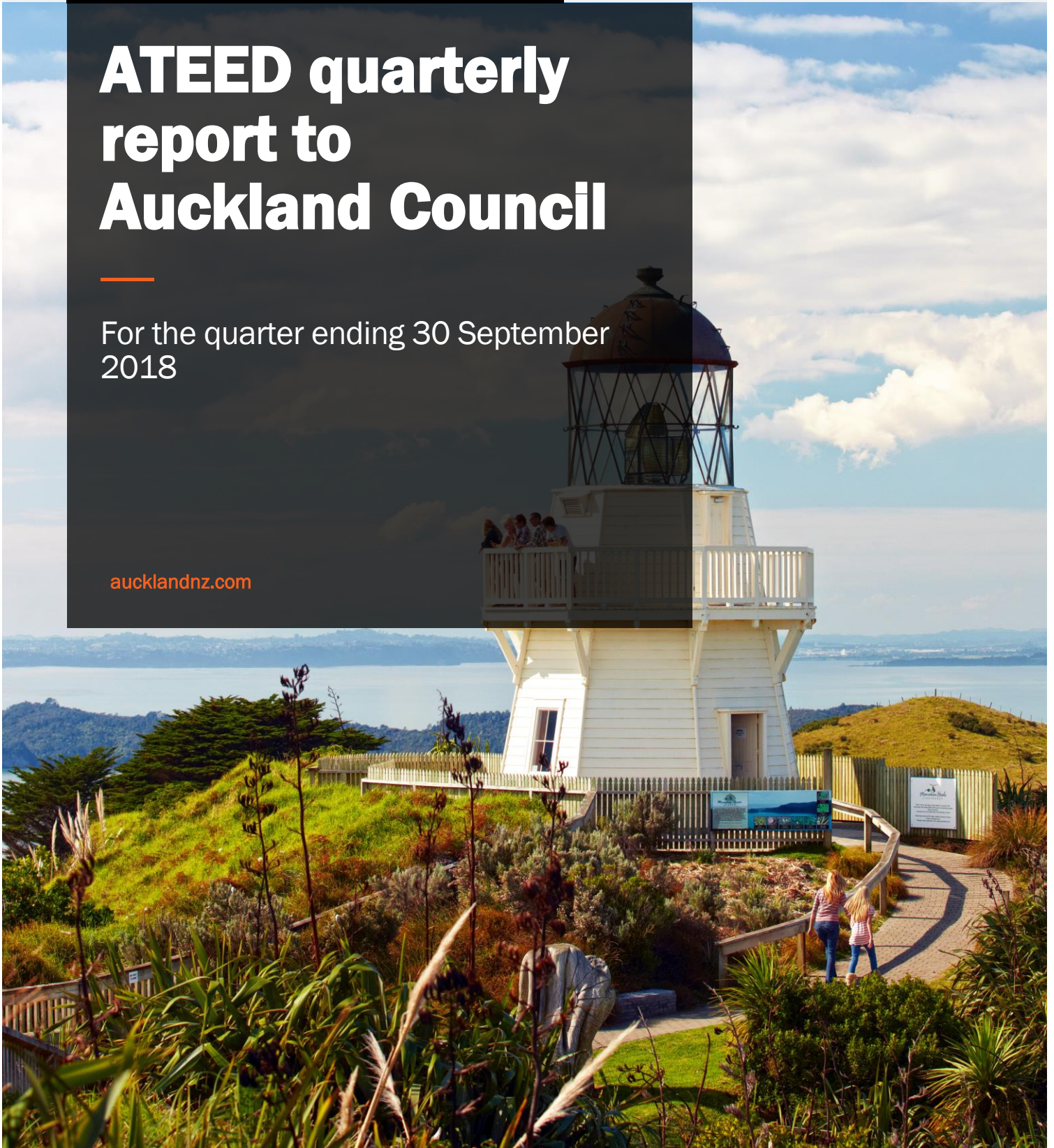


OCTOBER 2018

ATEED quarterly report to Auckland Council

For the quarter ending 30 September
2018

aucklandnz.com



He Mihi

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

E whakaruruhau ana i nga ahikaa mai tawhiti.

E maumahara ana i te nguha a Mataoho.

Ratou kua poto ki tua o te arai, e moe e okioki

Tatou te hunga ora e kawe ana i te aronganuitena ra tatou katoa.

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

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

For those of us who have been left behind greetings to us all.

Contents

Executive summary.....	4
Strategic framework.....	6
Key performance indicators	7
Highlights for the quarter.....	8
Focus area 1: Economic Development – supporting business and investment attraction, business growth, innovation and skills.....	8
Focus area 2: Destination – supporting sustainable growth of the visitor economy	10
Corporate.....	12
Priority projects	13
Financial performance.....	15
Contribution to Māori outcomes	16
Local boards.....	17
Risk management.....	17
Future outlook	19

Executive summary

This report highlights key achievements and results for the first quarter of the 2018/19 financial year against the ATEED Statement of Intent 2018-2021.

The new year has kicked off with ATEED's shift to a new purpose of supporting the growth of "quality jobs for all Aucklanders", providing a renewed focus for the economic development and destination programmes.

Good progress has been made towards set key performance targets with more than 1060 businesses, including 54 Māori businesses going through or benefitting from an ATEED programme. Major events investments during this three-month period resulted in an estimated GDP impact of \$4.5m and 38,910 visitor nights for the Auckland economy.

