

Open

Board Meeting Agenda, Friday 30 June 2017
 Tāmaki Makaurau Boardroom, L8 139 Quay Street

Item	Subject	Action	Start Time	Duration	Pg.
OPEN AGENDA					
1	Start of Meeting: Chairman's Welcome, Apologies	To Note	12.30 p.m.	1 mins	
2	Open Minutes 27 January 2017 and Open Action Tracker, Brett O'Riley	To Approve	12.31 p.m.	2 mins	2
3	Directors Interest Register, Conflicts of Interest Declaration, David McConnell	To Note	12.33 p.m.	2 mins	5
4	ATEED's Statement of Intent, Brett O'Riley	To Approve	12.35 p.m.	30 mins	12
5	Chief Executive's Activity Report, Brett O'Riley	To Note	1.05 p.m.	15 mins	62
6	Finance Report, Joy Buckingham	To Note	1.20 p.m.	15 mins	74
	Chairman's close and invitation to the public to leave				
	Close of Meeting		1.35 p.m.		

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, 19 May 2017 at 1.36 p.m.
- Directors:** David McConnell
Norm Thompson
Danny Chan
Helen Robinson
Mike Taitoko (until 12.05 p.m.)
Franceska Banga (until 12.05 p.m.)
Sir Pita Sharples
- Apologies:** Stuart McCutcheon
Franceska Banga
Mike Taitoko
- In Attendance:** Brett O'Riley, Chief Executive
Martin Fairweather, Chief Operating Officer
Joy Buckingham, Chief Financial Officer
Avika Singh, Finance Manager
Tim Kingsley-Smith, Company Secretary
- Public & Media
Attendance:** N/A
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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 apologies of Franceska Banga and Stuart McCutcheon were **noted**.

2. Minutes of Previous Meetings and Action Tracker

The Board discussed the draft minutes of the meeting held on 31 March 2017 and the Open Action Tracker.

The Board **approved** the minutes of the meeting held on 31 March 2017 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

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

- The Board discussed the NRL Nines and noted that Duco was going through a reorganisation. Management briefed the Board on the ongoing discussions with Duco regarding the 2018 NRL Nines Event.
- In response to a query from the Board, Management noted that ATEED had explored teaming up with Australian promoters before, but one of the big problems was that these promoters often wanted open and closed air venues for their acts/events that were bigger than those currently available in Auckland. The Board discussed possible future major events in Auckland. Management noted that Auckland now had (1) A proven track record at hosting events, (2) Skilled organisers and volunteers, and (3) A demand/interest in hosting events.

5. Finance Report

Joy Buckingham spoke to the paper. The key points discussed were:

- ATEED is tracking \$1.8m behind forecast, a significant movement of \$1.6m from last month. This positive variance is a combination of both permanent savings of \$0.3m due to efficiencies and a \$1.5m timing related underspend. Management are proactively managing the underspend which was tabled at the recent lead team meeting. There remains a firm commitment from management that ATEED will deliver as per its forecast.
- The Board queried the Open action point regarding more detail on the Destination & Marketing and Tourism budget for analysis. Management responded that the work on this was underway and would be circulated shortly.

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 30 June 2017

No.	Action	Status	Result	Target Date	Responsibility
31 March 2017					
1	The Board requested that management prepare a break-down of the Destination & Marketing and Tourism budget for analysis.	COMPLETED	Email to Board from Tim Kingsley-Smith dated 21 June 2017	19 May 2017	Martin Fairweather

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 & Deputy Chair, Tourism Infrastructure Fund 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	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

Finalising the Statement of Intent 2017/18

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

Proposal

This report presents the Board with the final version of ATEED's Statement of Intent 2017-2020 for approval. The paper also outlines how the Auckland Council feedback has been captured in the final version.

Strategic Alignment

The Local Government Act requires all CCOs to prepare a Statement of Intent (SOI) each year. The ATEED SOI states our activities and intentions over the next three years according to our strategic priorities and the Auckland Council objectives to which those activities contribute. As such, it provides the strategic link between the Auckland Plan and Economic Development Strategy and ATEED's operational activities.

Comment

ATEED has received the official feedback from the Governing Body on the draft Statement of Intent 2017-20. The feedback has been incorporated into the final version of the SOI (attached) for final Board approval prior to delivery to Auckland Council on 01 July 2017.

An overarching item of feedback requested that ATEED consider what could be removed from the initial draft to make the document more succinct and forward facing. Accordingly a number of structural changes have been incorporated within section 1 (page 7 – 19) to streamline the ATEED narrative. Sections 2 and 3 remain relatively unchanged from the previously approved version.

A summary of the feedback received from Auckland Council and the relevant changes have been included within Appendix 1.

Options

Nil

Consultation

ATEED's Senior Leadership Team have provided significant input into the SOI throughout the development process.

Management has engaged Auckland Council and CCO's (i.e. Pānuku, Auckland Transport and RFA) for peer review of SOI's and alignment of cross Council activity.

Decision Making

The Board approve the final version of the Statement of Intent 2017-20

Financial Implications

The financial tables contained within the SOI have been updated to incorporate the additional savings targets agreed with Auckland Council and the prescribed Council format

Recommendations

1. The Board approve the final version of the Statement of Intent 2017-20

Attachments

- A summary of the shareholder comments on the SOI and the relevant updates
 - The final version of the Statement of Intent 2017-20
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Signatories

Unit Manager: James Field, Head of Strategy & Planning

General Manager: Brett O'Riley, Chief Executive

Ser	Feedback	Actions
1	<p>You must ensure that: information contained in the final Statements of Intent are consistent with the 2017/2018 Annual Plan financial information is provided for 2016/2017 (current) year, and the three subsequent years agreed non-strategic asset sale targets are included where appropriate performance measures and targets are worded exactly as in the 2015-2025 LTP, and the Statements of Intent include 2015/2016 actual performance, 2016/2017 (current year) targets and targets for the 2017-2020 years.</p> <p>We expect that your staff will work with Council staff to ensure that the legislative requirements are met and that all financial and non-financial information is well aligned between these documents as they are finalised.</p>	All financial information has been reviewed and updated to ensure alignment to Council requirements (see p.39-41)
2	Council acknowledges the comprehensive and detailed nature of the draft ATEED Statement of Intent. In a revised draft, it would be useful for ATEED to consider what detail could be left out, to ensure the document is easily understood by the general public, and guides the decision-making of ATEED's Board, as well as being a plan of activities.	Section 1 of the SOI (p.7-19) has been redrafted to both reduce the amount of information and streamline the key messaging
3	A clear statement that members of the public can read to explain what ATEED does and the role it plays would be useful. Where possible, this should be clear about what improvements in economic development indicators are attributable to ATEED's activities, and give examples of how specific projects have contributed to improved outcomes, rather than relying on aggregated statistics	A revised and simplified "ATEED purpose" (p.10) has been inserted to clearly articulate the purpose of ATEED for readers.
4	ATEED should ensure the Statement of Intent is forward looking, as some sections report on past success than identifying and pursuing emerging issues and opportunities.	Section 1 of the SOI (p.7-19) has been redrafted to remove some of the past successes and highlight future focus areas for ATEED (i.e. advanced industries)
5	In general terms, it is important that Auckland's investment proposition is clear to our partners and stakeholders. The Statement of Intent should clearly set out ATEED's commitment to cooperate with the wider Auckland Council group to identify and articulate comprehensive and coordinated messaging of Auckland's investment story.	The Cross-Council collaboration section (p.18-19) has been expanded to include working across the Auckland Council group to identify and articulate a comprehensive and coordinated messaging of Auckland's investment story

6	The bullet point on the Global Partnerships team (page 20) should reflect the wider role of that team (not just civic relationships), e.g. "...combining with Council's Global Partnerships unit to leverage political and government relationships, city networks, forums, and relevant city and government priorities and policies".	The Cross-Council collaboration section (p.18-19) has been updated to better articulate the relationship between ATEED and Global Partnerships unit
7	Add a comment about ATEED sharing its expertise, data and insights to contribute to strategy and policy development from other parts of the Council group (page 20).	The Cross-Council collaboration section (p.18-19) has been updated to include the role ATEED has in sharing its expertise to strategy and policy development (i.e. The Pānuku led Transform Manukau initiative)
8	In respect of trade (page 30), there are larger interests and implications than just business in the New Zealand Trade Plan Refresh (e.g. procurement implications, social issues). A wider Auckland Council group perspective therefore needs to be represented in this process, including the Global Partnerships unit's policy role and relationship with the Ministry of Foreign Affairs and Trade.	The International trade section (p.27) has been updated to outline the wider interests and implications
9	Ensure that business cases are used consistently to justify investment in particular activities, especially events	The cross cutting priorities section (p.12) has been updated to include an evidence based activity priority including the use of business cases
10	The financial information does not provide sufficient detail of cost categories as required by the Letter of Expectation. The public should be able to understand what activities are being funded and to what level, so that ATEED's priorities are clearer and can be compared against the measures/metrics.	A new "ATEED operating expenditure" table (p.40) has been inserted which provides additional information on budgets by key activity
11	A commitment to increasing non-Council sources of revenue should be included in the Statement of Intent (whether in the financial section or elsewhere).	The Accommodation Provider Targeted Rate section (p.17) has been expanded to include the wider commitment to alternative funding sources and ATEED's success to date (i.e. moving from 17% to 23% alternative funding in FY18)
12	In the context of sustainability, consideration should be given to thinking about whether a stronger focus could be given to developing low carbon industries. While this may be an area that requires significant development, and would need to be alongside against the current focus on high-value foods and technology sectors, a commitment to thinking about the role these industries could play in Auckland's future economy should be included in ATEED's Statement of Intent.	The Economic Development Strategy section (p.21-22) has been updated to include the ATEED commitment to supporting green growth and the Low Carbon Auckland Action Plan (2014)
13	The section on performance measures can be improved by: <ul style="list-style-type: none"> • adding a reference to working with Council through the Long-term Plan process to develop and improve measures and indicators 	A number of changes have been made to the performance measures section: <ul style="list-style-type: none"> • A clear reference to the Long-term Plan process has been included on p.33

<ul style="list-style-type: none"> • including a general commentary explaining the benefits of economic development programmes for residential ratepayers (not just for businesses) • a number of targets are set lower than what has actually already been achieved. These should be revised higher or an explanation given for the target. Examples include: <ul style="list-style-type: none"> • the number of Māori businesses that have been through an ATEED programme or benefited from an ATEED intervention • business event bid win/loss ratio • customer satisfaction • value of business event bids. 	<ul style="list-style-type: none"> • A section outlining the wider benefit of economic development to both businesses and ratepayers has been inserted on p.33 • Additional footnotes have been included throughout the performance measures section to provide additional clarity
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He Mihi

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

E whakaruruhau ana i ngā ahikaa mai tawhiti.

E maumahara ana i te nguha a Mataoho

Rātou kua poto ki tua ō te ārai, e moe e okioki

Tātou te hunga ora e kawē ana i te aronganui mō te pai me te whai rawa ō Tāmaki, tēnā rā tātou katoa.

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

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

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

Foreword

Auckland Tourism, Events and Economic Development is a progressive and innovative economic growth agency with a passion for the prospects and international profile of Auckland. We work relentlessly to increase the prosperity of all people living in this great city called Tāmaki Makaurau.

ATEED is proud of our contribution on behalf of Auckland Council and with our partners of the strategies we have developed to stimulate growth, and of the consequent interventions we have led and participated in that have delivered measurable growth and benefits to ratepayers and the people of Auckland.

Over the six years since the Auckland Council amalgamation, ATEED has helped the economic transformation of the region. Economic growth is over 4 percent, unemployment is significantly reduced, there is a strong business focus on export opportunities, and there is unprecedented new investment across the Auckland economy.

Working with our partners, ATEED has supported the growth of the visitor market into a \$7 billion industry, staged world-class sporting, arts, business and cultural events, attracted new businesses and investments, established the GridAKL innovation precinct, AR/VR Garage and Kumeu Film Studios, hosted the highly-successful Tripartite Economic Alliance Summit, the inaugural Techweek AKL 2016, and promoted a wide-ranging skills, employment and business capability programme, including the BuildAKL campaign.

Auckland is now ranked in the JLL Top 20 City Momentum Index (CMI) which referred to Auckland as “one of the world’s most sustainable and liveable cities” and “among the most dynamic city economies globally [which] have been able to achieve global reach without significant economies of scale.” ATEED works hard to support, connect and showcase the advanced industries and their smart, innovative companies which make Auckland globally competitive and will raise average incomes across the regional economy.

Auckland is now rated the Best Medium Sports City in the world which attracts international sports organisations and events to the city, most recently the ISAF World Junior Sailing championships and the World Masters Games, with the British and Irish Lions Tour, Mckayson Ladies PGA NZ Open, and Rugby League World Cup to be held in 2017-18.

ATEED undertakes diverse and dynamic projects operating in the collaborative spirit of kotahitanga with our broad range of partners that we bring together and work with to deliver the objectives and work programme set out by Auckland Council in our Statement of Intent (SOI).

ATEED’s SOI is by its nature an evolutionary document which although forecasting three years out is reviewed annually in order to take advantage of new opportunities, meets new challenges, and adapt to the influences of a changing strategic environment.

ATEED’s SOI for 2017-20 outlines the latest work programme, and objectives, that capitalise on the momentum to date, and reinforces Auckland’s standing as a major innovation hub of the Asia-Pacific region and as an international destination for visitors, businesses, students, talent and investors.

During the next three years ATEED will further develop and strengthen its relationships with local boards and iwi. ATEED is the only CCO that provides direct services to the local boards through our local economic development activities. We will continue to provide evidence-based advice on local economic development initiatives that will raise the living standards of residents, and create entrepreneurial and employment opportunities for Aucklanders, generating local employment in communities.

ATEED is committed to fostering Maori economic and cultural development, and playing a key role within Auckland Council’s Te Toa Takitini engagement programme. Integral to ATEED’s work programme are initiatives that will improve the overall performance of Auckland’s Maori economy, including Maori Economic Growth and

Tourism Development programmes, iwi investment facilitation, rangitahi employment initiatives, and major events including the Tamaki Herenga Waka Festival. Activities are expanding across each of these areas.

ATEED has set in train other exciting initiatives that will drive further economic growth and continue to enhance Auckland's international reputation. GridAKL will complete its second stage and establish a world-class innovation precinct, with two more buildings (Mason Bros and 12 Madden St) attracting new businesses and creating new high income jobs; the new film studios at Kumeu will host international film and television productions; the sports innovation precinct at Mairangi Bay with the AUT Millennium Institute will stamp Auckland as a centre of excellence for high performance sports training, science and innovation; and the Tripartite Economic Alliance and even bigger Techweek will enable local businesses to develop new international partnerships, increase their trade and grow significantly.

ATEED will continue to work with Council and industry on facilitating the development, investment and approvals for expanding infrastructure to meet the exceptional existing and forecast growth in the visitor economy, and the consequential economic and amenity benefits to ratepayers. This required new infrastructure includes accommodation, cruise ship berths and handling facilities, convention facilities, transport links and stations, digital services, and new attractions.

ATEED is working with Auckland Council and the accommodation sector to develop and implement an alternative funding mechanism for some of its activities, in the form of an Accommodation Provider Targeted Rate (APTR). ATEED already forecasts to increase our non-Council funding in FY18 from 17% to 23%, which will increase further and may impact existing governance and operational arrangements.

ATEED is specifically designed and tasked by Council to drive regional economic growth opportunities with a focus on bringing prosperity to Auckland. We relish the challenge.



David McConnell
Chair



Brett O'Riley
Chief Executive

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Purpose of Statement of Intent

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Auckland Tourism, Events and Economic Development Limited (ATEED) for the next three years, and the objectives to which those activities will contribute. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

About ATEED

ATEED'S JOURNEY

Since inception in 2011, ATEED has been tasked by Auckland Council with a strong focus on growing the regional economy as a means of underwriting the prosperity and amenity of the city. ATEED's contributions across visitor activity has contributed to the Auckland visitor economy growing from \$5.35 billion in 2011 in to \$7.3 billion in 2016. Growth in the visitor economy not only results in more expenditure and jobs but also generates a much broader range of benefits that can underwrite Auckland's economic and social transformation, ultimately providing its residents with greater social amenity and higher living standards, notably in the CBD.

Concurrent to the visitor interventions, ATEED has focused on developing Auckland's culture of innovation and entrepreneurship recognising that innovation is a crucial driver of sustained income and business growth. One of the most visual examples of ATEED's success in this area has been the development and launch of the innovation precinct GridAKL located in Wynyard Quarter. As at January 2017, 76 technology based businesses have taken up tenancies in GridAKL. Following completion of all construction in 2022, GridAKL is forecast to contribute \$375m in GDP to Auckland's economy annually.

As ATEED's journey has continued, it has built capability in additional areas of focus including raising our international profile, developing a stronger focus on improved international connectivity through trade, and driving the attraction of new business and talent into Auckland to fulfil the cities potential. ATEED's efforts in these areas have contributed to Auckland being recognised as one of the "must see" cities in the world¹ and one of the most liveable cities in the world². Further, in 2016 ATEED won international awards for Excellence in Economic Development for Domestic Tourism Marketing, Techweek and the Tripartite Summit³.

Today ATEED both leads and supports Auckland Council's interventions in local board economic development, screen attraction, tourism, major events, Auckland Convention Bureau, international students, innovation and entrepreneurship and business attraction and investment. On behalf and in partnership with Auckland Council, ATEED developed and now leads the following economic development plans for Auckland:

- The Visitor Plan
- The Auckland Business Events Plan
- The Major Events Strategy
- The Auckland Innovation Plan
- ATEED Skills, Education and Employment Action Plan
- The Auckland Foreign Direct Investment Attraction and Facilitation Strategy

While ATEED has a strong focus on delivering regional economic outcomes, all of these activities also deliver local economic outcomes. We also support local economic development directly by supporting local board's in designing and implementing locally driven (economic) initiatives as well as through our business support, business start-up and youth employment activity. These activities require close and ongoing co-operation not only with local boards, but also with business groups and business improvement districts.

