

Auckland Tourism, Events and Economic Development

Quarter 1 Performance Report

For the period ending 30 September 2020

This report outlines the key performance of Auckland Tourism, Events & Economic Development, which includes economic development and visitor economy-related activities and investments

ATEED Q1 summary

Highlights, issues and risks as at the end of Q1

Highlights:

- Auckland Council's Governing Body met in late August and recommended approving the proposed **merger between ATEED and RFA**. The process to merge ATEED and RFA has the target 'go-live' date for 1 December.
- The ATEED-produced **Auckland's Future, Now** event on 5th August brought together more than 200 business leaders from across the region to share insights, and help shape what the economic future will be for Auckland. ATEED has identified five themes and recommended actions with opportunity to boost the city's recovery.
- Auckland Council's Emergency Budget was formally signed off at the end of July. The decision taken by the Governing Body confirmed the **suspension of the Accommodation Provider Targeted Rate**, which meant that ATEED's funding envelope reduced by \$10.7m in FY20/21.
- In July, Government increased the **COVID-19 funding** available to Auckland businesses by \$16.4m, including \$3.87m ring fenced for tourism businesses.

Financials (\$m)	YTD actual	YTD budget	Actual vs Budget
Capital delivery	0.0	0.1	-0.1
Direct revenue	8.4	6.9	1.5
Direct expenditure	15.9	19.0	3.1
Net direct expenditure	7.5	12.1	4.6

Financial Commentary

- **Capital delivery:** No reportable activity.
- **Direct revenue:** Increased revenue due to commencement of new leases.
- **Direct expenditure:** Reduced expenditure with ATEED taking a fixed cost approach due to COVID-19.

LTP Key performance indicators <i>(Refer to page 7 for complete list and detailed commentary)</i>	2019/20 Q4 - Result	Status Last Quarter	FY 20 Quarter 1			
			Actual	Target	Status	Commentary
KPI -3 - The contribution to regional GDP from major events and business events attracted or supported ¹	\$33.7m	Not Met	N/A (Not measured in Q1)	\$66.5m - original target \$25m - Targets Revised in Q1-2020 ²	N/A (Not measured in Q1)	Measured twice a year with results available in Q2 and Q4 only.
KPI-5 - Number of visitor nights resulting from an ATEED intervention	244,249	Not Met	N/A (Not measured in Q1)	435,000 – original target 125,000 Revised ¹	N/A (Not measured in Q1)	Measured twice a year with results available in Q2 and Q4 only.
KPI -7 Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention	4,315	Met	3,876	3,000	Met	YTD results have already exceeded the yearly target due to the increased demand for RBP due to Covid-19.
KPI -8 Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention	333	Met	361	120	Met	YTD results have already exceeded the yearly target due to the increased demand for RBP due to Covid -19.

¹ KPI 1 and 2 are measured twice a year with results available in Q2 and Q4 only.

² Targets were originally set in 2018 and have been revised down to reflect the impact of Covid-19 on international travel, the subsequent suspension of the APTR and the impact of the delay in the opening of the NZICC. The revised targets are based on the assumption that international borders will not open in full for the duration of FY 2020/21

Strategic focus area – Economic Development

Key commentary	Strategic context
<p>For the 3 months to 30 September 2020, total net direct expenditure of \$3.5m was spent on Economic Development against a budget of \$4.5m (including associated operational support costs and excluding depreciation and divestment). Highlights:</p> <ul style="list-style-type: none"> • Launch of the COVID-19 dashboard which showcases 14 metrics across 9 topics that visualises the COVID-19 situation in Auckland as it unfolds. It is publicly available on the Auckland Index through the ATEED website. • The global release of Disney's Mulan film was on 4 September via streaming on Disney+. ATEED ran a marketing campaign targeting priority screen industry audiences and decision makers to highlight Auckland's role (<i>Mulan</i> was mostly filmed at Kumeu Film Studios) and promote Auckland as a screen production destination. 	<p>ATEED's Economic Development division supports the growth of quality jobs. The division does this by working with industry across business support, business, talent and investment attraction, workforce and sector development. The Covid-19 response focussed on SMEs support, plus convening various sectors to develop a recovery plan for Auckland. The health of the economy reinforces Auckland as a destination creating international links and driving international investment.</p>