Key operational highlights and achievements:

- Five ATEED initiatives – BuildAKL campaign, Tripartite Economic Alliance, Kumeu Film Studios, DIGMYIDEA Māori Innovation Challenge, and the Auckland Growth Monitor and Auckland Index, gained global recognition at the International Economic Development Council's 'Excellence in Economic Development' awards
- [Auckland's Major Events Strategy 2018-25](#) was completed and the related national, major and cultural festival programmes were endorsed by the Destination Committee
- The Event Concept for the 36th America's Cup was agreed at the end of September, with the Host Venue Agreement to be signed by 30 November
- Scoping continued on Auckland's overall Programme for APEC 2021, including operations and logistics, communication, marketing and stakeholder engagement, and legacy and leverage
- The Smart Cities Challenge went live as the first InnovateAKL project
- \$958,500 worth of NZ Trade and Enterprise capability vouchers and Callaghan Innovation R&D grants were issued to Auckland businesses
- The number of people enabled into employment through the CBD Jobs and Skills Hub since its inception reached 265 people by 30 September, including 37 per cent Māori – against a target of 40 per cent
- The first-ever [Tourism Youth Perceptions research](#) was released in August with Tourism Industry Aotearoa (TIA), providing valuable insights for employers and educators in the visitor economy
- Four international students won internships with leading Auckland businesses as part of the inaugural Global Talent Showcase, delivered by ATEED's Study Auckland team and Talent Solutions.
- More than 110 Māori and Pasifika university students also attended a Viaduct Careers Day delivered by ATEED and partners – Fonterra, ASB, KPMG, Datacom, Auckland Transport and Air New Zealand
- More than 120 Auckland Council film permits were issued to screen companies. A 20-page [The Hollywood Reporter supplement](#) was also produced by ATEED's Screen Auckland team for release at the influential Toronto International Film Festival, reaching a potential global audience of more than five million
- GridAKL support continued in the lead up to the opening of the new Te Haa O Manukau Makerspace together with The Southern Initiative, Pānuku and Ngahere Communities.

Financial performance

At the end of Q1, revenue is \$0.3m higher than budget, operational expenditure is \$2.3m lower than forecast, and depreciation aligns to forecast.

The capital expenditure has increased from budget due to completion of some GridAKL expenditure from last financial year.

ATEED will continue to focus on providing value for money to ratepayers in delivering on our new purpose of quality jobs for all Aucklanders.

Risk management and health and safety

A number of risks and issues were managed, with the overall risk profile relatively stable. ATEED continues to be vigilant on sensitive expenditure and undertakes monthly reviews.

During the first quarter, there was a focus on high-risk areas and preparing for the second quarter by developing a strategy and implementation plan to complete current projects. ATEED is looking at what training, systems and resources are required to keep improving the organisation's health and safety.

A health and safety review is due to be carried out in the second quarter.

Governance

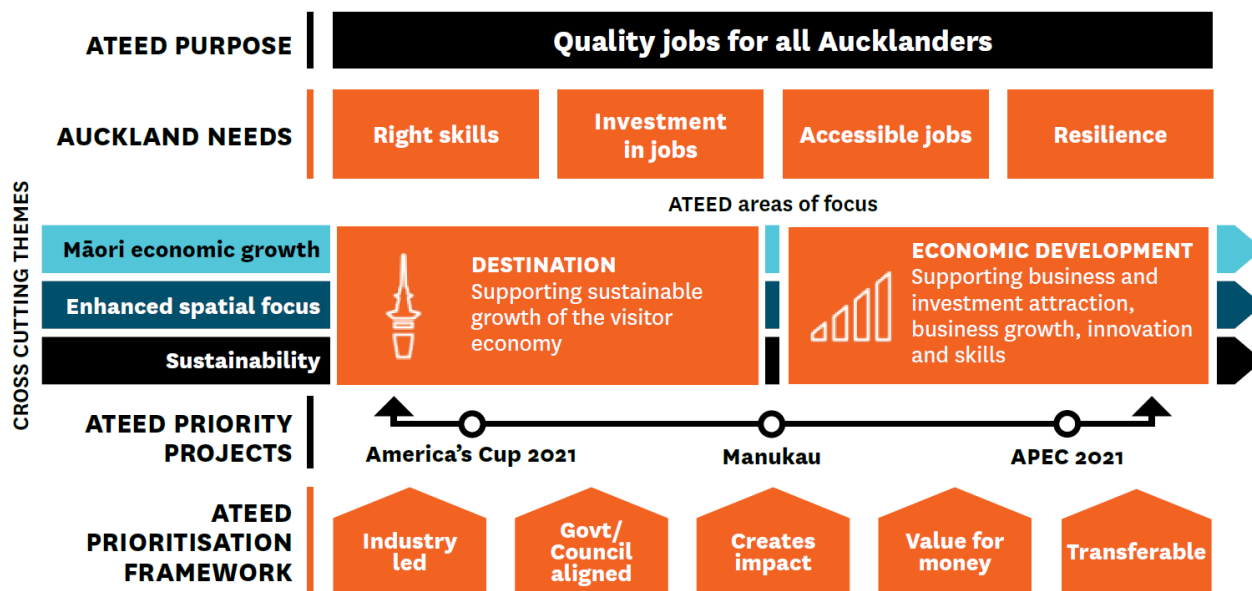
Auckland Council's Appointments, Performance Review and Value for Money Committee approved the appointment of Mark Franklin as the new ATEED Board Chair. Mark replaces the founding Chair, David McConnell, who is due to finish in the role in November.

