

Board Meeting Agenda, Friday 31 August 2018  
 Tāmaki Makaurau Boardroom, L8 139 Quay Street

Item	Subject	Action	Start Time	Duration	Pg.
<b>OPEN AGENDA</b>					
1	Apologies	To Note	1.30 p.m.	1 mins	
2	<a href="#">Open Minutes 27 July 2018</a> and <a href="#">Open Action Tracker</a> , Nick Hill	To Approve	1.31 p.m.	2 mins	<b>1</b>
3	<a href="#">Directors Interest Register, Conflicts of Interest Declaration</a> , David McConnell	To Note	1.33 p.m.	2 mins	<b>4</b>
4	<a href="#">Chief Executive's Activity Report</a> , Nick Hill	To Note	1.35 p.m.	15 mins	<b>13</b>
5	<a href="#">Finance Report</a> , Joy Buckingham		1.50 p.m.	10 mins	<b>42</b>
	<b>Close of Meeting</b>		<b>2.00 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>	Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland
<b>When:</b>	Friday, 27 July at 1.22 p.m.
<b>Directors:</b>	Stuart McCutcheon (Acting Chair) Mike Taitoko Evan Davies Glenys Coughlan (via teleconference)
<b>Apologies:</b>	David McConnell Helen Robinson Danny Chan
<b>In Attendance:</b>	Tim Kingsley-Smith, Company Secretary Steve Armitage, GM Destination / Acting CE Joy Buckingham, Chief Financial Officer
<b>Public &amp; Media Attendance:</b>	N/A

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### Background

- A. Stuart McCutcheon was appointed as Chairperson for the meeting.
- B. It was noted that the quorum is a majority of the directors (12.9 of the Constitution) and there currently being seven 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

The apologies of David McCutcheon, Helen Robinson and Danny Chan were noted.

#### 2. Minutes of Previous Meeting and Action Tracker

The Board discussed the draft minutes of the meeting held on 29 June 2018 and the Open Action Tracker.

The Board **approved** the minutes of the meeting held on 29 June 2018 and confirmed the minutes were a true and correct record.

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

The Board **noted** the Directors' interests register.

#### 4. Chief Executive's Activity Report

Steve Armitage spoke to the paper:

- ATEED's Statement of Intent was published on the ATEED website after the Board adopted it at the June Board meeting. There was newspaper and TV coverage, with media interpreting the document as signalling a shift from Most Liveable City to Quality Jobs.
- The refined ATEED purpose and strategic direction has been communicated to all staff, and each team has been asked to outline how it contributes to the purpose. The strategic direction and new SOI KPIs are being cascaded to individual staff through the annual performance setting process.
- The Destination Plan, which sits under the Destination Strategy, is due to be considered at the upcoming first meeting of the Destination Committee. Following this, it will be considered by the Board.

Following the conclusion of discussions, the Board **noted** the paper.

## 5. Finance Report

Joy Buckingham spoke to the paper and noted that financial information to 30 June 2018 will be available to the public following the release of the Group Annual Report to the NZX on 1 October 2018.

Management thanked the Board for its feedback on the Annual Report. The feedback has been incorporated into the Report.

Following the conclusion of discussions, the Board **noted** the paper.

The Chairperson declared the meeting closed at 1.41 p.m.

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

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Chair

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Date



**Open Board Action Tracker  
As at 31 August 2018**

No.	Action	Result of Action	Status	Target Date	Responsibility
<b>29 June 2018 – Board Meeting</b>					
1.	Prior to the next Statutory Board Meeting, Management agreed to review how ATEED addresses sustainability and environmental impact both from an internal point of view and from an external influence point of view.		In Progress	28 September 2018	Nick Hill

### ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
David McConnell	<p>Trustee, McConnell Family Trusts</p> <p>Managing Director, McConnell Group Limited (6581873)</p> <p>Director, McConnell Property Limited (6830354)</p> <p>Director, McConnell Property Services Limited (2093843)</p> <p>Director, McConnell Developments Holdings Limited (2066570)</p> <p>Including trading Subsidiary and Investments</p> <ul style="list-style-type: none"> <li>▪ Mariner Rise Limited (1897890)</li> <li>▪ Addison Group Limited (3377631)</li> <li>▪ Addison Developments Limited (855954)</li> <li>▪ Beaumont Park Limited (1892636)</li> <li>▪ Titanium Park Development Limited (1731580)</li> </ul> <p>Director, Steelpipe Limited (49280)</p> <p>Director, What Comes Next Limited (5860568)</p> <p>Director, The Shooting Box Limited (866096)</p> <p>Director, Ayrilies Parklands Trust (1646167)</p> <p>Director, McConnell International Pty Ltd</p> <p>Director, Ecoclen Technology SDS BHD Ltd</p> <p>Director, Orange H Group Ltd and subsidiaries (in liquidation) (3691741)</p> <p>Director, H Infrastructure Limited, (3691835)</p> <p>including trading subsidiaries H Infrastructure (Fiji) Ltd</p> <p>Director, Future Schools Partners GP Limited (5625905)</p> <p>Director, Future Schools Partners GP 1 Limited (5616086)</p> <p>Director, MTC Land Investments Limited (5452582)</p> <p>Director, McConnell Limited (634938)</p>

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	<p>Director of multiple non-trading entities.                  Board member, Kings College                  Director, Real Estate Institute of New Zealand</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>	Officers
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>	
Evan Davies	Director, Kimono Capital Limited (6341449) Director, Long Bay Village Limited (5830034) Director, Todd Property Group Limited (2291506) Director & Shareholder, Welch Securities Limited (1122606) Director, Long Bay Communities Limited (1415659) Director, Stonefields Communities Limited (1025439) Director, Okura Holdings Limited (1512475) Director, Long Bay Farming Limited (1560352) Director, Ngunguru Coastal Holdings Limited (1285296) Director, Ngunguru Coastal Investments Limited (1570675) Director, Tall Oaks Holdings Limited (1968803) Director, Todd Land Holdings Limited (2152132) Director, Todd Th Limited (1875941) Director, Lld Limited (1308103) Director, Paris Magdalinos Architects Limited (1941004) Director, Todd Property Pegasus Development Limited (4857639) Director, Todd Capital Limited (936395) Director, Todd Winegrowers Limited (2152133) Director, Todd Property Usa Limited (3912181)	

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	<p>Director, Altera Apartments General Partner Limited (4566279)                  Director, Stonefields Development Limited (3692395)                  Director, Panuku Development Auckland Limited (3089645)                  Director, Todd Property Pegasus Town Limited (4126839)                  Director, Todd International Investments Limited (1017227)                  Director, Pegasus Town R24 Limited (4869619)                  Director, Win Limited (6192307)                  Director, Nel Farms Limited (4969859)                  Director, Tc Farms Group Limited (5477244)                  Director, Todd Property Ormiston Town Centre Limited (3027783)                  Director, Todd Property Napier Hill Limited (3483383)                  Director, Todd Property Huapai Development Limited (5293201)                  Director, Pegasus Town R23 Limited (4868161)                  Director, Ilico Apartments General Partner Limited (4757340)                  Director, Todd Property Stonefields Apartments Limited (3736202)                  Director, Todd Property Albany Development Limited (3808876)                  Director, Saltus Apartments General Partner Limited (3809036)                  Director, Titanium Park Development Limited (1731580)                  Director, Kapiti Coast Airport Holdings Limited (3917540)                  Director, Todd Property Pegasus Town Services Limited (3250819)                  Director, Todd Property Whitby Development Limited (4102938)                  Director, Bellus Apartments General Partner Limited (5830670)                  Director, Verto Apartments General Partner Limited (5716247)                  Director, Priory Pastoral Farm Limited (1370798)                  Director &amp; Shareholder, Kokako Farms Limited (152400)                  Director, Priory Pastoral Developments Limited (1472500)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors</p>
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	and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Glenys Coughlan	<p>Director, Dunedin Venues Management Limited (2298338)          Director &amp; Shareholder, GJ &amp; Company Limited (6095649)</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 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>
Danny Chan	<p>Director and Shareholder, A1 FLOWER WHOLESALERS LIMITED (810599)          Director and Shareholder, ALPHA ASSET MANAGEMENT LIMITED (645615)          Director and Shareholder, ARN INVESTMENTS LIMITED (2192871)</p>

