

Confidential

Run sheet: Board Meeting, Friday 25 November 2016  
 11.25am, Tamaki Makaurau Boardroom, L8 139 Quay Street, Auckland

Item	Subject	Action	Start Time	Duration	Pg.
<b>OPEN AGENDA</b>					
1	Start of Meeting: Chairman's Welcome, Apologies	To Note	11.25 a.m.	1 mins	
2	Open Minutes 26 August 2016 and Open Action Tracker, Brett O'Riley	To Approve	11.26 a.m.	2 mins	<b>4</b>
3	Directors Interest Register, Conflicts of Interest Declaration	To Note	11.28 a.m.	2 mins	<b>9</b>
4	Chief Executive's Activity Report, Brett O'Riley	To Note	11.30 a.m.	20 mins	<b>18</b>
5	Finance Report	To Note	11.50 a.m.	10 mins	<b>29</b>
	Chairman's close and invitation to the public to leave				
	<b>Close of Meeting</b>		<b>12.00 p.m.</b>		
<b>LUNCH</b>			<b>12.00 p.m.</b>	<b>30 mins</b>	

# **Auckland Tourism, Events and Economic Development Ltd Board meeting**

## **OPEN AGENDA**

### **Will be held as follows:**

**DATE:** 25 November 2016  
**TIME:** 11.25 pm Start  
**VENUE:** The Tamaki Makaurau Boardroom, Level 8, ATEED Central Office, 139 Quay Street, Auckland

### **Board members:**

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

### **Attendees**

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

OPEN AGENDA

1. **APOLOGIES**

No apologies were received for this meeting

2. **MINUTES OF 30 SEPTEMBER 2016 MEETING & OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

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

Brett O'Riley, Chief Executive

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

Brett O'Riley, Chief Executive

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

Friday, 25 November 2016



OPEN AGENDA

2. **MINUTES OF 30 SEPTEMBER OPEN ACTION TRACKER**

Brett O'Riley, Chief Executive

# BOARD MINUTES

- What:** Minutes of a Meeting of Board of Directors of Auckland Tourism Events and Economic Development Limited
- Where:** Tamaki Makaurau Boardroom, Level 8, 139 Quay St, Auckland
- When:** Friday, 30 September 2016 at 1.35 p.m.
- Directors:** David McConnell  
Norm Thompson  
Franceska Banga  
Danny Chan
- Board Advisor:** Sir Pita Sharples
- Apologies:** Richard Jeffery  
Helen Robinson  
Stuart McCutcheon
- In Attendance:** Brett O'Riley, Chief Executive (Item 4) *via teleconference*  
Martin Fairweather, Chief Operating Officer  
Joy Buckingham, Chief Financial Officer (Item 5)  
Avika Singh, Finance Manager (Item 5)  
Tim Kingsley-Smith, Company Secretary
- Public & Media  
Attendance:** N/A
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## Background

- A. David McConnell was appointed as Chairperson for the meeting.
- B. It was noted that the quorum (12.9 of the Constitution) is a majority of the directors 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

Three apologies were **noted**: Richard Jeffery, Helen Robinson and Stuart McCutcheon.

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

The Board discussed the draft minutes of the meeting held on 26 August 2016 and the Open Action Tracker.

Following the conclusion of discussions, the Board resolved that the minutes of the meeting held on 26 August 2016 be **approved** as a true and correct record.

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

The Chair noted that although the interests register had not been provided in the pack, there had been no updates to the interests register since the previous Board meeting. The Board requested that the interests register be circulated to the Board and that it be provided in each pack irrespective of whether there were any changes for reference purposes. (**ACTION POINT**)

The Board **noted** the interests register.

*Brett O'Riley joined the meeting.*

### 4. Chief Executive's Activity Report

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

- An ACC audit was scheduled for October and an ACC-led session focusing on injury management and return to work programmes was delivered to ATEED people leaders last month. Three health and safety incidents were recorded and reported in August. All of these have been closed.
- On 2 September, the AR/VR Garage was officially opened at GridAKL Uptown in Newton – establishing Auckland as an international hub for this new technology. The opening was attended by Minister for Economic Development Stephen Joyce, Mayor Len Brown, the Mayor of Fukuoka (Japan) and a diverse audience of people from the creative industry, and AR/VR Garage partner organisations.
- ATEED had recently won three awards at the International Economic Development Council Awards in Ohio. The awards were for Tech Week (Special Purpose Website), the Tripartate Economic Summit (Special Event Campaign), and the Beyond Your Backyard campaign (Advertising Campaign). Management agreed to circulate information on the recent awards won by ATEED to the Board. (**Action Point**)
- Although ATEED had a firm wide choir made up of staff members, ATEED did not have a Kapa Haka group. The CEO agreed to consider beginning an ATEED Kapa Haka group.

Following the conclusion of discussions, the Board **noted** the Chief Executive's Activity Report.

*Brett O'Riley left the meeting. Joy Buckingham and Avika Singh joined the meeting.*

### 5. Finance Report

Joy Buckingham and Avika Singh spoke to the paper. The key points were as follows:

- ATEED's budget was submitted to Auckland Council at the end of February and ATEED's lead team approved business unit's budgets in May. Since then, the financial landscape has changed due to payments made in June 16 for milestones reached earlier than planned, and for new initiatives (e.g. AR/VR Garage project). The Finance Team was currently completing a reforecast.
- The Board discussed what constitutes "material" in terms of budget variance to forecast. Management agreed to provide further information to the Board on what constitutes "material" in terms of budget variance to forecast (**ACTION POINT**).

- ATEED (excluding WMG) spend was tracking \$1.4m behind budget, with Major Events accounting for \$1m of the variance mainly due to budgeted event sponsorship paid last year. The balance is a result of vacancies across the business as well as a mix of projects and activity where timing has been deferred.
- The Board queried the negative number for sponsorship in the August income statement. This was due to management reclassifying revenue coded incorrectly in July.

Following the conclusion of discussions, the Board **noted** the Finance Report.

The Chairperson declared the meeting closed at 1.52 p.m.

