

Open

Run sheet: Board Meeting, Friday 31 March 2017
 12.40pm, Tāmaki Makaurau Boardroom, L8 139 Quay Street, Auckland

Item	Subject	Action	Start Time	Duration	Pg.
OPEN AGENDA					
1	Start of Meeting: Chairman's Welcome, Apologies	To Note	12.40 p.m.	1 mins	
2	Open Minutes 27 January 2017 and Open Action Tracker, Brett O'Riley	To Approve	12.41 p.m.	2 mins	4
3	Directors Interest Register, Conflicts of Interest Declaration	To Note	12.43 p.m.	2 mins	8
4	Chief Executive's Activity Report, Brett O'Riley	To Note	12.45 p.m.	20 mins	16
5	Finance Report, Joy Buckingham	To Note	1.05 p.m.	20 mins	28
	Chairman's close and invitation to the public to leave				
	Close of Meeting		1.25 p.m.		

Auckland Tourism, Events and Economic Development Ltd Board meeting

OPEN AGENDA

Will be held as follows:

DATE: 31 March 2017
TIME: 1.05 pm Start
VENUE: The Tamaki Makaurau Boardroom, Level 8, ATEED Central Office, 139 Quay Street, Auckland

Board members:

<i>Chair</i>	David McConnell
<i>Deputy Chair</i>	Norm Thompson
<i>Director</i>	Franceska Banga
<i>Director</i>	Mike Taitoko
<i>Director</i>	Danny Chan
<i>Director</i>	Helen Robinson
<i>Director</i>	Stuart McCutcheon
<i>Board Consultant</i>	Sir Pita Sharples

Attendees

<i>CEO</i>	Brett O'Riley
<i>Company Secretary</i>	Tim Kingsley-Smith
<i>Others TBC</i>	

OPEN AGENDA

1. **APOLOGIES**

No apologies received

2. **MINUTES OF 24 FEBRUARY 2017 MEETING & OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

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

Brett O'Riley, Chief Executive

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

Brett O'Riley, Chief Executive

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

Friday, 31 March 2017



OPEN AGENDA

2. **MINUTES OF 24 FEBRUARY OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

BOARD MINUTES

What:	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
Where:	Tamaki Makaurau Boardroom, Level 8, 139 Quay St, Auckland
When:	Friday, 24 February 2017 at 1.36 p.m.
Directors:	David McConnell Norm Thompson Helen Robinson Franceska Banga Danny Chan Mike Taitoko Stuart McCutcheon
Apologies:	Sir Pita Sharples
In Attendance:	Brett O'Riley, Chief Executive Martin Fairweather, Chief Operating Officer Avika Singh, Finance Manager Tim Kingsley-Smith, Company Secretary
Public & Media Attendance:	N/A

Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum 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 apology of Sir Pita Sharples was **noted**.

2. Minutes of Previous Meetings and Action Tracker

The Board discussed the draft minutes of the meeting held on 27 January 2017 and the Confidential Action Tracker.

The Board **approved** the minutes of the meeting held on 27 January 2017 and confirmed the minutes were a true and correct record.

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

Danny Chan, Mike Taitoko, and Norm Thomson each noted changes to their interests and requested that Secretariat make the required changes to the Directors' Interests Register.

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

4. Chief Executive's Activity Report

Brett O'Riley spoke to the paper. The key points discussed were:

- Meetings regarding the mooring "dolphin" were continuing.
- The WMG Games will involve a number of leverage events and management undertook to send the details of these events to the Board.
- The Board noted that the Tamaki Herenga Waka Festival went very well and thanked those involved with organising and running it.

5. Finance Report

Avika Singh spoke to the paper. The key points discussed were:

- The budget column was not in the Finance Report. The Report would be amended and recirculated to the Board to include both forecast and budget. (**ACTION POINT**)
- There was a significant variance with the Actual vs Full year forecast in relation to spending on contractors and advertising. Management noted that they were comfortable with the back-loaded spending towards the latter part of the year. Management agreed to provide more information on this to the Board. (**ACTION POINT**)

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

The Chairperson declared the meeting closed at 1.58 p.m.

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

Chair

Date

Open Board Action Tracker
As at 31 March 2017

No.	Action	Status	Result	Target Date	Responsibility
24 February 2017					
1	The “budget column” was not in the Finance Report. Management agreed to amend the Finance Report to include both forecast and budget and to recirculate it to the Board.	COMPLETE	Email from Tim Kingsley-Smith to Board dated 10 March 2017	31 March 2017	Joy Buckingham
2	There was a significant variance with the Actual vs Full year forecast in relation to spending on contractors and advertising. Management agreed to provide more information on this matter to the Board.	COMPLETE	Email from Tim Kingsley-Smith to Board dated 24 March 2017	31 March 2017	Joy Buckingham

Friday, 31 March 2017



OPEN AGENDA

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

Brett O'Riley, Chief Executive

ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
David McConnell	Managing Director, McConnell Group Deputy Chair, Committee for Auckland Board Member, University of Auckland’s Business School Advisory Board Director, 429 Limited Director, Addison Developments Limited Director, Addison Group Limited Director, Addison Retirement Village Limited Director, Anselmi Ridge Limited Director, Arnot Investments Limited Director, Ascot Parade Limited Director, Beaumont Park Limited Director, BPB Plasterboard Limited Director, British Plasterboard Limited Director, C 60 Display Limited Director, Citygate Limited Director, Ecoclean Technology SDS BHD Ltd Director, Element NZ limited Director, Galleon Limited Director, Harker Underground Construction Limited Director, Hawkins Construction Group Limited Director, Hawkins Construction Guam Inc. Director, Hawkins Construction Hobsonville Limited Director, Hawkins Construction Limited Director, Hawkins Construction NI Limited Director, Hawkins Construction North Island Group Limited

