponsorship agreements, some GridAKL related and some consultancy related agreements.

Recommendation

It is recommended that the Board note the Finance Report for the period 31 January 2015

Signatories

Manager: Tony Hogg, Finance Manager

General Manager: Barbara Imlach, Chief Financial Officer

Tuesday, 3 March 2015



OPEN AGENDA

FOR INFORMATION ONLY

6. QUARTER 2 REPORT



NAMASTE

AUCKLAND

He Mihi

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

E whakaruruhau ana i nga ahikaa mai tawhiti.

E maumahara ana i te nguha a Mataoho.

Ratou kua poto ki tua o te arai, e moe e okioki

Tatou te hunga ora e kawe ana i te aronganui mo te pai me te whai rawa o Tāmaki, tena ra tatou katoa.

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

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

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

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1. Executive summary

Highlights for the Quarter

Building a culture of innovation and entrepreneurship

GridAKL continues to consolidate progress made in its first six months. There are now 15 resident businesses, more than 50 events have been held since May 2014 and a foundation partnership with Lightning Lab Auckland has been signed.

Activities at **The FoodBowl – Te Ipu Kai** over the quarter included hosting international delegations from China, Korea and Australia, presenting to a hui in Taranaki and equipment upgrades.

The **2014 Westpac Auckland Business Awards** winners were named at showcase gala dinners across each region from late September to early November.

Attracting business and investment

The new mandated vision for the **Auckland Investment Office** was signed off by the Council Chief Executive and Chief Operating Officer and a stakeholder plan was developed during the quarter.

Screen Auckland experienced its busiest quarter ever, with film permit numbers double the same period in 2013.

Auckland signed a ground-breaking **Tripartite Economic Alliance with Guangzhou and Los Angeles**, in Guangzhou, China. Believed to be the only agreement of its kind in the world, the alliance focuses on forging connections between the cities' education, screen and digital, innovation and tourism sectors.

Growing a skilled workforce

Five **Food and Beverage Capability Reinforcing Workshops**, developed by ATEED with Callaghan Innovation and New Zealand Trade and Enterprise, have been held during Q1 and Q2.

Teams from Auckland secondary schools continued the region's proud record of success in the national **Young Enterprise Scheme** awards, with seven winners in various categories. ATEED delivers the YES across Auckland.

In November, Fletcher Building became the first signatory to the **Youth Traction Hub Employers Pledge**.

Enabling education and talent

In November, ATEED partnered with the Ministry of Business, Innovation and Employment (MBIE) to host stands at the Perth and Sydney **New Zealand Jobs Expos**.

Growing the visitor economy

To year end December 2014, Auckland received **2 million international arrivals** for the first time, making the 2014 a record calendar year for international tourism arrivals. Auckland has also seen consistent accommodation occupancy rates over the past five years, with just **over 3 million international guest nights**, a rise of 4.5 percent (year-on-year since 2010).

ATEED's 'visiting friends and relatives' **domestic marketing campaign** ran over the quarter, enabling 6,875 Aucklanders to experience a local commercial tourism activity. The 'Non-Stop Summer' campaign was also launched.

The 13th **Auckland Diwali Festival of Lights** was delivered in partnership with the Asia New Zealand Foundation on 11 and 12 October. This included cross-leveraging activity to promote the ICC Cricket World Cup 2015.

Activities at the **World Masters Games 2017** subsidiary company included signing and executing venue agreements with all competition venues, SKYCITY announced as the Official Hotel and Fine Dining Partner, \$3.09 million cash sponsorship revenue as well as \$706,000 budget relieving value in-kind.

Building Auckland's brand and identity

Auckland was featured in the October edition of **Monocle Magazine**, with a dedicated insert profiling the city. **Monocle Magazine** is a UK-based high end, design-led magazine distributed in North America, Europe, South East Asia and Australia.

The Mayor announced a range of free activities this **non-stop summer**, with the Dick Smith NRL Auckland Nines Festival and Fanzone, ICC Cricket World Cup 2015 Fanzone and Fan Trail and the Volvo Ocean Race Auckland Stopover Village.

Non-financial performance

ATEED continues to track well against non-financial performance targets with visitor numbers and Return on Regional Investment (RORI) from major events expected to exceed targets from the upcoming "non-stop summer". The Regional Business Partner network programme targets are also tracking well. The number of 'live' signatories to the Youth Employment Traction Hub 'Employers' Pledge' has potential for slippage come year end.

Financial performance and risk management

Overall, ATEED's operational expenditure is behind budget due to a mixture of timing differences as a result of phasing of some of our major events and new projects.

ATEED's operational expenditure for the full year will be lower than budget due to savings made to mitigate our commercial sponsorship risk. Total council funding for the year is forecast to increase slightly to allow for transfer of Economic Development personnel as part of Council's organisational changes earlier in the year. Capex spend is tracking to budget, with the majority of spend occurring in the second half of the year relating to the next phase of GridAKL.

Looking ahead to Quarter Three

Building a culture of innovation and entrepreneurship

ATEED will commence discussions with **GridAKL** hub operators, The BizDojo, regarding tenant requirements for the refurbished character Lysaght Building. Detailed design work for Lysaght and development of a concept design for the new build Innovation 5A will also commence.

As part of the **Māori Economic Development Programme**, ATEED is supporting a Kiwa Digital product launch in January.

Attracting business and investment

The **Auckland Investment Office (AIO)** will roll out a stakeholder plan and deliver 'current state' findings on investment across the Council Group. In addition the AIO will continue to work on building the partnership between

Auckland and central government on a common set of shared visions and strategies for enabling transformation projects.

The **Tripartite Economic Alliance** engagement and response will be led by Auckland Council's Global Partnerships and Strategy which will work collaboratively with ATEED to develop a programme setting out key priorities and actions for the next quarter.

Production of a television series adaptation of the fantasy adventure book series *Shannara* will commence at **Auckland Film Studios**. Several major New Zealand productions will also begin in Auckland this year including *The Patriarch*.