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

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

**Open Board Action Tracker**  
**As at 25 November 2016**

No.	Action	Status	Result	Target Date	Responsibility
<b>26 June 2016 Meeting</b>					
1	Management to circulate to the Board the programme of work to be delivered under the ATEED Sector Framework.	In Progress		31 October 2016	Patrick McVeigh
2	The Board requested that the interests register be circulated to the Board.	<b>COMPLETED</b>	Email from Tim Kingsley-Smith to the Board dated 20 October 2016.	14 October 2016	Brett O'Riley
3	Management agreed to circulate information on the recent awards won by ATEED at the International Economic Development Council Awards to the Board.	<b>COMPLETED</b>	Email from Patrick McVeigh to the Board dated 12 October 2016.	14 October 2016	Brett O'Riley
4	Management agreed to provide further information to the Board on what constitutes "material" in terms of budget variance to forecast.	<b>COMPLETED</b>	Email from Tim Kingsley-Smith to the Board dated 20 October 2016.	14 October 2016	Joy Buckingham



Friday, 25 November 2016



OPEN AGENDA

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

Brett O'Riley, Chief Executive

### ATEED Board Interests and Conflicts Register

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

	<p>           Director, Hawkins Construction North Island Limited            Director, Hawkins Construction South Island Limited            Director, Hawkins (Fiji) Ltd            Director, Hawkins Group Limited            Director, Hawkins Infrastructure Guam Inc.            Director, Hawkins Infrastructure Limited            Director, Hawkins Management Limited            Director, Hawkins Plant Limited            Director, Hawkins PNG Ltd            Director, Learning Infrastructure Partners GP Limited            Director, Learnings Infrastructure Investment Limited            Director, McConnell Development Holdings Limited            Director, McConnell Developments Limited            Director, McConnell Funds Management Limited            Director, McConnell GP No.1 Limited            Director, McConnell Group Limited            Director, McConnell International Pty Ltd            Director, McConnell Limited            Director, McConnell Property Limited            Director, McConnell Property Services Limited            Director, MTC Land Investments Limited            Director, Pancho Hawkins Phillipines Inc.            Director, Pomander Holdings Limited            Director, Projects (M.I.L.) Limited            Director, Shelf Company 2012A Limited            Director, Spiral Welded Pipes Limited            Director, Steelpipe Limited            Director, The Shooting Box Limited            Director, Titanium Park Development Limited         </p>
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	<p>Director, Wilkins &amp; Davies Limited          Director, Hawkins Singapore Pte Limited          Director, MC (Jervois) General Partner Limited          Director, Hawkins Construction Schools 2 PPP Limited          Director, Future Schools Partners GP 1 Limited          Director, Future Schools Partners GP 2 Limited</p> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Norman Thompson	<ul style="list-style-type: none"> <li>· Director, Dot.Kiwi Limited</li> <li>· Director, Preno Limited</li> <li>· Director, Queenstown Airport Corporation Limited</li> <li>· Director, Tourism New Zealand Board</li> <li>· Chartered Fellow of Institute of Directors</li> <li>· Trustee, Young Enterprise Scheme (YES)</li> <li>· Member, New Zealand Golf Open 2016 Committee</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Franceska Banga	<ul style="list-style-type: none"> <li>· Director, Fab NZ Limited</li> <li>· Director, Constellation Capital</li> <li>· Director, Continuity Capital Limited (NZ)</li> <li>· Director, Frogparking Limited</li> <li>· Trustee, Fred Hollows Foundation</li> </ul>

	<ul style="list-style-type: none"> <li>· Trustee, Peka Peka Trust (Family Trust) Investments in:             <ul style="list-style-type: none"> <li>- Pohutukawa Fund, Maui Capital Indigo Fund</li> <li>- 82 Limited Partnership and Advisory Board member</li> </ul> </li> <li>· Shareholder (1%) – Business Growth Limited</li> <li>· Shareholder – the Breakthrough Co. Limited (Family business)</li> <li>· Shareholder – National Business Coaching Limited</li> <li>· Member, Institute of Directors NZ Inc.</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Richard Jeffery	<ul style="list-style-type: none"> <li>· Chief Executive, Vodafone Events Centre</li> <li>· Trustee of the Rising Foundation</li> <li>· Owner – I Like Gallery Limited, Art Gallery &amp; Project Consulting</li> <li>· Director and Shareholder, Knight Star Covenants Limited</li> <li>· Director, The Original Art Sale Limited</li> <li>· Director, Museum of Transport and Technology (MOTAT)</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Danny Chan	<ul style="list-style-type: none"> <li>· Director and Shareholder, A1 Flower Wholesalers Limited</li> <li>· Director and Shareholder, Academic Colleges Group Limited and subsidiaries as follows:             <ul style="list-style-type: none"> <li>Australian International Schools Limited (BVI)</li> <li>New Zealand International College Limited</li> <li>ACG New Zealand International College Jakarta Limited</li> <li>ACG Australian International Education Services Company Limited</li> </ul> </li> </ul>

	<p>           New Zealand Management Academies Limited            ACG Yoobee School of Design Limited            Yoobee Pty Limited (Australia)            New Zealand Career College Limited            NZ Nannies Plus Limited            ACG Norton College Limited            ACG NZIC Limited            ACG English School Limited            ACG Parnell College Limited            ACG Senior College Limited            ACG Strathallan Limited            ACG Tauranga Limited            ACG Sunderland Limited            ACG Property Holdings (NZ) Limited            ACG Property 345 Queen Street Limited            ACG Parnell College Property Limited            ACG Senior College Property Limited            ACG Strathallan College Property Ltd            ACG Education Services Limited            ACG Tauranga Property Limited            Education Investments Group Limited            Sunderland School Property Limited            ACG Early Childhood Education Group limited         </p> <ul style="list-style-type: none"> <li>• Director and Shareholder, Alpha Asset Management Limited</li> <li>• Director and Shareholder, ARN Investments Limited</li> <li>• Director and Shareholder, Danting Investments Limited</li> <li>• Director and Shareholder, Education Investment Limited</li> <li>• Director and Shareholder, Flowerzone International Limited and subsidiaries</li> <li>• Director and Shareholder, Green Cut Limited</li> <li>• Director and Shareholder, Griff Trading Limited</li> <li>• Director and Shareholder, Lady White Snake Film Limited</li> <li>• Director and Shareholder, Orient Group Limited and subsidiaries</li> <li>• Director and Shareholder, Orpac International Limited</li> <li>• Director and Shareholder, Planit Products NZ Limited</li> <li>• Director and Shareholder, Rhino Security Limited and subsidiaries</li> </ul>
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	<ul style="list-style-type: none"> <li>· Director and Shareholder, Sharp Multi-Media Limited</li> <li>· Director and Shareholder, Sharp Multi-Media Productions Limited</li> <li>· Director and Shareholder, Simtics Limited</li> <li>· Director and Shareholder, SimTutor Limited</li> <li>· Director and Shareholder, Tahere Callas Limited and subsidiary</li> <li>· Director and Shareholder, Talaforde Investments Limited and subsidiary</li> <li>· Director and Shareholder, The Academic Coaching School Limited</li> <li>· Director and Shareholder, Turners Flower Exports NZ Limited</li> <li>· Director, Abano Healthcare Limited</li> <li>· Director, Simtics Limited</li> <li>· Shareholder, Aire Cut Company Limited</li> <li>· Shareholder, CLOUD M Limited</li> <li>· Member, NZ China Advisory Council (appointed 20 November 2012)</li> <li>· Member, NZ Markets Disciplinary Tribunal</li> <li>· Director, Farmers Mutual Group (Mutual Society)</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Helen Robinson	<ul style="list-style-type: none"> <li>· Chair, CLOUD M Ltd</li> <li>· Co-Founder &amp; Executive Director, Organic Initiative Ltd</li> <li>· Chair, The Network for Learning Ltd (N4L)</li> <li>· Chair, Valens Group</li> <li>· Director, KND Investments Ltd</li> <li>· Director, KND Trustees Ltd</li> <li>· Managing Director, Penguin Consulting Ltd</li> <li>· Director, Fulbright NZ Ltd</li> <li>· Director, NZ Defence Force</li> </ul>