The Destination Committee has been operational from 1 July with its first meeting held on 2 August.

Strategic framework

ATEED’s 2018-21 Statement of Intent presents ATEED’s strategic framework as per Figure 1.

Figure 1: ATEED Strategic Framework



ATEED has two areas of focus:

Economic Development – supporting business and investment attraction, business growth, innovation and skills

First is our wider set of economic development activities, including business support, business attraction and investment, local economic development, trade and industry development, skills employment and talent and innovation and entrepreneurship. This work is outlined in more detail in our three-year work programme and will be driven through implementation of a new ATEED *Economic Development Plan*.

Destination - supporting sustainable growth of the visitor economy

Second is the work ATEED undertakes to support Auckland’s visitor economy, a critical lever for economic development. This work including our focus on destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention, which is outlined in more detail in our three-year work programme and will be driven through implementation of the new *Destination AKL2025* strategy and the underlying ATEED implementation plans.

These two portfolios also share a common platform relating to the promotion of the city globally to ensure that Auckland competes effectively with other mid-tier high quality of life cities.

Key performance indicators

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

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

STATEMENT OF INTENT KEY PERFORMANCE INDICATOR FRAMEWORK

KEY PERFORMANCE INDICATOR	2018/19 TARGET	Q1 RESULT	STATUS	COMMENTS
KPI 1: Contribution to regional GDP from ATEED interventions. ^{1,2}	Benchmark	\$4.45m		Benchmark in development
<i>Contributory measure: Contribution to regional GDP from major and business events attracted or supported (LTP measure)</i>	\$49m	\$4.45m		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.
KPI 2: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure). ^{1,2}	3,000	1,066		Businesses include those that have been through the Regional Business Partner programme, residents of GridAKL and businesses that have benefitted from tourism promotion.
<i>Contributory measure: Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)</i>	120	54		Businesses include those that have benefitted from Māori tourism product development work and from the Whariki business network.
KPI 3: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. ^{1,2}	Benchmark	No result to date		Benchmark in development
KPI 4: Number of visitor nights resulting from an ATEED intervention. (LTP measure) ^{2,4,5}	340,000	38,910		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.
KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	Benchmark	No result to date		ATEED is working with AC Nielson on the development of a Voice of the Customer pilot programme. Results from the pilot are expected at the end of Q2.
Key	On track	Off-track	Potential for slippage	No result to date

Highlights for the quarter

Focus area 1: Economic Development – supporting business and investment attraction, business growth, innovation and skills

Regional Business Partner Network programme

More than 220 Auckland businesses were actively engaged through the Regional Business Partner Network (RBP) programme at the end of Q1. About \$412,000 of NZ Trade and Enterprise Capability Vouchers and \$546,100 of Callaghan Innovation R&D grants were issued by ATEED to Auckland businesses. ATEED's Net Promoter Score¹ remains high at +53 with excellent results and feedback from customers.

Jobs and skills hubs

Nearly 270 people had been enabled into employment through the CBD Jobs and Skills Hub at the end of September. Of those employed to the end of September, 37 per cent were Māori, against a target of 40 per cent. Almost 1240 training outcomes have been facilitated since the hub opened in March 2017, with about 80 per cent of people remaining in employment and not returning to a Work and Income benefit.

A CBD Jobs and Skills Hub co-design project is underway at Hatchbox – the public innovation lab at GridAKL Madden Street – with hub stakeholders seeking to increase student-employer engagement.

The hub premises options review is complete with the new recommended site contingent on multi-agency investment which is being negotiated through a second MOU with MBIE. The current lease at 69 Gaunt Street, held by ATEED, expires March 2019.

MBIE has confirmed the establishment of two additional jobs and skills hubs in Auckland as part of its 2018/19 funding round. MBIE has signed a lease with Pānuku for the Kaipātiki Hub, with site possession expected by November. ATEED is part of the project delivery team providing marketing and communications support. A hub in Manukau has been agreed in principle by The Southern Initiative and MBIE. The Sector Workforce Engagement Programme (SWEP) advisory group will decide the exact location. ATEED is supporting MBIE as part of the interview panel for additional staff to support the growing hub network. An Auckland-wide hub review, including future hub network growth, is underway and final review recommendations will inform Cabinet funding decisions.

Tourism skills campaign

The [Tourism Youth Perceptions research](#) was released in partnership with TIA on 22 August. The research is the first of its kind in New Zealand and provides valuable insights for employers and educators on what young people think about working in the visitor economy. The findings will inform strategies to attract, effectively retain and develop sustainable career pathways for young people. The project was jointly commissioned by ATEED and TIA, and supported by an industry steering group, which will form the basis of an industry-led marketing campaign that will be live in March 2019.

¹ ATEED uses the net promoter score methodology to measure the willingness of customers to recommend an organisation's products and services to others. ATEED has followed this methodology since mid-2016/17 when it was adopted by NZTE. Surveying is undertaken for NZTE by AC Nielson. A score of +50 is considered excellent.