Growing a skilled workforce

ATEED is leading a significant push to increase the number of Auckland schools participating in the **Lion Foundation Young Enterprise Scheme**. The ultimate aim is to have all 120 Auckland high schools participate in the scheme.

In January three of Auckland's leading hospitality businesses (InterContinental Hotels Group, SKYCITY Entertainment Group and Hilton Auckland) are expected to sign pledges to further advance the council's targeted effort to help the city's 23,000 unemployed young Aucklanders, as part of the **Mayors Youth Employment Traction Hub**.

Enabling education and talent

During the quarter ATEED will develop an **International Student Welcome Experience** event, establish an international student ambassador programme and investigate potential corporate partnership opportunities in the international education sector.

Growing the visitor economy

The **Auckland Convention Bureau's Advocate Programme** will be launched in March 2015.

ATEED continues to work with relevant local tourism clusters and Business Improvement Districts to enhance the **i-SITEs network**, most notably in Warkworth and Devonport.

Auckland will host a series of major and mega events amidst a **non-stop summer** domestic tourism campaign from January to June 2015 which is driving visitation to the region.

ATEED continues to develop the concept of a **Māori Signature Festival** for Tāmaki Makaurau by engaging with all 19 mana whenua groups to develop festival content and partnerships.

Building Auckland's brand and identity

Quarter three will see the commencement of community and stakeholder engagement to support the discovery phase of a project to develop Auckland's global brand. This phase aims to capture a true understanding of Auckland past, present as well as the future.

Enabling Māori Outcomes

ATEED will commence development of an ATEED-specific **Māori Responsiveness Framework** in conjunction with Te Waka Angamua.

2. Strategic framework and focus areas

ATEED's Strategic Framework

ATEED's Strategic Framework (Figure 1 below), clearly articulates ATEED's role in creating the world's most liveable city, by focussing on six key priorities:

- Build a culture of innovation and entrepreneurship
- Attract business and investment
- Grow a skilled workforce
- Enable education and talent
- Grow the visitor economy
- Build Auckland's brand and identity

The framework helps to connect Auckland-wide strategies (the Auckland Plan and the Economic Development Strategy) and ATEED's ongoing strategic interventions, growth programmes and projects. It provides the organisation with focus on those areas of our role that will make a difference to Auckland. The key strategic priorities are supported by more detailed action plans (e.g. the Auckland Visitor Plan and the Auckland Innovation Plan), investment proposals and delivery partnerships.

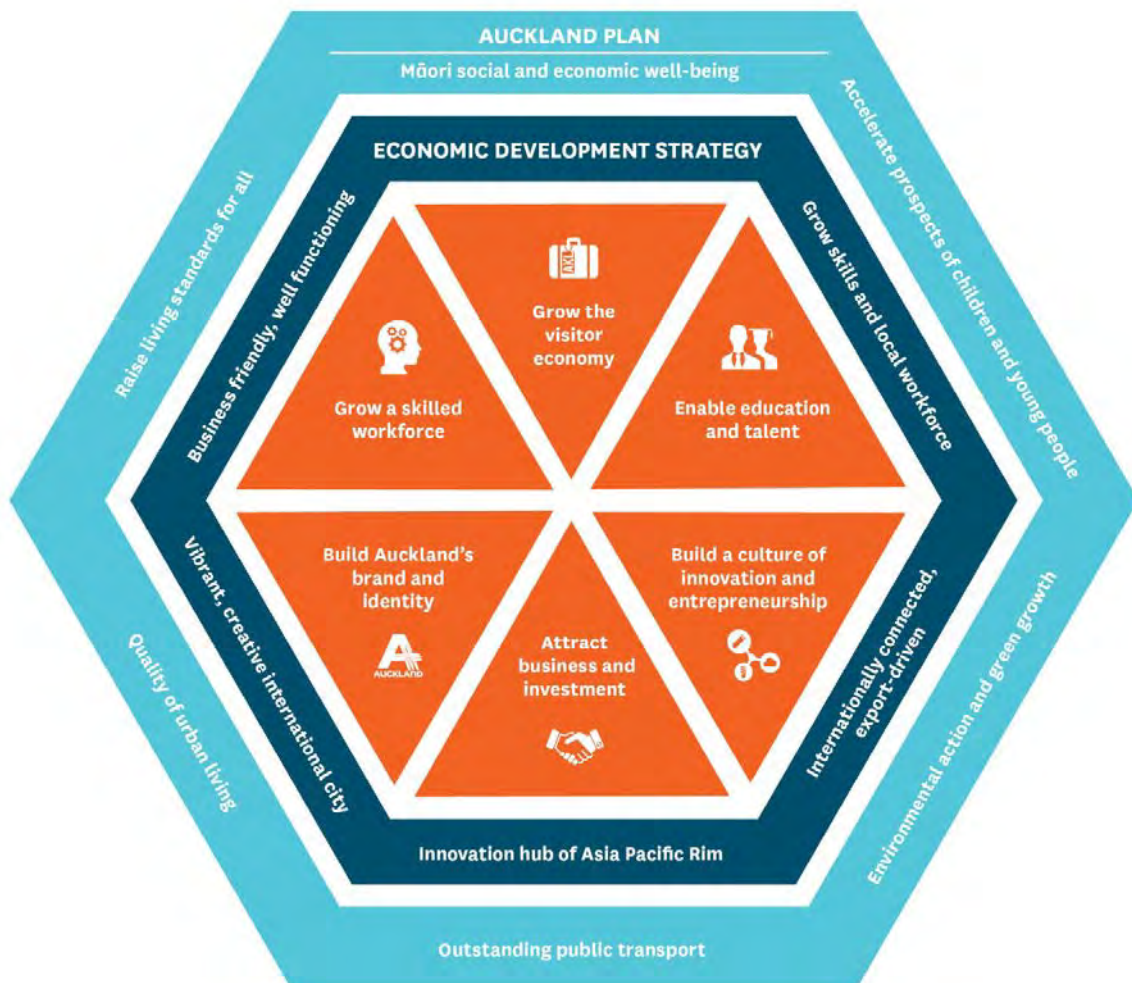


Figure 1 – ATEED's Strategic Framework

Strategic focus issue: Local economic development

Feedback from local boards through the CCO review process, through ATEED's direct engagement with individual local boards and through the Colmar Brunton Elected Members survey results has highlighted a lack of clarity about the breadth of ATEED's support for regional economic development, and uncertainty of ATEED's role in supporting the local boards' local economic development priorities. This lack of clarity remains despite significant efforts to explain ATEED's role in a number of forums and formats.

