

Confidential

**Board Meeting Agenda**

Tuesday 30 April 2019 - GridAKL Tech Event Space – Lysaght Building, Pakenham Street

Item	Subject	Presented By	Action	Start Time	Duration	Pg.
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OPEN AGENDA						
1	Apologies		To Note	2.05 p.m.	1 min	
2	<a href="#">Open Minutes 26 March 2019</a> and Open Action Tracker	Nick Hill	To Approve	2.06 p.m.	2 mins	
3	<a href="#">Directors Interest Register, Conflicts of Interest Declaration</a>	Mark Franklin	To Note	2.08 p.m.	2 mins	
4	<a href="#">Finance Report</a>	Jacky Hollingsworth	To Note	2.10 p.m.	10 mins	
5	<a href="#">Chief Executive's Monthly Report</a>	Nick Hill	To Note	2.20 p.m.	10 mins	
	<b>Close of Meeting</b>			<b>2.30 p.m.</b>		

# OPEN BOARD MINUTES

<b>What:</b>	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
<b>Where:</b>	Hau Raki Boardroom Level 7, 167b Victoria St West, Auckland
<b>When:</b>	Tuesday, 26 March 2019 at 2.02 p.m.
<b>Directors:</b>	Mark Franklin (Chair) Danny Chan Mike Taitoko Helen Robinson (via teleconference) Stuart McCutcheon Evan Davies
<b>Apologies:</b>	None
<b>In Attendance:</b>	Nick Hill, Chief Executive Melissa Crawford, Board Intern Tim Kingsley-Smith, Company Secretary and Legal Counsel Jacky Hollingsworth, CFO
<b>Public &amp; Media Attendance:</b>	N/A

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## 1 Apologies

There were no apologies.

## 2. Open Minutes of Previous Meeting

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

## 3. Directors Interests Register

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

## 4. Chief Executive's Monthly Report

Nick Hill spoke to the paper.

- The Board queried ATEED's staff costs (down \$0.8m) and asked about issues with staff capacity. Management noted that headcount had dipped, but added that staff numbers are now increasing and will increase further over the next few years as APEC and the America's Cup get closer.

The Board **noted** the CE Report.

The Board meeting closed at 2.22 p.m.

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

\_\_\_\_\_

Chair

\_\_\_\_\_

Date

### ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
Mark Franklin	<p>           Director, Precinct Management Limited (3014500)            Director, Te Kuha General Partner Limited (3378973)            Director, Aquaclear Dewatering Technology Limited (1421603)            Director, Rangitira Developments Limited (636073)            Director, Stevenson Engineering Limited (1421605)            Director, Stevenson South Island Limited (1908766)            Director, Stevenson Group Limited (827774)            Director, Drury South Limited (1488624)            Director, Stevenson Agriculture Limited (1645457)            Director, Auckland Regional Chamber Of Commerce &amp; Industry Limited (364056)            Director, Lochinver Station Limited (1488629)            Director, Oteha Valley Investments Limited (1856790)            Director, Cloudview Holdings Limited (1025273)            Director, Stevenson Properties (2015) Limited (2164755)            Director, Stevenson Mining Limited (1274011)            Director, Stevenson Waikato Limited (697315)         </p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Evan Davies	<p>           Chair, Capital Investment Committee            Chair, Hospital Redevelopment Partnership Group            Chair, Tamaki Regeneration Company (5840214)            Trustee, Anglican Trust for Women and Children            Trustee, Auckland Arts Festival         </p>

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	<p>Trustee, Auckland City Mission Trustee, Melanesian Mission Trust Board</p> <p>Director, Todd Property Group Limited (2291506) Director, Paris Magdalinos Architects Limited (1941004) Director, Flinders Mines Director, BBIG Group Director, Western Hills Holdings Limited (6948733)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Mike Taitoko	<p>Director and Shareholder of Waiora Consulting Limited (5330302) Director and Shareholder of Waiora Pacific Limited (3887379) Director, Canvasland Holdings Limited (429999) Director, Cognition Education Limited (963400) Director, Committee For Auckland Limited (1121413) Director, Maratini Holdings Limited (6261547) Director, Mercury LTI Limited (4387380) Director, Mercury NZ Limited (936901) Director, Takiwa Health Limited (5783499) Advisory Board Member of Massey University School of Business</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors</p>

Updated 21/03/2019

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

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	<p>Director, COTTAGE DESIGN LIMITED (553363)          Director, DANTING INVESTMENTS LIMITED (1101054)          Director, DIABETIC FOOD LIMITED (5785571)          Director, EDUCATION INVESTMENT LIMITED (2099558)          Director, ENROLMY LIMITED (5746128)          Director, EVERGROW PROPERTIES LIMITED (638821)          Director, FASTCOM LIMITED (2292668)          Director, FMG INSURANCE LIMITED (1801045)          Director, GLOBAL ACADEMIC GROUP HOLDCO LIMITED (5789309)          Director, GREEN CUT LIMITED (2200640)          Director, GREEN HARVEST EXPORTS LIMITED (424593)          Director, GREEN HARVEST PACIFIC HOLDINGS LIMITED (912715)          Director, GREEN HARVEST PACIFIC LIMITED (807760)          Director, MARLBOROUGH WINE ESTATES GROUP LIMITED (5639568)          Director, NEW ZEALAND YACON LIMITED (3893137)          Director, ORIENT PACIFIC CORPORATION LIMITED (482579)          Director, PISCES TRUSTEES COMPANY LIMITED (4364838)          Director, SEAPLIES INTERNATIONAL (NELSON) LIMITED (931103)          Director, SIMTICS LIMITED (1405985)          Director, TAHERE GROUP LIMITED (6090882)          Director, TURNERS FLOWER EXPORTS N.Z. LIMITED (1677418)          Shareholder, AIRE CUT COMPANY LIMITED (1255160)          Shareholder, B.L.TECH LIMITED (4425298)          Shareholder, CLOUD M LIMITED (3170790)          Shareholder, DANTING INVESTMENTS LIMITED (1101054)          Shareholder, IMONITOR INTELLECTUAL PROPERTY LIMITED (1874643)          Shareholder, ORGANIC INITIATIVE LIMITED (5595738)          Shareholder, RAWHITI MANUKA HONI LIMITED (2369144)          Shareholder, SHORTLAND FLATS LIMITED (41534)          Shareholder, SIMTUTOR LIMITED (5285041)</p>
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Updated 21/03/2019