Screen Auckland

Consultation on the Auckland Film Protocol is continuing with local boards, iwi and industry, with completion anticipated in quarter 2. Peoples Panel research for the Auckland Film Protocol revision was completed in quarter 1, with more than 4500 responses received – most were largely positive regarding the public perception of filming.

Auckland's international reputation as a production destination for blockbuster films has been boosted by *The Meg* premieres in Beijing and Los Angeles in early August, with ATEED promotional activity at the events resulting in more leads for Auckland's screen production pipeline from both locations. A 20-page *The Hollywood Reporter* supplement was also produced to leverage the film and showcase Auckland as an attractive film destination. Released to coincide with the Toronto International Film Festival, the supplement is available in print and online, and was promoted via social media channels to the publication's global audience of more than 5 million.

Warner Bros. and Gravity Pictures hosted the first New Zealand screening of *The Meg* at The Civic on 13 August attracting extensive media attention. Deputy Mayor Bill Cashmore spoke on behalf of Auckland.

More than 120 Auckland Council film permits were issued by ATEED's Screen Auckland team in the first quarter.

GridAKL

The Smart Cities Challenge went live over the quarter as the first InnovateAKL project. A Climate Summit is scheduled for the end of October, and the Hatchbox Public Innovation Lab (located at level 4, 12 Madden Street) is assisting the development of the Auckland Council Climate Change Action Plan.

Investment attraction

ATEED supported the Mayoral visit to Japan in early August strengthening Auckland's long-standing investment, visitor and trade relationships, including the existing GridAKL connection with Fukuoka's city-owned innovation hub, Fukuoka Growth Next. The Fukuoka Foreign Trade Association will visit GridAKL and the AR/VR Garage in November.

International Economic Development Council Awards

Five ATEED initiatives won awards at the International Economic Development Council's Excellence in Economic Development Awards held in Atlanta, USA on 2 October. The Awards recognise the world's best economic development programmes, partnerships, marketing materials and leaders. Auckland has an excellent record at the awards, emphasising our world-class programmes. This year's winning projects were:

- BuildAKL campaign (Gold award – New Media)
- Tripartite Economic Alliance, Guangzhou (Bronze award, Recognition of Cross-border collaboration)
- Kumeu Film Studios (Bronze award, Public-Private Partnership)
- DIGMYIDEA Māori Innovation Challenge (Bronze award, Economic Equity & Inclusion)
- The Auckland Growth Monitor & Auckland Index (Bronze award, Special Purpose Website).

ATEED released the second edition of The Auckland Index and Auckland Growth Monitor on 15 August – a suite of complementary digital data tools that offer a wealth of information on the economy's shape and future direction. The Auckland Growth Monitor is a key platform for ATEED to frame economic development issues and increase visibility and engagement. Discussion on Māori economic development has been

especially well-received², acknowledging Auckland's young population and the increasing opportunities in tourism, creative industries and construction.

Focus area 2: Destination – supporting sustainable growth of the visitor economy

Destination marketing

The Auckland destination narrative is in development with support from a working group comprising *Destination AKL 2025* strategy Industry Leaders Group representatives.

Tourism

More than 400 connections were made with top US and international luxury travel advisors at Virtuoso Travel Week in Las Vegas from 12-17 August. This included in-market training, media appointments and a cultural event for the top New Zealand and Auckland luxury travel sellers. Connections were also made with key clients and partners.

Major Events

[*Auckland's Major Events Strategy 2018-2025*](#) was recently completed to set out what Auckland needs from its events sector to support the *Destination AKL 2025* strategy. It includes what ATEED's role is in ensuring this happens, reflects changes that have occurred since the first strategy was released in 2011, and addresses the increased sophistication and capability of events in the region and in the wider international events landscape. The strategy also acknowledges the important role the 36th America's Cup (AC36) will play in driving Auckland's approach to events over the next three years.

Auckland's major events activity will complement and interrelate with ATEED's other destination work programmes, encompassing tourism, business events and international education, all contributing to the goals of the *Destination AKL 2025* strategy and the region's inclusive economic development.

ATEED supports a portfolio of events that aligns with the new direction for Auckland's visitor economy and provides additional impact that would not have otherwise happened. Within the overall portfolio, ATEED will operate a suite of programmes designed to deliver different facets of the *Destination AKL 2025* strategy and benefits for Auckland.

- **36th America's Cup:** Working with central government, the wider Auckland Council family and the event organiser to maximise economic development and leverage opportunities AC36 will bring the region as well as creating a memorable experience for all visitors and stakeholders of the event.
- **Major Events:** Drives international and domestic visitation, international media exposure, showcases our unique identity to the world and promotes Auckland as a desirable place where people love to live and visit. Applications to the Major Programme can be submitted at any time, allowing sufficient time for assessment, and approval from the ATEED Board where necessary.
- **National Events:** Drives predominantly tourism, supports Auckland's unique identity and promotes Auckland as a desirable and vibrant place people love to live in and visit. The National Programme application rounds will open twice a year for four weeks, in October (closing November 1), and April (closing May 1).
- **Winter Festival:** Attracting domestic and international visitors in the winter months, using local food and beverage and lighting up the region, overlaid with Auckland's unique Māori and Pasifika identity. The Winter Festival Programme will be accepting expressions of interest from 1-31 October, with full applications due by 23 November.