	<p> Director, Hawkins Construction North Island Limited Director, Hawkins Construction South Island Limited Director, Hawkins (Fiji) Ltd Director, Hawkins Group Limited Director, Hawkins Infrastructure Guam Inc. Director, Hawkins Infrastructure Limited Director, Hawkins Management Limited Director, Hawkins Plant Limited Director, Hawkins PNG Ltd Director, Learning Infrastructure Partners GP Limited Director, Learnings Infrastructure Investment Limited Director, McConnell Development Holdings Limited Director, McConnell Developments Limited Director, McConnell Funds Management Limited Director, McConnell GP No.1 Limited Director, McConnell Group Limited Director, McConnell International Pty Ltd Director, McConnell Limited Director, McConnell Property Limited Director, McConnell Property Services Limited Director, MTC Land Investments Limited Director, Pancho Hawkins Phillipines Inc. Director, Pomander Holdings Limited Director, Projects (M.I.L.) Limited Director, Shelf Company 2012A Limited Director, Spiral Welded Pipes Limited Director, Steelpipe Limited Director, The Shooting Box Limited Director, Titanium Park Development Limited </p>
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	<p>Director, Wilkins & Davies Limited Director, Hawkins Singapore Pte Limited Director, MC (Jervois) General Partner Limited Director, Hawkins Construction Schools 2 PPP Limited Director, Future Schools Partners GP 1 Limited Director, Future Schools Partners GP 2 Limited</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
Norman Thompson	<p>Director, Dot.Kiwi Limited Director, Preno Limited Director, Queenstown Airport Corporation Limited Director, Tourism New Zealand Board Chartered Fellow of Institute of Directors Trustee, Young Enterprise Scheme (YES) Member, New Zealand Golf Open 2017 Committee</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
Franceska Banga	<p>Director, Fab NZ Limited Director, Constellation Capital Director, Continuity Capital Limited (NZ) Director, Frogparking Limited Trustee, Fred Hollows Foundation</p>

	<p>Trustee, Peka Peka Trust (Family Trust) Investments in:</p> <ul style="list-style-type: none"> - Pohutukawa Fund, Maui Capital Indigo Fund - 82 Limited Partnership and Advisory Board member <p>Shareholder (1%) – Business Growth Limited Shareholder – the Breakthrough Co. Limited (Family business) Shareholder – National Business Coaching Limited Member, Institute of Directors NZ Inc.</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
Mike Taitoko	<p>Director and Shareholder of Waiora Consulting Limited Director and Shareholder of Waiora Pacific Limited Director of Takiwi Health Limited Director of Mercury NZ Limited Director of Mercury LTI Limited Director of Cognition Education Limited Director of the Committee for Auckland Limited 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>
Director	Roles & Responsibilities outside of ATEED
Danny Chan	<p>Director and Shareholder, A1 Flower Wholesalers Limited Director and Shareholder, Global Academic Group Holco Limited Director and Shareholder, Alpha Asset Management Limited</p>

	<p> Director and Shareholder, ARN Investments Limited Director and Shareholder, Danting Investments Limited Director and Shareholder, New Education Investment Limited Director and Shareholder, Flowerzone International Limited and subsidiaries Director and Shareholder, Green Cut Limited Director and Shareholder, Griff Trading Limited Director and Shareholder, Lady White Snake Film Limited Director and Shareholder, Orient Group Limited and subsidiaries Director and Shareholder, Orpac International Limited Director and Shareholder, Planit Products NZ Limited Director and Shareholder, Rhino Security Limited and subsidiaries Director and Shareholder, Sharp Multi-Media Limited Director and Shareholder, Sharp Multi-Media Productions Limited Director and Shareholder, Simtics Limited Director and Shareholder, SimTutor Limited Director and Shareholder, Tahere Group Limited and subsidiary Director and Shareholder, The Academic Coaching School Limited Director and Shareholder, Turners Flower Exports NZ Limited Director and Shareholder, Asia Pacific Centre for Food Integrity Limited Director, Abano Healthcare Limited Director, Simtics Limited Shareholder, Aire Cut Company Limited Shareholder, CLOUD M Limited 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>
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Director	Roles & Responsibilities outside of ATEED
Helen Robinson	<p> Chair, CLOUD M Ltd Co-Founder & Executive Director, Organic Initiative Ltd Chair, The Network for Learning Ltd (N4L) Chair, Valens Group Director, KND Investments Ltd Director, KND Trustees Ltd Managing Director, Penguin Consulting Ltd Director, Fulbright NZ Ltd Director, NZ Defence Force Trustee, Aktive Auckland Sport & Recreation Trustee, Robinson Family 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>
Director	Roles & Responsibilities outside of ATEED
Stuart McCutcheon	<p> Chairman, Universities New Zealand (from 1 January 2017) Chairman of Directors, Auckland UniServices Ltd Director, Universitas 21 international university network Council Member, University of Auckland Member, Partnership Board, the Worldwide Universities Network Member, Steering Committee, the Association of Pacific Rim Universities Trustee, UK Friends of the University of Auckland </p> <p> Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company </p>

Board Advisor	Roles & Responsibilities outside of ATEED
Sir Pita Sharples	<p> Director, Tu Maori Mai Limited Hoani Waititi Marae - Taumata Te Ropu Manatangi – Kai ako Te Whare Tu Taua – Tumu Whakaarei Ngā ti Kahungungu iwi – Taumata Te Toa Takitini – Kaumatua advisor Aorangi maori trust board – Kaumatua Rakau Tatathi Marae – Paepae Mahi 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 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>

Friday, 31 March 2017



OPEN AGENDA

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

Brett O'Riley, Chief Executive

Chief Executive Review of March 2017

Report to Auckland Tourism, Events and Economic Development Limited Board

Health & Safety (H&S)

In the past month, the H&S team has supported major projects such as the Kumeu Film Studio (KFS), AR/VR Garage, and provided support to the i-SITE team now located at Lower Queen Street. Support was also provided in preparation for the delivery of the Lantern Festival, as well as for a number of other sponsored events.

ATEED continues to work with Auckland Council and the wider Council group on the implementation of the new H&S management system Risk Manager. The new system meets ATEED's H&S legal responsibilities, and is more user-friendly. The main users for Risk Manager are being identified and administration training will start in the coming weeks. Risk Manager will be used from 28 April.

ATEED H&S visited KFS to discuss H&S requirements for the studio. Potential scenarios in relation to the site were discussed to ensure that any planned activity with potential implications on the health and safety of others meets all requirements. The studio now has a fully compliant H&S management system consisting of a plan, job safety analysis, guidelines, safety inductions, hazard register, as well as a H&S procedure manual.

The AR/VR Garage is putting the H&S legislation into practise. The first multiple PCBU (person conducting a business or undertaking) induction was developed and undertaken by Garage tenants. The induction included information on the Garage's emergency procedures and how it keeps its tenants informed.

H&S continues to assess work being done at GridAKL. At the Lysaght premises, the HVAC system now appears to be working well with no heat-related issues. However, the construction site surrounding the building continues to be a concern to BizDojo, and the ATEED Project Co-ordinator will be attending the construction operations meeting in March. A risk register is in place and is being monitored by ATEED.