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	<p> Director and Shareholder, FLOWERZONE INTERNATIONAL LIMITED (582216)  Director and Shareholder, FLOWERZONE TURNERS LIMITED (491878)  Director and Shareholder, GRIFF TRADING LIMITED (1212490)  Director and Shareholder, LADY WHITE SNAKE FILM LIMITED (1531000)  Director and Shareholder, NEW EDUCATION INVESTMENT LIMITED (323228)  Director and Shareholder, ORIENT ASSET MANAGEMENT LIMITED (424595)  Director and Shareholder, ORIENT PACIFIC INVESTMENTS LIMITED (1169701)  Director and Shareholder, ORIENT PACIFIC MANAGEMENT LIMITED (1169702)  Director and Shareholder, ORPAC INTERNATIONAL LIMITED (668742)  Director and Shareholder, PLANIT PRODUCTS NZ LIMITED (1812117)  Director and Shareholder, RHINO SECURITY LIMITED (1218758)  Director and Shareholder, SHARP MULTI-MEDIA LIMITED (1222077)  Director and Shareholder, SHARP MULTI-MEDIA PRODUCTION LIMITED (1488659)  Director and Shareholder, SIMTUTOR LIMITED (5285041)  Director and Shareholder, SUMFOOD LIMITED (6281982)  Director and Shareholder, TAHERE CALLA &amp; BULB COMPANY LIMITED (620632)  Director and Shareholder, TAHERE CALLAS LIMITED (541102)  Director and Shareholder, TALAFORD INVESTMENTS LIMITED (243773)  Director and Shareholder, THE ACADEMIC COACHING SCHOOL LIMITED (1218520)  Director, ABANO HEALTHCARE GROUP LIMITED (13802)  Director, ASIA PACIFIC CENTRE FOR FOOD INTEGRITY LIMITED (4798639)  Director, BOSS SYSTEMS LIMITED (1566017)  Director, CARBONSCAPE LIMITED (3953398)  Director, CLUB Q CONDOMINIUMS LIMITED (366215)  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) </p>
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	<p> 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)  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) </p>
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	<p>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 McCutcheon	<p>Director, Lexington Properties Limited (1605485)          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</p>

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	<p>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>
<b>Board Advisor</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Sir Pita Sharples	<p>Director, Tu Maori Mai Limited (5584726)          Director, Arapita Limited (1369621)</p> <p>Hoani Waititi Marae - Taumata          Te Ropu Manatiki – Kai ako          Te Whare Tu Taua – Tumu Whakaarei          Ngā ti Kahungungu iwi – Taumata          Te Toa Takitini – Kaumatua advisor          Aorangi maori trust board – Kaumatua          Rakau Tatathi Marae – Paepae          Mahi Tahi trust Board – Member          Maori and Pacific Trade Training – Manawhaka haere          Maori Heritage Council – Member          NZ Heritage Trust Board – member          Emerge Aotearoa – Board Kaumatua          NPM – Patron          Te Arapai – Member          Auckland Museum Trust Board - Member          Auckland Museum Maori Council – Member          Special Expert Group on Organ Donation – Member          Pacific Leaders Programme – Consultant          Matatini – Life Member</p>

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	<p>Zin and Tane Chinese Maori Dance Production – Producer White Ribbon Campaign – Ambassador West Auckland Task Force against Domestic Violence – Member Pillars – Patron Tamaki Makaurau Haka Society – Life Member Unitech Maori Advisor Maori Chinese youth forum – Kaumatua Heritage NZ Pouhere Taonga Trust</p>
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Updated 17/07/2018

OPEN

August 2018

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# Chief Executive Report - August 2018

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.

## Chief Executive Overview

ATEED released the second Auckland Growth Monitor at the beginning of August. This is a key platform for ATEED to frame economic development issues and increase visibility and engagement. As well as a summary of “focus sectors” (those driving economic growth), this issue includes sections on Māori economic development, the visitor economy and infrastructure. There is also a section on the distribution of business and employment across the Auckland region. While the document is generally well-regarded, the discussion on Māori economic development has been particularly well-received. The narrative takes a positive, strengths-based perspective, identifying a young population with increasing opportunities in tourism, creative industries and construction. Alexia Russell for Newsroom wrote a very positive story, which can be found here:

<https://www.newsroom.co.nz/2018/08/14/190946/auckland-growth-monitor?preview=1>.

The progress we are making on Manukau and South Auckland will become the most visible shift in ATEED’s activities as we respond to our refreshed purpose as an organisation, and I am keen to ensure the Board is fully engaged in this work as it develops. ATEED is actively involved in helping to develop an economic case for transformational impacts on Manukau. There is strong support for investment from the Mayor and Councillors as well as the business community. I met with the Ōtāra-Papatoetoe Local Board this week to reinforce ATEED’s role and commitment to the project.

I visited Japan at the beginning of August for a week. Japan had been identified as an important market for Auckland when we undertook the “first principles review”. Auckland has important long-standing investment, visitor and trade relationships in Japan. Fukuoka is a city sister which is at the forefront of internationalisation, and ATEED through GridAKL, has been working with Fukuoka’s own city-owned innovation hub, Fukuoka Growth Next. I took the opportunity to travel with the Mayor, and ATEED helped to develop a programme for this visit (as well as David Taipiri, Chair of the Independent Māori Statutory Board and Marty Rogers from Te Puni Kōkiri) that included a strong business investment focus.

## Strategic Issues/Opportunities

### CCO accountability review: Strategic direction

The Auckland Council CCO Governance team have advised that they will be undertaking work to review the role of Council and CCOs in the development and implementation of Council

strategy (please see Attachment 4). Council will present to the Board in November on the Strategic Direction Review, the Accountability Policy in the Long-term Plan and the final Auckland Plan.

### Destination Committee

Induction has been completed for the accommodation sector representatives on the Destination Committee. The inaugural Committee meeting was held on 2 August and minutes are attached as part of the Board agenda.

### APTR legal challenge

Auckland Council has advised that the legal challenge to the accommodation providers' targeted rate is due to be heard in May 2019, with a decision expected in 2020.

### Organisational change

Jacky Hollingsworth has accepted the role of Chief Financial Officer, with a signed contract and start date of 10 October.

ATEED has received building consent for the office refit for the Spark building (level 6 and 7). The contract for the build has been awarded and the contract has been signed. The project remains within \$3.2m budget envelope. There is a structured change management programme in place to engage and equip staff with the information required in creating a more flexible way of working in the new environment.

## ATEED Priority Projects

Provided below is the overall status and overview of current ATEED priority projects – APEC 2021, 36th America's Cup and Manukau.

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
<b>APEC 2021</b>				
				<p>An Auckland Leverage and Legacy Expert Panel has been established, with representatives from across the Council group, to inform the development of the APEC 21 Leverage and Legacy Plan. The plan will include a programme of activity to deliver on the legacy goals, potential delivery partnerships and funding sources. Wider stakeholders will be engaged on the plan and programme from October with a final plan expected to be in place prior to Christmas.</p> <p>The Auckland City Operations Working Group met on 9 August, and the Auckland Executive Steering Group met on 2 August.</p>
<b>36<sup>TH</sup> AMERICA'S CUP (AC36)</b>				
				<p>The governance structure for AC36 has been established, comprising:</p> <ul style="list-style-type: none"> <li>AC36 Joint Chief Executives' Group with Americas Cup Events (ACE) Limited, Crown, Council (including ATEED's CE) and mana whenua representatives</li> <li>Two key project arms: infrastructure development (with an Infrastructure Alliance Board) and events delivery (chaired by ACE as</li> </ul>

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
				<p>the event owner and including representatives from Pānuku, Crown and ATEED's Head of Major Events as lead for the Council group)</p> <ul style="list-style-type: none"> <li>A programme management office to support the governance structure with oversight from ATEED. Recruitment is underway for a Senior Project Manager and Programme Co-ordinator in the Major Events team to drive this work.</li> </ul> <p>Key focus for the next month is agreeing an event concept by the end of September and agreeing a Host Venue Agreement for signing by the end of November.</p>
<b>MANUKAU</b>				
				<p> The initial workshop between Pānuku, The Southern Initiative and ATEED regarding opportunities in South Auckland took place on 3 August.</p>

## Month in Review

### Economic Development

#### The Meg

Auckland's international reputation as a blockbuster film destination has been boosted off the back of *The Meg* premieres in Beijing and Los Angeles on 2 August, with ATEED promotional activity at the events resulting in more leads for the pipeline from both locations.

Warner Bros and Gravity Pictures hosted the first New Zealand screening of *The Meg* at The Civic on 13 August attracting extensive media attention.

#### Tourism Skills Campaign

The Tourism Youth Perceptions research was launched with the Mayor and industry on 22 August, in partnership with Tourism Industry Aotearoa. Key insights include:

- More than three quarters (77 per cent) of young New Zealander general population believe that tourism is an important part of the New Zealand economy. More than half of that same group (55 per cent) believe that jobs in tourism sound more interesting than other jobs.
- Transferable skills are important to young New Zealanders (78 per cent of the general population of young people consider working in tourism helps develop skills that they could use in other jobs). The bulk of young people working in the tourism sector (95 per cent) also agree.
- The majority of young New Zealanders (72 per cent) stated that tourism offers plenty of job opportunities for young people. Those already working in the tourism sector also agree (85 per cent).

The research is the first of its kind in New Zealand and will support an industry wide campaign to address current and future skills shortages.

## **Destination**

ATEED participated in the Virtuoso Travel Week in Las Vegas from 12-17 August. More than 400 meetings were held with key in-market partners and senior executives.

## Major Events

ATEED has confirmed sponsorship for Disney's Aladdin, which will run from January to March 2019 at The Civic.

## Tourism

A short break campaign is underway in Australia, from 13 August to 2 September, to build awareness and entice Australians to escape to Auckland for a short break. Media spend, creative and channels have been aligned to the three mindsets: dream, plan and book, with the campaign using Facebook, TrueView (YouTube), digital display, native, retargeting and a content partnership with Fairfax. Helloworld is the conversion partner, providing package deals for inclusion in the campaign, as well as running a separate Auckland campaign (\$100,000), funded by Auckland Airport to support and extend the short break campaign.