² Refer to article by Alexia Russell for Newsroom: <https://www.newsroom.co.nz/2018/08/14/190946/auckland-growth-monitor?preview=1>.

- **Cultural Festivals:** Delivering events which are owned by and important to the region, that showcase and celebrate Auckland's diverse people and cultures.
- **Partner Venue:** Working with investment and Auckland major venue partners to ensure their events are permitted and legally compliant and that their event approaches are aligned, coordinated and delivering the desired outcomes for Auckland and the Destination AKL 2025 strategy
- **Activation, Leverage or Marketing (ALM):** The Major Events Team will create a plan for every event in ATEED's Major Events Portfolio, identifying what ALM activity will best deliver Destination AKL 2025-aligned outcomes for Auckland.

The new Auckland Tuatara baseball franchise was established with support from the Major Events Portfolio, managed by ATEED on behalf of Auckland Council. The Auckland-based team will play 12 home games at McLeod Park as part of the Australian Baseball League, with the first ever New Zealand game on 22 November.

Thousands of fans enjoyed Auckland's renowned Fan Trail for the Black Ferns and All Blacks double-header at Eden Park on 25 August. Preparations are in full swing for the Mate Ma'a Tonga fan days ahead of the Australia v Tonga rugby league test match at Mount Smart Stadium on 20 October.

Regional GDP generated by the major events portfolio at the end of quarter 1 was \$4.45m. The number of visitor nights resulting from major events was 38,910.

World Masters Games 2017 Legacy Fund

Applications for the World Masters Games 2017 (WMG2017) Legacy Fund closed on 31 July³. A panel including representatives from ATEED, Auckland Council and Aktive – Auckland Sport & Recreation assessed the applications against criteria that included the benefit to sport in Auckland, the wider benefit to the community, and the ongoing legacy value that each initiative would have. In September, all successful applicants were notified. All 28 of the local sports associations that made up WMG2017 were awarded grants ranging from \$10,000 to \$15,400⁴. Grants are also being distributed to community groups and/or organisations for projects aligned to the WMG2017 motto 'for the love of sport', encouraging people to be active and participate in sport every day

Business events

Auckland has won the bid to host the World Library and Information Congress at the New Zealand International Convention Centre from 28 July to 5 August 2020. The bid was led by the Library Association of New Zealand Aotearoa (LIANZA) with support from ATEED's Auckland Convention Bureau (ACB), Tourism New Zealand's Conference Assistance Programme, Ngāti Whātua o Orākei, Conference Innovators, and the National Library Te Puna Foundation. The congress is estimated to attract more than 3000 delegates and have an economic benefit of more than \$7m to New Zealand.

International student attraction and retention

Sixteen international students participated in the inaugural Global Talent Showcase staged in September by ATEED's Study Auckland team and HR consultancy Talent Solutions. The competition, which attracted more than 150 entries, helped to connect international students with local employers and provide some practical

³ The event's constitution required any surplus to be used for the promotion of amateur sport.

⁴ This follows an earlier round of direct grants awarded in April 2018 of between \$8160 and \$23,900, made up of a fixed portion of \$6973 plus a pro rata amount based on the number of WMG participants for each sport. \$50,000 was also directly granted to New Zealand Masters Games.

skills to understand the New Zealand job landscape and job application process better. Out of the 16 finalists, four students won internships with some of Auckland's leading businesses.

Ten Japanese high school students with leadership and innovation potential visited Auckland from 23-26 August as part of the Auckland Awesome Award – Innovation Study Tour, delivered in partnership with Air New Zealand. Participant stories captured during the visit featured at the New Zealand Education Fair in Tokyo on 30 September, maximising agency trade/channel and market activity.



Corporate


Building consent has been received for the office refit of the Spark building (level 6 and 7) and the build contract has been awarded. The project remains within the \$3.2m budget envelope.

Jacky Hollingsworth has been appointed as Chief Financial Officer, starting 10 October. Noah Maffitt has been appointed as General Manager Strategy, starting 29 October. These key appointments complete a strong new-look ATEED leadership team to help us deliver on our new strategy and purpose.

Priority projects

The following table outlines the overall status and progress of current ATEED priority projects – APEC 2021, 36th America’s Cup and Manukau.

