



# Annual Report

For the year ended 30 June 2020



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*View of Sky Tower  
from Wynyard Quarter*

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*Front cover image:  
Tāmaki Herenga Waka  
Festival 2020*

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Elemental AKL winter  
festival



WINTER MARKET  
CAFE  
ICE CREAM BAR  
Aotea Square  
5-28 Nov. daily  
aotearoa.gov.nz

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## ATEED DELIVERS FOR AUCKLAND

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**\$214m**

direct contribution to regional GDP from activity secured during the year

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More than a  
**million**

views worldwide of *Papatuanuku is breathing* video

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Launched **Invest Auckland**, digital platform targeting potential international investors

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**333**

Maori businesses through an ATEED programme or benefited from an ATEED intervention

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**73**

business event opportunities won for Auckland forecast to generate 50,000+ visitor nights

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**Toitu**

enviromark Gold certification achieved

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**3000+**

businesses assisted to access Government COVID-19 Business Advisory Fund

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Agreements signed with Amazon and Netflix for significant screen production projects in Auckland

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**65+** events and 120+ eateries across inaugural *Elemental AKL* Winter Festival

## Statement from the Chair



ATEED's role as a regional economic development agency is more important now than ever, as we play a major part in helping Auckland – the country's economic powerhouse – emerge from the damage wrought by the COVID-19 pandemic during the financial year's final quarter.

While the short term will continue to pose major challenges and some economic effects have not yet been fully felt, ATEED has identified significant medium and long-term opportunities for Auckland that our organisation is already pursuing.

Our close work with industry means we fully understood the pain felt by businesses of all sizes across our region during the crisis, and we contributed significantly to a collective effort to support individual businesses and key industries.

But we must now look forward with a shared vision of what it will take to recover strongly. We are working with our regional and national partners – including business and industry bodies, and central government – on a collaborative and balanced approach to economic recovery that will drive prosperity and job opportunities for all Aucklanders.

With the dial shifted permanently, we are clear in the key elements of our role for the foreseeable future: driving investment into Auckland; helping our region's rebuild from the neighborhood up; showcasing a culturally and creatively vibrant and resilient Tāmaki Makaurau Auckland in a world of uncertainty; and supporting businesses to innovate and thrive, to meet new challenges with fresh ideas and solutions.

We have developed an ATEED recovery plan which incorporates specific plans developed in partnership with industry for our economic development and destination divisions. These are living documents which guide an urgent and unified response with clear actions to be delivered. We believe they will support Auckland's re-emergence as a more sustainable economy.

But amid the aftermath of COVID-19, it's important to not lose sight of the value we delivered for Aucklanders in the first three quarters of the 2019/20 year. The Statement from Chief Executive Nick Hill and the narrative content that follows outline our achievements in detail.

Despite the uncertainties COVID-19 means for planning 2021, the year still presents significant opportunities as Auckland's biggest major events year and can play a critical part in our region's economic recovery. The 2021 planning work is aligned with other areas of ATEED's recovery planning to ensure the impacts as well as opportunities for the 2021 programme are clear.

Finally, I would like to acknowledge former long-serving ATEED Directors Helen Robinson and Danny Chan, whose terms finished during the reporting period. Each made substantial contributions to the organisation and Auckland. Carol Cheng, Ziena Jalil, and Dan Te Whenua Walker became directors this year – each bringing unique strengths to a Board that is passionate about guiding ATEED's critical mandate to help drive Auckland's future prosperity.

Collectively, we are proud to present ATEED's annual report for 2019/20.

A handwritten signature in black ink, appearing to read 'Mark Franklin'. The signature is fluid and cursive, written over a light grey background.

**Mark Franklin**

ATEED Chair

## Statement from the Chief Executive



The hallmarks of successful organisations include an ability to adapt to significant sudden change, to think outside the square, and to focus on solutions. They are built on a collective determination to work towards clear goals.

For ATEED and many other organisations across New Zealand and internationally, this was an incredibly challenging year. Our *Statement of Service Performance* near the end of this report tells a compelling story. It captures the year's great highs, and reflects our revised priorities in response to the final quarter's COVID-19 crisis low point. It also outlines the pandemic's impact on some of our results – and is ultimately testament to our commitment and value to the Auckland region.

This year, our interventions as an organisation made an estimated \$214 million contribution to Auckland's regional GDP – the vast proportion of that prior to COVID-19's effects. The result is a massive increase on the \$103m benchmark measure created last year.

A significant proportion of this year's economic injection came from our efforts to attract screen production projects to Auckland. In September 2019, renowned global companies Amazon Studios and Netflix gave Auckland a huge vote of confidence by announcing they were basing major screen productions here – recognising our region's emergence as a world-class creative city. ATEED played a key role in landing those productions for New Zealand which are expected to deliver a massive long-term economic injection and provide many hundreds of jobs. We signed agreements with each company for their studio requirements – with Amazon confirming the first two seasons of its series will be based in Auckland.

Our investment team also secured a range of other business and investment deals for Auckland. Investment attraction will be absolutely crucial in supporting Auckland's emergence from COVID-19. New Zealand's strong response to the crisis has put Auckland on the radar of serious international investors and we are pushing hard to secure that capital for sectors such as food and beverage manufacturing, technology, creative industries and health tech.

This year, we established strong cross-Council collaboration to ensure the various CCOs and units within Auckland Council itself which have investible projects are all on the same page and we tell a united story internationally to potential investors.

Prior to COVID-19, we had a number of fruitful engagements with inbound investment groups from a range of countries, and also took part in showcasing investible Auckland opportunities during trade missions to Japan and China.

That work was boosted by the launch of the Invest Auckland micro website in early April, which is hosted on [aucklandnz.com](http://aucklandnz.com) and links investible opportunities in key sectors to potential investors as well as providing success stories and resources.

We made great progress in developing a 10-year strategy for the development of region's creative industries. ATEED has maintained the strong engagement with industry, established in the initial development of the strategy, to understand the impact of COVID-19 and ensure the developing strategy supports both the recovery and longer term development of the industries.

The growth of the region's screen production industry as a result of our attraction efforts also made it the largest contributor to a pleasing increase in another key ATEED target – the estimated number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention. The estimated 2524 jobs was a significant increase on the benchmark measure from 2018/19 of 1280.

Our principle of kotahitanga (one shared purpose) saw us formalise the natural geographical and economic bonds between Te Tai Tokerau Northland and Auckland with a new agreement between ATEED and Northland Inc. – our northern neighbour's economic development agency.

The agreement will underpin a mutually beneficial working partnership into the future, extending existing collaboration across industries such as tourism towards the shared aspirations in growing employment and prosperity, Māori economic development, innovation and investment attraction and ultimately strong post-COVID-19 recovery. Auckland and Whangarei will also co-host Rugby World Cup 2021.

I am incredibly proud of the help we provided to a staggering number of businesses this year, with the majority of them assisted during the onset of COVID-19. The 4315 companies that went through an ATEED programme or benefited from an ATEED intervention is more than 30% above our target.

We assisted more than 3,000 small to medium sized businesses to access the Government's COVID-19 Business Advisory Fund through our role as the Auckland Regional Business Partner Network programme provider. The funding and advice helped business owners navigate through the crisis.

To ensure we had the resources to meet the immediate needs of struggling businesses, we re-allocated staff from other teams into key support roles. Our Go with Tourism team also shifted focus, providing support and assistance for displaced tourism workers and businesses.

We helped bring together key leaders from the health, economic and social wellbeing sectors to form the Mayor's Business Advisory Panel and enable multi-disciplinary decisions to be taken in the context of COVID-19. We were secretariat to the panel.

We have continued to showcase Tāmaki Makaurau, help transform our region and bring enduring benefits for Mana Whenua and Māori. At the fore, guided by ngā mana whenua o Tāmaki Makaurau, has been setting up a programme which focusses on creating opportunities for Māori during 2021 and beyond. In collaboration with RFA and Panuku, we supported mana whenua to investigate options for a stronger cultural and commercial footprint across Tāmaki Makaurau through the completion of a feasibility study for a Māori cultural centre.

We have significantly increased our Māori capability through dedicated roles: Māori Business Advisor, Māori Growth Specialist, Whaariki Project Manager and four 2021 Māori Outcomes roles. The Whaariki Tāmaki Makaurau Business Network continues to grow strongly, both through its membership and a new kaitiaki structure.

Of course the travel restrictions and health measures required by the COVID-19 pandemic swiftly had significant impacts across our major and business events work. The much-loved Pasifika and Lantern cultural festivals we deliver were cancelled along with a range of other events – including the inaugural World Surf League Piha Pro, and April's Supercars – in the portfolio we invest in on behalf of Council. However, bright notes emerged in the events space too, including the successful move of the Auckland Art Fair to a digital format to allow it to take place.

A number of significant business events that ATEED had helped attract to Auckland were cancelled or postponed too as a result of COVID-19, including the World Veterinary Association Congress and the WONCA Asia Pacific Regional Conference resulting in the loss of significant bednights and expenditure to the Auckland economy.

Overall, the major and business events we attracted or supported made a GDP contribution of \$33.7m, which was below target. The number of new visitor nights we achieved for Auckland was 244,249 – again below target. We had a strong portfolio in place for the year, and the primary reason for not achieving the two events-related targets was the COVID-19 major and business event cancellations.

But the work we did and are still doing with the wider industry to re-schedule major and business events, and keep successfully attracting events for the years ahead – including key matches in FIFA Women's World Cup 2023, with the New Zealand-Australia joint bid win announced just before year end – demonstrated the strong relationships we have with a range of key partners and our ability to focus on innovative solutions.

We produced a video that reflected on the beauty and stillness of Tāmaki Makaurau Auckland during lockdown. Viewed more than a million times across different platforms, *Papatūānuku is breathing* resonated with New Zealanders and the global community at a time of confusion and concern.

Due to the impacts of border and domestic travel restrictions on visitor arrivals, the ATEED Board recommended that Council waive the Accommodation Providers' Targeted Rate (APTR) for the final quarter of the 2019/20 financial year and for most of the year ahead – providing significant financial relief to the commercial accommodation industry.



For ATEED, that will mean the loss of about a quarter of our 2020/21 budget which caused us to review costs and make substantial savings across the business. We are re-balancing our entire portfolio of activity, including tourism, major and business events and international education (which were substantially funded by the APTR) and other economic development activity.

Throughout the year, we played a central role in Auckland's journey towards hosting key elements of the 36<sup>th</sup> America's Cup (AC36) in 2021. We moved to a focus on AC36 event delivery and leverage and legacy, with Council's cup programme office and budget moving to ATEED.

Our commitment as an organisation to Council's sustainability and climate change aspirations saw us receive in July 2019 the globally recognised Toitū enviromark® Gold certification, awarded by Toitū Envirocare – which is the leading provider of environmental certification in New Zealand. We attained Toitū enviromark® Gold after developing and implementing an organisation-wide Environmental Management System (EMS) in parallel with our ongoing commitment to internal sustainability practises. Holding enviromark® Gold accreditation means we can credibly lead initiatives which are driving sustainable outcomes for the region across many industries. This year we worked on attaining Diamond accreditation.

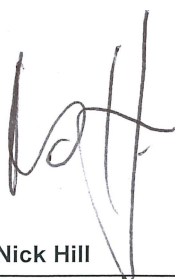
We are also supporting Council's development of the Auckland Climate Action Plan as part of an integrated approach to climate change.

A spatial focus on Auckland's south and west – areas which have not shared equally in the region's economic growth in recent years – is a priority for Council and ATEED is mandated to help drive the economic development elements as part of a Council group-wide approach.

This year, a range of initiatives took shape, including the development of a *South and West youth employment strategy*, skills programmes in the screen industry's west heartland, and a Tāmaki Land Use Study with the Tāmaki Regeneration Company that will inform the commercial and industrial development of that area, and the related generation of quality local jobs.

This work will be paramount as we ensure all parts of Auckland share appropriately in the region's economic recovery.

I am proud of the way ATEED finished the 2019/20 reporting year as a strong business which is totally clear about its priorities and what it needs to deliver for Aucklanders and of the agility with which we repositioned ourselves to cope with the consequences of the COVID-19 pandemic.



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Nick Hill

Chief Executive

## Directors' report

The Board of Directors has pleasure in presenting the annual report of Auckland Tourism, Events and Economic Development Limited, incorporating the financial statements, statement of service performance and the auditors' report, for the year ended 30 June 2020.