The Mason Brothers building and innovation precinct are still under construction. The ATEED Project Co-ordinator is undertaking a site safety course and attending inductions prior to entering the construction site with visitors. There are concerns that the lane will not be accessible at the time of opening, and ATEED's H&S team, Project Co-ordinator and the construction company will meet to discuss this prior to the site opening.

The move of the i-SITE from Princes Wharf to a portacom on Lower Queen Street brought some challenges due to being surrounded by the Commercial Bay and CRL construction works. A thorough hazard/risk assessment was undertaken which considered staff safety and comfort. A number of issues such as noise are being monitored and mitigated where possible.

Wellbeing activity for ATEED staff in the past month has included:

- Wellbeing updates to workgroups through the H&S reps.
- Mini workstation assessments for new and existing staff took place on 9 February.
- The Auckland Walk Challenge is taking place throughout March.

- The Aotearoa Bike Challenge took place throughout February, with a keen group of ATEEDers taking part.
- ATEED's participation in the Inter-Council Sport Tournament in March.

Incidents: No incidents were reported in February.

Near Misses: One near miss was reported in February.

Hazards: No new hazards were reported in February.

H&S Training: First day, ATEED staff induction: There are none outstanding, which is an improvement from the previous month.

ATEED strategic priorities

Building a Culture of Innovation and Entrepreneurship

GridAKL - The Place

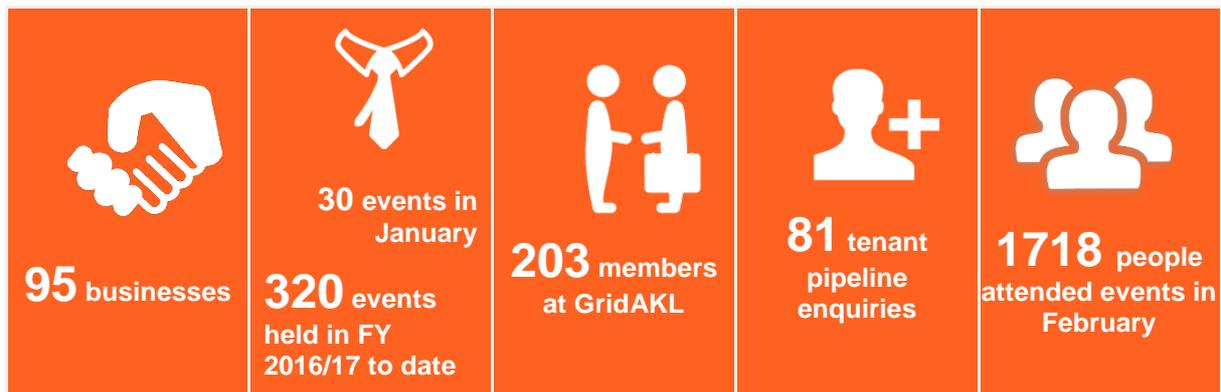
Lysaght

There are now a record-high 95 businesses with a total of 159 individuals at the Lysaght building. There are a number of new start-ups involving previous employees of other GridAKL resident businesses. Among the businesses, the team welcomed Curiat, an AR experience developer; and Digiles, which helps companies to digitise their business models.

There is a growing pipeline of prospective tenants for 12 Madden Street and Mason Brothers as interest in the market continues to increase. Negotiations are still underway with a corporate anchor tenant for 12 Madden Street.

GridAKL - The Community

Below is the dashboard summarising key activity at GridAKL.



BizDojo residents at GridAKL now benefit from a global network of co-working spaces, as BizDojo has been accepted into the League of Extraordinary Co-working Spaces (LExC). This offers residents up to five days a year to work out of any other LExC space. It also means that more international guests can use the facilities at GridAKL.

The BizDojo Summer Series kicked off, helping members achieve their New Year business resolutions. Open to the public, the event series focuses on the start-up 'tribes', covering public speaking, personal branding, budgeting and social media.

Tech Café member and social innovator, Arturo Pelayo is leading the way in helping blind youth to get more engaged and learn about astronomy. He uses 3D printed models to create replicas of planets and constellations to showcase in the Tech Café, with the aim to use these in schools.

Through a collaborative relationship with AUT and the US Embassy, special ticket pricing for Project17 was secured for the event in early March at AUT, with international guest speaker Justin Milano from Good Startups USA. Six tickets were given away to the GridAKL community for the event focused on the four pillars of entrepreneurial success. Thanks to AUT, Justin agreed to visit GridAKL on 1 March, and led a community round table with Tech Cafe members and BizDojo residents.

Tyler Mongan from HeartLab in Hawaii attended two events at GridAKL in March. The session was focused on human psychology and innovation. International start-up lawyer, Christina Tsakona from Silicon Valley was hosted at GridAKL in March for a collection of information sessions. Christina specialises in helping start-ups take their businesses across global borders, especially into the United States.

Grow and attract skilled talent

Student attraction

Two new short introduction videos have been developed to promote Auckland as a premium study destination. One video targets adult students, and the other targets students 18 years of age and under. Set to music and visually engaging, the videos showcase Auckland as a vibrant, contemporary and international city that is welcoming to international students. The videos will be shared with industry partners via the Study Auckland asset library and Education New Zealand's digital channels.

Two of Study Auckland's graduate video stories have been successfully distributed via Education New Zealand's Study in New Zealand Facebook, Twitter and Weibo accounts. They showcase the employment and skilled migration pathway options of international graduates educated in Auckland. The remaining videos will be distributed in May.

All video content is available for industry partners via the Study Auckland asset library, which has been recently refreshed to improve user access and uptake.

Student experience

A 'Safety in the City' video has been developed to ensure that international students make the most of their time in Auckland and are aware of some of the pitfalls that new arrivals often encounter. The video covers advice on personal safety, employee rights, and sexual and mental health.

The video is a key deliverable of the Study Auckland team to support the work undertaken by the Auckland Agency Group, which includes the Ministry of Education, Education New Zealand, MBIE, New Zealand Police, Ministry of Health, and the Human Rights Commission. The group is tasked to improve the wellbeing of international students based in Auckland. Once completed, it will be distributed to our key student markets offshore, education institutions in Auckland, offshore agent channel partners and government agencies involved in export education.

The Study Auckland team is also working with Council on the Ellen Melville community centre refurbishment project (located on High Street), due to open in mid-2017. Discussions are underway between Study Auckland, Council and the Human Rights Commission regarding how international students based in the inner city precinct can better access local community services. The Citizen's Advice Bureau located on level one of the Auckland Central Library receives an estimated 6000 international student enquiries per annum, including enquires relating to welfare, legal, tenancy, and health issues. The new Ellen Melville programme could incorporate the servicing of international students by relevant community service providers, as it provides a larger and more flexible space than the library.