PROJECT	OVERALL STATUS	COMMENTNS
<p>APEC 2021</p>		<p>APEC 2021 (APEC21) is a twelve-month ‘event’ commencing in December 2020 and culminating in Leaders’ Week in November 2021. APEC21 will be the largest event ever hosted by the New Zealand Government. It is an opportunity to connect New Zealand businesses to the Asia-Pacific region, advance New Zealand’s policy objectives in APEC, pursue priorities with key bilateral partners, and showcase New Zealand to the world.</p> <p>The Ministry of Foreign Affairs and Trade (MFAT) is the Government’s lead agency and is responsible for all aspects of planning and delivery of APEC21. The APEC21 Programme has been established as an all-of-government programme within MFAT to carry out these functions.</p> <p>Auckland is the confirmed location for APEC21 Leaders Week from 8–14 November 2021, and additional APEC events – Women in the Economy Forum, and Food Security Week/Senior Officials Meeting 3 (SOM3).</p> <p>Leaders’ Week is made up of: Ministerial meetings; Senior Officials Meeting; Voices of the Future Summit; APEC Business Advisory Council Meeting; APEC CEO Summit and the APEC Economic Leaders meetings. Between 8-10,000 delegates are expected to attend Leaders’ Week plus a large contingent of media.</p> <p>A whole-of-Council approach will be taken to help MFAT plan and deliver APEC21 in Auckland, and ATEED will lead Council’s programme.</p> <p>Activity undertaken in Q1 2018/19 included the following:</p> <ul style="list-style-type: none"> • Monthly meetings of the MFAT APEC21 Programme Board, the APEC21 Auckland Executive Steering Group and the APEC21 Auckland City Operations Working Group • The Mayor hosted a joint briefing for councillors on APEC21 by MFAT and Auckland on 1 October • Scoping of Auckland’s overall programme across operations and logistics, communication marketing and stakeholder engagement, and legacy and leverage to support five goals: <ol style="list-style-type: none"> 1. Deliver an exceptional visitor experience in Auckland 2. Accelerate Auckland’s environmental outcomes 3. Showcase Auckland’s unique and diverse cultures, indigenous innovation and enterprise 4. Progress social outcomes by creating more quality jobs for Aucklanders 5. Celebrate Auckland as a great city to do business <p>The programme will cover the activities and projects to deliver on the goals, potential delivery partnerships and funding sources.</p>
<p>36th America’s Cup</p>		<p>America’s Cup Events Limited (ACE) is a company wholly owned by Emirates Team New Zealand (ETNZ). ACE has responsibility for delivering the event. ATEED, through the Head of Major Events, is the lead agency for the event on behalf of Council and Crown. An Event Steering Group, has been established. This group connects the event planning with the authorising environment and the plans of city and government to maximise benefits and minimise risk around the event.</p>

PROJECT	OVERALL STATUS	COMMENTNS
		<p>Decision making</p> <p>The Joint Chief Executives Group (JCEG) is the main governance group. ATEED is represented by Chief Executive Nick Hill. The JCEG is chaired by the Council Chief Operating Officer Dean Kimpton and is comprised of Council, government, ETNZ and mana whenua representatives</p> <p>ATEED’s role in AC36 comprises four key parts:</p> <ol style="list-style-type: none"> 1. Event lead on behalf of Council and Crown – focus to date has been the Host City Appointment Agreement (HCAA) to ensure the 36th America’s Cup was secured for Auckland, work around the overall event concept, and ensuring a Host Venue Agreement (HVA) is in place by the end of November. 2. Communications, marketing and engagement – ATEED is the overall workstream lead, through the General Manager Destination. A key component of this workstream is to ensure that the overall communications, marketing and engagement framework fits with other projects such as APEC21. 3. Establishment of legacy framework – ATEED has taken a lead on this for the AC36 Programme. This will ensure synergy with the APEC21 legacy vision and structure, and alignment with the leverage framework, which has to date been led by government. 4. Leverage and Legacy Projects – development and delivery of projects. <p>AC36 race courses were announced at the end of August. The Event Concept from ACE, has been accepted by JCEG (early October) and HVA negotiations are underway between the Hosts and ACE, working towards a signing date of 30 November 2018.</p> <p>The regional Interagency Steering Group had its first meeting in August, with a second in September focusing on the Risk Framework. This group is responsible for ensuring that the logistics of the event interface successfully with all the required parties and agencies involved at city and national levels. The group is led by ATEED Major Events.</p> <p>ETNZ is taking occupancy of the Viaduct Events Centre from 1 October. The next planning phase (Phase 2) of the event is scheduled to begin in December, looking at activation opportunities, operational considerations such as transport planning and the approach for managing public safety and event leverage and legacy. These aspects are to a large extent dependent on the items currently being finalised in the HVA.</p>
<p>Manukau</p>		<p>The discovery phase for ATEED’s Manukau strategy is underway to identify existing ATEED activity and opportunities. This includes working with local boards, The Southern Initiative, Pānuku and other partners.</p> <p>ATEED is helping to develop an economic case for transformational impacts on Manukau. A meeting was held with the Ōtāra-Papatoetoe Local Board in August to reinforce ATEED’s refreshed purpose and commitment to the project.</p> <p>Economic profiles for the Airport Precinct and Wiri Manukau, including high-level actions for ATEED to consider, have been completed. A report has been commissioned on the potential benefits on the development of Te Papa Manukau, in consultation with Te Papa. Stakeholder engagement in the region continues, with a meeting with MIT led by Council and ATEED CEs to look at areas of collaboration.</p> <p>The focus for the next period is completing the discovery phase of the Manukau project and developing an action plan.</p>

Financial performance

FINANCIAL PERFORMANCE FOR THE PERIOD ENDING 30 SEPTEMBER 2018

\$'m	Actual	Budget	Variance f/(u)	Full Year Budget
Operational				
External Revenue	4.5	4.2	0.3	19.2
Operational expenditure excl. depreciation	13.0	15.4	2.3	69.0
Operating deficit before Depreciation and Council funding	8.5	11.1	2.6	49.9
AC Opex Funding	9.4	11.7	(2.3)	49.9
Depreciation	0.7	0.7	(0.1)	2.8
ATEED surplus / (deficit) **	1.7	1.2	(0.4)	2.8
Capex				
Capital expenditure	0.4	0.2	(0.1)	3.4
AC Capex Funding	0.4	0.2	(0.1)	3.4

Actuals vs budget

External revenue is \$0.3m higher than budget due to an additional contribution received towards consultancy costs and additional GridAKL revenue received.