The Annual Report was authorised for issue by the board of ATEED on 21 September 2020. Neither Auckland Council nor ATEED Board has the power to amend the financial statements once adopted.



A handwritten signature in black ink, consisting of stylized, overlapping letters.

**Mark Franklin**  
Chair



A handwritten signature in black ink, featuring a prominent horizontal stroke and a vertical stroke intersecting it.

**Stuart McCutcheon**  
Director

## Independent Auditor's Report

### To the readers of Auckland Tourism, Events and Economic Development Limited's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Auckland Tourism, Events and Economic Development Limited (the company). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

### Opinion

We have audited:

- the financial statements of the company on pages 22 to 53, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 54 to 62.

In our opinion:

- the financial statements of the company on pages 22 to 53, which have been prepared on a disestablishment basis:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2020; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information of the company on pages 54 to 62, presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

Our audit was completed on 21 September 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to

the financial statements and the performance information, we comment on other information, and we explain our independence.

## **Emphasis of matters**

Without modifying our opinion, we draw your attention to the following disclosures.

### ***The financial statements have been appropriately prepared on a disestablishment basis***

Note 2.1 on page 29 and note 24 on page 49 of the financial statements, outline that the financial statements have been prepared on a disestablishment basis. We consider the disestablishment basis to be appropriate because the company will be deregistered with effect from 1 December 2020 as a result of being amalgamated with Regional Facilities Auckland Limited.

### ***Impact of Covid-19***

Note 3.5 on page 36 of the financial statements explains the impact of the Covid-19 pandemic on the company.

## **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of the Board of Directors for the financial statements and the performance information**

The Board of Directors is responsible on behalf of the company for preparing financial statements on a disestablishment basis that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. If the Board of Directors concludes that a going concern basis of accounting is

inappropriate, the Board of Directors is responsible for preparing financial statements and performance information on a disestablishment basis and making appropriate disclosures.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the disestablishment basis by the Board of Directors.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial

statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 10, pages 15 to 21 and page 63 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.



David Walker  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand



# Highlights

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2019 / 2020

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# Economic Development

**ATEED has a key role to play in supporting business and investment attraction, business growth, innovation and skills across the region. This year, the announcements of major new international screen productions ATEED helped secure for Auckland highlighted investment attraction activities; a range of skills and talent programmes were developed or expanded; the GridAKL innovation precinct was the fulcrum of the region's thriving innovation ecosystem; and the huge amount of work ATEED did to support small businesses impacted by COVID-19 aptly demonstrated the value the organisation delivers alongside a range of public and private sector partners.**

## Screen investment attraction

The September 2019 announcement that Auckland was going to be the main production base for Amazon Studios' television series based on *The Lord of the Rings* – which is expected to be the world's most expensive television series ever – was a huge milestone for the region's screen industry, and the culmination of nearly a year's work by a dedicated ATEED project team in collaboration with the wider Council group, the New Zealand Film Commission and the Ministry of Business, Innovation and Employment (MBIE).

ATEED's focus was on ensuring Auckland could meet Amazon's studio production needs for season one and beyond, and this required coordination of multiple sound stages and office and workshop spaces. On behalf of Council, ATEED signed a licencing agreement which sets out the relationship between Amazon and the region.



Season one of Amazon's series commenced filming in February 2020, before the production went into hiatus due to the disruption of COVID-19. Amazon's choice of Auckland followed an earlier announcement that global content-producing giant Netflix had chosen to shoot the first season of its live action series *Cowboy Bebop* at a newly developed studio in East Tamaki. Again, ATEED had spent months working on facilitating Netflix's arrival. At the time it was announced, *Cowboy Bebop* was the largest budget television production to ever come to New Zealand.

The production built sets in the studio and began principal photography there and on location, with its studio licence in place for two years.

ATEED is ensuring Auckland fully leverages the tremendous opportunities having Amazon and Netflix productions based here brings for our world-class creative industry, and also working with industry to make sure Auckland has the skilled workers needed to service current and future productions.

The major new projects in addition to a range of domestic and other international productions, take our region's screen production and post-production industry – which already earned a billion dollars a year in gross revenue – to a completely new level of economic value, jobs created, and international reputation as a creative city. ATEED worked with a commercial partner Devoli to carry out a digital network upgrade at three film studios, improving Auckland's post-production/VFX sector capability.



## Jobs and skills development

Auckland's growing screen sector was also the catalyst for a new partnership between the Ministry of Social Development (MSD) and ATEED to capitalise on the employment and training opportunities from screen sector growth. MSD is to fund 20 paid internships in the screen sector to kickstart the careers of MSD clients and other people who are disadvantaged in the employment market.

A Young Animators programme, funded by ATEED, was launched at Hoani Waititi School in September 2019. The two-day programme, designed to introduce rangatahi to the world of animation and digital storytelling, was delivered at three other secondary schools with high numbers of Māori students: Papakura High School, Sir Edmund Hillary College and Manurewa High School.

That focus on job growth for Aucklanders was also reflected in ATEED's continued collaboration across the three jobs and skills hubs – including the Manukau and North hubs which opened in August 2019. Through the original City Centre Jobs and Skills Hub, ATEED is funding the City Rail Link Progressive Employment Programme for at-risk youth to support training and development capabilities.

The second Auckland Smart Move campaign *Make this your place. Make this your future* launched in July 2019 with Immigration New Zealand. The campaign reached more than 121,000 offshore high-skilled construction and tech professionals and generated more than 8140 leads.

Auckland's status as a UNESCO City of Music was supported by August's *Play it Strange* event which saw legendary musicians Sir Bob Geldof and Mick Fleetwood lead an interactive session with a group of 15 budding musicians from half a dozen schools at Roundhead Studio in Newton, the musical home of New Zealand music legend Neil Finn. ATEED facilitated the opportunity on behalf of Council, in partnership with Play it Strange – a charity set up to provide pathways to creativity through song writing, recording and performance.

## Support for innovation

New Zealand's inaugural circular economy lab, XLabs, launched in February with 17 teams from 16 businesses. XLabs was developed to help businesses build a more economically and environmentally sustainable future for themselves and the region. The circular economy designs out waste and pollution, keeps products and materials in use and regenerates natural systems, in contrast to the existing, unsustainable economic model of taking natural resources, making, using, then disposing of products.

Founded by Auckland company Circularity in partnership with ATEED, the participating companies tackled a business sustainability problem they want to solve. The five-week programme rapidly moved online, culminating in pitch day where participating companies including Fletcher Building, The Warehouse Group, Haka Tourism Group, electric ferry start-up EV Maritime, children's footwear business Bobux and HEB presented their circular solutions to local and international guests tuning in by video.



The GridAKL community based around the Council-founded innovation precinct at Wynyard Quarter continued to thrive this year with 140 businesses, 950 entrepreneurs and workers now located across the campus. More than 12,000 people participated in events across the GridAKL Innovation Campus during the year, lifting total attendees to 68,000 since 2017.

More than 200 public innovation workshops have been held at GridAKL, tackling city-scale Auckland environmental, urban, social, and economic challenges. This was recognised in October 2019, when GridAKL Innovation Labs won the 'Best Practice in Innovation Award' from Economic Development New Zealand.

ATEED supported the creative co-working space Te Haa o Manukau via its Innovation Precincts team, in partnership with operator Ngahere Communities, Panuku Development Auckland and The Southern Initiative. More than 100 workshops and events have been hosted, while two Made of Manukau pop-up stores have generated exposure and \$32,000 in revenue for Māori and Pacific businesses. The TUKUA Māori and Pasifika entrepreneurship programme provides fully funded and/or subsidised business growth support, including office space, mentoring, workshops, and a community of like-minded entrepreneurs. TUKUA company GameTan launched its gaming studio at Te Haa o Manukau, as well as running the Game Club youth programme, which combines social gaming and learning about IT.

### **Support for small to medium enterprises**

Prior to lockdown ATEED's support for small business saw 691 companies engaged by ATEED's Business team via the Regional Business Partner Network programme (RBPN). ATEED is government's local partner to drive innovation and increase the capability of the region's businesses. This support including engagement with 63 Māori business for this period.

Along with connections to ecosystem support, this involved the team issuing \$5.22m of Callaghan Innovation R&D project and student grants over the year and allocating \$1.4m in RBPN Capability Development funding.

When the COVID-19 crisis developed, the focus shifted to connecting Auckland businesses to government's COVID-19 Business Advisory Fund.

From 20<sup>th</sup> March to 29<sup>th</sup> May, ATEED connected with an additional 3,396 businesses seeking support to manage the impacts of COVID-19 (compared to 850 businesses for the entire previous financial year). The team issued 2,496 COVID-19 Business Advisory Fund vouchers linking and funding professional services totalling \$4.7m (compared to vouchers worth \$1.7m last financial year).

ATEED created a dedicated website section with content guided by feedback from more than 1,200 responses to COVID-19 impact surveys. The site collated useful tools, information and resources from ATEED's regional and national partners.

ATEED kept an average of 13,000 businesses informed with regular updates about practical support, including the launch of a free digital assessment tool in April that saw more than 600 businesses get customised action plans to improve their website, boost online marketing and use other digital business tools.

ATEED supported RBPN-funded webinars to assist businesses through Alert Levels 4 and 3 with partners including EMA, Auckland Screen Alliance and The Icehouse.

RBPN Funding also assisted ATEED and Whāriki to deliver the Māori Business Collab – a series of webinars to help Māori businesses navigate and connect with the range of services and support available to them via local and central government and non-governmental agencies.



# Supporting the sustainable growth of the visitor economy

Using the *Destination AKL 2025* strategy as its guiding template, ATEED continued to work alongside industry to implement agreed actions and priorities for the sustainable growth of the visitor economy. The return of the Tāmaki Herenga Waka Festival highlighted the year's investment in major events; the digital jobs platform Go with Tourism expanded with government support; the ACB team had another strong year attracting business events; some key tourism campaigns were delivered; and Study Auckland continued to develop the region's reputation as an international education destination. Unfortunately, the COVID-19 pandemic cast a significant cloud over all of this activity in the final part of the year.

## Marketing Auckland

In February 2020, ATEED signed a two-year partnership with New York & Company – the city's official destination marketing organisation – aimed at attracting more visitors from our third-largest market. This ground-breaking agreement was NYC's first with any destination in the South Pacific. It includes reciprocal marketing and promotion, and was launched to take advantage of Air New Zealand's planned new non-stop service between Auckland and New York.

A trade tourism campaign targeting Australian travel agents ran from May to July 2019 to increase arrivals in Auckland's shoulder/low season and to increase length of stay. This complemented the Australian short break campaign from October to November which generated increases in incremental flight bookings. The November domestic spring campaign ran across multiple platforms with a heavy weighting towards digital.

ATEED also partnered with inbound tour operator Southern World to showcase Auckland and New Zealand as a premium destination to 75,000 selected Virtuoso consumers and advisors in the US, Canada and Latin America.

The Auckland WeChat Mini Programme was officially launched in Guangzhou in November 2019, providing a community-focused digital solution for Auckland's Chinese-speaking community to share their local knowledge, favourite things to do and experiences around the region with their overseas-based families, friends and other locals in China in a real time, live chat environment.

## Investment in major events

The return of the Tāmaki Herenga Waka Festival which showcased our region's Māori heritage in January 2020, the success of the inaugural Elemental AKL winter festival across July 2019, and the New Zealand round of the Virgin Australia Supercars Championship at Pukekohe Park Raceway in September 2019 – which attracted a three-day audience of nearly 115,000 – highlighted the diversity and strength of this year's Auckland's major events portfolio invested in by ATEED on behalf of Auckland Council.

The Tāmaki Herenga Waka Festival was delivered in partnership with ngā mana whenua o Tāmaki Makaurau. The event narrative 'Tāmaki Herenga Waka, Tāmaki Herenga Tangata' came through very strongly in the Land and Water stage performances; and surveys showed extremely high levels of satisfaction by festival attendees.

*Elemental AKL* delivered a diverse and vibrant programme spanning the themes of light, food, entertainment, and culture. There were more than 65 events and 120 participating eateries across the region which collectively brought to life Auckland's winter story.

ATEED drove a city wide collaboration which resulted in the breadth of Auckland's New Year's Eve activities – including the New Year's Eve Vector Lights display on Auckland Harbour Bridge – being shown around the world by international media as the first major city in the world to welcome in the new year.

Auckland Diwali Festival was successfully delivered in October 2019. About 65,000 people attended, up 9 per cent from 2018. The festival had more than 40 food stallholders, more than 50 hours' live entertainment and more than 200 performances.

In September 2019, ATEED announced an exciting new three-year agreement with the World Surf League. The first Challenger Series event was set to be held at Piha in March 2020, but had to be cancelled due to COVID-19. The focus is now on working towards successful WSL events at Piha in 2021 and 2022. Another event announcement highlight was the return of the FIA World Rally Championship to Auckland in 2020 – but it also became a COVID-19 cancellation due to international border restrictions.

In December, the 2022 return of The Ocean Race (formerly The Volvo Ocean Race) to Auckland was confirmed, with the race set to benefit from the infrastructure developments around AC36.



### **Go with Tourism expands and evolves**

ATEED worked closely with Tourism Industry Aotearoa and MBIE to successfully secure \$5.2m from the new International Visitor Levy fund to support the 'attract/promote' pillar of the *Go with Tourism* jobs platform launched by ATEED in the 2018/19 year. *Go with Tourism* launched in its second and third regions in late 2019 – Queenstown and Northland – and in Canterbury in February 2020.

The innovative online job-connector platform generated strong results for a sector experiencing significant skills shortages. When COVID-19's impacts hit the industry, the platform's primary focus shifted to assisting ATEED's work on the redeployment of Auckland's workforce down to the local level – providing support and assistance for displaced tourism workers and businesses (more than 2000 requests by mid-May).

### **International education**

The Study Auckland team delivered a strong programme, including: a new international student alumni influencer initiative to support new premium study abroad marketing campaigns in the Japan market; a Get Into Nature – Hauraki Gulf Marine Park Series which attracted 103 students from 22 nationalities and 7 institutions; a new career ready programme in partnership with the New Zealand Rugby Players' Association based around resilience and teamwork with two sessions delivered in March attended by students from 13 countries; and a new social media-based student ambassador programme helped to activate student engagement and attraction. About 200 students applied, with 16 students from 14 different nationalities selected.



The University of Auckland decided to invest significantly in the successful Global Talent Programme. Study Auckland has a funding agreement with the university to cover development of a digital employability solution for international students.

### **Business event attraction**

ATEED's Auckland Convention Bureau team worked with its membership and industry partners during the financial year to win 73 business events opportunities for Auckland that will bring an estimated total visitor spend of approximately \$20m and more than 50,000 visitor nights over the coming years.

These included the 61st Annual Meeting and Congress of the International Association of Forensic Toxicologists in 2023, which is expected to attract 650 delegates and to deliver \$1.28m in visitor spend and generate 3,140 visitor nights; and TENCON – the premier international technical conference within the Institute of Electrical and Electronics Engineers (IEEE) from Asia-Pacific. TENCON 2021 is expected to attract more than 600 delegates, creating 2,595 visitor nights and generating more than \$1m for Auckland's economy.

Together, major and business events in 2019/20 that were invested in, or supported by, ATEED on behalf of Council delivered \$33.7m in GDP and 244,249 new visitor nights.



# Financial statements

**Auckland Tourism Events and Economic Development Limited****Statement of comprehensive revenue and expense**

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>REVENUE</b>			
Service and other revenue	4	<b>68,964</b>	69,771
Interest Revenue		-	43
<b>Total revenue</b>		<b>68,964</b>	69,814
<b>EXPENDITURE</b>			
Personnel costs	6	<b>(23,450)</b>	(20,900)
Depreciation and amortisation	11,12	<b>(2,980)</b>	(3,115)
Finance Costs		<b>(13)</b>	(9)
Other expenses	7	<b>(45,464)</b>	(47,648)
<b>Total expenditure</b>		<b>(71,907)</b>	(71,672)
Share of joint venture's surplus/(loss)	5	-	(89)
<b>Surplus / (Loss) before tax</b>		<b>(2,943)</b>	(1,947)
Income tax expense	8	-	-
Profit from continuing operations		<b>(2,943)</b>	(1,947)
<b>Surplus / (Loss) after tax</b>		<b>(2,943)</b>	(1,947)
<b>PROFIT OR (LOSS) IS ATTRIBUTABLE TO:</b>			
Equity holders of Auckland Tourism, Events and Economic Development Limited		<b>(2,943)</b>	(1,947)
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR IS ATTRIBUTABLE TO:</b>			
Equity holders of Auckland Tourism, Events and Economic Development Limited		<b>(2,943)</b>	(1,947)

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 27.

**Auckland Tourism Events and Economic Development Limited****Statement of changes in equity**

For the year ended 30 June 2020

					<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
					<b>Contributed equity</b>	<b>Reserve accounts</b>	<b>Accumulated funds</b>	<b>Total equity</b>
					\$'000	\$'000	\$'000	\$'000
<b>Notes</b>								
	<b>Balance as at 1 July 2018</b>				4,376	563	16,426	21,365
<b>COMPREHENSIVE REVENUE AND EXPENSE</b>								
	Profit or (Loss) for the year				-	-	(1,947)	(1,947)
<b>OTHER EQUITY MOVEMENTS</b>								
	Adjusted for prior years STAT Account Rounding	18			1	-	35	36
	Payments to approved sporting bodies	18			-	(563)	-	(563)
	<b>Balance as at 30 June 2019</b>				4,377	-	14,514	18,891
	<b>Balance as at 1 July 2019</b>				4,377	-	14,514	18,891
<b>COMPREHENSIVE REVENUE AND EXPENSE</b>								
	Profit or (Loss) for the year				-	-	(2,943)	(2,943)
	<b>Balance as at 30 June 2020</b>				4,377	-	11,571	15,948

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 27.



**Auckland Tourism Events and Economic Development Limited****Statement of financial position**

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		998	318
Debtors and other receivables	10	19,949	19,996
<b>Total current assets</b>		<b>20,947</b>	<b>20,314</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	15,487	18,147
Intangible assets	12	4	4
<b>Total non-current assets</b>		<b>15,491</b>	<b>18,151</b>
<b>Total assets</b>		<b>36,438</b>	<b>38,465</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	14,947	14,237
Employee entitlements	14	2,450	1,600
Provisions	15	254	879
<b>Total current liabilities</b>		<b>17,651</b>	<b>16,716</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	2,461	2,808
Provisions	15	378	50
<b>Total non-current liabilities</b>		<b>2,839</b>	<b>2,858</b>
<b>Total liabilities</b>		<b>20,490</b>	<b>19,574</b>
<b>Net assets</b>		<b>15,948</b>	<b>18,891</b>
<b>EQUITY</b>			
Contributed equity	17	4,377	4,377
Accumulated funds	18	11,571	14,514
<b>Total equity</b>		<b>15,948</b>	<b>18,891</b>

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 27.

## Auckland Tourism Events and Economic Development Limited

### Statement of cash flows

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		-	43
Receipts from council funding, customers and other services		71,783	62,853
Payments to suppliers and employees		(71,264)	(60,639)
Goods and services tax received from / (paid to) IRD		253	110
Other cash flows from operating activities		2	4
<b>Net cash from operating activities</b>	19	<u>774</u>	<u>2,371</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposals/(purchases) of property, plant and equipment	11	(93)	(3,138)
Other cash flows from investing activities		-	-
<b>Net cash from investing activities</b>		<u>(93)</u>	<u>(3,138)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other cash flows from financing activities		(0)	1
<b>Net cash from financing activities</b>		<u>(0)</u>	<u>1</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>680</u>	<u>(766)</u>
Cash and cash equivalents at the beginning of the period		<u>318</u>	<u>1,084</u>
<b>Cash and cash equivalents at end of the year</b>		<u>998</u>	<u>318</u>

The GST component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 27.



# **Notes to the financial statements**

## 1 General information

### Reporting Entity

Auckland Tourism, Events and Economic Development Limited (ATEED) is a council controlled organisation (CCO) of the Auckland Council and is domiciled in New Zealand. ATEED's principle address is 167b Victoria Street West, Auckland 1010.

In 2020 ATEED is no longer a Group and the following note for 2019 is provided for comparative purposes only.

In 2019 the Group consisted of the parent, ATEED and a 33.3% equity share of its joint venture New Zealand Food Innovation Auckland Limited (NZFIA) which was equity accounted into the group financial statements. ATEED transferred one third of the ownership of NZFIA to Callaghan Innovation Limited on 28 June 2019 (note 2.2 and 16).

ATEED has a strong focus on working with a range of public and private sector partners to support the growth of quality jobs for all Aucklanders, and help make Auckland a desirable place to live, work, visit, invest and do business. This has been achieved by developing Auckland's culture of innovation and entrepreneurship recognising that innovation is a crucial driver of sustained revenue and business growth. Additional areas of focus include raising Auckland's international profile, developing improved international connectivity through trade, and driving the attraction of new business and investment. Today ATEED both leads and supports Auckland Council's interventions in local board economic development, screen attraction, tourism, major events, Auckland Convention Bureau, international students, innovation and entrepreneurship, and business attraction and investment.

As ATEED does not have the primary objective of making a financial return, ATEED is designated as a public benefit entity and applies New Zealand Tier 1 Public Benefit Entity Accounting Standards (PBE Accounting Standards).

The financial statements of ATEED are for the year ended 30 June 2020. The financial statements were authorised for issue by the Board of Directors on the date they were signed.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1 Basis of preparation

The Auckland Council Governing Body met on 27 August 2020, and agreed to the establishment of a merged council controlled organisation entity by amalgamating Regional Facilities Auckland Limited (RFAL) and Auckland Tourism, Events and Economic Development Limited (ATEED). ATEED will be de-registered as an entity and on this basis, these financial statements are prepared on a disestablishment basis.

A Statement of Intent for the merged entity covering the period 1 December 2020 to 30 June 2021 will include the consolidation of the current performance measurement framework and budgets for ATEED and RFAL and therefore no changes need to be made to the measurement or classification of assets and liabilities, and it is noted that decisions about the future of the assets and liabilities will be the responsibility of the new entity.

### Statement of compliance

The financial statements of ATEED have been prepared in accordance with the requirements of section 69 of the Local Government Act 2002 and the Companies Act 1993, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP.

They comply with PBE Accounting Standards.

ATEED has designated itself as a public benefit entity (PBE) for financial reporting purposes.

### Measurement base

These financial statements have been prepared under the historical cost convention except for financial instruments.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

### Implementation of amended standards

All standards, interpretations and amendments for the current year are either not applicable to ATEED or are not expected to have a material impact on the financial statements and, therefore, have not been disclosed.

## 2.2 Consolidation

### Joint Ventures

ATEED transferred its interest in its joint venture New Zealand Food Innovation Auckland Limited (NZFIA) on 28 June 2019 and this note is for comparative purposes only.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity whereby no party to the agreement is able to act unilaterally to control the activity of the entity. For jointly controlled operations, ATEED recognises in its financial statements, the assets it controls, expenses it incurs, and the share of revenue that it earns from the joint venture.

The Group financial statements recognises the investment retained in New Zealand Food Innovation Auckland Limited (NZFIA) using the equity method.

## 2.3 Foreign currency translation

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statements of comprehensive revenue.

## 2.4 Property, plant and equipment

Property, plant and equipment consists of fitout for leased premises, plant and machinery, computer equipment, furniture, fittings and equipment and capital work in progress.

### Initial recognition

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses, if any. In the case of the assets acquired by ATEED on establishment at 1 November 2010, cost was the carrying value of the asset by the disestablished Council or disestablished CCO.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to ATEED and the cost of the item can be measured reliably.

Plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Depreciation

Depreciation on all property, plant and equipment, apart from land, is provided on a straight line basis at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial period end. The useful lives of major classes of assets have been estimated as follows:

<u>Class of asset depreciated</u>	<u>Estimated useful life (years)</u>
• Leased Assets	1-14
• Plant and machinery	1-15
• Computer equipment	1-8
• Furniture, fittings and equipment	1-15

## Capital work in progress

Capital work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

## Carrying amount

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. As a CCO, revaluation occurs in line with the Group valuation policy, with a review occurring at least every three years.

## 2.5 Intangible assets

### Computer software

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use. Costs are amortised using the straight line method over their estimated useful lives (1 to 8 years).

Costs directly associated with the development of identifiable and unique software products for internal use are recognised as an intangible asset to the extent it is probable such costs are expected to be recoverable.

Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful lives (not exceeding 3 years).

## 2.6 Impairment of non-financial assets

At each balance date ATEED reviews the carrying amounts of its other tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, ATEED estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units; otherwise, they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable value. An impairment loss is recognised immediately in surplus or deficit.

## 2.7 Investments and other financial assets

### Financial assets

Financial assets are initially measured at fair value plus transaction costs.

Purchases and sales of financial assets are recognised at trade date, this being the date on which ATEED commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and ATEED has transferred substantially all the risks and rewards of ownership.

ATEED's financial assets consists of receivables. Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date, which are included in non current assets. After initial recognition receivables are carried at amortised cost using the effective interest rate method less impairment if any. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

## 2.8 Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense. Impairment is established when there is evidence that ATEED will not be able to collect amounts due according to the terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments. Non payment and continued non response from the debtor to the group collection process are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of a provision for doubtful debts. When the receivable is uncollectible, it is written off against the allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

## 2.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, and bank overdrafts.

## 2.10 Debtors and other receivables

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non current assets.

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

When a receivable for which the provision for impairment has been recognised becomes uncollectible in a subsequent period, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited to 'other revenue' in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

## 2.11 Creditors and other payables

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

## 2.12 Current and deferred income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Deferred tax is recognised on the temporary difference between the carrying amount of assets and liabilities and their taxable value. Deferred tax assets are not recognised unless recovery is considered probable.

As a member of the Auckland Council Consolidated Group, any tax liability of members of the group are offset against losses available from other group member(s), so that no tax is payable by ATEED.

## 2.13 Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related expense or asset.

The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.



## 2.14 Employee entitlements

### *Short Term Employee entitlements*

Employee benefits that ATEED and Group expects to be settled within 12 months of balance date are measured at accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and long service entitlements expected to be settled within 12 months.

### *Superannuation Schemes*

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit in the Statement of Comprehensive Revenue and Expense when they are incurred.

## 2.15 Revenue recognition

Revenue is comprised of exchange and non-exchange transactions. Exchange transaction revenue arises when one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange.

Non-exchange transaction revenue arises from transactions without an apparent exchange of approximately equal value. Non-exchange revenue includes rates, grants and subsidies, and fees and user charges derived from activities that are partially funded by rates.

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue is explained below:

### *Funding from Auckland Council*

Funding is recognised as revenue upon entitlement based on the eligibility of expenditure in accordance with the Statement of Intent between ATEED and Auckland Council.

### *Grants and Sponsorships Received*

Council, government, and non government grants and sponsorships are received as assistance for specific purposes and these grants or sponsorships usually contain restrictions on their use. They are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant or sponsorship agreement are not met. If there is such an obligation, the grants or sponsorships are initially recorded as grants or sponsorships received in advance and recognised as revenue when conditions of the contract are satisfied.

### *Lease, Licence to Occupy and Membership Revenue*

ATEED receives rental revenue in relation to sublease agreements and licence to occupy arrangements.

Rental revenue from operating leases and Licence to Occupy agreements are recognised as revenue on a straight line basis over the lease and agreement term. Membership revenue relates to short term membership access to ATEED facilities, usually a seat/desk that is paid for on a monthly cycle.

### *Provision of Services*

Provision of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

### *Goods or Services Revenue*

Revenue from the sale of goods or services is recognised when a product is sold or service is provided to the customer. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

### *Interest Revenue*

Interest revenue is recognised on a time proportion basis using the effective interest method.

## 2.16 Leases

### *ATEED as Lessee*

ATEED leases property, plant and equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the surplus or deficit in the Statement of Comprehensive Revenue and Expense on a straight line basis over the period of the lease.

### *ATEED as Lessor*

ATEED subleases property to third parties under operating leases. Rental revenue (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

## 2.17 Provisions

ATEED recognises a provision for future expenditure of uncertain amount or timing when:

- There is a present obligation (legal or constructive) as a result of past events
- It is probable that expenditures will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance expenses".

## 2.18 Equity

Equity is the Auckland Council's interest in ATEED, being a council controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes. The components of equity are:

- Accumulated funds
- Contributed equity
- Restricted Reserve

Contributed equity represents the transfer of assets on establishment of ATEED. The restricted reserve is subject to specific conditions. Transfers from this reserve may be made only for certain specified purposes or when certain specified conditions are met.

ATEED's objectives, policies and processes for managing capital are discussed in Note 26.

### 3 Significant judgements and estimates

In preparing these consolidated financial statements ATEED has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

#### 3.1 Grant and sponsorship Revenue

Judgement is exercised when recognising revenue from grants or sponsorship to determine if conditions of the contract have been satisfied. The judgement will be based on the facts and circumstances that are evident for each contract.

#### 3.2 Major Events Contracts

ATEED enters into contractual arrangements for hosting, delivering and/or sponsoring major events. Where there is a clear obligation to pay regardless of the timing and occurrence of the event, this will be recognised as an expense and liability in the year the obligation falls due.

ATEED shall use judgement to determine the likelihood of an event happening. This will consider, amongst other things, history of the event or event holder, publicity and contractual clauses. In most cases, if a contract has been entered into to provide financial support to an event, it is assumed that the event will happen.

#### 3.3 Grant and contributions expenditure

Non discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where ATEED has no obligation to award on receipt of the grant application and recognised as expenditure when approved by ATEED, and approval has been communicated to the applicant. Discretionary grants awarded have no substantive conditions attached.

#### 3.4 Estimating useful lives and residual values of property, plant, and equipment

At each balance date, ATEED reviews the useful lives and residual values of its property, plant, and equipment. Assessing the appropriateness of useful life and residual value estimates requires ATEED to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by ATEED, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciable amount of an asset, therefore affecting the depreciation expense recognised in the surplus or deficit and the asset's carrying amount. ATEED minimises the risk of this estimation uncertainty by:

- Physical inspection of assets
- Asset replacement programmes
- Review of second hand market prices for similar assets
- Analysis of prior asset sales.

ATEED has not made significant changes to past assumptions concerning useful lives and residual value.

### 3.5 COVID-19 global pandemic

In March 2020, the World Health Organisation designated COVID-19 to be a pandemic noting that it had the potential to threaten the health and well-being of large numbers of people across the world. COVID-19 has created increasing levels of societal and economic uncertainty.

In response to mitigating the impact to New Zealand, New Zealand entered a Government-directed 'Alert Level 4' system. The Government's Alert Level system dictates the level of business activity and societal interaction that can take place.

*Alert Level 4* (highest alert level) - strong border restrictions are in place and only essential services can trade. People must remain at home, venturing out to access only the most essential goods and services.

*Alert Level 3* - allows for regional travel and operation of some businesses, including construction and food retailing, providing they operated under strict social-distancing practices that were outlined.

*Alert Level 2* - provided a move to operating closer to the pre-pandemic environment allowing national travel, schools to re-open and businesses able to trade, with some remaining restrictions around social-distancing and mass gatherings, and contact tracing measures required to be followed.

*Alert Level 1* - strict border controls remain. Schools and workplaces open, and must operate safely, with no restrictions on personal movement or on gatherings, but it is encouraged to maintain records of movements to enable contact tracing.

Over the course of March to June, the Government directed NZ through the alert levels as follows: Move to Level 4 at 11.59pm on 25 March 2020, Level 3 at 11.59pm on 27 April 2020, Level 2 at 11.59pm on 13 May 2020 and Level 1 at 11.59pm on 8 June 2020.

During Level 4, ATEED's employees were able to work entirely remotely and could continue core functions. GridAKL properties and Film Studios were closed until Level 2 which included the Lysaght Co-working space operated by ATEED.

During this period, ATEED implemented a number of measures to manage potential financial impacts. Key among these was the introduction of a comprehensive fixed cost approach to activity, including the suspension of all non-essential projects and operating expenditure. Additionally, the Chair and Chief Executive voluntarily took a six month temporary 20% pay reduction, the Board of Directors and Senior Management Team agreed to a six month temporary 10% pay reduction and some staff also volunteered to temporary pay reductions.

Due to restrictions on travel and mass gatherings and the impact of this on the accommodation providers, ATEED proposed that Auckland Council suspend the Accommodation Provider Targeted Rate (APTR) and ATEED would reduce spending on visitor attraction and major events activity that is funded by the APTR. ATEED proposed suspension for 12 months from 1 April 2020. On 16 April 2020, Auckland Council Emergency Committee confirmed this approach to provide immediate support for accommodation businesses.

#### 4 Service and other revenue

	2020 \$'000	2019 \$'000
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		
Grants and subsidies	46,701	54,013
Sponsorships and other transfer revenue	3,334	3,336
<b>Total revenue from non-exchange transactions</b>	<b>50,035</b>	<b>57,349</b>
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		
Rental, license and membership revenue	18,927	12,409
Other revenue	2	13
<b>Total revenue from exchange transactions</b>	<b>18,929</b>	<b>12,422</b>
<b>Total service and other revenue</b>	<b>68,964</b>	<b>69,771</b>

#### 5 Other gains/(losses)

	2020 \$'000	2019 \$'000
Share of profit/(loss) of joint ventures	-	(89)
<b>Total other gains/(loss)</b>	<b>-</b>	<b>(89)</b>

#### 6 Personnel costs

	2020 \$'000	2019 \$'000
Salaries and wages	22,516	20,043
Defined contribution plan employer contributions	616	500
Redundancy expense	108	85
Other staff expenses	79	107
Increase/(decrease) in employee entitlements	131	165
<b>Total personnel expenses</b>	<b>23,450</b>	<b>20,900</b>

For the year ended 30 June 2020, ATEED made severance payments to employees totalling \$9,000 (2019:\$67,000)

Personnel costs include employees for project activity covered by external grant funding.

## 7 Other expenses

	2020	2019
	\$'000	\$'000
Fees paid for audit services	146	157
<i>Fees paid to principal auditor</i>		
- Audit of financial statements	125	115
- Audit fees for review engagements	-	9
- Audit other items	-	4
<i>Other audit services</i>	21	29
Service delivery contracts	2,692	2,689
Impairment of receivables	(57)	77
Marketing expenses <sup>1</sup>	4,361	7,088
Professional services	5,666	5,038
Repairs and maintenance	1,686	474
Utilities and occupancy	18,994	13,562
Other operating expenses <sup>2</sup>	4,227	5,408
Directors' fees and expenses	321	337
Grant, contributions and sponsorship	7,323	10,917
Loss on sale of other assets	-	1,929
(Profit)/Loss on disposal of assets	94	(29)
Interest expense	8	-
Net foreign exchange loss	3	1
<b>Total other expenditure</b>	<b>45,464</b>	<b>47,648</b>

The auditors of the financial statements are Audit New Zealand. Other than fees in relation to the audit of the financial statements, no other remuneration was paid. Other audit services relate to a sensitive expenditure audit and sustainability certification audit performed by various external audit firms.

## 8 Income tax expense/(benefit)

	2020	2019
	\$'000	\$'000
<b>COMPONENTS OF INCOME TAX EXPENSE</b>		
Current tax expense	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>
<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT</b>		
Net surplus/(deficit) before tax	(2,943)	(1,947)
Less net surplus/(deficit) from non-taxable activities	-	-
<b>Surplus (deficit) before tax</b>	<b>(2,943)</b>	<b>(1,947)</b>
Prima facie income tax at 28%	(824)	(545)
Taxation effect of permanent differences	29	(801)
Loss offset	(65)	(203)
Effect of deferred tax not recognised - current year	860	1,548
Tax credits	-	-
<b>Total income tax (benefit)/expense</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Details of all marketing expenses are published on our website ([www.aucklandnz.com](http://www.aucklandnz.com)).

<sup>2</sup> Other operating expenses comprise mainly of operating lease expenses, travel costs, venue hire, shared service costs for services delivered by related parties and operational & software maintenance costs. Details of our travel costs are published on our website.

## 9 Imputation Credit Account

Auckland Council has a consolidated income tax Group. Significant entities in the Group are included with the exception of Watercare. The \$33 million (2019: \$56 million) of imputation credits relates to the consolidated financial Group. The total imputation credit available for use by each of the members of the consolidated income tax Group amount is \$2 million (2019: \$25 million).

## 10 Debtors and other receivables

	2020 \$'000	2019 \$'000
<b>CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade receivables	1,908	3,524
Sundry receivables	1,795	742
Prepayments	859	339
<b>Total current receivables from exchange transactions</b>	<b>4,562</b>	<b>4,605</b>
<b>CURRENT RECEIVABLES FROM NON EXCHANGE TRANSACTIONS</b>		
Related party receivables	15,436	15,271
Goods and services tax	(49)	120
<b>Total current receivables from non-exchange transactions</b>	<b>15,387</b>	<b>15,391</b>
<b>Total debtors and other receivables</b>	<b>19,949</b>	<b>19,996</b>

### Impairment

At year end, all overdue receivables are assessed for impairment and appropriate provisions applied.

The status of receivables as at 30 June 2020 are detailed below:

### Past due but not impaired

As at 30 June 2020, trade receivables of \$1,908,000 (2019: \$3,524,000) were due. Impairment of receivables has been provided for of \$31,000 (2019:\$106,000).

The aging analysis of trade receivables is as follows:

	2020 \$'000	2019 \$'000
Current	457	2,920
Past due 1-60 days	1,265	248
Past due 61-90 days	18	123
Past due 90+ days	168	233
<b>Total current trade receivables</b>	<b>1,908</b>	<b>3,524</b>

**11 Property, plant and equipment**

	PRIOR YEAR MOVEMENTS							30 JUNE 2019	
	1 JULY 2018								
	Cost	Carrying amount	Prior year additions	Prior year disposals	Transfers	Impairment charges	Prior year depreciation	Cost	Accumulated depreciation & impairment charges
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATIONAL ASSETS</b>									
<i>At cost</i>									
Leased Asset	16,289	14,389	49	-	2,245	-	(1,915)	18,538	(3,775)
Plant and machinery	370	188	-	-	23	-	(42)	393	(224)
Computer equipment	2,190	1,126	-	(4)	109	-	(599)	2,078	(1,445)
Furniture, fittings and equipment	3,523	1,763	-	(24)	1,355	-	(542)	4,640	(2,068)
Capital work in progress	649	649	3,096	-	(3,735)	-	-	10	-
<b>Total operational assets</b>	<b>23,021</b>	<b>18,135</b>	<b>3,145</b>	<b>(28)</b>	<b>(4)</b>	<b>-</b>	<b>(3,098)</b>	<b>25,659</b>	<b>(7,512)</b>
	CURRENT YEAR MOVEMENTS							30 JUNE 2020	
	1 JULY 2019								
	Cost	Carrying amount	Current year additions	Current year disposals	Transfers	Impairment charges	Current year depreciation	Cost	Accumulated depreciation & impairment charges
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATIONAL ASSETS</b>									
<i>At cost</i>									
Leased asset	18,538	14,763	321	-	(13)	-	(2,044)	18,846	(5,819)
Plant and machinery	393	169	-	-	24	-	(42)	407	(256)
Computer equipment	2,078	633	-	(13)	14	-	(489)	1,661	(1,516)
Furniture, fittings and equipment	4,640	2,572	-	(16)	10	-	(402)	3,315	(1,151)
Capital work in progress	10	10	37	-	(47)	-	-	-	-
<b>Total operational assets</b>	<b>25,659</b>	<b>18,147</b>	<b>358</b>	<b>(29)</b>	<b>(12)</b>	<b>-</b>	<b>(2,977)</b>	<b>24,229</b>	<b>(8,742)</b>

\* Leased assets relate to the fitout costs for Grid AKL. There are three buildings that ATEED (as head lessees) are sub leasing (Lysaght, Madden Street and Mason Bros). The majority of additions in FY19 relate to the move of ATEED to a new office building at 167b Victoria Street and FY20 relate to makegood provisions. Capital expenditure funded by Auckland Council this reporting period was \$37,000 (2019: \$3,096,000).



## 12 Intangibles

		PRIOR YEAR MOVEMENTS						30 JUNE 2019	
		1 JULY 2018		PRIOR YEAR MOVEMENTS		30 JUNE 2019		Accumulated amortisation & impairment charges	
	Cost \$'000	Carrying amount \$'000	Prior year additions \$'000	Prior year disposals \$'000	Transfers \$'000	Prior year amortisation \$'000	Cost \$'000		Carrying amount \$'000
<b>AT COST</b>									
Computer software	136	24	-	(7)	4	(17)	123	(119)	4
		CURRENT YEAR MOVEMENTS						30 JUNE 2020	
		1 JULY 2019		CURRENT YEAR MOVEMENTS		30 JUNE 2020		Accumulated amortisation & impairment charges	
	Cost \$'000	Carrying amount \$'000	Current year additions \$'000	Current year disposals \$'000	Transfers \$'000	Current year amortisation \$'000	Cost \$'000		Carrying amount \$'000
<b>AT COST</b>									
Computer software	123	4	-	-	3	(3)	126	(122)	4

Amortisation \$3,000 (2019: \$17,000) is included in depreciation and amortisation expense in the statements of comprehensive revenue and expenses

### 13 Trade and other payables

	2020 \$'000	2019 \$'000
<b>CURRENT TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Creditors	618	1,544
Accrued expenses	3,953	5,959
Sundry payables	8,106	5,433
Revenue in advance	788	392
<b>Total current trade and other payables from exchange transactions</b>	<b>13,465</b>	<b>13,328</b>
<b>CURRENT TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Related party payables	1,000	604
Lease inducement payment	482	305
<b>Total current trade and other payables from non-exchange transactions</b>	<b>1,482</b>	<b>909</b>
<b>Total current trade and other payables</b>	<b>14,947</b>	<b>14,237</b>
<b>NON CURRENT TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Lease inducement payment	2,461	2,808
<b>Total non current trade and other payables from non-exchange transactions</b>	<b>2,461</b>	<b>2,808</b>
<b>Total trade and other payables</b>	<b>17,408</b>	<b>17,045</b>

Trade and other payables are normally non-interest bearing and settled on 30 day terms, therefore the carrying value approximates fair value.

### 14 Employee entitlements

	2020 \$'000	2019 \$'000
<b>CURRENT</b>		
Annual leave	1,410	890
Accrued salaries and wages	1,040	710
<b>Total current</b>	<b>2,450</b>	<b>1,600</b>
<b>Total employee benefit liabilities</b>	<b>2,450</b>	<b>1,600</b>

## 15 Provisions

CURRENT PROVISIONS	STAFF COSTS	OTHER	TOTAL
Opening balance 1 July 2018	634	170	804
Additional provisions and increases to existing provisions	256	73	329
Amounts used	(34)	(55)	(89)
Reversal of previously recognised provisions	(153)	(13)	(166)
<b>Balance as at 30 June 2019</b>	<b>704</b>	<b>175</b>	<b>879</b>

Opening balance 1 July 2019	704	175	879
Additional provisions and increases to existing provisions	95	28	123
Amounts used	(120)	-	(120)
Reversal of previously recognised provisions	(580)	(48)	(628)
<b>Balance 30 June 2020</b>	<b>99</b>	<b>155</b>	<b>254</b>

NON CURRENT PROVISIONS	STAFF COSTS	OTHER	TOTAL
Opening balance 1 July 2018	-	-	-
Additional provisions and increases to existing provisions	-	50	50
Amounts used	-	-	-
Reversal of previously recognised provisions	-	-	-
<b>Balance as at 30 June 2019</b>	<b>-</b>	<b>50</b>	<b>50</b>

Opening balance 1 July 2019	-	50	50
Additional provisions and increases to existing provisions	-	329	329
Amounts used	-	-	-
Reversal of previously recognised provisions	-	(1)	(1)
<b>Balance 30 June 2020</b>	<b>-</b>	<b>378</b>	<b>378</b>

**16 Investment in other entities**

	<b>2020</b>	2019
	\$'000	\$'000
<b>NEW ZEALAND FOOD INNOVATION AUCKLAND LIMITED</b>		
Balance at beginning of year	-	2,018
Plus / less current year profit / (loss)	-	(89)
Plus / less prior year profit adjustment	-	-
Plus / less sale of other assets	-	(1,929)
<b>Closing investments in jointly controlled entities</b>	<b>-</b>	<b>-</b>

ATEED does not have any investments in other entities. This note is for comparative purposes only.

**17 Contributed equity**

	<b>2020</b>	2019
	\$'000	\$'000
<b>CONSOLIDATED AND PARENT</b>		
Equity contributed by disestablished councils	<b>3,458</b>	3,458
Equity contributed by disestablished CCOs	<b>919</b>	919
<b>Total</b>	<b>4,377</b>	4,377
	<b>2020</b>	2019
	<b>Shares</b>	Shares
<b>Opening number of ordinary shares issued</b>	<b>1,000</b>	1,000
<b>Closing balance of ordinary shares issued</b>	<b>1,000</b>	1,000

All ordinary shares are fully paid and rank equally with one vote attached to each fully paid ordinary share. Ordinary shares do not have a par value.

**18 Reserves and accumulated funds/(losses)**

	<b>2020</b>	2019
	\$'000	\$'000
<b>(A) RESERVES</b>		
World Masters Games Reserve		
Balance beginning of year	-	563
Payments to approved sporting bodies	-	(563)
<b>Closing World Masters Games Reserve</b>	<b>-</b>	<b>-</b>
<b>Total Reserves at 30 June</b>	<b>-</b>	<b>-</b>

**World Masters Games Reserve**

ATEED does not have any reserves and this note is for comparative purposes only. The surplus achieved by World Masters Games was used for promotion of amateur sports, specific to the conditions set by the ATEED Board. The full reserve amount was paid out during the 2019 financial year.

	<b>2020</b>	2019
	\$'000	\$'000
<b>(B) ACCUMULATED FUNDS/(LOSSES)</b>		
Balance at beginning of the year	<b>14,514</b>	16,426
Adjusted for prior years STAT Account Rounding	-	35
Surplus/(deficit) for the year	<b>(2,943)</b>	(1,947)
Other equity movements*	-	-
<b>Total Accumulated funds/(losses) at 30 June</b>	<b>11,571</b>	14,514

Future year's depreciation and amortisation expenses will be funded from this reserve.

Surplus for the current year includes \$37,000 (2019: \$3,096,000) received from Auckland Council for capital grants.

**19 Reconciliation of net surplus/(deficit) after tax to net cash inflow from operating activities**

	<b>2020</b>	2019
	\$'000	\$'000
<b>Surplus/(deficit) after tax</b>	<b>(2,943)</b>	(1,947)
<b>ADD/(LESS) NON-CASH ITEMS:</b>		
Depreciation and amortisation expense	<b>2,980</b>	3,115
Other (gains) and losses	<b>102</b>	1,356
Share of surplus in joint venture		89
<b>ADD/(LESS) MOVEMENTS IN WORKING CAPITAL:</b>		
Debtors and other receivables	<b>47</b>	(9,233)
Creditors and other payables	<b>362</b>	8,710
Provisions	<b>(624)</b>	95
Employee benefits	<b>850</b>	186
<b>Net cash inflow (outflow) from operating activities</b>	<b>774</b>	2,371

**20 Commitments and operating leases****20.1 Operating leases as lessee**

ATEED leases property, plant and equipment in the normal course of their business. The majority of these leases have a non-cancellable term, varying from 1 to 14 years. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	<b>2020</b>	2019
	\$'000	\$'000
<b>MINIMUM OPERATING LEASE PAYMENTS PAYABLE:</b>		
Less than one year	<b>19,431</b>	11,283
Between one and five years	<b>73,414</b>	41,086
More than five years	<b>65,020</b>	35,658
<b>Total non-cancellable operating leases at lessee</b>	<b>157,865</b>	88,027

Leases can be renewed at ATEED's discretion, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on ATEED by any of the leasing arrangements.

## 20.2 Operating leases as lessor

ATEED subleases property to third parties under operating leases. The leases contain non cancellable periods ranging from 1 month to 12 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2020 \$'000	2019 \$'000
<b>MINIMUM OPERATING LEASE PAYMENTS RECEIVABLE:</b>		
Less than one year	19,040	9,006
Between one and five years	62,884	21,796
More than five years	59,353	17,988
<b>Total non-cancellable operating leases as lessor</b>	<b>141,277</b>	<b>48,790</b>

## 21 Contingencies

ATEED does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact that they cannot be reliably measured. Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the financial notes.

ATEED had a contingent asset and a contingent liability in 2019. There are no contingent assets or contingent liabilities at 30 June 2020.

Disclosures are provided for as follows:

### 21.1 Contingent Lease Liability

ATEED inherited a lease obligation at amalgamation with the lease entered into prior to ATEED formation (pre-2011). ATEED is responsible for a share of remaining lease term if a specific event occurs, however at balance date this was confirmed as unlikely. Potential liability is unquantifiable, uncertain, and unlikely.

### 21.2 Contingent Asset and Liability

In 2019 ATEED had a contingent asset of approximately \$400k that was offset by a contingent liability of approximately \$400k. This note is provided for comparative purposes only.

## 22 Related party transactions

The Group contained a joint venture, until 28 June 2019, as set out in Note 2.2. Auckland Council is the ultimate parent of ATEED as outlined in Note 1. Auckland Council has other CCO's that ATEED has transacted with during the period including Auckland Transport, Watercare, Regional Facilities Auckland and Panuku.

Related parties include a joint venture to 28 June 2019, key management personnel, the Directors of the Board and their close family members and entities controlled by them. Key management personnel are the Chief Executive and executive leadership team. Close family members are spouses or domestic parties, children, dependants.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on the terms and condition no more or less favourable than those that it is reasonable to expect ATEED would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

All related party transactions have been at an arm's length.

The interest registers are publicly available in the open board minutes on the ATEED website.

## 23 Remuneration

	2020 \$'000	2019 \$'000
<b>KEY MANAGEMENT REMUNERATION</b>		
Directors	319	323
Senior management salaries and other short term benefits	2,207	1,602
<b>Total key management remuneration</b>	<b>2,526</b>	<b>1,925</b>

	2020 \$'000	2019 \$'000
<b>SENIOR MANAGEMENT TEAM INCLUDING CHIEF EXECUTIVE</b>		
Full-time equivalent members	6	5
Remuneration	2,207	1,602

	2020 Number of employees	2019 Number of employees
<b>THE NUMBER OF EMPLOYEES THAT RECEIVED OVER \$100,000 P.A. AS AT 30 JUNE IS AS FOLLOWS:</b>		
\$100,000 - \$109,999	14	15
\$110,000 - \$119,999	14	12
\$120,000 - \$129,999	16	11
\$130,000 - \$139,999	9	6
\$140,000 - \$149,999	7	4
\$150,000 - \$159,999	6	4
\$160,000 - \$169,999	4	4
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	2
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	-	1
\$300,000 - \$309,999	1	-
\$330,000 - \$339,999	1	1
\$360,000 - \$369,999	1	-
\$380,000 - \$389,999	1	-
\$420,000 - \$429,999	-	1
\$510,000 - \$519,999	1	-

Remuneration includes employees for project activity covered by external grant funding.



**23 Remuneration (continued)**

	2020 \$'000	2019 \$'000
<b>DIRECTORS' REMUNERATION BY DIRECTOR</b>		
Mark Franklin	80	51
David McConnell	-	31
Michael Taitoko	41	41
Helen Robinson	16	43
Danny Chan	16	47
Stuart McCutcheon	41	41
Glenys Coughlan	-	28
Evan Davies	40	41
Carol Cheng	31	
Daniel Walker	27	
Ziena Jalil	27	
<b>Total directors remuneration</b>	<b>319</b>	<b>323</b>

As per Note 3.5 COVID-19 global pandemic - the Chair and Chief Executive voluntarily took a six month temporary 20% pay reduction, the Board of Directors and Senior Management Team agreed to a six month temporary 10% pay reduction effective from May 2020, and some staff also volunteered to temporary pay reductions effective from June 2020.

**24 Subsequent events occurring after the balance date**

The Review of Auckland Council's council controlled organisations Report of the Independent Panel dated July 2020 was issued to the public on 11 August 2020. The Auckland Council Governing Body met on 27 August 2020 and agreed to the establishment of a merged council controlled organisation entity by amalgamating Regional Facilities Auckland Limited (RFAL) and Auckland Tourism, Events and Economic Development Limited (ATEED). The Auckland Council Governing Body delegated to the Auckland Council Chief Executive the ability, to facilitate the transition to and establishment of the merged entity with effect from 1 December 2020. ATEED will be de-registered as an entity and a Statement of Intent for the merged entity covering the period 1 December 2020 to 30 June 2021 will include the consolidation of the current performance measurement framework and budgets for ATEED and RFAL.

## 25 Financial risk management

ATEED's activities expose it to a variety of financial risks: market risk, liquidity risk and credit risk.

ATEED's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of ATEED.

ATEED's treasury management is carried out by the Auckland Council Treasury group, and their policies and procedures are applied.

These policies do not allow any transactions that are speculative in nature to be entered into.

	Notes	CARRYING AMOUNT		FAIR VALUE	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>FINANCIAL ASSETS</b>					
Debtors and other receivables	10	<b>19,139</b>	19,537	<b>19,139</b>	19,537
Cash and cash equivalents		<b>998</b>	318	<b>998</b>	318
<b>Total financial assets</b>		<b>20,137</b>	19,855	<b>20,137</b>	19,855
<b>FINANCIAL LIABILITIES</b>					
Creditors and other payables	13	<b>(13,677)</b>	(13,540)	<b>(13,677)</b>	(13,540)
<b>Total financial liabilities</b>		<b>(13,677)</b>	(13,540)	<b>(13,677)</b>	(13,540)
<b>Net financial assets (liabilities)</b>		<b>6,460</b>	6,315	<b>6,460</b>	6,315

### (a) Market risk

ATEED is no longer exposed to foreign exchange risk.

### (b) Credit risk

Credit risk is the risk that a third party will default on its obligation to ATEED causing ATEED to incur a loss. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and credit exposures to receivables and other debtors.

ATEED have limited exposure to credit risk on debtors accounts due. The main debtors at any point in time are Auckland Council and government agencies. These debtors are parties to signed contracts with ATEED. Exposure to credit risk on other debtors is limited by having contractual support, payment in advance of services received, and by spreading the risk (e.g. many advertising sales in publications). When it is deemed prudent, a credit risk assessment will be undertaken.

ATEED have no collateral or other credit enhancements for financial instruments that give rise to credit risk. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by counterparties.

ATEED's maximum credit exposure for each class of financial instrument is best represented by the carrying amount in the Statement of Financial Position. Ongoing credit evaluation is performed on the financial condition of customers and the ageing of their existing outstanding balances. Cash and deposits are held with ASB Bank which is a registered bank in New Zealand, and is rated Standard & Poors AA- for their long-term credit rating.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Counterparties with credit ratings for cash and cash equivalents is 2020 \$998,000 (2019: \$318,000).

Counterparties without credit ratings for receivables is 2020 \$19,139,000 (2019: \$19,537,000).

## 25 Financial risk management (continued)

### (c) Liquidity risk

Liquidity risk represents ATEED's ability to meet its contractual obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. ATEED mostly manages liquidity risk by continuously monitoring forecasted expenditure and actual cash flow requirements. ATEED's creditors are mainly those reported as trade and other payable, and operating leases.

#### Contractual maturity and analysis of financial assets

	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 JUNE 2019</b>							
<b>NON-DERIVATIVES</b>							
Debtors and other receivables	19,537	-	-	-	-	19,537	19,537
<b>Total</b>	<b>19,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,537</b>	<b>19,537</b>

	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 JUNE 2020</b>							
<b>NON-DERIVATIVES</b>							
Debtors and other receivables	19,139	-	-	-	-	19,139	19,139
<b>Total</b>	<b>19,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,139</b>	<b>19,139</b>

#### Contractual maturity and analysis of financial liabilities

	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 JUNE 2019</b>							
<b>NON-DERIVATIVES</b>							
Creditors and other payables	13,540	-	-	-	-	13,540	13,540
<b>Total</b>	<b>13,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,540</b>	<b>13,540</b>

	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 JUNE 2020</b>							
<b>NON-DERIVATIVES</b>							
Creditors and other payables	13,677	-	-	-	-	13,677	13,677
<b>Total</b>	<b>13,677</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,677</b>	<b>13,677</b>

## 25 Financial risk management (continued)

### d) Financial instruments by category

The following tables present ATEED's assets and liabilities that are measured at fair value as at 30 June 2020.

#### Assets as per balance sheet

	Loans and receivables \$'000	Total \$'000
<b>AT 30 JUNE 2019</b>		
Cash and cash equivalents	318	318
Debtors and other receivables	19,537	19,537
<b>Total</b>	<u>19,855</u>	<u>19,855</u>

#### AT 30 JUNE 2020

Cash and cash equivalents	998	998
Debtors and other receivables	19,139	19,139
<b>Total</b>	<u>20,137</u>	<u>20,137</u>

#### Liabilities as per balance sheet

	Loans and receivables \$'000	Total \$'000
<b>AT 30 JUNE 2019</b>		
Creditors and other payables	(13,540)	(13,540)
<b>Total</b>	<u>(13,540)</u>	<u>(13,540)</u>

#### AT 30 JUNE 2020

Creditors and other payables	(13,677)	(13,677)
<b>Total</b>	<u>(13,677)</u>	<u>(13,677)</u>

## 26 Capital management

ATEED's capital is its equity which comprises accumulated funds and reserves. Equity is represented by total assets less total liabilities. The Local Government Act 2002 requires ATEED to manage its revenues, expenses, assets, liabilities and general financial dealings prudently to meet its long term objective of remaining a going concern, and in a way that promotes the current and future interests of the community. Equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

**27 Variances against budget in the Statement of Intent (SOI)**

	Actual 2020 \$'000	Budget 2020 \$'000	Variance 2020 \$'000	Actual 2019 \$'000
<b>OPERATING BUDGET</b>				
<b>Revenue</b>				
Operating funding from Auckland Council	40,935	50,431	(9,496)	48,688
APEC Funding	15	1,070	(1,054)	-
Fees, user charges and other revenue	22,276	18,936	3,340	15,724
Subsidies and grants (opex)	5,714	1,678	4,035	2,229
<b>Total revenue</b>	<b>68,940</b>	<b>72,115</b>	<b>(3,175)</b>	<b>66,641</b>
<b>Expenditure</b>				
Personnel costs	23,450	24,618	(1,168)	20,900
Other Employee benefits	433	415	18	639
Employee benefits	23,883	25,033	(1,150)	21,539
Depreciation and amortisation	2,980	3,124	(144)	3,115
Other operating expenses	45,057	47,082	(2,025)	45,101
Divestment	-	-	-	1,929
<b>Total expenses</b>	<b>71,920</b>	<b>75,239</b>	<b>(3,319)</b>	<b>71,684</b>
<b>Net operating revenue</b>	<b>(2,980)</b>	<b>(3,124)</b>	<b>144</b>	<b>(5,043)</b>
<b>CAPITAL BUDGET</b>				
Capital funding from Auckland Council	37	198	(161)	3,096
<b>Total capital expenditure</b>	<b>37</b>	<b>198</b>	<b>(161)</b>	<b>3,096</b>






Operating Funding	Due to COVID-19 ATEED moved to a fixed cost approach in later FY20. This approach resulted in ATEED being \$9.5m under Annual Plan requiring less opex funding from Group.
Fees, User charges and other Revenue	Additional rental revenue for new film studio leases entered into in 2020 that were not budgeted for.
Subsidies and Grants	New funding received for Maori Outcomes \$0.4m, Go with Tourism \$0.9m, additional grant funding \$2.4m, less apec funding not required \$1m.
Employee benefits	Actual staff vacancies for FY20 vs Annual Plan.
Depreciation and amortisation	Minimal capital spend in FY20 has resulted in less depreciation and amortisation than budgeted.
Other expenses	Mainly due to decreased marketing/advertising expense.
Capital funding	Minimal capital spend in FY20.



# Statement of Service Performance

## ATEED Performance Measure – Annual Result (FY 2019/20)

ATEED’s 7 KPIs have been assessed for 2019/20 according to the criteria below.