	<p>Shareholder, SUPERTHRILLER JET SPRINT LIMITED (110844)  Shareholder, THE CABLE FERRET COMPANY LIMITED (4482398)  Shareholder, THE CAREER ACADEMY LIMITED (1245347) (Removed)  Shareholder, THE DIGITAL CAFE LIMITED (6094889)  Shareholder, VOLT TECHNOLOGY LIMITED (5684947)  Shareholder, ZENITH ASSET MANAGEMENT LIMITED (1770979)  Member, NZ China Advisory Council (appointed 20 November 2012)  Member, NZ Markets Disciplinary Tribunal  Director, Farmers Mutual Group (Mutual Society)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<p>Director and Shareholder, Cloud M Limited (3170790)  Director and Shareholder, KND Trustees Limited (5691575)  Managing Director and Shareholder, Penguin Consulting Limited (1694891)  Co-Founder &amp; Executive Director, Organic Initiative Limited (5595738)  Shareholder, KND Investments Limited (1694892)  Shareholder, Organic Initiative Limited (5595738)  Director, Fulbright NZ Ltd  Director, NZ Defence Force  Trustee, Robinson Family Trust  Trustee, Maurice Research and Education Trust</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart	Director, Lexington Properties Limited (1605485)

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<p>McCutcheon</p>	<p>Chairman of Directors, Auckland Uniservices Limited (373821)                  Chairman, Universities New Zealand (From 1 January 2017)                  Director, Universitas 21 International University Network                  Council Member, University Of Auckland                  Member, Partnership Board, The Worldwide Universities Network                  Member, Steering Committee, The Association Of Pacific Rim Universities                  Trustee, Uk Friends Of The University Of Auckland</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
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## Finance Report, month ending March 2019

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

<b>Summary Revenue Statement</b>												<b>TABLE 1</b>
<b>For the Period Ended 31 March 2019</b>												<b>\$000's</b>
Month			Year to Date				Full Year					
Actual	Forecast	Variance				Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
Actual	Forecast	Variance	Actual	Forecast	Variance							
			<b>Net operational expenses:</b>									
2,058	2,566	508	12,197	12,707	509	21,691	22,266	86	0	22,180	21,888	
1,289	1,472	183	11,206	11,389	183	18,724	18,794	580	36	18,178	17,512	
441	561	120	3,528	3,647	120	5,527	5,779	95	0	5,684	5,335	
690	680	(11)	5,815	5,804	(11)	7,936	6,794	190	0	6,604	6,376	
4,478	5,278	800	32,746	33,547	801	53,878	53,633	951	36	52,646	51,111	
			Approved opex funding			50,839	50,839	951	36	49,852	49,065	
			<b>Operating Deficit</b>			<b>(3,039)</b>	<b>(2,794)</b>	<b>0</b>	<b>0</b>	<b>(2,794)</b>	<b>(2,046)</b>	
			Capex funding			3,547	3,833	404	0	3,428	7,906	
			<b>Surplus</b>			<b>509</b>	<b>1,039</b>	<b>404</b>	<b>0</b>	<b>634</b>	<b>5,859</b>	

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

### Key Points

ATEED is \$0.8m lower net spend than forecast.

Revenue is on forecast. The variances in expenditure are:

\$0.1m increase in Professional fees, consultancy & contractors due to increased resourcing time in the Skills & Workforce and Investment teams

\$0.5m decrease in Grants, contributions, sponsorship due to delays in various major event contracts

\$0.1m decrease in Travel & Entertainment in the Economic Development Investment team

\$0.2m decrease in Advertising, marketing and research due to timing across Destination, Economic Development and Strategy

\$0.1m decrease in Other expenditure on activities across the business

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

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

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

\*\*\* Reporting is against Forecast 3

**ATEED total net favourable variance of \$0.8m**

**Destination:** Mar YTD net spend is \$0.5m lower than forecast. Revenue is on track with all sponsorship and stallholder revenue relating to the cancelled Pasifika Festival being refunded in March. Expenditure underspend of \$0.5m is mainly due to delays in various major event contracts and a tourism Australian campaign going out later to market than originally planned.

**Economic Development:** Mar YTD net spend is \$0.2m lower than forecast. Revenue is on track to forecast. There is an overspend of \$0.1m in Professional fees, consultancy & contractors due to additional resourcing time in the Skills & Workforce and Investment teams. An underspend of \$0.1m in Travel & entertainment is mainly driven by the Investment team, \$0.1m in Advertising, marketing & research in the Skills & Workforce team and \$0.1m in Other Expenditure on activities spread across the division.

**Strategy:** Mar YTD net spend is \$0.1m lower than forecast. An underspend of \$0.1m in Advertising, marketing & research relates to delayed marketing spend in the Brand team.