Operational expenditure is \$2.3m lower than budget. This is due to: \$0.7m savings in staff costs against vacant positions; professional fees \$0.9m lower due to delays across the business in project resourcing; grants, contribution, sponsorship \$0.3m lower due to timing delays for projects; advertising, marketing and research is \$1.2m lower due to delayed marketing campaigns. Occupancy is \$0.4m higher due to rent increase adjustments, opex costs and lease amortisation; travel and entertainment is \$0.2m higher due to international travel occurring before budgeted timing; other expenditure on activities \$0.2m higher in GridAKL and Kumeu Film Studios.

At the end of September, ATEED's funding from Council is \$2.3m lower than budget resulting from the delay of project spend across ATEED's business units.

Depreciation is on forecast.

Capital expenditure relates mainly to fit-out costs for Madden Street and Mason Brothers GridAKL buildings.

Contribution to Māori outcomes

Te Toa Takitini and Māori outcomes review (2015-17)

Auckland Council and CCOs (led by Stephen Town and respective Chief Executives) have agreed to work together to lead four priority areas contributing to Māori outcomes: water; economic development; Te Reo Māori; and marae development – with ATEED leading economic development. CCO leads will scope their respective areas and report to the joint Governing Body and IMSB meeting on 25 November. The role of Te Toa Takitini is expected to be amended in accordance with this agreement.

Tāmaki Herenga Waka Festival

Since the delivery of the Tāmaki Herenga Waka Festival in 2018, a number of developments have arisen which impact on the delivery of the festival for 2019. First, there was a view that the festival was not fully delivering on the desired outcomes and a decision to review the delivery was taken at the end of 2017, before the 2018 event. There were then decisions regarding America's Cup infrastructure development which meant there would be no suitable venue to host the event on the waterfront in January 2019.

Building on the foundations of the first three years of the festival, the Mana Whenua Kaitiaki Forum has agreed to work with ATEED to reset the vision and scope of the festival for the next two years. A workshop is being held on 5 November to progress this work. In the meantime, it has been agreed with mana whenua, through the kaitiaki forum, that it is necessary to defer the January 2019 event. The previous Tāmaki Herenga Waka Steering Group has been advised of this decision.

Māori economic development

Planning is underway for two DIGMYIDEA Te Korau (Māori Tech Co-starters) pilots, delivered in partnership with AUT University in October and November. The pilots are part of ongoing support for DIGMYIDEA 2018 entrants and Māori with tech business aspirations.

A series of school holiday tech days took place in early October at Papatuanuku Marae in south Auckland, with a view of expanding into other areas following review of the October programme.

In September, the Whāriki Tamaki Maori Business Network partnered with Nga Iwi O Tamaki to deliver a tourism themed Whāriki event, attracting 72 attendees. Progress continues on developing an overarching strategy for Whāriki. Ten members have been selected for a kaitiaki rūpū to build on the co-design process undertaken with members in August. The rūpū will further refine this work and provide informal governance to the Whāriki programme over the next year.

Māori tourism

A Viaduct Careers Day was held on 6 September for Māori and Pasifika youth from AUT, The University of Auckland, Massey University, and The University of Waikato. The event attracted more than 110 young people and was delivered in partnership with Fonterra, ASB, KPMG, Datacom, Auckland Transport and Air New Zealand.

Support has been provided to the Auckland Design Office for the production of the *Te Paparahi, Toi Māori Walks in the City* booklet. The 48-page booklet complements two new apps showcasing Māori identity,

history, knowledge and contemporary sites via eight central city walks. The product was launched by Art Week Auckland on 5 October.

Funding and development opportunities were presented at the Te Kotahi o Tamaki collective meeting in August – a collective of 26 marae across Tamaki, as part of the cross-council Te Kete Rukuruku project aimed at supporting marae to realise their goals and aspirations. The workshop was facilitated by The Southern Initiative with support from Council, Foundation North and Te Puni Kokiri. ATEED has also been engaged with Tamatea Tours around a cultural offering with Papakura Marae and provided business support to Ruapotaka Marae with travel-trade connections in Japan.

Local boards

The 2018/19 Locally Driven Initiatives work programme has been approved, including project deferrals from the previous financial year, bringing the total programme value for 18 local boards to approximately \$1,021,000.

Key quarter one activity, delivered on behalf of local boards include:

- Delivery of the Henderson Pop-Up Business School by PopUp Business School Aotearoa, attracting 60 attendees. Planning underway for a further event in Manukau in November.
- The Clevedon, Hunua and Pohutukawa Coast tourism research has been initiated on behalf of the Franklin Local Board.
- Events impact research completed and presented to the Orakei Local Board. Orakei Local Board business awards programme will take place in October.
- Glen Eden town centre research completed.
- Albert-Eden Local Board sustainable business practises programme commenced.
- Facilitated the approval of an Urban Design Framework for Papakura town centre and Papakura key messages.