	<ul style="list-style-type: none"> <li>· Trustee, Aktive Auckland Sport &amp; Recreation</li> <li>· Trustee, Robinson Family Trust</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Director</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Stuart McCutcheon	<ul style="list-style-type: none"> <li>· Chairman, Universities New Zealand (from 1 January 2017)</li> <li>· Chairman of Directors, Auckland UniServices Ltd</li> <li>· Director, Universitas 21 international university network</li> <li>· Council Member, University of Auckland</li> <li>· Member, Partnership Board, the Worldwide Universities Network</li> <li>· Member, Steering Committee, the Association of Pacific Rim Universities</li> <li>· Trustee, UK Friends of the University of Auckland</li> </ul> <p>Party to a Deed of Indemnity and Undertaking between the Director and the Company and an insured party under a Directors and Officers Liability Insurance Policy and a Defence Costs Insurance Policy arranged and funded by the Company</p>
<b>Board Advisor</b>	<b>Roles &amp; Responsibilities outside of ATEED</b>
Sir Pita Sharples	<ul style="list-style-type: none"> <li>· Director, Tu Maori Mai Limited</li> <li>· Hoani Waititi Marae - Taumata</li> <li>· Te Ropu Manatangi – Kai ako</li> <li>· Te Whare Tu Taua – Tumu Whakaarei</li> <li>· Ngā ti Kahungungu iwi – Taumata</li> <li>· Te Toa Takitini – Kaumatua advisor</li> <li>· Aorangi maori trust board – Kaumatua</li> <li>· Rakau Tatathi Marae – Paepae</li> <li>· Mahi Tahi trust Board – Member</li> </ul>



	<ul style="list-style-type: none"> <li>· Maori and Pacific Trade Training – Manawhaka haere</li> <li>· Maori Heritage Council – Member</li> <li>· NZ Heritage Trust Board – member</li> <li>· Emerge Aotearoa – Board Kaumatua</li> <li>· NPM – Patron</li> <li>· Te Arapai – Member</li> <li>· Auckland Museum Trust Board - Member</li> <li>· Auckland Museum Maori Council – Member</li> <li>· Special Expert Group on Organ Donation – Member</li> <li>· Pacific Leaders Programme – Consultant</li> <li>· Matatini – Life Member</li> <li>· Zin and Tane Chinese Maori Dance Production – Producer</li> <li>· White Ribbon Campaign – Ambassador</li> <li>· West Auckland Task Force against Domestic Violence – Member</li> <li>· Pillars – Patron</li> <li>· Tamaki Makaurau Haka Society – Life Member</li> <li>· Unitech Maori Advisor</li> <li>· Maori Chinese youth forum – Kaumatua</li> <li>· Heritage NZ Pouhere Taonga Trust</li> </ul>
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Friday, 25 November 2016



OPEN AGENDA

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

Brett O'Riley, Chief Executive

# Chief Executive Review of November 2016

Report to Auckland Tourism, Events and Economic Development Limited Board

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## Health & Safety (H&S)

- **ATEED procedure and process review:** A review of the policies, SOPs and procedures for Major Events is continuing. Screen Auckland has started a review to ensure its H&S systems comply with the legislation and local bylaws, and that the system is still fit-for-purpose or updating necessary changes. The Screen Auckland team has been busy with the design and creation of a new online application process, so the review has come at an opportune time. The review has also demonstrated the need for a Site Specific Safety Plan form to be created for each group, which ATEED will implement soon for all contractors and film production.
- **AR/VR Garage induction implementation and training:** the AR/VR Garage has made good progress on rectifying identified hazards. As new businesses move into the space, they will be given a site-specific induction process that will reiterate the need for a strong H&S culture. Notice boards are in place, as is training about the Act and PCBU requirements. There are also effective H&S reporting systems in place.
- Wellbeing activity in October was:
  - First session of six-week Mindfulness workshop held at Quay Street in October, with another to follow in November. The course was fully booked with 20 participants.
  - Wellbeing updates to workgroups through H&S reps – including Re:NEW Portal update.
  - Promotion of Les Mills-sponsored 21 Day Challenge – Council-wide.
  - Planning for further relaxation sessions.
  - Stand-up desk trial.
  - Council Wellbeing Co-ordinator attending ATEED Health and Safety Committee meeting.

No incidents, near misses or hazards were reported in October.

### H&S training:

- **First day, HS009 staff induction:** two staff from Visitor and External Relations are yet to complete the induction. These will be prioritised.

## **ATEED strategic priorities**

### ***Building a Culture of Innovation and Entrepreneurship***

#### **GridAKL**

##### **Lysaght Building**

The number of resident businesses has grown to 64 (from 59 last month), with 164 people now working at GridAKL. Interest continues to grow in the space and in October, ATEED facilitated a visit to GridAKL by a Gravity Pictures delegation from China for an AR/VR demo. This was a joint venture between China Media Capital, Warner Bros. and Shaw Brothers Pictures Ltd. New Auckland Mayor Phil Goff and councillors visited Lysaght in early November. The Tech Café has continued to establish itself as a place for the public and pre-seed start-up businesses to connect to GridAKL. There are now more than 200 registered members.

A number of operational matters are now drawing to a close. Work is underway to rectify issues with the air conditioning and skylights in the building. This work will be complete by the end of the month and the IT network is now stable. Contractual discussions with BizDojo, regarding its sub-lease and service provider contract, have been resolved and final contract execution is expected to be complete towards the end of November.