**Operational Support:** Mar YTD net spend is on forecast.

**Revenue Statement**

Revenue Statement												TABLE 2	
For the Period Ended 31 March 2019												\$000's	
Month			Year to Date				Full Year						
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year		
36	37	(1)	513	514	(1)	611	617	0	0	617	2,037		
182	182	(1)	1,750	1,750	(1)	2,969	1,454	0	0	1,454	2,501		
(187)	(182)	(5)	1,170	1,175	(5)	1,230	1,792	0	0	1,792	1,955		
684	669	15	8,690	8,675	15	11,900	14,310	0	0	14,310	6,361		
346	349	(3)	1,159	1,161	(3)	1,504	979	0	0	979	1,995		
<b>1,061</b>	<b>1,055</b>	<b>6</b>	<b>13,282</b>	<b>13,276</b>	<b>6</b>	<b>18,215</b>	<b>19,152</b>	<b>0</b>	<b>0</b>	<b>19,152</b>	<b>14,850</b>		
1,855	1,845	(10)	15,765	15,755	(10)	21,638	22,544	0	0	22,544	21,857		
865	780	(85)	4,871	4,786	(85)	7,714	8,715	637	36	8,042	7,155		
531	996	465	5,417	5,882	465	10,667	9,174	0	0	9,174	10,206		
255	257	2	2,341	2,343	2	3,097	2,794	0	0	2,794	2,633		
1,188	1,215	28	10,018	10,046	28	13,685	15,749	0	0	15,749	9,855		
(74)	28	102	795	899	104	1,360	1,280	0	0	1,280	1,274		
459	680	221	4,335	4,555	220	10,025	10,025	294	0	9,732	8,377		
460	531	71	2,486	2,557	71	3,907	2,504	21	0	2,484	4,604		
<b>5,539</b>	<b>6,333</b>	<b>795</b>	<b>46,028</b>	<b>46,824</b>	<b>795</b>	<b>72,093</b>	<b>72,785</b>	<b>951</b>	<b>36</b>	<b>71,798</b>	<b>65,961</b>		
<b>4,478</b>	<b>5,278</b>	<b>800</b>	<b>32,746</b>	<b>33,547</b>	<b>801</b>	<b>53,878</b>	<b>53,633</b>	<b>951</b>	<b>36</b>	<b>52,646</b>	<b>51,111</b>		

**Total Operating revenue**

YTD total Operating revenue is on forecast.

**Total Operating Expenditure**

YTD Operating expenditure is \$0.8m lower than forecast.

**Professional Fees, consultancy & contractors, \$0.1m higher:** An overspend is due to additional resourcing time in the Skills & Workforce and Investment teams.

**Grants, Contributions, sponsorship, \$0.5m lower:** This is due to delays with various Major Event contracts and a Tourism Australian campaign going out later to market than originally planned.

**Travel & entertainment, \$0.1m lower:** Due to lower spend in the Investment team.

**Advertising, marketing and research, \$0.2m lower:** Underspend in Destination of \$0.5m is mainly due to delays in various event contracts and a tourism campaign. Economic Development underspend of \$0.1m is driven by the Skills & Workforce team.

**Other expenditure on activities, \$0.1m lower:** Due to underspends across the business.

**Summary of Activities**

Summary of Activities: Net Amount of Spend and/or (Revenue) > 0.5m													TABLE 3
For the Period Ended 31 March 2019													\$000's
Month			Year to Date				Full Year						
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year		
<b>Destination</b>													
23	23	0	ITM Auckland Supersprint	1,073	1,073	0	1,739	1,550	0	0	1,550	1,380	
80	77	(3)	Auckland convention bureau	400	399	(1)	1,161	798	0	0	798	811	
0	0	(0)	Trade marketing - Premium	26	25	(0)	25	775	0	0	775	710	
(8)	(8)	0	Tāmaki Herenga Waka Festival	2	2	0	2	500	0	0	500	478	
692	693	1	Pasifika Festival	514	515	1	515	374	0	0	374	399	
(9)	(8)	1	Auckland Lantern Festival	276	278	1	278	255	21	0	234	196	
<b>Economic Development</b>													
423	411	(13)	GridAKL	3,305	3,292	(13)	4,569	4,028	300	0	3,728	4,505	
66	65	(1)	Maori Economic Development	108	108	(1)	394	536	0	0	536	342	
0	0	0	Kumeu Screen Precinct	0	0	0	0	0	0	0	0	0	
(162)	(117)	45	Auckland Film Studio	(819)	(774)	45	(1,092)	(245)	0	0	(245)	(13)	
(91)	(93)	(2)	Auckland regional partnership programme	(836)	(838)	(2)	(1,065)	(1,072)	0	0	(1,072)	(1,083)	
62	76	14	Local Boards	405	419	14	1,070	1,070	102	36	932	657	
<b>Strategy</b>													
4	47	43	Brand Services	141	184	43	663	792	0	0	792	184	

All Activities are on forecast

## Summary Statement of Financial Position

<b>Statement of Financial Position, ATEED Group</b>		
<b>As at 31 March 2019</b>		
<b>TABLE 4</b>	<b>YTD</b>	<b>\$000's Jun-18</b>
<b>Current assets</b>		
Cash and cash equivalents	169	1,084
Receivables and prepayments	8,418	10,763
<b>Total current assets</b>	<b>8,588</b>	<b>11,847</b>
<b>Current liabilities</b>		
	<b>5,188</b>	<b>7,704</b>
<b>Working capital</b>	<b>3,400</b>	<b>4,143</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	9	24
Property, plant and equipment	18,953	18,135
Investment in Joint Venture, The FoodBowl	1,929	2,018
<b>Total non-current assets</b>	<b>20,891</b>	<b>20,177</b>
<b>Non-current liabilities</b>		
	<b>2,935</b>	<b>2,938</b>
<b>NET ASSETS</b>	<b>21,356</b>	<b>21,382</b>
<b>EQUITY</b>	<b>21,356</b>	<b>21,382</b>
<b>Capex spend</b>	<b>3,052</b>	<b>7,906</b>
<b>Total future commitments</b>	<b>\$90.4m</b>	<b>\$75.7m</b>

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

**Receivables and prepayments:** A decrease in Intercompany Receivables due to Dec-Mar intercompany transactions settled in March and a decrease in GST, Other Current Receivables and Provision for Doubtful Debts under IFRS9.