Council will run an expression of interest regarding the community programming and activation of the centre. A draft operational plan was workshopped with the Waitematā Local Board in late February, to be followed by a recommendation report due in late March 2017.

Growing the visitor economy

Virtuoso

Virtuoso CEO Matthew Upchurch visited Auckland on 14 March. This visit is part of Matthew and his family's year-long effort to vacation at locations seen as Virtuoso's Sustainable Travel leaders. Taking into consideration the theme of their family trip, along-with several willing partners such as the Department of Conservation, ATEED created a series of unique, sustainable and family-friendly experiences that align well with these requirements. ATEED received tremendous feedback on the activities and the potential of the Hauraki Gulf islands to further develop the high value sustainable tourism proposition. This fits with ATEED's plan to develop a Hauraki Gulf Tourism Development Plan, leveraging the recently completed Sea Change study, and in conjunction with partners including local boards, Council, Department of Conservation and tourism operators.

Trade marketing

Follow-up from the recent US trip in January is well underway. The key purpose of the trip was to carry out key strategic actions as part of ATEED's US PRVILGES (Premium Visitation, Investment, Luxury Golf, Education and Screen) programme. The trip, in conjunction with the Institute of Golf, was primarily focused on golf as a tactical platform to attract premium visitors, migrant investors and wealthy golf students to Auckland.

GEMS

As a result of ATEED's visit to the Fujian province in 2016, the Fujian Provincial Department of Commerce visited Auckland from 13-15 March, and included participants from China's top 500 enterprises, as well as listed companies in the eCommerce industry in China. A business seminar was hosted by ATEED at the Langham Hotel on 13 March. The purpose of the seminar was to inform and inspire business development between Auckland and Fujian, as well as New Zealand and China.

Cruise

Auckland enjoyed the busiest-ever week for cruise ship arrivals, with four cruise ships docking in Auckland on the same day for the first time ever on Saturday, 18 February. The four ships brought to Auckland about 3550 passengers from Australia, North America and Europe.

There has been at least one ship a day in port most days since 12 February, with some ships in port for longer stays. The Seabourn Encore and the Norwegian Star visited Auckland for the first time in February. This reiterates the urgent need for fit-for-purpose cruise infrastructure in Auckland to sustain the considerable growth as Auckland becomes a desired cruise destination.

Cross-collaboration

In late February, ATEED supported the Auckland Rugby Union by hosting a visiting delegation called *Dream Rugby Fukuoka* from Japan. Fukuoka City is a long-standing partner of Council and is an official host city for Rugby World Cup 2019. This is the first time an Asian nation is hosting the event and reflects how the game is growing in popularity in Japan. The delegation was officially welcomed with a reception by Mayor Phi Goff, who highlighted the significance of Auckland's partner city relationship with Fukuoka and the 30th anniversary which was celebrated last year. The delegation also represents commercial and business sectors in energy, construction and transport.

Teams across ATEED presented on the opportunities in Auckland for investment, education and business, and how we can work with ARU to leverage another visit in August. With Japan hosting RWC2019 and Kansai the next host of the World Masters Games in 2021, cities in Japan are looking to Auckland to gain experience on how to successfully host and leverage major sporting events.

The Tourism Destination Development team is working with Queenstown Resort College on the Auckland host customer service programme, which aims to upskill frontline staff to deliver a better quality of service and be equipped to tell stories of Auckland. Auckland is the first city outside Queenstown to run such an initiative, and it is another step towards training tourism industry staff to make Auckland more visitor-ready as the industry continues to enjoy the thriving visitor market.

Hunua cycleway

A meeting was held on 15 March, with representation from Ngai Tai, Ngati Whanaunga, the Franklin Local Board and Auckland Council Democracy Services, Parks and Auckland Transport. Those present at the meeting were very optimistic and supportive of the idea of a proposed connection from the city to the Hunua region. The next step will be to further engage with iwi to ascertain what the ideal route would be.

Visitor arrivals

Japan visitor arrivals have started to climb again, with more than 90,800 visitors to Auckland year-ending January 2017, compared to 77,120 year-ending January 2016. Chinese visitor arrivals were lower over Chinese New Year compared to previous years, with visitors stating high accommodation pricing and cost of activities as being the main reasons for this.

Sichuan Airlines will start flying between Auckland and Chengdu in China from June. The service will operate three times a week using an A330-200 aircraft, with direct flights taking 13 hours. This service is expected to add 81,000 seats a year to and from China, and deliver an estimated \$102 million annual boost to the New Zealand economy.

World Masters Games 2017

Total registrations to 4 March 2017 were 26,986, which includes 24,204 athletes (97 per cent of target) and 2,782 non-playing officials and supporters (97 per cent of target). Athlete achievement against the four territories was:

- Australia - 6228 (99 per cent of geographic target achieved)
- Rest of the world - 7415 (115 per cent of geographic target achieved)
- Auckland - 5996 (96 per cent of geographic target achieved)
- Rest of New Zealand - 4494 (72 per cent of geographic target achieved).

Registration for the majority of sports closed on 3 March to allow finalisation of schedules and draws. Supporter registrations remains open until 31 March, as do athlete registrations for those joining existing teams and a restricted number of sports/disciplines.

Registrations for the official Observer Programme also closed on 3 March, with more than 50 people registered to date. Twenty-five registrations are from New Zealand, with the balance visiting from Japan, Australia, US, Malaysia, Scotland, Venezuela and Tonga.

Accommodation pricing remains the biggest risk/issue to the organisation. While there have been anecdotal indications that some hotels have made a little movement on accommodation pricing, cancellations citing accommodation pricing as the reason have continued to be received.

Stakeholder and community engagement for WMG2017

Consultation with key communities is taking place, namely Clevedon residents and businesses as a result of community objections to the proposed road closure for a running event. A community workshop and town meeting took place for businesses and residents. The workshop was well attended, and the feedback from the community was collated by ATEED. As a result of this feedback, the course for the road race has been changed. Most residents impacted by the course were satisfied with the measures put in place to give them access, and the course change keeps access to the Clevedon village open. Generally speaking, businesses that attended were unhappy that the event was on a Sunday, which is their busiest trading day. The Major Events Operations team is now working with WMG2017 to ensure that the community is aware of race day operations.