The *Made for Winter* domestic marketing campaign is in market until 31 August showcasing Auckland's culinary and indigenous food stories, including a second Matariki Gourmet Hāngi experience hosted by The Grounds eatery and chefs Ben Bayly, Karena and Kasey Brid.

## ACB

A joint venture project has been completed with AMEX Global Meetings and Events (USA), with a whitepaper completed on "*How to Take Incentives from Another Day at the Beach to a Bucket List -Worthy Experience — And Why It Matters*". Auckland was featured as a case study, which was in market at the end of July. Further USA promotions are planned for later in the year.

## Study Auckland

A panel event promoting The Superdiversity Centre Global Talent Internship programme to potential interns (students) and employers was held at GridAKL on 15 August. The programme aims to help high-growth Auckland companies operating in knowledge economy sectors gain better access to international graduate talent.

Study Auckland has partnered with the Young Enterprise team based at the Auckland Chamber of Commerce to deliver a series of innovative speakers in schools to promote the benefits of outbound international education. Past recipients of the Prime Minister's Scholarships for Asia and Latin America will talk to current school students about their experiences offshore, and about the range of destination opportunities available to them. These speaking engagements will be delivered to schools across Auckland with priority on high schools in the South and West.

## **People, Culture & Change**

The e Rea programme of work is progressing in the key areas of focus across purpose, people, leadership, process and workplace.

The CE has facilitated discussions across all divisions on ATEED's purpose. Subsequently six purpose statements have been developed on how respective roles and activities support creating more quality jobs for Aucklanders. Follow up discussions are being planned.

The Pulse employee engagement tool has been rolled out with an 87 per cent participation rate at the end of July. This is beginning to provide rich, real time data to help shape areas of focus. In the next four to six weeks ALT will review themes from the feedback and identify areas of focus.

A digital leadership library has gone live as part of developing the leadership capability across the business. Change leadership workshops are also planned to support leaders through the premise move and leading in a flexible work environment. A learning needs analysis will take place in September to inform the development of the broader leadership programme.

Through both direct feedback from the organisation and from the Pulse engagement pilot, wellness has been identified as an area for improvement. Work has commenced with Sir John Kirwan to develop a programme to support good mental health which will form part of the wellness programme. An initial workshop has been booked with ALT and tier 3 managers and individual interviews with staff will provide recommendations for ALT to consider.

People	Current	Last month
Head count	209	207
FTE	203.52	200.65

## Strategy

ATEED's 2018-2021 Statement of Intent was approved by the Finance and Performance Committee on August 21, with no changes. Council officers noted that "staff have some residual concerns about the methodology for calculating the measures, but do not recommend any further changes to the statement of intent at this point. Instead, staff will work with ATEED over the next year in the review of the performance measures."

ATEED staff have started discussions with Council regarding the development of robust methodologies for each KPI including leveraging the expertise of the Auckland Council Chief Economist.

July saw widespread media coverage of AC36 planning, Kauri dieback, the Accommodation Providers Targeted Rate and new ATEED strategy. A media summary is included as Attachment 1.

## Key Performance Indicators

A key priority over 2018/19 is the development of a comprehensive measurement framework based on the new SOI KPIs (included as Attachment 2), that clearly show the impact of ATEED's investments and interventions.

The first set of results against the new KPIs will be reported at the end of Q1, although the full suite of all measures and agreed methodologies will not be available until early Q3.

## Finance

ATEED is \$0.7m behind Budget. This is due to:

- \$0.2m decrease in Staff costs relates to unfilled vacancies across the business
- \$0.3m decrease in Professional fees due to delays in project resourcing

- \$0.2m decrease in Grants, contributions, sponsorship due to timing delays across the business
- \$0.2m increase in Occupancy due to Kumeu Film Studio (KFS) adjustment to turnover rent to recognise rent increases across the period of the lease
- \$0.2m decrease in Advertising, marketing and research due to timing in Destination, Economic Development and Strategy.

There has been significant change in the business since the budget was set in December 2017. Forecast 1 will provide an opportunity to reflect these changes.

Further detail is contained in the Finance Report.

### **ATEED Directors' Expenses Policy**

Following a request from the Audit and Risk Committee, attached is the Auckland Council Elected Members' Expense Policy (see Attachment 5). The CCO Governance team recommended that ATEED Directors adopt and follow the same expense policy and guidelines. By way of process, all ATEED Director expenses are submitted to our Company Secretary, Tim Kingsley-Smith, who will check the documentation for completeness and adherence to the policy and then forward it to the relevant approver for sign-off.

<b>General Expenses</b>	
<b>Director</b>	<b>Approver</b>
Board Chair	Chair of Audit and Risk Committee
Directors	Board Chair

### **Recommendations**

1. The report be received.

### **Attachments**

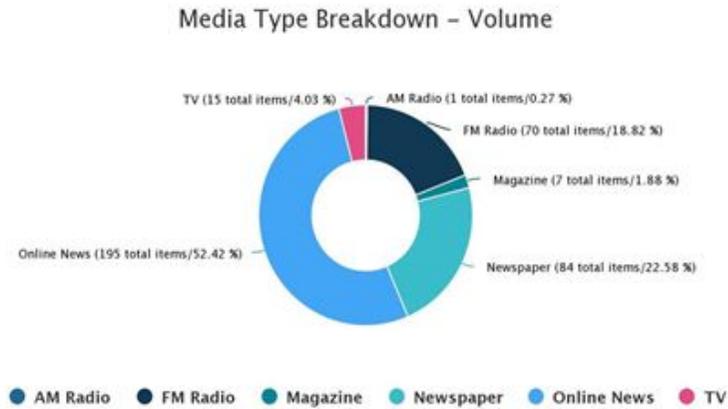
1. Media Summary
2. SOI Indicator Framework
3. Upcoming events/activity (next three months)
4. CCO accountability review: Strategic direction
5. Auckland Council Elected Members' Expense Policy

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### **Signatory**

Nick Hill, Chief Executive

## Attachment 1: Media summary for July 2018



## Favorability

**Tone of Voice**

	Neutral	Positive	Negative
Jul 2018	16%	70%	*14%
Jun 2018	36%	60%	4%
May 2018	29%	63%	8%

**Share of Voice**

	ME	CORP	ED	DEST
Jul 2018	12%	59%	7%	19%
Jun 2018	13%	54%	18%	15%
May 2018	5%	38%	23%	34%

\* Largely related to Airbnb operators impacted by the targeted rate, and lack of action by the MPI relating to kauri dieback.

### Overall coverage (372 stories)

- Plans for the America's Cup continued to dominate the news agenda with confirmation that three challengers met the first deadline to compete for the cup. Significant coverage also surrounded Tourism Industry Aotearoa's opposition to Auckland Council's new 'Airbnb rate', and ATEED unveiling its new strategy document.
- Online news had the highest volume of coverage (195 items or 52%).

### AC36 (151 stories)

- Chris Rattue (*NZ Herald*) wrote an opinion piece critical of ETNZ, claiming that Grant Dalton doesn't seem to be taking the America's Cup forward. The article followed news that only three challengers had signed up to compete for the 2021 regatta by the first deadline.
- Ngāti Whātua Ōrākei filed a statement with the Environment Court supporting the notified resource consent application by Panuku Development Auckland (Panuku), which will allow for infrastructure to be developed ahead of the America's Cup.
- Iwi had previously opposed a resource consent for extensive modifications on the waterfront.
- London-based Corinthian Sailing Club released a FACEBOOK video showing what appears to be INEOS TEAM UK's first prototype monohull design.
- Meanwhile Peter Burling and Blair Tuke confirmed their intention to try to win another gold medal at the 2020 Tokyo Olympic Games, as well as being part of ETNZ's cup defence.

### Kauri dieback (65 stories)

- With more reports of kauri dieback, the Ministry of Primary Industries set out to defend its kauri dieback programme performance against claims it was a failure.
- Meanwhile there was coverage of a hunt for kauri resistant to dieback disease, and stories highlighting businesses in the tourism sector impacted by the spread of kauri dieback.
- ATEED's Communications and Media team continues to work closely with Council's Communications team to ensure that information about track closures and the impact this will have is being widely canvassed.

**Targeted rate (39 stories)**

- Tourism Industry Aotearoa was critical of Auckland Council's new 'Airbnb rate'.
- Council intends to charge extra rates on owners of accommodation advertised on Airbnb and other online sites – if they rent their accommodation for more than 28 nights a year. Some hosts claim they will be forced to stop their operation due to the new rate.

**New ATEED strategy (23 stories)**

- The Comms and Media team worked exclusively with Todd Niall (Stuff) and Alexia Russell (Newsroom) on the launch of the strategy which included one-on-ones with Nick Hill, CE ATEED. The coverage resulted in interviews on TVNZ *Breakfast*, *Newshub* and commentary from Mike Hosking at *Newstalk ZB*.