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

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

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

**Total Future Commitments:** Operating lease costs of \$67.1m for GridAKL program over a twelve-year period including passage of time rent increases, \$8.1m for 167B Victoria Street over a 9 year period, \$1.2m for Kumeu Film Studio over a 3 year period, \$0.1m for the B:Hive at Smales Farm over a 2 year period and \$13.7m for operational commitments.

## Receivables \*

### By System:

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
Auckland Council System	1,384	54	124	6	627	2,195	
Grid AKL	63	5	3	4	28	103	Promise to Pay's have been received on most of the 4 month debt
<b>Total Debtors</b>	<b>1,447</b>	<b>59</b>	<b>127</b>	<b>10</b>	<b>655</b>	<b>2,298</b>	

### By Consolidated Debt:

Aged debtors (\$000's)	Current	1 month	2 month	3 month	4 months+	Total
ATEED's debtors	1,447	59	127	10	655	2,298

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
880 Productions NZ Ltd Partnership	776	0	0	0	0	776	Licensee - Kumeu Film Studio.
New Zealand Trade & Enterprise	0	0	0	0	494	494	Government funding grant - payable in 12 monthly instalments. Final payment due July 2019.
Generator New Zealand Limited	408	4	0	0	0	412	GridAKL operator. Since received \$408k to 10/04/19
ABC Studios NZ Limited	107	0	0	0	0	107	Licensee - Auckland Film Studio.
Asia New Zealand Foundation	0	0	58	0	0	58	Sponsorship. Collection being managed by Strategic Partnerships
Other Debtors	157	55	70	10	161	452	Other debts are being actively managed by Council and ATEED
0	0	0	0	0	0		
<b>Total Debtors</b>	<b>1,447</b>	<b>59</b>	<b>127</b>	<b>10</b>	<b>655</b>	<b>2,298</b>	

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

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

## Recommendation

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

## Signatories

Manager: Claire McCracken, Finance Manager

GM: Jacky Hollingsworth, Chief Financial Officer

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## Chief Executive Report – April 2019

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

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### **Purpose**

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

### **Strategic issues/opportunities**

#### **Review of Vocational Education (ROVE)**

ATEED representatives participated in three government Review of Vocational Education (ROVE) consultation events with TEC officials, hosted by MIT, UNITEC and the EMA. Employer engagement is low, and those employers and industry organisations aware of the proposals, are generally not confident that the review will deliver the changes they are seeking in vocational education. ATEED's view is that the needs of employers and learners must be at the centre of the reforms. While regional agencies such as ATEED can support regionally-tailored delivery, a diverse range of employers need to be directly engaged (scale and industries) and regional arrangements need to have the ability to influence system funding. ATEED did not provide a formal submission due to Council's process requirements and timeframes.

## ATEED priority projects

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

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
<b>APEC 2021 (APEC21)</b>				
				The APEC21 Auckland project management office is based at ATEED. The APEC21 Auckland programme will not be in delivery until the 2021/22 financial year. Activity until then involves governance and operational and leverage planning, in preparation for APEC events in Auckland in late 2021.
<b>36<sup>th</sup> America’s Cup (AC36)</b>				
				The Host Venue Agreement has now been signed by all parties, which allows the project to progress into the next phase.
<b>Manukau</b>				
				<p>The following update includes progress on cross-Council projects with ATEED as lead partner.</p> <p><b>Creative Industries</b> (including screen, performing arts and Te Papa): Creative industries workstream formed. Activity relating to leverage of the possible Te Papa development is on hold pending the outcome of the Government’s Budget in May 2019 and further work on the project direction.</p> <p><b>Manukau Jobs and Skills Hub:</b> Government Ministers will open the Manukau Jobs and Skills Hub on the morning of 28 June, followed by the opening of the Northern (Glenfield) Hub in the afternoon. MBIE is assuming the leases for the two new hubs and will take over the CBD Hub by June. ATEED is leading business/employer engagement and marketing/communications for the new hubs, and is also on the interview panel for the two hub managers.</p> <p><b>Industry 4:</b> Concept development is underway in partnership with The University of Auckland and Siemens for an Industry 4 lab located at the Newmarket Innovation Precinct, focussed on food and beverage (F&amp;B) manufacturing.</p>

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
				<p>A concept is being developed for a South Auckland F&amp;B manufacturing cluster to accelerate the growth of added value export products developed by New Zealand firms. A recent meeting with MBIE highlighted that there will be no Government financial support for a clusters' programme in the pending budget.</p> <p><b>Green Economy:</b> Scoping work to highlight opportunities in this area. These include; a series of circular economy innovation workshops; support of aligned SBN initiatives; potential collaboration with Callaghan Innovation Energy and Environment team; and development of the Greenhouse co-working space in west Auckland.</p> <p><b>Destination:</b> Vodafone Events Centre has requested involvement in a tourism-focused group.</p>

## Month in review

### Economic Development

#### Screen Auckland

More than 60 permits were issued in March, and 150 enquiries captured. Twenty applications are currently in progress.

ATEED hosted eight Los Angeles studio executives in March for an Auckland screen suppliers' networking breakfast (SETNZ famil), co-hosted a client and industry event at the New Zealand Consulate in Hong Kong with the New Zealand Film Commission, and hosted a London-based company Sohonet event for post-production/VFX companies at ATEED's office.

#### Regional Business Partnership Programme (RBP Programme)

In March, the Business and Enterprise team met with or spoke to 110 businesses, seven of which identified as Māori business owners. About 325 referrals were made, 56 NZTE capability development vouchers were issued (valued at \$155,777) and one R&D grant of \$2,425 was approved. The NPS remains high at 81, ahead of the national average of 73 for this high performing government-funded programme.

## **Skills and Workforce**

### High-skilled migrants

The “*Auckland – we’re hiring*” campaign to attract high-skilled construction and technology talent has resulted in more than 850 job applications via the AucklandNZ website, and an additional 1,158 LinkedIn job applications. More than 95,000 high-skilled migrants were contacted via the Immigration New Zealand database for the campaign. In addition to the digital campaign, ATEED’s *LookSee Build* sponsorship is regularly supporting the industry to recruit 8-10 people each month. ATEED’s Skills and Workforce specialist, travelled to London and Manchester with employer partners, to better understand the UK market and participate in *Working Here* expos attracting expats and high-skilled migrants to Auckland.

### Youth pathways

The *Go with Tourism* campaign was successfully launched on 5 April, resulting in more than 100 ‘quality employer’ business registrations on the campaign website. ATEED has requested funding from MBIE for an independent campaign evaluation, particularly given the role of the Auckland network of Jobs and Skills Hubs (which will support young people not directly employed via the Job Connector website function). An MoU has been signed with the New Zealand Careers Expo for a *Go with Tourism* pavilion at the ASB Showgrounds on 23-25 May.

ATEED’s Head of Skills and Workforce, represented ATEED at the launch of IBM’s P-Tech (Pathways in Technology) pilot programme, with Aorere College and Manurewa High School in south Auckland, having supported local programme development and delivery. The pilot will be run in term three in partnership with tertiary provider [Manukau Institute of Technology](#) (MIT) and industry partner [The Warehouse Group](#).

### Workforce resilience

Focus groups and key informative interviews are underway for the ATEED-commissioned ‘Auckland’s future skills needs’ research project. Interviewees included The Warehouse Group, New Zealand Post, Ports of Auckland, Vodafone, Douglas Pharmaceuticals, SKYCITY, Auckland Council, Mainfreight, Frucor, TechFutures Lab, Foodstuffs, Wynyard Innovation Neighbourhood members and more. Many of these organisations will be panellists at the Future Ready Summit, on 26 June. The event is expected to be the first milestone for ATEED’s new future of work/workforce resilience programme.

## **Destination**

### **Major Events**

#### Elemental AKL

The *Elemental AKL* winter festival website is on track to go live on 29 April, when the festival is formally launched.

Regional Facilities Auckland (RFA) has taken on sole responsibility for the delivery of a festival hub in Aotea Square, which will include a mix of ticketed and free events, showcasing the rest of the festival. Events are continuing to sign up to the festival on a marketing-only basis and through the menu activation programme.

#### Cultural festivals

The overall customer satisfaction for the 2019 Auckland Lantern Festival was 89 per cent, an increase of nine per cent compared to the previous year. Some key findings from the customer survey found that respondents were very positive about what the event meant for the city, with 96 per cent of respondents agreeing that Auckland Council should continue to support events like the Lantern Festival and 94 per cent saying that the event brought people from different ethnic and cultural groups together (compared to 95 per cent and 91 per cent respectively in the previous year). The Auckland Lantern Festival's sustainability objectives through the *Cultural Festivals Strategy* resulted in 62 per cent of waste being diverted from landfill. This has nearly doubled in two years, with the diversion being 34 per cent in 2017.

Given the need to prioritise police resourcing following the events in Christchurch on 15 March, Pasifika festival, which was due to run on 23 and 24 March, was cancelled. Although the festival would have been an opportunity to bring Auckland's communities together at a time of national mourning, given the unprecedented nature of what happened and after discussions with the New Zealand Police, it was agreed that Police must prioritise resourcing to ensure the safety of communities across the city.

#### National programme

The first marketing communication went out to industry on 20 March, announcing that the National Programme application window will open from 1 April until 30 April. An information session was held on the 11 April.

#### Activation, Leverage and Marketing

The Major Events team is currently working with *Art Fair* to deliver Auckland destination content in conjunction with the artists. The content will showcase Auckland through the artists and will be shared on social media in April.

A drone was used to film *Sculpture on the Gulf*, which also captured voice-over content of tourists. This footage will be used to promote Auckland in the future. If investment in this event goes ahead next year, the content can be used to support domestic and international marketing activities.

## **Tourism**

### International Consumer and Trade Marketing

A short break campaign aimed at leisure travellers on Australia's eastern seaboard was in market from 18 February to 10 March. Preliminary results show that new strategies implemented following lessons learned from previous campaigns have had a significant impact. This year's campaign landing pages received 44,386 active visits, compared to 3,491 in the previous campaign. The bounce rate also improved, dropping from 84.31 per cent in the previous campaign to 13.95 per cent in the latest campaign. Full campaign results will be available in next month's report.