Key programme	Description	Outlook
Skills and workforce	Working with employers and the Government to better understand key skill challenges and workforce development needs and enable business to attract the right talent. Partner to develop pathways for high-value industries.	The Auckland Smart Move high skilled talent marketing platform was reactivated post the Covid-19 lockdown. The LinkedIn channel carries content on Auckland as place for talent (once borders open) targeting tech and construction talent. Brinks Chicken, the second pilot delivery partner of the Future of Work (RoVE) project has been approved in order to deliver training to employees in work at risk of automation, including delivery on site.
Investment attraction and international partnerships	Attracting high-value business and investment to the city to maximise economic opportunities associated with infrastructure investment for long-term impacts at a local and regional level.	The Q1 Investment team contributed to 4 deals valued at total of \$503.5m. ATEED is supporting Auckland Council's recommendation to renew the Tripartite Economic Alliance MoU with Los Angeles and Guangzhou for a further two years. The Drury Land Use Project is an employment study to support the creation of jobs around new major developments in the Drury area. An RFP process completed and the preferred tenderer (one of three) appointed early-October, the report is due before end of Q2.
Screen Auckland	Screen infrastructure, attraction, facilitation and strategy	Screen production is very busy with 236 film permits issued and 223 enquiries. Major productions from Amazon Studios and Netflix recommenced shooting in late September. Implementation of the high-speed network at Auckland Film Studios is delayed due to second lockdown. The updated film location gallery on ATEED's website went live in Q1. The annual event, Big Screen Symposium, will now take place 9-10 October, sponsored by ATEED.
Local economic development	Providing guidance to support local initiatives and focusing future investment on enhancing economic outcomes for south and west Auckland.	In response to ATEED's 'building from the neighborhood up' pillar, nine workshops were held in Q1 with stakeholders to gather feedback and inform ATEED's future approach to local economic development. A Local Economy Recovery Analysis Tool has been developed and will provide regular reporting monthly on economic activity dynamics at the neighbourhood level.
Innovation	Supporting innovation. Leveraging ATEED's role to grow Auckland's innovation ecosystem, including the ongoing development of GridAKL.	GridAKL Q1 stats - 135 resident businesses, 764 individuals; and 86 events have been hosted, with 4,887 attendees (YTD). More than 40 mentors are registered to the ON Entrepreneurship programme which will create a network of businesses, individual leaders, and talented students. A 'Lunch with an Entrepreneur' session was held on 7 August with 45 participating students. The circular economy XLabs marketing campaign completed during Q1.
Business growth	An enhanced focus on existing small businesses, raising their capability, encouraging business networking, connecting them to talent and facilitating access to export markets.	Q1: 3,293 NZTE capability and COVID-19 vouchers issued worth \$10.2m. An ATEED team of up to 55 people (redeployed from other teams) continued to deliver the Government's COVID-19 Business Advisory Fund and the Tourism Transition Fund. Since 23 March, 7,084 Auckland businesses registered on the RBP platform.

Strategic focus area – Destination

Key commentary

For the 3 months to 30 September 2020, total net direct expenditure of \$4.0m was spent on Destination against a budget of \$7.6m (including associated operational support costs and excluding depreciation and divestment). Highlights:

- MBIE has confirmed that ATEED will receive **\$1 million** in funding via **the Strategic Tourism Assets Protection Programme**. This funding will contribute to the delivery of some of the urgent actions outlined in the Destination AKL Recovery Plan.
- In addition, it was confirmed in September that Auckland and Northland will receive **\$19 million** from the Government's new **Regional Events Fund** to boost domestic tourism through investment in the New Zealand events sector.
- Since changing focus after the pandemic hit, **Go With Tourism** has helped 700+ displaced sector workers find alternative employment. This brings the number of people assisted into employment since GWT's initial launch to over 1210. To date, 70 individuals have entered placements through the "Pledge a Placement" programme. GWT also launched *The Itinerary* in July. *The Itinerary* is a weekly live show (via Facebook) with the aim of educating and inspiring tourism workers, tourism students, and anyone looking at entering a career in tourism whilst breaking misinformed/unproductive perceptions about the tourism industry.