Risk management

Health and safety (H&S)

ATEED continues to promote and embed H&S best practise in all its activities. During the first quarter:

- Risk Manager – there has been a focus on closing incidents on risk manager; mitigations and investigations have been a key learning area.
- H&S external audit – a scope has been created and discussed in preparation for the ATEED external audit, this will consist of two parts. The first part is compliance NZS4801, as New Zealand had three years from December 2017 to migrate to ISO 45001. The second part of the audit will review ATEED's safety maturity, this involves budgets, training and culture at all levels.
- AR/VR Garage – a regular site inspection identified the work plan had been completed to the compliant standard expected.
- GridAKL – continuation of quarterly reviews of the three buildings saw H&S work with the GridAKL management ensure any actions raised were being implemented. Incidents and corrective actions continue to be monitored through monthly reports.
- Local economic development – work and training is required to upskill staff in H&S as there were many PCBUs and stakeholders within various projects across the team. The exposure levels are unnecessary and we will reduce exposure to both staff and insurance.

- Destination - The Tourism, and ACB familiarisation tour (famil) process is being improved. Over 200 operators are to be reviewed and will go through an annual approval process to ensure compliance.

Risks and issues managed during the quarter

General open risks:

- The nature of ATEED's activity makes it difficult to accurately provide a clear link between outcomes and output measurement. A suite of revised KPIs has been developed in the Statement of Intent 2018-21.
- A judicial review of the Auckland Council Accommodation Provider Targeted Rate to be held in May 2019 may impact ATEED's future funding.
- The size, complexity and national significance of the America's Cup (AC36) will ensure this remains a top risk for some time.
- Performance dips may occur due to a re-orientation of ATEED's business towards a new strategy and changes in the management structure.

Open risks related to facilities:

- ATEED is not subject to legal action but is a related party to a legal dispute involving the Kumeu Film Studios (KFS) landlord regarding agency fees for introducing prospective tenants to KFS.
- Studio management continues to be carried out by ATEED, which is not core ATEED business. A studio operator has been appointed for KFS and Auckland Film Studios (AFS), with an expected start date before Christmas 2018.
- The multiple complex H&S hazards at KFS and AFS, including asbestos in the pre-existing buildings at KFS, are an ongoing high priority.
- A service provider is behind on payments to ATEED. A repayment plan is being agreed and implemented.
- In the first week of December, ATEED's head office will move from Quay Street to the Spark Building on Victoria Street East.

Future outlook

Te Haa O Manukau

ATEED is working alongside The Southern Initiative and Pānuku to make Te Haa O Manukau a reality with the official opening by the Mayor on 16 October. Work is ongoing to build community connectivity between the new Makerspace and GridAKL. Together with operators Ngāhere Communities, all parties will play a key role in helping to shape the future of Manukau's innovators and entrepreneurs and in turn, Auckland's economic prosperity.

Auckland Diwali Festival

The Auckland Diwali Festival 2018 (delivered by ATEED 20/21 October) is aiming for 70 per cent rubbish diversion from landfill this year, with the long-term goal of becoming a zero-waste event. Compostable packaging is now compulsory, ATEED is working with Council's Low-Carbon team to audit the festival, training is being provided to ATEED staff volunteers and festival volunteers to become waste sorting champions, and stallholders are being upskilled on sustainability.

ATEED is working with Auckland Regional Public Health to upskill our stallholders on food safety, healthier ingredients, menus and cooking techniques which still draw on traditional cooking practises.

A new observer programme will be delivered as part of the Auckland Diwali Festival 2018, complementing existing intern, volunteer and performer mentor programmes. The observer programme will take aspiring event professionals behind the scenes, to meet key festival staff and experience first-hand festival operations.

Destination marketing

The Auckland destination positioning and narrative project, a key deliverable of the *Destination AKL 2025* strategy, will progress in quarter two. Destination Think!, a specialist destination marketing consultant with global experience, has been selected to work with ATEED and the Industry Marketing Advisory Group on this project. The company will employ an evidence-based approach to understand what Auckland's competitive differentiation is. Governance and stakeholder communications including for the ATEED Board, Destination Committee, Mayor, Councillors, and IMSB will occur in October, ahead of quantitative resident and visitor research surveys going into field and resident workshops commencing in late October / early November.

A top-line report summarising the key insights gathered from the research and workshops will be available in December. These insights will be shared with industry and stakeholders in early 2019 and used to develop destination marketing strategies and campaigns, resident marketing strategies to encourage support for the visitor economy and influencing strategies to encourage industry, media and other stakeholders to speak with one voice about Auckland.

UPCOMING 2018/19 MAJOR EVENTS/KEY ACTIVITY:

Key events/activity	Date	Location
Tonga vs Australia League Match 2018	20 October	Mt Smart
Auckland Diwali Festival 2018	20 October	Aotea Square
ASB Auckland Marathon 2018	26 October	Various - Victoria Park
Big Screen Symposium	27-28 October	Auckland Waterfront Theatre & GridAKL 12 Madden Street
Business Growth Support Network	29 October	GridAKL
ITM Auckland SuperSprint 2018	2 November	Pukekohe Raceway
Westpac Auckland Business Central Awards	14 November	Cordia Hotel
Auckland Tuatara Franchise 2018	22 November	McLeod Park
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	Ngahere Communities
Wundergarden 2018	31 December	Silo Park

A full schedule of upcoming events can be found on aucklandnz.com