**Other stories of interest that garnered some favourable media support:**

- Auckland's thriving screen industry – New Zealand is continuing to cement its reputation as a movie-making destination with a record number of film permits being issued. While Wellington remains a big player in the industry, Auckland is now also seeing more screen time. (One News – TVNZ)
- Kumeu Film Studios – *The Meg*, starring Jason Statham, Li BingBing, and Kiwi actor Cliff Curtis. A US-China co-production by Warner Bros. and Gravity Pictures, the majority of the movie was filmed in Auckland in 2016 at Kumeu Film Studios and on the waters around Auckland. The premiere was in Los Angeles on 6 August, with the first New Zealand screening on 13 August at The Civic.



NEW AUCKLAND

## Show biz is big business for Auckland

- ITM SuperSprint – Supercars return to the spiritual home of motor sport in New Zealand, Pukekohe Park Raceway, in November this year. The event was launched in July in Auckland.
- ACB – convention centres to become the golden egg for hotel industry.
- High tech Māori tourism attraction – the proponent of a huge pou (Māori statue) on Auckland's waterfront is an ambitious concept which iwi believes could attract more than a million visitors a year.
- ASB Marathon – wheelchair athletes set to race over Auckland Harbour Bridge for the first time during this year's marathon.
- ASB Classic – tournament put at risk due to new world team's tennis event to be held in Australia 2020.
- ATEED released figures showing the money it spent on entertainment costs for January-December 2017.

## Attachment 2: SOI Indicator Framework

KEY PERFORMANCE INDICATOR	2018/19 TARGET	LATEST RESULT	STATUS	COMMENTS
<b>KPI 1:</b> Contribution to regional GDP from ATEED interventions. <sup>1,2</sup>	Benchmark	No result to date		With detailed business planning still being finalised for the Destination and Economic Development divisions, 'interventions' to be included in this measure are still being finalised.
<i>Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)</i>	\$49m	No result to date		No data available for ATEED supported events year to date
<b>KPI 2:</b> Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). <sup>1,2</sup>	3,000	No result to date		The Strategy and Planning team are currently working across the business to finalise the programmes and interventions to be included in this measure and to ensure regular (monthly) reporting is available.
<i>Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)</i>	120	No result to date		As above
<b>KPI 3:</b> Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. <sup>1,2</sup>	Benchmark	No result to date		With detailed business planning still being finalised for the Destination and Economic Development divisions, 'interventions' to be included in this measure are still being finalised.
<b>KPI 4:</b> Number of visitor nights resulting from an ATEED intervention. (LTP measure) <sup>2,4,5</sup>	340,000	No result to date		No data available for ATEED supported interventions year to date
<b>KPI 5:</b> Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	Benchmark	No result to date		ATEED is working with AC Nielson on the development of a Voice of the Customer pilot programme. Results from the pilot are expected at the end of Q1.

1. Also able to be analysed and reported by target sectors. 2. Also able to be analysed and reported by target locations. 4. Also able to be analysed and reported by commercial and non-commercial nights. 5. Also able to be analysed and reported by peak, shoulder and off-peak season nights

**Attachment 3: Upcoming events / activity (next three months)**

KEY EVENTS / ACTIVITY	DATE	LOCATION
The Meg – New Zealand launch	13 August	The Civic
New Zealand Fashion Week	17 August – 2 September	ANZ Viaduct Events Centre
Auckland Tourism Skills Campaign Industry launch	22 August	Novotel Auckland Airport
All Blacks vs Australia	25 August	Eden Park
International Conference on Biomechanics in Sports 2018	10-14 September	AUT City Campus
Auckland On Water Boat Show	27–30 September	ANZ Viaduct Events Centre
Auckland Diwali Festival	20-21 October	Aotea Centre
ASB Auckland Marathon	28 October	Various Auckland locations

## Memorandum

25/07/2018

**To:** CCO Chief Executives

**Subject:** CCO Accountability Review: Strategic Direction

**From:** Alastair Cameron, Manager CCO Governance & External Partnerships

### Purpose

1. To inform CCOs on work underway to improve the strategic direction setting for council and CCOs and principles that have been developed to help guide this process.

### Context/Background

2. The Accountability Review programme for CCOs, approved by the Governing Body in February 2017 aims to improve the strategic alignment, accountability and responsiveness of CCOs using existing accountability mechanisms.
3. A key workstream in the review has been assessing council's strategic direction setting, which specifies the outcomes it wants from CCOs and determines whether CCOs are delivering to these outcomes. We want to ensure council is as clear as possible what it expects CCOs to deliver.
4. The primary role of Auckland Council is to develop policies, strategies, plans and regulations that drive the city forward. CCOs have an important role in providing information on how the strategies and plans are best implemented and in implementing the strategies and plans. However, it is not the role of CCOs to set the strategic direction for the Council or for Auckland.
5. The legislative context for CCOs to be held accountable for implementing council's strategy and plans is provided for in the Local Government Auckland Council Act section 92, where CCOs are required:
  - to 'give effect' to the Long-term Plan (LTP), and
  - to act consistently with the relevant aspects of any other plan or strategy of the council to the extent specified in writing by the governing body of council.

### Discussion

6. The council's substantive strategic documents are the Auckland Plan, the LTP and Local Board Plans. Alongside the substantive plans, there are a suite of 'second-tier' strategies, policies and plans. These are a mix of place-based plans (for example the City Centre Masterplan), topic-based plans (e.g. Auckland Economic Development Strategy) and policies (e.g. Public Art Policy and the Smoke free Policy).
7. In reviewing the directives to CCOs in council's strategic framework, several issues have emerged that relate to the governance and roles and responsibilities in developing and implementing strategies / plans that need to be addressed. It is acknowledged that greater clarity is required in council's strategies and plans on the role that our CCOs are expected to play.
8. With the adoption of Auckland Plan 2050, there is now work underway to clarify the status of the second-tier strategies and whether any update is required to reflect the new Auckland Plan. This work provides an opportunity to help address the concerns raised in the accountability review. This work will also include a high-level alignment exercise to determine whether there
  - is a role for CCOs
  - are gaps in the direction given to CCOs, and whether these gaps need to be addressed.
9. If gaps are identified, staff will focus on ensuring that the CCOs' responsibilities in terms of governance, roles and funding of these strategies is clarified. The principles outlined in the next

section will be used to guide this process. The principles outline how the council and CCOs should work together in strategy and policy development and review, as well as the decision-making process, and will be included in the soon to be revised Governance Manual for Substantive CCOs.

10. The outcomes of this work will be used to guide the 2019 Letter of Expectation and 2019-2020 Statement of Intent process.

### **Next steps**

11. Staff will be in touch with the CCO Board secretaries to identify what would be the best way to communicate the Auckland Plan implementation programme, strategy alignment review and the principles for strategy development.

### **Attachments**

Attachment 1: Principles for council and CCO strategy development

## **Attachment 1: Principles for council and CCO strategy development**

The principles identify how the council and CCOs work together in strategy and policy development and review, as well as the decision-making process. Strategy development and advice cannot be carried out in isolation. It involves team work and collaboration with a range of internal and external stakeholders and experts. Implementation considerations are fundamental inputs to its development.

These principles relate to strategy development that is not solely specific to the CCO's service delivery.

### **Commissioning**

- Council leads the commissioning of strategies for Auckland and the Auckland Council group, unless a CCO is explicitly delegated this activity by the Governing Body
- Where a CCO identifies a strategy or policy gap, the CCO talks to council staff in the first instance to seek an agreed approach
- Council staff, in collaboration with relevant CCOs and other interested parties, assess the need for a strategy
- If a strategy is required, council staff and CCO jointly seek council committee agreement to proceed in strategy development and to agree strategy lead.

At the completion of the commissioning process the council and CCOs should have a clear understanding of the issue to be addressed; what council's involvement in this issue should be; which department will lead the work; how CCOs will be involved; and the broad programme of work.

### **Analysis, engagement and advice process**

- In developing a strategy council staff need to consider the overall strategic framework and how the strategy will contribute to the outcomes of the Auckland Plan.
- Early engagement with key stakeholders is desirable. The communications and engagement plan should be agreed at the commencement of the strategy development process.
- Council and CCO staff will work collaboratively within the organisation and with external agencies and stakeholders.
- The council will not develop strategies without considering the relevant CCOs' implementation plans.
- Council will not develop strategies which require CCOs to deliver activity where funding for implementation has not been considered or identified.

### **Seek and obtain decision**

- Council staff should write the covering report to any CCO report seeking a decision on a strategy.
- Council staff should ensure that contestable, evidence-based advice is provided, where appropriate, to decision-makers.





# **AUCKLAND COUNCIL ELECTED MEMBERS' EXPENSE POLICY**

**November 2016**

**Adopted by the Governing Body on 10 November 2016 (GB/2016/252)**

**Approved by the Remuneration Authority on 29 November 2016**

V 1.1

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### **Version control**

V1.0 – Presented to the Governing Body on 10 November 2016.

V1.1 – Adopted by the Governing Body on 10 November 2016. Amended from V1.0 to reflect minor changes requested at the Governing Body meeting in sections 5.3, 5.6, 5.10, 5.11 and 8.3.

## Elected members' expense policy

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## Elected members' expense policy

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### 1. Purpose and scope

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1.1 The purpose of this policy is to:

- identify elected members' allowances and entitlements
- explain the approval process for reimbursement of expenses incurred by elected members whilst undertaking their duties.