To assist the local boards to understand the role of ATEED, development of a pilot programme of Local Board Engagement and Action Plans (LBEAPs) was initiated during Quarter Two. The pilot group is Franklin, Kaipātiki, Orākei, Waiheke, Waitākere Ranges and Waitematā local boards. The selection was based on a number of factors, including specific feedback from certain boards in the Colmar Brunton Elected Members survey, a preferred geographical spread and levels of engagement to date.

Engagement with the pilot group commenced in early Quarter Three. The engagement includes one-on-one meetings with local board chairs and relevant members and/or workshops. This engagement is designed to discuss and agree initial focus actions, preferred methods of engagement and reporting, and establish key points of contact within ATEED and each local board.

Once the proposed LBEAPs have been developed, the draft will be presented to local board business meetings seeking agreement by way of resolution. Throughout the development of the proposed LBEAPs, ATEED will engage with the Local Board Services team to ensure that the project is developed in partnership with Auckland Council and remains consistent with the proposals made as part of the CCO review. Draft LBEAPs are expected to be fully developed in early Quarter Four.

It is envisaged that by engaging with the pilot project local boards, ATEED's relationship with them will be strengthened and that an accountability mechanism for ATEED's delivery of local economic development with local boards will also be established.

Following the pilot project, ATEED will undertake a review before considering a broader roll-out of the LBEAPs to all local boards.

3. Highlights for the last quarter

Building a culture of innovation and entrepreneurship

GridAKL continues to consolidate progress made in its first six months. There are 15 resident businesses, and it has cemented its position as a hub for innovation and networks, with more than 50 events held since May 2014. During the quarter, ATEED entered into a foundation partnership with Lightning Lab Auckland, New Zealand's leading digital start-up accelerator which aims to arm start-ups with the funding, networks and expertise to rapidly accelerate their venture.

Highlights for **The FoodBowl – Te Ipu Kai** during the quarter included:

- <http://foodinnovationnetwork.co.nz/> up and running
- continuing number of new clients and projects using the facilities, and hosting international delegations from China, Korea and Australia
- presenting to a hui in Taranaki attended by about 200 guests, focused on adding value in the food and beverage sector and how The FoodBowl can help with new product development
- upgrading equipment.

As part of the **NZ Investor Programme** in the USA, ATEED has met with major USA investors with interests in the technology, food and beverage, hotels and clean technology sectors. The programme has also been extended for 12 months.

ATEED continued to facilitate a **motorsports industry collaboration project** between Pukekohe Park Raceway and Hampton Downs Motorsports Park, with the support of the Franklin Local Board. The project's aim is to enhance the value of both venues by leveraging each other's comparative advantage, thereby creating a 'hub' atmosphere of events, businesses, and training academies. The work will continue into Quarter Three with collaboration with Waikato District Council on a joint financial feasibility study to assess the economic cost and gains from the joint development strategy.

The **Growth and Competitiveness Framework**, the blueprint for ATEED's short term work programme was published in December. The document places ATEED's work in the context of the state of Auckland's economy. It encapsulates how ATEED's work programmes fit together, and how ATEED will respond to Auckland Council priorities and global trends through an integrated approach which delivers essential change and creates a legacy for Auckland and New Zealand.

There have been good results with the **Regional Business Partner Network** programme: \$1.862 million of Callaghan Innovation R&D grants have been distributed so far this financial year. Satisfaction with business advice and training is high, with 98 per cent of businesses satisfied – well ahead of the target of 85 per cent. There are 265 Auckland businesses being assisted by ATEED through the Regional Business Partner Network programme, as well as 80 account-managed businesses in the ATEED aftercare programme (Aroha Auckland).

The **2014 Westpac Auckland Business Awards** winners were named at showcase gala dinners across each region (East, West, Central and South) from late September to early November. ATEED partnered with the Auckland Chamber of Commerce to present the awards this year. The Supreme Award winners in each region were:

- North – Mighty Ape
- Central – Agility CIS
- West – A-Ward Attachments
- South – Milmeq

In November, ATEED announced a new structure of its **Economic Growth** division following a review to ensure the division is best placed to connect and collaborate with ATEED's stakeholders and customers. The review focused on ensuring ATEED provides localised engagement with businesses to support the targets of Auckland Council's key plans – the Auckland Plan, and Economic Development Strategy. The new structure is focused on three areas of responsibility: business and enterprise; innovation and entrepreneurship; and skills and employment. There will also be specific support for Māori economic development initiatives.

Attracting business and investment

The new mandated vision for the **Auckland Investment Office (AIO)** was signed off by the Council Chief Executive and Chief Operating Officer. The new vision is: "Leading an integrated approach to major investment attraction for Auckland's key transformation projects". A stakeholder plan was also developed as part of the AIO establishment phase.

During the Mayor's visit to China in November, Auckland signed a ground-breaking **Tripartite Economic Alliance with Guangzhou and Los Angeles**, in Guangzhou. It is believed to be the only agreement of its kind in the world. The alliance focuses on forging connections between the cities' education, screen and digital, innovation and tourism sectors. The new alliance will raise Auckland's profile with two international economic powerhouses, increase investment in Auckland, and offer great opportunities to Auckland businesses and entrepreneurs – in turn, leading to job creation.

As part of ATEED's integrated **Golf, Equine and Marine (GEM)** luxury market strategy in China, the following initiatives were held:

- 8th Beijing Horse Fair, in conjunction with a range of New Zealand and Chinese equine partners to generate export opportunities in addition to the visitor economy benefits. A strategic partnership between ATEED and Rider Horse Group was established and potential investment in a major horse event in Auckland was progressed.
- 8th China Cup Sailing Regatta. This programme includes opportunities for sailing school programmes for Auckland, promotion of marine innovation to Chinese investors, government agencies and distributors and a joint venture to seek ways to promote Auckland's iconic marine proposition to high net wealth individuals.
- ATEED signed an MOU with China Southern Airlines to progress mutual opportunities including sponsorships in Auckland, the luxury market and travel agent promotions.
- Hosted the Chairman and CEO of Mission Hills Golf Resorts (China) in Auckland to develop further opportunities, including promoting Auckland products and golf tourism. ATEED also received an invitation to become a member of the World Tourism and Travel Council.

ATEED was represented on a Business delegation led by the Hon. Nathan Guy, Minister of Primary Industries, and former New Zealand Cricket Captain Stephen Fleming to Sri Lanka and India. The delegation aimed to promote New Zealand's co-hosting the ICC Cricket World Cup 2015, invite prominent Sri Lankan and Indian business people to travel to New Zealand during the tournament and further develop political and commercial relationships with Sri Lanka and India. ATEED continued to work closely with central government partners on its key **Business Attraction and Investment** strategic priorities, including successful activities driving growth in foreign direct investment, international students, migrants and screen productions.

Screen Auckland experienced its busiest quarter ever, with film permit numbers double the same period in 2013. This increase can be attributed to several factors including the Government's improved tax incentives for international productions (which took effect in 2014), Auckland's growing profile as a filming destination, and the work Screen Auckland is doing in the screen attraction space.

ATEED is tracking well against its **business and investment targets**. At the end of Quarter Two, ATEED has facilitated the establishment or significant expansion of four multinational companies in target sectors. There are 80 intensively account managed customers in ATEED Aroha Auckland aftercare programme. Total GDP contribution of deals this year has reached \$102 million and the value of investments deals secured by ATEED so far is estimated at \$136 million.

Growing a skilled workforce

ATEED's new Regional Business Partner Network **digital marketing campaign** commenced in October, designed to raise awareness of the value ATEED adds to support the growth of Auckland's small to medium enterprises with export potential, and encourage these other businesses to seek ATEED's expertise.

Five **Food and Beverage Capability Reinforcing Workshops**, developed by ATEED with Callaghan Innovation and New Zealand Trade and Enterprise, have been held during Q1 and Q2. Half of the businesses which attended have not worked with ATEED before, which opens new opportunities to work with companies which are actively seeking capability building.

ATEED delivers the **Lion Foundation Young Enterprise Scheme (YES)** across Auckland.

Teams from Auckland secondary schools continued the region's proud record of success in the national YES awards, announced at a glittering event in Wellington in December. Auckland Central champions Nude Water, from St Cuthbert's School, was runner up for the national title, while Bizz Broz from Pakuranga College (joint Auckland South champions) came third. They were joined by category winners:

- TutorLink from Macleans College, 'Innovation in ICT'
- El Paleo from Henderson High School, 'Excellence in Pasifika Business' and 'Excellence in Sales & Marketing'
- Luna & Co from St Cuthbert's, 'Excellence in Global Sales & Marketing'
- Closing the Loop from Takapuna Grammar, which won the 'Excellence In Innovation' award and has also sealed a deal for Palmers to stock its liquid fertiliser 'tea bags'
- DexTech from Liston College, was named 'Start Up Company of the Year' – an award for the best team taking part in a shorter programme for year 11 students.

In November, Fletcher Building became the first signatory to the **Youth Traction Hub Employers Pledge**.

Enabling education and talent

In November, ATEED partnered with the Ministry of Business, Innovation and Employment (MBIE) to host stands at the Perth and Sydney **New Zealand Jobs Expos**. The Perth expo, which focussed on attracting skilled workers for Auckland's construction and infrastructure sector resulted in approximately 350 jobseeker interests lodged, while the Sydney expo, which aimed to attract top information and communications technology and tech talent to Auckland yielded approximately 200 jobseeker interests.

Growing the visitor economy

In the year-end arrival statistics for December 2014, Auckland received **2 million international arrivals** for the first time, which made 2014 a record calendar year for international tourism arrivals. Auckland has recorded consistent accommodation occupancy rates over the past five years, with more than **3 million international guest nights**, a rise of 4.5 per cent (year-on-year since 2010). The overall 2014 year occupancy rate for Auckland hotels was 82 per cent.

ATEED's 'visiting friends and relatives' campaign went live during the quarter. As a result, 6875 Aucklanders experienced a local commercial tourism activity. This was followed by the launch of the 'Non-Stop Summer' **domestic marketing campaign** to showcase Auckland as a summer leisure destination for Kiwis.

The airport **i-SITE** team moved into a new location at Auckland's International Airport in December which reduces the lease by \$90,000 per annum. The new prime position allows the team to service more customers which, during peak times, can reach 50 people an hour. The Waiheke i-SITE also shifted into a new street facing location on Ocean View Rd in Oneroa. It is the first i-SITE in New Zealand to share a space with a retail store.

The **Auckland Diwali Festival of Lights** was delivered by ATEED during the quarter in partnership with the Asia New Zealand Foundation. The 13th festival, on 11 and 12 October, was one of ATEED's three major annual social anchor events and this year featured 35 food and 24 craft stalls, traditional and contemporary dance and music, workshops, an exhibition, a Bollywood dance competition, a lighting installation, sponsor activations and a fireworks display. Queen St was closed to showcase street entertainment and activity to promote the forthcoming ICC Cricket World Cup 2015.

The quarter also saw a host of lifestyle, cultural and sporting **major events** including *The Sound of Music*, Auckland Marathon, INF Fast5 Netball World Series, Taste of Auckland, Art in the Dark, The Rolling Stones 2014 *On Fire Tour*, Farmers Santa Parade, Coca-Cola Christmas in the Park, and the SKYCITY Breakers.

By 31 December, there had been 90,870 visitor nights generated by major events and an estimated 791,462 event attendees. Major event attendee satisfaction is also tracking well at 94 per cent, ahead of the target of 85 per cent. At the end of the quarter, the Return on Regional Investment from investment into these major events stands at \$15.8 million.