¹ <http://www.stuff.co.nz/travel/destinations/nz/80310764/Auckland-ranked-as-worlds-best-city-on-the-water>

² Auckland retaining its ranking of 3rd in the Mercer Quality of Living rankings, and 8th in the Economist Intelligence Unit's Global Liveability Survey ranking

³ 2016 International Economic Development Council (IEDC) Awards

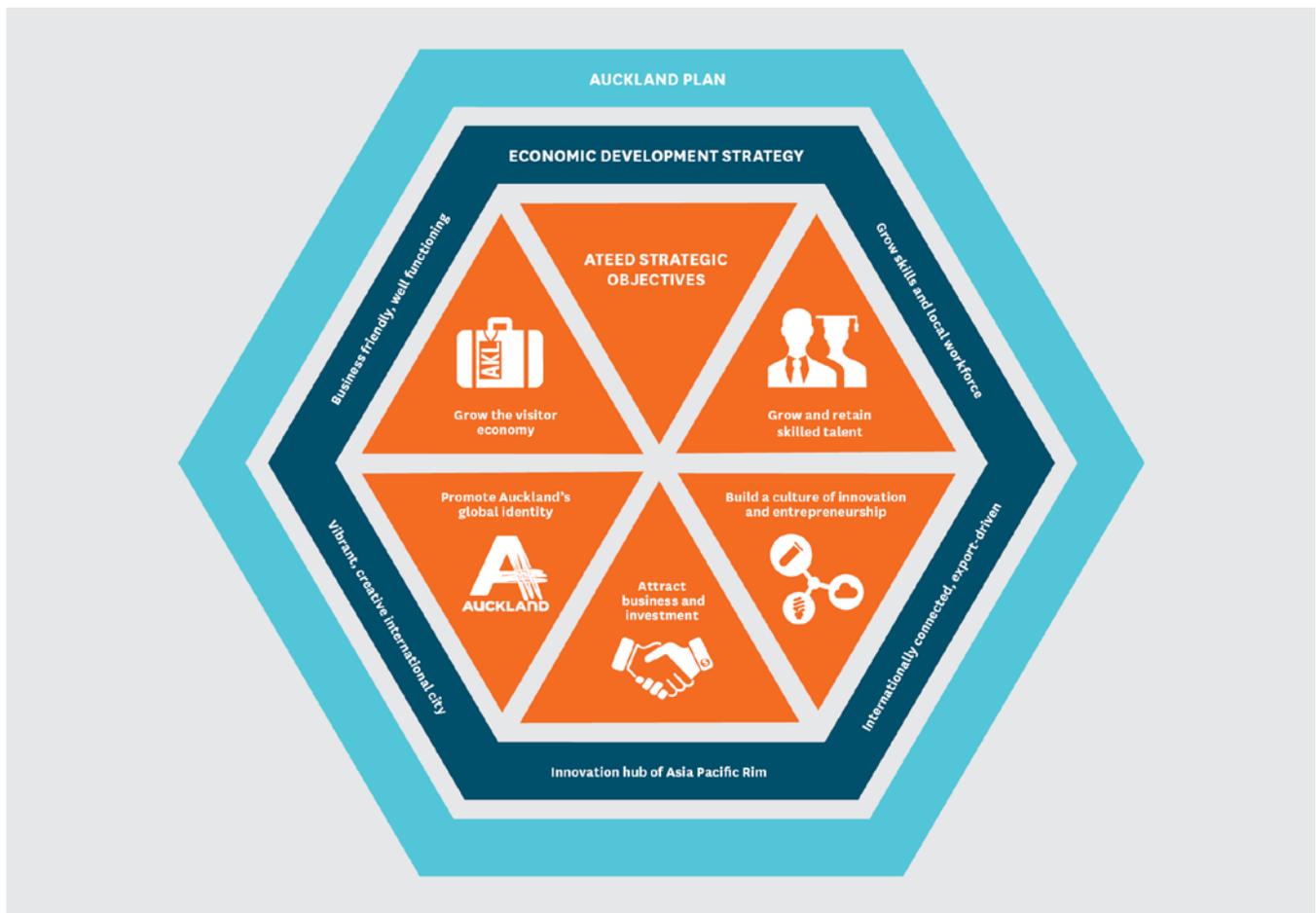
ATEED'S ROLE

ATEED has prioritised five strategic objectives that align to the Auckland Plan and Economic Development Strategy and articulate ATEED's role in delivering against the outcomes of these plans with a focus on bringing new smart money and high value jobs into Auckland:

- Grow the visitor economy
- Build a culture of innovation and entrepreneurship
- Attract business and investment
- Grow and retain skilled talent
- Promote Auckland's global identity

Through these objectives, ATEED can connect Auckland-wide strategies (Auckland Plan, EDS) with ATEED's ongoing strategic interventions, growth programmes and projects. The framework in Figure 1 below provides the organisation with focus on those areas of our role that will make a difference to Auckland. The key strategic objectives are supported by more detailed action plans, investment proposals and delivery partnerships.

Figure 1: ATEED's strategic objectives



Auckland’s future success is increasingly linked to its position in the global economy, and in this regard Auckland has been recognised globally as a ‘new world city’⁴. New world cities are characterised by an attractive quality of life, fewer environmental or economic externalities, and focused economic specialisms related to our comparative advantages. They play a role as knowledge, cultural, and entertainment hubs, and many also possess hi-tech, innovation or research capabilities that make them important cities in the convention and higher education economies. New world cities are increasingly internationalised and their global connectivity provides a platform for increased trade and collaboration. They compete openly in global markets including tourism, higher education, events, research and development, and summits.

ATEED focuses on those areas that offer the greatest opportunity for economic growth. This includes a stronger focus on supporting the eight competitive sectors of the Auckland economy that contribute significantly to growth, employment and prosperity – many of which were identified in the EDS. Additionally, ATEED – guided by international best practice – has identified three competitive cross cutting segments of the economy:

- ‘Advanced’ industries that trade in innovation, technology and knowledge-intensive services. These industries have above average growth and strong export growth.
- ‘Tradeable’ industries in which the goods or services produced are considered tradeable and where the majority of the industry’s output faces international competition. These industries have marginally above average growth and strong export performance.
- ‘Enabling’ industries which are employment-intensive and are key to providing basic economic infrastructure and supporting a city’s brand, image and global positioning.

When considering these needs and opportunities, and based on ATEED’s current resources and functions, we have developed the following high-level framework to identify how we will support these sectors and industries.

Figure 2: ATEED’s activity alignment to the cross cutting segments of the economy



⁴ In February 2016, Auckland was recognised globally as a city on the move, being named for the first time in JLL’s Top 20 City Momentum Index (CMI).

ATEED'S PURPOSE

ATEED's purpose is to promote Auckland as a destination for visiting, studying, running a business, investing and living. We are a proud public agency advancing Auckland's prosperity and helping create the new city by:

- Attracting visitors, direct investment and smart jobs to Auckland
- Building an entrepreneurial ecosystem in which ideas, investments and jobs thrive
- Helping businesses to start and grow
- Linking Auckland with dynamic markets and innovators in Asia Pacific
- Stimulating jobs for young Aucklanders in growth sectors

ATEED prioritises its resources to focus on sectors and industries within the economy which can generate the greatest return for Auckland. In this context, ATEED believes there are a number of priorities that can significantly impact Auckland's economic growth. These priorities will drive growth and help differentiate Auckland internationally as a leading city.

A clear, collaborative, achievable strategy is required to make Auckland an internationally prosperous city – a strategy that will help bring about a major change in the way Auckland does business. The Economic Development Strategy 2012-2022 (EDS) delivers this for Auckland.

The EDS aims to strengthen collaboration, provide and develop supporting infrastructure, and attract, build and retain talent and business capability in Auckland. It also aims to make it easier for the city to be innovative, to showcase its strengths and benefits from the sectors of competitive advantage.

The best way to achieve the aims of the EDS is through a step change in the level of exports, and being more internationally connected. The strategy outlines how Auckland Council will work with business, government and our partners to grow the skills of our local workforce, including people who have immigrated here permanently, strengthen local business areas and town centres, streamline Council's business processes, and develop Auckland into a city that's alive with events and creative talent – one that is attractive to visitors and residents alike.

The priorities outlined in the EDS are to:

- Grow a business friendly and well-functioning city
- Develop an innovation hub of the Asia-Pacific rim
- Become internationally connected and export driven
- Enhance investment in people to grow skills and a local workforce
- Develop a vibrant, creative, international city

KEY MOMENTS**Growing the visitor economy**

- Annual visitation of international visitors to Auckland went past the 2 million mark for the first time, and the tourism sector contributes more than \$7 billion to the regional economy
- ATEED's major events portfolio injects \$44 million into the Auckland economy and generates 283,000 visitor nights
- Auckland Convention Bureau won 11 international conference bids worth an estimated \$17 million to the Auckland economy
- ATEED expands the golf, equine, marine and the screen (GEMS) programme to attract more high-value visitors to Auckland, particularly from China and United States

KEY MOMENTS**Building a culture of innovation and entrepreneurship**

- More than 10,000 people attended the inaugural Techweek AKL 2016 which included 55 innovation-focused events
- GridAKL innovation precinct gets a new home when nearly 60 tenants move into the refurbished Lysaght Building
- ATEED establishes the exciting AR/VR Garage and the number of tenants quickly grows to 20
- The number of actively-managed businesses in the Regional Business Partner programme tops 1000

KEY MOMENTS**Attracting business and investment**

- The Tripartite Economic Summit in Auckland attracted 700 delegates and more than 300 matched business meetings aimed at increasing trade between Auckland, Guangzhou and Los Angeles, with over \$40 million of deals directly completed as a result
- Nine multi-national or domestic companies established operations or expanded in Auckland, and ATEED helped secure nearly \$330 million worth of investment deals
- Screen Auckland issued a record 567 permits for filming on open public spaces across the region, and this film and television production was worth an estimated \$165 million to the local economy

KEY MOMENTS**Growing and retaining skilled talent**

- 59 companies signed up to the Youth Employer Pledge programme, managed by ATEED
- Two successful JobFests attracted several thousand young jobseekers, and ATEED launched the BuildAKL campaign to increase awareness and career opportunities and attract people into the construction and infrastructure industry
- More than \$1.6 million worth of NZTE Capability Development Vouchers were facilitated by ATEED into Auckland businesses
- International students studying in Auckland contributed \$350 million to the regional economy

KEY MOMENTS**Promote Auckland's global identity**

- ATEED backed up the *AKL: The Show Never Stops* domestic tourism proposition with new summer and spring campaigns - *Beyond our Backyard* and *Stellar Spring Line-up*
- The *Beyond our Backyard* campaign featuring actress Robyn Malcolm won a Silver Medal at the International Economic Development Council's Excellence in Economic Development awards
- Aucklandnz.com website managed by ATEED attracted more than 3.7 million visits

Cross cutting priorities

In support of the five strategic priorities, ATEED focuses on the following cross cutting priorities:

- **Support for Māori economic development outcomes** – ATEED's initiatives will focus on improving the performance of the Auckland Māori economy by strengthening the capability and collaboration within it, and generating growth opportunities and leveraging the comparative advantage that the Māori Economy provides Auckland. This includes the facilitation of Māori economic growth initiatives through implementation of initiatives generated by the Whai Rawa workstream of Council's Te Toa Takitini programme, and working closely with central government agencies and the Government's He Kai Kei Aku Ringa partnership.
- **Value for money** – ATEED recognises the ongoing pressures on public funding and the need to deliver ever improving value for money to ratepayers. ATEED's goal is to develop an optimum funding model which will significantly reduce the reliance on ratepayer funding. Until this goal is achieved, ATEED will continue to focus on delivering enhanced levels of service without increasing ratepayer funding requirements.
- **Joined up activity across the Auckland Council Group** – ATEED will continue to work with teams across the Auckland Council Group to utilise key capabilities, avoid duplication and to deliver better outcomes for ratepayers. For example, ATEED supports the geographical and spatial priority areas by working with Council, Auckland Transport and Pānuku Development Auckland, and providing expert analysis and specialist advice.

- **Evidence based activity** – ATEED will ensure that business cases are evidence based to justify investment in key activities including significant investments and major events. ATEED proactively works with areas across the Council Group to ensure best practise measurement and evaluation of activities.
- **Support to local economic development** - ATEED will continue to prioritise support for local economic development, ensuring that our activities facilitate economic development in less prosperous parts of Auckland. Services provided by ATEED's local economic development team, in collaboration with local boards, CCOs and Auckland Council will support this, in addition to delivering ATEED's youth employment initiatives.
- **Delivery of integrated activities** – ATEED values and leverages the unique situation of combining its key activities under one entity focused on delivering new smart money and high-value jobs for the city. Increasingly, the business is identifying initiatives that deliver exponential value to the city by integrating the efforts of ATEED teams across all of the pillars. These benefits to the city are further increased by connecting ATEED's activity with strategic partners including other CCO's.

ATEED'S CUSTOMERS AND PARTNERS

Customers

ATEED acknowledges the importance of delivering value to our customers and maintaining this focus across all of our initiatives. Responsiveness and seamless customer service is a priority for ATEED. The experience for the customer should be consistent across the Council group, ensuring a uniform approach to service delivery. ATEED's organisational structure ensures that delivery is designed from the 'outside-in', deploying customer-centric design techniques to ensure ATEED is accessible and transparent about its activities. ATEED also ensures that it works with other Auckland Council teams that provide services to these customer groups to ensure coherence and efficiency of message.

There are already a number of metrics tracking ATEED's performance in terms of customer expectations including Aucklanders' satisfaction with major events, the Regional Business Partner programme⁵, and engagement levels with local boards and iwi. In 2017/18, it is intended that every ATEED team will have a customer satisfaction measurement to ensure the customer centric focus is delivered at all levels.

Strategic partners

To deliver value for our customers and funders, ATEED focuses on formally aligning activity with strategic partners from across the public and private sector where there are common goals and values.

Effective partnering is critical to ATEED's success, and a method by which ATEED designs and delivers its work. ATEED adopted the Māori principle of kotahitanga ('unity in purpose') in 2012 to define its approach to partnering. Through this approach, ATEED seeks partners with shared goals, values and commitment to Auckland's growth. ATEED values collaboration with partners where there is an opportunity to accelerate delivery and growth to create scale and amplify Auckland's success.

ATEED formally partners through contracts, agreements and memorandums of understanding with a range of local and central government agencies, non-governmental organisations (NGOs), industry associations and corporate partners to achieve its strategic vision and its Statement of Intent targets. ATEED's collaboration with central government agencies is critical to ensuring that Auckland priorities are correctly positioned off shore, and that ATEED is able to complement and fully leverage activities undertaken by these partners.

Figure 3 provides examples of current ATEED partnerships.

⁵ The Regional Business Partner programme helps New Zealand businesses innovate and grow by making it easier to access early stage business support. The programme is delivered in Auckland under contract to New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation.

Figure 3: Summary of current ATEED Partnerships

GOVERNMENT AGENCIES	
Ministry of Business Innovation and Employment	Key stakeholder enabling the alignment of regional and national economic policy and strategy, as well as access to key resources including research and data. Partner in the delivery of major events and funder of the CBD Jobs and Skills Hub.
Ministry of Foreign Affairs and Trade (MFAT),	A Memorandum of Understanding jointly between Auckland Council, ATEED, Pānuku Development Auckland, Independent Maori Statutory Board (IMSB) and the Ministry of Foreign Affairs and Trade (MFAT) and NZTE in relation to the coordination of international activities between all parties. The MOU aims to create a partnership that will generate improved outcomes for all parties in the international arena.
Immigration New Zealand	A Regional Partnership Agreement that enables Auckland businesses to attract and retain migrants who have the skills and inward investment that Auckland needs to enhance its economy. Immigration NZ provides a customised service to support businesses that ATEED has identified as having high value to Auckland.
Ministry of Social Development	Delivery partner and co-funder of JobFest and CBD Jobs and Skills Hub, skills initiatives, and key stakeholder in the development of ATEED's youth employment initiatives.
New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation	<p>NZTE is the lead agency for the Investment Attraction Strategy and Framework, which mandates ATEED's role, including Project Palace to attract hotel investments. ATEED has recently signed an MOU that:</p> <ul style="list-style-type: none"> i. recognises the strategic partnership between ATEED and NZTE ii. Sets out the principles for working together to deliver common benefits to both agencies and the broader economic development ecosystem iii. Provides clarity on roles and responsibilities to ensure that these common benefits are delivered efficiently and without duplication to grow Auckland and New Zealand's economy <p>NZTE and Callaghan Innovation also contract ATEED to deliver the Regional Business Partner Programme, supporting small and medium sized enterprises (SMEs) to innovate and grow. Delivered in partnership with Auckland Chamber of Commerce.</p>
Tourism New Zealand (TNZ)	ATEED partners with TNZ on a range of destination marketing and business event attraction in ATEED's key target markets (Australia, China and the US). Activity includes jointly funded marketing campaigns, media and trade familiarisations, conference and incentive bids and some major events.
Education New Zealand (ENZ)	ENZ is a contractual partner supporting the delivery of ATEED's international education activity by aligned strategies, shared data and investment in key strategic projects.

NON-GOVERNMENTAL ORGANISATIONS (NGOS)

Asia New Zealand Foundation	Formal partner that informs Asia migrant, trade and investment strategy for Auckland region including but not limited to delivery of Lantern Festival and Business Forum, Diwali Festival, trade and investment summits, Tripartite agreement.
KEA	ATEED is Kea's Global Economic Development Partner, putting Auckland on the international map and connecting it to the world. ATEED's formal partnership with KEA provides Auckland businesses with access to an extensive and influential global expat business network.
New Zealand Film Commission	Partner for the attraction of international film and television productions and the development of the Kumeu Film Studios.
NZTech	Delivery partner for Techweek 2017 and, as industry representatives, a key stakeholder in ATEED's work to support the New Zealand technology sector.

CORPORATE

ASB	Partner in the development of Auckland as a tourism destination and Auckland's major events portfolio; co-sponsor of Lantern, Diwali and Tamaki Herenga waka Festivals.
BNZ	Delivery partner for Tripartite 2015; China trade partner (with Immigration NZ and NZTE); provider of services for Regional Business Partner (RBP) programme; provider of premises and mentors to the Lion Foundation Young Enterprise Scheme (delivered by ATEED).
SkyCity	Partner in the development of Auckland as a tourism destination and member of the Auckland Convention Bureau member; Youth Employer Pledge partner; Tourism destination partner plus i-SITE partner; Major event festival partner.
Air New Zealand	Partner in the development of Auckland as a tourism destination; co-sponsor of Lantern, Diwali and Tamaki Herenga Waka Festivals.
Auckland International Airport Limited (AIAL)	ATEED partners with AIAL on a number of strategic activities aligned to the development and growth of the visitor economy. Activity includes joint marketing, sharing of data insights and working in partnership on visitor infrastructure challenges. Activity also includes support where appropriate on new airline route development, with a focus on Australia and China.
Vector Limited	Partner in the development of Project Lumens and the lighting of the harbour bridge and wider eco-friendly lighting initiatives.

Local board engagement

ATEED recognises that local boards are an integral part of Auckland Council's shared governance model, and that local boards have responsibilities regarding funding and delivering local economic development, infrastructure and local events. ATEED is the only CCO directly responsible to local board's for the delivery of local economic development initiatives and is committed to working in an open partnership with local board members and local board Services staff to shape and advance local economic prosperity. Appendix 1 outlines the ATEED contributions to local economic development by local board.

ATEED will continue to provide early input into the development of triennial local board plans to support an integrated long-term approach to planning and enabling community and economic outcomes. Where local boards hold Locally Driven Initiative (LDI) funding for economic development, ATEED provides specific input into the development of annual local board work programmes.

ATEED manages its engagement with local boards through a dedicated point of contact who has the specific responsibility for managing and developing the day-to-day relationships with local boards. ATEED account managers act as conduits to ensure local boards connect with the right person within ATEED to meet their needs.

ATEED also works closely at the local level with business groups and Business Improvement Districts and sees further opportunity to enhance collaboration and alignment of activities to deliver greater outcomes for local economies.

While ATEED provides localised support across Auckland the need to focus on areas of less prosperity, notably South and West Auckland, is prioritised. As figure 4 outlines ATEED provides a number of services to these regions including a number of focused interventions notably the Kumeu Film Studio (West Auckland) and strategic input into the Pānuku Development Auckland led Transform Manukau initiative (South Auckland). ATEED will continue to focus on initiatives that deliver value to these less prosperous areas.

Figure 4: Current ATEED support to West and South Auckland



Supporting Māori economic development

ATEED is responsible for promoting and fostering economic development and opportunities for everyone across the region, including Tāmaki Makaurau's 19 recognised iwi groups (mana whenua) and the wider Māori community.

ATEED works closely with the Independent Maori Statutory Board and the Te Puru Kokiri and together we know the value of strong performing businesses within the Māori economy contributes across Auckland's sectors at all levels. The Māori economy continues to be an increasingly formidable force within Auckland, encompassing business, social and community dimensions, with both a domestic and international focus.

Working in partnership with Māori and champions of Māori business, ATEED will deliver a range of initiatives that aim to improve the overall performance of Auckland's Māori economy and generate growth opportunities. These initiatives will also aim to strengthen business capability and the capacity of this part of the economy, increase collaboration and leverage the comparative advantage that the Māori economy offers Auckland.

ATEED's initiatives support Auckland Council's Māori economic wellbeing programme, Whai Rawa, as part of the overall Te Toa Takitini⁶ framework.

ATEED's initiatives will focus on three 'customer' groups that collectively represent the Māori economy in Auckland:

- Rangatahi – ATEED will deliver development – education, employment and entrepreneurship – through focused initiatives such as DigMyIdea and Emerging Leaders
- Iwi and Māori collectives – supporting and enabling iwi-led economic development aspirations
- Māori enterprises – supporting entrepreneurship and innovation through a programme supporting Māori small and medium businesses, and the development of a Māori corporate network

Alternative funding and reducing the reliance on ratepayer funding

In November 2016, the Mayor announced plans to introduce an Accommodation Provider Targeted Rate for the 2017/18 financial year. ATEED had led initial discussions with the industry on visitor levy options following an approach agreed with the Council governing body in November 2015. ATEED will continue to support Council and the industry with the development and implementation of the rate. It is anticipated that the new rate will replace general ratepayer funding for ATEED's activity under the Grow the Visitor Economy pillar, specifically tourism marketing and development, business events, major events, and international student attraction.

The mechanism for the rate is currently being developed for implementation in July 2017. Pending further information on the new rate mechanism, this SOI outlines the activity and metrics confirmed in the current Long Term Plan 2015-2025 (LTP). ATEED will work with Council and the accommodation sector to update activity and metrics as the rate is developed and new priorities agreed, including a revision of the Auckland Visitor Plan.

ATEED is committed to increasing non-Council sources of revenue and will continue to investigate further opportunities. This commitment includes both increasing the stakeholders who financially contribute to ATEED (i.e. Central Government and private funding sources) and also utilising partner resources and programmes to enhance or replace ATEED capability and activity.

In FY18 ATEED forecasts to increase the non-Council funding from 17% to 23%.

⁶ Te Toa Takitini is a Council led initiative designed to lead and influence better outcomes for Maori by enabling a top-down Council family approach to significantly lift Maori social and economic well-being, strengthen the Council's effectiveness for Maori and maximize post-Treaty settlement opportunities for the benefit of mana whenua, Auckland Council and Auckland public.

ATEED'S OPERATING PRINCIPLES

ATEED has identified the following operating principles which align with expectations across the Auckland Council Group and we will adhere to in fulfilling our role:

Delivering value for money

ATEED recognises the ongoing pressures on public funding and the need to deliver ever improving value for money to ratepayers. ATEED's goal is to develop an optimum funding model which will significantly reduce the reliance on ratepayer funding. Until this goal is achieved, ATEED will continue to focus on delivering enhanced levels of service without increasing rate funding requirements through:

- An ongoing focus on opportunities to partner with third parties to deliver additional and/or improved services within our approved funding
- Continued pursuit of commercial partnerships and alternative funding options, to reduce reliance on ratepayer funding
- Supporting the development and implementation of the Accommodation Provider Targeted Rate for Auckland to generate an additional revenue stream for projects and activities designed to grow and support the visitor economy
- Focusing on cost-effective digital solutions to grow our on-line audiences, increase engagement and improve integration of our digital channels with partners
- An ongoing focus on reducing overhead costs
- Increasing the use of Council group capabilities and expertise for business needs
- A greater use of shared Council services

Regular reporting will provide transparency of supporting financials and key performance indicators against core activities, and visibility of ATEED's achievements, issues, opportunities and risks. This will be delivered in line with the Finance and Performance Committee requirements. ATEED is also committed to the ongoing evaluation and measurement of our activities.

Cross-Council collaboration

ATEED recognises that its work to create outstanding economic growth outcomes on behalf of Auckland Council can only be achieved by collaborating effectively with other parts of the Council group. This includes working closely with the Governing Body, local boards and departments, the Independent Māori Statutory Board, and other CCOs through various management forums and projects, as we collectively address Auckland's growth opportunities and challenges outlined in the Auckland Plan.

Collaboration between the Council Group is important as it consolidates capabilities to achieve the Auckland Plan's goals efficiently. For ATEED, collaboration provides an opportunity to gain access to otherwise unaffordable capability. Joining forces also ensures a consolidated and consistent approach to the development and delivery of strategies and activities, and the avoidance of duplication of effort and resources.

ATEED is involved in a number of major joint and cross-Council group initiatives including:

- ATEED shares its expertise, data and insights to contribute to strategy and policy development for other parts of the Council group (i.e. the Pānuku Development Auckland led Transform Manukau initiative)
- Development of the refreshed Auckland Plan via membership of the Auckland Plan Refresh Steering Group
- Planning for geographical and spatial priority areas by working with Council, Auckland Transport and Pānuku Development Auckland, and providing expert analysis and specialist advice
- Working across the Auckland Council group to identify and articulate a comprehensive and coordinated messaging of Auckland's investment story
- Development of GridAKL in conjunction with Pānuku Development Auckland

- Development of the AR/VR Garage in conjunction with Auckland Transport
- Development of cruise ship facilities with Pānuku Development Auckland, Auckland Transport and Ports of Auckland and Auckland Council
- Attraction of investment to support business growth and the development of key sector infrastructure (e.g. the film precinct) by working with Auckland Film Studios
- Working with Global Partnerships & Strategy on economic links with partnership cities, for visiting and offshore international delegations and where civic relationships support the development of new international economic opportunities. The Auckland International Managers Network is one mechanism for ensuring across-Council coordination with government.”
- Development of broader Council-wide opportunities in private sector partnering. ATEED’s Corporate Partnerships team has fused with Auckland Council’s Strategic Partnerships team to support the delivery of an amalgamated work programme of ATEED propositions and cross Council opportunities

Examples of collaboration at an operational level include:

- Facilitation and delivery of major events – ATEED works closely with Auckland Transport and Regional Facilities Auckland in the delivery of major events
- Film facilitation – ATEED regularly works with a range of stakeholders including Council departments, local boards, Watercare and Auckland Transport to permit filming on public land
- Communications, branding and shared services - ATEED works closely with designated Council teams to ensure a joint approach to communication and branding activity. ATEED is also using a wide range of business services that are provided by Auckland Council’s shared services arrangement to take advantage of cost efficiencies and avoid duplication of capability

‘Many minds – one team’

ATEED’s goal is for Auckland to be world-leading as a liveable city, events city, innovation hub of the Asia-Pacific, diverse city, visitor destination, Māori city and Pacific people’s city. We will help Auckland get there by living ATEED’s values, which permeate all the work we do. Our values are:

- It’s all about people: great company
- Let’s be clear: great communication
- Connect and collaborate: great relationships
- Bold actions, smart choices: great thinking
- Get it done and make it yours: great result

ATEED strategic alignment

In delivering on our purpose, ATEED will contribute to the priorities and growth goals contained in the Auckland Plan and the EDS. In addition to the Auckland Plan, ATEED acknowledges the more recent development of the Unitary Plan, the Auckland Transport Alignment Project addressing transport needs, the geographic spatial priorities⁷ set out in the Long-term Plan 2015-2025, and Pānuku’s transformational work on targeting the growth of metros and town centers. Working with those plans in mind, ATEED will continue to be guided by the priorities and actions set out in the EDS to ensure that Auckland has efficient and long-term economic infrastructure to create a prosperous and internationally competitive economy.

THE AUCKLAND PLAN

The transformational shifts outlined in the Auckland Plan work together to achieve the changes required to get there. ATEED plays a critical part in delivering on these shifts through both primary and secondary contributions. This is outlined in the table below:

AUCKLAND PLAN	DEGREE OF CONTRIBUTION	HOW ATEED CONTRIBUTES
Raised living standards	Primary	ATEED’s focus on facilitating new smart money and high-value jobs for Auckland through delivering on its five strategic priorities (innovation, investment and entrepreneurship, skilled talent, visitors and global identity) will lead to a transformational uplift in income for all Aucklanders and help to improve socio-economic inequalities.
Māori social and economic wellbeing	Primary	Implementing projects and programmes within the Whai Rawa workstream of the Te Toa Takitini programme including the Māori Economic Growth programme, the Major Events Strategy, the Tāmaki Herenga Waka Festival, Māori tourism development programme and Māori cultural showcasing, as well as iwi investment facilitation. ATEED’s Māori responsiveness framework will ensure that all of our activities contribute to Māori wellbeing, and achieving better outcomes for and with Māori.

⁷ The geographical spatial areas set out in the LTP 2015-25 are: City centre; Inner west triangle; Greater Tamaki; Ōtāhuhu-Middlemore; Manurewa-Takinini-Papakura corridor; Northern Strategic Growth Area (NorSGA); Greater Takapuna; Pukekohe-Wesley (Paerata); Manukau metro and Flatbush.

Children & young people	Secondary	<p>Through our work in enhancing the visitor economy, growing our target sectors and enabling skill development, education and talent and removing barriers to youth employment, ATEED contributes directly to the following goals of I Am Auckland (Council's strategic action plan on children and young people):</p> <ul style="list-style-type: none"> • "Given opportunities to succeed and being given a fair go" – ATEED contributes to this through the delivery of youth employment activities and entrepreneurship programmes including the Lion Foundation Young Enterprise Scheme, DigMyIdea, and Ideastarter • "Auckland is my playground" – ATEED contributes to this by delivering cultural and major events, and working with partners to create a vibrant and creative international city • "Rangatahi tu rangatira" (transforming from a young person into a leader). ATEED contributes to this by delivering the DigMyIdea innovation challenge and supporting the Emerging Leaders Programme, as well as ensuring that youth employment initiatives cater to rangatahi
Environmental action & green growth	Secondary	<p>Growth of service-based low carbon emitting industries such as technology, data and other knowledge-intensive industries.</p> <p>Development of a sustainable visitor economy.</p> <p>Developing projects and programmes to showcase sustainability (i.e. Project Lumens).</p>
Outstanding public transport	Secondary	<p>Facilitating the development of digital industries and solutions and clean technology industries including electric vehicles. Support the attraction of investment for significant infrastructure projects including Skypath, City Rail Link and others.</p>
Quality urban living	Secondary	<p>Business attraction and investment activity including assisting high-quality investors with a commitment to ethical and sustainable development. The visitor economy underpins the amenity of urban and rural living in Auckland.</p>

ECONOMIC DEVELOPMENT STRATEGY

ATEED's strategic priorities directly align with the priorities and actions of the EDS, as summarised in Figure 5. This figure also shows areas that ATEED is responsible for leading, and those where ATEED plays a supporting role. Whether leading or supporting, ATEED works with a wide range of partners referred to on page 13.

Figure 5: ATEED’s strategic priorities and contribution to the priorities and actions in the EDS

ATEED STRATEGIC PRIORITIES		AUCKLAND ECONOMIC PRIORITIES														
		Friendly, Well Functioning			Innovation Hub of Asia Pacific Rim			Internationally Connected, Export Driven		Investment in People to Grow Skills			A Creative Vibrant World City			
		1.1	1.2	1.3	2.1	2.2	2.3	3.1	3.2	4.1	4.2	4.3	5.1	5.2	5.3	
EDS ACTIONS																
Grow the Visitor Economy		●											○	○		
Attract Business and Investment		●			○	○	○	○								
Build a Culture of Innovation and Entrepreneurship	●			○	○	○		○				○	○	●		
Grow and Attract Skilled Talent		●	●	○		○				○	●	○				
Build Auckland’s Identity	●	●	●	●	●	●	●	●	●	●	●	○	●	●		

○ ATEED LEADS ACTION ● ATEED SUPPORTS ACTION

ATEED will continue to play a role in the development of the refreshed Auckland Plan, and will ensure that relevant plans and strategies align with it. This was demonstrated in 2016 by the development of ATEED’s sectors and industries framework that built on and refreshed the work of the EDS.

ATEED is committed to supporting green growth, as well as to the Low Carbon Auckland Action Plan (2014) and is committed to working with industry to support the development of Auckland’s low carbon industries. In collaboration with the Ministry for the Environment and other agencies ATEED will explore the size and potential of low carbon industries and future interventions to support them.

LOCAL ECONOMIC DEVELOPMENT

The EDS defines⁸ local economic development as:

“...building up the economic capacity of a local area to improve its economic future and quality of life for all. It is a process by which the public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. It is about communities continually improving their investment climate and business-enabling environment to enhance their competitiveness, retain jobs and improve incomes.”

ATEED works for local boards and with Council and CCOs to support decision making on local economic growth and facilitate or coordinate the delivery of local economic development activity. ATEED ensures that the regional activities that ATEED leads or delivers are fully leveraged to support local economic growth and employment. This includes ATEED’s support for local tourism promotion activity and sponsorship, facilitation or delivery of a range of events that although regional in their reach, have local level impacts e.g. the “Beyond our Backyard” campaign and development of tourism clusters.

⁸ <http://eds.aucklandCouncil.govt.nz/the-role-of-aucklands-economic-development-strategy/#local-economic-development> – section D4

In addition, ATEED's Local Economic Development Team (LED) works for local boards that allocate Locally Driven Initiatives (LDI) budget to economic development activities⁹. In such instances the LED team delivers a range of services including:

- Preparation of local economic overviews that provide an evidence base to indicate and support potential local interventions
- Development of proposals, including feasibility studies that enable local boards to directly fund or otherwise advocate for, the implementation of local initiatives
- Advocacy for infrastructure, industry, business and employment through research and data

Examples of local economic development activities that have been supported by ATEED to date include:

Tourism

Partnering with local tourism operators and developing regional cluster groups¹⁰ including Franklin, Matakana and Waiheke, to position and promote local areas as distinctive destinations within Auckland. Growing distinctive destinations expands the range of tourism products that Auckland can offer, and grows employment and income in local economies.

Business growth and business support

ATEED provides a range of services that include enterprise creation, small business support and development through the Regional Business Partner programme, investment attraction and infrastructure development, support for business clusters, business improvement districts, and business associations.

In FY16 ATEED led the development of a Migrant Business Support programme in the Whau and Kaipatiki local board areas focused on developing new approaches to business support for migrant-owned businesses and enabling their growth. ATEED achieved this by working in partnership with the respective local boards, central government and private business support agencies.

ATEED also supports the activity being led by Pānuku Development Auckland to target the rejuvenation and economic development of town centres, notably in Manukau, Onehunga and Henderson.

Youth employment and entrepreneurship

ATEED partners with philanthropic organisations, employers, central government, industry training organisations, and Council (including Pānuku Development Auckland, Auckland Transport, COMET and Youth Connections), to support and deliver a range of initiatives that enhance the employment opportunities for 16-25 year olds, particularly those which target young people not in employment, education or training (NEET).

ATEED's delivery of youth entrepreneurship initiatives such as the Lion Foundation Young Enterprise Scheme, DigMyIdea and IdeaStarter builds skills and capability among young people. These programmes enhance the employment prospects of young people.

Screen

ATEED's screen facilitation and film permitting activity, through its Screen Auckland unit, brings direct benefits to local areas in Auckland. In FY16 the Screen Auckland team issued a record 567 permits for filming on open public spaces across the region. These shoots were worth an estimated \$165 million to the region's economy, supporting local businesses and employment, as well as providing a revenue stream to local boards for the management of public open spaces.

⁹ This activity is subject to local boards prioritising local economic development and subsequently allocating funding to local economic development through their local board agreements.

¹⁰ As at January 2017 ATEED has set up and supports the following tourism clusters: Matakana Coast and North West Country (Rodney); Waitakere; Great Barrier Island; Devonport; Waiheke; Howick; Mangere; Franklin.

ATEED three-year work plan

This section outlines our strategic programmes over the next three years to support Auckland Council priorities and our purpose to facilitate new smart money and high-value jobs for Auckland.

The following are the key initiatives/projects to deliver on ATEED strategic objectives. Many of these initiatives/projects are delivered across the region including into Council's key spatial priority areas, the Central City and the Southern Initiative.

PROJECTS & PROGRAMMES	DESCRIPTION	IMPACT
GROW THE VISITOR ECONOMY		
<p>The benefits of an enhanced visitor economy extend beyond the direct economic impacts that increased visitor numbers bring. A city that is attractive to visitors also attracts residents, students, migrants and investment, in turn providing jobs and an improved standard of living. In this way, the visitor economy underwrites much of the amenity of Auckland that benefits visitors and residents alike. ATEED's role is to inspire and encourage visitation by promoting Auckland as a unique destination to domestic and international tourists, the travel trade, key influencers, business/institutions and international students. We also partner with the visitor sector to identify and fill gaps in Auckland's visitor attraction offering – including major events. ATEED will be revising the Auckland Visitor Plan during this time to focus on new targets and priorities.</p>		
International destination marketing	Undertake international trade and consumer marketing and media activity in our key markets of Australia, China, USA, and Japan in partnership with TNZ, Auckland International Airport Limited (AIAL), Flight Centre and others.	Increased high-value visitation, spend, and jobs
Domestic destination marketing	Undertake New Zealand domestic marketing of Auckland under the "Show Never Stops" umbrella including leveraging new and existing events, specific campaigns and partner channels.	
Trade marketing	<p>Increase yields and high value customer visitation from key markets through the GEMS programme (golf, equine, marine including super yachts and screen) focused on the Chinese market, and the PRVILGES programme (premium visitation, investment, luxury golf, education and screen) focused on the US market.</p> <p>Leverage and develop trade partnerships with partners including TNZ, AIAL, Virtuoso, Travel Leaders Group, AMEX, Air NZ, China Southern, and develop advocates for Auckland among the travel trade and media.</p>	

Destination development	<p>Work with commercial partners to identify and address product gaps and ensure the region's strong Māori identity and contemporary culture are woven into the visitor offering. Projects include lighting of the harbour bridge, the tupuna maunga and other Auckland landmarks, supporting new developments like Skypath, new attractions, cycling and walking trails, and Māori cultural attractions that align with the Auckland offering.</p> <p>Partner with local boards, local tourism operators and regional cluster groups to facilitate connectivity and position and promote local areas as distinctive destinations within Auckland.</p> <p>Partner with the cruise sector to ensure Auckland continues to effectively function as New Zealand's exchange port, rates highly as a cruise destination and has cruise infrastructure that can accommodate the size of ships and the number of visits.</p> <p>Engage with local hoteliers, operators and cluster groups to communicate Auckland's story.</p> <p>Continue to support the development of the Māori tourism sector and connect Māori tourism operators to international trade marketing agents and their marketing channels.</p>	Improved visitor experience and satisfaction
Business event attraction and leverage	<p>Grow the value and volume of business events in Auckland and focus on using business events to address seasonality in the visitor economy. Support growth and investment into key Auckland sectors through ATEED's Auckland Convention Bureau, in line with the Auckland Business Events Plan. Leverage TNZ funding to attract business events to Auckland. Partner with TNZ and the New Zealand International Convention Centre to attract major business events to Auckland.</p>	Increased number and value of business events
Major event attraction and development	<p>Work in partnership to attract, develop and manage a portfolio of economic, social and brand anchor events which align with Auckland's Major Events Strategy and the priorities of ATEED and Auckland Council. Currently contracted events include the ITM Auckland Supersprint (Supercars), the Downer NRL Auckland Nines, McKayson NZ Open (LPGA) and the Volvo Ocean Race.</p>	Increased visitation, spend High level of liveability
Major event sponsorship and leverage	<p>Leverage the annual major events portfolio taking an integrated view across ATEED and focusing particularly on events having significant impact such as, DHL New Zealand Lions Series 2017, Rugby League World Cup 2017, Volvo Ocean Race Auckland Stopover 2018, and Techweek 2018.</p>	
Major event delivery and operational support	<p>Ensure the successful delivery in combination with Council and partners of the Tāmaki Herenga Waka Festival, Auckland Lantern Festival, Auckland Pasifika Festival and the Auckland Diwali Festival of Lights.</p>	
International student attraction and retention	<p>Partner with Education New Zealand and the education sector to tell the Auckland education story to attract international students to Auckland. Deliver interventions to enhance the international student experience, including workforce integration and create lifelong connections between the city and students, their friends and family.</p>	Increased value of international students
Visitor information provision	<p>Continue to improve the provision of visitor information services particularly through digital channels and visitor centre partners.</p>	Improved visitor experience and satisfaction

BUILD A CULTURE OF INNOVATION AND ENTREPRENEURSHIP

An entrepreneurial economy fuelled by innovative businesses in advanced and tradeable industries will grow at an accelerated rate, and innovation and entrepreneurship are therefore crucial for sustained economic growth. In building a culture of innovation and entrepreneurship, ATEED's primary role is to enable, facilitate and connect. In partnership with industry clusters, government, universities, investors and entrepreneurs we will help build an environment which enables innovation and entrepreneurship to flourish. Our activity, which is informed by the EDS and shaped by the Auckland Innovation Plan, will support the growth of a culture of innovation and entrepreneurship in Auckland and build Auckland's position as an innovation hub of the Asia-Pacific rim.

<p>GridAKL</p>	<p>The ongoing development of GridAKL as Auckland's innovation precinct at Wynyard Quarter and a showcase of innovation, including the nurturing of high-growth technology and digital start-ups, small to medium enterprises (SME) and large corporates and a programme of support services, events and other community building activations.</p> <p>We will also partner with a wide and diverse range of individuals and organisations including other existing and proposed innovation hubs and precincts and co-working spaces to enhance links between those and GridAKL. These include Grow North, Uptown (Mount Eden), Devonport, Smales Farm, AUT Millennium, Parnell, Takapuna, Manukau and the screen precinct (Kumeu). GridAKL is designed to maximize innovation through collaboration and is an essential element in Auckland's innovation ecosystem.</p>	<p>Increased business growth</p>
<p>Stimulating and promoting innovation and entrepreneurship</p>	<p>Leveraging our investment in GridAKL and working in partnership with universities, government, business groups, business improvement districts and other members of the innovation ecosystem, ATEED will play a leadership role in supporting interventions which stimulate and promote innovation in Auckland, including supporting organisations which are active and effective in this space.</p> <p>We will continue to support youth entrepreneurial programmes and deliver the Lion Foundation Young Enterprise Scheme, DigMyIdea and IdeaStarter initiatives. We will also work with the tertiary sector to support their entrepreneurship catalyst initiatives such as Velocity (University of Auckland) and Co-starters (AUT). This continuum of initiatives supports the development of the next generation of entrepreneurs in Auckland.</p> <p>We will showcase innovation and entrepreneurship in the Asia-Pacific region through supporting the delivery of the Auckland components of Techweek NZ event which will:</p> <ul style="list-style-type: none"> • support collaboration within the Auckland innovation ecosystem • attract entrepreneurs, businesses and investors from throughout the Asia-Pacific region • promote Auckland's performance and story as an innovation hub of the Asia-Pacific rim to domestic and international audiences 	
<p>Supporting R&D and STEM-focused industries and advanced industries</p>	<p>Partner with industry associations and other key stakeholders to support the growth of Auckland's advanced industries (those which have a higher proportion of R&D investment and STEM employment). These industries include high-value foods and beverages, tech sector, screen and digital, sports technology, advanced materials, and high-value manufacturing.</p> <p>Support the high-value foods and beverages sector by continuing to support New Zealand Food Innovation Auckland (The FoodBowl – Te Ipu Kai) to achieve its vision for a motivated and internationally recognised Food & Beverage industry. This includes improving connectivity between these firms and the FoodBowl.</p> <p>ATEED is working in collaboration with a group of partners to investigate the value of collective action to address strategic economic issues of mutual importance. It is envisaged that ATEED's role will be to provide an independent platform and advisory to support collective action on transformational issues.</p> <p>Support investment in R&D including through delivery of the Regional Business Partner programme and increasing the awareness of the value of R&D investment amongst Auckland businesses.</p>	

International trade	<p>ATEED will work with MFAT and other central government agencies to support development and implementation of the Trade Agenda 2030, ensuring Auckland's wider economic interests are built into planning and delivery. ATEED will seek to ensure the revised plan is reflective of Auckland's needs and the actions within the plan will support Auckland's trade ambitions.</p> <p>ATEED will begin preparations for Auckland's involvement in APEC 2021, in partnership with MFAT.</p> <p>NZTE is the lead agency for the Investment Attraction Strategy and Framework, which mandates ATEED's role in investment attraction. In partnership ATEED will support investor migrant attraction and retention, including support for the new global impact visa programme.</p> <p>ATEED will leverage platforms such as the Tripartite Economic Alliance between Guangzhou, Los Angeles and Auckland, building on the 2015 and 2016 summits to further enhance trade links between these cities and support Auckland business' access to trade and investment opportunities.</p>	<p>Increased Auckland exports</p> <p>Increased migrant and business investment</p>
Supporting local economies and local businesses	<p>ATEED works for local boards and alongside business groups, Business Improvement Districts, Council and other CCOs to support decision making on local economic development and facilitates or coordinates the delivery of local economic development activity. ATEED ensures that the regional activities that ATEED leads or delivers are fully leveraged to support local economic growth and employment.</p> <ul style="list-style-type: none"> • Provide evidence based advice that informs the development of local board plans and annual work programmes, including delivery of local economic overviews. • Partner with Pānuku Development Auckland, Auckland Transport and local boards to integrate ATEED's economic and business attraction and investment advice into geographic and spatial priority areas as defined and guided by the Auckland Plan. This includes supporting urban regeneration projects¹¹ led by Pānuku Development Auckland. • Deliver the Regional Business Partner programme to support the growth of local business and business development. This programme is delivered in partnership with the Auckland Chamber of Commerce and through ATEED's local teams operating from Council service centres in Manukau and Henderson, as well as independent offices in Albany. • Partner with the Auckland Chamber of Commerce to deliver the Westpac Auckland Business Awards to celebrate the success of local businesses. • Deliver initiatives and local business events which foster connectivity and collaboration both within and across industries, using our local partnerships. • Deliver local economic development projects funded by local boards¹². 	<p>Increased regional business growth</p>

¹¹ ATEED's involvement will be dependent on the specific objectives of each project.

¹² Where funded by local boards with Locally Driven Initiatives (LDI) funding

Supporting the growth and diversification of the Māori economy	<p>Working in partnership with Māori and champions of Māori business, ATEED will deliver a range of interventions that will develop Māori capability and capacity to grow the Māori economy. Interventions include:</p> <ul style="list-style-type: none"> • Rangatahi-focused initiatives such as DigMyIdea and Emerging Leaders Programme, as well as ensuring that youth employment initiatives cater to Rangatahi. • Delivery of a programme supporting Māori small and medium businesses, linked to the Regional Business Partner programme. • Continued facilitation of the Whaariki Māori Business Network. • ATEED will also offer support that will enable iwi-led economic development aspirations, supporting iwi and Māori collectives. • Increase the capability of Māori businesses in the tech sector/digital, food and beverage, creative sectors by delivering E Tipu, E Rea – Māori Business Growth Workshops. • Development of the economic alliance between Māori and Auckland business (on behalf of the people of Auckland) and the province and people of Fujian, and their diaspora network throughout the Association of Southeast Asian Nations (ASEAN) to deliver tangible economic outcomes for Auckland, initially in the areas of health technology, sports technology, marine, food and beverage, tourism and airline connectivity, and cultural exchange. • Working with Poutama Trust charity to create an environment for successful business ventures and economic growth. <p>ATEED's initiatives support Council's Māori economic wellbeing programme, Whai Rawa, as part of the overall Te Toa Takitini framework.</p>	<p>Increased growth in the Māori economy</p>
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ATTRACT BUSINESS AND INVESTMENT

The attraction of more businesses of scale, and a focus on productive inward investment, is crucial if Auckland's growth goals are to be achieved. ATEED's role is to work in partnership with central government agencies, the Council group and the private sector to proactively attract and respond to business and investment opportunities into sectors of focus for Auckland, and ensure that services are effectively leveraged and coordinated. ATEED also delivers post-investment aftercare services to ensure Auckland retains this investment and associated jobs and skills and actively encourage further investment.

Business attraction and investment (proactive)	<p>Identify and facilitate business attraction opportunities in Auckland's key sectors and advanced industries.</p> <p>Work to ensure Auckland is an investment friendly destination that delivers appropriate investment opportunities and compelling reasons for businesses to establish in the city. Achieve this by understanding barriers to business attraction and investment, and working with partners to overcome them.</p>	<p>Increased foreign direct investment</p>
Business attraction and investment (reactive)	<p>Promote Auckland as an international business and investment destination. Continue to implement our targeting programme to attract productive foreign direct investment (FDI) into key projects, initiatives and advanced industries including investment into the Auckland visitor economy such as new hotel infrastructure and major new attractions for Auckland.</p> <p>NZTE is the lead agency for the Investment Attraction Strategy and Framework, which mandates ATEED's role, including Project Palace to attract hotel investments.</p> <p>Partner with MFAT, NZTE and Immigration NZ to facilitate the attraction of investment.</p>	
Post investment support	<p>Deliver post investment support (aftercare) services through the Aroha Auckland programme to companies and individuals to ensure the retention of existing multi-national businesses and investors, and identify opportunities for further expansion.</p>	

Screen and digital	<p>ATEED's Screen Auckland unit supports a thriving Auckland screen sector through a number of activities including:</p> <ul style="list-style-type: none"> • working in partnership with the NZ Film Commission • attracting international screen, digital production and project activity • developing local productions and sector capability • supporting private land owners • facilitating the permitting of screen activity • supporting the development and showcasing of Auckland's alternative reality/virtual reality (AR/VR) ecosystem 	
<p>GROW AND ATTRACT SKILLED TALENT</p> <p>Nurturing a talented workforce with a strong skills base is identified internationally as key to developing a competitive and innovative economy. Auckland's strong economic growth and youthful population also presents opportunities for talent to meet the workforce needs of key enabling industries such as construction and hospitality. ATEED's role is to work with employers and the Government to better understand key skill challenges and workforce development needs, and to enable business to attract the right talent to fill them. We also partner with government and training providers to develop pathways for students into the city's high-value industries.</p>		
Skilled talent attraction and retention	<p>Partner with Immigration NZ, Auckland Chamber of Commerce, recruitment agencies and key employers to support the attraction of migrant and expat talent into skills gaps in Auckland for key sectors through a range of channels including targeted marketing campaigns and interventions.</p>	<p>Reduction in Auckland's NEET rates¹³</p>
Mayoral Employer Pledge programme	<p>On behalf of the Mayor, ATEED delivers the Youth Employer Pledge programme that tackles Auckland's youth unemployment issues by partnering with 59 businesses to highlight the benefits of employing young people (this activity forms part of Auckland Council's Youth Connections programme). Business partners represent a range of sectors including: construction and infrastructure, tech sector, hospitality, food and beverage, professional and financial services, health, media, transport, as well as Auckland Council and its CCOs.</p> <p>As at January 2017 the Auckland companies that have signed the Mayoral Youth Employer Pledge are Fletcher Building, Auckland Council, IHG (Crown and Holiday Inn), SKYCITY, The Hilton, The Warehouse, Veolia, AWF-Madison, G.J. Gardner Homes Rodney, Wharehine, The Stamford Plaza, ATEED, Rainbow's End, Xero, Rendezvous Grand Hotel, The Just Group, The Langham Hotel, AR Group – Burgerking, Matrix Security, Publicis Loyalty, Aurecon, Downer, EY, Spotless, The Trusts, Domino's Pizza, Sudima Hotel, Wendy's Hamburgers, McDonalds Restaurants Ltd, Orion Health, First Security, YHA Auckland, KS Holdings, UGL Limited, Griffins, Butterfly Creek, Bunnings, Hays, Cater Plus Services NZ Limited, Kelly Services, Pride and Joy, Yellow, Manpower Group, Villa Maria, Spotlight Limited, Tonkin+Taylor, New Zealand Post Group, Teletech NZ, SkyTV, New Zealand Media and Entertainment, Kelly Tarlton's Sea Life Aquarium, KPMG, Hawkins Group, Auckland Airport, Waste Management, Vodafone, Watercare Services, Trade Me.</p>	<p>Increased retention of highly skilled individuals including international students</p>
Workforce development	<p>Work in partnership with central government, businesses, and tertiary and training providers to identify the barriers in workforce development that are impacting on Auckland's ability to grow, and to influence the provision of training to meet these needs.</p> <p>Work with COMET to deliver the Science in Society pilot in South Auckland and the License to Work programme for employers.</p>	

¹³ NEET refers to young people not in employment, education or training.

Employment pathways	<p>Support youth employment by partnering with philanthropic organisations, employers, central government, industry training organisations, and Council (including Pānuku Development Auckland, Auckland Transport, COMET and Youth Connections), to support and deliver a range of initiatives that enhance the employment opportunities for 16-25 year-olds, particularly those who are NEET. Māori and Pacific youth are over represented in these figures. Initiatives include:</p> <ul style="list-style-type: none"> • JobFests and related employer-led recruitment events • the BuildAKL campaign which ATEED leads in partnership with an advisory group (comprised of construction and infrastructure employers, the Ministry of Education, Youth Connections and industry bodies) with the aim of getting Auckland's youth (16-24 years) into employment in the construction and infrastructure industry • local skills hubs that match unemployed young people with opportunities arising from Auckland's urban regeneration and infrastructure growth e.g. Ara (Auckland Airport) and Tamaki Job and Skills Hub; and leading the CBD Jobs and Skills Hub • the integration of local schools with employers to increase employment readiness and awareness of career pathways <p>Work in partnership with Education NZ, Immigration NZ, the sector and employers to develop and implement pathways that will enable highly skilled international students to add value to Auckland.</p>	
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PROMOTE AUCKLAND'S GLOBAL IDENTITY

Promoting Auckland nationally and internationally is critical. Every great city has a great global identity and positioning. An identity is a complete value proposition that sets a city's characteristics apart from its competitors. A clearly articulated global identity for a city is important to attract tourists, students, talented migrants, researchers, innovators, entrepreneurs, investors, and major events and the associated measurable benefits they bring. ATEED's role is to support and promote Auckland stories of success within the city that have global and international appeal.

Auckland and Partners	<p>Activity under this programme includes working with Auckland Council Strategic Partnerships to identify and develop future commercial opportunities that create desirable outcomes aligned to the Auckland Plan (i.e. the lighting of the Auckland Harbour Bridge).</p>	<p>Increased appeal of Auckland to key customers</p>
www.aucklandnz.com	<p>Maintain www.aucklandnz.com and associated social media as key channels to promote Auckland's identity, achievements and key sector advantages including ongoing investment in search engine marketing and optimisation to ensure traffic continues to grow in key markets and targeted users.</p> <p>ATEED will continue to invest in digital channels and partner with other businesses to grow on-line audiences, increase audience engagement & advocacy and reduce the amount of traditional media and printing costs. Key activities including refreshing digital platforms, increasing use of social media, improving microsite functionality for campaigns, enhancing mobile experiences and utilising data analytics in decision making.</p>	
Awareness of Auckland	<p>ATEED raises the profile of Auckland as a destination to visit, live, invest and do business in through marketing, media, public relations and business leverage activity across all of ATEED's activity. By partnering with key international media partners (i.e. Lonely Planet, Monocle, and Channel 9 Australia etc.) ATEED is able to cost-effectively communicate Auckland stories of success to global customers in a targeted manner.</p>	

ACHIEVING BETTER OUTCOMES FOR AND WITH MĀORI

Key projects that ATEED has identified that specifically contribute to achieve better outcomes for and with Māori are below.

KEY PROJECTS & INITIATIVES	DESCRIPTION	CONTRIBUTION TO MĀORI WELLBEING/ OPPORTUNITIES
Tāmaki Herenga Waka Festival	Work with key partners (including mana whenua, Regional Facilities Auckland and the Council group) to continue to develop and ensure delivery of the Tāmaki Herenga Waka Festival.	<p>Celebrates and showcases Māori culture and innovation and provides a vehicle to leverage Māori business and investment opportunities.</p> <p>The Tamaki Herenga Waka Festival provides a platform for ATEED to help strengthen capability and collaboration within Auckland Māori economy. The long term vision for the Festival is for the event to act as a catalyst for the growth of the Māori economy including business matching with investors.</p>
Māori Economic Growth Programme	<p>Deliver a Māori Economic Growth programme including a range of interventions that will foster Māori entrepreneurship and develop capability and capacity to grow the businesses and the Māori economy, locally and internationally.</p> <p>E Tipu, E Rea – Māori Business Growth Workshops will focus on the tech sector/digital, food and beverage, creative sectors.</p>	Provides networking opportunities, advice and channels to support the ongoing growth of Māori business, including the re-establishment of a formal Māori business network.
Māori Tourism Development Programme	<p>Advocate for greater Māori presence in Auckland's attractions, public spaces and visitor services, and support new and existing Māori tourism businesses.</p> <p>Continue to support the development of the Māori tourism sector and connect Māori tourism operators to international trade marketing agents and their marketing channels.</p> <p>Deliver Te Toa Takitini initiatives including the Whaariki promotional video (Auckland visitor and industry promotional video).</p>	Support for Māori tourism businesses from market intelligence and start-up advice through to assistance in connecting with export and funding opportunities.
Iwi investment support	Partner with Auckland iwi to identify opportunities to invest and/or co-invest in initiatives that have positive outcomes for Māori.	Maximise Māori business and investment opportunities, including targeting FDI and other potential investment partners.
Māori cultural showcasing	Take all opportunities to showcase Māori tikanga and culture and to develop programmes to support Māori visibility through key initiatives and regional events including major sporting and business events. Develop connectivity internationally with other regions, cities and businesses based on Auckland's Māori culture and economy.	Celebrates and showcases Māori culture and the unique elements that amplify Auckland's global brand and economic opportunities.
Māori cultural centre	Work with partners to facilitate the development of a significant Māori cultural centre and attractions in Auckland.	The centre will celebrate and showcase Māori culture to the world and provide employment and economic development opportunities.

In addition, we will also continue to look for one-off opportunities of significance for showcasing and developing the Māori economy, culture and capability, in Auckland or internationally.

While ATEED's focus is primarily Māori economic development, this is but one of four interconnected areas that have been identified in ATEED's Māori Responsiveness Plan:

- Strong and coordinated leadership
- Enhanced internal capability and capacity
- Positive economic outcomes for Māori
- Strong engagement and partnership

The Māori Responsiveness Plan, now in implementation phase, connects ATEED's primary focus of Māori economic development activity with broader ATEED initiatives and with other parts of Auckland Council to improve our organisational responsiveness to Māori. It is supported by a Māori Engagement Manager to ensure genuine two-way engagement with mana whenua and mataawaka communities.

Performance outlook

ATEED has an agreed set of performance measures and targets which form the basis for accountability to delivering on our strategic objectives. These will be reported on quarterly in accordance with the - CCO Governance Manual and align to the measures agreed as part of the Long-term Plan 2015-2025. ATEED will work with Council through the Long-term Plan process to develop and improve measures and indicators.

Addressing market failures and investing in economic development interventions benefit Auckland businesses through removing barriers to growth and supporting their improved performance, leading to enhanced productivity and accelerated growth. This activity also enables new market entrants including attracting productive multinational companies which directly create employment and stimulate additional investment in the Auckland economy. Combined this creates additional higher paid jobs in more productive industries, assisting in improving the prosperity and economic well-being of Auckland ratepayers.

SERVICE LEVEL STATEMENT	MEASURE	2015/16 ACTUAL	2016/17 FORECAST	2017/18	2018/19	2019/20
				TARGETS		
GROW THE VISITOR ECONOMY						
Promote and develop Auckland as a national and international visitor and business destination, including through the attraction, facilitation, funding and delivery of major events	Spend by visitors in Auckland	\$5,593m	\$6,319m ¹⁴	\$6,617m	\$6,943m	\$7,296m
	Number of international business event bids submitted <u>or</u> supported	22 submitted (additional 7 bids supported)	35	35	40	45
	Business event bid win/loss ratio ¹⁵ (based on results received in financial year)	63%	60%	60%	60%	60%
	Value of business event bids won in financial year	New measure	\$19m	\$22m	\$24m	\$24m
	Percentage of customers satisfied with visitor information centres and services (LTP measure)	91%	85%	85%	85%	85%
	Contribution to regional GDP from major events invested in (LTP measure)	\$43.7m	\$86m ¹⁶	\$49m	\$55m	\$55m
	Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	73%	80%	80%	80%	80%

¹⁴ From 2016/17 targets have reset to align with latest Ministry of Business, Innovation and Employment Monthly Regional Tourism Estimates (MRTes).

¹⁵ Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted. ATEED's 60% win/loss ratio aligns with the targets set by the Tourism New Zealand Business Events Department.

¹⁶ Target includes the impact of World Masters Games 2017

	Visitor nights generated by major events invested in ¹⁷	283,679	415,000	165,000	180,000	190,000
	Percentage of customers satisfied with delivered major events (LTP measure)	78%	85%	85%	85%	85%

BUILD A CULTURE OF INNOVATION AND ENTREPRENEURSHIP

Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce	Number of businesses taking up tenancy at GridAKL (Wynyard Innovation Precinct) (cumulative) and percentage 'innovation-led' ¹⁸	56 (70%)	25 (70%)	100 (70%)	115 (70%)	125 (70%)
	Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme	N/A ¹⁹	1,500	1,500	1,500	1,500
	Level of advocacy by stakeholders involved in the provision of business advice, start-up, training & mentoring programmes ²⁰	N/A	+50	+50	+50	+50
	Number of actively managed businesses through Regional Business Partner Programme.	1,042	1,250	750	750	750
	Number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure) ²¹	4,073	3,000	3,000	3,000	3,000
	Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	157	120	120	120	120

¹⁷ 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.

¹⁸ Innovation-led is defined as businesses developing new or improved technologies or services

¹⁹ This metric was introduced in 2016/17 and will be tracked from this year

²⁰ New measure replacing the previous percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure). The change reflects the new methodology (Net Promoter Score) adopted by NZTE for the Regional Business Partners programme. The new metric captures stakeholder satisfaction, loyalty and advocacy

²¹ Reduction in actuals to target for businesses (including Maori) reflects the ATEED focus on increasing the value of interventions rather than the volume of interactions. New measures and targets will be developed with Auckland Council as part of the LTP review

ATTRACT BUSINESS AND INVESTMENT

Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce	Facilitation of the establishment or significant expansion of multinational and local companies in target sectors (LTP measure)	9	5	5	5	5
	Number of intensively account managed customers in ATEED aftercare programme (Aroha Auckland)	81	80	85	85	85
	Total GDP contribution of deals effected with ATEED involvement ²²	\$249.7m	\$56.7m	\$59.6m	\$62.5m	\$65.6m
	Value of investment deals effected by ATEED within the financial year	\$328.5m	\$278m	\$292m	\$307m	\$322m

GROW AND ATTRACT SKILLED TALENT

Deliver information, advice, programmes and initiatives to attract and develop investment, businesses and a skilled workforce	Number of 'live' signatories to the Youth Employment Traction Hub Employers Pledge (LTP measure)	54	50	50	50	50
	Number of young people enabled into employment as a result of ATEED and partner activity (Youth – incl. Māori and Pacific youth)	New measure	New measure	500	500	500
	Number of expressions of interest from skilled migrants in working and living in Auckland resulting from ATEED Marketing activity (Talent)	New measure	New measure	1500 (via LinkedIn)	1500	1500
	Growth in value of international student spend to Auckland	\$2.1b	\$2.230b	\$2.306b	\$2.387b	\$2.483b

²² Performance in 2015/16 was significantly higher than expectations due to a one-off transaction. While there is a possibility of further significant one-off deals, targets are based on the long term forecasted growth of activity supported by ATEED

BUILD AUCKLAND'S BRAND AND IDENTITY

Promote and develop Auckland as a national and international visitor and business destination, including through the attraction, facilitation, funding and delivery of major events	Total visits to www.aucklandnz.com (LTP measure)	3.7m	3.4m	3.8m	3.9m	4.0m
	Percentage of visitors to www.aucklandnz.com located outside of Auckland	New measure	New measure	50%	55%	60%

Note: Measures related to major event activity may be subject to some volatility due to the type and size of major events held from year to year. For example, the resources required to deliver a significant major event may mean relatively less activity can be funded and/or delivered in the period leading up to it. As a result, Return on Regional Investment (RORI) in the year of a significant major event should be considerable, but is likely to be significantly lower in the year preceding. A 'rolling average' approach to major event measurement may be more appropriate.

LOCAL ECONOMIC DEVELOPMENT

MEASURE	2015/16 ACTUAL	2016/17 TARGET	2017/18	2018/19	2019/20
	TARGETS				
Percentage of approved local economic development projects delivered by ATEED using local board "Locally Driven Initiatives" (LDI) funding.	New measure	New measure	70%	70%	70%

MANA WHENUA ENGAGEMENT

MEASURE	2015/16 ACTUAL	2016/17 TARGET	2017/18	2018/19	2019/20
	TARGETS				
Percentage mana whenua satisfaction with quality of engagement.	New measure	Establish baseline	Maintain/improve	Maintain/improve	Maintain/improve

DELIVERY OF ACTIVITIES – RISKS, ASSUMPTIONS AND DEPENDENCIES

The delivery of the activities and subsequent attainment of targets outlined in this SOI are based on a number of assumptions and dependencies. Key among these are the following:

- That the role and scope of Council departments and CCO's group and our partners remain constant, ensuring that ATEED's activities and services are not seen to be duplicated by other agencies
- That key capabilities on which ATEED currently relies are retained in Council and other CCOs and government partner agencies

Known risks to the delivery of activities and targets include:

- Until the mechanism for the Accommodation Provider Targeted Rate is confirmed there is a risk that any new mechanism may not prioritise the growth or delivery of major events, or invest in destination development activities that are key to the successful implementation of Auckland Visitor Plan
- Changes in funding may affect services levels across ATEED
- The impact of macro externalities including changes to exchange rates and government policies.
- A number of ATEED activities are subject to commercial risks, which may include changes to event scheduled and scopes. These are covered in contractual arrangements but can affect funding levels and outcomes

Monitoring indicators

In addition to our performance measures, ATEED has identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our direct control (e.g. exchange rates, natural disasters, government policy) but which we aim to influence through our activity. As the city's economic growth agency, we take a leadership role in monitoring, reporting and influencing these indicators as we can, however we do not measure the performance of our organisation against them.

MEASURE	2012	2013	2014	2015	2016
AUCKLAND ECONOMY					
Auckland real GDP growth (YE Mar)	3.9%	2.8%	3.2%	3.6%	3.5%
Auckland exports growth	5.3%	-1.0%	1.3%	3.8%	10.5%
Auckland productivity growth	1.0%	0.8%	1.1%	0.3%	-0.6%
GROW THE VISITOR ECONOMY					
Visitor arrivals through Auckland airport (YE Dec)	1.82m	1.93m	2.03m	2.22m	2.49m
Auckland commercial guest nights (YE Dec)	6.43m	6.67m	6.99m	7.12m	7.41m
Auckland occupancy rate (YE Dec) ²³	55.8%	59.4%	62.2%	63.8%	67.2%
BUILD A CULTURE OF INNOVATION AND ENTREPRENEURSHIP					
Percentage of Auckland businesses innovating	n/a	n/a	n/a	n/a	77%
Share of Auckland workforce employed in advanced industries	10.9%	11.3%	11.5%	11.3%	11.7%
ATTRACT BUSINESS AND INVESTMENT					
Business confidence ²⁴	33.0%	60.6%	30.1%	16.2%	23.9%
Number of FDI deals occurring in Auckland	20	21	16	14	24
GROW AND ATTRACT SKILLED TALENT					
Auckland Vacancy Index (Annual average to YE Dec) ²⁵	73.3	81.2	93.8	102.5	127.1
Auckland youth (15-24yrs) NEET ²⁶ rate (YE Dec)	12.8%	9.6%	10.6%	9.8%	11.5%
BUILD AUCKLAND'S GLOBAL BRAND AND IDENTITY					
Auckland ranking on Mercer Quality of Living Index	3 rd	n/a	3 rd	3 rd	3 rd
Auckland ranking on JLL Top 20 City Momentum Index	n/a	Not in top 20	Not in top 20	20 th	20 th

²³ Commercial accommodation monitor

²⁴ New Zealand Institute of Economic Research, Quarterly Survey of Business Opinion

²⁵ May 2007=100. Increasing index indicates a tightening labour market

²⁶ NEET: Not in employment, education or training

Summary of financial information

The following summary of financial information supports the delivery of the strategic deliverables and performance targets for ATEED. Financial data is based on the revised annual plans for financial years 2016-17, 2018-19 and 2019-20. Financial year 2018-19 and 2019-20 are based on the LTP 2015-2025, which came into effect on 1 July 2015. The LTP sets out the priorities and funding for activities that are planned over a 10 year period. The 2018-19 financials will be revised in the next LTP, and will accordingly reflect changes that have occurred to our business model.

Financial Position:

FINANCIAL YEAR ENDING 30 JUNE	2016-17	2017-18	2018-19 (LTP)	2019-20 (LTP)
Revenue				
Fees and user charges	9.4	0.9	0.9	0.6
Grants and subsidies	6.7	2.6	2.6	2.6
Other revenue	4.6	11.9	11.5	11.5
TOTAL REVENUE	20.7	15.4	15.0	14.7
Expenditure				
Employee benefits	26.3	20.9	21.4	21.4
Grants, contributions and sponsorship	9.5	10.8	11.2	11.2
Other expenditure	41.7	31.5	38.0	42.2
TOTAL EXPENDITURE	77.5	63.2	70.6	74.8
NET DIRECT EXPENDITURE (INCOME)	56.8	47.8	55.6	60.1

Funding from Auckland Council	(56.2)	(47.8)	(55.6)	(60.1)
Revenue from vested assets	-	-	-	-
Other non-operating income	-	-	-	-
Net finance expense	-	-	-	-
Depreciation and amortisation	0.7	1.4	0.9	0.7
Net losses (gains)	-	-	-	-
Income tax	-	-	-	-
NET EXPENDITURE (INCOME)	1.3	1.4	0.9	0.7

ATEED Council Funded Net Operating Expenditure:

Net direct (expenditure) income by activity*	2017-2018
Major Events	14.5
Tourism (incl. i-SITES)	7.8
Visitor Economy	3.2
Grid AKL	3.1
Innovation & Enterprise	9.1
Business Investment and Attraction	5.4
Skilled workforce	1.9
Brand & Identity	2.8
NET DIRECT EXPENDITURE (INCOME)	47.8
Operating funding from Auckland Council	47.8
OPERATING FUNDING SURPLUS / (DEFICIT)	0

*Net direct expenditure by activity excludes depreciation, and is only reported for FY18. This is the first year that we are reporting our spend by activity, and we will incorporate this for all future years going forward. The numbers disclosed include the overhead allocation.

Capital Expenditure:

CAPITAL EXPENDITURE	2016-17	2017-18	2018-19 (LTP)	2019-20 (LTP)
TOTAL CAPITAL EXPENDITURE	14.0	0.7	0.2	0.2
Sources of Capital Funding				
Capital funding from Auckland Council	14.0	0.7	0.2	0.2
Subsidies and grants - capex	0	0	0	0
TOTAL CAPITAL FUNDING	14.0	0.7	0.2	0.2
CAPITAL FUNDING SURPLUS / (DEFICIT)	0	0	0	0

Specific expenditure towards Māori outcomes:

Initiatives (\$000)	Budget 2017/18
Tāmaki Herenga Waka Festival	0.5
Māori Tourism Development programme	0.2
Māori Economic Development	0.3
TOTAL EXPENDITURE*	1.0

*Note that expenditure towards Maori outcomes does not include staff costs and corporate overhead costs

Other financial information

Current value of assets	The value of ATEED's group current assets as at 30 June 2016 was \$16,214 million, total assets \$24,076 million based on the net asset value of the ATEED group as disclosed in the audited financial statements.	
Accounting Policies	ATEED accounting policies are consistent with those of the Auckland Council group policies.	
Financial Reporting	ATEED financial reporting to Council will be in accordance with requirements of the CCO Governance Manual.	
Asset sales (\$ million)	2014/15 Actual	Nil
	2015/16 LTP	Nil
	2016/17 Annual Plan	Nil
	2017/18 Annual Plan	Nil
	2018/19 Annual Plan	Nil

Approach to governance

WORKING IN PARTNERSHIP WITH THE COUNCIL GROUP

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual (which incorporates all requirements under the CCO Accountability Policy) which sits alongside this SOI and also forms part of the annual binding agreement between Council and ATEED.

ATEED commits to partnering with all members of the Council group to ensure a joined up approach to all its economic development activity including event schedule clashes that would materially impact on the same audience.

BUILDING AUCKLANDERS' UNDERSTANDING OF ASSETS AND SERVICES

ATEED acknowledges that building public understanding of the breadth of assets and services provided to them by the Council group is important to increase overall democratic accountability and participation. Signs and other forms of communication assist in educating ratepayers on when ratepayer funds or Council group assets are being used to support activity. ATEED commits to proactive and meaningful engagement with the Council Brand Navigation Group on issues regarding signage, communications and branding to help improve public understanding of the use of ratepayer funds.

WORKING WITH OUR ENTITIES

In addition to governance relationship with Council, ATEED also holds governance relationships with World Masters Games 2017 Ltd and New Zealand Food Innovation Auckland Ltd.

World Masters Games 2017 Ltd

World Masters Games 2017 Limited is a limited liability company that has been incorporated by ATEED as a subsidiary and consequently is a CCO for the purposes of the Local Government Act 2002. WMG2017 Ltd has its own board of directors, guided by the Constitution and Terms of Reference put in place by ATEED.

WMG2017 Ltd reports to the ATEED Board via monthly whole of programme reporting, and fortnightly to ATEED management via a Steering Group involving the WMG2017 Ltd Chief Executive and two members of ATEED's Leadership Team.

It is anticipated that the World Masters Games 2017 entity will be wound up during the first quarter of the 2017/18 financial year aligned to the successful delivery of the event.

New Zealand Food Innovation Auckland Ltd – trading as The FoodBowl (Te Ipu Kai)

New Zealand Food Innovation Auckland Ltd (NZFIA) is a product development facility for food and beverage, intended to help Auckland and New Zealand companies create new and innovative products, with an emphasis on added-value and export orientated, food and beverage products. Success for NZFIA is based on how much it helps Auckland and New Zealand's food and beverage sector to expand.

NZFIA is jointly owned and funded by ATEED (one third) and Crown agency Callaghan Innovation (two thirds). The relationship between NZFIA, ATEED and Callaghan Innovation is governed by a Shareholders Agreement which specifies the way in which the shareholders will work with NZFIA and provide oversight of it as a subsidiary company of each parent entity. Details of the public funding of NZFIA by each shareholder is also outlined in the Shareholders Agreement.

On an annual basis, as specified in the Shareholders Agreement, ATEED and Callaghan Innovation will review and jointly approve a Business Plan for NZFIA for the coming financial year, which will include financial targets and other KPIs for NZFIA.

PUBLIC MEETINGS

Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009):

PURPOSE	DATE	FORM OF PUBLIC NOTIFICATION
Consider performance against SOI targets	August 2016	Public notice, New Zealand Herald
Consider shareholder comments on draft SOI	June 2017	Public notice, New Zealand Herald

HEALTH AND SAFETY

ATEED is committed to driving a strategy that delivers a culture of zero harm for employees, contractors, visitors, customers and anyone who may be affected by ATEED's activities. We will do this by:

- Ensuring that best practice health and safety standards are consistently applied in every aspect of our business activities
- Developing staff to take individual responsibility for the identification, reporting, resolving of issues and risks;
- Introducing improved processes to ensure key health and safety information is both captured and used to enable clear decision making at an operational level
- Complying with all health and safety obligations under relevant legislation
- Having a safe, healthy and enjoyable environment for everyone within ATEED's area of control

Collaboration across the wider Council group will be essential to deliver the health and safety goals set by ATEED. We will look to use group capability to maintain and refresh our framework and systems including policies and processes. Further, ATEED will seek and share best practice with other related business units, notably Regional Facilities Auckland on event delivery and management.

Appendix 1: ATEED’s contribution to local economic development by local board

KEY ACTIVITY	SOI PILLAR													
	Build a culture of innovation and entrepreneurship				Grow the visitor economy		Attract business and investment			Grow and attract skilled talent		Build Auckland's brand and identity	Delivery of bespoke Local Board projects (using LDI finding)	
	Deliver Regional Business Partner Programme	Support local economies and businesses	Deliver Young Enterprise Scheme, Digma/idea, Ideastarter	Support growth and diversification of the Māori economy	Major event facilitation/delivery	Destination development (tourism clusters/projects)	Screen attraction & growth and AR/VR Garage	Film permitting	Business attraction	Aroha Auckland	Youth employment	Talent attraction/ Retention		Promotion of the Auckland story and delivery of Aucklandnz.com
Devonport-Takapuna	•	•	•	•	•	•		•	•	•	•	•	•	
Hibiscus & Bays	•	•	•	•	•			•	•	•	•	•	•	•
Kaipatiki	•	•	•	•	•			•	•	•	•	•	•	•
Rodney	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Upper Harbour	•	•	•	•	•			•	•	•	•	•	•	•
Albert-Eden	•	•	•	•	•			•	•	•	•	•	•	•
Great Barrier	•	•	•	•		•		•	•	•	•	•	•	•
Maungakiekie-Tamaki	•	•	•	•	•			•	•	•	•	•	•	•
Orakei	•	•	•	•	•			•	•	•	•	•	•	•
Puketapapa	•	•	•	•	•			•	•	•	•	•	•	•
Waiheke	•	•	•	•	•	•		•	•	•	•	•	•	•
Waitematā	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Franklin	•	•	•	•	•	•		•	•	•	•	•	•	•
Howick	•	•	•	•	•	•		•	•	•	•	•	•	•
Mangere-Otahuhu	•	•	•	•	•	•		•	•	•	•	•	•	•
Manurewa	•	•	•	•	•			•	•	•	•	•	•	•
Otara-Papatoetoe	•	•	•	•	•	•		•	•	•	•	•	•	•
Papakura	•	•	•	•	•			•	•	•	•	•	•	•
Henderson-Massey	•	•	•	•	•		•	•	•	•	•	•	•	•
Waitakere Ranges	•	•	•	•	•	•		•	•	•	•	•	•	•
Whau	•	•	•	•	•			•	•	•	•	•	•	•

aucklandnz.com

Auckland
Tourism, Events and
Economic Development
An Auckland Council Organisation



Chief Executive Review of June 2017

Report to Auckland Tourism, Events and Economic Development Limited Board

Health & Safety (H&S)

In the past twelve months, there have been no lost time injury work claims to ACC from an ATEED employee. This is a significant accomplishment for ATEED given the range of festivals, events, familiarisations, and projects that undertaken in that time.

ATEED continues to embed H&S into day-to-day practises, including H&S in the new business case process to ensure it is incorporated and considered in project design, budget and planning.

H&S scorecard for May



Training

A two-day first aid training course took place in May with 12 people attending, as well as 13 people attending the one-day refresher course for current first aiders.

Risk Manager system

Risk Manager went live on 9 June. The new system meets ATEED's H&S legal responsibilities, and is more user-friendly. H&S is undertaking background testing of processes, templates and reports to ensure that they meet ATEED's requirements, and feedback will be provided to the developers. Training is underway for all users. An added benefit of Risk Manager is that it will assist in tracking trends and analysis through a wide range of reports available in the system software.

Major Events

Work is underway to further improve ATEED's procedures for physical works contractors engaged to work on events and ATEED projects. Physical works represents an area of high potential risk and it is vital that we continuously seek to improve our processes. The work currently underway includes:

- Reviewing the tasks involved within the event or project.
- Reviewing contractor prequalification reports and requesting further information to ensure that contractors adhere to the H&S legislation, including having appropriate H&S systems and processes in place.
- Conducting meetings to discuss the work with contractors, inducting them on our general safety standards, and review their Site Specific Safety Plans (SSSP) which demonstrate how contractors intend to complete the work safely.

This review process will provide management with the confidence that contractors are being managed throughout the end-to-end process as is legislatively required. This ensures that ATEED continues to deliver safe events and projects.

Kumeu Film Studios

ATEED's H&S Manager continues to provide support and assistance to Kumeu Film Studios ensuring compliance with H&S legislation. A key milestone has been achieved with the Kumeu Film Studios H&S manual. The H&S Manager is also looking into the H&S requirements relating to the 12.1ha forest that makes up part of the studio site managed by ATEED.

GridAKL

Work to remodel the Lysaght café and kitchen was completed on 12 June. The main construction hazards included occasional loud noise and dust, and construction workers with equipment entering and exiting the site. A SSSP was managed and appropriate mitigations were put in place. The Mason Brothers building is not accessible to the public or ATEED staff while the fit-out work is carried out.

The Wynyard Quarter Innovation Precinct is still a major construction site. However, there are tours taking place with key stakeholders who are being escorted around the site by the project co-ordinator who is SiteSafe-certified and has been site-inducted by the contractor. A future external hazard has been identified and relates to the lane access and general construction around sites. This hazard is expected to be an issue when the new buildings (Mason Brothers and 12 Madden Street) open. The ATEED team is working closely with Pānuku Development Auckland to develop mitigations that ensure our new residents are well protected while moving between the two sites.

ATEED strategic priorities

Building a Culture of Innovation and Entrepreneurship

GridAKL – the place

Lysaght Building

There are 97 businesses resident at the Lysaght building, with a total of 166 staff. Approximately 90 per cent of these businesses are considered 'innovation led'. Both results are well over the annual target of 55 residents and 70 per cent 'innovation-led'. Three residents left the facility in the last month, however two new members (Kenitra Project and Eventbrite) have joined. A Wynyard Quarter neighbour, ClearPoint has temporarily moved in due to the recent fire in its building.

12 Madden Street building

Construction remains on track with practical completion of levels two, four and five scheduled for 15 June. The hard fit-out on the ground floor and levels one and two is scheduled for completion by 31 July, with soft fit-out works continuing during August. The opening date for the building is scheduled for 1 September. Mobilisation preparation has begun for the new site to ensure that it is fully operational and compliance obligations have been met by the opening date. Design works for the inter-tenancy walls is progressing for level four, and fit-out for the level five tenant will begin shortly – ready for lease commencement in early August.

Mason Brothers building

Construction remains on track for completion by the end of August. The building opening is scheduled for 1 September. Mobilisation preparation for this building has also begun, to ensure that it is fully operational and compliance obligations have been met by the opening date.

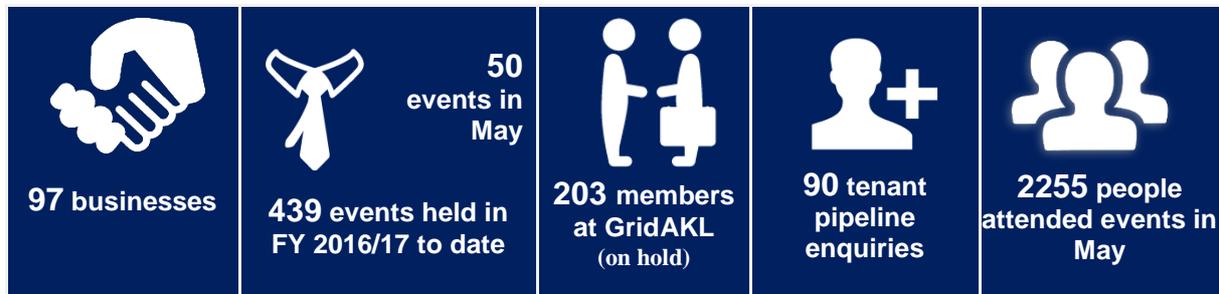
Tenant and sub-leasing

The GridAKL place operator contract has been executed, and Generator was announced as a partner on 31 May. Two corporate tenants have been secured for 12 Madden Street, with Online Republic occupying level five, and IT consulting firm Davanti to occupy approximately 450 sqm of level four. This

is a great result, and sets the tone for other tenancies from companies in the eco-system. We continue to progress other potential tenants, including offshore opportunities for all levels.

Active engagement continues with a number of potential local tenants for the remaining corporate space on level four of 12 Madden Street.

GridAKL – the community



Nearly 450 events have been held at GridAKL since July 2016, with 2255 attendees in the month of May across 50 events and programmes.

International guest speaker Chris J Reed (hosted by BizDojo) spoke to the GridAKL community on 21 June on digital marketing and the art of perfecting professional online profiles. A new GridAKL website launched on 31 May (gridakl.com). The GridAKL brand guidelines are also being updated to incorporate the new buildings and define how we showcase GridAKL in the context of place, community and services.

A technology and digital strategy detailing functional requirements for GridAKL is nearing completion. The strategies have been used to validate the digital platform that Generator (The place operator) has proposed for GridAKL: Gen Hub. The team is negotiating with Generator to brand the GridAKL platform to manage members at the new buildings, with the option to expand for wider GridAKL use across other facilities and application for the Tech Café.

Enabling GridAKL

The team continues to implement the management actions from the KPMG audit of GridAKL in June 2016. The final report was presented to the steering group and audit and risk committee in February this year, and actions accepted, including the launch of the new collaborative SharePoint platform to manage information and programme activities.

An economic impact assessment is underway on phase two, the Lysaght Building, where residents are being surveyed and the impact over the last 18 months is being modelled to report on the economic benefit of this phase of GridAKL prior to the opening of new facilities. This will inform an annual report of GridAKL which will review the strategy, and also establish activities for the next period. Work will also begin on reviewing the governance entity proposals for GridAKL, now that an operator (Generator) has been appointed.

A paper will be presented to the Board in July with a focus on the remit of the Auckland Innovation Advisory Board and the GridAKL Steering Group, as well as the GridAKL entity. The paper will be informed by the outcomes of the recently negotiated and signed Generator GridAKL place operator contract that the GridAKL team is currently implementing.

GridAKL – leveraging opportunities

The GridAKL team is sharing knowledge with The Southern Initiative team to support the development of a locals' innovative maker space for Manukau. An opportunity is also being explored to create an AR/VR showcase at 12 Madden Street in conjunction with the AR/VR Garage.

Grow and attract skilled talent

Study Auckland

The Study Auckland team has established a new partnership with The Superdiversity Centre to kick-start a 'Global Talent Intern' programme (GTI) in the Auckland market. The aim of the GTI pilot is to help high-growth Auckland companies operating in knowledge economy sectors gain better access to the international graduate talent living in their backyard. This joint initiative will see Study Auckland, in partnership with The Superdiversity Centre for Law, Policy and Business, offer international student graduates 35 internship placements with Auckland companies.

Each internship will run for a minimum of one week and a maximum of one month. The GTI programme will start in late June, and will end in October this year. Following the completion of the internship, participating companies will be encouraged to offer the intern full-time employment, and no charge will apply for the successful placement of an intern into the company. The Superdiversity Centre is the lead partner for the pilot. It will process all internship applications, screen potential candidates, and provide shortlisted candidates with an induction on how to succeed in the New Zealand workplace. All successful interns will be required to sign a non-disclosure agreement prior to commencement. If for whatever reason the company match doesn't work out, the intern will be placed elsewhere, and the participating company will get another opportunity to select a new candidate.

The GTI pilot will be promoted to Auckland's tertiary institutions with support from the Study Auckland team. The Superdiversity Centre will promote the internship directly to their members via direct marketing and networking activity. Study Auckland will also capture video stories of the GTI pilot from the perspective of both the interns and companies. These stories will be distributed and shared with the participating companies, The Superdiversity Centre, ATEED and relevant media.

Companies from the construction, tourism and hospitality sectors are not included in the GTI pilot.

Growing the visitor economy

Visitor arrivals

There were a record-breaking 2.57m international visitor arrivals in the year to April 2017, up 10.8 per cent year-on-year. International visitor numbers were up 20.7 per cent compared to April 2016.

Tourism spend for the year to April 2017 was \$7.63b, up 3.1 per cent on the previous year. Domestic spend was \$3.54b, while international spend was \$4.09b. Visitor numbers from the US represented the biggest growth, up 30.7 per cent for the year.

Spend by Chinese visitors was down by 10.4 per cent compared with the year to March 2016, with visitors citing the cost of accommodation and activities as the main reason for their lack of spending. Visitor numbers from the US saw the biggest growth, up 27.7 per cent for the year ending March 2017.

The average hotel daily rates over the last 12 months was \$194 a night, and \$207 a night for the month of April (up 21.9 per cent compared to April 2016). Occupancy rates were also high in April, averaging 86.6 per cent¹ – up 1.8 per cent on the previous year.

i-SITE mobile payments

After two years of negotiations, i-SITE New Zealand has signed an agreement to introduce WePay mobile payments at the SKYCITY and Auckland International Airport i-SITEs. WePay is rapidly becoming the global payment system, and the Chinese market in particular are high users of it. The training sessions are now complete, and the two i-SITEs are ready to support customers with this online payment service.

¹ Tourism Industry Aotearoa

Cruise

The technical risk assessment of the proposed mooring dolphin options is being undertaken by Dale Cole and Associates, an Australian-based maritime consultancy. This work is expected to be completed by mid to late June, and will confirm the most appropriate infrastructure required to moor larger cruise ships at Queens Wharf. The required infrastructure will not only need to be functional and safe, but also respect the heritage listing of the wharf, public use and amenity, and the newly opened lighthouse sculpture. Once a decision is made, a resource consent will be lodged and, subject to approval, procurement and construction is anticipated in time for the 2018/19 cruise season. Council's Finance and Performance Committee resolved to allocate \$10m in capital budget for cruise ship infrastructure (in a dolphin) for the 2017/18 financial year.

Destination Development

Waiheke Island information centre

The Matiatia visitor centre kiosk is now being managed by the Waiheke Island Tourism Forum. ATEED assisted the Waiheke Island Tourism Forum with funding as part of an agreement when closing the Waiheke i-SITE. This funding is to be used for information provision and marketing in the 2016/17 financial year. Feedback to date has been very positive, and the Waiheke Island Tourism Forum has recently launched and the *Waiheke Is Warmer* campaign with ATEED's support.

PATA Global Insights Conference (PGIC) 2017

The highly acclaimed PATA Global Insights Conference returns to SKYCITY Auckland on 29 September. The theme for this year is '*R U Future Ready?*', and the conference has an exciting line-up of industry experts from across the globe, including Microsoft, Boeing, and Visa.

Major Events

DHL New Zealand Lions Series 2017

Planning continues for the activation of the Queens Wharf Auckland Fanzone. The wharf will showcase New Zealand culture, kicking off from 23 June. The programme includes rising young Māori stars, stunning historic rugby photographs in the *Hard on the Heels* exhibition by New Zealand's leading rugby photographer Peter Bush, and the DHL Dome displaying a selection of New Zealand Rugby trophies. The musical highlight takes place on 30 June, where legendary singer and songwriter Annie Crummer, named in the Queen's Birthday Honours list as a Member of the New Zealand Order of Merit for services to music, joins forces with Che Fu, Op Shop's Jason Kerrison, and Ardijah's Betty-Anne Monga. Regional fanzones will also be operational on the North Shore, in West Auckland, and South Auckland.

An Auckland information centre will operate on Queens Wharf from 19 June to 8 July, with i-SITE staff onsite to take tourism bookings and enquiries from visitors. The centre will be shared with Smart Move during peak test times. A visitor's guide has been developed and will be made available at key visitor touchpoints such as Auckland Airport, car rental companies, hotels and main tourism clusters. Content includes event information (fanzones, fan trail, match day travel, etc.) and destination information (public transport, i-SITE locations, etc.). As part of the visitor programme, ATEED has 150 volunteers at key locations including tourism clusters to assist with the expected visitor enquires during the Lions tour.

The DHL New Zealand Lions Series 2017 is expected to generate 165,210 visitor nights for Auckland, attracting 20,510 international visitors and more than 14,140 domestic visitors. The event is expected to deliver \$26.7 million to the Auckland regional economy.

Delivered events

WMG2017

The WMG2017 leverage and legacy report to MBIE New Zealand Major Events is due by 31 July. The report will align with the legacy document being developed by WMG2017, and will include information from Aktive Auckland, Tourism New Zealand, New Zealand Trade and Enterprise, and Sport New Zealand.

A meeting will be held in the coming weeks to discuss and agree on roles and responsibilities and the process for closing the WMG2017 entity. A paper has been written for the MBEC meeting, and a further update will be provided in the July Board report.

Pasifika 2018

It has been confirmed that ATEED will deliver the 2018 Pasifika Festival. For the past three years, delivery has been outsourced to Auckland-based events company Orange Productions – a decision made in 2014 ahead of an unprecedented peak period of activity. ATEED retained stewardship of Pasifika Festival, on behalf of Auckland Council, and worked closely with Orange Productions to ensure delivery of three successful festivals, with the Major Events Production team producing the Pasifika’s 25th anniversary showcase this year.

The 2018 Pasifika Festival delivery returns to ATEED’s Major Events team in the interim, while the findings of the pilot scheme are reviewed. The Pasifika Festival Villages Trust will remain an integral part of the festival’s DNA, guiding and informing the cultural integrity and community accessibility of the event.

Attract business and investment

Project Palace (Auckland accommodation sector – planned and scheduled construction)

There have been 27 expression of interest (EOI) responses received for the Civic Lane Aotea Square Hotel. It is believed that approximately 10 interested parties will follow through to the next stage, where the number of levels of development and indicative price offerings will be made to begin negotiations. A meeting was held with Auckland Council Mayoral Office regarding hotel rates. A new site at 62 Victoria Street in the CBD has recently become available as another potential conversion site.

The focus over the coming weeks will be to follow-up with stakeholders regarding the Civic Lane Aotea Square Hotel, as well as follow-up with Colliers regarding the Tramco site at 1 Market Place. The new site at 62 Victoria Street will also be marketed shortly.

Site	Action following ATEED presentation of sites this month
Civic Square Tawera Group Aotea 4-star hotel – turnkey hotel offer	EOI has been released to market, and thirty parties have expressed an interest.
1 Mills Lane – demolition / new build	Architectural drawings prepared.
Waitākere Estate	Still available for sale.
Waiheke Airport development	Still available for sale.
161 Hobson Street	Still available for sale.
11/13/15 Albert Street	Available for sale.
New site – 1 Market Place	Will be available for development in 1-2 years. Will be used temporarily as a pop-up restaurant site.
239 Queen Street (above old Mid City)	Three floors of 2000sqm each with air rights above. Potential to build large tower above.
New site – 53/55-59 Nelson Street/156 Victoria Street	Large site ideal for hotel opposite new convention centre.
62 Victoria Street West	Great location next to the SkyTower. Suitable for a boutique-style conversion.

Below is a list of the latest hotel developments, including star rating and number of rooms.

Hotel name	Location	Category	Star rating	Rooms	Opening date	Stage
Pullman	Airport	Hotel	5 star	250	YE 2019	Construction commencing late 2017
1 Mills Lane	CBD	Hotel		200		On market - concept plans
85 Customs St E	CBD	Hotel		96	YE 2020	Under Construction
Civic Quarter (old Auckland Council Administration building)	CBD	Hotel		100	YE 2020	Early planning
Four Points by Sheraton	CBD	Hotel		255	YE 2017	Under Construction
Fu Wah Wynyard	CBD	Hotel	4 Star	300	YE 2019	Early planning
NZICC Hotel (SKYCITY)	CBD	Hotel	5 Star	300	YE 2018	Under Construction
Pakuranga Plaza	Pakuranga	Hotel			YE 2030	Early planning
Park Hyatt Auckland	CBD	Hotel	5 Star	195	YE 2018	Under Construction
Ramada Albany	Albany	Hotel	4 Star	66	YE 2017	Under Construction
Ramada Plaza, Victoria St (TNZ site)	CBD	Apartment		49	YE 2018	Proposed
Ramada Suites Ormiston	Flat Bush	Apartment		46	YE 2017	Construction commencing late 2016
Ritz-Carlton Hotel	CBD	Hotel	5 Star	266	YE 2019	Consented
Sofitel So	CBD	Hotel	5 Star	130	Mid 2017	Under Construction
The Sebel Auckland Manukau	Manukau	Hotel	4.5 Star	152	YE 2017	Under Construction
Viaduct Harbour - One Market Place	CBD	Hotel	Luxury	165		On market -concept plans
Warehouse Newmarket Development	Newmarket	Hotel		40		On market - concept plans
Wyndham Garden (Hobson St)	CBD	Apartment		86	Early 2018	Consenting
Wynyard 100	CBD	Hotel		120	April 2017	Consenting
				2816		

Accommodation Provider Targeted Rate

The targeted rate proposed to generate \$13.5 million, primarily from hotels and motels in certain areas of Auckland was passed at Auckland Council's Finance and Performance Committee meeting on 1 June (11 votes for to 8 votes against). The matter was then taken to the full Governing Body as part of agreeing the city's Annual Budget 2017/18, with that vote passing 10-7 (with a couple of abstentions).

The decisions agreed as part of the budget are now due for final adoption by the Governing Body on 29 June, with the targeted rate set to be applied from 1 July. The method by which the targeted rate is implemented, including how the rate is governed and what level of industry involvement it requires, is being planned by Auckland Council CCO Monitoring Committee.

Auckland in the international spotlight as a business event destination

Auckland has been in the spotlight as an exciting destination for organisers of conferences and association events, thanks to a new digital report featured in *Intellectual Capitals* – the leading news and information resource for international meeting, congress and business event planners.

The Auckland Convention Bureau (ACB) team partnered with Tourism New Zealand's Business Events arm on the feature. The digital magazine includes video interviews with some of Auckland's leading innovators, as well as some of our own industry experts such as Helen Robinson, Patrick McVeigh, Dean Butchers and Anna Hayward.

The *Auckland: An Innovation Hub of the Asia Pacific* edition showcases Auckland's thriving and growing knowledge economy to highlight why business event organisers should consider hosting their next association congress in Auckland. The full feature can be viewed [here](#).

World Travel Awards

Auckland has been named the top meetings and conference destination in Australasia at the 2017 World Travel Awards. This is the first time Auckland has received this award, which in recent years has been won exclusively by Melbourne. Dubbed the 'Oscars of travel', the annual awards are voted on by senior members of the international travel industry as well as high-end consumers. Auckland Airport was also named Australasia's Leading Airport 2017, and SKYCITY Auckland Casino was named Australasia's Leading Casino Resort 2017 in the awards.

International Rankings

Auckland has moved up 14 places in the International Congress and Convention Association (ICCA) rankings, from 93 last year to 79 this year. ICCA is the global community and knowledge hub for the international association meetings industry, and each year provides a report which compares destinations' meetings-related performance on a global scale.

Auckland has shifted 32 places in the rankings since 2014, and this is before the New Zealand International Convention Centre (NZICC) is open. The ICCA data captures the number of international association events that happen around the world. While the ICCA data doesn't capture all of the international meetings that come here, this is fantastic result for Auckland and really highlights how increasingly popular our region is as a destination for business events.

MEETINGS 2017

The ACB team attended MEETINGS 2017. The Auckland stand this year stood out thanks to an innovative digital showcase, which saw Auckland win the award for best regional stand.

The spectacular digital showcase included a 12m-wide and 36.6m-long overhead screen, displaying beautiful imagery of Auckland as well as business events destination messaging. Complementing the large circular overhead screen was an interactive 360-degree interactive screen where users could choose to explore three different parts of Auckland and navigate their way around them. ACB worked with its business partner, Production Associates, on the concept for the stand, and the team was able to tap into one of ATEED's AR/VR Garage tenants, Staples, to create the 360 degree photographic display.

The ACB Sales team had more than 70 buyer appointments during MEETINGS, and is following up on a number of lead and bid proposals.

Auckland wins Food Science and Technology Congress 2020

The International Union of Food Science and Technology (IUFoST) 20th World Congress of Food Science and Technology will be held at the NZICC in 2020, with the theme '*20/20 Vision: Food for a changing world*'.

IUFoST supports programmes and projects to increase the safety and security of the world's food supply. The 2020 event will take place over five days, bringing together 2000 of the brightest minds in food science, research and innovation from more than 60 countries, and contribute an estimated \$4.25 million to the Auckland economy.

World Veterinary Association Congress (2020)

The 36th World Veterinary Association Congress (WVAC) will bring together an estimated 3000 veterinarians from all over the world to explore the challenges that face animal health and welfare, to find solutions where possible, and to demonstrate the value of the profession. The conference will be held at the NZICC, and will contribute an estimated \$6.2 million to the regional economy.

Global Speaking Summit (2018)

The Global Speakers Summit brings together the latest and best practices in learning, marketing, selling from the stage, positioning and branding. The summit will be held at the SKYCITY Convention Centre, and is expected to attract more than 220 professional trainers, speakers, consultants, MCs and business leaders, who each speak to an audience of more than 3000 people globally each year. The summit, themed '*Four Days of Transforming Our World*', will be held from 23-26 February 2018.

DIGMYIDEA Māori Innovation Challenge winners announced

The DIGMYIDEA winners were announced during Techweek: two technology ideas which will potentially improve the lives of whānau. Adele Sauer and her team of three from Hamilton won the Māori tū: open category (for ages 26 and over) with a Māori sign language app called SeeCom. Nicole Calderwood, also from Hamilton – who entered as an individual – won the Māori oho: youth category (ages 15-25) with Scholar+, a web-based platform that helps tertiary students find and apply for scholarships. Associate Economic Development Minister Te Ururoa Flavell congratulated the winners, saying he's committed to increasing Māori participation in the technology sector.

Māori Responsiveness Framework

In line with ATEED's Māori responsiveness, the six-week Te Reo Maori course was completed by 12 staff members in May. The course was a remarkable success, with attendees saying it gave them the tools and confidence to weave Te Reo into day-to-day activities.

Statement of Intent KPIs

As at 31 May, ATEED was on track to achieve 21 of the 24 targets set out in the Statement of Intent (SOI) 2016-19. KPI results as at 31 May are recorded in the appendix. Key highlights include:

Build a Culture of Innovation and Entrepreneurship

- The resident population of GridAKL stands at 97, approximately 90 per cent of these businesses are considered 'innovation led'. Both results are well over the annual target of 55 residents and 70 per cent 'innovation-led'.
- The number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme now stands at 1995 for the year, exceeding the target of 1500.
- The number of actively managed businesses through the Regional Business Partner Programme stands at 902 against the target of 720. This continues to exceed the 2016/17 Actively Engaged contractual KPI by 25 per cent. This is a great result for the team with one month still to go, and represents a very high level of activity with a marked increase in RBP registrations coming in.
- ATEED will report a result of "not measured" for the KPI - 'Percentage stakeholders satisfied with the provision of business advice, start-up, training and mentoring programmes'. This is due to a change in methodology and thus results by NZTE who have now dropped their satisfaction measure. ATEED will note that NZTE now uses a net promoter score methodology (NPS), which measures the willingness of customers to recommend an organisation's products

and services to others. It is used as a proxy for gauging the customer's overall satisfaction, loyalty and advocacy. ATEED's current NPS stands at +60, with a score of +50 is considered excellent. ATEED will reflect the change to the NPS in the next LTP.

Attract Business and Investment

- The total GDP contribution of deals resulting with ATEED involvement to date is \$340.7million, which is well over the target of \$56.7 million.
- The value of investment deals resulted by ATEED within the financial year is \$487.8 million, exceeding the target of \$278 million.

Grow a Skilled Workforce

- The number of 'live' signatories to the Auckland Youth Employers Pledge stands at 66. 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 have reported year-to-date figures from July each financial year to provide an accumulative view. Previously this was reported as current year-end figures. Year-to-date visitor spend in Auckland stands at \$6.603 billion, exceeding the target of \$5.412 billion.
- The number of international business event bids submitted or supported stands at 27. It is now unlikely to reach the annual target of 35 due to resourcing constraints in Q1 of the financial year, and therefore will be reported to council as "not achieved" when final results are audited in July.
- Other business events measures are well ahead of target, including a bid win/loss ratio of 76 per cent (target 60 per cent). The value of business event bids won in the financial year stands at \$32.3 million, exceeding the \$19 million target.

Build Auckland's Brand and Identity

- Visits to www.aucklandnz.com reached 3 million as at 31 May against a target of 3.4 million. It is likely that this KPI will be reported to Council as "not met" when final results are audited in July. This is because of a fall in traffic as a consequence of the migration to the new website due to the significant changes made to the site architecture. Traffic is beginning to increase again and is expected to fully recover as search engines begin to rank new content. Prior to the migration, traffic was on track to meet the KPI, consistency tracking at 280,000 to 300,000 visits per month. It is estimated that traffic will reach 3.2 million by the end of the financial year – resulting in a shortfall of 6 per cent of the 3.4 million target.

ATEED is now measuring 'sessions' instead of 'views' as previously used from Google Analytics as this reflects the LTP definition more closely.

Looking forward

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

Scheduled event date	Event name	Location
7 June-8 July	Blues vs British and Irish Lions (7 June) All Blacks vs Lions (24 June and 8 July)	Eden Park
25 August	ATEED Board meeting	ATEED
29 September	ATEED Board meeting	ATEED
29 September	PATA Global Insights Conference (PGIC) 2017	SKYCITY Auckland
10 October	ATEED Board meeting	ATEED
24 November	ATEED Board meeting	ATEED

Finance

ATEED has a year-to-date net deficit of \$0.4m against the forecast. \$2.1m, which relates to the timing of net spend for the DHL Lions Series, where activity was planned in June however the expense was incurred in May. There is a surplus circa. \$0.6m expected at year-end, with no additional funding required from Auckland Council. The projected underspend is mainly in the GridAKL programme (\$0.3m), the Virtuoso project (\$0.2m), and the Customer Relationship Management (CRM) project (\$0.2m).

Once ATEED's financial position has been finalised at year-end, there will be a detailed review of all projects with material underspend. Where there is strong justification for this underspend, due to slippage because of uncontrollable circumstances (e.g. GridAKL's underspend due to delays in the capital works), or where contractual obligations exist (Virtuoso and CRM projects), we will formally request approval from Auckland Council to carry over this funding to the next financial year.

There remains a firm commitment from the leadership team to deliver as per ATEED's Statement of Intent 2016-19 and budget, and any permanent savings will be as a result of efficiencies that have been made due to effective partnerships and collaborations.

WMG2017

The WMG2017 team delivered a world-class event within their existing funding envelope. The team is currently working on finalising contractual commitments and closing outstanding queries with major suppliers. No deficit (overspend) is expected as the accounts are finalised. We are discussing with WMG2017 how a surplus will be utilised.

Recommendations

1. The report be received.

Attachments

- ATEED KPI Scorecard and dashboard

Signatory

ATEED Chief Executive, Brett O'Riley

Appendix I – ATEED SOI KPIs (YE May)

ATEED KPI Scorecard					May-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 & (%)	31-May-17	97 (88%)	55 (70%)	●
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme	Number	31-May-17	1995	1500	●
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure) ⁷	%	Discontinued	Not measured	85	—
Number of actively managed business through Regional Business Partner programme	Number	31-May-17	902	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	31-May-17	4	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	31-May-17	77	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	31-May-17	340.7	56.7	●
Value of investment deals effected by ATEED within the financial year	\$(million)	31-May-17	487.8	278	●
Grow and attract skilled talent					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	31-May-17	66	50	●
Growth in value of international student spend to Auckland	\$(billion)	31-Oct-16	2.17	1.888	●
Grow the visitor economy					
Spend by visitors in Auckland ²	\$(million)	30-Apr-17	6,603	5,412	●
Number of international business event bids submitted or supported	Number	31-May-17	27	35	●
Business event bid win/loss ratio (based on results received in financial year) ⁴	%	31-May-17	76%	60%	●
Value of business event bids won in financial year	\$(million)	30-Apr-17	32.3	19	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	31-May-17	95.9	85	●
Contribution to regional GDP from major events invested in (LTP measure) ⁵	\$(million)	30-Apr-17	32.6	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	30-Apr-17	277,490	415,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	30-Apr-17	90	85	●
Build Auckland's global brand identity					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	31-May-17	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	%	N/A	N/A	Establish baseline	—
<p>Key:</p> <ul style="list-style-type: none"> ● On track / Target exceeded ● Potential for Slippage ● Off-track — No recent result <p><small>1 Innovation-led is defined as businesses developing new or improved technologies or services 2 From 2016/17 targets have reset to align with latest Ministry of Business, Innovation and Employment Monthly Regional Tourism Estimates (MRTes). 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. 4 Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted 5 Target includes the impact of World Masters Games 2017 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. 7 Survey results provided by NZTE had previously included a measure of satisfaction. This has now been changed to Net Promoter Score methodology (NPS). NPS is an index ranging from -100 to +100 that measures the willingness of customers to recommend an organisation's products and services to others. It is used as a proxy for gauging the customer's overall satisfaction, loyalty and advocacy. Current NPS stands at +60 and comparatively, a NPS of +50 can be considered as excellent.</small></p>					

Finance Report, month ending May 2017

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

Summary Income Statement For the Period Ended 31 May 2017									TABLE 1	
									\$000's	
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			Net operational expenses:							
173	320	147	Business Attraction & Investment	2,635	2,839	204	3,501	3,820	2,549	
0	0	0	Destination & Marketing	745	753	8	753	5,637	3,239	
1,924	(673)	(2,597)	Major Events	10,197	8,061	(2,136)	10,571	10,349	11,739	
1,001	1,291	290	Visitor and External Relations	9,854	10,542	688	11,669	7,932	7,759	
2,014	1,835	(179)	Business, Innovation and Skills	10,459	11,027	568	13,680	11,193	11,642	
779	923	144	Corporate	7,343	7,635	292	9,091	10,390	9,088	
5,891	3,696	(2,195)	ATEED net deficit	41,233	40,857	(376)	49,264	49,320	46,016	
903	636	(267)	World Masters Games 2017 Ltd, net deficit	6,829	6,009	(819)	8,015	8,072	1,427	
6,794	4,332	(2,462)	Operating deficit before Council funding	48,062	46,866	(1,196)	57,279	57,392	47,443	
			Approved opex funding				55,777	56,200	46,856	
			WMG Reserves drawdown				691	0	0	
			Operating Deficit				(811)	(1,193)	(587)	
			Capex funding				14,207	7,385	2,975	
			Surplus				13,396	6,192	2,387	

Key Points

Current month's financial results

ATEED

ATEED has a year to date net deficit of 0.4m against the forecast. \$2.1m relates to the timing of net spend for the Lion's Tour where activity was planned in June but incurred in May. We are expecting to have a surplus circa. \$0.6m at year end with no additional funding required from Auckland Council. The projected underspend is mainly in the Grid Akl program (\$0.3m), Virtuoso project (\$0.2m) and the Customer Relationship Management (CRM) project (\$0.2m).

At year end, once we have finalised our financial position, we will review in detail all projects with material underspend. Where there is strong justification for this underspend, due to slippage because of uncontrollable circumstances (Eg Grid Akl underspend due to delays in the capital works), or where contractual obligations exist (Virtuoso & CRM

* There have been significant movements between budget and forecast 3. Brand & Marketing (B&M) and Auckland Convention Bureau (ACB), are part of Destination & Marketing's budget. B&M has moved to Visitor & External Relations and ACB to Business, Innovations & Skills in a recent restructure. The actuals YTD and Forecast 3 include ACB at \$1.9m and B&M at \$3m.

Projects), we will formally request approval from Auckland Council to roll over this funding to the next financial year.

There remains a firm commitment from the leadership team to deliver as per our Statement of Intent and budget, and any permanent savings will be as a result of efficiencies that have been made due to effective partnerships and collaborations.

World Master Games (WMG)

World Master's Games team delivered a world class event within their existing funding. The team are currently working on finalising their contractual commitments and closing out outstanding queries with major suppliers. No deficit (overspend) is expected as they finalise their accounts.

ATEED total net adverse variance of \$0.4m.

Business Attraction and Investments

A YTD underspend of \$0.2m against the forecast. This is due to Kumeu Film Studio (\$0.1m) planned spend on repairs and maintenance not eventuating and the outgoings recovery being higher than forecast. A further \$0.1m has been underspent in travel costs and marketing expenses across the unit, as we leverage our relationships with partners and World Master Games.

Major events

There is a YTD overspend of \$2.1m against forecast. This is due to the timing of net spend of \$2.1m for the Lion's Tour, occurring in May but planned in June. There are permanent savings for the World Master Games Leverage program of \$0.2m due to effective partnering and collaboration across the industry and permanent savings from over estimating costs for the Ultimate Waterman of \$0.1m. These permanent savings have been utilised for sponsorship due to milestone events triggered early (Rugby League World Cup \$0.1m and V8 Supercars \$0.2m).

Visitor and External Relations

A YTD underspend of \$0.7m against the forecast. This is due to the timing of advertising underspend of \$0.4m in domestic and international campaigns in Tourism and Destination Development, with a potential deferral of funding for the Virtuoso program of \$0.2m to next year. There is a further timing underspend of \$0.2m in Study Auckland due to delays in the US study abroad campaign and sponsorship partnership contracts to external providers expected to occur in June.

Business, Innovation and Skills (BIS)

The YTD timing underspend of \$0.6m against the forecast is due to:

- GRID AKL program underspent by \$0.3m. Professional fees of \$0.2m (including activation fees) will be deferred to next year due to delays in the opening of the buildings now scheduled for September. \$0.1m relates to finance charges for Mason Bros and Huawei funding activities still to be incurred.
- the timing of international bids for Auckland Convention Bureau of \$0.2m,
- the timing of Maori Economic Development program \$0.1m, expected to occur in June.

Corporate

The YTD timing underspend of \$0.3m against the forecast is due to \$0.2m professional fees for the eRea Transformation Project, and the CRM Project. \$0.1m savings are as a result of leveraging our Master Services Agreement with Auckland Council for delivery of research measurements and Sentient enhancements.

Income Statement

Income Statement										TABLE 2
For the Period Ended 31 May 2017										\$000's
Month				Year to Date			Full Year			
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Last Year	
			Operational income							
407	1,607	(1,200)	Funding from Government	2,003	3,273	(1,270)	3,313	2,013	1,742	
23	42	(20)	Sponsorship	1,402	1,414	(12)	1,439	2,212	1,580	
9	2	7	Fees & Subscriptions	304	318	(14)	320	493	446	
169	103	66	i-Sites	1,805	1,750	54	1,826	2,270	2,502	
387	251	137	Sundry income	2,129	2,031	98	2,443	1,383	1,229	
994	2,005	(1,011)	Total Operating income	7,643	8,787	(1,144)	9,341	8,371	7,630	
1,836	1,912	77	Staff costs	19,116	19,164	48	21,237	22,577	20,728	
			Professional fees, consultancy & contractors	8,300	7,718	(582)	9,742	9,118	7,004	
2,258	1,098	(1,160)	Grants & sponsorships	7,116	6,591	(525)	8,080	6,482	8,739	
1,120	464	(656)	Depreciation & amortisation	673	718	45	811	1,119	591	
97	90	(7)	Shared services and lease costs	473	473	(0)	516	531	2,141	
50	43	(7)	Occupancy	2,510	2,586	76	3,260	2,776	2,599	
341	374	33	Travel & entertainment	1,007	1,188	182	1,482	1,685	1,653	
145	162	17	General, admin & other	2,568	2,746	178	3,579	2,235	2,823	
236	273	37	Advertising, marketing & research	7,112	8,458	1,346	9,898	11,169	7,367	
803	1,286	482	Total Operating Expenditure	48,876	49,644	768	58,606	57,691	53,645	
6,886	5,702	(1,184)	ATEED Net deficit	41,233	40,857	(376)	49,264	49,320	46,016	
5,891	3,696	(2,195)								

Revenue

YTD revenue is lower than forecast by \$1.2m mainly due to funding from central government for the Lions Tour to be received later than planned. The funding agreement was approved on the 20th June by the Board, out of cycle, and the revenue will be received in June.

Expenditure

YTD underspend of \$0.8m.

Professional Fees, consultancy and contractors, \$0.6m higher: This unfavourable spend is due to an early payment of \$1.3m to deliver the Fanzone on Queens Wharf for the Lion's Tour (this is funded by Central Government), offset by the timing of:

- \$0.5m in BIS, mainly for the Grid AKL program of \$0.2m, Maori Economic Development program \$0.1m, and in the Local Economic Growth business awards and town centre revitalisation project \$0.1m.
- \$0.2m in Corporate across the CRM project and eRea Transformation project.

Grants and Sponsorships, \$0.5m higher: Sponsorship payments incurred earlier than plan for the Rugby League World Cup (\$0.1m) and for the V8 Supercars (\$0.2m) which are offset by savings in the V8 supercars this year due to a milestone not being achieved. Also, \$0.3m to New Zealand Food Innovation (Foodbowl) due to activities being delivered earlier than planned.

Travel and Entertainment, \$0.2m lower: This is partially due to an underspend in the World Masters Games leverage program of \$0.1m and an underspend across multiple activities in Business, Innovations and Skills.

General, admin and other, \$0.2m lower: This positive variance is due to timing of hireage expenses for Innovation Events and Tech ICT Development programs and an underspend in WMG2017 business programme.

Advertising, Marketing and Research, \$1.3 lower: This positive variance is due to:

- campaigns for Tourism and Trade Partnerships (\$0.4m) occurring later than forecast as new opportunities were identified for the Virtuoso Project (\$0.2m) and delays in the Destination Development research work. Virtuoso Project will occur next financial year and request to defer funding will be made to Auckland Council.
- activity for International Education occurring later than planned (\$0.2m).
- a timing related underspend in Auckland Convention Bureau (\$0.2m) for the international bidding design work and the MEETINGS tradeshow.
- a timing related underspend (\$0.1m) in the talent attraction project in partnership with Immigration NZ.
- a timing related underspend for the Lion's Tour (\$0.1m)
- permanent savings (\$0.1m) in the World Masters Games leverage program.

Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m							TABLE 3		
For the Period Ended 31 May 2017							\$000's		
Month				Year to Date			Forecast	Budget	Last Year
Actual	Forecast	Variance		Actual	Forecast	Variance			
			Business, Innovation and Skills						
383	83	(300)	New Zealand Food Innovation Auckland	1,217	917	(300)	1,000	1,000	1,015
493	366	(126)	Grid AKL	1,703	1,990	287	2,922	2,491	1,557
			Major Events						
(11)	18	29	World Masters Games 2017 leverage	678	879	201	897	947	36
222	0	(222)	V8 Supercars	1,269	1,048	(222)	1,048	1,442	2,097
0	0	(0)	NRL 9s competition	620	630	10	630	540	2,868
1,657	(532)	(2,190)	Lions Tour 2017	1,966	(191)	(2,158)	1,430	1,065	268
(15)	0	15	Tāmaki Herenga Waka Festival	478	506	28	506	500	514
			Total of all Major Events Projects	8,452	6,240	(2,212)	8,039	7,972	9,642

- **New Zealand Food Innovation Auckland** – Agreed overspend of \$0.3m, as activities delivered earlier than planned.
- **Grid AKL, \$0.3m lower** – Underspend in professional fees due to the new buildings originally scheduled for opening in early May now opening in September, and an underspend of the sponsorship funds due to delays in the work program.
- **World Master Games 2017 leverage, \$0.2m lower** – This is due to effective collaboration with partners which achieved desired outcomes without incurring additional costs.
- **V8 Supercars, \$0.2m higher** – This is due to milestone payments paid earlier than planned due to early triggers of ticket sales.

- **Lion's Tour 2017, \$2.1m higher** – This is due to government funding planned in May, but will be received in June, coupled with earlier than planned payments for the Fanzones.

World Masters Games

World Masters Games 2017 Ltd										TABLE 4
Summary Income Statement										
For the Period Ended 31 May 2017										
										\$000's
Month			Year to Date				Full Year			
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Last Year		
445	2	443	Revenue from Activities	7,634	7,013	621	6,794	6,977	1,616	
655	0	655	Funding from Government	3,655	3,000	655	3,655	3,655	2,625	
103	0	103	Sponsorship	410	987	(576)	1,208	0	475	
99	0	99	Sundry income	930	600	330	600	600	610	
1,302	2	1,300	Total Operating income	12,629	11,599	1,030	12,257	11,232	5,326	
			Net Operational costs							
505	256	(249)	Staff costs	3,963	4,005	42	4,158	4,513	2,621	
103	192	89	Professional fees, consultancy & contractors	7,947	7,813	(134)	8,126	6,903	1,302	
770	75	(695)	Grants & sponsorships	1,563	1,248	(315)	2,017	1,880	695	
0	0	0	Depreciation & amortisation	31	9	(22)	9	70	111	
35	22	(13)	Occupancy	163	154	(9)	177	164	164	
530	9	(521)	Travel & entertainment	1,250	905	(345)	925	1,023	267	
241	77	(164)	General, admin & other	3,243	2,519	(724)	3,774	3,785	671	
19	4	(15)	Advertising, marketing & research	1,267	928	(339)	1,057	966	905	
2,204	638	(1,566)	Total Operating Expenditure	19,458	17,609	(1,849)	20,272	19,304	6,753	
(903)	(636)	(267)	Operating surplus/(deficit)	(6,829)	(6,009)	(819)	(8,015)	(8,072)	(1,427)	

- The WMG team are currently working though their financial position and an updated commentary will be provided to the Board at the next meeting.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 May 2017		
TABLE 5	YTD	Jun-16
\$000's		
Current assets		
Cash and cash equivalents	1,888	2,024
Receivables and prepayments	12,551	10,714
Other current assets, including iSite inventory	24	80
Total current assets	14,463	12,818
Current liabilities		
	15,982	12,448
Working capital	(1,519)	370
Non-current assets		
Receivables and prepayments (non-current)	233	697
Property, plant and equipment	10,396	5,098
Investment in Joint Venture, The FoodBow I	2,067	2,067
Total con-current assets	12,696	7,862
Non-current liabilities		
	228	253
NET ASSETS	10,949	7,979
EQUITY	10,949	7,979
Capex spend	6,037	Revised budget \$14m
Total commitments	\$66.9m	\$29.5m

- Receivables and prepayments: Increase of \$2.2m due to timing of intercompany settlement scheduled for June. Last settlement received was in March.
 - Current liabilities are higher due to large accruals raised for Grid AKL \$2m, and World Master Games \$1.5m.
 - Property Plant and Equipment increase of \$5.3m due to capitalisation of assets for Grid AKL of \$5.1m and for AR/VR garage assets of \$0.2m.
 - The significant increase in future total commitments largely due to operating lease costs of \$42m for the GRID AKL program over twelve years.
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Recommendation

It is recommended that the Board note the Finance Report for the period 31 May 2017.

Signatories

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer
