

Board Meeting Agenda, Friday 30 November 2018
 NZTE Boardroom, L6 139 Quay Street

Item	Subject	Action	Start Time	Duration	Pg.
OPEN AGENDA					
1	Apologies	To Note	2.20 p.m.	1 mins	
2	Open Minutes 29 June 2018 and Open Action Tracker, Nick Hill	To Approve	2.21 p.m.	2 mins	
3	Directors Interest Register, Conflicts of Interest Declaration, Mark Franklin	To Note	2.23 p.m.	2 mins	
4	Chief Executive's Activity Report, Nick Hill	To Note	2.25 p.m.	10 mins	
5	Finance Report, Jacky Hollingsworth		2.35 p.m.	10 mins	
	Close of Meeting		2.45 p.m.		

OPEN BOARD MINUTES

What:	Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
Where:	Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland
When:	Friday, 28 September at 1.27 p.m.
Directors:	David McConnell (Chair) Evan Davies Danny Chan Helen Robinson
Apologies:	Stuart McCutcheon Glenys Coughlan Mike Taitoko
In Attendance:	Nick Hill, Chief Executive Lisa Winkle, General Manager People, Culture and Change Claire McCracken, Finance Manager James Robinson, Head of Strategy and Planning Amy Saleman, Business Effectiveness Lead Tim Kingsley-Smith, Company Secretary Sarah Thomson, Waitemata Low Carbon Network Dr. Grant Hewison, Waitemata Low Carbon Network
Public & Media Attendance:	N/A

Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum is a majority of the directors (12.9 of the Constitution) and there currently being seven directors, a quorum of Directors was present. It was noted that each Director had been given proper notice of the meeting.

Meeting Business

1. Apologies

The apologies of Stuart McCutcheon, Glenys Coughlan and Mike Taitoko were noted.

2. Minutes of Previous Meeting and Action Tracker

The Board discussed the draft minutes of the meeting held on 31 August 2018 and the Open Action Tracker.

The Board **approved** the minutes of the meeting held on 31 August 2018 and confirmed the minutes were a true and correct record.

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

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

4. Chief Executive's Monthly Report

Nick Hill spoke to the paper:

- The Destination Committee and Board had each considered and provided feedback on the draft Destination Plan. The Plan will be refined and made public in due course. The Board noted that a legal challenge to the APTR is underway.
- Planning for America's Cup 36 and APEC is on track.
- The Meg, the first feature film to be predominately filmed at Kumeu Film Studios (**KFS**), was successfully released earlier in the month. The movie, and the related MOU with ATEED and the New Zealand Film Commission, has created a platform for further productions in Auckland. KFS has a strong pipeline and demand for film facilities in Auckland remains high.

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

5. Finance Report

Nick Hill and Claire McCracken spoke to the paper.

- Management noted that although ATEED is \$1.7m behind Budget Management is comfortable with the reasons why. The primary reasons are: a vendor paying ATEED \$0.5m ahead of schedule, and the significant changes to the business since the budget was set in December 2017 that were noted at the last Board meeting.
- Management confirmed that The Generator has now partially paid its outstanding debt to ATEED and Management will continue to chase the remaining debt.

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

6. Annual report for the period ended 30 June 2017, including a review of ATEED's performance under its Statement of Intent

Nick Hill spoke to the paper.

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

7. Waitemata Low Carbon Network

Sarah Thomson and Dr. Grant Hewison of the Waitemata Low Carbon Network (**WLCN**) spoke to the paper:

- The WLCN applauded ATEED's progress on addressing carbon emissions since the last time it joined the ATEED Board in June. Specifically, ATEED has:
 1. Commissioned a gap analysis from Enviro-Mark in October and will begin an accreditation process once the audit is complete;
 2. Created two new roles that have a focus on sustainability - the Business Innovation Manager in the Economic Development team and the Tourism Sustainability Executive in the Destination team; and

3. Incorporated sustainability as one of its three overarching cross-cutting themes in its new Strategic Framework.
- The WLCN noted that ATEED is currently reviewing its procurement process and encouraged ATEED to take a leadership role in promoting sustainability and low carbon emissions as one of the primary factors when making procurement decisions. Procurement is within ATEED's control and sustainability and low carbon emissions could be elevated to a primary determining consideration.
 - The WLCN noted that two Local Boards have implemented Low Carbon Action Plans. ATEED has the opportunity to partner with local businesses on sustainability and low carbon issues. ATEED can also take a lead on coming up with solutions to carbon emissions associated with the tourism industry.
 - The WLCN noted that although the ATEED 2018 Annual Report did not have a strong focus on lowering carbon emissions, it is encouraged and heartened to see that ATEED had started the journey and is looking forward to seeing a greater focus on lowering carbon emissions in the next annual report under its cross-cutting theme of sustainability. The WLCN acknowledged ATEED is working hard on sustainability in a number of ways and would like to see greater and more explicit reporting of ATEED's wins in this area.
 - The Board thanked the WLCN for attending the Board meeting and delivering its message. Management noted that ATEED is committed to sustainability and the public, and groups like the WLCN, help to ensure that ATEED is keeping to its commitments.

The Board **noted** the paper.

7. Any Other Business

The Board noted that the meeting is the last scheduled Board meeting for David McConnell as Chair of ATEED. The Directors thanked David for his efforts as Chair and congratulated him for the significant part he has played in ATEED's development and achievements since its inception.

The Chair noted that being the Chair of ATEED since its inception had been a fantastic and extraordinary opportunity. Mr. McConnell thanked the Board and previous Directors for their support and the ATEED CE, ALT and Company Secretary for the quality of their work.

The Chairperson declared the meeting closed at 2.12 p.m.

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

Chair

Date

ATEED Board Interests and Conflicts Register

Director	Interests and Conflicts
Mark Franklin	<p> Director, Precinct Management Limited (3014500) Director, Te Kuha General Partner Limited (3378973) Director, Aquaclear Dewatering Technology Limited (1421603) Director, Rangitira Developments Limited (636073) Director, Stevenson Engineering Limited (1421605) Director, Stevenson South Island Limited (1908766) Director, Stevenson Group Limited (827774) Director, Drury South Limited (1488624) Director, Stevenson Agriculture Limited (1645457) Director, Auckland Regional Chamber Of Commerce & Industry Limited (364056) Director, Lochinver Station Limited (1488629) Director, Oteha Valley Investments Limited (1856790) Director, Cloudview Holdings Limited (1025273) Director, Stevenson Properties (2015) Limited (2164755) Director, Stevenson Mining Limited (1274011) Director, Stevenson Waikato Limited (697315) </p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Evan Davies	<p> Director, Kimono Capital Limited (6341449) Director, Long Bay Village Limited (5830034) Director, Todd Property Group Limited (2291506) Director & Shareholder, Welch Securities Limited (1122606) Director, Long Bay Communities Limited (1415659) </p>

Updated 17/07/2018

<p>Director, Stonefields Communities Limited (1025439) Director, Okura Holdings Limited (1512475) Director, Long Bay Farming Limited (1560352) Director, Ngunguru Coastal Holdings Limited (1285296) Director, Ngunguru Coastal Investments Limited (1570675) Director, Tall Oaks Holdings Limited (1968803) Director, Todd Land Holdings Limited (2152132) Director, Todd Th Limited (1875941) Director, Lld Limited (1308103) Director, Paris Magdalinos Architects Limited (1941004) Director, Todd Property Pegasus Development Limited (4857639) Director, Todd Capital Limited (936395) Director, Todd Winegrowers Limited (2152133) Director, Todd Property Usa Limited (3912181) Director, Altera Apartments General Partner Limited (4566279) Director, Stonefields Development Limited (3692395) Director, Panuku Development Auckland Limited (3089645) Director, Todd Property Pegasus Town Limited (4126839) Director, Todd International Investments Limited (1017227) Director, Pegasus Town R24 Limited (4869619) Director, Win Limited (6192307) Director, Nel Farms Limited (4969859) Director, Tc Farms Group Limited (5477244) Director, Todd Property Ormiston Town Centre Limited (3027783) Director, Todd Property Napier Hill Limited (3483383) Director, Todd Property Huapai Development Limited (5293201) Director, Pegasus Town R23 Limited (4868161) Director, Ilico Apartments General Partner Limited (4757340)</p>

Updated 17/07/2018

	<p>Director, Todd Property Stonefields Apartments Limited (3736202) Director, Todd Property Albany Development Limited (3808876) Director, Saltus Apartments General Partner Limited (3809036) Director, Titanium Park Development Limited (1731580) Director, Kapiti Coast Airport Holdings Limited (3917540) Director, Todd Property Pegasus Town Services Limited (3250819) Director, Todd Property Whitby Development Limited (4102938) Director, Bellus Apartments General Partner Limited (5830670) Director, Verto Apartments General Partner Limited (5716247) Director, Priory Pastoral Farm Limited (1370798) Director & Shareholder, Kokako Farms Limited (152400) Director, Priory Pastoral Developments Limited (1472500)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Glenys Coughlan	<p>Director, Dunedin Venues Management Limited (2298338) Director & Shareholder, GJ & Company Limited (6095649)</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Mike Taitoko	<p>Director and Shareholder of Waiora Consulting Limited (5330302) Director and Shareholder of Waiora Pacific Limited (3887379) Director, Canvasland Holdings Limited (429999) Director, Cognition Education Limited (963400)</p>

Updated 17/07/2018

	<p>Director, Committee For Auckland Limited (1121413) Director, Maratini Holdings Limited (6261547) Director, Mercury LTI Limited (4387380) Director, Mercury NZ Limited (936901) Director, Takiwa Health Limited (5783499) Advisory Board Member of Massey University School of Business</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Danny Chan	<p>Director and Shareholder, A1 FLOWER WHOLESALERS LIMITED (810599) Director and Shareholder, ALPHA ASSET MANAGEMENT LIMITED (645615) Director and Shareholder, ARN INVESTMENTS LIMITED (2192871) Director and Shareholder, FLOWERZONE INTERNATIONAL LIMITED (582216) Director and Shareholder, FLOWERZONE TURNERS LIMITED (491878) Director and Shareholder, GRIFF TRADING LIMITED (1212490) Director and Shareholder, LADY WHITE SNAKE FILM LIMITED (1531000) Director and Shareholder, NEW EDUCATION INVESTMENT LIMITED (323228) Director and Shareholder, ORIENT ASSET MANAGEMENT LIMITED (424595) Director and Shareholder, ORIENT PACIFIC INVESTMENTS LIMITED (1169701) Director and Shareholder, ORIENT PACIFIC MANAGEMENT LIMITED (1169702) Director and Shareholder, ORPAC INTERNATIONAL LIMITED (668742) Director and Shareholder, PLANIT PRODUCTS NZ LIMITED (1812117) Director and Shareholder, RHINO SECURITY LIMITED (1218758) Director and Shareholder, SHARP MULTI-MEDIA LIMITED (1222077) Director and Shareholder, SHARP MULTI-MEDIA PRODUCTION LIMITED (1488659) Director and Shareholder, SIMTUTOR LIMITED (5285041)</p>

Updated 17/07/2018

	<p> Director and Shareholder, SUMFOOD LIMITED (6281982) Director and Shareholder, TAHERE CALLA & BULB COMPANY LIMITED (620632) Director and Shareholder, TAHERE CALLAS LIMITED (541102) Director and Shareholder, TALAFORD INVESTMENTS LIMITED (243773) Director and Shareholder, THE ACADEMIC COACHING SCHOOL LIMITED (1218520) Director, ABANO HEALTHCARE GROUP LIMITED (13802) Director, ASIA PACIFIC CENTRE FOR FOOD INTEGRITY LIMITED (4798639) Director, BOSS SYSTEMS LIMITED (1566017) Director, CARBONSCAPE LIMITED (3953398) Director, CLUB Q CONDOMINIUMS LIMITED (366215) Director, COTTAGE DESIGN LIMITED (553363) Director, DANTING INVESTMENTS LIMITED (1101054) Director, DIABETIC FOOD LIMITED (5785571) Director, EDUCATION INVESTMENT LIMITED (2099558) Director, ENROLMY LIMITED (5746128) Director, EVERGROW PROPERTIES LIMITED (638821) Director, FASTCOM LIMITED (2292668) Director, FMG INSURANCE LIMITED (1801045) Director, GLOBAL ACADEMIC GROUP HOLDCO LIMITED (5789309) Director, GREEN CUT LIMITED (2200640) Director, GREEN HARVEST EXPORTS LIMITED (424593) Director, GREEN HARVEST PACIFIC HOLDINGS LIMITED (912715) Director, GREEN HARVEST PACIFIC LIMITED (807760) Director, MARLBOROUGH WINE ESTATES GROUP LIMITED (5639568) Director, NEW ZEALAND YACON LIMITED (3893137) Director, ORIENT PACIFIC CORPORATION LIMITED (482579) Director, PISCES TRUSTEES COMPANY LIMITED (4364838) Director, SEAPLIES INTERNATIONAL (NELSON) LIMITED (931103) Director, SIMTICS LIMITED (1405985) Director, TAHERE GROUP LIMITED (6090882) </p>
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Updated 17/07/2018

	<p>Director, TURNERS FLOWER EXPORTS N.Z. LIMITED (1677418) Shareholder, AIRE CUT COMPANY LIMITED (1255160) Shareholder, B.L.TECH LIMITED (4425298) Shareholder, CLOUD M LIMITED (3170790) Shareholder, DANTING INVESTMENTS LIMITED (1101054) Shareholder, IMONITOR INTELLECTUAL PROPERTY LIMITED (1874643) Shareholder, ORGANIC INITIATIVE LIMITED (5595738) Shareholder, RAWHITI MANUKA HONI LIMITED (2369144) Shareholder, SHORTLAND FLATS LIMITED (41534) Shareholder, SIMTUTOR LIMITED (5285041) Shareholder, SUPERTHRILLER JET SPRINT LIMITED (110844) Shareholder, THE CABLE FERRET COMPANY LIMITED (4482398) Shareholder, THE CAREER ACADEMY LIMITED (1245347) (Removed) Shareholder, THE DIGITAL CAFE LIMITED (6094889) Shareholder, VOLT TECHNOLOGY LIMITED (5684947) Shareholder, ZENITH ASSET MANAGEMENT LIMITED (1770979) 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>
Director	Roles & Responsibilities outside of ATEED
Helen Robinson	<p>Director and Shareholder, Cloud M Limited (3170790) Director and Shareholder, KND Trustees Limited (5691575) Managing Director and Shareholder, Penguin Consulting Limited (1694891) Co-Founder & Executive Director, Organic Initiative Limited (5595738) Shareholder, KND Investments Limited (1694892) Shareholder, Organic Initiative Limited (5595738)</p>

Updated 17/07/2018

	<p>Director, Fulbright NZ Ltd Director, NZ Defence Force Trustee, Robinson Family Trust Trustee, Maurice Research and Education Trust</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Director	Roles & Responsibilities outside of ATEED
Stuart McCutcheon	<p>Director, Lexington Properties Limited (1605485) Chairman of Directors, Auckland Uniservices Limited (373821) Chairman, Universities New Zealand (From 1 January 2017) Director, Universitas 21 International University Network Council Member, University Of Auckland Member, Partnership Board, The Worldwide Universities Network Member, Steering Committee, The Association Of Pacific Rim Universities Trustee, Uk Friends Of The University Of Auckland</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
Board Advisor	Roles & Responsibilities outside of ATEED
Sir Pita Sharples	<p>Director, Tu Maori Mai Limited (5584726) Director, Arapita Limited (1369621)</p> <p>Hoani Waititi Marae - Taumata Te Ropu Manataki – Kai ako Te Whare Tu Taua – Tumu Whakaarei Ngā ti Kahungunu iwi – Taumata</p>

Updated 17/07/2018

	<p>Te Toa Takitini – Kaumatua advisor Aorangi maori trust board – Kaumatua Rakau Tatathi Marae – Paepae Mahi Tahi trust Board – Member Maori and Pacific Trade Training – Manawhaka haere Maori Heritage Council – Member NZ Heritage Trust Board – member Emerge Aotearoa – Board Kaumatua NPM – Patron Te Arapai – Member Auckland Museum Trust Board - Member Auckland Museum Maori Council – Member Special Expert Group on Organ Donation – Member Pacific Leaders Programme – Consultant Matatini – Life Member Zin and Tane Chinese Maori Dance Production – Producer White Ribbon Campaign – Ambassador West Auckland Task Force against Domestic Violence – Member Pillars – Patron Tamaki Makaurau Haka Society – Life Member Unitech Maori Advisor Maori Chinese youth forum – Kaumatua Heritage NZ Pouhere Taonga Trust</p>
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Updated 17/07/2018

OPEN

November 2018

Chief Executive Report - November 2018

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

Purpose

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

Strategic issues/opportunities

Auckland City of Music (ACOM)

On 14 November, the ACOM strategy was launched by Mayor Phil Goff at a lunchtime event featuring performances and an address from Amy Terrill, Executive Vice President Music Canada. Auckland is a designated UNESCO creative city of music, and ATEED chairs the steering group of industry and Council family representatives that has developed a strategy to leverage Auckland's status. The strategy can be found at <https://www.aucklandcityofmusic.nz/strategy>

ATEED priority projects

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

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
APEC 2021 (APEC21)				
●	●	●	●	<p>The APEC21 Programme Board meeting was held on 24 October and will meet again on 21 November to continue to scope Auckland Governance projects.</p> <p>APEC21 Auckland and MFAT jointly briefed the Mayor and Councillors on 1 October. A follow-up briefing will be scheduled for the New Year.</p> <p>An APEC21 investment case was submitted for ALT approval on 13 November, with a scheduled Destination Committee endorsement on 23 November and Board approval on 30 November.</p>
36th America's Cup (AC36)				
●	●	●	●	<p>The Host Venue Agreement (HVA) review sessions continued throughout October but is at risk for finalisation on 30 November.</p>

OVERALL	TIMING	RISK	RESOURCE (HR + \$)	COMMENTS
				<p>Initial top-line planning has been scoped across the next three years, targeting key milestones. This will be formalised once the HVA is agreed and planning scope has been completed.</p> <p>The risk register framework was finalised with KPMG and will be presented at the next IASG meeting, to be held in late December or early 2019.</p> <p>The AC36 investment case was submitted for ALT approval on 13 November, with a scheduled Destination Committee endorsement on 23 November and Board approval on 30 November.</p> <p>Key messages and Q&A have been accepted by JCEG and shared with key internal parties for reference. Currently awaiting Whakatauki and mana whenua foreword for the Event Concept.</p>
Manukau				
				<p><u>Te Papa Manukau (TPM)</u></p> <p>The Government has expressed interest in a second Te Papa site. PWC has been commissioned by Te Papa/Ministry of Culture and Heritage to conduct a cost benefit analysis (CBA) for the location being in Manukau, which is due on 14 December. Should this be successful in the May budget, a second CBA will be produced to detail the full costs of a potential building on Hayman Park in Manukau.</p> <p>ATEED has commissioned Crowe Horwath to undertake an economic impact and leverage assessment of the Te Papa Manukau opportunity with a focus on economic, social and culture impact via:</p> <ol style="list-style-type: none"> stimulated growth in creative industries from TPM the ability of tourism and retail sectors to grow by leveraging TPM long-term productivity gains for the region through greater interaction with Te Papa content which is due in December. <p>MBIE/Pānuku have commissioned Market Economics to provide a business case for Te Papa Manukau as a catalyst for Transform Manukau.</p> <p>Pānuku advertised for Expressions of Interest (EOI) for the development of five Manukau development sites and 2,000 sqm of Auckland Council office space.</p>

Month in review

Economic Development

Auckland Smart Move (ASM)

The first on-demand webinar pilot and related website content¹ attracted positive target audience engagement with 114 viewers with ATEED and Immigration New Zealand (INZ) staff responding to an online Q&A session. There are 4089 Auckland Smart Move (ASM) LinkedIn followers subscribed to the flagship channel. A marketing automation pilot analysis is underway, with useful insights for future marketing automation with INZ planned as part of the Auckland Smart Move collaborative delivery model.

China International Import / Export Expo

ATEED attended the CIIE 2018 - China International Import Expo in Shanghai. MFAT and NZTE organised a significant New Zealand pavilion including many Auckland businesses. Trade and Export Growth Minister, David Parker attended the opening ceremony and hosted a press conference at the expo to promote New Zealand and the 93 kiwi businesses, including 35 from Auckland. Approximately 400,000 participants from 172 countries attended event over six days. There were 3,600 businesses on display and an estimated USD \$57.8b in deals was transacted.

Screen

Approximately 60 film permits were issued across 75 Auckland locations last month. Activity from these permits generated 3,183 working days in the month of October for crew and cast. Key productions included Power Rangers, Shortland Street, The Deadlands and The Gulf (all TV series) and a music video for a well-known international group.

Te Haa o Manukau visitor Minister Jackson

Minister Willie Jackson has commended the launch of Te Haa o Manukau in South Auckland during a recent visit. The co-work and makerspace, a flagship project of The Southern Initiative (TSI) in collaboration with ATEED and Pānuku, officially launched in October to help budding entrepreneurs have a community works space to help them reach their full potential. Minister Jackson described South Auckland as a region of 'untapped potential' and Te Haa o Manukau as an excellent opportunity to support the community by helping to address unemployment.

Tourism Skills Campaign

The Tourism Skills Campaign is a joint activity between ATEED's Destination and Economic Development divisions. Work continues towards the campaign launch scheduled for March 2019. An employer tool kit is in design phase. Steve Armitage, ATEED General Manager Destination briefed the Minister for Tourism, Kelvin Davis.