Notable achievements during the quarter for the **World Masters Games 2017 (WMG2017)** subsidiary company included:

- signed and executed venue agreements with all competition venues
- a successful stakeholder and media event to announce the 45 competition venues, SKYCITY as the Official Hotel and Fine Dining Partner, and three new Games ambassadors
- commercial success with \$3.09 million cash sponsorship revenue secured as well as \$706,000 budget relieving value in-kind
- submission of an application for Major Events Management Act status for the Games
- issued requests for proposals for the registration and accreditation system, and a travel booking services partner for the Games
- an international marketing agency was appointed to support WMG2017's attraction of international athletes, with a focus on the UK and EU, Canada and the US.

Building Auckland's brand and identity

Auckland was featured in the October edition of **Monocle Magazine**, with a dedicated insert profiling the city. *Monocle Magazine* is a UK-based high end, design-led magazine distributed in North America, Europe, South East Asia and Australia. Its average reader has an annual income of approximately US\$350,000. Known as the *Auckland and New Zealand Survey*, the insert profiled the country's food, retail, innovation, and transportation.

At an ATEED-led media conference in December, the Mayor announced a range of free activities this **non-stop summer**, with the Dick Smith NRL Auckland Nines Festival and Fanzone, ICC Cricket World Cup 2015 (ICC CWC 2015) Fanzone and Fan Trail, and the Volvo Ocean Race Auckland Stopover Village.

In conjunction with Auckland's 175th Anniversary, ATEED in partnership with Auckland Libraries and online apparel retailer Mr Vintage launched an **Auckland Heritage Collection** range of merchandise which shows the city's earliest photographic images, iconic landmarks, heritage maps, and a range of products bearing the Auckland 'A' brand. The new online store offers a unique retail opportunity for Aucklanders to share their pride in the city, as well as souvenirs for visitors.

Two waka from the **Polynesian Voyaging Society (PVS)** arrived in Auckland on Sunday, 7 December, as part of their four year worldwide voyage Malama Honua – which means ‘to care for our island earth’. The theme for the PVS visit to Aotearoa/New Zealand was Nā Waka: A tribe returning home. PVS’s two waka – Hōkūle’a and Hikianalia are on an ambitious worldwide voyage and they will visit more than 25 nations, 85 ports and 50 islands.

Enabling Māori outcomes

ATEED remains committed to meeting its responsibilities under the **Te Tiriti o Waitangi / Treaty of Waitangi**. During the quarter, ATEED arranged a series of courses to expand and further enhance staff knowledge and skills, including historical overview of the Treaty, understanding our statutory and Treaty obligations, Te Reo pronunciation and enabling Māori outcomes. ATEED also started on the process of developing its own Māori Responsiveness Framework in conjunction with Te Waka Angamua.

4. Looking ahead to Quarter Three

Building a culture of innovation and entrepreneurship

GridAKL’s programme for the next quarter includes discussion with hub operators The BizDojo regarding tenant requirements for the refurbished character Lysaght Building, continuation of detailed design work for Lysaght, and development of concept design for the new build Innovation 5A.

Four bidders were shortlisted to submit full proposals to operate the **ICT Graduate School** in Auckland. They are:

- Auckland University partnered with University of Waikato,
- Auckland University of Technology,
- Massey University,
- Unitec Institute of Technology, Waikato Institute of Technology, Manukau Institute of Technology and Industry Connect

The proposal submission closes 4 March. In conjunction with this, discussions are also underway with the bidders in regards to the ICT graduate school having a presence at GridAKL.

As part of the **Māori Economic Development Programme**, ATEED is supporting a Kiwa Digital product launch at GridAKL in January. Kiwa Digital is part of the Digital Technology Working Group. Over the quarter, the working group will also agree its prioritised actions, including the development and delivery of the Māori Digital Youth Competition.

ATEED is supporting Baseball New Zealand in undertaking a feasibility study to understand the benefits of establishing a home for baseball in New Zealand and the National Sports Organisation’s Centre of Excellence. The study will inform the requirements for infrastructure investment, and in turn, guide the business proposal seeking offshore investment for infrastructure, sport development, coaching and competition through partnership opportunities with Major League Baseball franchises.

Attracting business and investment

The **Auckland Investment Office (AIO)** work programme over the quarter includes rolling out of the stakeholder plan, delivering the ‘current state’ findings on investment across the Council Group and potentially working to build the partnership between Auckland and central government for agreeing a common set of shared visions and strategies for enabling transformation projects.

Auckland’s response and engagement under the **Tripartite Economic Alliance** will be led by Auckland Council’s Global Partnerships and Strategy (GPS) team which will work collaboratively with ATEED to develop a programme

setting out key priorities and actions for the next quarter. The first alliance summit is expected to be hosted by Los Angeles in June 2015.

Following on from the successful integrated **Golf, Equine and Marine (GEM)** luxury market strategy ATEED will further develop the following initiatives:

- Working with Inner Mongolia-based Rider Horse Group around the Magic Millions Sales in association with NZ Bloodstock, hosting a major Chinese equine delegation in February and March, and developing a major equine development proposal with Ngati Whatua ki Kaipara
- Hosting of the China Cup Sailing Regatta owners at the Volvo Ocean Race Auckland Stopover
- Further meetings with Wanda Group to discuss investment interests in tourism, hotels, screen infrastructure, commercial and residential developments in Auckland.

The first major update of the companies and strategies in the **Aroha Auckland** – ATEED’s aftercare programme for selected multi-national corporates and investors – is due in January.

At the start of Quarter Three, Manhattan Beach Studios (MBS) will visit Auckland’s studio infrastructure to assess the maturity of Auckland’s **screen production industry** and determine requirements to facilitate growth for the industry. Following the visit, a report will be prepared to discuss the suitability of sites and potential business operating models. The potential outcome is that Auckland will ultimately own a world class, unencumbered, and profitable studio complex that provides the economic driver for the growth of Auckland’s screen production industry and an attractive development opportunity for prospective investors.

MTV Networks and Sonar Entertainment announced they are to base production of a television series adaptation of the fantasy adventure book series *Shannara* at Auckland Film Studios. *Shannara* and the new *Power Rangers* series are among four significant Auckland-based international **screen productions** either in pre-production, shooting, or wrapping in early 2015. In addition, several major New Zealand productions will begin in Auckland this year – including Lee Tamahori and Robin Scholes’ collaboration *The Patriarch*.

Growing a skilled workforce

ATEED is leading a significant push to increase the number of Auckland schools participating in the **Lion Foundation Young Enterprise Scheme**. Currently approximately half of the eligible Auckland schools participate in YES, which encourages year 12 and 13 students to embrace innovation and business by forming a legal company to produce and sell real-life goods and services.

ATEED continues to work closely with Immigration New Zealand on overseas **talent attraction initiatives**, including the development of a Talent Attraction Framework that will help determine ATEED’s role and prioritise activities and determining an ‘Auckland Inc.’ joined-up approach at the London and Dublin Working International Expos in March 2015.

In January, three of Auckland’s leading hospitality businesses are expected to sign pledges to further advance the council’s targeted effort to help the city’s 23,000 **unemployed young Aucklanders**. InterContinental Hotels Group, SKYCITY Entertainment Group and Hilton Auckland will make a commitment to tackle their city’s youth employment issue head-on. The signing will formally recognise and acknowledge the employers’ collaborative efforts to date to improve employment opportunities, as well as those that will be made in the future.

Enabling education and talent

During the quarter, ATEED’s work programme will include development of an **International Student Welcome Experience** event at a CBD location, establishing an international student ambassador programme and investigating any potential corporate partnership opportunities. These initiatives are designed to ensure Auckland’s economically important international students have an unbeatable experience during their time in Auckland.

Growing the visitor economy

Former Australian cricketer and his wife, Glenn and Sara McGrath, will visit Auckland and showcase its unique tourist offerings. The ATEED-led **Australia marketing campaign** is jointly run with Emirates New Zealand and Auckland Airport.

The **Auckland Convention Bureau's (ACB) Advocate Programme** will be launched in March 2015. The programme assists influential sector leader 'advocates' to attract meetings to Auckland and to assist them to create a legacy benefit for the destination or the local hosts of the convention.

ATEED continues to work with relevant local tourism clusters and Business Improvement Districts to enhance the **i-SITES network**, most notably in Warkworth and Devonport where ATEED-owned i-SITES operations are based.

From January to June 2015, Auckland will host a series of major and mega events amidst a **non-stop summer** domestic tourism campaign which is driving visitation to the region. These start at the end of January with the Dick Smith NRL Auckland Nines, and move through a series of events including Volvo Ocean Race Auckland Stopover, ICC Cricket World Cup 2015, and Lantern Festival. Several events converge over the weekend of 26-28 February, and the season concludes with FIFA U-20 World Cup 2015.

ATEED continues develop the concept of a **Māori Signature Festival** for Tāmaki Makaurau. At the end of Quarter two ATEED has engaged with 13 mana whenua groups to develop festival content and partnerships with iwi.

Building Auckland's brand and identity

Quarter Three will see the commencement of community and stakeholder engagement to support the discovery phase of a project to develop Auckland's global brand. This phase aims to capture a true understanding of Auckland past, present as well as the future.

Enabling Māori Outcomes

As part of building ATEED's Māori responsiveness obligations, ATEED will commence development of an ATEED-specific **Māori Responsiveness Framework**. The Framework will be developed in conjunction with Te Waka Angamua and will broadly be structured around three areas:

- Developing ATEED's internal capability to allow ATEED staff to respond more effectively to Māori
- Ensuring ATEED has a consistent process in place to enable Māori participation in decision making as appropriate
- Documenting and planning our current and future role in contributing to Māori wellbeing/outcomes.

5. Key Deliverables

Key deliverables from last quarter

Deliverable	\$000	Completed/ carry over to next quarter/ deferred	Status	Comments
GridAKL	613	Carry over to next quarter	Ongoing	15 resident companies as at 31 December 2014. More than 50 events hosted at GridAKL since May 2014. Foundation partnership with Lightning Lab Auckland.
The Southern Initiative (TSI) - Feasibility & Research Project	77	Completed	Completed	ATEED's environmental scan of current economic development initiatives delivered by central government and major private sector employers was completed and report submitted to Ministry of Pacific Island Affairs.
Auckland Investment Office (AIO)	148	Carry over to next quarter	Ongoing	New mandated vision signed off by Council CEO and COO. Developed a Stakeholder Plan as part of the AIO establishment phase.
2015 Integration & Leverage Programme	0	Carry over to next quarter	Ongoing	Established the hosting programme, timeline of the event platform (between Auckland Anniversary Day until Anzac weekend) and international executive team. Commenced development of marketing collateral focused on an international investor audience.
Domestic tourism marketing campaign	644	Carry over to next quarter	Ongoing	Positive initial results from the Auckland-to-Auckland Visiting Friends & Relatives campaign resulting in \$200,000 commercial tourism activities sold.

Key deliverables for next quarter

Deliverable	Comments
GridAKL	<ul style="list-style-type: none"> • Discussion with hub operators BizDojo regarding tenant requirements for Lysaght Building • Continuation of detailed design work for the Lysaght Building • Development of concept design for Innovation 5A building
International Student Welcome / Experience	<ul style="list-style-type: none"> • Develop an International Student Welcome event in a CBD location • Develop an International Student Ambassador programme • Investigate how Auckland can provide a better overall international student experience • Linking any potential corporate partnership opportunities
Global Auckland Project	<ul style="list-style-type: none"> • Commence of community and stakeholder engagement starting with Auckland Anniversary Weekend to support the project's discovery phase • Capture a true understanding of Auckland past, present as well as the future
Auckland Investment Office (AIO)	<p>Continue to establish the core capability of the AIO through:</p> <ul style="list-style-type: none"> • Roll out the Stakeholder Plan • Deliver 'current state' findings on investment across the Council Group • Building the partnership between Auckland and central government for agreeing a common set of shared visions and strategies for enabling transformation projects
Major events delivery and/or facilitation	<p>ASB Classic, Heineken Open, Ironman 70.3 Auckland Asia-Pacific Championship, Headland Sculpture On The Gulf, Auckland Seafood Festival, Dick Smith NRL Auckland Nines, Auckland Pride Festival, Splore Music and Arts Festival, Takapuna Beach Cup, Auckland Lantern Festival, Volvo Ocean Race Auckland Stopover, ICC Cricket World Cup 2015, Holden NZ PGA Championship, Pasifika Festival, The Ultimate Waterman, Barfoot & Thompson ITU World Triathlon Series, SKYCITY NZ Breakers, Auckland Blues Rugby, New Zealand Warriors</p>

6. Financial performance

Financial Performance For the Period Ended 31 December 2014				
\$'m	YEAR TO DATE			Full Year Budget
	Actual	Budget / Forecast	Variance f/(u)	
Operational				
External Revenue	6.5	6.8	(0.2)	13.2
AC Funding	19.4	19.7	(0.3)	47.5
Operational expenditure excluding depreciation	25.0	26.2	1.2	60.7
Depreciation	0.3	0.3	0.0	0.7
Capex				
Expenditure	0.1	0.1	(0.0)	1.8
AC Funding	0.2	0.2	0.0	0.4

External operational revenue is slightly behind plan due to the timing of receipt of some event revenues. These are now a month later than planned.

Overall, ATEED's operational expenditure is behind budget due to a mixture of timing differences as a result of phasing of some of our major events and new projects.

Full year outlook:

Total council funding for the year remains on target with expenses and third party revenues being managed tightly to ensure our priorities are covered under the approved funding envelope.

ATEED's budgeted external revenue for the year included over \$1.2m for commercial sponsorship opportunities. Some of this is at risk, however there is no overall risk to ATEED's annual funding requirement as these funds had been ring-fenced and not allocated to specific projects until confirmed. ATEED's Corporate Partnerships team, working cross-council has brought in new revenue to the Council Group, with over \$0.75m sponsorship achieved for the Auckland 175th anniversary celebrations. This however was received direct by Council and is not reflected in these financial statements.





Capex spend is tracking to budget, with the majority of spend occurring in the second half of the year relating to the next phase of GridAKL.

7. Performance measures

Performance measures as per ATEED Statement of Intent 2014-17:

Measure	Year-end target	On track	Last Actual	Date of last measure
Build a culture of innovation and entrepreneurship				
Percentage of Auckland businesses innovating	Improve	—	N/A	N/A
Number of businesses taking up tenancy at GridAKL (formerly Wynyard Quarter Innovation Precinct) (cumulative)	20	●	14	31 Oct 2014
Total value of Callaghan Innovation R&D grants through the Regional Business Partner Network programme	\$4m	●	\$1.862m	31 Dec 2014
Percentage of stakeholders satisfied with provision of business advice, start-up, training and mentoring programmes (LTP Measure)	85%	●	98%	31 Dec 2014
Number of actively managed business through Regional Business Partner Network programme activity	360	●	265	31 Dec 2014
Total GDP in targeted sectors (marine, transport and logistics, ICT, food and beverage, bioscience, screen and digital, export education) compared with total Auckland GDP (LTP Measure)	Improve	—	Improved	30 June 2014
Number of economic initiatives with Māori ¹	Improve	●	4	30 Sept 2014
Attract business and investment				
GDP Global Investment Promotion Agency benchmarking (LTP Measure)	N/A	—	52%	30 June 2014
Facilitation of the establishment, or significant expansion, of multinational companies in target sectors	5	●	4	31 Dec 2014

¹ An initiative is an arrangement where parties agree to cooperate to advance their mutual economic interests. The initiatives to date are Māori Tourism Development Programme, Rangitoto Motutapu Haerenga, Māori Signature Festival and Māori ICT workshops.

Number of intensively account managed customers in ATEED Aroha Auckland aftercare programme	105		80	31 Dec 2014
Total GDP contribution of deals effected with ATEED involvement	+5%		\$102m	31 Dec 2014
Value of investment deals effected by ATEED within the financial year	\$252m		\$136m	31 Dec 2014
Grow a skilled workforce				
Number of 'live' signatories to the Youth Employment Traction Hub 'Employers' Pledge'	50		1	31 Dec 2014
Enable education and talent				
Value of international student spend to the Auckland Economy	\$1.454b		N/A	N/A
Grow the visitor economy				
Number of visitor nights in Auckland (LTP measure)	26.6m		27.7m	30 Jun 2014
Spend by visitors in Auckland (LTP measure)	\$5,194m		\$3,408m	30 Jun 2014
Number of visitors to Auckland (LTP Measure)	13.7m		14.6m	30 Jun 2014
Overall visitor satisfaction (all visitors) with the experience in Auckland (as measured through the Visitor Insights Programme)	8.1		7.8	30 Jun 2014
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	90%		92%	30 Jun 2014
Grow the visitor economy – build a world class major events portfolio				
Return on Regional Investment (RORI) from major events invested in (LTP Measure)	\$47m		\$15.8m	31 Dec 2014

Percentage of those (Aucklanders) who agree events make Auckland a great place to live (engender pride and sense of place)	80%	—	79%	30 June 2014
Visitor nights generated by major events	150,000	●	90,870	31 Dec 2014
Estimated number of attendees at major events (LTP Measure)	1.52m	●	791,462	31 Dec 2014
Percentage of attendees satisfied with major events overall (LTP Measure)	85%	●	94%	31 Dec 2014
Number of major international events attracted or facilitated (LTP measure)	5	●	0	31 Dec 2014
Building Auckland's brand and identity				
Total visits to www.aucklandnz.com	2.6million	●	1.358m	31 Dec 2014
Corporate capability				
Percentage of CCO monitoring and accountability requirements that meet target ²	100%	—	100%	30 June 2014

Symbol	Status
●	On track / target exceeded
●	Potential for slippage
●	Off-track
—	No recent result

² Accountability requirements are the delivery of draft and final SOIs, quarterly reports and Annual Reports within the timeframes specified in Auckland Council's CCO Accountability Policy.