1.2 Auckland Council's Democracy Services Department administers this policy. For queries on the policy please contact:

Jo Iles  
Business Hub Manager  
Democracy Services  
MOB: 027 207 0893  
[jo.iles@aucklandcouncil.govt.nz](mailto:jo.iles@aucklandcouncil.govt.nz)

1.3 Other Auckland Council documents containing information relevant to this policy include the:

- elected members' code of conduct
- elected members' technology policy
- catering policy
- fleet vehicle policy.

1.4 This policy may be reviewed regularly and is current until superseded.

## Elected members' expense policy

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### 2. Overarching principles

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- 2.1 The guiding principles for expenditures are those contained in the Office of the Controller and Auditor-General good practice guide "Controlling sensitive expenditure: Guidelines for public entities". The expenditure should be subject to standards of probity and financial prudence that are to be expected of a public entity and able to withstand public scrutiny, both perceived and actual.
- 2.2 Elected members may incur expenses while on council business, for which they can be reimbursed. Reimbursement and use of council-supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.
- 2.3 To be reimbursable, expenses must:
- have a justifiable council-related business purpose; council business means representing the council at formal council meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups and meetings with members of the public. It does not include events where the primary focus is on social activity or electioneering
  - be moderate and reasonable having regard to the circumstances, i.e. able to pass the test of being prudent use of ratepayers' money under public scrutiny
  - be actual and justified by an original tax receipt
  - be approved by the relevant authoriser
  - be within relevant budget provisions
  - be presented on the approved Auckland Council claim form and signed as true and correct
  - be consistent with the rules set by the Remuneration Authority, who has responsibility under the Local Government Act 2002 to determine remuneration, expense and allowance rules for local authority members.
- 2.4 Transparency and accountability guide the reimbursement of elected members' expenses. The council's internal audit work programme includes annual testing of expense claims and allowances paid to elected members and staff. External auditors also regularly review elected members' expenses. To ensure transparency, Democracy Services publishes elected members' remuneration, expenses, mobile technology and professional development costs on the council's website on a quarterly basis. The information is located at:  
<http://www.aucklandcouncil.govt.nz/EN/AboutCouncil/representativesbodies/electedrepresentatives/Pages/home.aspx>

### 3. Allowances and benefits

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#### General provisions

- 3.1 Each year, the Remuneration Authority sets the base remuneration and allowances for all Auckland Council elected members. The Remuneration Authority Determination can be found at:  
<http://remauthority.govt.nz/clients-remuneration/remuneration-for-local-government-elected-officials/>

### **Elected members' expense policy**

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- 3.2 The Remuneration Authority has authorised Auckland Council to extend its flu vaccination employee benefit to elected members. Elected members can book this service through the intranet when it is made available to staff every autumn.
- 3.3 The Remuneration Authority has specified that other staff benefits cannot be provided to elected members.

#### ***Communication technology***

- 3.4 Members who choose not to take council communication technology may receive the allowances set out in the Remuneration Authority Determination. These will be automatically paid pro rata in the elected members' fortnightly payment cycle.
- 3.5 The council will not pay the allowance if an elected member's private hardware and software are outdated and/or incompatible with Auckland Council's systems. This is because in this case Auckland Council cannot provide the information and support needed for the elected member to perform his/her duties.
- 3.6 Rules governing the use of council equipment are set out in the Auckland Council Elected Members' Technology Policy.

## **4. Travel rules and processes**

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### ***Booking travel***

- 4.1 All travel-related bookings are arranged via Democracy Services or Local Board Services support staff.
- 4.2 Travel should be booked as far as practical in advance of the actual travel date to enable best price to be obtained.

### ***Travelling and mixing business and private travel***

- 4.3 The council will pay for the Mayor's partner to accompany the Mayor when his/her partner is also taking part in council business.
- 4.4 The council will not pay for any other elected member's partner or family member to accompany them on council-related travel.
- 4.5 Democracy Services and Local Board Services support staff can arrange bookings for family members of an elected member if they are travelling together provided a personal credit card is given for payment at the time of booking.
- 4.6 Elected members can have a stop-over or undertake private travel before, during or at the end of travel paid for by the council provided there is no additional cost to the council. They can also vary their route for private travel at their own expense. They must pay the cost of any private travel before travel is undertaken.
- 4.7 If the duration of the business trip extends over a weekend, elected members may return home for the weekend, provided the cost of doing so is less than the cost of staying.

## **5. Land and sea transport**

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- 5.1 In accordance with the Remuneration Authority determination the Mayor can be provided with a vehicle for full business and private use.

## Elected members' expense policy

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### *Parking at home office*

- 5.2 Parking is provided at no cost to elected members at their main place of work: for Governing Body members at the Head Office of Auckland Council, for Local Board members at their Local Board office.

### *Travel around Auckland*

- 5.3 Elected members are expected to use public transport, their private car or council vehicles when on council business, noting that Auckland Council promotes public transport and cycling as the preferred ways of moving around Auckland.
- 5.4 For public transport, including ferry, elected members are encouraged to use a HOP card, then print their account statement from the HOP card website and highlight any transaction for which they are seeking reimbursement.
- 5.5 Road tolls and parking fees incurred when on council business will be reimbursed.
- 5.6 If elected members use their private car, mileage allowances will be reimbursed according to the rules set out in the Remuneration Authority Determination, at the maximum rate. To satisfy the Inland Revenue Department's requirements, mileage payments are subject to deduction of tax at the appropriate rate.
- 5.7 Elected members' use of private vehicles on council business is not covered by the council's insurance.
- 5.8 For the avoidance of doubt an elected member is not required to be a member of a committee or sub-committee to claim mileage for attendance.
- 5.9 Mileage expenses for elected members conducting District Licensing Committee business are subject to the rules for District Licensing Committee members set up by central government.

### *Taxis and rental cars*

- 5.10 Taxis are not the preferred mode of transport around Auckland because of cost. However, a taxi or a car sharing or pooling scheme can be used for safety/security reasons or if other means of travel are more costly, impractical or an inefficient use of time. If using a taxi or a car sharing or pooling scheme, elected members must pay for the fare and claim the cost, detailing the reason for use.
- 5.11 A rental or private car can be used by elected members for work-related travel outside the Auckland region if other means of travel are more costly, impractical or an inefficient use of time. The class of the car should be the most economical considering the requirements of the trip (e.g. length of journey, number of passengers).
- 5.12 Rental cars hired for council business are not to be used for personal travel.
- 5.13 The council's insurance policy provides insurance for the use of rental cars anywhere within New Zealand. It is not necessary to purchase further insurance from the rental agency.
- 5.14 Rental cars must be refilled with fuel before returning them to avoid the high refuelling charges of hire companies.

## Elected members' expense policy

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### 6. Air travel

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- 6.1 Elected members can fly with any airline provided the flight booked is at best value for the council and scheduled to best meet the business needs of the elected member. Flight choice will not be influenced by the elected members' own airline loyalty memberships.
- 6.2 All travel is economy class. An elected member can upgrade to business class in instances when he/she will fly more than six hours continuously and will be engaged in council business within 24 hours of arrival. If upgraded, the elected member must not convert the whole, or part of, the ticket into cash or any other benefit and travel on a cheaper ticket class.
- 6.3 The council will pay one airline club membership for the Mayor and Deputy Mayor given their frequent travel needs. The council will not pay for any other airline frequent flyer or club membership.

### 7. Accommodation

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- 7.1 Auckland Council is able to procure preferential public sector rates at many New Zealand and Australian hotels. These rates are significantly lower than standard rates offered to business customers and are often lower than rates offered through conference organisers. For this reason all accommodation, including that for conferences must be booked through Democracy Services and Local Board Services support staff.
- 7.2 Accommodation reserved should be of the standard business range. Staff will advise about options.
- 7.3 Elected members' responsibilities include:
- checking the accuracy of the accommodation account when checking out
  - signing the account to indicate it is correct
  - retaining a copy of the accommodation account for reconciliation purposes.
- 7.4 When travelling on council business an elected member may stay in private accommodation. When this occurs the elected member can be paid an allowance of NZ\$60 including GST per night to cover accommodation, breakfast and dinner expenses. This allowance is intended to be paid to the accommodation provider to cover at least a portion of the costs he/she may incur.
- 7.5 Elected members sometimes attend evening events as official representatives of Auckland Council. If the event will conclude after 10.30pm and travel back to the elected member's residence is impractical, the council will reimburse the cost of overnight accommodation at a standard business range hotel or motel.
- 7.6 Whenever practical the elected member should obtain prior written approval.

### 8. Travel expenses

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#### *Travel expenses reimbursed*

- 8.1 The business-related travel expenses outlined in the table below will be reimbursed by Auckland Council when an elected member is away from his/her home for one night or more.

### Elected members' expense policy

8.2 Expenses are only payable for days the member is on official business, including a weekend if official business requires this.

8.3 For overseas travel, reimbursable expenses are subject to the daily expense guideline rates for the country of travel. Guideline rates are published on the council intranet. The council uses the guideline rates of Ministry of Foreign Affairs and Trade.