Strategic context

In normal times, the Destination division supports the sustainable growth of Auckland's visitor economy, so that the region is better off economically, socially and environmentally. Post Covid-19 the division is focused on efforts to support the visitor economy's recovery and subsequently the Destination AKL Recovery Plan across our tourism, major events, business events and international education activity was developed. This highlight's Auckland's visitor economy being an important part of the city's wider economy.

Key programme	Description	Outlook
Tourism	ATEED's Tourism team has two key areas of focus: leading and partnering in destination marketing and advocating or co-ordinating in destination management.	ATEED has partnered with Tourism New Zealand on their Do something new, New Zealand campaign, which is focused on getting Aucklanders to participate in the tourism economy by doing something new in their own region. The campaign went live in September and will run through until early October. In addition, an ATEED led campaign <i>DearNZloveAKL</i> went live on 2 October, with a soft launch on social media encouraging Aucklanders to invite their friends and family to reconnect in Auckland and rediscover the region. The <i>Nau Mai, get to know my Auckland</i> series went live in September on NZME's radio platforms followed by digital, social, and print until the end of October. The campaign encourages visitors to discover our region's hidden gems as highlighted by Aucklanders and well-known personalities.
Business Events	Sales and marketing activity to grow the value and volume of business events in Auckland, and position Auckland as a premium business destination.	ACB's business events opportunities supported this FY has resulted in 18 wins, with a future total tourism spend of \$3.7m generating 9,304 visitor nights from a total of 3,571 attendees. ACB are currently discussing 72 Active Potential with an estimated combined tourism spend of \$145m. A total of 11 opportunities have been supported YTD, with a tourism spend value of \$367k with 1,316 attendees and 560 visitor nights.
Major Events	ATEED intervenes in the events landscape through strategic influencing, investment in major events, production, activation, leverage and marketing.	Elemental AKL returns in spring to showcase arts, eats and beats across Tāmaki Makaurau. Elemental AKL will bring together a diverse programme of more than 30 events from 1-31 October. Promotion of the Elemental AKL festival is rolling out across key drive and fly markets. The Diwali Festival is to be delivered via a community-based programme held in multiple locations across the Auckland region over a three-week period from 27 October. The 2020 City of Auckland Rally is planned for 14 November, including stages that were initially planned for the World Rally Championship event. Pasifika Festival will take place 12-13 March 2021 at the Western Springs Park and Outer Sports Fields. A festival refresh has been developed to grow the festival further.
International student attraction and retention	Growing Auckland's reputation as an innovative international education hub through ensuring students access high-value tourism services and experiences.	The Study Auckland team secured \$100,000 from The University of Auckland to develop a Virtual Internship Project, which was delivered for 100 students in July. Students worked in groups of 6-8 to help local businesses tackle current challenges. The team has partnered with Northland Inc to co-design a new student friendly digital platform and campaign to promote learning, tourism and volunteer activities in Auckland over summer to showcase New Zealand's unique travel experiences and retain the 20,000 international students that are presently in Auckland, so they consider re-enrolling in Auckland for 2021 and beyond.

Other Statement of Intent focus areas

Auckland 2021

The arrival of COVID-19 has caused ATEED to press pause on a number of programmes, and shift focus on a year still set to be like no other. 2021 will be full of opportunities for economic recovery, there will be an emphasis on domestic visitation for events such as the 36th America's Cup (AC36). Leverage opportunities from major events in Auckland will be worked into the 2021 programme and scenario planning is already in place for the year. During September, the AC36 microsite was unveiled on the ATEED website, as a place for Auckland businesses to plan for and leverage the Cup, including a suite of tailored resources. The site also provides targeted information for Aucklanders and visitors about the three events from December to March. Auckland's newest summer highlight, Summernova, was announced during the quarter and is designed to wrap around the Cup and ensure everyone can get involved. From December to March, events and activations across the region will be popping up and will make Auckland an attractive place for domestic visitors and Aucklanders.

Auckland investment story: Invest AKL

Investable opportunities from the tech, infrastructure and green economy sectors are now available on the Invest Auckland website. These along with economic commentary articles outlining Auckland's economic recovery and successful management of COVID-19 create content to showcase Auckland as an investment destination overseas. Content will be used by CCOs and other government agencies / NZInc partners and showcased through ATEED channels.

A Customer Journey mapping workshop and offshore investor research are part of the foundational work for Invest Auckland audiences. External digital agency Alpherio are collating outputs and delivering the Customer Journey Map, digital content, and channel plan recommendations at a follow up presentation in Q2.

Local Board engagement

The local Board Locally Driven Initiatives work programme was approved by local boards in August 2021. ATEED has subsequently commenced the implementation of the ATEED LDI work programme on behalf of local boards.

South and West Regeneration

The south and west Auckland Prosperity project delivered dense data diagnostic on the impact of COVID-19 on Māori and Pacific peoples. During Q1, this data has been developed into a communications narrative, ready for stakeholder engagement and actions from Q2.

Contribution towards Māori outcomes

Māori Outcomes – AKL 2021

1. During Q1, detailed activity plans were developed for AC36 leverage opportunities that will deliver Māori economic outcomes.
2. Continued focus on integrating Māori design principles into 2021 activity, including in the AC36 Race Village and marketing collateral.
3. Continued to identify and share procurement opportunities for Māori businesses via the AC36 event.
4. The Eastern Viaduct decals project was completed at the end of Q1.

Māori business

1. As at 30 September, 212 vouchers were issued to Māori via the COVID-19 RBPN fund.
2. In Q1, working with nine partners, ATEED delivered all ten of the Māori Collab webinar series which connects Māori businesses with services and support.

Climate Change and Sustainability

ATEED's Climate Change and Sustainability report is being finalised, detailing the approach the organisation has taken in FY2019/20. This is expected to be published in October.

As part of the business planning process, all projects in ATEED are required to complete a worksheet that has been designed to help project owners include climate change and sustainability considerations in their project. This worksheet includes questions on emissions impacts and mitigation, climate change physical impacts and adaptation, impacts on sustainability, and how ATEED works with stakeholders and partners. We are in the early stages of development and we are continuing to explore how we could develop the best practices to document this information.

Two of ATEED's programme proposals – 'Climate innovation hub' and 'Moving towards a more resilient & regenerative economy' – were presented to the Finance and Performance Committee at Auckland Council to seek funding under the Long-Term Plan (LTP). The team is currently waiting for further instruction of the next steps regarding LTP.

In September, the Climate Innovation and Sustainability team presented to the Waitemata Local Board on ATEED's activities on climate change and sustainability and to identify areas of alignment to the local board plan.

ATEED's Greenhouse Gas (GHG) emissions have been measured and verified by Toitū Envirocare for the first time this year, making FY 19/20 ATEED's base year. Travel and transport make up the largest portion of ATEED's FY19/20 total emissions sources followed by electricity. ATEED will not be offsetting its emissions this year but have developed a high-level reduction plan.

ATEED Q1 financials

Direct operating performance

(\$ million)	Notes	FY 20	FY 21 Quarter 1 YTD			FY 21
		Actual	Actual	Budget	Variance	Budget
Net direct expenditure	A	40.9	7.5	12.1	4.6	57.0
Direct revenue	B	28.0	8.4	6.9	1.5	26.8
Fees & user charges		0.5	0.1	0.1	0.0	0.5
Operating grants and subsidies		5.7	3.3	1.7	1.6	9.0
Other direct revenue		21.8	5.0	5.1	-0.1	17.3
Direct expenditure		68.9	15.9	19.0	3.1	83.8
Employee benefits	C	23.9	6.3	6.8	0.5	23.9
Grants, contributions & sponsorship	D	7.3	0.9	2.4	1.5	10.3
Other direct expenditure	E	37.7	8.7	9.8	1.1	49.6
Other key operating lines						
AC operating funding		40.9	7.5	12.1	-4.6	57.0
AC capital funding		0.0	0.0	0.1	-0.1	0.2
Vested assets		0.0	0.0	0.0	0.0	0.0
Depreciation		3.0	0.7	0.7	0.0	3.0
Divestment of other assets		0.0	0.0	0.0	0.0	0.0
Net interest expense		0.0	0.0	0.0	0.0	0.0

Financial Commentary

A: Net Direct Expenditure variance to Budget for Q1 YTD with ATEED taking a tighter cost approach due to COVID-19.

B: Increase in operating grants & subsidies due to receiving additional external funding from Government in relation to COVID-19.

C: Lower Staff Costs relates to timing of recruitment and various unfilled positions being put on hold.

D: Underspend of expenditure due to reprioritisation and rephasing of activities to focus on recovery activities across ATEED workstreams.

E: Underspend of expenditure due to reprioritisation and rephasing of activities to focus on recovery activities across ATEED workstreams.

ATEED Q1 performance measures

Out of a total of 10 KPIs, 3 KPIs have been met, 3 are new KPIs for which results are not available, 4 KPIs are not measured in Q1 so results are not available.

LTP Key performance indicators	2019/20 Q4 -Result	Status Last Quarter	FY 20 Quarter 1			
			Actual	Target	Status	Commentary
Driving Investment into Tāmaki Makaurau Auckland						
KPI-1 Value of central government investment into Auckland facilitated by ATEED ³	New KPI	New KPI	\$11.2m	\$20m	Met	Result to date reflects \$10.2m of COVID-19 vouchers through RBP programme plus \$1m through the STAP programme
KPI-2- Attributable value of private sector investment secured over the year	\$403m	New KPI	N/A (Not measured in Q1)	\$100m	N/A (Not measured in Q1)	YTD results available at the end of Q2
KPI -3 - The contribution to regional GDP from major events and business events attracted or supported (LTP measure)	\$33.7m	Not Met	N/A (Not measured in Q1)	\$66.5m - original target \$25m - Targets Revised in Q1- 2020 ⁴	N/A (Not measured in Q1)	Measured twice a year with results available in Q2 and Q4 only
Rebuilding the regional economy from the neighbourhood up						
KPI-4 Local board satisfaction with the way ATEED has engaged with local boards on work in their area ⁵	New KPI	New KPI	N/A (New KPI)	35%	N/A (New KPI)	Auckland Council to confirm timing of next Elected Members survey
Showcasing a vibrant and resilient Tāmaki Makaurau Auckland						
KPI-5 - Number of visitor nights resulting from an ATEED intervention (LTP measure)	244,249	Not Met	N/A (Not measured in Q1)	435,000 – original target 125,000 Revised ¹	N/A (Not measured in Q1)	Measured twice a year with results available in Q2 and Q4 only
KPI-6 - Uptake of Auckland Play-Book and associated brand assets from aucklandnz.com brand hub	New KPI	New KPI	N/A (New KPI)	Benchmark to be set	N/A (New KPI)	Benchmark will be set at the end of FY2020/21

³ Includes contracted central government grants and funding directly to ATEED, administered by ATEED and directly to activity facilitated by ATEED in the year that it occurs

⁴ Targets were originally set in 2018 and have been revised down to reflect the impact of Covid-19 on international travel, the subsequent suspension of the APTR and the impact of the delay in the opening of the NZICC. The revised targets are based on the assumption that international borders will not open in full for the duration of FY 2020/21

⁵ Based on results from Auckland Council Survey of Elected Members

LTP Key performance indicators	2019/20 Q4 - Result	Status Last Quarter	FY 20 Quarter 1			
			Actual	Target	Status	Commentary
Supporting businesses to innovate and thrive						
KPI -7 Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention	4,315	Met	3,876	3,000	Met	YTD results have already exceeded the yearly target due to the increased demand for RBP due to Covid-19.
KPI -8 Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention	333	Met	361	120	Met	YTD results have already exceeded the yearly target due to the increased demand for RBP due to Covid -19.
KPI- 9 Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED	66%	Not Met	N/A (Not measured in Q1)	85%	N/A (Not measured in Q1)	Measured twice a year with results available in Q2 and Q4 only.
Climate change and sustainability						
KPI -10 ATEED delivered events (Diwali, Lantern, Pasifika and Tamaki Herenga Waka Festivals) <ul style="list-style-type: none"> • Diversion of landfill waste • No. events achieve Carbon Zero 	New KPI	New KPI	N/A no events held in Q1	<ul style="list-style-type: none"> • 70% • 1/4 	N/A no event held in Q1	No ATEED delivered events held over Q1