Major Events

Tāmaki Herenga Waka Festival (28-30 January)

The Tāmaki Herenga Waka Festival post-event evaluation showed that attendance numbers doubled compared to the 2016 event, rising to 33,000. Survey results returned a customer satisfaction score of 95 per cent.

The Mana Whenua Steering Group was satisfied with the outcome of the festival, and suggested improvements for 2018.

External stakeholders including Pānuku Development Auckland and RFA (Viaduct Events Centre) were also pleased with the event. Feedback shows that it was the best major event of its kind to have occurred to date, and both are keen for the festival to return in 2018.

Downer NRL Auckland Nines (4-5 February)

The funding agreement for the Legacy Grassroots Fund is expected by the end of June. This is being managed by the funding committee, chaired by Sport NZ and including the NRL and Carlaw Heritage Trust.

Next year is the final year of the contract for the NRL Auckland Nines. There has been significant media speculation on whether the event will take place, however ATEED has been advised by Duco and NRL that there are no changes to the event at this stage.

Pasifika Festival (25-26 March)

Mayor Phil Goff is unable to attend the Pasifika Festival 25th Anniversary Showcase on Saturday, 25 March. Councillor Alf Filipaina will attend and speak on his behalf. The Mayor will, however, lead a 'walk about' with invited guests on 25 March from 11 a.m. – 2 p.m.

DHL New Zealand Lions Series 2017

Accommodation pricing and availability continues to be a risk with the series. Lions Rugby Travel has pre-booked most of the sites at Ellerslie Racecourse, a recently approved temporary campervan site for their clients. Mt Smart was unable to accommodate a second campervan park for the series, however Alexandra Park is in the process of applying for a resource consent.

Rugby League World Cup 2017

Ticket sales are ahead of target at this point, with the majority of sales expected in September-October 2017.

Rugby League World Cup (RLWC) has appointed 22 community ambassadors from Auckland rugby league clubs who will help RLWC promote the tournament at grassroots level. A major emphasis is on Pacific community engagement, with a focus on appointing community ambassadors and engaging with church/cultural groups. RLWC2017 will have a presence at the ASB Polyfest and Pasifika festival. There are also planned activations at Auckland Rugby League/NZRL events and Council events throughout 2017.

Month in review

Statement of Intent 2017-2020

The draft SOI, which incorporates the Mayoral Letter of Expectation issued to ATEED in December 2016, was delivered to council on 28 February. Council is reviewing the draft SOI and is expected to provide formal feedback to ATEED by mid-April. The final SOI will be approved by the ATEED Board by 30 June.

Led by the Head of Strategy, members of the Operations team and the planning managers are working on ATEED's 2017/18 business plan. This includes work to ensure that detailed phasing of activity for the year is undertaken, and that key performance indicators (KPIs) for ATEED's activity are reviewed and confirmed. This planning will ensure that we can start the next financial year on 1 July with activity, budgets and cubes ready for implementation.

Local board local economic overviews

ATEED's Local Economic Development team has produced an economic overview for each of the region's 21 local boards. Each overview analyses a variety of comparative factors such as demographics, skills, economic activity, employment, industries, and travel-to-work patterns. Each

economic overview also provides relevant commentary that offers insight into what this information means for the local board area, as well as highlights for each section to indicate key areas of focus.

The economic overviews are a key tool developed as part of our ongoing local economic development work, and are primarily intended to inform local board members. However, they can be used by Council group staff as supplementary information for local or regional projects. The information can be used in a number of ways, and will help in providing a baseline for identifying sub-regional differences, as well as in identifying programmes and initiatives that local boards can implement.

Key highlights from the overviews are:

- There are significant employment areas in many of our most socio economically challenged local board regions (which have unemployment rates above the Auckland average).
- Some of our local board areas have experienced very rapid population growth (Upper Harbour increased by 25 per cent between the 2006 and 2013 census), which has implications for infrastructure, employment, land, and access to employment opportunities.
- West Auckland is a net exporter of labour to other parts of the region, with Henderson-Massey, Whau and Waitākere Ranges all exporting labour to other parts of the city. On census day in 2013, more than 44,000 of the 77,000 work trips made from West Auckland that day were to other parts of Auckland.
- In addition to Waitemata, the key GDP-generating local boards include Maungakiekie–Tamaki, Howick, Mangere–Ōtāhuhu, Upper Harbour and Albert–Eden.

Auckland represented at Developer Week 2017

ATEED led an Auckland collective at the Developer Week Conference and Festival 2017 in San Francisco in February. Auckland was promoted as ‘tech’s best kept secret’ to attract skilled software professionals to live and work in Auckland. Immigration New Zealand provided visa support and advice. Techweek 2017 and Air New Zealand sponsored the Auckland tech package for two winners to visit Auckland during Techweek 2017. Interest in Auckland as an emerging tech hub was strong, with 1500 software developers attending the Hiring Mixer. Partner feedback on the event was positive, and businesses are currently following up with prospective candidates.

Governing Body workshop - Scanning the Horizon – Te Pae Tāwhiti

‘Scanning the Horizon’ is a CCO workshop series to enhance the understanding of Council and CCOs’ business environment, so that we can steer a more certain course for the future.

The Mayor and councillors of Auckland invited ATEED’s board members and senior executives to an ATEED-focused workshop on 22 March. The purpose of this workshop was to discuss the medium to long-term opportunities and challenges for tourism, events and economic development. The workshop provided an opportunity to examine the factors that affect Council – the political, economic, social and technological events and trends.

This workshop focused on ATEED’s key interventions, ATEED’s partnerships and international engagement, and local economic development. It also provided an opportunity for the Mayor and councillors to gain a deeper understanding of ATEED’s governance and business processes.

ATEED’s presentation at the workshop was led by David McConnell, Brett O’Riley and Patrick McVeigh, with other contributions from attending Board members.

Statement of Intent KPIs

KPI results as at 28 February are recorded in the appendix. Key highlights include:

Build a culture of innovation and entrepreneurship

- The resident population of GridAKL increased to 95 in February compared to 81 in January. Nearly 90 per cent of these businesses are considered 'innovation led'. Both results are well over the annual target of 55 residents and 70 being 'innovation led'.
- The number of actively managed businesses through the Regional Business Partner Network programme (RBP) stands at 463, and is well on track to reach the target of 720 by the end of the financial year.

Attract business and investment

- The total GDP contribution of deals resulting with ATEED involvement to date is \$256.4 million, which is well over the target of \$56.7 million.
- The value of investment deals resulted by ATEED within the financial year is \$387 million, exceeding the target of \$278 million.
- The number of intensively account-managed customers in the Aroha Auckland programme now stands at 61 against an SOI target of 85. This brings the activity back on track, having been at risk of not meeting its SOI target, as reported last month. This month, ATEED hosted 25 Aroha clients at the Finance 2017 event where Minister of Finance Hon. Steven Joyce gave his maiden official address in his new portfolio.