Expense	Details
<b>Meals</b>	<ul style="list-style-type: none"> <li>On the basis of actual and moderate expenditure, or according to the daily rates for international travel</li> </ul> <p>Meal expenses cannot be claimed if:</p> <ul style="list-style-type: none"> <li>a complimentary meal is provided by an airline</li> <li>a meal is prepaid through an accommodation package (e.g. hotel breakfast)</li> <li>the cost of the meal is included in the cost of a seminar or conference</li> <li>Elected members are entertained by their hosts</li> </ul>
<b>Entertainment</b>	<ul style="list-style-type: none"> <li>Before travel, any anticipated entertainment events must be specified on the travel booking form and must at all times be directly related to council business – see section 11</li> </ul>
<b>Alcohol</b>	<ul style="list-style-type: none"> <li>The council will not pay for any alcohol, except for the approved entertainment of third parties – see paragraph 11.9. However such expenditure is regarded as sensitive expenditure and accordingly should be at a moderately-priced level to avoid any perception of lavishness</li> </ul>
<b>Car parking</b>	<ul style="list-style-type: none"> <li>Airport parking if it is more economical for the elected member to leave his/her car at the airport rather than take a taxi or using car sharing and pooling schemes</li> </ul>
<b>International driver's licence fee</b>	<ul style="list-style-type: none"> <li>If a rental car is used as part of the trip</li> </ul>
<b>Telephone and data expenses</b>	<ul style="list-style-type: none"> <li>Short calls home from overseas</li> <li>Prudent data usage to access emails and the internet overseas</li> <li>Calling from overseas can be expensive from hotels or roaming cell phones and should be kept to a minimum. Democracy Services Business Hub staff will advise on the most cost effective way to call home, which may include a calling card</li> </ul>
<b>Laundry</b>	<ul style="list-style-type: none"> <li>Actual and required laundry expenses               <ul style="list-style-type: none"> <li>for trips in excess of three days</li> <li>if an accident necessitates it</li> </ul> </li> </ul>
<b>Tips (gratuities) – International travel</b>	<ul style="list-style-type: none"> <li>In some countries tipping airport baggage handlers, taxi drivers, hotel porters and waiters/waitresses is expected. The council will reimburse moderate tips only where tipping is local custom. It is accepted that the elected member will not have receipts for these, but a record should be kept to accompany any claim</li> </ul>
<b>Visa and vaccination fees</b>	<ul style="list-style-type: none"> <li>If needed for travel to some international countries</li> </ul>

## Elected members' expense policy

### *Travel expenses not reimbursed*

8.4 The council will not reimburse any the expenses listed in the table below.

Expense	Details
<b>Mini-bars</b>	<ul style="list-style-type: none"> <li>Any alcohol items consumed from mini-bars</li> </ul>
<b>Movies</b>	<ul style="list-style-type: none"> <li>Any in-room movies</li> </ul>
<b>Traffic infringements</b>	<ul style="list-style-type: none"> <li>Any speeding fines and any other traffic infringement notices incurred while on council business</li> </ul>
<b>Passport application fees</b>	<ul style="list-style-type: none"> <li>Elected members are responsible for obtaining or renewing their passport and ensuring that it will not expire within six months following the return date of travel</li> </ul>

### *Other international travel expenses*

8.5 Elected members undertaking international travel should use their personal credit card and submit an expense claim on their return. However, in countries where credit cards are not widely accepted and cash is needed for incidental expenses (e.g. taxi fares), cash advances can be issued. Support staff from Democracy Services and Local Board Services will coordinate these requests on the elected member's behalf.

8.6 Cash advances are kept as low as possible to ensure compliance with Auckland Council's cash handling procedures, which aim to minimise risks of theft and loss. In any event the maximum cash advance cannot exceed the expected total cost of daily meals and incidentals.

8.7 On return all cash advances and foreign exchange must be reconciled within 10 working days. The reconciliation, together with all receipts and unspent cash, should be returned to Democracy Services or Local Board Services support staff.

### *Upgrades*

8.8 If an elected member accepts airline, accommodation or any other upgrades while travelling on council business, he/she must declare them in accordance with the Elected Members' Code of Conduct.

## 9. Travel insurance

### *Coverage*

9.1 The council's travel insurance policy covers all travel in New Zealand and overseas. It covers an elected member who travels to represent the council for periods not exceeding three months, and performs 'low risk' work activities such as marketing and representation functions. The insurance also covers the Mayor's partner if he or she is approved to travel with the Mayor – see paragraph 4.3. Partners accompanying the elected member in a private capacity are not covered.

9.2 The primary travel purpose must be council business. The travel insurance extends to provide cover for normal tourist and holiday activities that form part of or are added to the business trip, provided the council business-related portion of the travel is substantially larger than the portion allocated to personal or holiday activities.

## **Elected members' expense policy**

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- 9.3 The travel insurance certificate details the types of cover provided and the monetary limits of the cover. Auckland Council's travel coordinator can provide detailed information on any aspect of the insurance cover. There is no cover under this travel insurance for any loss or event or liability which is covered under any other insurance policy, Act of Parliament or reciprocal health agreement between governments.
- 9.4 The council's insurance policy provides cover for the use of rental cars both in New Zealand and overseas.

### **Provisions for pre-existing medical conditions**

- 9.5 The travel insurance may not provide cover for medical expenses incurred for the treatment of an injury or sickness the traveller is suffering prior to the departure date of travel. Should elected members suffer from a serious condition or be aware of a pre-existing injury or sickness that may necessitate treatment whilst overseas, specific arrangements must be made with the insurer to confirm whether or not cover for treatment will be provided.

### **Claims procedure**

- 9.6 If an event gives rise to a claim, the traveller must immediately follow these steps:
- Do as much as they can to prevent any further loss or expense.
  - If the traveller is to be hospitalised, evacuated or repatriated, or has lost their luggage or money, they must contact the "Overseas Emergency Assistance" number provided on their itinerary, advising they are on Auckland Council business.
  - As soon as possible after suffering injury or sickness, obtain and follow proper medical advice from a legally-qualified medical practitioner.
  - Lodge a claim with the insurance company providing all medical certificates, accounts, receipts and information required by the insurance company to support the claim (original documents must be produced).
  - Forward a written claim against any person, party, hotel or transporter who may be legally liable for the loss, injury or sickness.
  - Provide full particulars of any claim made against the traveller or Auckland Council by any other person and all legal documents served on the traveller or the council.

## **10. Professional development programmes and conferences**

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- 10.1 Auckland Council recognises the need for elected members to broaden their knowledge and experience through specialised development programmes. Any professional development activity paid for by Auckland Council must be relevant to council business. It can include conferences, internal and external courses or workshops. Because related travel and expenditure such as accommodation and meals are classified as sensitive expenditure, the policy aims to balance elected members' development needs with prudent use of ratepayer funds and to provide transparency and confidence to the public through publication of expenses.
- 10.2 Auckland Council has developed a professional development programme for its elected members, for which the budget is set annually. The purpose of this programme is to support elected members in the delivery of their governance role. Bookings to attend the activities included in this programme can be arranged via Democracy Services and Local Boards Services support staff without the need for additional approval.
- 10.3 If an elected member wants to undertake domestic professional development activities outside the council professional development programme for elected members, he/she must make a written request to the General Manager Democracy Services or General

## **Elected members' expense policy**

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Manager Local Board Services for funding from the elected members' professional development discretionary budget. The request must detail the business benefit, cost and location of the activities, and confirm that the activities comply with the policy principles outlined in section 2.

- 10.4 Once approved, Democracy Services and Local Board Services support staff will organise the necessary registrations, bookings and payments.
- 10.5 If the professional development activity requires international travel a business case must be prepared and approved as outlined in paragraph 12.5.

## **11. Catering, hospitality and entertainment**

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### **Principles**

- 11.1 These rules cover expenditure incurred by all elected members on council business while entertaining members of the public, official visitors to Auckland Council, attendance at conferences, workshops, meetings and functions. Entertainment and hospitality can cover a range of items including, but not limited to, tea, coffee and biscuits, catering such as meals and alcohol, and gifts.
- 11.2 Any expenses claimed for alcohol when entertaining must be moderate and conservative in terms of quantity and price and satisfy the principles set out in paragraph 2.3.
- 11.3 There may be occasions where the proposed expenditure is not specifically covered by these rules. If this situation arises, elected members must discuss the proposed expenditure with either the General Manager Democracy Services, the General Manager Local Board Services, the Governance Director or the Chief Executive, and obtain written approval prior to entering into any arrangement or incurring expenditure.

### **Catering**

- 11.4 If there is a justifiable business purpose, catering may be provided for a meeting or event. Catering includes tea and coffee for morning and afternoon tea, and meals if the event or meeting must take place over usual meal times.
- 11.5 The Auckland Council Catering Policy applies when catering is required for a meeting or event. The policy specifies that all catering within any council premise must be provided by Auckland Council Catering Services, unless it is not practical for them to do so.
- 11.6 Elected members are welcome to use the council cafes at their personal cost. Catering may be provided in these venues from time to time to support formal meetings and events.

### **Civic receptions/functions and official delegations**

- 11.7 To minimise costs it is likely most civic events and hosting of official delegations will be held at council premises. Use of the council's committee and meeting rooms for such events are subject to the approval of either the General Manager Democracy Services, General Manager Local Board Services, Governance Director or Chief Executive.
- 11.8 Relevant staff will make the arrangements in accordance with these rules on behalf of elected members.
- 11.9 Serving alcohol may be permissible at some council events. The expenditure on alcohol must be approved by the General Manager Democracy Services or General Manager Local Board Services, after they are satisfied that:

## Elected members' expense policy

- the costs relating to alcohol are moderate and conservative
- the ratio of alcohol to food is sensible
- the event meets the requirements of the Sale and Supply of Alcohol Act 2012
- the purpose of serving refreshments at the event is to extend hospitality.

11.10 Only the Catering Manager has the authority to purchase alcohol. Alcohol will be supplied at functions and events in accordance with the provisions of the Sale and Supply of Alcohol Act 2012.

### Hosting official visitors

11.11 Elected members may occasionally host official visitors. In most circumstances this will be managed via the Global Partnerships or Civic Events teams.

11.12 If an elected member is required to host a guest at a dinner or purchase a gift in recognition of an event, this expenditure can be claimed back and reimbursed provided prior approval has been obtained. For Councillors prior approval is to be obtained from the General Manager Democracy Services. For Local Board Members prior approval is to be obtained from the General Manager Local Board Services or the relevant Relationship Manager.

### Flowers and gifts

11.13 Generally council will not contribute to flowers, gifts, gift vouchers or cards for birthdays, weddings, bereavements, births and farewells. The Mayor, Deputy Mayor, Chief Executive, Governance Director, General Manager Democracy Services or General Manager Local Board Services may give prior approval for an elected member's contribution in specific circumstances.

11.14 When approved, the gifts and expenditure should be moderate and conservative. Whenever possible, the purchase of gifts should reflect sustainable procurement.

## 12. Approval process

### Approval for domestic travel and domestic expense claims

12.1 A business case is not required for routine domestic travel undertaken for council business. Travel is booked as described under section 4.

12.2 Pre-approval may be given for a schedule of travel arrangements on an annual basis. An example is a commitment to attend scheduled Local Government New Zealand meetings in Wellington due to the member's appointment to the National Council.

12.3 The list of authorised approvers is as follows:

Elected member	Approver
<b>Mayor</b>	• The Chair of a Committee of the Whole
<b>Deputy Mayor</b>	• The Mayor or the Chair of a Committee of the Whole
<b>Councillors</b>	• The Governance Director or the General Manager Democracy Services
<b>Local Board Members</b>	• The Governance Director or the General Manager Local Board Services

## Elected members' expense policy

- 12.4 The relevant staff from the Mayor's Office, Democracy Services or Local Board Services will check the documentation for completeness and adherence to the policy and then forward it to the relevant approver for sign-off.

### Approval for international travel

- 12.5 Activities involving international travel require a business case. Staff can prepare the business case on behalf of the elected member. The business case must outline:

- the purpose of the trip
- who wishes to attend
- why the elected member is an appropriate attendee
- expected benefits
- demonstrated prudent use of ratepayer's money
- itinerary
- all anticipated costs
- which budgets will meet the costs
- how the outcomes of the trip should be reported back on return (for instance a written summary or a presentation at a political meeting).

- 12.6 The list of authorised approvers is as follows:

Elected member	Approver
<b>Mayor</b>	<ul style="list-style-type: none"> <li>• The Chair of a Committee of the Whole</li> <li>• and the Chief Executive</li> </ul>
<b>Deputy Mayor</b>	<ul style="list-style-type: none"> <li>• The Mayor or the Chair of a Committee of the Whole</li> <li>• and the Chief Executive</li> </ul>
<b>Councillors</b>	<ul style="list-style-type: none"> <li>• The Mayor or Deputy Mayor or the Chair of a Committee of the Whole</li> <li>• and the Chief Executive or Governance Director</li> </ul>
<b>Local board members</b>	If the travel is financed from the local board's budget: <ul style="list-style-type: none"> <li>• The whole local board, by way of a public report and resolution</li> <li>• and the Chief Executive or Governance Director</li> </ul> If the travel is financed by Local Board Services or from another central budget: <ul style="list-style-type: none"> <li>• The Mayor or Deputy Mayor or the Chair of a Committee of the Whole</li> <li>• and the Chief Executive or Governance Director</li> </ul>

### Approval of expense claims post international travel

- 12.7 If expenses are in line with current policy and the approved business case, the list of authorised approvers is as follows:

Elected member	Approver
<b>Mayor and Deputy Mayor</b>	<ul style="list-style-type: none"> <li>• The Chief Executive or the Governance Director</li> </ul>
<b>Councillors</b>	<ul style="list-style-type: none"> <li>• The Governance Director or the General Manager Democracy Services</li> </ul>
<b>Local board members</b>	<ul style="list-style-type: none"> <li>• The Governance Director or the General Manager Local Board Services</li> </ul>

- 12.8 If expenses are outside of these parameters, they need to be approved by the business case approvers - see paragraph 12.6.

## **Elected members' expense policy**

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### ***Claiming expenses***

- 12.9 All reimbursements to elected members are made via the payroll system. To be reimbursed, elected members must submit their expense claims monthly. Before the end of each financial year Democracy Services will inform all elected members of the cut-off date to submit claims for that financial year.
- 12.10 For financial reporting and transparency purposes claims need to be accounted for within the financial year that they are incurred, which ends on 30 June. The cut-off date for submitting claims at year end will be early July so that elected members can claim all expenses to 30 June of that financial year.
- 12.11 On election years, at the end of the electoral term, Democracy Services will inform all elected members of the final cut-off date by which expense claims must be submitted.
- 12.12 Democracy Services will not accept claims after the cut-off date. If elected members miss the cut-off date they can claim relevant expenses through their tax returns.

### **13. Breach of expense and reimbursement rules**

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- 13.1 If an elected member breaches this policy he/she must reimburse the council for any costs the council may have wrongfully incurred.
- 13.2 A breach of the policy may lead to an investigation pursuant to the Elected Members' Code of Conduct.

## Finance Report, month ending July 2019

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

<b>Summary Revenue Statement</b>												TABLE 1		
<b>For the Period Ended 31 July 2018</b>												\$000's		
Month			Year to Date						Full Year					
Actual	Budget	Variance				Actual	Budget	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year
			<b>Net operational expenses:</b>											
946	1,360	414	Destination			946	1,360	414	22,180	22,180			22,180	21,888
1,319	1,563	244	Economic Development			1,319	1,563	244	18,178	18,178			18,178	17,512
413	517	104	Strategy			413	517	104	5,684	5,684			5,684	5,335
707	611	(95)	Corporate			707	611	(95)	6,604	6,604	0	0	6,604	6,376
3,385	4,052	667	<b>Operating deficit before Council funding</b>			3,385	4,052	667	52,646	52,646	0	0	52,646	51,111
			Approved opex funding						49,852	49,852	0	0	49,852	49,065
			<b>Operating Deficit</b>						<b>(2,794)</b>	<b>(2,794)</b>	<b>0</b>	<b>0</b>	<b>(2,794)</b>	<b>(2,046)</b>
			Capex funding						3,428	3,428	0	0	3,428	7,906
			<b>Surplus</b>						<b>634</b>	<b>634</b>	<b>0</b>	<b>0</b>	<b>634</b>	<b>5,859</b>

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

### Key Points

ATEED is \$0.7m behind Budget. This is due to:

- \$0.2m decrease in Staff costs relates to unfilled vacancies across the business
- \$0.3m decrease in Professional fees due to delays in project resourcing
- \$0.2m decrease in Grants, contributions, sponsorship due to timing delays across the business
- \$0.2m increase in Occupancy due to Kumeu Film Studio (KFS) adjustment to turnover rent to recognise rent increases across the period of the lease
- \$0.2m decrease in Advertising, marketing and research due to timing in Destination, Economic Development and Strategy.

There has been significant change in the business since the budget was set in December 2017. Forecast 1 will provide an opportunity to reflect these changes.

\*The 2017/18 deferral process is currently underway.

\*\* There are no approved budget changes to date for the 2018/19 period.

\*\*\* The Forecast 1 process will start in September.

**ATEED total net favourable variance of \$0.7m**

**Destination:** July YTD underspend is \$0.4m lower than budget. This relates to \$0.1m Sponsorship received earlier than planned for Diwali festival. Staff cost savings of \$0.1m relate to staff vacancies in ACB, Major Events and Tourism, and \$0.2m Grants, contributions, sponsorship due to timing of sponsorship payments in Major Events.

**Economic Development:** July YTD underspend is \$0.2m lower than budget. This is mainly driven by a timing related underspend of \$0.2m in Professional fees, consultancy & contractors across the business and \$0.2m Grants, contributions, sponsorship primarily in GridAKL, International Partnerships and Trade, and Skills and Employment. This is offset by overspend of \$0.2m in Occupancy driven by the adjustment on KFS turnover rent to recognise increases in rent across the lease term.

**Strategy:** July YTD underspend is \$0.1m lower than budget. This relates to a contribution received towards Iron Duke costs of \$0.1m, Staff costs underspend of \$0.1m due to unfilled vacancies, and a \$0.1m underspend in Brand services. These are offset by an overspend of \$0.2m for Vector lights due to the budget being held in Destination.

**Corporate:** July YTD overspend is \$0.1m higher than budget due to a number of small variances across the business.

**Revenue Statement \***

Revenue Statement													TABLE 2
For the Period Ended 31 July 2018													\$000's
Month			Year to Date				Full Year						
Actual	Budget	Variance	Actual	Budget	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year		
<b>Operational revenue</b>													
210	277	(68)	210	277	(68)	617	617			617	2,037		
157	107	50	157	107	50	1,454	1,454			1,454	2,501		
70	7	63	70	7	63	1,792	1,792			1,792	1,955		
919	959	(41)	919	959	(41)	14,310	14,310			14,310	6,361		
144	61	83	144	61	83	979	979			979	1,995		
<b>1,500</b>	<b>1,412</b>	<b>88</b>	<b>1,500</b>	<b>1,412</b>	<b>88</b>	<b>19,152</b>	<b>19,152</b>			<b>19,152</b>	<b>14,850</b>		
<b>Total Operating revenue</b>													
1,645	1,847	202	1,645	1,847	202	22,544	22,544			22,544	21,857		
382	663	281	382	663	281	8,042	8,042			8,042	7,155		
687	857	170	687	857	170	9,174	9,174			9,174	10,206		
242	217	(25)	242	217	(25)	2,794	2,794			2,794	2,633		
1,067	838	(229)	1,067	838	(229)	15,749	15,749			15,749	9,855		
87	63	(24)	87	63	(24)	1,280	1,280			1,280	1,274		
557	788	231	557	788	231	9,732	9,732			9,732	8,377		
217	190	(27)	217	190	(27)	2,484	2,484			2,484	4,604		
<b>4,885</b>	<b>5,464</b>	<b>579</b>	<b>4,885</b>	<b>5,464</b>	<b>579</b>	<b>71,798</b>	<b>71,798</b>			<b>71,798</b>	<b>65,961</b>		
<b>Total Operating expenditure</b>													
<b>3,385</b>	<b>4,052</b>	<b>667</b>	<b>3,385</b>	<b>4,052</b>	<b>667</b>	<b>52,646</b>	<b>52,646</b>			<b>52,646</b>	<b>51,111</b>		
<b>Operating deficit before Council funding</b>													

\* The Revenue Statement classification names and values have been aligned with Auckland Council management reporting. Changes made: Fees & Subscriptions is now called Fees and user charges and includes event ticketing, Funding from Government is now part of Grants & subsidy revenue, Property rental revenue relates to lease revenue and Sundry revenue relates to license revenue. General, admin & other is now called Other expenditure on activities and includes director fees (previously Professional fees, consultancy & contractors).

### **Total Operating revenue**

YTD total Operating revenue is on budget.

**Fees and user charges, \$0.1m lower:** Mainly due to timing for Tourism Skills project funding budgeted in July now expected to happen in December.

**Sponsorship, \$0.1m higher:** The Diwali Festival sponsorship was received earlier than planned.

**Sundry Revenue, \$0.1m higher:** Reclassification of Auckland Film Studio revenue from Property rental revenue as they are licences not leases.

### **Total Operating Expenditure**

YTD Operating expenditure is \$0.6m lower than budget.

**Staff costs, \$0.2m lower:** This is mainly due to savings against vacant positions across Destination, Economic Development and Strategy.

**Professional Fees, consultancy & contractors, \$0.3m lower:** This reflects an underspend of \$0.2m across the Economic Development business.

**Grants, contributions, sponsorship, \$0.2m lower:** This relates to a timing delay of \$0.2m for Destination's baseline portfolio and event attraction fund, and \$0.2m Economic Development sponsorship in GridAKL, International Partnerships and Trade, and Skills and Employment. These are offset by a \$0.2m spend in Strategy for Vector Lights that is currently budgeted in Destination.

**Occupancy, \$0.2m higher:** The overspend of \$0.2m in Occupancy primarily driven by the adjustment on KFS turnover rent to recognise increases in rent across the lease term.

**Advertising, marketing and research, \$0.2m lower:** Due to timing there are underspends of \$0.1m across Destination and Economic Development, and \$0.1m in Strategy for brand services.

## Summary of Activities

Summary of Activities: Net Amount of Spend and/or (Revenue) > 0.5m													TABLE 3
For the Period Ended 31 July 2018													\$000's
Month			Year to Date				Full Year						
Actual	Budget	Variance	Actual	Budget	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year		
<b>Destination</b>													
327	240	(87)	327	240	(87)	1,550	1,550			1,550	1,380		
(170)	(147)	22	(170)	(147)	22	798	798			798	811		
(4)	0	4	(4)	0	4	775	775			775	710		
1	0	(1)	1	0	(1)	500	500			500	478		
(1)	0	1	(1)	0	1	374	374			374	399		
20	0	(20)	20	0	(20)	234	234			234	196		
(4)	0	4	(4)	0	4	775	775			775	710		
<b>Economic Development</b>													
253	337	84	253	337	84	3,728	3,728			3,728	4,505		
5	73	68	5	73	68	536	536			536	342		
(3)	(216)	(213)	(3)	(216)	(213)	(83)	(83)			(83)	607		
(49)	3	51	(49)	3	51	(245)	(245)			(245)	(13)		
(91)	(88)	3	(91)	(88)	3	(1,072)	(1,072)			(1,072)	(1,083)		
<b>Strategy</b>													
(5)	128	133	(5)	128	133	792	792			792	184		

**ITM Auckland Supersprint, \$0.1m higher:** Marketing expenses have been paid earlier than planned.

**GridAKL, \$0.1m lower:** Due to a reduced events calendar.

**Maori Economic Development, \$0.1m lower:** Budgeted expenditure has not occurred due to timing.

**Kumeu Screen Precinct, \$0.2m lower:** Timing difference for Cricket Hop revenue has been offset by turnover rent payable which was triggered a month earlier than expected.

**Auckland Film Studio, \$0.1m lower:** Operational management fee was budgeted but did not occur.

**Brand Services, \$0.1m lower:** Delayed timing of the Destination Strategy has meant that planning work is still being undertaken.

## Summary Statement of Financial Position

<b>Statement of Financial Position, ATEED Group</b>		
<b>As at 31 July 2018</b>		
<b>TABLE 4</b>	<b>YTD</b>	<b>Jun-18</b>
		\$000's
<b>Current assets</b>		
Cash and cash equivalents	2,562	1,084
Receivables and prepayments	15,103	10,763
Other current assets, including iSite inventory	0	0
<b>Total current assets</b>	<b>17,665</b>	<b>11,847</b>
<b>Current liabilities</b>	<b>13,635</b>	<b>7,720</b>
<b>Working capital</b>	<b>4,031</b>	<b>4,127</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	22	24
Property, plant and equipment	18,003	18,135
Investment in Joint Venture, The FoodBow I	2,018	2,018
<b>Total non-current assets</b>	<b>20,043</b>	<b>20,177</b>
<b>Non-current liabilities</b>	<b>2,938</b>	<b>2,939</b>
<b>NET ASSETS</b>	<b>21,135</b>	<b>21,365</b>
<b>EQUITY</b>	<b>21,135</b>	<b>21,365</b>
<b>Capex spend</b>	<b>108</b>	<b>7,906</b>
<b>Total future commitments</b>	<b>\$84.8m</b>	<b>\$75.7m</b>

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

**Receivables and prepayments:** Increase mainly due to intercompany settlement payments and current other debtors.

**Current liabilities:** Increase in related party payables due to the timing of intercompany settlements, reduction in trade payables and accruals, and increase in current revenue in advance.

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

**Total Future Commitments:** Operating lease costs of \$59.5m for GridAKL program over a twelve-year period including passage of time rent increases, \$8.7m for 167B Victoria Street over a 9 year period, \$0.1m for the B:Hive at Smales Farm over a 2 year period and \$16.5m for operational commitments.

## Receivables

Aged debtors (\$000's)	Current month	1 month	2 months	3 months	4 months+	Total	Comments
Generator New Zealand Limited	0	0	704	0	0	704	GridAKL operator - collection being managed
880 Productions Limited	0	32	0	301	0	333	AFS client - Bond for AFS license - new agreement negotiated
BizDojo Auckland Limited (In Liquidation)	0	0	0	0	226	226	Biz Dojo is in liquidation and the debt is being managed by Auckland Council's legal team.
Soft Technology JR Ltd	0	0	23	0	42	65	Landlord for KFS - debt being managed
Other Debtors	-	65	21	47	37	170	Other debts are being actively managed.
<b>Total Debtors - July 2018</b>	<b>0</b>	<b>96</b>	<b>748</b>	<b>348</b>	<b>304</b>	<b>1,498</b>	
Overall debt greater than \$50k							

## Recommendation

It is recommended that the Board note the Finance Report for the period ended 31 July 2018.

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## Signatories

Manager: Claire McCracken, Finance Manager

GM: Joy Buckingham, Chief Financial Officer

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