### Tourism Innovation

ATEED attended a workshop with Ngāi Tai ki Tāmaki to contribute to the development of the iwi's tourism strategy and vision. Ngāi Tai ki Tāmaki has plans to develop the tourism offering on both Motutapu and Rangitoto, with a focus on building tourism infrastructure (accommodation, activities and events). ATEED will be providing a \$10,000 grant to support the development of this tourism strategy.

### Tourism Investment

Following the successful launch of the Auckland account prototype on WeChat at Auckland's Lantern Festival, the investment case for phase 2 and 3 for Auckland's official WeChat project has been approved and will commence in April. Phase 2 will concentrate on onboarding further members of the local Chinese community and phase 3 will focus on targeting potential visitors in the Chinese market.

## **ACB**

Working with ACB membership and industry partners, ACB's business events opportunities won<sup>1</sup> will result in a total tourism spend of \$22.7m, generating 42,045 delegates and 57,938 visitor nights. A total of 248 opportunities have been submitted YTD, a tourism spend value of \$105.9m, with 119,795 delegates and 378,589 visitor nights.

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<sup>1</sup> YTD March 2019

Breakdown of YTD win activity:

	Total	Delegates	Economic value (million)	Visitor nights
<b>International Associations*</b>	12	5,710	\$11,504,856	31,565
<b>New Zealand</b>	40	18,487	\$6,688,025	17,235
<b>Australia</b>	38	17,848	\$4,580,315	9,138
<b>TOTAL</b>	<b>90</b>	<b>42,045</b>	<b>\$22,773,196</b>	<b>57,938</b>

**Study Auckland**

The first session of Talent Solutions' Career Accelerator Programme was held on 12 March at AUT. More than 100 students attended from 11 different education providers. The Career Accelerator programme aims to explain the job application and interview process, allowing candidates the opportunity to be considered for roles where they would put their qualifications to good use.

**People, Culture and Change**

People	Current	Last month
<b>Head count</b>	221	225
<b>FTE</b>	215.35	216.60

**Strategy****Statement of Intent 2019-22 – shareholder feedback**

Shareholder feedback on our draft Statement of Intent (SOI) 2019-22 was considered by the Council Finance and Performance Committee on 16 April. Key areas of feedback were as below, with detailed feedback in Attachment 1.

- ATEED's response to climate change
- Clarity on KPIs

- The Auckland Investment story
- Visibility of proposed APTR spend
- Māori economic growth
- Further clarity on ATEED's role in certain key projects.

Following this meeting, it is expected that a letter confirming official shareholder feedback will be provided to the Chair and CE in early May. Management will incorporate this feedback into the final ATEED SOI 2019-22, which will be presented to the Board for consideration and sign-off at the June Board meeting.

### **Media**

The America's Cup, Pasifika Festival and the dolphin mooring at Queens Wharf dominated the news cycle in March. The highest volume of coverage for the month was in newspapers (46.65 per cent of the total). Please see Attachment 2 for a full media summary.

### **Finance**

ATEED is \$0.8m lower net spend than forecast. Revenue is on forecast. The variances in expenditure are:

- \$0.1m increase in professional fees, consultancy and contractors due to increased resourcing time in the Skills & Workforce and Investment teams
- \$0.5m decrease in grants, contributions and sponsorship due to delays in various major event contracts
- \$0.1m decrease in travel and entertainment in the Economic Development Investment team
- \$0.2m decrease in advertising, marketing and research due to timing across Destination, Economic Development and Strategy
- \$0.1m decrease in other expenditure on activities across the organisation.

The Finance team will be reviewing and revising reporting during the coming months, to align reporting to the Statement of Intent and Council reporting formats.

### **Health and Safety**

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

## **Recommendations**

1. The report be received.

## **Attachments**

1. Shareholder feedback on ATEED's 2019-22 Statement of Intent
2. Media summary for March 2019
3. Health and Safety Scorecard for March 2019
4. Upcoming events / activity (April – June 2019)

## **Signatory**

Nick Hill, Chief Executive

## Attachment 1: Shareholder feedback on ATEED's 2019-22 Statement of Intent

### CCO-specific comments

#### Auckland Tourism Events and Economic Development (ATEED)

##### *Climate change*

20. The draft refers to working with council on the Auckland Climate Action Plan but is largely silent on its response to the ambitions in this plan and in the Auckland Plan 2050. The final document should include any new ideas or approaches ATEED may apply or how it might contribute to reducing carbon emissions and ensuring resilience to climate change.
21. A focus of ATEED's current SOI and now in the draft 2019-2022 SOI refers to working with other organisations (under the New Zealand Tourism Sustainability Commitment) to develop a set of sustainability measures and a framework for measuring and reporting these within the first year. Given this work has not progressed in 2018/2019, ATEED should accelerate this activity in 2019/2020 and confirm the measurement base year in the final SOI.

##### *Performance measures*

22. For the final SOI, the draft 2019/2020 performance measures require further refinement, clarification on scope, and for some (KPI 1, KPI 3 and KPI 5) the establishment of benchmark data.
  - KPI 1 contribution to regional gross domestic product – this proposes to include facilities in the scope of its interventions. Staff suggest ATEED considers how this fits with the framework for how ATEED adds value, which includes transferring mature and established activities to capable owners where this is feasible.
  - KPI 2 number of businesses - the target could be more ambitious given actual results for 2017/2018. ATEED should also clarify how 'businesses that have benefitted from an ATEED intervention' will be defined.
  - KPI 2 contributory measure on Māori businesses – it is unclear how this relates to the delivery of the cross-cutting Māori economic theme. If no further specific measures are identified, ATEED should support the development of the council-family Māori Outcomes Performance Measurement Framework and contribute and report on agreed metrics when developed.
  - KPI 3 number of new jobs created, safeguarded or retained - ATEED should clarify the definition of a new job and how this will be calculated. It is unclear what the difference is between a job 'safeguarded' and 'retained' and how this will be defined and measured. ATEED should also attempt to provide this data by sector, location and type of job.
  - KPI 5 customer satisfaction - ATEED should clarify the extent of customer segmentation that will be available under this measure (e.g. by central government stakeholder, elected members, business associations etc.).

- Wherever possible, ATEED's performance measures should be able to be classified spatially (e.g. North, West, South) which will aid in building a picture of how these areas (and ATEED's interventions in these areas) are performing.

*Investment story*

23. A focus of ATEED's current SOI and now in the draft 2019-2022 SOI refers to the development of a shared Auckland Investment Story (action from the s17A review). Given it has not yet been completed, ATEED should accelerate this activity in 2019/2020 and confirm in the final SOI when it will be completed and rolled out.
24. The draft 2019-2022 SOI is also silent on the ongoing governance and reporting framework referred to in the letter of expectation and this should be included.

*Accommodation Provider Targeted Rate (APTR)*

25. ATEED has a strong programme of destination activity planned in its draft 2019-2022 SOI to implement Destination AKL 2025 but it is largely silent on the activity partly funded by the APTR. The 2018-2021 SOI contains a table which shows the budgeted expenditure on various activities from the rate. ATEED should reinstate this table in the final 2019-2022 SOI to provide greater transparency of the activities funded.

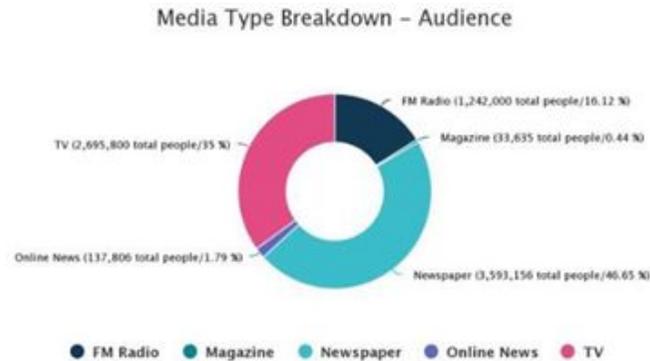
*Māori Economic Growth*

26. The draft 2019-2022 document states ATEED is completing a refresh of its Māori Economic Growth Strategy. Staff note this was developed a year ago and is already being refreshed. The strategy should move from draft to final and ATEED should ensure the final strategy provides more specifics on the initiatives/projects it has in place to deliver on the aspirations referenced in the SOI.

*Clarity on ATEED contribution*

27. There are some areas in the draft 2019-2022 SOI where more clarity and progress are required, namely:
  - APEC 2021 (Asia-Pacific Economic Cooperation meeting)
  - America's Cup activity
  - the ATEED Economic Development Plan
  - a review of the governance model of GridAKL.

## Attachment 2: Media summary for March 2019



### Overall coverage (325 stories)

The America's Cup and resource consent hearings for the Dolphin Mooring dominated the early part of the March news cycle. However, from 15 March the focus was on the Christchurch terror attacks, and all proactive media engagement went on hold.

ATEED Comms and Media team played a key role in the inter-agency council working group to support central government efforts to get information out to the public, and organise Auckland commemorative events.

\* Online News had the highest volume of coverage (164 items or 50% of the total)

### AC36 (123 stories)

Media covered a dispute over the validity of late entries for the America's Cup from the Netherlands (Dutch Sail), Malta (Malta Altus) and the west coast of the United States (Stars n Strips Team USA). They were subsequently formally accepted following meetings between defender Emirates Team New Zealand and Challenger of Record Luna Rossa in March. The America's Cup received a setback with the opening round of the world series schedule for Italy in October now postponed until early next year. Auckland was the big winner from the world series delay with an extra regatta now planned for New Zealand next year. The postponement news overshadowed the '2-years to go' milestone announcement on 6 March. ETNZ's telecommunications partner Spark received another setback on the launch of its new mobile network, with a Treaty claim on the spectrum unresolved.

The marine industry warned planned new Auckland anchoring fees aimed at very large superyachts and some cruise ships could drive them away. ETNZ joined marine industry opposition to an Auckland Council proposal to levy foreign superyachts that moor in the city's waters. The media covered High Court action by Great Barrier Island residents to challenge a decision by the Environmental Protection Authority to allow Coastal Resources Limited to dump an increased 250,000 cubic metres of dredged waste off the island's coast. The increase is partly due to dredging for the America's Cup Village at Wynyard Quarter. ETNZ is open to having women among its sailing crew for AC36. The only requirement is the sailors chosen must be the best person for the job. The Netherlands entry (DutchSail) is using crowdfunding to support their challenge. The New York Yacht Club is making rapid progress with its scaled-down test boat proving the new foiling monohull concept; Kiwibank was announced as banking partner of ETNZ, and Carolijn Brouwer plans to become the first woman to drive an America's Cup challenger boat in the 168-year history of the event.

### Dolphin Mooring (61 stories)

The independent hearing into a proposed extension to Auckland's Queens Wharf, to allow huge cruise ships to berth, heard a chorus of objections from multiple community groups, and there were claims that Mayor Phil Goff was breaking an election promise. Of the 329 submissions on the proposal, 284 were against the plan, 44 supported it and one was neutral. The independent panel of three has delayed its decision until after Easter. ATEED Media and Comms team worked with Panuku to ensure that interested media had access to all feasibility documentation to mitigate inaccurate statements from opposition groups. John Smith (Cruise Project manager) featured in several interviews including Morning Report on Radio New Zealand, Newstalk ZB and the NZ Herald.

## Favorability

	Tone of Voice		
	Neutral	Positive	Negative
Mar 2019	42%	48%	10%
Feb 2019	31%	63%	6%
Jan 2019	21%	65%	*14%

	Share of Voice			
	ME	CORP	ED	DEST
Mar 2019	64%	5%	2%	29%
Feb 2019	61%	6%	5%	28%
Jan 2019	77%	8%	3%	12%

\*Largely due to Pride Parade Board's decision not to allow uniformed Police to march in this year's event.

### Pasifika Festival (33 stories)

Event promotion and coverage of the 27th Pasifika Festival was short lived, with the decision by ATEED to cancel the event on NZ Police advice due to police resourcing priorities following the Christchurch terror attacks.

The Pasifika Festival was one of several major events impacted by national policing priorities.

### Other ATEED-related stories that garnered media coverage:

#### Go with Tourism

ATEED launched the Go with Tourism programme that aims to match young people with potential employers.

This resulted in some positive media pick up from Newsroom, NZ Herald, and a prime-time breakfast interview for Steve Armitage with Mike Hosking on Newstalk ZB.

#### WeChat mini programme

The WeChat mini programme was launched at the Lantern Festival in February and has continued to attract media coverage this month. Aimed at the China visitor market, the live-chat social media platform is recruiting New Zealand-based Chinese to provide useful tips about places, things to see and do and eat while visiting Auckland.

#### Santa Parade

ATEED confirmed it would transfer \$45,000 to Council's Arts, Community and Events department to fund the 2019 parade.

#### Rugby league international series

A five-match international programme was launched this month by Rugby League International Federation, New Zealand Rugby League, and England Rugby Football League. The matches were brought to Auckland with the help of investment by ATEED on behalf of Auckland Council.

Mt Smart Stadium will host a re-match between the Kiwis and Mate Ma'a Tonga on 22 June, along with a Kiwi Ferns match. Eden Park will host a triple header of tests (Kiwis v Great Britain; the Kangaroos v Tonga; and Samoa v Fiji) on Saturday, 2 November.

#### NZ's 2023 Netball World Cup bid

Media covered the International Netball Federation confirming South Africa had triumphed over New Zealand to stage the global tournament in 2023.

#### Auckland Writers Festival

Extensive coverage of the festival's programme lineup for 2019.

## Attachment 3: Health and Safety Scorecard for March 2019

### Update



- We are finalising getting Safe 365 (H&S diagnostic assessment tool) through Council. Roll out details and timeline being considered and Council being consulted for details of their own roll out experiences and learnings. Tool shown to ALT and will be shown to the newly combined Audit, H&S and Risk Committee.
- Work continuing on The Hub H&S content refresh including new online induction to supplement and consolidate the workspace tour and additional leanings.
- Relevant and effective training for leaders and applicable staff being investigated. Main focus based on IOSH Managing Safely course (culture, leadership, risk assessment, incident investigation) which will be condensed into an ATEED version or 'module' style approach.
- We have positive indications that we (and Panuku) will obtain access to Tupu (AC learning management system). Best outcome = full access to all online learning, registration for face to face offerings and back end recording and tracking.
- End of season Major event production team learning workshops scheduled. Further training for event production team being explored to raise skill and capacity.
- Relevant Destination staff (famil booking) streamlining their risk assessment and info gathering process to be simpler for operators and staff themselves whilst still meeting compliance requirements.

### Risk Manager



#### Incidents: 1

Ergonomic issue; resulting from not having a desk (x2 days) & working off laptop. Also having to re-adjust desk/computer screen daily when desk available. Monitoring.



#### Near misses: 1

Hot water temperature in kitchen hubs runs very hot. Employee scalded hand. Business Manager looking into viable solutions.



#### Unsafe condition/hazard: 0



#### Open Incidents in Risk Manager: 3

Two ergonomic issues being monitored

11

**Attachment 4: Upcoming events / activity (April-June 2019)**

Key events / activity	Date	Location
Pop-up Globe	February - April	Ellerslie
Nelson Mandela My Life: Exhibition	13 April – 8 August	Eden Park
Hockey Pro League	27 Jan, 1 Feb, 8 Mar, 10 Mar, 25 April	North Harbour Hockey Stadium
Elemental Launch Event	29 April	TBA
Auckland Art Fair	1 - 5 May	The Cloud
NZ International Comedy Festival	2 - 26 May	Various
China Business Summit	6 May	Cordis Hotel
Auckland Writers Festival	14 - 19 May	Various
Tripartite Summit 2019	19 – 21 May	Various, Auckland
Go with Tourism pavilion at Careers Expo	20-23 May	ASB Showgrounds
Auckland Wine Week	TBC	Shed 10
High-skilled migrant attraction winter campaign	June	Digital with Immigration New Zealand
Outward Business Delegation	3 – 7 June	Los Angeles

Key events / activity	Date	Location
War Horse 2019	21 June - 7 July	Civic
NZRL NZ vs Tonga Double Header	22 June	Mt Smart
Future Ready Summit 2019	26 June	Vodafone Centre, Manukau
GABS Beer, Cider & Food Fest	29 June 2019	ASB Showgrounds, Greenlane
Matariki Glow Show	Various June and July	Various (Papakura (June) Henderson, Freemans Bay, Western Springs)
Celebrating Matariki at Auckland Zoo	28 June - 26 July	Auckland Zoo
Lights out on Great Barrier Island	Various June and July	Great Barrier Island