Grow and attract skilled talent

- The number of 'live' signatories to the Auckland Youth Employers Pledge stands at 60. The SOI target requires ATEED to maintain a pool of 50 signatories.

Grow the visitor economy

- Spend by visitors to Auckland has previously been an annual measure, however it is now available on a monthly basis as well. From March 2017, we are reporting year-to-date figures. Previously this was reported as current year-end figures. Year-to-date visitor spend in Auckland stands at \$4,329 million, and is well on track to reach the target of \$5,412 million by the end of the financial year.
- The number of international business event bids submitted or supported stands at 20. The annual target of 35 may not be met due to resourcing restraints encountered in quarter one, however progress is being monitored in conjunction with the other targets which are well ahead.
- The value of business event bids won in the financial year-to-date stands at \$25 million, exceeding the \$19 million target.
- Percentage of visitors satisfied with visitor information centres stands at a very high 96 per cent.

Build Auckland's global brand and identity

- Visits to www.aucklandnz.com continue to track strongly with 2.3 million visits as at 28 February. Please note that we are now reporting 'sessions' instead of 'views' as previously used from Google Analytics.

A unique page view combines page views that are generated by the same user during the same session. A session is a group of interactions that take place on the website within a given timeframe. For example, a single session can contain multiple screen or page views, events, social interactions, and ecommerce transactions. A session is the period of time a user is actively engaged with the website. Sessions accurately reflect the LTP measure (total number of sessions during each financial year (1 July-30 June)).

Burning issues

ATEED's Quarter two report to Council

ATEED's Q2 report was submitted to Council on 27 February as per reporting requirements. The report was due to be presented to the Finance and Performance Committee on 21 March, however due to the volume of agenda items, the Committee Chair opted to remove this from the agenda. The Q2 reports will be emailed to the Finance and Performance Committee members. The establishment of a stand-alone Finance and Performance Committee meeting to receive quarterly reports is being explored by council to ensure that there is capacity in agendas for reports to be presented and discussed.

Looking forward

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

Scheduled event date	Event name	Location
25 - 26 March 2017	Pasifika Festival	Western Springs Park
31 March 2017	ATEED Board meeting	ATEED
21 - 30 April 2017	World Masters Games 2017	Various Auckland locations
28 April - 21 May 2017	NZ International Comedy Festival	Various Auckland venues
6-14 May 2017	Techweek 2017	Various locations
16 - 21 May 2017	Auckland Writers Festival	Aotea Centre
19 May 2017	ATEED Board meeting	ATEED
7 June - 8 July 2017	Blues vs British and Irish Lions (7 June) All Blacks vs Lions (24 June and 8 July)	Eden Park
30 June 2017	ATEED Board meeting	ATEED

Finance

ATEED net expenditure is tracking \$2.5m behind forecast. This positive variance is due to an underspend of \$2m across multiple projects where activity has been deferred, in particular Trade Partnerships' US marketing campaign (\$0.2m), Kumeu Film Studios (\$0.2m), RFA event attraction fund (\$0.3m), WMG2017 leverage fund (\$0.2m), and GridAKL (\$0.2m). Staff costs include annual leave credits, creating timing differences of \$0.5m.

WMG2017

WMG2017 has a YTD \$0.2m overspend due to registration revenue being lower than forecast. In February, however, WMG2017 revenue is \$1m higher than forecast, and although athlete registrations have now closed, there is still the ability to increase revenue via other streams, such as corporate sponsorships. Management remains confident that sales will be attained, however mitigation plans are in place to hedge against this risk, should it eventuate. WMG2017 does not believe there will be any additional funding required from ATEED.

Recommendations

1. The report be received.

Attachments

- ATEED KPI Scorecard
-

Signatory

ATEED Chief Executive, Brett O'Riley

Appendix I – ATEED SOI KPIs (YE February)

ATEED KPI Scorecard					Feb-17
ATEED SOI KPIs	Measurement	Date of Measure/latest	Latest Result	Annual Target to 30 June 2017	Status
Build a culture of innovation and entrepreneurship					
No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" ¹	Number & (%)	28-Feb-17	95 (88%)	55 (70%)	●
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme	Number	31-Oct-16	1975	1500	●
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure)	%	30-Jun-16	91	85	●
Number of actively managed business through Regional Business Partner programme	Number	28-Feb-17	463	720	●
No. businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	30-Jun-16	4073	1500	—
No. Maori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	30-Jun-16	157	100	—
Attract business and investment					
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	28-Feb-17	4	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	28-Feb-17	61	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	28-Feb-17	256.4	56.7	●
Value of investment deals effected by ATEED within the financial year	\$(million)	28-Feb-17	387.8	278	●
Grow and attract skilled talent					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	28-Feb-17	60	50	●
Growth in value of international student spend to Auckland	\$(billion)	30-Jun-16	2.1	1.888	—
Grow the visitor economy					
Spend by visitors in Auckland ²	\$(million)	31-Jan-17	4,329	5,412	●
Number of international business event bids submitted or supported	Number	28-Feb-17	20	35	●
Business event bid win/loss ratio (based on results received in financial year) ⁴	%	28-Feb-17	79%	60%	●
Value of business event bids won in financial year	\$(million)	28-Feb-17	25	19	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	28-Feb-17	96	85	●
Contribution to regional GDP from major events invested in (LTP measure) ⁵	\$(million)	28-Feb-17	17.61	86	●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-16	73	80	—
Visitor nights generated by major events invested in ⁶	Number	28-Feb-17	140,860	415,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	28-Feb-17	92.5	85	●
Build Auckland's global brand identity					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	28-Feb-17	2.3m	3.4m	●
Local economic development					
Percentage of actions in ATEED Local Board Engagement and Action Plans completed	%	30-Aug-16	86	80	●
Mana whenua engagement					
Percentage Mana Whenua satisfaction with quality of engagement	%	31-Dec-16	N/A	Establish baseline	—
<p>Key:</p> <p>● On track / Target exceeded ● Off-track</p> <p>● Potential for Slippage — No recent result</p> <p><small>1 Innovation-led is defined as businesses developing new or improved technologies or services</small></p> <p><small>2 From 2016/17 targets have reset to align with latest Ministry of Business, Innovation and Employment Monthly Regional Tourism Estimates (MRTES).</small></p> <p><small>From March 2017 we are reporting year to date figures from July each FY to provide an accumulative view. Previously this was reported as current Year End figures.</small></p> <p><small>4 Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted</small></p> <p><small>5 Target includes the impact of World Masters Games 2017</small></p> <p><small>6 Target includes the impact of World Masters Games 2017. Targets for visitor nights generated by major events reflect the targets originally endorsed by council through the Major Events Strategy. It has since become apparent that these targets are low and ATEED aims for significantly higher KPIs internally. Refreshed target will be developed for 2017/18.</small></p>					