Symbol	Status	Definition
	Achieved	Result has met or exceeded target (also includes where baseline has been established)
	Substantially achieved	Result within 2% of target
	Not achieved but progress made	Target not achieved, but improvement over previous year
	Not achieved	Target not achieved and no improvement over previous year
	No result	Unable to measure

ATEED’s performance against the KPIs is set out in the following pages, along with commentary regarding the results, measurement methods, and previous year’s performance as appropriate. In summary, of the 7 KPIs:

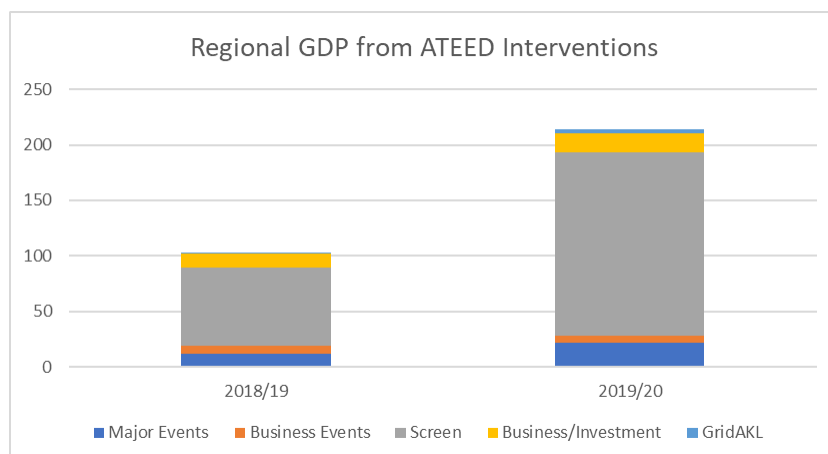
- 4 were achieved
- 3 were not achieved

**KPI 1: The contribution to regional GDP from ATEED interventions.**

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
\$103m	>\$103m	\$214m	✓

**Result**

Over 2019/20 the estimated contribution to Auckland regional GDP resulting from ATEED interventions was \$214m. This is a significant increase on the benchmark measure from 2018/19 of \$103m. The largest contribution to this overall result came from the attraction of screen/film activity to Auckland (77% of result) including the major role that ATEED played in securing a contract for the first two seasons of the Amazon Lord of the Rings series to be filmed in Auckland. In addition, regional GDP



for Auckland was also secured through the attraction of major and business events (13%), through the role that ATEED played in securing other business and investment deals for Auckland (8%) and through ATEED's role in facilitating the operation of Grid AKL, the innovation precinct in Wynyard Quarter (2%).

**Why do we measure this?**

Regional Gross Domestic Product (GDP) is a common measure used to represent the size of a regional economy. One of ATEED's roles is to work collaboratively with others to help grow the size of the Auckland economy. As such, it is appropriate that ATEED measures the contribution that its work makes to the size of the Auckland economy. This is only the second year ATEED has undertaken this measure. The goal is to grow our contribution over time.

**How do we measure this?**

ATEED, like all economic development agencies, undertakes a wide range of interventions that contribute to GDP. The impacts of some of these interventions are more direct and more easily estimated, while for others the impact is less tangible and almost impossible to estimate (e.g. the GDP impact of city branding).

For the purposes of this measure, ATEED has identified a set of interventions (a sub-set of all interventions) that are substantive, enduring and can be robustly measured in terms of their impact on Auckland's regional GDP. These interventions are:

1. The attraction and support of major events to Auckland
2. The attraction and support of business events (conferences, conventions etc) to Auckland
3. The attraction and support of screen production activity to Auckland (including film facilitation and the operation of Kumeu Film Studios and Auckland Film Studios)
4. The attraction and support of other business and investment to Auckland
5. The development and operation of GridAKL

These interventions trigger additional investment into the Auckland economy that may not have otherwise occurred. This investment flows through the economy to generate regional GDP. Estimated GDP as a result of these interventions is based on the best data available measured at an individual event/intervention level via a mixture of survey and client data input into an economic model by independent economic research firm Market Economics.

The reported result relates to forecast GDP secured over the year, but not necessarily occurring within the year. (e.g. securing a major event that will happen in the future). Future year impacts are discounted to current year values. In addition the modelling recognises that ATEED usually collaborates with partners to secure activity and applies a level of attribution that considers whether activity would occur with or without ATEED's intervention and the level of ATEED's involvement.

This measure is considered conservative as it is a measure of direct GDP and does not account for flow-on impacts (indirect and induced GDP).



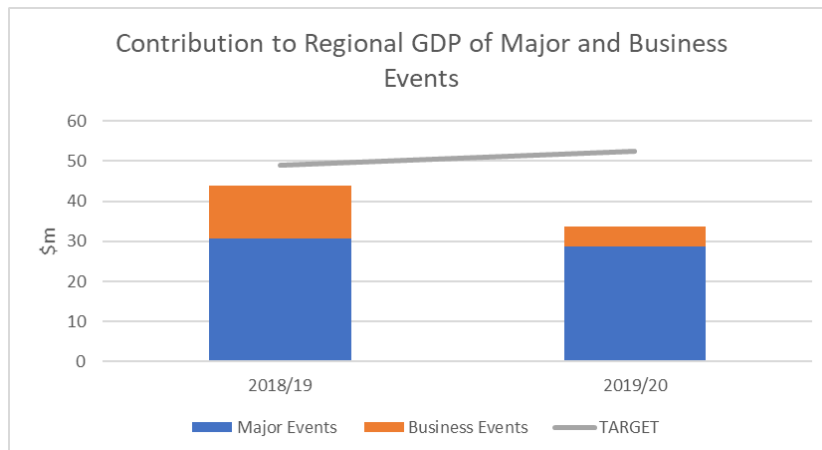
**KPI 2: The contribution to regional GDP from major events and business events attracted or supported**

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
\$43.9m	\$52.5m	\$33.7m	✘

**Result**

Over 2019/20 the estimated contribution to regional GDP from major and business events attracted or supported by ATEED was \$33.7m, which is 36% below the target of \$52.5m. This year's result reflects the impact of the COVID-19 pandemic, which resulted in 10 major events and 21 business events that were due to occur over the second half of 2019/20 being cancelled or postponed.

Impacted major events included the Pasifka and Lantern Festivals, the World Surf League Challenger Series and the ITM Auckland Super400. Impacted business events included the World Veterinary Association Congress and the WONCA Asia Pacific Regional Conference – both significant international events. In addition, ongoing delays in the opening of the New Zealand International Convention Centre (NZICC) have also impacted on not achieving target.



Impacted major events included the Pasifka and Lantern Festivals, the World Surf League Challenger Series and the ITM Auckland Super400. Impacted business events included the World Veterinary Association Congress and the WONCA Asia Pacific Regional Conference – both significant international events. In addition, ongoing delays in the opening of the New Zealand International Convention Centre (NZICC) have also impacted on not achieving target.

**Why do we measure this?**

ATEED has measured and reported the contribution to regional GDP from major events attracted or supported on an annual basis since 2012. This reflects that a key objective of ATEED's major events programme is to attract events that will contribute to growing Auckland's regional economy. Historically, this measure has reported the GDP contribution from major events in the year in which events occur. For FY 2018/19, the impact of business events attracted or supported by ATEED was also incorporated into the measure, and this has been continued this year.

**How do we measure this?**

The estimated contribution to regional GDP from major events is sourced directly from evaluation undertaken by external event evaluation company Fresh Information using a mixture of primary research with event organisers and event attendees, desk-based research and historic results. The result includes the impact of 32 major events held over the year that ATEED played a role in attracting or supporting.

Estimates of the contribution to regional GDP from business events attracted or supported are also undertaken by Fresh Information. Each business event attracted or supported by ATEED is evaluated based on a mixture of post-event primary data provided by event organisers and pre-event estimates. The result includes the impact of 21 business events held over the year that ATEED played a role in attracting or supporting.

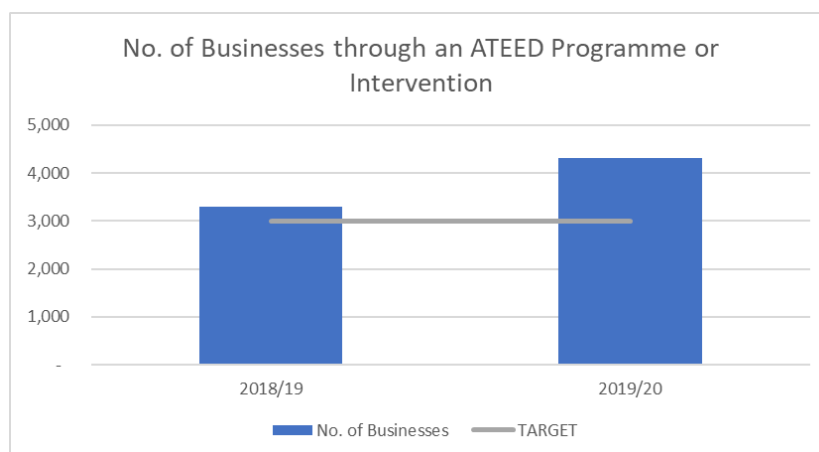
Measurement accounts for the net additional impact only, but attribution is not accounted for and figures represent the total net impact of major and business events delivered and/or attracted and/or supported by ATEED that have occurred over 2019/20.

### KPI 3: Number of businesses that have been through an ATEED programme or benefited from an ATEED intervention

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
3,303	3,000	4,315	✓

#### Result

Over 2019/20, 4,315 businesses have been through an ATEED programme or benefited from an ATEED intervention. This year's result is significantly above the target of 3,000 businesses and is a 31% increase compared to last year. The primary reason for the significant increase this year was ATEED's response to the COVID-19 crisis. In particular over the period late March to the end of May 2020, ATEED assisted more than 3000 small to medium sized businesses seeking support to manage the impacts of COVID-19 (compared to 850 businesses for the entire previous financial year).



#### Why do we measure this?

Measurement of the number of businesses that have been through an ATEED programme or benefitted from an ATEED intervention provides an indicator of the breadth of ATEED's reach across the economy. As a ratepayer funded organisation ATEED's role is to develop the regional economy for the benefit of all Aucklanders and in doing this looks to maintain a wide reach across the economy.

#### How do we measure this?

The number of businesses that have been through an ATEED programme or benefited from an ATEED intervention is measured via an internal process.

The programmes and interventions run by ATEED across the Destination and Economic Development divisions are captured and defined. For the purposes of this measure programmes and interventions cover a wide range of ATEED activities including the Regional Business Partner Network programme, the sponsorship and delivery of major events and the management of facilities such as GridAKL and the Auckland Film Studios.

On a quarterly basis, details related to the businesses that have been through each programme or intervention are captured internally via ATEED's CRM and other internal systems.

It is assumed that if a business has been through one of the ATEED programmes or interventions defined, then they have benefitted from this. No further verification of this is captured through this measure.

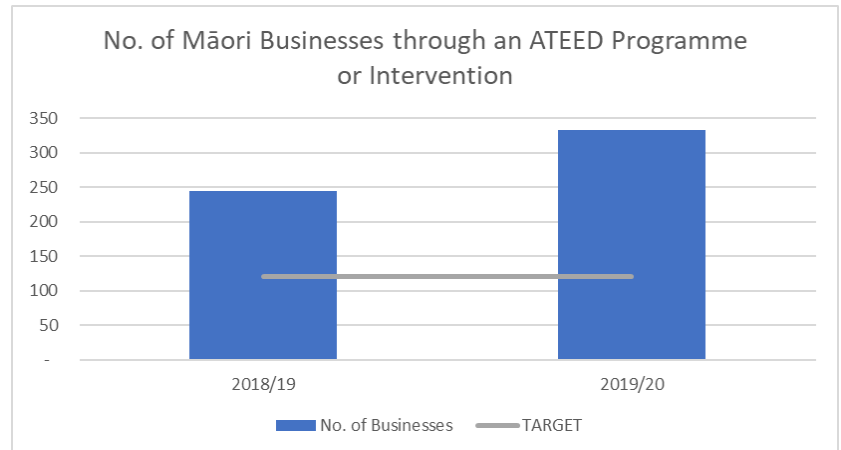
The measure includes only businesses that went through an ATEED programme or intervention and doesn't capture the wider downstream benefits of each intervention. It also excludes individuals or entrepreneurs. Businesses that have been involved in multiple ATEED interventions / programmes are counted only once.

#### KPI 4: Number of Māori businesses that have been through an ATEED programme or benefited from an ATEED intervention

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
244	120	333	✓

#### Result

Over 2019/20, 333 Māori businesses have been through an ATEED programme or benefited from an ATEED intervention. This year's result significantly exceeds the target of 120 businesses and is a 36% increase on last year's result. The primary reasons for the changes from last year's result are the increased business support provided to Māori businesses (including tourism business) to apply for a COVID-19 business grant, where more than 75 percent of the Māori businesses that have applied for a grant have already received one. The key ATEED programme or interventions that have benefitted Māori businesses are the Regional Business Partner programme, the Māori Economic Development programme/ Whāriki, the Tourism Destination Development / Innovation - Māori and Iwi Tourism programme, and the Business Innovation Clinics.



#### Why do we measure this?

ATEED is the outcome lead for Māori Business, Tourism and Employment within the Māori Outcomes portfolio for Auckland Council. As such, ATEED plays a significant role in delivering on the Focus Area identified in the Auckland Plan to *Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland's economy*. Measurement of the number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention is one way that ATEED can measure its role in helping Māori businesses to play a significant role in the growth of the Auckland economy.

#### How do we measure this?

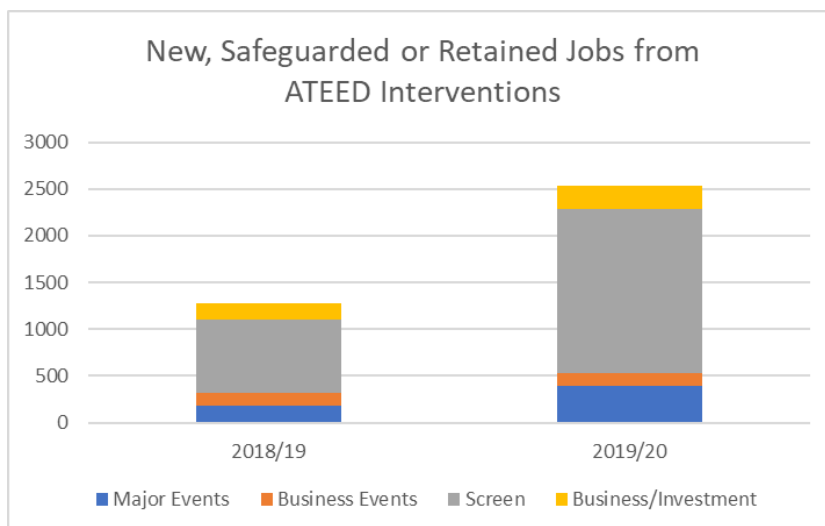
This is a sub measure of the total measure above (KPI 3). Māori businesses have been self-defined and include businesses that consider themselves a Māori business due to ownership, philosophy, principles, goals, tikanga, management practices, branding, assets (both tangible and intangible), and employees. These categories align with those used by Statistics NZ to define Māori businesses.

**KPI 5: Number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention.**

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
1,280	>1,280	2,524	✓

**Result**

Over 2019/20 the estimated number of new jobs created, safeguarded or retained in Auckland as a result of an ATEED intervention was 2,524. This is a significant increase on the benchmark measure from 2018/19 of 1,280. The largest contribution to this overall result came from the attraction of screen/film activity to Auckland (69% of result) including the major role that ATEED played in securing a contract for the first two seasons of the Amazon Lord of the Rings series to be filmed in Auckland. In addition, jobs were created, safeguarded or retained through the attraction of major and business events (21%), and through the role that ATEED played in securing other business and investment deals for Auckland (10%). Economic sectors in which it is estimated the largest shares of jobs were created are Retail Trade (35%), Accommodation and Food Services (18%) and Construction (11%).



**Why do we measure this?**

Number of jobs is a common measure used to represent the size of an economy. One of ATEED’s roles is to work collaboratively with others to help grow the size of the Auckland economy. As such, it is appropriate that ATEED measures the contribution that its work makes to the creation of jobs in the Auckland economy. This is only the second year ATEED has undertaken this measure. The goal is to grow our contribution over time.

**How do we measure this?**

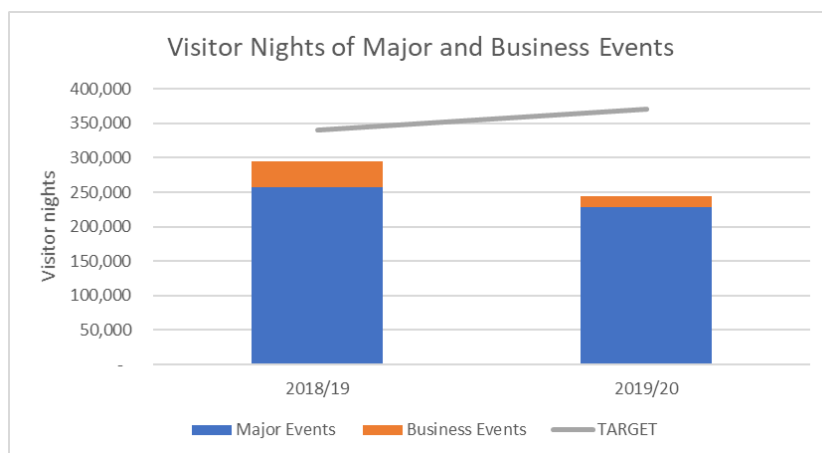
The number of jobs created is directly linked to regional GDP (KPI1) and is measured as a direct output of the GDP modelling undertaken by Market Economics. All assumptions are as per KPI 1.

**KPI 6: Number of visitor nights resulting from an ATEED intervention. (LTP measure)**

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
295,282	370,000	244,249	✘

**Result**

Over 2019/20 the estimated number of visitor nights resulting from an ATEED intervention was 244,249, which is 34% below the target of 370,000. This year's result reflects the impact of the COVID-19 pandemic, which resulted in 10 major events and 21 business events that were due to occur over the second half of 2019/20 being cancelled or postponed. Impacted major events included the Pasifika and Lantern Festivals, the World Surf League Challenger Series and the ITM Auckland Super400. Impacted business events included the World Veterinary Association Congress and the WONCA Asia Pacific Regional Conference. In addition, ongoing delays in the opening of the New Zealand International Convention Centre (NZICC) have also impacted on not achieving target.

**Why do we measure this?**

ATEED has measured visitor nights generated from major events attracted or supported on an annual basis since 2012. This reflects that a key objective of ATEED's major events programme is to attract events that will contribute to growing Auckland's regional economy through attracting visitors who stay overnight. Historically, this measure has reported the visitor night contribution from major events in the year in which events occur. For FY 2018/19, the impact of business events attracted or supported by ATEED was also incorporated into the measure, and this has been continued this year.

**How do we measure this?**

Measurement of the estimated number of visitor nights resulting from an ATEED intervention is focussed on the impact of the attraction and support of major events to Auckland and the attraction and support of business events to Auckland.

The estimated contribution to visitor nights from major events is sourced directly from evaluation undertaken by external event evaluation company Fresh Information using a mixture of primary research with event organisers and event attendees, desk-based research and historic results. The result includes the impact of 32 major events held over the year that ATEED played a role in attracting or supporting.

Estimates of the visitor nights resulting from business events attracted or supported are also undertaken by Fresh Information. Each business event attracted or supported by ATEED is evaluated based on a mixture of post-event primary data provided by event organisers and pre-event estimates. The result includes the impact of 21 business events held over the year that ATEED played a role in attracting or supporting.

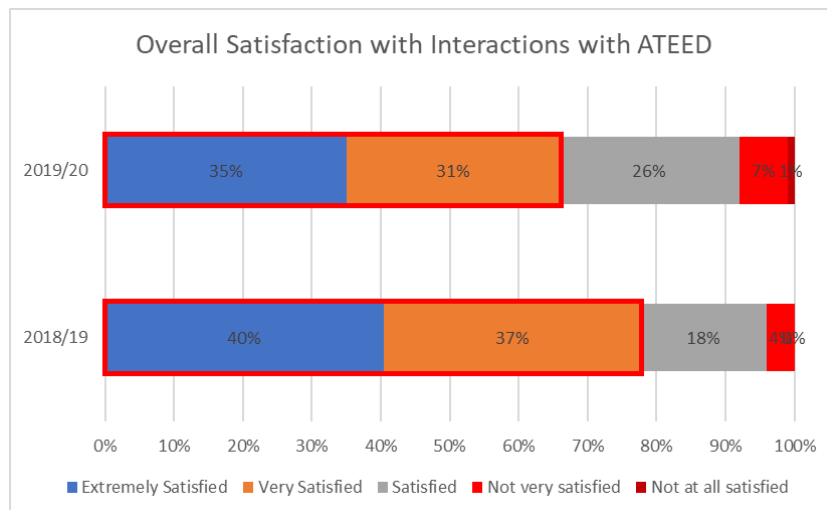
Measurement accounts for the total nights associated with each event. Attribution is not accounted for and figures represent the total net impact of major and business events supported by ATEED that occurred within the 2019/20 year.

**KPI 7: Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED**

2018/19 Result	2019/20 Target	2019/20 Result	2019/20 Status
77%	>77%	66%	✘

**Result**

Over 2019/20, 66% of ATEEDs longer term customers, partners and stakeholders said they were either **extremely** satisfied or **very** satisfied with their interaction with the part of ATEED that they had dealt with most. This compares with 77% who said the same last year. While this year's result has not hit the benchmark set last year, overall 92% of customers were satisfied with their interactions with ATEED compared to 95% last year. The COVID-19 pandemic meant that fewer long term customers, partners and stakeholders were contacted and/or chose to participate in the survey this year. COVID-19 is also likely to have had an impact on general business confidence and sentiment.



COVID-19 is also likely to have had an impact on general business confidence and sentiment. Key suggestions for improved customer service included increasing funding available, improved continuity of service as a result of staff changes, improved collaboration and better communication and engagement.

**Why do we measure this?**

ATEED has an ongoing need to gauge the success of our activities from a customer perspective with the aim of improving our processes and service delivery. In the past, ATEED has implemented customer satisfaction measurement on a project by project or event by event basis. However, this was not done in a coordinated and consistent manner across the organisation.

Over 2018/19, ATEED embarked on an all of business approach to measuring customer satisfaction through the introduction of a Voice of the Customer programme. The establishment of this customer response mechanism was designed to put customer driven improvements at the heart of how ATEED operates by providing:

- a robust and consistent measure of how satisfied our customers and stakeholders are and their derived benefit from working with us and how this changes over time.
- customer driven insights into operational improvements that will have a direct impact on the way ATEED operates and works with its customers and stakeholders at an all of business and a business unit level.
- reduced ambiguity and a stronger evidence base on which decisions can be made in the development of ATEED's action planning.

**How do we measure this?**

Customer satisfaction is measured via a survey of long-term customers, partners and stakeholders from across the business. In 2018/19, ATEED established a benchmark measure working with an external survey provider with interviews undertaken in two waves over the year at the ends of Q2 and Q4. This year, the first wave of interviewing was undertaken using the same external service provider, but the second wave was undertaken internally due to budget pressures imposed by the COVID-19 crisis.

Customers are contacted by ATEED in advance to inform them of the survey and then invited to complete an online survey. The 2018/19 benchmark was based on 141 responses to 444 invitations to participate – a response rate of 32%. This year, a total of 363 invitations to participate were sent out with a total of 86 surveys completed – a response rate of 25%. The margin of error on this sample size is +/- 10.0%. The key reasons for the smaller sample this year was a deliberate decision to limit the number of invitations to participate in the second wave due to the impact of the COVID-19 crisis on a number of customers – particularly in the tourism and hospitality sectors, and a reduced response rate.

The customer satisfaction measure is calculated as the percentage of customers who say they are "Extremely satisfied" or "Very satisfied" in response to the question; How satisfied are you with your interaction/s with <business unit>?

# Directory

For the year ended 30 June 2020

The Directors as at the year ended 30 June 2020 are as follows:

- Mark Xavier Franklin
- Stuart Norman McCutcheon
- Michael John Taitoko
- Evan Welch Davies
- Hongyu (Carol) Cheng (appointed 1 November 2019)
- Daniel Te Whenua Walker (appointed 1 November 2019)
- Ziena Nitasha Jalil (appointed 1 November 2019)

Danny Chan and Helen Robinson were directors during the year but retired on 31 October 2019.

Shareholders	Auckland Council (100%) 135 Albert Street Auckland, 1010 New Zealand
Registered Office	Level 7, 167b Victoria Street West Auckland, 1010 New Zealand
Auditors	Audit New Zealand Level 6, 280 Queen Street Auckland 1140 New Zealand
Bankers	ASB Bank Limited 12 Jellicoe Street, Wynyard Quarter Auckland, 1010 New Zealand
Solicitor	Simpson Grierson, Level 27, 88 Shortland Street, Auckland, 1010 New Zealand
Registered Company Number	3089625