8. Contribution to Māori outcomes

Initiative	How it contributes to Māori outcomes	Progress	Spend to date (\$)	Forecast total spend (\$)
Projects				
Māori Economic Growth Programme	Grow Māori business capability and economic prosperity	Support for Kiwa Digital's product launch at GridAKL. Established a Māori Graduate position within ATEED to provide support across the business units	24,627	80,000
Feasibility of a Māori Signature Festival for Auckland	Celebrates and showcases Māori culture and provides a vehicle to leverage Māori business and investment opportunities	ATEED is progressing iwi engagement to develop a Māori signature festival in Auckland. At the end of Quarter Two ATEED has engaged with 13 mana whenua groups to develop festival content and partnerships with iwi.	0	53,100
Rangitoto Motutapu Haerenga	Business development opportunities for locals and iwi through the development of an accessible multi day walk on Rangitoto and Motutapu islands	Awaiting matching funding confirmation from MBIE to assist with the development of the product and business structure. Pre-booked guided tours now available over the summer.	50,446	80,000
ATEED Māori Responsiveness Plan	The plan seeks to enhance internal understanding of ATEED's responsiveness to Māori, hence supporting the delivery of Council's commitment to Te Tiriti o Waitangi	The development of the plan is within the relevant planning stages (business case).	N/A	N/A
Other				
Māori Capability	As part of ATEED's commitment to meeting its responsibilities under the Te Tiriti o Waitangi / the Treaty of Waitangi, ATEED arranged a series of courses to expand and further enhance staff knowledge and skills, including historical overview of the Treaty, understanding its statutory and Treaty obligations, Te Reo pronunciation and enabling Māori outcomes.			

9. Key Local Board issues

Initiatives	Comments
Local Board Engagement & Activity Plan – pilot project	<p>During the quarter, ATEED initiated the development of Local Board Engagement and Action Plans with a pilot group of local boards (Franklin, Kaipātiki, Orākei, Waiheke, Waitākere Ranges and Waitemātā). These were selected based on a number of reasons, including specific feedback from certain boards in the Colmar Brunton Elected Members survey and a desired geographical spread.</p> <p>Following the pilot project, ATEED will undertake a review before considering a broader roll-out across more local boards.</p>
Economic Growth	<p>In November, ATEED notified local boards of its new Economic Growth division structure which took effect following a review to ensure the division is best placed to connect and collaborate with our stakeholders and customers.</p> <p>The new structure is focused on three areas of responsibility: business and enterprise; innovation and entrepreneurship; and skills and employment. There will also be specific support for Māori economic development initiatives.</p> <p>The new structure includes a Local Economic Growth Manager who will act as the main point of contact with local boards.</p>
Commercial Sponsorship Operational Guidelines	<p>In February, ATEED will seek feedback from local boards on the development of operational guidelines that will support the implementation of the Auckland Council Commercial Sponsorships Policy.</p> <p>An outline of the processes, principles and supporting tools required for entering into and managing commercial sponsorship arrangements will also be presented at the briefings.</p>
ATEED Board of Directors engagement	<p>ATEED will offer local board chairs and economic development (or other relevant) portfolio holders a further opportunity to meet with the ATEED Board during a working lunch (scheduled for 27 March).</p> <p>These opportunities are offered once a quarter (the previous one was held on 28 November 2014) and are intended to build relationships at the governance level. All meetings are held at ATEED's office at 139 Quay Street.</p>
ATEED Statement of Intent (SOI) and business planning workshops	<p>In March, ATEED will brief and engage with local board members on ATEED's vision, purpose and planned work programme for the next three years. Their feedback will inform the development of ATEED's SOI (2015-17) and Business Plan (2015-16).</p> <p>This is an important opportunity for ATEED to discuss local board priorities with members. Board members will be informed about further workshop details when they are finalised.</p>

10. Risk management

ATEED's updated Risk Management Policy Framework was approved by the ATEED Board in November 2014. To ensure best practise, the framework is in accordance with AS/NZS ISO 31000:2009. The framework provides a clearly documented process for managing and communicating risk and articulates accountability and actions required for directors, employees and contractors.

Risk is managed through Corporate (strategic and operational) and Portfolio risk registers. Project Managers and Sponsors are responsible for ensuring risks are identified, managed and escalated in accordance with the framework. A Corporate register is administered by the Risk Manager, managed by GMs and delegated to staff as appropriate for carrying out mitigation strategies.

A monthly risk report is prepared for the ATEED leadership team (ALT). This provides an update of critical' and 'high' level risks and issues, as well as a heat map. These are also reported to the Board as part of the monthly Chief Executive report. In addition, the ALT and Board receive a quarterly report detailing risks across the whole business and areas of development across the framework.

Key risks: There are no current critical risk, and all portfolio risks are being actively managed with no expected impact on the wider Council Group. Up and coming major events include the ICC Cricket World Cup 2015, Volvo Ocean Race Auckland Stopover and FIFA U20 World Cup 2015. There is increased public awareness and interest along with expected risks around negative media attention, visitor numbers and/or event attendance targets not being met and inclement weather. ATEED is managing these risks through established and effective processes. We have an agreed communication plans with event delivery partners and established regular meetings with the police. We continue to operate a 'no surprises' approach with the Council Communications department and the Mayoral Office.

Internal audit: ATEED is looking to progress initial discussions with Council in regards to the potential to outsource this function. It is paid for as part of our Master Services Agreement, however due to resource constraints at Council, we have not yet received this service. ATEED's Audit & Risk Committee have requested this be a focus over Quarter Three.

External audit: All recommendations made by Audit NZ as part of their management report to the Board for the year ended 30 June 2014 are either closed or being addressed. We envisage no outstanding issues by year end.

Financial risk: There are currently no financial risks that could impact the Council family. ATEED's regular forecasting process ensures we can respond quickly to new initiatives that are aligned to our strategic objectives and still remain within ATEED's approved funding envelope.