Friday, 31 March 2017



OPEN AGENDA

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

Finance Report, month ending February 2017

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

Summary Income Statement									TABLE 1	
For the Period Ended 28 February 2017									\$000's	
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			Net operational expenses:							
227	485	258	Business Attraction & Investment	1,969	2,393	424	4,278	3,820	2,549	
343	263	(80)	Destination & Marketing	1,497	1,476	(21)	2,809	5,637	5,043	
1,441	1,269	(172)	Major Events	6,567	7,186	619	10,375	10,349	11,739	
1,300	1,038	(262)	Visitor and External Relations	6,919	7,229	310	11,454	7,932	7,759	
632	1,005	373	Business, Innovation and Skills	5,299	6,181	882	11,405	11,193	9,838	
605	726	121	Corporate	5,404	5,672	268	9,093	10,390	9,088	
4,548	4,785	237	ATEED net deficit	27,654	30,135	2,481	49,414	49,320	46,016	
(693)	229	922	World Masters Games 2017 Ltd, net deficit	(1,456)	(1,680)	(224)	8,015	8,072	1,427	
3,855	5,014	1,159	Operating deficit before Council funding	26,199	28,455	2,256	57,429	57,392	47,443	
			Approved opex funding				55,972	56,200	46,856	
			WMG Reserves drawdown				691	0	0	
			Operating Deficit				(767)	(1,193)	(587)	
			Capex funding				14,207	7,385	2,975	
			Surplus				13,440	6,192	2,387	

Key Points

ATEED is currently completing a revised forecast, and we expect our spend at year end to be in line with the previous forecast.

Current month's financial results

ATEED

ATEED is tracking \$2.5m behind forecast. This positive variance is due to an underspend of \$2m across multiple projects where activity has been deferred, in particular Trade Partnership – RFA Event Attraction Fund (\$0.3m), US Marketing campaign (\$0.2m), Kumeu Film Studio (0.2m), WMG leverage fund (\$0.2m) and Grid AKL (\$0.2m). Staff costs underspend include annual leave credits creating timing differences of \$0.5m.

We have also provided the Board in a separate follow up paper, a detailed breakdown of remaining spend in this financial year for Professional fees and Advertising.

World Master Games

WMG has a YTD \$0.2m overspend due to registration revenue being lower than forecast. However in the month of February, WMG revenue is \$1m higher than forecast, showing a positive upward trend as participation targets have been met. WMG have stated that they do not believe there will be any additional funding required from ATEED.

Forecast 3

No material changes to funding are expected to our Forecast. Management expect year end results to be in line with the previous forecast and will present it to the Board, for noting.

At the financial year end, if there are unforeseen circumstances that cause delays to certain projects, ATEED has the ability to defer the unutilised operating expenditure funds to the next financial year, subject to approval. There however has to be strong justification for any deferrals.

Total net favourable variance of \$2.5m.

Business Attraction and Investments

YTD net underspend of \$0.4m against forecast is due to the timing of annual leave credits and temporary staff costs of \$0.2m and an underspend in Kumeu Film Studio. The forecast for Kumeu Film Studio was based on quarterly upfront payments which are being accounted for on a monthly basis.

Major events

YTD net underspend of \$0.6m against forecast is due to three vacancies and the timing of spend for the RFA Events Attraction fund (\$0.3m) and World Masters Games Leverage fund (\$0.2m), as both are occurring later than planned.

Visitor and External Relations

YTD net underspend of \$0.3m against forecast is:

- the deferral of the Virtuoso project in trade partnerships of \$0.2m, which is expected later this year.
- an underspend in staff costs of \$0.2m because of the timing of annual leave credits and vacancies, and
- \$0.1m planned for the Visitor Funding project which will be reprioritised in Forecast 3.

This underspend is offset by the under recovery of subsidy revenue of \$0.2m from Education New Zealand which was planned to be received in January, but is expected in May as based on completion of work. This revenue is not at risk.

Business, Innovation and Skills (BIS)

YTD net underspend of \$0.9m against the forecast is due to:

- \$0.5m is due to timing underspend in consultancy work across multiple projects including Maori Economic Growth program (\$0.1m) and Innovation events program (\$0.1m),
- \$0.2m is due to lower staff costs because of annual leave credits, and
- \$0.1m is because of lower occupancy costs for Grid AKL.

Corporate

YTD net underspend of \$0.3m against the forecast is due to lower occupancy costs and timing related underspend in professional fees for the Transformation Project (eRea and CRM).

Income Statement

Income Statement									TABLE 2
For the Period Ended 28 February 2017									\$000's
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year
			Operational income						
122	207	(85)	Funding from Government	1,251	1,411	(160)	2,241	2,013	1,742
260	609	(349)	Sponsorship	1,352	1,454	(102)	1,580	2,212	1,580
5	9	(4)	Fees & Subscriptions	298	299	(0)	328	493	446
197	225	(27)	i-Sites	1,351	1,482	(131)	2,000	2,270	2,502
162	264	(102)	Sundry income	1,328	1,374	(46)	2,164	1,383	1,229
747	1,314	(567)	Total Operating income	5,580	6,021	(440)	8,313	8,371	7,630
1,803	1,818	15	Staff costs	13,925	14,449	524	22,100	22,577	20,728
1,003	1,286	283	Professional fees, consultancy & contractors	4,711	5,487	776	9,676	9,118	7,004
666	708	42	Grants & sponsorships	5,086	5,255	169	7,454	6,482	8,739
55	53	(1)	Depreciation & amortisation	443	466	23	765	1,119	591
45	43	(2)	Shared services and lease costs	344	344	(0)	516	531	2,141
219	452	233	Occupancy	1,483	1,814	331	3,151	2,776	2,599
64	188	124	Travel & entertainment	619	891	272	1,518	1,685	1,653
463	507	44	General, admin & other	1,998	2,100	102	2,782	2,235	2,823
976	1,043	67	Advertising, marketing & research	4,626	5,349	723	9,765	11,169	7,367
5,295	6,100	805	Total Operating Expenditure	33,235	36,156	2,921	57,727	57,691	53,645
4,548	4,785	237	ATEED Net deficit	27,654	30,135	2,481	49,414	49,320	46,016

Full year forecast is higher than the budget and this has been approved by Auckland Council. The increase in forecast is as a result of approved deferrals, coupled with a decrease in depreciation that is funded via the capital fund.