##### **12 Madden Street**

Base build construction works are continuing and procurement for the fit-out packages has gained momentum. The Place Operator RFP was in market until 11 November, and three bids have been received. The evaluation process commenced this month with a bidder presentation day scheduled for 22 November. Negotiations are likely to continue into the New Year. The development of a tenant marketing strategy and leasing collateral is being finalised with a view to go live to the market on 5 December.

##### **Mason Brothers**

This project officially commenced following approval of the Governing Body in September. Concept designs have been completed and procurement for the physical works is underway. The facility will not be open until May 2017 when fit-out works have been completed. In preparation for this, options for an operational model and marketing materials are being developed as part of the wider GridAKL tenant marketing campaign. A number of prospective tenants have shown an interest in the space, and ATEED is engaging with them to understand their requirements.

##### **Future buildings – 10 Madden Street**

Following advice from Council, ATEED did not seek approval to proceed with 10 Madden Street. Work is underway to consider the detailed financial implications of the scheme as part of the annual budget planning process.

##### **GridAKL community**

There were 43 events hosted at GridAKL in October. Since opening the Lysaght Building, more than 240 events have been held at the facility, demonstrating the importance of GridAKL in connecting the innovation ecosystem.

## **Techweek**

The nationwide Techweek '17 event opened for event submissions on 9 November. Social media platforms are live and are being monitored ([www.twitter/techweeknz](http://www.twitter/techweeknz), [www.facebook/techweeknz](http://www.facebook/techweeknz) [www.instagram.com/techweeknz](http://www.instagram.com/techweeknz))

NZTech will deliver Techweek '17. ATEED has provided the assets developed for Techweek AKL 2016 and some financial support. Jennifer Clamp, who project managed Techweek AKL 2016 has been seconded to NZTech as National Director for Techweek '17 and will be based at GridAKL.

Techweek '17 will involve events held throughout the country from 6-14 May 2017. So far, partners include NZTE and MBIE. Auckland and Wellington are official city partners and discussions are underway with Christchurch, Hamilton, Dunedin, Tauranga and other centres.

Techweek now has an Establishment Board of influential and independent leaders who are 'NZ Inc' focused including ATEED director Helen Robinson. This group will develop the long-term strategy for Techweek to achieve goals for 2019 to fill the NZICC and attract a 20 per cent international audience to Auckland events.

An Advisory Group for Techweek '17 was formally established and will review event proposals and shape the event programme for 2017. Pam Ford is ATEED's primary representative on the Advisory Group. Through the Advisory Group, ATEED can curate an Auckland programme based around specific themes or locations. A page dedicated to Auckland has been created on the Techweek '17 website which will help ATEED tailor the Auckland 'tech' story. A working group will soon be established within ATEED to develop a Techweek '17 leverage plan. A group of 2016 event hosts have been invited to a Singularity Summit on 14-16 November with the objective to influencing the Auckland tech community to be more globally relevant.

### ***Grow and attract skilled talent***

ATEED's delivery of the #BuildAKL campaign continued this month with a focus on industry engagement, as well as encouraging entries into the competition. Recruitment days took place on Saturday, 5 November (Albany), Wednesday, 9 November (Henderson), and Saturday, 11 November (MIT Otara). Twenty young finalists will be selected in late November and will receive a training package and other support, before a public vote on social media to select the 10 competition winners. The winners will be announced in early December, with NZME media coverage through a partnership.

ATEED launched the CBD Jobs and Skills Hub in Wynyard Quarter. This is a collaboration supported by local and central government, training agencies and employers, and aims to provide long-term, sustainable employment opportunities. This initiative provides on-site job brokerage and skills training for large developments across Auckland's city centre, enabling construction employers to connect with entry level workers.

The initiative is designed to address labour shortages for businesses and provide jobs and training in Auckland's CBD. Across Auckland there are 32,000 jobs that need to be filled in the construction sector alone, as well as considerable demand in hospitality and tourism. These sectors all have significant opportunities for job creation.

The CBD Jobs and Skills Hub follows on from the success of the Ara Airport Jobs and Skills Hub and complements ATEED's #BuildAKL campaign.

The hub was formally announced by Minister Steven Joyce on 9 November and ATEED will continue to develop the project over the coming months.

### **Investor Migrant update**

ATEED continues its partnership with Immigration NZ (INZ)'s investor migrant division. In October, ATEED assisted INZ organise and connect with potential investors for four attraction events in the US including the All Blacks test in Chicago (but did not attend/travel to US).

ATEED also prepared a brief paper on barriers to Chinese investors integrating into New Zealand. This paper was prepared for the Investment Taskforce.

ATEED is also fielding investor enquiries and preparing schedules for two recent investor migrants looking to invest in Auckland property and tech companies respectively.

### ***Growing the visitor economy***

#### **i-SITEs update**

The Auckland Airport i-SITE won an award at the i-SITE New Zealand Conference in October for the highest satisfaction rating across the country (91 per cent).

The Princes Wharf i-SITE will relocate to Lower Queen Street from 1 December 2016, using an area planned as a pedestrian public plaza – a joint project with Auckland Council and Auckland Transport (City Rail Link). The space is located between two significant construction projects (CRL and the Commercial Bay development), and will be seen by commuters making their way to/from ferries and train/bus stations to the city centre, along-with domestic and international visitors arriving by cruise ships. ATEED has been offered the position in Lower Queen Street until 1 May 2017, and will house the i-SITE in two 3x6 metre Portacom buildings.

The timeframe for the project was tight with only three weeks to source, design and fit-out a suitable solution to house the centre. Installation of services, securing solid foundations for the buildings, managing health and safety requirements have had to be undertaken in conjunction with CRL's construction plan.

The make-good requirements for the existing premises at Princes Wharf have been negotiated with Oravida to meet the hand-over date of 6 December 2016. The PSA has been actively engaged with and every effort has been made to ensure that the i-SITE team will be secure and comfortable in its new location.

A volunteer programme is underway with the International Travel College (ITC), which will provide 12 volunteers to assist at Princes Wharf six hours a day, seven days a week. This initiative started on 1 November 2016 and will run through to 30 April 2017.

The Waiheke Island i-SITE was closed on 1 November. This was prompted by the resignations of i-SITE staff at Matiatia Wharf, a continued decline in sales, and the i-SITE losing about \$110,000 a year. Two students have been employed in the Tourism team to act as 'greeters', focusing more on providing visitors with local advice, direction and general information. They will not take tourism product bookings. The greeters will be in place at Matiatia Wharf in the mornings, seven days a week throughout summer.

ATEED will continue to lease the kiosk from Auckland Transport until the end of June 2017 and providing a space for visitor information brochures. Staff are working closely with the Waiheke Local Board and Waiheke Island Tourism Forum to work through the future visitor information offering.

## **WMG2017**

Of the total registrations at 31 October 2016, International participation at 64% leads domestic participation at 36%, which continues to be expected given the longer lead time for those travelling internationally.

Five sports (archery, football, hockey, golf and softball) have now reached capacity with wait lists in operation

As has been the case for a number of months now, accommodation availability and pricing remains the biggest risk/issue to the organisation. There has been little movement on accommodation over the last month.

## **NZICC**

ACB and NZICC continue to meet monthly to discuss the sales pipeline and opportunities, business planning, general marketing, specific events such as trade show attendance, client site inspections and famils. There are also ongoing discussions with NZICC regarding the planning and development of the ACB, NZICC and TNZ Co-Marketing proposal. NZICC has appointed a Director of Sales who commenced in October.

Over the last quarter ACB has provided NZICC with ongoing assistance to support all NZICC's deliverables for the following international trade shows and events:

- Assistance with representation at IMEX America Trade Show in the US in October, including introductions to key industry experts and consultants
- Attendance at ACB annual Auckland Client Networking event.

It provided:

- Ongoing support for NZICC's submission for the ICCA Best Marketing Awards in November

And will provide:

- Ongoing input into discussions on deliverables and leveraging for the Asia-Pacific Incentives and Meetings Expo (AIME) Trade Show, Melbourne in February 2017.

## **Attract business and investment**

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

Project Place continues to be one of the focus areas for the Business Attraction and Investment team.

- Potential Auckland hotel sites are being presented to potential investors.
- An approach has been made to Pānuku Development Auckland for more information re potential council-owned sites that could be suitable for hotels. No response as yet.
- Have engaged with Pānuku staff resource re utilising Pānuku's Chinese investor leads to formulate a strategy and present hotel opportunities in Auckland.
- Further sites outside Auckland's CBD are being inspected for possible inclusion in Project Palace.
- ATEED and NZTE to meet with Auckland Airport re plans for hotels with further airport development.
- Project Palace and some of the direct Auckland investment opportunities were presented by NZTE at the recent China Investment Tourism summit held in Auckland and Queenstown.

## **VR/AR content creation**

The AR/VR Garage is consolidating after strong initial growth, with 12 companies resident with number expected to increase to 15 by the end of November.

Tertiary institution ties are being formalised with AUT Co-lab, Media Design School and University of Auckland. MDS is about to issue a press release outlining a new relationship with the AR/VR Garage aimed at leveraging their new Emerging Technologies curriculum. An award winning AUT start-up will be resident over the summer months.

ATEED expects to secure two additional corporate sponsors soon.

ATEED is pursuing HTC to set up a global Vive X presence, and has established relationships with Victoria State Government around potential collaboration between Melbourne (Australia's most active VR City) and Auckland – particularly around VR gaming. ATEED is working closely with both the NZ Games Developers Assn and the International Games Development Assn.

Focus is to complete the fit-out of the showcase area before Christmas, including providing shared infrastructure and tools that can be used by the tenants 24/7. Further development of the project pipeline to create a world-class AR/VR collaboration hub is so to impress international visitors and investors. ATEED is exploring multiple avenues for funding this activity through corporate sponsor funding and partnerships.

### **FinTech Hub**

ATEED is having preliminary discussions with a number of industry organisations interested in development of a FinTech hub in Auckland CBD. The migration toward a full consumption finance model presents exciting exponential growth opportunities for Auckland in the new global digital economy.

A workshop of industry participants is scheduled in early December, to explore and quantify how such an Auckland FinTech hub could be successful.

## **Month in review**

### **ATEED Board strategy day and development of draft Statement of Intent 2017-2020**

The ATEED Leadership Team and Senior Leadership Team strategy and planning days were held on 1 and 11 November respectively. The Board strategy day feedback was consolidated alongside with key stakeholder insights and focus themes for FY18 were agreed, namely: focusing on core business; increasing the fusion of activity; modernising and digitising what we do; enhancing our partnering capability; building on our data insights; and moving from delivery to leadership.

The key themes will then be cascaded throughout ATEED and business unit plans completed prior to 15 December. The business unit plans will shape ATEED's initial draft Statement of Intent 2017-2020 that will be reviewed by the ATEED Board at its meeting on 20 January.

### **Kumeu Screen Production Complex**

The Mayor Mr Phil Goff with Deputy Mayor Mr Bill Cashmore, and Councillors Penny Hulse, Linda Cooper, Ross Clow, Denise Lee and Greg Sayers visited the Kumeu Screen Production Complex site in November. They were all highly impressed, with Mayor Goff since making positive reference to ATEED's involvement in social media (Twitter & Facebook) on the economic value and job creation the screen sector contributes to Auckland.

### **New Zealand Women's Open 2017-2019**

The ATEED Board approved a three-year sponsorship of the McKayson New Zealand Women's Open (LPGA golf) from 2017-2019. The ATEED annual investment is \$1,000,000 sponsorship and \$50,000 leverage. MBiE New Zealand Major Events is also funding the event.

As per the ATEED Board approval, the Heads of Agreement was signed by the Chief Executive of ATEED and Michael Goldstein, Managing Director of The Clubhouse (the event organisers). The event



announcement took place in Florida on 17 November with a small media announcement in Auckland at Seafarers. The PGA announced the 2017 calendar confirming Auckland as the 34th sanctioned event.

### **ITM Auckland Super Sprint 2016**

The 2016 event (Y4 of a five year contract) took place at Pukekohe Park Raceway from Friday 4 – Sunday 6 November. While the evaluation results are yet to be confirmed, Supercars Australia released attendance numbers of 106,000 for the weekend. This is down on previous years where the event usually has an attendance of approximately 116,000 on average. We are skeptical as to whether 106,000 was achieved.

Event organisers and owners Supercars Australia has written to ATEED advising they seek a decision as to whether ATEED, on behalf of Auckland Council, wishes to renew the contract past 2017.

### **Māori Economic Development**

On 4 November 2016, senior management participated in the He kai kei aku ringa Regional Economic Development Hui for Tāmaki Makaurau. The hui was one of eight of regional sessions being undertaken by the Crown-Māori Economic Growth Partnership to inform the next stages of the He kai kei aku ringa strategy and action plan. The theme of the hui was powering up the Tāmaki Makaurau Māori economy through collaboration and considered what Māori economic development means in Auckland and looked at a number of best practice case studies from across the city including SME development and strategic procurement. Brett O'Riley participated in a leadership panel and Heta Hudson, who is currently supporting ATEED's Māori economic initiatives, presented the findings of his research on Māori entrepreneurship, which was joint funded by ATEED and IMSB. Following on from the eight regional hui the He kai kei aku ringa strategy and action plan will be updated. In the lead up to the hui, IMSB raised some concerns that ATEED was not sufficiently engaged in implementing the findings of previous strategy development activities, a position which ATEED disputes. In response a meeting is being set up between ATEED and the IMSB board to discuss.

## **Statement of Intent KPIs**

KPI results for the first quarter of the financial year are recorded in the appendix. Among those for which information is available:

- The annual target for 'Total GDP contribution of deals effected with ATEED involvement', with a first quarter result of \$255.4 million against the annual target of \$56.7 million
- As at 30 October, the value of investment deals effected by ATEED stood at \$387 million against an annual target of \$278 million.
- The number of 'live' signatories to the Auckland Youth Employers Pledge stands at 58. The SOI target requires ATEED to maintain a pool of 50 signatories.
- Page visits to [www.aucklandnz.com](http://www.aucklandnz.com) totalled 3.1m over the first three months of the year, with a target of 3.4m.

## **Burning issues**

### **Parker Fight**

A media release was issued earlier this month in order to clarify speculation relating to the possibility of public funding supporting the upcoming Parker/Ruiz world title fight. Brett O'Riley clarified that ATEED would not be making a financial contribution to the world title boxing fight which has since been confirmed to be held in Auckland in December. In addition, while there was clear potential that the event would generate international exposure, ATEED was not in a position to make a robust assessment of

the potential of this event until the fight was confirmed to take place in Auckland and domestic and international television rights were secured.

### **Queens Wharf Mooring Dolphin**

Ovation of the Seas, the largest cruise ship to visit New Zealand, will arrive in Auckland on 27 December. It will visit 3 times in 2016-17 and 3 times in 2017-18. At 350m, Ovation is too long to berth at the existing cruise terminals and will moor in the harbour with 4500 passengers needing to be tendered ashore.

Options for interim infrastructure to accommodate larger cruise ships such as Ovation have canvassed use of the existing port berths or Wynyard Wharf. These are operationally constrained by freight priority or health and safety restrictions, and the addition of mooring dolphins or wharf extensions at Queens Wharf, Princes Wharf or Halsey Street Wharf.

A mooring dolphin at Queens Wharf has been endorsed as the optimal interim solution and a resource consent was lodged by Pānuku Development Auckland in October but subsequently put on hold to enable further analysis to be undertaken. The concrete dolphin is proposed to be 75m north of the end of Queens Wharf and was envisaged to be connected to the wharf by a gangway which would provide public access outside of cruise ship use. The consent application will be publically notified.

Preparation of the resource consent has included consultation with key stakeholders including the Waitemata Local Board chair and previous opponents to the Bledisloe Wharf reclamation. Pānuku engaged with its Mana Whenua Forum on a number of occasions during preparation of the consent.

### **Auckland Story (the key output of the Global Auckland Project)**

In early November there was considerable misreporting in media, and misinformation spread through social channels, about the Auckland Story and its key theme (the 'place desired by many') following briefings given to the Mayor and councillors about the outputs of the Global Auckland Project, which ended in October. The report was leaked to the NZ Herald.

The development of the Auckland Story was designed to complement central government's 'New Zealand Story', which is used by MFAT and NZTE for New Zealand businesses, agencies, individuals and organisations looking to reach out to the world. It was signaled for several years through the established CCO reporting and Statement of Intent process. Further discussions on next steps in this project are ongoing.

## **Looking forward**

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

<b>Scheduled event date</b>	<b>Event name</b>	<b>Location</b>
<b>17-20 November 2016</b>	Taste of Auckland	Western Springs
<b>17-22 November 2016</b>	Royal New Zealand Navy 75 <sup>th</sup> Anniversary International Naval Review	Waitemata Harbour and waterfront

Scheduled event date	Event name	Location
20-27 November 2016	WhitewaterXL Auckland Invitational	Vector Wero Whitewater Park
27 November 2016	Farmers Santa Parade	Auckland CBD
12-18 December 2016	FINA World Women's Youth Water Polo Championships	Sir Owen Glenn National Aquatic Centre
14-21 December 2016	Youth Sailing World Championships	Torbay
2-14 January 2017	ASB Classic	ASB Tennis Arena
28-30 January 2017	Tāmaki Herenga Waka Festival	Viaduct Event Centre and Viaduct Basin
3-26 February 2017	Headline Sculpture on the Gulf	Waiheke Island
9-12 Feb 2017	Auckland Lantern Festival	Auckland Domain
17-19 Feb 2017	Auckland Splore Music and Arts Festival	Ta
Feb 2017	Downer NRL Auckland Nines	Eden Park

## Finance

ATEED is tracking \$0.2m behind forecast. The variance is all timing related and is driven by underspend of \$0.2m in Grid AKL offset by \$0.1m of annual leave costs of two employees transferred from Auckland Council.

## Recommendations

1. The report be received.

## Attachments

- ATEED KPI Scorecard

## Signatory

Chief Executive: Brett O'Riley

ATEED KPI Scorecard					Oct-16
ATEED SOI KPIs	Measurement	Date of Measure/latest	Latest Result	Annual Target to 30 June 2017	Status
<b>Building a Culture of Innovation and Entrepreneurship</b>					
No. of businesses taking up tenancy at GridAKL (cumulative) and percentage "innovation-led" <sup>1</sup>	Number & (%)	31-Oct-16	64 (85%)	55 (70%)	●
Number of individual entrepreneurs supported through an ATEED delivered or funded entrepreneurship programme	Number	31-Oct-16	1975	1500	●
Percentage stakeholders satisfied with provision of business advice, start-up, training & mentoring programmes (LTP Measure)	%	30-Jun-16	91	85	●
Number of actively managed business through Regional Business Partner programme	Number	31-Oct-16	334	720	●
No. businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP Measure)	Number	30-Jun-16	4073	1500	●
No. Maori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)	Number	30-Jun-16	157	100	●
<b>Attracting Business and Investment</b>					
Facilitation of the establishment, or significant expansion, of multinational and local companies in target sectors (LTP Measure)	Number	27-Oct-16	3	5	●
Number of intensively account managed customers in ATEED Aftercare programme (Aroha Auckland)	Number	27-Oct-16	85	85	●
Total GDP contribution of deals effected with ATEED involvement	\$(million)	27-Oct-16	255.4	56.7	●
Value of investment deals effected by ATEED within the financial year	\$(million)	27-Oct-16	387	278	●
<b>Growing a Skilled Workforce</b>					
Number of 'live' signatories to the Youth Traction Hub Employers Pledge (LTP Measure)	Number	31-Oct-16	58	50	●
<b>Enabling Education and Talent</b>					
Growth in value of international student spend to Auckland	\$(billion)	30-Jun-16	2.1	1.888	●
<b>Growing the Visitor Economy</b>					
Spend by visitors in Auckland <sup>2</sup>	\$(million)	30-Sep-16	7.370	5.412	●
Number of international business event bids submitted or supported	Number	31-Oct-16	8	35	●
Business event bid win/loss ratio (based on results received in financial year) <sup>4</sup>	%	31-Oct-16	86%	60%	●
Value of business event bids won in financial year	\$(million)	31-Oct-16	18	19	●
Percentage of customers satisfied with visitor information centres and services overall (LTP Measure)	%	31-Oct-16	92.5	85	●
Contribution to regional GDP from major events invested in (LTP measure) <sup>5</sup>	\$(million)	31-Oct-16	3.073	86	●
Percentage of Aucklanders who agree events make Auckland a great place to live (engender pride and sense of place)	%	30-Jun-16	73	80	—
Visitor nights generated by major events invested in <sup>6</sup>	Number	31-Oct-16	25,240	415,000	●
Percentage of customers satisfied with delivered major events (LTP measure)	%	31-Oct-16	92%	85	●
<b>Building Auckland's Brand and Identity</b>					
Total visits to www.aucklandnz.com (LTP Measure)	Number (million)	30-Sep-16	3.1	3.4m	●
<b>Local Economic Development</b>					
Percentage of actions in ATEED Local Board Engagement and Action Plans completed	%	30-Aug-16	86	80	●
<b>Mana Whenua Engagement</b>					
Percentage Mana Whenua satisfaction with quality of engagement	%	31-Oct-16	N/A	Establish baseline	—
<b>Key:</b>					
● On track / Target exceeded		● Off-track			
● Potential for Slippage		— No recent result			
1 Innovation-led is defined as businesses developing new or improved technologies or services					
2 From 2016/17 targets have reset to align with latest Ministry of Business, Innovation and Employment Monthly Regional Tourism Estimates (MRTes)					
4 Calculated as wins divided by wins + losses. Does not account for bids pending, not proceeded with, cancelled or not submitted					
5 Target includes the impact of World Masters Games 2017					
6 Target includes the impact of World Masters Games 2017. Targets for visitor nights generated by major events reflect the targets originally endorsed by council through the Major Events Strategy. It has since become apparent that these targets are low and ATEED aims for significantly higher KPIs internally. Refreshed target will be developed for 2017/18.					

Friday, 25 November 2016



OPEN AGENDA

5. **FINANCE REPORT**

Joy Buckingham, Chief Finance Officer

## Finance Report, October 2016

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

<b>Summary Income Statement</b>								<b>TABLE 1</b>	
<b>For the Period Ended 31 October 2016</b>								\$000's	
Month			Year to Date			Full Year			
Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Last Year		
			<b>Net operational expenses:</b>						
364	320	(44)	1,000	1,068	68	3,767	2,549		
462	480	18	1,443	1,431	(12)	5,759	5,043		
708	740	32	2,126	2,089	(37)	10,577	11,739		
382	402	20	2,733	2,766	33	8,536	7,759		
871	935	64	3,079	3,249	170	11,391	9,838		
724	706	(18)	2,937	2,826	(111)	9,379	9,088		
<b>3,511</b>	<b>3,585</b>	<b>74</b>	<b>13,318</b>	<b>13,429</b>	<b>111</b>	<b>49,408</b>	<b>46,016</b>		
364	366	2	535	535	0	8,015	1,427		
<b>3,875</b>	<b>3,950</b>	<b>75</b>	<b>13,853</b>	<b>13,964</b>	<b>111</b>	<b>57,423</b>	<b>47,443</b>		
			Approved opex funding			55,972	46,856		
			WGM Reserves drawdown			691	0		
			<b>Operating Deficit</b>			<b>(760)</b>	<b>(587)</b>		
			Capex funding			8,407	2,975		
			<b>Surplus</b>			<b>7,647</b>	<b>2,387</b>		

### Key Points

#### Current month's financial results

ATEED is tracking \$0.1m behind forecast. The variance is timing related due to underspend of \$0.2m in Grid AKL offset by \$0.1m of salary related costs.

#### World Master Games

WGM completed a forecast early November, therefore variance for YTD actuals compared to forecast shows a nil balance. WGM remain confident that they will not require additional funding from ATEED.

Total net favourable variance of \$0.1m.

### Business Attraction and Investment

YTD net underspend of \$0.1m against forecast. Timing related underspend for the Film Studio as negotiations were still underway in October.

### Business, Innovation and Skills

YTD net underspend of \$0.2m against forecast due to timing related underspend in professional fees and occupancy compensation costs for GridAKL.

### Corporate

YTD net overspend of \$0.1m due to annual leave costs for employees transferred from parent company.

### Income Statement

Income Statement									TABLE 2
For the Period Ended 31 October 2016									
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
			<b>Operational income</b>						
349	107	242	Funding from Government	781	781	0	2,241	1,742	
235	304	(69)	Sponsorship	290	313	(23)	1,858	1,580	
(4)	11	(15)	Fees & Subscriptions	279	287	(8)	331	446	
274	295	(22)	i-Sites	687	717	(30)	2,219	2,502	
146	76	70	Sundry income	609	551	57	2,223	1,229	
<b>1,000</b>	<b>794</b>	<b>206</b>	<b>Total Operating income</b>	<b>2,646</b>	<b>2,650</b>	<b>(4)</b>	<b>8,871</b>	<b>7,630</b>	
1,673	1,656	(17)	Staff costs	7,083	6,986	(97)	21,530	20,728	
720	756	36	Professional fees, consultancy & contractors	2,188	2,383	195	10,094	7,004	
700	573	(127)	Grants & sponsorships	1,955	1,904	(51)	7,532	8,739	
54	57	3	Depreciation & amortisation	222	219	(3)	779	591	
45	44	(1)	Shared services and lease costs	172	175	2	528	2,141	
231	333	103	Occupancy	846	976	131	3,143	2,599	
116	111	(5)	Travel & entertainment	349	392	43	1,620	1,653	
333	269	(64)	General, admin & other	815	715	(100)	2,215	2,823	
639	578	(61)	Advertising, marketing & research	2,333	2,328	(5)	10,837	7,367	
<b>4,511</b>	<b>4,378</b>	<b>(133)</b>	<b>Total Operating Expenditure</b>	<b>15,964</b>	<b>16,079</b>	<b>115</b>	<b>58,279</b>	<b>53,645</b>	
<b>3,511</b>	<b>3,585</b>	<b>74</b>	<b>ATEED Net deficit</b>	<b>13,318</b>	<b>13,429</b>	<b>111</b>	<b>49,408</b>	<b>46,016</b>	

### Revenue

Overall YTD revenue is on track compared to forecast.

### Expenditure

YTD underspend of \$0.1m.

**Staff Costs Variance, \$0.1m:** Annual leave costs incurred for employees transferred from Auckland Council to ATEED.

**Professional Services Variance, \$0.2m:** Underspend of \$0.1m timing in nature, relating to consultancy fees for future buildings for Grid AKL, and a further \$0.1m across multiple projects.

**Occupancy, \$0.1m:** Underspend due to compensation costs planned but not yet incurred.

**General Admin and Other, \$0.1m:** Overspend due to Customer Relations Management (CRM) support costs higher than planned, coupled with i-Site higher costs of sales.

### Summary of major projects

Summary of Major Projects: Spend and/or (Revenue) > 0.5m								TABLE 3	
For the Period Ended 31 October 2016								\$000's	
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
			<b>Business, Innovation and Skills</b>						
83	83	(0)	New Zealand Food Innovation Auckland	333	333	(0)	1,000	1,015	
202	352	150	Grid AKL	619	861	242	2,863	1,557	
			<b>Major Events</b>						
0	0	0	World Masters Games 2017 leverage	0	0	(0)	947	36	
63	0	(63)	V8 Supercars	69	2	(67)	1,077	2,097	
10	10	(0)	NRL 9s competition	5	10	5	715	2,868	
(8)	0	8	Lions Tour 2017	(4)	3	7	1,388	268	
13	0	(13)	Tāmaki Herenga Waka Festival	8	0	(8)	500	514	
			<b>Total of all Major Events Projects</b>	<b>1,535</b>	<b>1,481</b>	<b>(54)</b>	<b>8,327</b>	<b>9,642</b>	

- GridAKL underspend of \$0.2m due to timing related underspend in consultancy fees for future buildings coupled with the occupancy compensation planned but not yet incurred.
- V8 Supercars underspend of \$0.1m is timing related, due to revised timelines for delivery.

### World Masters Games

World Masters Games 2017 Ltd								TABLE 4	
Summary Income Statement									
For the Period Ended 31 October 2016								\$000's	
Month				Year to Date			Full Year		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Last Year	
576	576	0	Revenue from Activities	2,613	2,613	0	6,794	1,616	
333	333	0	Funding from Government	1,333	1,333	0	3,655	2,625	
0	0	0	Sponsorship	90	90	0	1,208	475	
0	0	0	Sundry income	150	150	0	600	610	
<b>910</b>	<b>910</b>	<b>0</b>	<b>Total Operating income</b>	<b>4,186</b>	<b>4,186</b>	<b>0</b>	<b>12,257</b>	<b>5,326</b>	
			<b>Net Operational costs</b>						
33	314	281	Staff costs	1,214	1,214	0	4,158	2,621	
759	478	(281)	Professional fees, consultancy & contractors	1,556	1,556	0	8,126	1,302	
0	0	0	Grants & sponsorships	745	745	0	2,017	695	
2	4	2	Depreciation & amortisation	16	16	0	9	111	
7	7	0	Occupancy	49	49	0	177	164	
69	69	0	Travel & entertainment	108	108	0	925	267	
210	208	(2)	General, admin & other	620	620	0	3,774	671	
194	194	0	Advertising, marketing & research	403	403	0	1,057	905	
<b>1,274</b>	<b>1,275</b>	<b>1</b>	<b>Total Operating Expenditure</b>	<b>4,721</b>	<b>4,721</b>	<b>0</b>	<b>20,272</b>	<b>6,753</b>	
<b>(364)</b>	<b>(366)</b>	<b>2</b>	<b>Operating surplus/(deficit)</b>	<b>(535)</b>	<b>(535)</b>	<b>0</b>	<b>(8,015)</b>	<b>(1,427)</b>	



- WMG's are forecasting a deficit of \$8m for this year. \$7,3m will be funded by ATEED, and \$0.7m will be drawn down from their existing reserves. In FY 2015, due to accounting statement changes for non-exchange revenue, \$0.7m income was recognised immediately as there was no milestone deliverables and this income is now being utilised in FY17.
- Registration revenue at the end of October is 48% of total whole of program revenue. Management continue to track participant numbers and revenue and remain confident that the both will be achieved.

## Summary Statement of Financial Position

<b>Statement of Financial Position, ATEED Group</b>		
<b>As at 31 October 2016</b>		
<b>TABLE 5</b>	<b>YTD</b>	<b>\$000's Jun-16</b>
<b>Current assets</b>		
Cash and cash equivalents	2,395	2,024
Receivables and prepayments	8,014	10,714
Other current assets, including iSite inventory	44	80
<b>Total current assets</b>	<b>10,453</b>	<b>12,818</b>
<b>Current liabilities</b>		
	<b>10,491</b>	<b>12,448</b>
<b>Working capital</b>	<b>(38)</b>	<b>370</b>
<b>Non-current assets</b>		
Receivables and prepayments (non-current)	689	697
Property, plant and equipment	5,417	5,098
Investment in Joint Venture, The FoodBow I	2,067	2,067
<b>Total con-current assets</b>	<b>8,173</b>	<b>7,862</b>
<b>Non-current liabilities</b>	<b>253</b>	<b>253</b>
<b>NET ASSETS</b>	<b>7,882</b>	<b>7,979</b>
<b>EQUITY</b>	<b>7,882</b>	<b>7,979</b>
<b>Capex spend</b>	<b>551</b>	<b>Annual Plan Bud \$7.8m</b>
<b>Total commitments</b>	<b>\$25m</b>	<b>\$29.5m</b>

- Receivables and prepayments: Decrease of \$2.7m mainly due to intercompany settlement and cash sweeps.
- Current liabilities lower due to large accruals raised at year end for Grid AKL capex but paid in the current year.

## Recommendation

It is recommended that the Board note the Finance Report for the period 31 October 2016.

## Signatories

Manager: Avika Singh, Finance Manager

GM: Joy Buckingham, Chief Financial Officer