Westpac Auckland Central Business Awards

ATEED and the Auckland Business Chamber presented the Westpac Business Award across the Auckland region. The third and final event took place on 14 November at the Cordis Hotel. Ōrākei Ward Councilor, Desley Simpson spoke on behalf of ATEED. Winner were:

¹ Link to the webinar:

<https://www.gotostage.com/channel/8d9c1b98553842399e1b0dfb2eb01d77/recording/82fe54dbb3fc497fba79d7c8daa3ed66/watch>

Link to the video:

<https://www.linkedin.com/company/auckland-make-the-smart-move/>

- Best Emerging Business – Overdose Digital
- Excellence in Innovation – Vend
- Excellence in Customer Service Delivery – Transdev Auckland
- Excellence in International Trade – Pushpay
- Excellence in Strategy and Planning – Optimal Clinical Trials Ltd
- People’s Choice Award – Wahiki Ltd
- Employer of the Year – Outsource IT
- Excellence in Marketing – Haka Tourism Group
- Excellence in Community Contribution – I Love Food Co.
- Supreme Business Excellence Award – Pushpay.

Winners from these regional events will compete in the Westpac Auckland Business *Best of Best Awards* in March next year.

Destination

Three investment cases are currently going through the approval process:

- APEC21 – seeking approval in the range of \$4-5m of funding allocation to enable a modest investment in leverage and legacy initiatives.
- AC36 – seeking approval in the range of \$7.3m minimum (excluding scenario 2/3 option of enhanced city activation as detailed in the investment case).
- ALM (Activation, Leverage, Marketing) – seeking approval for a total programme budget of \$1m each year, with an investment of \$3m over three years.

Major Events 2018/19 Portfolio

As at 13 November, the confirmed events in the 2018/19 portfolio are forecast to generate \$28m in GDP, 231,300 visitor nights, and 1.1m attendees. Several additional events are in the prospecting stage, including the Black Caps vs India Double Header, Mandela My Life Exhibition, and Volleyball New Zealand Beach Open Finals.

Table 1: 2018/19 Major Event Portfolio Performance Forecast.

	Forecast for confirmed events	SOI target
GDP Impact	\$28,033,000	\$35,500,000
Visitor nights	231,300	340,000
Attendance	1,140,200	n/a

Two investment cases were submitted for GM approval:

1. Mandela My Life Exhibition investment case seeking approval for \$150,000.
2. New Zealand Cricket investment case seeking \$150,000 to partner with New Zealand Cricket (NZC) to deliver an activation at the New Zealand vs India T20 double header being held at Eden Park in February 2019.

Major Events 2019/20 National Programme

Round one of the contestable funding for the 2019/20 National Programme closed on 31 October. This programme is for events that drive predominantly domestic tourism. The

programme has a total of \$1.2m to invest in 2019/20 events over two funding rounds – the second will open in April 2019.

Winter Festival

ATEED has invited expressions of interest from a range of partners to establish the festival. The programme application window was open until 23 November, which saw strong interest and positive feedback from the industry with 49 expressions of interest received before submissions closed. Two information sessions were held with interested parties, alongside the event investment programme. The creative scope is being developed, including testing of a potential name.

Destination Innovation

Work is underway with Silver Seas regarding an event for the arrival of Silver Mews – a new boutique cruise ship visiting Auckland in January 2019, as well as for a November event for Majestic Princess cruise VIP agents.

ATEED supported the development of a Māori art brochure in partnership with the Auckland Design Office and Auckland Transport, which features 60 Māori sites of significance in the city centre.

Domestic Marketing

Work is continuing with AA Traveller on the production of the Official Auckland Guide and regional maps, which will be published in late November.

Tourism Investment and Premium Visitation

The Tourism Investment Attraction Programme is now underway to support a stronger destination development and management agenda. The scope of the project is:

1. Product development - to build a database of investment opportunities in the tourism sector and develop a tourism investment prospectus document.
2. Sales and marketing - to promote these opportunities through ATEED's channels and connections with potential investors.

ACB

The ACB team attended the CINZ conference from 31 October – 1 November. The annual industry conference delivered international keynote speakers, with sessions on big infrastructure, big opportunities, latest international trends in conference design, and ATEED GM Destination, Steve Armitage presented on Transformation of Destination Auckland. In addition, Anna Hayward, ATEED's ACB Manager received the 2018 Conventions and Incentives New Zealand (CINZ) Outstanding Contributor Award.

Study Auckland Industry Pathways and Partnerships

Study Auckland's submission to Education New Zealand for funding of \$100,000 for the International Student Experience Programme and Skilled Graduate Pathways and Partnerships Programme was approved in October. Study Auckland has identified Talent Solutions to deliver the project, which will include A structured internship programme for organisations to engage with top international talent across the Auckland region (25 students in year one) and a A four-part programme to prepare international students to find work and create positive engagement opportunities with Auckland employers (100 in year one).

International Student Attraction

Study Auckland has engaged Thoughtful Design to develop a premium destination experience that enables students find more success when it comes to securing employment (Auckland Graduate Talent Programme and the Experience Auckland programme).

Strategy

CCO accountability review and Auckland Plan implementation

As was signalled to the Board in August, Auckland Council staff will be attending the November meeting to discuss work being undertaken in relation to CCO accountability and Auckland Plan implementation. Alastair Cameron and Sarah Holdem from the CCO Governance and External Partnerships team will provide an overview of the recently refreshed CCO Accountability Policy (please see Attachment 5) and the broader CCO Accountability Review work programme. Then, Jacques Victor, GM Auckland Plan Strategy & Research will provide a high-level overview of the recently refreshed and adopted Auckland Plan 2050, with a particular emphasis on Council's proposed approach to implementation. As part of this, the discussion will cover the proposed approach to refreshing the Economic Development Strategy and how Auckland Council and ATEED can collaborate on this.

Mayor's Letter of Expectation

On 20 November, the Auckland Council Finance and Performance Committee received a report outlining the key messages proposed for CCO Letters of Expectation. In addition to a number of messages common to all CCOs, the report proposed that ATEED's SOI should outline how the organisation will:

- Encourage sustainable growth of Auckland's visitor economy through the lens of destination management and demonstrate value for money for Accommodation Providers Targeted Rate.
- Attract investment to Auckland by coordinating and promoting the Auckland Investment Story to grow business and employment in Auckland.
- Focus on economic development outcomes, especially in Auckland's south and west, to meet challenges of new economy and mobilising central government agencies around Auckland needs.
- Ensure performance measures provide evidence of ATEED's performance in generating new economic activity.

The final Letter of Expectation for 2019/20 is expected in early December.

Destination Narrative

Destination Think! has concluded three resident workshops, one in South Auckland, one in the CBD and one on the North Shore. At the suggestion of a workshop attendee, a further workshop will be run on a South Auckland marae with members of the iwi collective in early December.

The quantitative resident and visitor surveys have also concluded, and the raw data has been provided to Destination Think! to integrate into the Place DNA report ATEED will receive – top line in December, with the final report in early 2019. The sentiment analysis that is also integrated into the final Place DNA report is underway. Overall, the project is progressing smoothly, on time and on budget.

The Head of Marketing attended City Nation Place Global in November which was very valuable and will share a trip report with the Board in due course.

Media

Major Events dominated the news agenda in October, with stories featuring the rugby league internationals, Auckland Diwali Festival, ITM SuperSprint, and a new sailing league announced by former America's Cup holders, Larry Ellison and Russell Coutts to compete against the AC36 Challenger series. A media summary is included as Attachment 1.

Key Performance Indicators

Attachment 2 shows how ATEED is tracking against the SOI KPIs, where results are available. ATEED is working with AC Nielson on the development of a Voice of the Customer pilot programme. Results from the pilot are expected at the end of Q2.

Finance

ATEED is \$2.7m behind budget. This is due to:

- \$0.3m additional operating revenue received for GridAKL and Auckland Film Studios.
- \$0.6m decrease in staff costs relates to unfilled vacancies across the business.
- \$0.6m decrease in professional fees due to delays in project resourcing.
- \$0.1m increase in depreciation and amortisation due to timing of capex purchases.
- \$0.4m decrease in occupancy due to reduction in Kumeu Film Studio turnover rent, increase in GridAKL amortisation and additional Quay Street Opex costs.
- \$0.1m increase in travel and entertainment due to timing across Destination and Economic Development.
- \$1.2m decrease in advertising, marketing and research due to timing in Destination, Economic Development and Strategy.
- \$0.3m increase in other expenditure on activities across Corporate and Economic Development.

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

Health and Safety

Three incidents were reported by staff in October. Please see Attachment 3 for further detail.

Recommendations

1. The report be received.

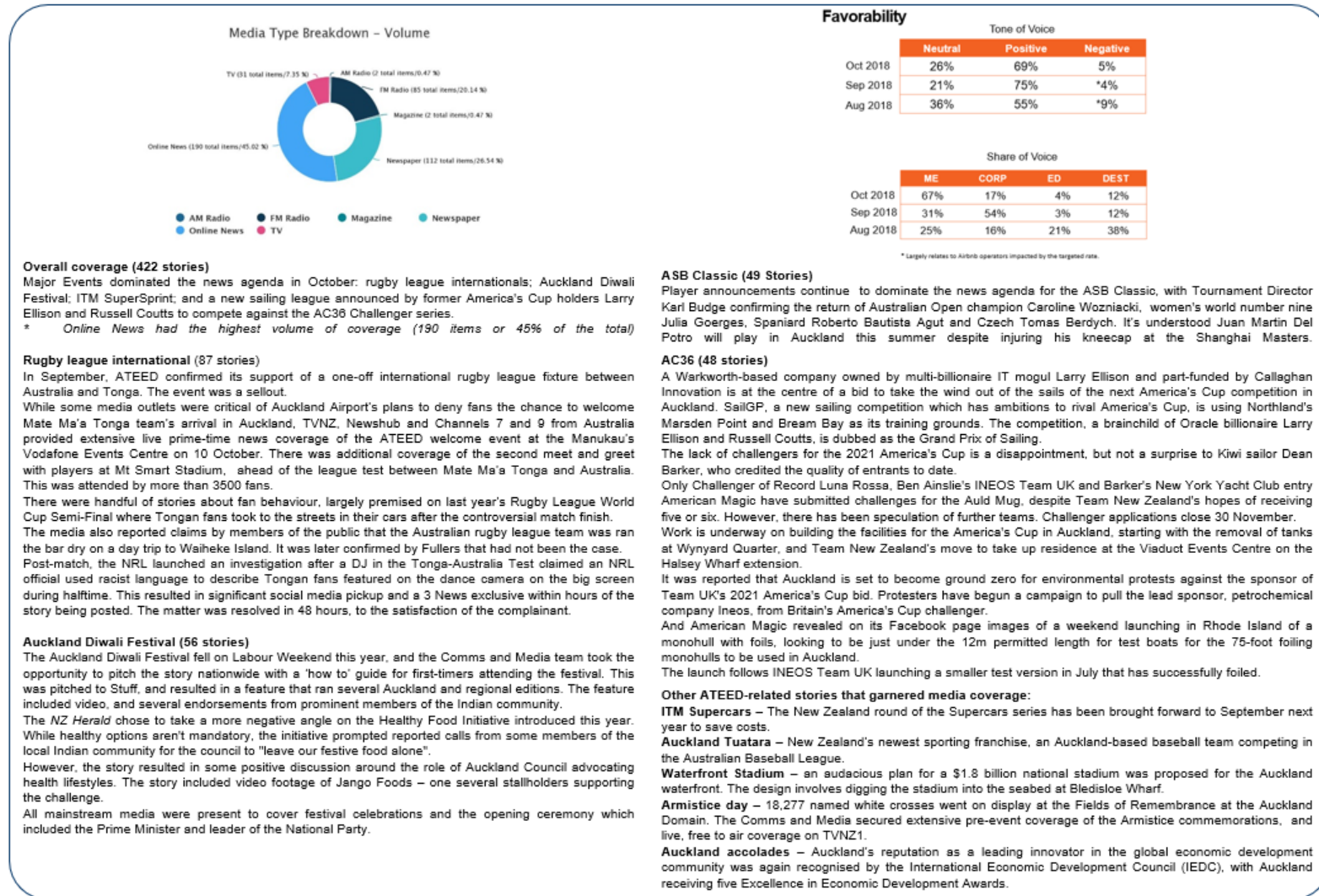
Attachments

1. Media summary for October 2018
2. SOI key performance indicator framework
3. Health and Safety scorecard for October 2018
4. Upcoming events/activity
5. Refreshed CCO Accountability Policy.

Signatory

Nick Hill, Chief Executive

Attachment 1: Media summary for October 2018



Media

Overall coverage (422 stories)

Major Events dominated the news agenda in October: rugby league internationals; Auckland Diwali Festival; ITM SuperSprint; and a new sailing league announced by former America's Cup holders Larry Ellison and Russell Coutts to compete against the AC36 Challenger series.

* Online News had the highest volume of coverage (190 items or 45% of the total)

Rugby league international (87 stories)

In September, ATEED confirmed its support of a one-off international rugby league fixture between Australia and Tonga. The event was a sellout.

While some media outlets were critical of Auckland Airport's plans to deny fans the chance to welcome Mate Ma'a Tonga team's arrival in Auckland, TVNZ, Newshub and Channels 7 and 9 from Australia provided extensive live prime-time news coverage of the ATEED welcome event at the Manukau's Vodafone Events Centre on 10 October. There was additional coverage of the second meet and greet with players at Mt Smart Stadium, ahead of the league test between Mate Ma'a Tonga and Australia. This was attended by more than 3500 fans.

There were handful of stories about fan behaviour, largely premised on last year's Rugby League World Cup Semi-Final where Tongan fans took to the streets in their cars after the controversial match finish. The media also reported claims by members of the public that the Australian rugby league team was ran the bar dry on a day trip to Waiheke Island. It was later confirmed by Fullers that had not been the case. Post-match, the NRL launched an investigation after a DJ in the Tonga-Australia Test claimed an NRL official used racist language to describe Tongan fans featured on the dance camera on the big screen during halftime. This resulted in significant social media pickup and a 3 News exclusive within hours of the story being posted. The matter was resolved in 48 hours, to the satisfaction of the complainant.

Auckland Diwali Festival (56 stories)

The Auckland Diwali Festival fell on Labour Weekend this year, and the Comms and Media team took the opportunity to pitch the story nationwide with a 'how to' guide for first-timers attending the festival. This was pitched to Stuff, and resulted in a feature that ran several Auckland and regional editions. The feature included video, and several endorsements from prominent members of the Indian community.

The NZ Herald chose to take a more negative angle on the Healthy Food Initiative introduced this year. While healthy options aren't mandatory, the initiative prompted reported calls from some members of the local Indian community for the council to "leave our festive food alone". However, the story resulted in some positive discussion around the role of Auckland Council advocating health lifestyles. The story included video footage of Jango Foods – one several stallholders supporting the challenge.

All mainstream media were present to cover festival celebrations and the opening ceremony which included the Prime Minister and leader of the National Party.

ASB Classic (49 Stories)

Player announcements continue to dominate the news agenda for the ASB Classic, with Tournament Director Karl Budge confirming the return of Australian Open champion Caroline Wozniacki, women's world number nine Julia Goerges, Spaniard Roberto Bautista Agut and Czech Tomas Berdych. It's understood Juan Martin Del Potro will play in Auckland this summer despite injuring his kneecap at the Shanghai Masters.

AC36 (48 stories)

A Warkworth-based company owned by multi-billionaire IT mogul Larry Ellison and part-funded by Callaghan Innovation is at the centre of a bid to take the wind out of the sails of the next America's Cup competition in Auckland. SailGP, a new sailing competition which has ambitions to rival America's Cup, is using Northland's Marsden Point and Bream Bay as its training grounds. The competition, a brainchild of Oracle billionaire Larry Ellison and Russell Coutts, is dubbed as the Grand Prix of Sailing.

The lack of challengers for the 2021 America's Cup is a disappointment, but not a surprise to Kiwi sailor Dean Barker, who credited the quality of entrants to date.

Only Challenger of Record Luna Rossa, Ben Ainslie's INEOS Team UK and Barker's New York Yacht Club entry American Magic have submitted challenges for the Auld Mug, despite Team New Zealand's hopes of receiving five or six. However, there has been speculation of further teams. Challenger applications close 30 November.

Work is underway on building the facilities for the America's Cup in Auckland, starting with the removal of tanks at Wynyard Quarter, and Team New Zealand's move to take up residence at the Viaduct Events Centre on the Halsey Wharf extension.

It was reported that Auckland is set to become ground zero for environmental protests against the sponsor of Team UK's 2021 America's Cup bid. Protesters have begun a campaign to pull the lead sponsor, petrochemical company Ineos, from Britain's America's Cup challenger.

And American Magic revealed on its Facebook page images of a weekend launching in Rhode Island of a monohull with foils, looking to be just under the 12m permitted length for test boats for the 75-foot foiling monohulls to be used in Auckland.

The launch follows INEOS Team UK launching a smaller test version in July that has successfully foiled.

Other ATEED-related stories that garnered media coverage:

ITM Supercars – The New Zealand round of the Supercars series has been brought forward to September next year to save costs.

Auckland Tuatarā – New Zealand's newest sporting franchise, an Auckland-based baseball team competing in the Australian Baseball League.

Waterfront Stadium – an audacious plan for a \$1.8 billion national stadium was proposed for the Auckland waterfront. The design involves digging the stadium into the seabed at Bledisloe Wharf.

Armistice day – 18,277 named white crosses went on display at the Fields of Remembrance at the Auckland Domain. The Comms and Media secured extensive pre-event coverage of the Armistice commemorations, and live, free to air coverage on TVNZ1.

Auckland accolades – Auckland's reputation as a leading innovator in the global economic development community was again recognised by the International Economic Development Council (IEDC), with Auckland receiving five Excellence in Economic Development Awards.

Attachment 2: SOI key performance indicator framework

ATEED KPI SCORECARD (November 2018)							
KEY PERFORMANCE INDICATOR	TOTAL	MEASUREMENT	DATE OF MEASURE / LATEST AVAILABLE RESULT	LATEST RESULT (FY18 ACTUAL)	TARGET	STATUS	COMMENTS
KPI 1: Contribution to regional GDP from ATEED interventions. ^{1,2}	Total (All ATEED - cumulative)	\$(million)	10-Oct-18	4.45	Benchmark	○	Benchmark in development
	Destination		10-Oct-18	4.45			See contributory measure below.
	Economic Development			0			Results not available.
Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)	Total (Major and Business Events - cumulative)	\$(million)	10-Oct-18	4.45	\$49m	●	Result to date reflects a quiet period for major events and excludes any business event activity. At the end of Q1 it is expected that the end of year target will be achieved.
	Major Events		10-Oct-18	4.45			No new results at 8 November.
	Business Events			0			Results not available.
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). ^{1,2}	Total (All ATEED - cumulative)	Number	17-Oct-18	1,120	3,000	●	Businesses include those that have been through the Regional Business Partner programme, residents of GridAKL and businesses that have benefitted from tourism promotion.
	Destination		17-Oct-18	378			
	Economic Development		17-Oct-18	742			
Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Total (All ATEED - cumulative)	Number	17-Oct-18	54	120	●	Businesses include those that have benefitted from Māori tourism product development work and from the Whariki business network.
	Destination		17-Oct-18	46			
	Economic Development		17-Oct-18	8			
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. ^{1,2}	Total (All ATEED - cumulative)	Number		No result to date	Benchmark	○	Benchmark in development
	Destination						
	Economic Development						
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure) ^{2,4,5}	Total (All ATEED - cumulative)	Number	10-Oct-18	38,910	340,000	●	Result to date reflects a quiet period for major events and excludes any business event activity. At the end of Q1 it is expected that the end of year target will be achieved.
	Destination		10-Oct-18	38,910			No new results at 8 November.
	Economic Development						
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	Total (All ATEED - cumulative)	Index		No result to date	Benchmark	○	ATEED is working with AC Nielson on the development of a Voice of the Customer pilot programme. Results from the pilot are expected at the end of Q2.
	Destination						
	Economic Development						
<p>1. Also able to be analysed and reported by target sectors.</p> <p>2. Also able to be analysed and reported by target locations.</p> <p>3. Also able to be analysed and reported by commercial and non-commercial nights.</p> <p>4. Also able to be analysed and reported by peak, shoulder and off-peak season nights.</p>							
<p>KEY</p> <p>On track</p> <p>Potential for slippage</p> <p>Off track</p> <p>No result to date</p>							

Attachment 3: Health and Safety scorecard for October 2018



OCTOBER

Incidents: 3

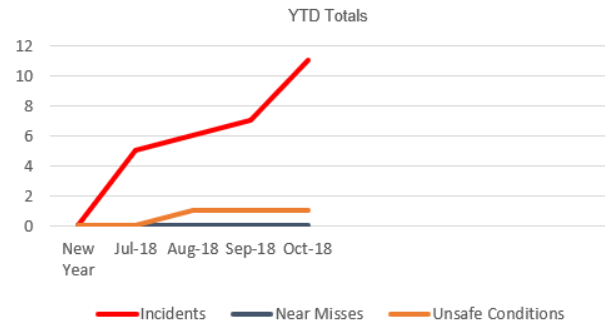
1. Trip down stairs (no trip hazard, self stumble), hurt knee and lower limb. Iced and elevated. Minor incident, no further action required.
2. Heating coffee in the microwave, cup handle caused minor superficial burn to the hand. Iced and monitored. Cup discarded as faulty heat transfer. No external medical assistance required. No further action required.
3. Filling a cup with hot water at a kitchen Billy, accidentally let the cup overflow and received a minor superficial burn. Treated and monitored. No external medical assistance required. No further action required.

Near misses: 0

Unsafe condition/hazard: 1

1. L7. Ambient air temperature by desks nearest to windows on western side too high (high 20s despite blinds). Air conditioning not impacting. Doors were opened and staff member relocated. Staff have been offered to work on L8 (more temperate) when required. Relocation to the new building will remove this issue.

Open Incidents in Risk Manager: 0



H&S Update

- Successful and safe delivery of the Diwali Festival of Lights 2018
- IMPAC led organisation wide independent health & safety review taking place. This is in the context of the Health and Safety at Work Act, and what can be considered good practice health and safety management for an organisation of the size, nature, and context of ATEED. The review is programmed to be carried out over November and December with a final report provided prior to Christmas 2018.
- ATEED attended the first Auckland Council led symposium for H&S practitioners across the COO and CCOs. This is to continue and build upon the good relations we have and to foster a collegial and supportive approach across our organisations.

Attachment 4: Upcoming events / activity

Key events / activity	Date	Location
NZ Supercross Open Auckland 2018	23 November	Mount Smart Stadium
Farmers Santa Parade 2018	25 November	Auckland CBD
Pop-up Business School in South Auckland	26 November – 7 December	Te Haa o Manukau
Auckland Smart Move Employer Event	12 December	GridAKL
Wundergarten 2018	30 November	Silo Park
Outward Business Delegation with BNZ	March 2019	Los Angeles/San Francisco

Attachment 5: CCO Accountability Policy

3.7 CCO Accountability Policy

This policy sets out the council's expectations for its substantive council-controlled organisations¹ in accordance with section 90 of the Local Government (Auckland Council) Act 2009 (LGACA). This policy is designed to be read in conjunction with the Governance Manual for Substantive Council-Controlled Organisations (CCOs). The Governance Manual brings together key policies and documents relating to the governance of CCOs, and provides further detail about how this policy should be implemented. It provides guidance for boards, executives and senior staff on the effective governance of the substantive CCOs².

1. The council's expectations for CCO's contribution to the council's objectives and priorities

Section 90(2) of the LGACA sets out the requirements of the accountability policy, and states that:

“(2) The policy must—

- a) include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, the Council's objectives and priorities.*
- b) include a statement of the Council's expectations in respect of each substantive council-controlled organisation's contributions to, and alignment with, any relevant objectives and priorities of central government.”*

Central government departments have been involved in the development of plans and strategies of the council, including the Auckland Plan and the Auckland Transport Alignment Plan. Therefore, the objectives and priorities of central government are reflected in the expectations set out in this policy.

1.1 Common expectations

Auckland Council has a number of expectations of each of its substantive council-controlled organisations in respect of their contribution to, and alignment with, the council's objectives and priorities. Each substantive CCO is to meet the common expectations set out below and the specific expectations for each.

1.1.1 Build public trust and confidence in the council group

Each substantive CCO is to be responsible for building public trust and confidence in itself and the council group. This is to be achieved by:

- Acting in the interests of all Aucklanders, both current and future.
- Recognising that the services and assets it may own or manage are public services and assets, which should be managed in the best interests of Aucklanders.
- Meeting the public's expectation of transparency and accountability, and always considering the council group's reputation.
- Improving the public's perception of transparency and accountability by tracking and reporting investment and performance data in a clear and accessible manner.

¹ The Governing Body resolved on 31 May 2018 to disestablish council-controlled organisation Auckland Council Investments Limited and transfer all of its assets, liabilities and obligations to Auckland Council on 1 July 2018. Therefore, Auckland Council Investments Limited has not been explicitly included in this Policy.

² The Governance Manual for Substantive CCOs can be accessed at:

<http://temp.aucklandcouncil.govt.nz/EN/AboutCouncil/representativesbodies/CCO/Documents/governancemanualforsubstantiveccos.pdf>

Part 3: Our Policies
3.7 CCO Accountability Policy

- Operating under a no surprises policy, which means informing the Mayor, councillors or local boards (as appropriate) well in advance of any events, transactions or issues that could attract public interest, whether positive or negative.
- Ensuring excellent customer service, including understanding the communities it serves.
- Ensuring that any conflicts of interest or potential conflicts of interest (whether actual or perceived) are declared and managed appropriately.
- Providing transparent information about the activities and services it provides to the community.
- Including customers and communities in decision-making where appropriate, using the principles in the Significance and Engagement Policy.
- Being aware, as a public entity, of the need to be especially prudent around sensitive expenditure such as travel and entertainment, and ensuring that it only occurs where there is a justifiable business purpose.
- Engaging with central government on central government policy through the council parent. Engagement on operational matters does not need to be carried out through the council parent.
- Improving the recognition of ratepayer funding for public services and assets through the use of consistent, group-wide branding in accordance with the council's Brand Navigation Guidelines.
- Ensuring that it acts as a good employer.

1.1.2 Provide value for money

Each substantive CCO is to ensure that it provides value for money for Aucklanders, which means achieving the outcomes and levels of service specified by the council in an efficient and effective way. This is to be achieved by:

- Being accountable for decisions about spending and the use of council group resources and assets.
- Ensuring that all activities and services are underpinned by prudent use of resources and assets.
- Ensuring that there is a high degree of transparency in financial planning, budgeting, and sources of revenue.
- Informing the council well in advance of entering into any commitments or obligations that may:
 - have financial impacts which are outside of approved funding; or
 - negatively affect the group's prudential ratios³ through a significant increase in group debt or reduction in revenue.
- Providing transparent information to Aucklanders on financial and non-financial performance to demonstrate value for money.
- Ensuring that there is a justifiable business purpose for all spending.
- Ensuring that investment is supported by robust business cases which meet the standards of any relevant group policies and provide a clear and strategic rationale for investment.
- Ensuring that the delivery of activities and services is as efficient as possible, and that corporate spending is kept to a minimum.

³ The council monitors prudential debt ratios (which can include things such as lease commitments) to ensure group borrowings remain sustainable relative to revenue. These are set out in the Financial Strategy (Part 1.4 Volume 2 of the 10-year Budget).

1.1.3 Building a group approach to achieve outcomes for Aucklanders

The substantive CCOs are to work with the council and with each other to achieve outcomes for Aucklanders. This is to be achieved by:

- Working together to align and achieve group strategies as set out in the Auckland Plan and prioritised through the Long-term Plan.
- Building and maintaining a culture of collaboration across the group to achieve the objectives and priorities of the council and to provide value for money.
- Open and transparent sharing of information where that is required to achieve outcomes for Aucklanders.
- Presenting a unified front with the parent and with other CCOs on key issues facing Auckland.
- Implementing agreed group policies such as those on Treasury, Insurance and Procurement⁴, and participating in the development of any further group policies, for example 'Our Charter', which includes foundation principles and standards for staff behaviours.
- Participating proactively and constructively in efforts to achieve efficiencies and savings for the council group and make the most of its size and scale, including group procurement and the use of shared services.
- Acknowledging the council's wider policy settings in its own decision-making and considering issues from the perspective of the council.

1.1.4 Improve outcomes for Māori

The substantive CCOs are to give effect to the council's Māori responsiveness framework and foster more positive and productive relationships between the council group and Māori, develop the ability of the council group and its people to respond more effectively to Māori and contribute to Māori wellbeing by developing strong Māori communities in Tāmaki Makaurau. This is to be achieved by:

- Ensuring that the principles of te Tiriti o Waitangi, such as shared decision-making, partnership and mutual benefit, are applied consistently in activities and decision-making.
- Fulfilling statutory obligations to Māori under the Local Government (Auckland Council) Act 2009, Local Government Act 2002 and other statutes.
- Enabling Māori outcomes.
- Valuing te ao Māori – the Māori world view.
- In addition, the substantive CCOs are to contribute to achieving a collaborative and aligned approach across the council group to working with mana whenua and matāwaka.

1.1.5 Health and safety

Each substantive CCO is to give effect to the group Health, Safety and Wellbeing Policy and Behaviours Statement. This sets out principles and behaviours to give effect to the health and safety vision of the group.

1.1.6 Manage risk appropriately

Each substantive CCO is to proactively manage all their risks including strategic, financial, operational, and reputational risks (including the risk of fraud and/or corruption). Each CCO must:

- Manage, monitor and report on their risk management activities undertaken in accordance with either the council's Enterprise Risk Management Policy and Framework, or the CCO's own risk management framework.
- Actively report on the effectiveness of their risk management processes and outcomes.
- Proactively report on all significant risks and issues and their management to ensure no surprises, transparency and that the significant risks are being appropriately managed.

⁴ The group policies on insurance and procurement were approved by the Finance and Performance Committee on 19 September 2017 (Resolution FIN/2017/121). The same committee approved the policy on treasury management subject to receipt of a signed service level agreement between Watercare Services Limited and Auckland Council on 21 November 2017 (Resolution FIN/2017/161).

Part 3: Our Policies
3.7 CCO Accountability Policy

Section 2.5 contains specific reporting requirements relating to these provisions, including quarterly reporting and appearing before the Audit and Risk Committee for the purpose of addressing risk management and risks.

1.1.7 Understanding and giving effect to Auckland's shared governance

Both the governing body and the local boards are responsible and democratically accountable for the decision making of Auckland Council.

The governing body has, among other decision-making roles, decision-making in relation to the governance of the council's CCOs. Therefore the substantive CCOs are directly accountable to Auckland Council through the governing body, and the board of each CCO has a direct governance relationship with the governing body. The substantive CCOs should:

- Understand the role of the governing body.
- Proactively build and maintain good relationships with members of the governing body.
- Actively engage with the relevant ward councillors on projects and issues within their ward.

Local boards make decisions on local activities and services, and play an important role in representing local communities. The activities of CCOs are very important in local communities, and each CCO must ensure that it works effectively with local boards. The substantive CCOs should:

- Understand the role of local boards, both their role as local decision-makers and their responsibility to identify and communicate the views and preferences of the communities in its local board area.
- Proactively build and maintain good relationships with each local board.
- Consult with local boards genuinely and early in a way that allows them to influence decisions that may:
 - affect a local board's governance role.
 - have a significant local impact (taking into account any mitigation measures).
 - require a CCO to undertake local or regional community consultation.

Substantive CCOs will need to recognise local interests while ensuring that regional priorities and strategies are achieved.

1.1.8 Climate change and reducing carbon emissions

Each substantive CCO is to contribute towards reducing carbon emissions and contributing towards a climate resilient future. This is to be achieved by:

- Working with the council in the review and update of Low Carbon Auckland to deliver an integrated approach to climate change, addressing both emissions reduction and climate resilience.
- Implementing actions identified in the current and future iterations of the plan as appropriate for each CCO.
- Embedding climate change considerations into decision-making, planning and policies regarding both emissions reduction and addressing the impacts of current and on-going climate change.

1.2 Auckland Tourism, Events and Economic Development

A. Objectives of Auckland Tourism, Events and Economic Development

The objectives of Auckland Tourism, Events and Economic Development (ATEED) are⁵:

- To lift Auckland's economic wellbeing.
- To support and enhance Auckland's performance as a key contributor to the New Zealand economy.
- To support and enhance Auckland's ability to compete internationally as a desirable place to visit, live, work, invest and do business.

B. The council's expectations of ATEED in relation to its objectives and priorities

ATEED is to give effect to the objectives and priorities of the council in the Auckland Plan, and the Auckland Economic Development Strategy, and in particular by:

Opportunities and prosperity

- Creating the conditions for a resilient economy, innovation, and employment growth, and raising productivity
- Attracting and retaining skills, talent and investment
- Developing skills and talent for the changing nature of work and life-long achievement

Māori identity and wellbeing

- Promoting Māori success, innovation and enterprise
- Showcasing Auckland's Māori identity and vibrant Māori culture

ATEED is to contribute to other relevant outcomes in the Auckland Plan, including:

- Belonging and Participation

In doing so, ATEED is to:

- Advance Māori employment and create the environment for Māori business and iwi organisations to be a powerhouse in Auckland's economy
- Leverage Auckland's position to support growth in exports and a competitive New Zealand economy
- Increase ongoing learning and training in new and emerging areas, with a focus on those most in need

C. Methods

ATEED is to meet these expectations by:

- Ensuring that its funding, policies and activities are directed towards achieving the council's objectives and priorities.
- Collaborating with the council, council-controlled organisations and the relevant central government agencies to maximise benefits for Aucklanders and ensure value for money.

⁵ ATEED company constitution

1.3 Auckland Transport

A. Purpose of Auckland Transport

The purpose of Auckland Transport is to contribute to an effective, efficient, and safe Auckland land transport system in the public interest⁶.

B. The council's expectations of Auckland Transport in relation to its objectives and priorities

Auckland Transport is to give effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:

- Better connecting people, places, goods and services
- Increasing genuine travel choices for a healthy, vibrant and equitable Auckland
- Maximising safety and environment protection

In doing so, Auckland Transport is to:

- Make better use of existing transport networks.
- Target new transport investment to the most significant challenges.
- Maximise the benefits from transport technology.
- Make walking, cycling and public transport preferred choices for many more Aucklanders.
- Better integrate land-use and transport.
- Move to a safe transport network, free from death and serious injury.
- Develop a sustainable and resilient transport system.

Auckland Transport is to contribute to other relevant outcomes in the Auckland Plan, including:

- Māori Identity and Wellbeing
- Belonging and Participation
- Homes and Places
- Environment and Cultural Heritage

C. Methods:

Auckland Transport is to meet these expectations by:

- Ensuring that its capital and operating expenditure, policies and plans are directed towards achieving these objectives and priorities.
- Implementing, through its role as a provider of infrastructure critical to urban development, the Development Strategy set out in the Auckland Plan. The Development Strategy sets out how Auckland will change and grow over the next 30 years, through a quality compact approach.
- Engaging early with the council to ensure any proposed major investment decisions, city-shaping projects or significant policies align with the council's objectives and priorities, in accordance with the policy on Strategic Assets in Section 5.
- Working with the council, other council-controlled organisations and infrastructure providers to achieve the council's objectives and priorities in an efficient and effective way, including in particular the integration of transport infrastructure with land use.
- Aiming to secure co-funding from the New Zealand Transport Agency for all eligible investments which are aligned with the council's priorities to maximise value for money for Aucklanders.

⁶ Section 39, Local Government (Auckland Council) Act 2009.

1.4 Panuku Development Auckland

A. Purpose⁷

The purpose of Panuku Development Auckland (Panuku) is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities.

Panuku will manage council's non-service⁸ property portfolio and provide strategic advice on council's other property portfolios. It will recycle or redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes.

B. The council's expectations of Panuku in relation to its objectives and priorities

Panuku is to give effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:

1. Facilitating redevelopment of urban locations

Panuku is to facilitate private sector, third sector⁹, iwi and government investment and collaboration into the sustainable redevelopment of brownfield urban locations consistent with the Development Strategy in the Auckland Plan. It will also co-ordinate the provision of the council's infrastructure and other investment in these locations.

2. Accommodating urban growth through redevelopment

Panuku is to contribute to accommodating residential and commercial growth through facilitating the quality redevelopment of urban locations with excellent public infrastructure and services. Redevelopment of the overall portfolio should offer a range of residential choices and price points to cater for diverse households.

3. Facilitating vibrant places

Panuku is to facilitate the creation of adaptable and resilient places that contribute to wellbeing, promote health and safety and are fully accessible to people with disabilities and older people. It will harness and incorporate the local community's unique identity, attributes and potential to create vibrant communities.

4. Developing the Auckland waterfront

Panuku is to continue to lead the development of the Auckland waterfront in a way that is consistent with the Waterfront Plan 2012, and which balances commercial and public good objectives, including high quality urban design.

5. Strategically create value from assets

In partnership with the council group, Panuku is to use its commercial expertise and knowledge of land and property markets to:

- Facilitate quality redevelopment of underutilised council landholdings within current urban boundaries.
- Manage the council group's non-service properties in a way that optimises the returns to the council group.
- Acquire land consistent with the council's specifications.
- Optimise returns from the disposal and development of land in a commercially robust way¹⁰.

6. Promoting Māori identity and wellbeing

Panuku is to promote Māori identity and wellbeing by:

- Showcasing Auckland's Māori identity and vibrant Māori culture.

⁷ Panuku Development Auckland company constitution

⁸ Non service properties are defined in the Local Government (Tamaki Makaurau Reorganisation) Council-controlled Organisations Vesting Order 2010 as property that is not infrastructure or used to deliver services.

⁹ The third sector refers to organisations that are not for profit or non-government organisations.

¹⁰ The council has set targets for the return from disposals of assets and land in the Long-term Plan.

Part 3: Our Policies
3.7 CCO Accountability Policy

- Recognising te Tiriti o Waitangi and supporting mana whenua in their unique role as kaitiaki of Tāmaki Makaurau.

C. Methods

Panuku is to meet these expectations by:

- Ensuring that its capital and operating expenditure, policies and plans (including locally-specific development plans) are directed towards achieving these objectives and priorities.
- Working with the council, other council-controlled organisations and infrastructure providers to facilitate urban redevelopment.

1.5 Regional Facilities Auckland Limited

A. Purpose

The purpose of Regional Facilities Auckland Limited (RFA) is to engage the communities of Auckland through cultural, heritage, and lifestyle opportunities. This will be done primarily by operating, administering and developing various regional facilities on a prudent, commercial basis¹¹.

B. The council's expectations of RFA in relation to its objectives and priorities

Through its activities and the facilities and venues it operates, Regional Facilities Auckland is to contribute to several of the outcome areas in the Auckland Plan. These include:

- Belonging and participation, and specifically to recognise the value of arts, culture, sport and recreation to quality of life, and providing opportunities and spaces for people to meet, connect, participate in and enjoy community and civic life.
- Environment and cultural heritage, and specifically ensuring Auckland's cultural heritage is valued and cared for.
- Showcasing Auckland's Māori identity and talent, and specifically celebrating Māori culture and supporting te reo Māori to flourish.

In addition, Regional Facilities Auckland is to give effect to the relevant objectives and priorities set out in council strategies including:

- Toi Whitiki: Arts and Culture Strategic Action Plan.
- The Auckland Sport & Recreation Strategic Action Plan.

C. Methods

Regional Facilities Auckland is to meet these expectations by:

- Ensuring that its planning and investment in, and management of, regional venues and facilities is aligned to these objectives and priorities.
- Taking a regional perspective to the provision of facilities for Aucklanders, including working closely with the council to ensure that plans for regional venues and facilities and plans affecting national-level venues and facilities are aligned with the network of local and community facilities.
- Ensuring that the development of significant plans and strategies to achieve its aims are carried out in collaboration with the council.
- Recognising central government as a strategic partner, and aligning, where appropriate, with its policy for and investment in facilities providing cultural, heritage, and lifestyle opportunities.

¹¹ Regional Facilities Auckland deed of trust

1.6 Watercare Services Limited

A. Purpose of Watercare Services Limited

The purpose of Watercare Services Limited (Watercare) is to provide Auckland's integrated water supply and wastewater services.¹²

B. The council's expectations of Watercare in relation to its objectives and priorities

Watercare is to give effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:¹³

Environment and cultural heritage:

- Ensuring Auckland's natural environment and cultural heritage is valued and cared for
- Applying a Māori world view to treasure and protect our natural environment (taonga tuku iho)
- Using growth and development to protect and enhance Auckland's natural environment
- Ensuring Auckland's infrastructure is future-proofed

Homes and places:

- Developing a quality, compact urban form to accommodate Auckland's growth

Māori identity and wellbeing:

- Advance mana whenua rangatiratanga in leadership and decision-making and provide for customary rights.

C. Methods:

Watercare is to meet these expectations by:

- Ensuring that its capital and operating expenditure, policies and plans are directed towards achieving these objectives and priorities.
- Implementing, through its role as a provider of infrastructure critical to urban development, the Development Strategy set out in the Auckland Plan. The Development Strategy sets out how Auckland will change and grow over the next 30 years through a quality compact approach.
- Working with the council, other council-controlled organisations and infrastructure providers to achieve the council's objectives and priorities in an efficient and effective way, including in particular the optimisation and integration of water, wastewater and stormwater (the three waters) outcomes for the benefit of current and future Aucklanders.
- Actively facilitating the participation of Māori in the management of natural resources.

¹² Constitution of Watercare Services Limited

¹³ Watercare also has specific statutory obligations as the 'Auckland water organisation', which are set out in sections 57 and 58 of the LGACA.

2. Additional reporting requirements

Section 90(2) of the LGACA states that:

“(2) *The policy must—*

- c) specify any reporting requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

2.1 Statutory requirements

Sections 66 to 68 of the Local Government Act 2002 (LGA) set out requirements for CCOs to provide half-yearly and annual reports on their operations to the council.

The half-yearly report must be provided within two months after the end of the first half of each financial year. The annual report must be delivered to the council no later than three months after the end of the financial year, and must be publicly available on the CCO's website, with a hard copy available to any member of the public upon request. The release of the half-yearly and annual reports are required to be managed in accordance with the New Zealand Stock Exchange (NZX) continuous disclosure requirements as noted under Section 2.4.

In addition to the statutory requirements, each substantive CCO is to provide additional reporting as set out below.

2.2 Quarterly reporting

In addition to the statutory requirements for half-yearly and annual reports, the council requires all substantive CCOs to provide a quarterly report on their performance to the council, no later than 1 month after the end of the first and third quarter of each financial year¹⁴ or as per the instructions of the Group Financial Controller.

The quarterly report must report against the performance targets set out in its SOI, and must be in the format required by the council.

2.3 Attendance at council committee meetings

The chair and chief executive of each substantive CCO are expected to appear before the relevant council committee when it meets to consider the CCO's performance against its SOI.

The board of each substantive CCO may be required to appear before the relevant council committee when it meets to consider its annual report and/or fourth quarter report.

2.4 New Zealand Stock Exchange requirements

Substantive CCOs must adhere to the New Zealand Stock Exchange (NZX) requirements and work with the council on the timing of public release of financial information. In particular, CCO and group information must remain confidential until the group interim report and full Auckland Council annual report have been adopted by the council and released to the NZX at the end of February and September, respectively.

Substantive CCOs must also comply with the requirements of the continuous disclosure policy.

¹⁴ As provided for in s91(1)(b) of the LGACA.

2.5 Audit and risk reporting requirements

Each substantive CCO is to:

- Provide a risk report and top risks register (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis. This information will be reported to the council's Audit and Risk Committee as a confidential item.
- Ensure relevant board members (or their delegates) attend the meeting of the council's Audit and Risk Committee as requested by the council. This will be every six months or as the Committee requires.
- As part of end of financial year processes, report all Audit New Zealand findings through council staff to the council's Audit and Risk Committee.

2.6 Provide information as required

Each substantive CCO is required to provide information on any aspect of a CCO's performance against its statement of intent if required to by a resolution of the relevant council committee.

3. Additional planning requirements

Section 90(2) of the LGACA states that:

“(2) The policy must—

- d) specify any planning requirements that each substantive council-controlled organisation must undertake in addition to those required under Part 5 of the Local Government Act 2002 or this Act.”*

3.1 Inputs to Long-term Plan and Annual Plan

Each substantive CCO is to have asset management plans, activity plans, performance frameworks and supporting financial information as inputs to the council's Long-term Plan and Annual Plan in accordance with the timeframes and other requirements specified by the council.

3.2 Further requirements

Each substantive CCO must:

- Use the council's asset management framework, or obtain the council's approval for an alternative framework.
- Use accounting policies and standards that are consistent with the council group's accounting policies and standards.
- Comply with council tax initiatives and policies.
- Follow any other planning requirements specified by the council and notified to CCOs.
- Prepare a Māori Responsiveness Plan, and work with the council to monitor and report against it.
- Prepare a local board engagement plan in accordance with the framework set out in the Governance Manual for Substantive CCOs.

4. Management of strategic assets by council-controlled organisations

Section 90(2) of the LGACA states that:

“(2) *The policy must—*

...

- e) *identify or define any strategic assets in relation to each substantive council-controlled organisation and set out any requirements in relation to the organisation’s management of those assets, including the process by which the organisation may approve major transactions in relation to them.*”

4.1 Definition and identification of strategic assets

Strategic assets are defined in section 5 of the LGA as assets that a local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community. This includes:

- a) any asset or group of assets listed in the local authority’s Significance and Engagement Policy; and
- b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and
- c) any equity securities held by the local authority in—
- a) a port company;
 - b) an airport company.

For the purposes of this policy, the council considers that the “current or future well-being of the community” means the economic, social, environmental and cultural well-being, and the health and safety of communities.

The strategic assets owned and/or managed by the council’s CCOs are any scheduled heritage buildings or structures and the assets set out in table 1.

Table 1 – Strategic assets owned or managed by substantive CCOs

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
Auckland Tourism, Events and Economic Development Limited	none	none
Auckland Transport	The public transport network including Britomart	The roading network
Regional Facilities Auckland	Auckland Art Gallery (including the arts collections owned by Regional Facilities Auckland) Auckland Zoo Aotea Centre Civic Theatre Viaduct Events Centre North Harbour Stadium (known as QBE Stadium) The council’s contractual rights and interest in Auckland City Arena (known as Spark Arena) Mt Smart Stadium	

Council-controlled organisation	Strategic assets owned and managed by the CCO	Strategic assets owned by the council and managed by the CCO
Panuku Development Auckland Limited	The freehold interests in central Auckland waterfront land	none
Watercare Services Limited	The wastewater network The water supply network	none

4.2 Requirements in relation to the management of strategic assets by CCOs

4.2.1 Principles for the management of strategic assets

Each substantive CCO must manage the strategic assets set out in Table 1 in a way that:

- maximises the long-term benefit of the strategic assets to Auckland.
- gives effect to the expectations set out in Part 1 of this policy and the performance measures set out in this long-term plan.
- enables the CCO to achieve the objectives and performance measures set out in its statement of intent.

In making a decision about a strategic asset that may affect the council's long-term interest in that asset or the associated service delivery to Aucklanders, each substantive CCO must consider the following factors in relation to the proposal, in addition to any of its own considerations:

- the contribution of the issue or proposal to meeting the expectations set out in this policy and in the statement of intent.
- any impacts on the council's other objectives or priorities (both positive and negative).
- its consistency with the council's other plans and strategies, including area-specific plans.
- the likely financial impacts of the proposal, noting the opportunity cost of any investment or expenditure.

4.2.2 Shareholder oversight of strategic assets and major transactions

The table below sets out the approach to shareholder oversight of decisions about strategic assets and major transactions. Even if a decision does not require shareholder approval, CCOs must ensure that they comply with the no surprises policy, and engage with ward councillors and local boards on issues of local significance (as set out in Section 1.1.7).

Table 2 – Shareholder oversight of strategic assets and major transactions

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
<ul style="list-style-type: none"> • Carry out a <i>major transaction</i> (defined below) • Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders and: <ul style="list-style-type: none"> ○ which represents or may represent a departure from an agreed strategy of the council; or 	<ul style="list-style-type: none"> • The sale of any part of Britomart • A 20-year lease on waterfront land 	Approval of the governing body of Auckland Council is required except where it is already provided for in the Long-term Plan. Note that some major transactions must be set out in the Long-term Plan. ¹⁵

¹⁵ Some decisions must be included in the long-term plan: section 97 of the Local Government Act 2002 requires that (a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity and (b) a decision to transfer the ownership or control of a strategic asset to or from the local authority must be explicitly provided for in the long-term plan, and must have been consulted on during the development of the long-term plan.

Part 3: Our Policies
3.7 CCO Accountability Policy

Where a CCO proposes to	Examples	The shareholder must be involved in the following way
<ul style="list-style-type: none"> ○ where there is no agreed strategy of the council 		
<ul style="list-style-type: none"> • Undertake an action or make a decision which may affect the council's long-term interest in a strategic asset or the associated service delivery to Aucklanders which is consistent with an agreed strategy of the council 	<ul style="list-style-type: none"> • Feasibility studies of a significant activity or investment • The development of a water efficiency strategy 	<p>Provide information to the governing body through a workshop or memorandum.</p> <p>Engage with relevant local boards in accordance with Section 1 of this policy and the Governance Manual for Substantive CCOs.</p>
<ul style="list-style-type: none"> • Undertake any operational actions that are part of day-to-day business, or which implement agreed decisions 	<ul style="list-style-type: none"> • Entering into a contract for the provision of food and beverage services at Mt Smart Stadium 	<p>No governing body oversight is required.</p>

Where it is not clear if the proposed action or decision is consistent with an agreed strategy of the council, a CCO should engage with council staff.

4.2.3 Definition of major transaction

For the purposes of this accountability policy, a “major transaction¹⁶” is:

- a) Any acquisition, disposal or replacement of a strategic asset, other than ongoing asset renewal in accordance with a CCO's asset management plan
- b) Any transaction or dealing in relation to a strategic asset:
 - Reducing control over the asset (whether directly or indirectly)
 - Reducing or materially affecting the asset's value
 - Granting any legal interest in the asset to a third party
 - Affecting the CCO's or council's ownership of the asset
- c) Any long-term contracts for the development or operation of a strategic asset (being a contract binding the CCO to a term exceeding fifteen (15) years, including any renewals at the contractor's option)
- d) Any matters covered by Section 3.4 (rights and securities issues) or Section 3.5 (takeover offers, mergers and capital restructuring) of the Auckland Airport Shareholding Policy.

In relation to network infrastructure, a transaction only qualifies as a major transaction if it relates to any part of a network which:

- is integral to the functioning of the network as a whole, or
- substantially affects the level of service provided to the community.

A lease granted by a CCO on a strategic asset is not a major transaction if the lease:

- i. is granted in the ordinary course of the CCO's business on arms-length terms; and
- ii. does not exceed fifteen (15) years in duration (including any renewals at the lessee's option); and
- iii. does not exceed \$500,000 in rent per annum.

¹⁶ Note that this is a different definition of “major transaction” to that provided for in the Companies Act 1993, which has different requirements associated with it.

4.2.4 Situations where the council's approval may not be required

Where a proposal requires the approval of the shareholder according to Table 2 above, but is not material to the council's long-term interest in the strategic asset and the associated service delivery to Aucklanders, approval from the council may not be required. This can be granted at the discretion of the Mayor, Chair of the Finance and Performance Committee and the council's Chief Executive, according to the criteria in the council's Significance and Engagement Policy.

4.2.5 Process where the council's approval is required

Where approval of the council is required, it will be assessed against the following criteria:

- The contribution of the proposal to meeting the expectations set out in this policy and in the statement of intent, and other plans and strategies of council.
- The financial impacts of the decision.
- Whether the relevant CCO's Board has considered all of the relevant information which would influence the decision, including the risks and mitigations; and
- Any other factor that the council considers to be relevant.

Finance Report, month ending October 2018

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

Summary Revenue Statement												TABLE 1	
For the Period Ended 31 October 2018												\$000's	
Month			Year to Date						Full Year				
Actual	Revised Budget	Variance		Actual	Revised Budget	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year	
			Net operational expenses:										
2,325	1,969	(357)	Destination	5,058	6,092	1,034	22,266	22,266	86	0	22,180	21,888	
1,138	1,645	508	Economic Development	4,804	6,153	1,349	18,935	18,935	693	64	18,178	17,512	
409	429	20	Strategy	1,408	1,834	427	5,779	5,779	95	0	5,684	5,335	
601	542	(59)	Corporate	2,431	2,300	(131)	6,794	6,794	190	0	6,604	6,376	
4,472	4,585	113	Operating deficit before Council funding	13,701	16,380	2,679	53,774	53,774	1,064	64	52,646	51,111	
			Approved opex funding				50,980	50,980	1,064	64	49,852	49,065	
			Operating Deficit				(2,794)	(2,794)	0	0	(2,794)	(2,046)	
			Capex funding				3,833	3,833	404	0	3,428	7,906	
			Surplus				1,039	1,039	404	0	634	5,859	

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

Key Points

ATEED is \$2.7m behind Budget. This is due to:

- \$0.3m additional Operating revenue received for GridAKL and Auckland Film Studios
- \$0.6m decrease in Staff costs relates to unfilled vacancies across the business
- \$0.6m decrease in Professional fees due to delays in project resourcing
- \$0.1m increase in Depreciation & amortisation due to timing of capex purchases
- \$0.4m decrease in Occupancy due to reduction in Kumeu Film Studio turnover rent, increase in GridAKL amortisation and additional Quay Street Opex costs
- \$0.1m increase in Travel & entertainment due to timing across Destination and Economic Development
- \$1.2m decrease in Advertising, marketing and research due to timing across Destination, Economic Development and Strategy
- \$0.3m increase in Other expenditure on activities across Corporate and Economic Development

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

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

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

*** The Forecast process is underway.

ATEED total net favourable variance of \$2.7m

Destination: Oct YTD underspend is \$1m lower than budget. Staff cost savings of \$0.3m relate to staff vacancies across the Destination business, \$0.2m underspend in Grants, contributions, sponsorship is due timing of sponsorship payments for baseline portfolio and Vector lights budget now paid by Strategy, offset by major events not included in original budget. A \$0.7m underspend in Advertising, marketing & research is due to budgeted activity moving to later in the year. The travel and entertainment overspend of \$0.1m relates to timing of ACB international travel that will be addressed in the Forecast and \$0.1m hireage costs for the Lantern festival incurred earlier than budgeted.

Economic Development: Oct YTD underspend is \$1.3m lower than budget. Additional operating revenue of \$0.1m has been received across the Film Studios. Staff cost savings of \$0.3m relate to staff vacancies offset by temporary staff costs, training costs and annual leave. There are timing related underspends of \$0.3m in Professional fees, consultancy & contractors, \$0.3m in Advertising, marketing & research across the business and \$0.5m in Occupancy driven by favourable variances in Kumeu film Studios.

Strategy: Oct YTD underspend is \$0.4m lower than budget. This relates to a contribution received towards Iron Duke costs of \$0.1m. Staff costs are underspent by \$0.3m due to unfilled positions, and there is a \$0.2m underspend in Brand services. These are offset by an overspend of \$0.2m for Vector lights due to the budget being held in Destination.

Corporate: Oct YTD is \$0.1m higher than budget. An overspend in Staff costs relates to annual leave costs and one-up structure change which took effect 1 September, \$0.1m Professional Fees, consultancy & contractors incurred in relation to Stakeholder Strategy, \$0.1m Occupancy accrual for a potential shortfall in Quay Street opex and \$0.1m Other expenditure on activities for Business NZ membership, mobile data costs and Doubtful debts not budgeted.

Revenue Statement

Revenue Statement													TABLE 2	
For the Period Ended 31 October 2018													\$000's	
Month			Year to Date				Full Year							
Actual	Revised Budget	Variance	Actual	Revised Budget	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year			
Operational revenue														
30	114	(85)	Fees and user charges	320	423	(103)	617	617	0	0	617	2,037		
147	107	40	Grants and subsidy revenue	600	435	165	1,454	1,454	0	0	1,454	2,501		
196	7	189	Sponsorship	318	318	(0)	1,792	1,792	0	0	1,792	1,955		
2,096	1,302	794	Property rental revenue	4,489	4,385	103	14,310	14,310	0	0	14,310	6,361		
(830)	87	(917)	Sundry revenue	434	269	165	979	979	0	0	979	1,995		
1,639	1,617	22	Total Operating revenue	6,160	5,831	330	19,152	19,152	0	0	19,152	14,850		
1,925	1,883	(41)	Staff costs	6,821	7,470	649	22,544	22,544	0	0	22,544	21,857		
1,013	750	(263)	Professional fees, consultancy & contractors	1,956	2,558	602	8,856	8,856	750	64	8,042	7,155		
1,086	761	(325)	Grants, contributions, sponsorship	2,638	2,636	(2)	9,174	9,174	0	0	9,174	10,206		
243	217	(25)	Depreciation & amortisation	971	870	(101)	2,794	2,794	0	0	2,794	2,633		
673	1,454	782	Occupancy	4,287	4,700	413	15,749	15,749	0	0	15,749	9,855		
105	180	75	Travel & entertainment	453	357	(96)	1,280	1,280	0	0	1,280	1,274		
749	710	(40)	Advertising, marketing & research	1,826	2,986	1,160	10,025	10,025	294	0	9,732	8,377		
317	245	(72)	Other expenditure on activities	909	634	(275)	2,504	2,504	21	0	2,484	4,604		
6,111	6,202	90	Total Operating expenditure	19,861	22,211	2,350	72,926	72,926	1,064	64	71,798	65,961		
4,472	4,585	113	Operating deficit before Council funding	13,701	16,380	2,679	53,774	53,774	1,064	64	52,646	51,111		

Total Operating revenue

YTD total Operating revenue is \$0.3m higher than budget.

Fees and user charges, \$0.1m lower: Economic Development Funding for Youth Employment Pathway not expected to be received.

Grants and subsidy revenue, \$0.2m higher: Contribution received towards consultancy costs for Iron Duke and additional revenue in Destination and Economic Development.

Property rental revenue, \$0.1m higher: Additional revenue in GridAKL of \$0.2m and Auckland Film Studios of \$0.2m and a decrease in Kumeu film Studios of \$0.4m with the balance spread across AR/VR Garage and Corporate.

Sundry Revenue, \$0.2m higher: Additional revenue \$0.1m across the studios and an additional recovery of expenses for electricity, hireage and cleaning.

Total Operating Expenditure

YTD Operating expenditure is \$2.4m lower than budget.

Staff costs, \$0.6m lower: This is mainly due to vacant positions across Destination, Economic Development and Strategy.

Professional Fees, consultancy & contractors, \$0.6m lower: A \$0.2m underspend in CFO due to actuals for various projects moving to People, Change and Capability and Strategy with the budget still held in CFO, will be aligned in the Forecast. An underspend in the Economic Development business of \$0.7m is across Local Economic Growth, Business & Enterprise, Auckland Film Studio, Business Innovation and AR/VR Garage. There is a timing delay of \$0.1m for the Transformation and Organisational development programme in People, Change and Capability. A coding adjustment to reduce consultancy by \$0.4m relating to Kumeu Film Studios will be processed in November.

Depreciation & amortisation, \$0.1m higher: This relates to capex timing for Economic Development.

Occupancy, \$0.4m lower: An underspend of \$0.7m for Kumeu Film Studio includes a coding adjustment of \$0.4m currently against consultancy that will be processed in November. A reduction \$0.3 turnover rent for Kumeu is offset by an increase of \$0.2m for the GridAKL lease amortisation. An overspend of \$0.1m in Corporate relates to an accrual for a potential shortfall in the Quay Street Opex.

Travel & Entertainment, \$0.1m higher: Relates to a timing related overspend in Destination of \$0.1m for ACB international travel.

Advertising, marketing and research, \$1.2m lower: Due to timing there is an underspend of \$0.7m in Destination relating to various marketing campaigns (including \$0.1m Trade Partnership Marketing campaign, \$0.2m Spring Events, \$0.2m the Restaurant month, \$0.1m Tourism NZ Partnership Marketing, \$0.1m Experience & Skill Development), \$0.3m in Economic Development across the group, and \$0.2m in Strategy for brand services.

Other expenditure on activities, \$0.3m higher: Due to overspend in Corporate of \$0.1m for Business NZ membership, mobile data costs and Doubtful debts not budgeted, \$0.1m in Destination mainly due to hireage costs for the Lantern festival incurred earlier than budgeted and \$0.1m in Economic Development mainly in GridAKL and Kumeu Screen Precinct.

Summary of Activities

Summary of Activities: Net Amount of Spend and/or (Revenue) > 0.5m													TABLE 3
For the Period Ended 31 October 2018													\$000's
Month			Year to Date				Full Year						
Actual	Revised Budget	Variance	Actual	Revised Budget	Variance	Forecast ***	Revised Budget	Deferrals *	Approved changes **	Budget	Last Year		
Destination													
336	100	(236)	680	930	250	1,550	1,550	0	0	1,550	1,380		
119	70	(49)	70	19	(51)	798	798	0	0	798	811		
20	20	(0)	20	20	(0)	775	775	0	0	775	710		
0	0	0	(3)	5	8	500	500	0	0	500	478		
1	0	(1)	(10)	0	10	374	374	0	0	374	399		
57	23	(34)	68	23	(45)	255	255	21	0	234	196		
20	20	(0)	20	20	(0)	775	775	0	0	775	710		
Economic Development													
354	236	(118)	1,426	1,122	(304)	4,028	4,028	300	0	3,728	4,505		
(32)	24	55	(5)	166	171	536	536	0	0	536	342		
(142)	33	175	(108)	(117)	(9)	(83)	(83)	0	0	(83)	607		
(115)	7	123	(370)	(62)	309	(245)	(245)	0	0	(245)	(13)		
(84)	(92)	(8)	(357)	(368)	(11)	(1,072)	(1,072)	0	0	(1,072)	(1,083)		
Strategy													
24	27	2	29	234	205	792	792	0	0	792	184		

ITM Auckland Supersprint, \$0.3m lower: the actual relates to the sponsorship component only. Advertising and marketing is now coded separately and will be adjusted in the Forecast.

Auckland Convention Bureau, \$0.1m higher: Timing of expenditure will be adjusted in the Forecast.

GridAKL, \$0.3m higher: Timing of expenditure will be adjusted in the Forecast.

Maori Economic Development, \$0.2m lower: Budgeted expenditure will be realigned to the new strategy in the Forecast.

Auckland Film Studio, \$0.3m lower: This is mainly due to additional revenue received and savings due to an operational management fee which was budgeted that will not occur as ATEED are managing the studio in house.

Brand Services, \$0.2m lower: A timing delay of the Destination Strategy against budget.

Summary Statement of Financial Position

Statement of Financial Position, ATEED Group		
As at 31 October 2018		
TABLE 4	YTD	Jun-18
		\$000's
Current assets		
Cash and cash equivalents	1,501	1,084
Receivables and prepayments	12,418	10,763
Other current assets, including iSite inventory	0	0
Total current assets	13,919	11,847
Current liabilities	10,298	7,720
Working capital	3,621	4,127
Non-current assets		
Receivables and prepayments (non-current)	14	24
Property, plant and equipment	18,227	18,135
Investment in Joint Venture, The FoodBow I	2,018	2,018
Total non-current assets	20,260	20,177
Non-current liabilities	2,768	2,939
NET ASSETS	21,112	21,365
EQUITY	21,112	21,365
Capex spend	1,053	7,906
Total future commitments	\$88.3m	\$75.7m

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

Receivables and prepayments: Increase is due to an increase in receivables and decrease in GST, prepayments, and other current assets.

Current liabilities: Increase is due to increased Payables, Revenue in advance and Provisions offset by a decreased Current Account.

Non-current Assets: Relates to Fixed Asset movements.

Non-current Liabilities: Decrease relates to non-current revenue in advance.

Total Future Commitments: Operating lease costs of \$59.5m for GridAKL program over a twelve-year period including passage of time rent increases, \$8.7m for 167B Victoria Street over a 9 year period, \$0.1m for the B:Hive at Smales Farm over a 2 year period and \$20m for operational commitments.

Receivables *

By System:

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
Auckland Council System	1,531	299	497	1,182	25	3,534	
Exchequer				0	24	24	To be cleared and system disestablished by Dec 2018
Grid AKL	60	11	17	8	31	126	
Total Debtors	1,590	310	515	1,190	80	3,685	

By Consolidated Debt:

Aged debtors (\$000's)	Current	1 month	2 months	3 months	4 months+	Total	Comments
New Zealand Trade & Enterprise	0	0	0	1,112	0	1,112	Government funding grant - payable in 12 monthly instalments
Generator New Zealand Limited	664	290	471	0	0	1,426	GridAKL operator - collection being actively managed
Cricket Hop Productions NZ Ltd	691	0	0	0	0	691	Licencee - Kumeu Film Studio, paid in Nov
Online Republic Limited	97	0	0	0	0	97	GridAKL tenant
Davanti Consulting Limited	59	0	0	0	0	59	GridAKL tenant
Other Debtors	80	19	43	78	80	301	Other debts are being actively managed by Council and ATEED
Total Debtors	1,590	310	515	1,190	80	3,685	

* Invoicing is now occurring through Auckland Council Group shared services. Debt collection is performed by the Group Credit Control team and follows the Council process of collection.

Recommendation

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

Signatories

Manager: Claire McCracken, Finance Manager

GM: Jacky Hollingsworth, Chief Financial Officer