Revenue

YTD under recovery of \$0.4m.

Funding from government, \$0.2m lower: International Education funding from Education New Zealand will be received later than planned.

Sponsorship, \$0.1m lower: Sponsorship for Tāmaki Herenga Waka Festival lower than planned and is offset by a reduction in expenditure.

i-Sites, \$0.1m lower: Lower sales for the Princes Wharf i-Sites due to a smaller site, which is offset by a lower cost of goods sold and a decrease in rental.

Expenditure

YTD underspend of \$2.9m.

Staff Costs, \$0.5m lower: This favourable underspend is due to timing of annual leave credits of \$0.2m due to the staff taking leave in December and January and \$0.3m is due to twenty five vacancies (excluding temporary staff covering vacancies) across ATEED. This will be reviewed and adjusted during Forecast 3.

Professional Fees, consultancy and contractors, \$0.8m lower: This favourable underspend is timing in nature. \$0.5m relates to BIS across multiple projects including Maori Economic Growth program, Innovation events program and the ASB Lantern Business forum, \$0.2m underspend in Corporate in the Transformation Project (e-Rea and CRM) and \$0.1m in Visitor and External Relations across multiple projects.

Grants and Sponsorships, \$0.2m lower: This underspend is due to sponsorship for RFA Event Attraction fund (\$0.3m) deferred to March. This is offset by a grant payment to Tamaki Herenga Waka Trust (\$0.1m) which was previously forecasted as entertainment.

Travel and Entertainment, \$0.3m lower: This is partially due to Tamaki Herenga Waka Trust grant (\$0.1m) forecasted in entertainment but incurred in grants, and savings across all business units.

Advertising and Marketing, \$0.7m lower: This positive variance is due to campaigns for Tourism and Trade Partnerships (\$0.4m) occurring later than forecast due to new opportunities identified for the Virtuoso Project and delays in research work in the Destination Development space. Also, \$0.2m relates to Major events timing for the WMG and the Lions' Tour and reprioritisation of spend in International Education contributes \$0.1m to the underspend.

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m									TABLE 3
For the Period Ended 28 February 2017									
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year
\$000's									
Business, Innovation and Skills									
83	83	0	New Zealand Food Innovation Auckland	667	667	0	1,000	1,000	1,015
76	179	103	Grid AKL	756	945	189	2,831	2,491	1,557
Major Events									
39	103	64	World Masters Games 2017 leverage	81	227	147	947	947	36
2	0	(2)	V8 Supercars	1,048	1,057	9	1,057	1,442	2,097
413	510	97	NRL 9s competition	667	715	48	715	540	2,868
(16)	40	56	Lions Tour 2017	192	249	57	1,430	1,065	268
51	0	(51)	Tāmaki Herenga Waka Festival	506	513	7	513	500	514
Total of all Major Events Projects				5,349	5,863	514	8,122	7,972	9,642

- Grid AKL – Underspend in occupancy costs relating to the Lysaght building and in temporary staff costs.
- World Master Games 2017 Leverage – Timing related underspend is due to a re-scope of work to meet WMG needs.
- Lions Tour – Timing related underspend in advertising. Management remain confident that this will be spent.

World Masters Games

World Masters Games 2017 Ltd										TABLE 4
Summary Income Statement										
For the Period Ended 28 February 2017										
\$000's										
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
908	433	475	Revenue from Activities	6,094	6,827	(733)	6,794	6,977	1,616	
333	333	0	Funding from Government	2,667	2,667	0	3,655	3,655	2,625	
210	0	210	Sponsorship	263	70	193	1,208	0	475	
300	0	300	Sundry income	800	600	200	600	600	610	
1,752	767	985	Total Operating income	9,823	10,164	(341)	12,257	11,232	5,326	
			Net Operational costs							
386	359	(27)	Staff costs	2,676	2,640	(36)	4,158	4,513	2,621	
387	541	154	Professional fees, consultancy & contractors	2,609	3,626	1,017	8,126	6,903	1,302	
0	0	0	Grants & sponsorships	793	787	(6)	2,017	1,880	695	
2	0	(2)	Depreciation & amortisation	24	9	(15)	9	70	111	
11	13	2	Occupancy	102	105	3	177	164	164	
19	20	1	Travel & entertainment	195	191	(4)	925	1,023	267	
155	29	(126)	General, admin & other	1,249	441	(808)	3,774	3,785	671	
98	31	(67)	Advertising, marketing & research	700	665	(35)	1,057	966	905	
1,059	995	(64)	Total Operating Expenditure	8,367	8,484	117	20,272	19,304	6,753	
693	(229)	922	Operating surplus/(deficit)	1,456	1,680	(224)	(8,015)	(8,072)	(1,427)	

- WMG's are overall \$0.2m behind forecast, a significant positive change from last month when they were \$1.1m behind forecast.
- YTD total operating income is \$0.3m below forecast but as predicted by Management, registration revenue has increased in February and is ahead of the monthly forecast by \$1m.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 28 February 2017		
TABLE 5	YTD	\$000's Jun-16
Current assets		
Cash and cash equivalents	2,466	2,024
Receivables and prepayments	12,703	10,714
Other current assets, including iSite inventory	46	80
Total current assets	15,215	12,818
Current liabilities	12,851	12,448
Working capital	2,364	370
Non-current assets		
Receivables and prepayments (non-current)	238	697
Property, plant and equipment	7,083	5,098
Investment in Joint Venture, The FoodBow I	2,067	2,067
Total non-current assets	9,388	7,862
Non-current liabilities	228	253
NET ASSETS	11,524	7,979
EQUITY	11,524	7,979
Capex spend	2,436	Annual Plan Bud \$7.8m

- Receivables and prepayments: Increase of \$2m mainly due to timing of intercompany settlement and cash sweeps, scheduled for March. No impact on the income statement for ATEED.
- Current liabilities higher due to increase in accruals and trade payables. This is due to increased activity in February across significant projects including WMG.
- Property Plant and Equipment increase of \$2m due to capitalisation of assets for Grid AKL.

Recommendation

It is recommended that the Board note the Finance Report for the period 28 February 2017.

Signatories

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer
