

Auckland Unlimited Limited

Annual Report

For the year ended 30 June 2021





*Front cover image:
ETNZ's rocket ship
Te Rehutai thrills
spectators on the
Waitematā Harbour*

*Mural painted by
international students
in the Britomart
precinct*

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Understanding the information provided in the Annual Report

The outcome of a review of Auckland Council's council controlled organisations was captured in the *Report of the Independent Panel* dated July 2020 and 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.

RFAL's name was changed on 1 December 2020 to Auckland Unlimited Limited (AUL) and Auckland Tourism, Events and Economic Development Limited (ATEED) was de-registered as an entity on 1 December 2020.

AUL is the corporate trustee for Regional Facilities Auckland (RFA) – 'the Trust'.

Prior to the merger, the primary objective of RFAL was to act as a Corporate Trustee for the Trust. RFAL's only transactions included the payment of directors' fees, which are reimbursed by the Trust. The financial statements in this annual report only reflect the post-merger transactions for the seven months relating from merged ATEED operations, plus the full year's RFAL director fees.

However, the narrative and statement of service performance information included in this annual report reflects the ATEED five months prior to the merger and the seven months AUL subsequent to the merger in order to provide full information of the company's performance.

Unless specifically identified, any reference to AUL in the narrative and statement of service performance relates to ATEED and AUL activity.

AUL DELIVERS FOR AUCKLAND

\$86.8m

central government investment into Auckland facilitated by Auckland Unlimited

\$438.7m

attributable private sector investment secured over the year by Auckland Unlimited

Delivered **36th America's Cup** host city programme and Summernova Festival, showcasing the region to a global audience

604

Māori businesses through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention

88

business event opportunities won for Auckland forecast to generate an estimated 68,000+ visitor nights

88% satisfaction of customers, partners and stakeholders who interacted with Auckland Unlimited

5800+

businesses assisted to access government business support (via the RBP and other Auckland Unlimited services)

Convened two successful

Auckland's Future,

Now events to help drive economic recovery

Pacific Skills Shift Initiative

programme, alongside The Southern Initiative and The Cause Collective

Statement from the Chair



This year saw the most significant moment for our Auckland council controlled organisation since its inception as part of the Super City amalgamation a decade ago.

On 1 December 2020, Auckland Tourism, Events and Economic Development (ATEED) merged with Regional Facilities Auckland Limited (RFAL) to form Auckland Unlimited Limited (AUL).

The merger capitalised on the clear links between the legacy organisations' work across the events and creative sectors and recognised the importance of the cultural economy to our region, combining the two organisations' strengths to create a new cultural and economic development agency.

In the previous reporting period, the senior leadership of both organisations provided constructive input into the Council-appointed CCO Review Panel's work, and we supported its resulting merger recommendation that was accepted by Council's Governing Body in August 2020. There were several practical reasons for the merger including removing duplication, a more strategic approach to events, and savings for our shareholders, and ultimately Auckland ratepayers, of \$5 million a year.

As a Board and as an organisation, we embraced the introspection, changes and challenges the merger process delivered. As always, our focus this year was on building partnerships across the public and private sectors, which will allow us to deliver great cultural and economic outcomes for our Council shareholder and all Aucklanders.

New Zealand's strong response to the COVID-19 pandemic allowed Auckland to retain a significant level of normality for much of the reporting period. But the subsequent national alert level rise, the end of the trans-Tasman travel bubble, and instigation of an Auckland border, showed the depth of the task ahead to help our region recover from the pandemic's ongoing economic impacts.

Auckland is the country's global city and we are committed to being at the forefront of efforts to attract new investment, new talent and world-class cultural experiences and events.

Some industries and businesses remain particularly hard hit by COVID-19, and it's likely to be a long road back for them. We have and will continue to work alongside them. Jobs which existed prior to the pandemic may never exist again, and some communities – particularly in our west and south, and among Māori and Pacific peoples – have suffered disproportionately. Our work has and will continue to support them.

As this financial year ends, investors, skilled workers and migrants still have major barriers to movement around the world. That's the reality we all have to accept, but we are playing an important role in advocating for a strategic national response, that will help our key industries stay resilient.

In the lead up to the merger, and in the seven months since, we have continued to successfully drive inbound investment, and deliver the Government's critical financial support for thousands of businesses.

Following the announcement of the CCO review recommendation relating to the merger of Regional Facilities Auckland Limited (RFAL) and Auckland Tourism Events and Economic Development Limited (ATEED), the following RFAL and ATEED Board members finished their tenures on 9 September 2020 and 30 November 2020 respectively – RFAL: Andrew Barnes, Chair; Joanna Perry; Andrew Collow; and Candace Kinser. ATEED: Ziena Jalil; Professor Stuart McCutcheon; and Mike Taitoko. I would like to thank each of them for the passion and expertise that they brought to their roles with the former ATEED and RFAL Boards.

I, and my fellow former ATEED Directors, Carol Cheng, Dan Te Whenua Walker and Evan Davies, joined Jennah Wootten, Fabian Partigliani, and Jennifer Rolfe on the RFAL Board on 14 September 2020. RFAL was renamed Auckland Unlimited Limited on 10 November 2020, ahead of the legal amalgamation of ATEED into Auckland Unlimited Limited, on 1 December 2020.

The Board believes change presents opportunities, and as an organisation, we understand the need to seize those opportunities through being bold and dynamic. The merger created a mandate for us to deliver even more for Auckland. It is a privilege to lead this organisation's Board into a new and exciting era and I am proud to present this annual report which (as explained on p4) captures the operations of former ATEED and now AUL for the 2020/21 financial year.



Mark Franklin

Chair

Statement from the Chief Executive



As this financial year drew to a close, we had made great progress in constructing the new cultural and economic development agency that has been shaped by the past, but built for the future.

We finalised a new operating model following a detailed design phase which took into account the new demands and new ways of working in a COVID-19 world, and the need to deliver on priorities agreed with Council.

For practical purposes, while crucial transition work took place within a dedicated unit, the staff and operations of ATEED continued on with very little change following the merger on 1 December – despite a new legal name Auckland Unlimited Limited.

I was proud to watch that great work for Auckland roll out under the astute leadership of Pam Ford – General Manager Economic Development at AUL – who stepped up while I focused on my new role as Chief Executive Designate of the transition organisation, before officially becoming Auckland Unlimited Chief Executive on 1 December.

We remain in a dynamic COVID-19 environment which is deeply impacting on our organisation, Auckland Council, and Auckland's economy. We must continue to operate in a highly agile way, proactively confronting emerging challenges and responding by allocating budgets, adjusting operations and prioritising programmes as necessary.

A good example was the suspension of the Accommodation Providers Targeted Rate collected by Council, which was confirmed in July 2020 by the Governing Body for the 2020/21 year. This meant Council was not in a position to pass on an estimated \$14.6 million portion of ATEED's annual budget earmarked for destination-focused activities, and we simply had to adapt.

The work of former ATEED is incorporated into the new operating model of Auckland Unlimited, which is based on four *rōpū* (areas of work). By year's end, we had begun to make appointments for the new structure's executive team.

Against any measure, this was a remarkable year; one which regularly threw us curve balls to deal with. We played an important role in helping our region stay as resilient as possible, in the face of COVID-19, and then start to recover from its impacts.

Our response focused on providing support for small to medium businesses, and convening specific industries to develop an overall recovery plan for the region – with the two *Auckland's Future, Now* events and the Tāmaki Makaurau Taki Hua Māori Economic Summit 2020 we delivered being prime examples of the value we add.

The health of the region's economy and the depth of its cultural experiences reinforce Auckland as a destination, creating international links and driving investment.

As a semblance of normality returned to our region, despite occasional short and sharp lockdowns, we were able to deliver outstanding major events, alongside our valued partners. We can be incredibly proud of our key role driving Auckland's activities as host city of the 36th America's Cup, and the delivery of three highly popular cultural festivals. In addition, we invested on behalf of Council in a range of exciting sporting and cultural events which Aucklanders and domestic visitors were able to enjoy.

As part of the process to develop our new operating model, Auckland Unlimited explored what it means for public organisations to truly partner with, and be responsive to, *tangata whenua* and *mataawaka*. We are determined to take a leadership role in going beyond the mindset that meeting Treaty of Waitangi obligations is enough.

That is why one of our rōpū is Māori Outcomes, in addition to Māori responsiveness being ingrained across the organisation. A new Māori outcomes plan for the entire organisation is being developed.

Amid the focus on COVID-19, we must not lose sight of the climate change challenge confronting us all, as a region and as a nation. In October 2020, the first *ATEED Climate Change and Sustainability Report* was published – this bold step in our journey as an organisation, committed to being sustainable and climate proof, was in place before any merger proposal existed. Our moves align with the wider Council group's commitment to a 50 per cent reduction in emissions by 2030. We also published a report in March 2021 – *Climate Change and Economic Recovery – Challenges Facing Businesses* to help Auckland businesses understand the impending climate change impacts they will face.

ATEED's greenhouse gas emissions were measured and verified by Toitū Envirocare for the first time, and we will continue to focus on implementing best practice in this area.

We are focused on continuing to build trusted relationships with central government agencies on hugely important initiatives for our region, such as a project funded by the Ministry of Business, Innovation and Employment to help upskill Auckland's Pacific people working in jobs that are less skilled and more likely to be affected by automation and other technological change.

That project is a great example of the role our organisation can play in building Auckland's capability and resilience, and in targeting support where it is needed the most. But the project wouldn't be possible without the partnership of several companies which agreed to work with us so their strongly Pacific workforce and the communities they live in can better share in our region's future prosperity.

That is the Auckland we all want to be part of in the years ahead, and our new operating model will allow us to help achieve that vision.



Nick Hill

Chief Executive

Directors' report

The Board of Directors has pleasure in presenting the annual report of Auckland Unlimited Limited, incorporating the financial statements, statement of service performance and the auditors' report, for the year ended 30 June 2021.

The Annual Report was authorised for issue by the board of AUL on 24 November 2021. Neither Auckland Council nor AUL Board has the power to amend the financial statements once adopted.



A handwritten signature in black ink, appearing to read 'M Franklin'.

Mark Franklin
Chair



A handwritten signature in black ink, appearing to read 'Jennah Wootten'.

Jennah Wootten
Deputy Chair

Independent Auditor's Report

To the readers of Auckland Unlimited Limited's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Auckland Unlimited 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 57, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income, 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 58 to 70.

In our opinion:

- the financial statements of the company on pages 22 to 57:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 58 to 70 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 2021.

Our audit was completed on 24 November 2021. 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 attention to the following matters.

Understanding the financial and performance information in the annual report

Note 3.6 on page 38 to 40 outlines the financial effects of amalgamating Auckland Tourism, Events and Economic Development Limited (ATEED) into the company on 1 December 2020. Page 59 outlines that the company included ATEED's performance information, for the five months prior to the amalgamation, to provide meaningful reporting.

Ongoing impact of Covid-19

Note 3.5 on page 37 and note 22.2 on page 53 of the financial statements and the results commentary of the statement of service performance outline the significant ongoing impact of Covid-19 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 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. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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 going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- 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, 15 to 21 and page 71, 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

2020 / 2021

Economic Development

Auckland Unlimited Limited (AUL) has a key role to play in supporting business and investment attraction, business growth, innovation and skills across the region. This year, two successful events were convened to discuss how the public and private sectors can collectively support our communities, businesses and industries in a COVID-19 world; investment attraction activities brought \$438.7m to the region; a crucial new skills programme was developed; the GridAKL innovation precinct was the fulcrum of the region's thriving innovation ecosystem; and the huge amount of work we did to support small businesses impacted by COVID-19, illustrated the value the organisation delivers alongside a range of public and private sector partners.

The two *Auckland's Future, Now* business events designed and delivered by AUL demonstrated the region's commitment to work together to drive the region's economic recovery and long-term future.

Each brought together more than 200 business and economic thinkers, Auckland Council and government agency representatives. Attendees heard from keynote speakers and insightful panels, and had robust conversations about how the public and private sectors can collectively support our communities, businesses and industries in a COVID-19 world.

The first event, in August 2020, delivered a concise list of key actions towards recovery, and ATEED developed a plan to help implement those, including convening working groups with representatives from the public and private sectors. The 2020



event produced a cross-sector working group on border management, and a five-year industry-led technology strategy. It also prompted the Tāmaki Makaurau Taki Hua Māori Economic Development Summit in November 2020.

The second, in May 2021, continued the momentum created by the inaugural event, and explored how public and private collaboration could go beyond the region's economic recovery, to build Auckland's best future.

The events were opportunities for open and honest discussions about the challenges facing Tāmaki Makaurau Auckland and practical steps the region can work on and advocate for, to signal to decision-makers, international and local business that we are leading the way to a transformed, knowledge-intensive and future-ready regional economy.

Support for small to medium enterprises

During the year, AUL continued its strong support for small to medium businesses, and convened representatives of Auckland's most important industries to develop a recovery plan for the region.

In July 2020, the Government increased the COVID-19 funding available to Auckland businesses by \$16.4m, including \$3.87 ring-fenced for tourism businesses. AUL delivers the Government's Regional Business Partner Network (RBP) programme across Auckland, including specific COVID-19 support, Callaghan Innovation research and development grants, and New Zealand Trade and Enterprise capability vouchers.

For the financial year, this included a huge focus on COVID-19 Business Advisory Fund delivery, along with Research & Development support. AUL expanded its Business team to enable it to support more than 5800 businesses. Staff from other teams and partner organisations were redeployed to manage demand. AUL worked with organisations including Lifeline to ensure the team had tools to deal with distressed business owners.

Māori businesses successfully applied for over 420 Regional Business Partnership vouchers during the year (298 COVID fund, 37 Tourism fund, and 88 Management Capability Fund - with some businesses eligible for multiple vouchers), receiving more than \$1.38m of support. Working with nine partners, AUL delivered 10 Māori Collab webinars which connected Māori businesses with services and support, and again worked closely with the Whāriki – Tāmaki Makaurau Business Network, an independent body which is a place to connect and weave bonds of whanaungatanga, a foundation for the development of Māori economic success and a platform for Māori entrepreneurial excellence.

Attracting investment to the region

During the year, AUL facilitated investment deals worth \$438.7m to the regional economy. Two large multi-national companies, whose arrival has been assisted by AUL – Costco, and IKEA – both progressed their moves into Auckland, while the Investment team was also involved in the attraction and set up of the \$40m Hillfarrance Venture Capital fund, which invests in seed-stage companies solving problems that matter to New Zealand and, in turn, the rest of the world.



ATEED launched the Invest Auckland platform, changing the way Auckland facilitates and secures inward investment. It presents a coordinated regional voice about Auckland as an investment destination, showcasing opportunities from 'Auckland Inc' partners. It delivers digital services and information that, prior to COVID-19, international investors would come to Auckland in person for, mitigating the impacts of the pandemic on the international investor experience in the region.

Support for screen and creative industries

The screen and creative sector will be a crucial part of Auckland's economic recovery and future. AUL continued to operate five film studios, and support major productions involving streaming giants Amazon Studios and Netflix, which recommenced following COVID-19 enforced breaks, supporting a large number of crew and supplier businesses.

To support the September 2020 global release of Disney's feature film *Mulan*, which was largely filmed at Kumeu Film Studios in 2018, ATEED ran a marketing campaign targeting a priority international screen production audience.

An agreement was signed with Screen Wellington to promote inter-regional cooperation. Auckland Unlimited is working to attract more Aucklanders into screen sector careers, as well as supporting the sector to retain and upskill existing talent. To help with that, the Screen Careers Perception Research project was undertaken during the year to understand people's thoughts about working in the screen industry. The national research was supported by New Zealand Film Commission and Screen Wellington, and the findings presented to key industry stakeholders via an online hui in May 2021, and to the wider industry in June 2021.

Jobs and skills development

A priority for AUL is to support communities where the workforce is vulnerable to the changing future of work, and other factors such as the pandemic.

A contract with the Government was signed in December 2020 to deliver the ground-breaking Pacific Skills Shift Initiative programme, alongside Auckland Council's The Southern Initiative and The Cause Collective. AUL is working with employers to enable Pacific workers in less-skilled roles to do externally accredited short training courses in the workplace, designed to give people the skills and knowledge to adapt to the future of work and the economic impacts of COVID-19, boosting work and life skills, confidence and resilience.

AUL aims to work with employers and education providers to deliver 3,500 places on workplace-based training courses for Pacific Aucklanders over four years.

Sanford, Van Den Brink and The Comfort Group took part in successful pilots and AUL is now recruiting employers in construction and infrastructure, manufacturing, healthcare, transport and logistics to take part.

Following the creation of the Tāmaki Employment Precinct Strategy in partnership with the Tāmaki Regeneration Company (a Crown entity), AUL is supporting an 18-month Tāmaki Innovation Hub pilot and the creation of the Tāmaki Neighbourhood 7 masterplan to unlock innovation and enhanced local employment opportunities in Tāmaki.

AUL is working with regional and national partners to build a shared 30-year vision for Drury's economy, to ensure its future development includes sustainable business and employment opportunities, and to encourage coordination and collaboration for that long-term economic vision.



Support for innovation

GridAKL, the innovation hub in Wynyard Quarter, continued to develop and be a focal point for the region's innovation ecosystem. During the year it housed nearly 800 individuals from up to 140 resident businesses; more than 400 events were hosted, attended by more than 23,000 people.

The innovation ecosystem expanded in 2020, with one new and one refreshed partnership.

ATEED partnered Creative Coworking Ltd to create Click Creative Tech Studios (Click Studios) – a creative technology social enterprise and co-working space located at the Unitec Institute of Technology campus in Mt Albert, Auckland. The hub officially opened September 2020 and was fully tenanted by December. A second building opened in Rosebank Rd, Avondale in June 2021. Both will support Auckland's creative technology sector to rapidly upskill and become internationally focused through the provision of physical spaces to connect, innovate, learn, and develop new ideas.

In Manukau, AUL and Ngahere Communities Ltd collaborated to design a refreshed business model for programme delivery and the overall operations of the hub space previously known as Te Haa o Manukau. GridMKN (Grid Manukau) is the epicentre for south Auckland's creators, innovators and entrepreneurs, cultivating communities, enhancing creativity and innovation by using collaborative spaces, common values, co-designed entrepreneur programmes and business initiatives specifically aimed at Māori and Pasifika peoples. GridMKN will leverage off the strength, experience and brand of GridAKL.

Supporting the sustainable growth of the visitor economy

The delivery of the host city programme for the 36th America's Cup highlighted the year's investments in major events, while three of the region's popular cultural festivals contributed to the region's vibrancy as COVID-19 restrictions eased; AUL developed and delivered domestic tourism campaigns to support the struggling regional industry; the Auckland Conventions Bureau team had another strong year supporting the industry affected by the pandemic, and attracting future business events; and Study Auckland continued to develop the region's reputation as an international education destination. While the COVID-19 pandemic continues to impact on destination activity, the strength of our partnerships with industry were evident during the year.

The 36th America's Cup, presented by Prada, captured our region's natural beauty and sailing amphitheatres, reinforced Auckland's standing as a vibrant global sporting city, attracted significant spend into the region, and showcased our world-leading technological innovation to a world in the midst of COVID-19.

ATEED led event planning for city operations for the America's Cup, on behalf of the hosts (the NZ Government and Auckland Council). A dedicated project team was focused on the planning and integration requirements outside of the AC36 Cup Village, so that the city could still function within a busy working harbour at the same time as bringing other parts of Auckland to life to maximise the benefits of being the host city.

The team designed a successful City Skippers volunteer programme, and collaborated with the wider Auckland Council group over crucial factors such as public transport plans, and the smart use of open spaces along the central city waterfront.

More than 450,000 visitors experienced the race village during December's World Series Auckland and Christmas Race, the Prada Cup in January and February, and the Cup Match in March. More than 195,000 soaked up the excitement at the village during the five America's Cup Match days.

AUL developed and curated Auckland's newest summer highlight, *Summernova Festival Series* to wrap around the America's Cup and encourage greater dispersal of people and economic benefits around the region. From December to March, more than 20 events and activations helped to make Auckland an attractive place for domestic visitors and locals alike.

The 36th America's Cup attracted nearly 39,000 visitors to Auckland, who stayed nearly 380,000 nights around the region. The event created an additional \$298.2 million of expenditure in Auckland through the costs of event operations, purchases of tourism goods and services, and other goods and services.

It was the most watched America's Cup of all of time with a total global audience of 941 million people and a dedicated audience of 68.2 million viewers across the world, who watched 52 hours of the live broadcast in 236 territories.



Cultural festivals return

The gradual easing of COVID-19 restrictions towards the end of 2020 meant AUL was able to deliver three of the four hugely popular annual cultural festivals. This included curating an innovative community based programme for the Auckland Diwali Festival in multiple locations across the region in October and November.

We partnered with the Mana Whenua Kaitiaki Forum on designing the Tāmaki Herenga Waka Festival – delivered by AUL in January on the waterfront – which again provided captivating entertainment on and off the harbour and showcased the region’s proud Māori culture.



The vibrant Pasifika Festival, which had to be cancelled in early 2020 due to COVID-19, was originally scheduled to take place at Western Springs in March 2021. But an alert level change meant a late postponement was needed, and the event moved to Mt Smart Stadium, where it was successfully delivered in April.

Elemental AKL – which was originally developed by ATEED as a winter festival – shifted to spring in 2020 and showcased ‘arts, eats and beats’ across the region through more than 30 events through October.

Partnering to support Auckland’s tourism industry

The organisation’s focus was to implement key aspects of the *Destination AKL Recovery Plan* across the tourism, major events, business events, and international education activity.

The Industry Leaders Group established to guide the development of the original *Destination AKL 2025* strategy released in 2018, has been pivotal to AUL’s ongoing support for the tourism sector – which was particularly hard hit by COVID-19.

AUL received \$1m from the Government’s Strategic Tourism Assets Protection Programme to help with the delivery of urgent actions in the recovery plan. ATEED successfully applied for \$17m across four years from the Government’s new Regional Events Fund to boost domestic tourism through investment in the events sector. In May 2021, the Government provided a further \$1.5m to AUL, as the regional tourism office for Auckland, as part of the Government’s *Tourism Communities: Support, Recovery and Re-set Plan* budget.

Targeted campaigns

In September and October 2020, ATEED launched a range of marketing campaigns to support the region's tourism industry by driving domestic visitation: it partnered with Tourism New Zealand on the *Do something new, New Zealand* campaign, with Aucklanders urged to do something new in their region; ATEED's *DearNZloveAKL* campaign went live in October, encouraging Aucklanders to invite friends and family to reconnect in Auckland; *Nau Mai, get to know my Auckland* encouraged visitors to discover the region's hidden gems highlighted by locals and personalities.

An *Iconic Auckland Eats* campaign, which involved the public and celebrities nominating their favourite cuisine around the region, was developed and ran through October.

Disappointment at the postponement of some global events scheduled to take place in Auckland was tempered by confirmation of Rugby World Cup 2021 (playing in 2022) and ICC Women's Cricket World Cup 2022. In April 2021, it was announced that Eden Park will have the eyes of the football world on it when Auckland hosts the opening match of FIFA Women's World Cup 2023, following a successful bid by Auckland Unlimited on behalf of Auckland Council. All of these events will showcase Auckland as a world-class global events city and deliver significant economic value to the region.

The event investment portfolio included a range of successful events including the NZRL Festival of League, The City of Auckland Rally and a women's rugby union triple header at Trusts Stadium.

Auckland Conventions Bureau (ACB) was notified during the financial year of 88 event wins confirmed for Auckland which are expected to generate more than 68,000 visitor nights and have an estimated economic impact value of \$21.7m. Eight international competitive bids for conferences to be held from 2022 to 2026 were won for Auckland – with delegate numbers ranging from 220 to 2,550 and with a collective estimated economic impact value of just over \$13m.

ACB provided significant support for the industry and its members as COVID-19 caused cancellations and postponements of events involving international delegates, that had been set to take place during the period.

After changing focus when the pandemic hit, Go with Tourism – an initiative developed by ATEED and now rolled out nationally with government support – helped displaced Auckland workers find alternative employment, while also maintaining its programmes to inspire young people into tourism, for when borders gradually re-open and deliver expos around the country.

International education

Study Auckland delivered a virtual internship project funded by the University of Auckland to 100 students in July 2020, with the students working in small groups to help local businesses. The team partnered Northland Inc (Regional Economic Development Agency) to co-design a digital platform and campaign BeKiwi to promote learning, tourism and volunteer activities in Auckland over summer and encourage the 20,000 international students who remained in Auckland during the pandemic to try the unique travel experiences in Auckland and Northland, and re-enrol in the region in 2021 and beyond.

In May 2021, Study Auckland curated a large-scale urban art project at Auckland's Britomart. The project involved three international students working alongside respected local artists to create one of three 12 metre outdoor murals that celebrate the culture and diversity of Tāmaki Makaurau Auckland, and explore what it means to make public art in New Zealand. The international students' mural, which includes a range of Māori design elements, was funded by a Ministry of Education grant.



Financial statements

Auckland Unlimited Limited
Statement of comprehensive revenue and expense
For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
REVENUE			
Service and other revenue	4	47,656	356
Interest Revenue		-	-
Total revenue		47,656	356
EXPENDITURE			
Personnel costs	5	(15,070)	-
Depreciation and amortisation	10,11	(1,324)	-
Finance costs		(2)	-
Other expenses	6	(32,386)	(356)
Total expenditure		(48,782)	(356)
(Deficit) / surplus before tax		(1,126)	-
Income tax benefit	7	802	-
(Deficit) / surplus from continuing operations		(324)	-
(Deficit) / surplus after tax		(324)	-
(DEFICIT) OR SURPLUS IS ATTRIBUTABLE TO:			
Equity holders of Auckland Unlimited Limited		(324)	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR IS ATTRIBUTABLE TO:			
Equity holders of Auckland Unlimited Limited		(324)	-

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 25.

Auckland Unlimited Limited
Statement of changes in equity
For the year ended 30 June 2021

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
		Contributed equity	Accumulated funds	Total equity
Notes		\$'000	\$'000	\$'000
Balance as at 1 July 2019		-	-	-
COMPREHENSIVE REVENUE AND EXPENSE				
(Deficit) / surplus for the year		-	-	-
Balance as at 30 June 2020		-	-	-
Balance as at 1 July 2020		-	-	-
COMPREHENSIVE REVENUE AND EXPENSE				
(Deficit) / surplus for the year		-	(324)	(324)
OTHER EQUITY MOVEMENTS				
Contributed equity arising on amalgamation		16	4,377	7,079
Balance as at 30 June 2021		4,377	6,755	11,132

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 25.

Auckland Unlimited Limited

Statement of financial position

As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,063	-
Trade and other receivables	9	28,663	-
Total current assets		<u>29,726</u>	-
NON-CURRENT ASSETS			
Property, plant and equipment	10	11,975	-
Intangible assets	11	2	-
Total non-current assets		<u>11,977</u>	-
Total assets		<u>41,703</u>	-
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	22,829	-
Employee entitlements	13	1,966	-
Provisions	14	623	-
Total current liabilities		<u>25,418</u>	-
NON-CURRENT LIABILITIES			
Trade and other payables	12	2,175	-
Provisions	14	391	-
Deferred tax liabilities	15	2,587	-
Total non-current liabilities		<u>5,153</u>	-
Total liabilities		<u>30,571</u>	-
Net assets		<u>11,132</u>	-
EQUITY			
Share capital	16	-	-
Contributed equity	16	4,377	-
Accumulated surplus / (deficit)	16	6,755	-
Total equity		<u>11,132</u>	-

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 25.

Auckland Unlimited Limited
Statement of cash flows
For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		-	-
Receipts from council funding, customers and other services		52,353	-
Payments to suppliers and employees		(51,439)	-
Goods and services tax (GST) received from / (paid to) IRD		(908)	-
Other cash flows from operating activities		-	-
Net cash from operating activities	17	6	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposals / (purchases) of property, plant and equipment		1,057	-
Other cash flows from investing activities		-	-
Net cash from investing activities		1,057	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Other cash flows from financing activities		0	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,063	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at end of the year		1,063	-

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 25.



Notes to the financial statements

1 General information

Reporting Entity

Auckland Unlimited Limited (AUL), previously known as Regional Facilities Auckland Limited (RFAL), is a Council Controlled Organisation (CCO) of Auckland Council.

The company is also the corporate trustee for Regional Facilities Auckland (RFA), the Trust.

Background

In August 2020, an independent panel reviewed Auckland Council's CCOs and recommended that two of the CCOs, Regional Facilities Auckland Limited (RFAL) and Auckland Tourism, Events and Economic Development Limited (ATEED), be merged. The Auckland Council Governing Body met on 27 August 2020 and approved this recommendation to be effective 1 December 2020. Regional Facilities Auckland Limited, as the continuing entity, changed its name to Auckland Unlimited Limited effective from 1 December 2020. Auckland Unlimited Limited, a 100% owned subsidiary of Auckland Council, continues to be the sole trustee of Regional Facilities Auckland, a charitable trust.

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.

On 1 December 2020, Auckland Tourism, Events and Economic Development Limited amalgamated into Regional Facilities Auckland Limited (RFAL), the continuing entity.

The performance measures from the statement of intent (SOI) included in the statement of service performance report, reflects the measures assigned to this entity on amalgamation, and were approved by Auckland Council on 24 November 2020 and came into effect on 1 December 2020.

Presented in Note 3.6 are the details of the amalgamation financials of ATEED.

Nature of Business

AUL 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 helping 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 AUL 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.

AUL does not have the primary objective of making a financial return. AUL 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 AUL are for the year ended 30 June 2021. 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 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 financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently for the period 1 December 2020 to 30 June 2021.

A statement of intent for the merged entity, covering the period 1 December 2020 to 30 June 2021, included the amalgamation of the performance measurement framework and budgets for ATEED that were moved into RFAL, and therefore no changes are needed 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 are the responsibility of the new entity.

On 30 June 2020, RFAL, the continuing entity, held no assets and no liabilities. Accordingly, comparative financial information has been provided only for Notes 4, 6, and 21.

Statement of compliance

The financial statements of AUL 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).

AUL is a public sector public benefit entity (PBE) as defined under the External Reporting Board (XRB) Standard A1.

These financial statements comply with International Public Sector Accounting Standards (IPSAS) and other applicable financial reporting standards as appropriate for public benefit entities designated Tier 1.

ATEED applied the same significant accounting policies as those of RFAL prior to the amalgamation, consequently the significant accounting policies post amalgamation have been applied on a consistent basis.

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 AUL or are not expected to have a material impact on the financial statements, and therefore have not been disclosed.

2.2 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 statement of comprehensive revenue and expense.

2.3 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 transferred to AUL on amalgamation at 1 December 2020, cost was the carrying value of the asset by the disestablished Company, ATEED.

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 AUL, 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.

Depreciation

Depreciation on all property, plant and equipment, 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
· Furniture, fittings & equipment	1-14
· Computer equipment	1- 8

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.

2.4 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).

2.5 Impairment of non-financial assets

At each balance date AUL 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, AUL 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 the surplus or deficit in the statement of comprehensive revenue and expense.

2.6 Trade and other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for expected credit loss arising from non-payment. There is no concentration of AUL credit risk with respect to trade receivables as there are a large number of customers. Related-party receivables are predominantly with entities within the Auckland Council (ultimate parent) group structure. AUL does not hold any collateral or other credit enhancements over these balances as security. 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.

Provision for impairment of trade receivables

The provision for impairment of receivables is determined based on an expected credit loss (ECL) model.

In assessing credit losses for receivables, AUL applies the simplified approach and records lifetime ECL on receivables. Lifetime ECL results from all possible default events over the expected life of a receivable. AUL uses a provision matrix based on historical credit loss experience upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

In assessing ECL on receivables AUL considers both quantitative and qualitative inputs.

Quantitative inputs include past collection rates, ageing of receivables and trading outlook. Qualitative inputs include past trading history with AUL.

To measure the ECL, all receivables have been grouped based on shared credit risk characteristics and the days overdue. Expected loss rates are applied based on payment profiles and corresponding historical credit losses experienced within the year. Expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debt.

Impact of COVID-19 on the provision for impairment on receivables

The large majority of AUL's trade receivables have not been significantly exposed to the financial impact of current COVID-19 lockdowns on their organisation's and this has been evidenced by minimal default on their accounts subsequent to 30 June 2021.

AUL has applied the ECL model of provisioning to those smaller trade receivables who have been adversely exposed to COVID-19 related financial constraints. AUL considers the ECL model appropriate in its provisioning of these higher risk trade receivables at 30 June 2021.

2.7 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.

2.8 Trade and other payables

Trade 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.

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

2.9 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 AUL.

2.10 Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for trade receivables and other receivables, and trade payables 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.

2.11 Employee entitlements

Short term employee entitlements

Employee benefits that AUL 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.

2.12 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 grants, subsidies and sponsorship.

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue are 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 AUL 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, license to occupy and membership revenue

AUL receives rental revenue in relation to sublease agreements and License to Occupy agreements.

Rental revenue from operating leases and License 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 AUL 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.

2.13 Leases

AUL as Lessee

AUL 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.

AUL as Lessor

AUL 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 period of the lease.

2.14 Provisions

AUL 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".

2.15 Equity

Equity is the Auckland Council's interest in AUL, 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

Contributed equity represents the transfer of assets on establishment of AUL.

AUL's objectives, policies and processes for managing capital are discussed in Note 24.

3 Significant judgements and estimates

In preparing these financial statements AUL 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

AUL 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.

AUL uses 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 AUL has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by AUL, 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, AUL reviews the useful lives and residual values of its property, plant, and equipment. Assessing the appropriateness of useful life and residual value estimates requires AUL to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by AUL, 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 in the statement of comprehensive revenue and expense and the asset's carrying amount. AUL 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.

AUL 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 of COVID-19, New Zealand entered a Government-directed 'Alert Level' 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 operate under strict social-distancing practices that were outlined.

Alert Level 2 - provides 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 the FY2021 financial year, the Government directed Auckland through the following alert levels:

Level	From	Comment
L3	12 August 2020, 12 noon	
L2	30 August 2020, 11.59pm	With extra restrictions on travel and gatherings
L2	23 September 2020, 11.59pm	With above additional restrictions removed
L1	7 October 2020, 11.59pm	
L3	14 February 2021, 11.59pm	
L2	17 February 2021, 11.59pm	
L1	22 February 2021, 11.59pm	
L3	28 February 2021, 6.00am	
L2	7 March 2021, 6.00am	
L1	12 March 2021, 12 noon	

During alert levels, AUL'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 AUL.

AUL implemented a number of measures to manage potential financial impacts. Key among these was the introduction of a comprehensive 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 from May 2020 and some staff also volunteered to temporary pay reductions from June 2020.

Due to restrictions on travel and mass gatherings and the impact of this on the accommodation providers, AUL proposed that Auckland Council suspend the Accommodation Provider Targeted Rate (APTR) and that AUL would reduce spending on visitor attraction and major events activity funded by the APTR. AUL 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. The suspension was continued for the full FY2021 financial year, with a reduction in annual budget of \$14.6m.

3.6 Amalgamation of Auckland Tourism, Events and Economic Development Limited (ATEED)

On 1 December 2020, ATEED was amalgamated into Regional Facilities Auckland Limited (RFAL) on the “short form basis” as per the Companies Act (1993, para 222) resulting in the transfer of its net assets to RFAL. All non-cash assets of ATEED were transferred at their carrying value at 30 November 2020. There are no elimination entries arising from the amalgamation between AUL and ATEED.

Statement of comprehensive revenue and expense

	ATEED 30 November 2020 \$'000	RFAL 30 November 2020 \$'000
REVENUE		
Service and other revenue	27,760	152
Interest revenue	-	
Total revenue	<u>27,760</u>	<u>152</u>
EXPENDITURE		
Personnel costs	(10,390)	-
Depreciation and amortisation	(1,131)	-
Finance costs	(3)	-
Grants and other transfer payments	(1,945)	
Other expenses	(15,394)	(152)
Total expenditure	<u>(28,863)</u>	<u>(152)</u>
(Deficit) / surplus before tax	<u>(1,103)</u>	-
Income tax expense	-	-
(Deficit) / surplus from continuing operations	<u>(1,103)</u>	-
(Deficit) / Surplus after tax	<u>(1,103)</u>	-
Total comprehensive revenue and expense for the year	<u>(1,103)</u>	-
(DEFICIT) OR SURPLUS IS ATTRIBUTABLE TO:		
Equity holders of Auckland Unlimited Limited	<u>(1,103)</u>	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR IS ATTRIBUTABLE TO:		
Equity holders of Auckland Unlimited Limited	<u>(1,103)</u>	-
Accumulated funds as at 30 June 2020	11,571	
Accumulated funds as at 30 November 2020	<u>10,468</u>	

Statement of financial position

	Notes	Net value on date of amalgamation 01 December 2020 \$'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		135
Trade receivables net of doubtful debt provision		5,510
Prepayments and other receivables		710
Inter-group loans		10,622
GST receivable		26
Total current assets		17,003
NON-CURRENT ASSETS		
Property, plant and equipment	10	14,384
Intangible assets	11	3
Total non-current assets		14,387
Total assets		31,390
LIABILITIES		
CURRENT LIABILITIES		
Employee entitlements		2,614
Creditors and other payables		10,973
Provisions		246
Total current liabilities		13,833
NON-CURRENT LIABILITIES		
Deferred tax liabilities	15	3,389
Other non-current liabilities		2,712
Total non-current liabilities		6,101
Total liabilities		19,934
Net assets		11,456
EQUITY		
Contributed equity arising on amalgamation	16	4,377
Accumulated surplus arising on amalgamation	16	7,079
Total equity		11,456

Deferred tax adjustment recognised on amalgamation

A deferred tax adjustment not reflected in the accounts of ATEED at 30 November 2020, has been recognised in the accounts of AUL on 01 December 2020 as part of the amalgamation. The adjustment arises from timing differences on depreciable assets funded by grants, originally from Auckland Council, which should have been but had not been accounted in ATEED prior to amalgamation (refer Note 15). The impact of this adjustment on the amalgamation entries of AUL is as follows:

	Notes	Deferred tax \$'000	Accumulated surplus \$'000
DEFERRED TAX ADJUSTMENT RECOGNISED ON AMALGAMATION			
ATEED closing balance 30 November 2020		-	10,468
Deferred tax adjustment recognised on amalgamation	15	3,389	(3,389)
Net value on date of amalgamation		3,389	7,079

ATEED was de-registered as an entity at 1 December 2020 and the transaction was settled with the transfer of the net assets to AUL.

4 Service and other revenue

	2021 \$'000	2020 \$'000
REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Operating funding from Auckland Council	28,590	-
Capital funding from Auckland Council	198	-
Grants and subsidies	6,149	-
Sponsorships	159	-
Total revenue from non-exchange transactions	35,096	-
REVENUE FROM EXCHANGE TRANSACTIONS		
Rental, license and membership revenue	10,513	-
Other transfer revenue	2,047	356
Total revenue from exchange transactions	12,560	356
Total service and other revenue	47,656	356

5 Personnel costs

	2021 \$'000
PERSONNEL COSTS	
Salaries and wages	14,508
Defined contribution plan employer contributions	389
Redundancy expense	360
Other staff expenses	23
(Decrease) / increase in employee entitlements	(210)
Total personnel expenses	15,070

For the year ended 30 June 2021, AUL made severance payments to employees totaling \$38,000 (2020:Nil). Personnel costs include employees for project activity covered by external grant funding.

6 Other expenses

	2021 \$'000	2020 \$'000
OTHER EXPENSES		
Fees paid for audit services *	90	-
<i>Fees paid to principal auditor for audit of financial statements</i>		
Service delivery contracts	2,570	-
Impairment of receivables	14	-
Marketing expenses ¹	4,535	-
Professional services	3,346	-
Repairs and maintenance	266	-
Utilities and occupancy	11,203	-
Other operating expenses ²	4,083	-
Directors' fees and expenses	358	356
Grant, contributions and sponsorship	5,873	-
Deficit / (surplus) on disposal of assets	52	-
Interest expense	(5)	-
Net foreign exchange loss	1	-
Total other expenditure	32,386	356

* 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. The full year fees paid for audit services is \$143k. The first 5 months provision of \$53k related to ATEED pre merger, and the balance of \$90k relates to the final seven months for AUL.

7 Income tax (benefit) / expense

	2021 \$'000
COMPONENTS OF INCOME TAX EXPENSE	
Current tax expense	-
Deferred tax	(802)
Total income tax (benefit) / expense	(802)

RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING (DEFICIT) / SURPLUS	
Net (deficit) / surplus before tax	(1,126)
Less net (deficit) / surplus from non-taxable activities	-
(Deficit) / surplus before tax	(1,126)
Prima facie income tax at 28%	(315)
Taxation effect of permanent differences	(35)
Other - difference in movement between statement of taxable income & deferred tax	(315)
Loss offset	(137)
Total income tax (benefit) / expense	(802)

¹ Details of all marketing expenses are published on our website (www.aucklandnz.com).

² 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.

8 Imputation Credit Account

AUL is part of the Auckland Council consolidated tax group and does not maintain its own imputation credit account. The total imputation credit available for use by each of the members of the consolidated income tax group amount is \$3 million (2020: \$2 million).

9 Trade and other receivables

	2021 \$'000
CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS	
Trade receivables	2,058
Sundry receivables	3,936
Prepayments	396
Total current receivables from exchange transactions	6,390
CURRENT RECEIVABLES FROM NON EXCHANGE TRANSACTIONS	
Related party receivables	22,145
Goods and services tax	128
Total current receivables from non-exchange transactions	22,273
Total trade and other receivables	28,663

As at 30 June 2021, trade receivables of \$2,058,000 (2020: Nil) were due. Impairment of receivables has been provided for of \$33,000 (2020:\$Nil).

Provisioning for trade receivables is based on the expected credit loss model (refer Note 2.6).

The aging analysis and provisioning is shown below.

	Gross carrying amount \$'000	Expected loss rate	Expected loss \$'000
AGING ANALYSIS AND PROVISIONING			
Current	819	0.0%	-
Past due 1-60 days	1,149	(0.7)%	(8)
Past due 61-90 days	58	(3.2)%	(2)
Past due 90+ days	32	(71.3)%	(23)
Total current trade receivables	2,058		(33)

10 Property, plant and equipment

	CURRENT YEAR MOVEMENTS										30 JUNE 2021	
	1 DECEMBER 2020											
	Opening cost	Opening accumulated depreciation	Opening carrying amount	Disposal cost	Disposal accumulated depreciation	Disposal Transfers	Impairment charges	Depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
OPERATIONAL ASSETS												
At cost												
Leased asset *	18,843	(6,664)	12,179	18	(3,392)	2,202	28	-	(1,036)	15,497	(5,498)	9,999
Plant and machinery	434	(277)	157	-	(18)	15	9	-	(30)	425	(292)	133
Computer equipment	1,664	(1,613)	51	-	(528)	528	-	-	(28)	1,136	(1,113)	23
Furniture, fittings and equipment	3,315	(1,318)	1,997	-	(200)	91	69	-	(229)	3,184	(1,456)	1,728
Capital work in progress	-	-	-	198	-	-	(106)	-	-	92	-	92
Total operational assets	24,256	(9,872)	14,384	216	(4,138)	2,836	-	-	(1,323)	20,334	(8,359)	11,975

*Leased assets relate to the fitout costs for Grid AKL. There are two buildings that AUL (as head lessees) are sub leasing (Lysaght and Madden Street). Capital expenditure funded by Auckland Council this reporting period was \$198,000 (2020: \$Nil).

11 Intangibles

	1 DECEMBER 2020		CURRENT YEAR MOVEMENTS					30 JUNE 2021		
	Opening cost \$'000	accumulated amortisation \$'000	Opening carrying amount \$'000	Additions \$'000	Disposal cost \$'000	Disposal accumulated amortisation \$'000	Transfers \$'000	Impairment charges \$'000	Amortisation & impairment charges \$'000	Carrying amount \$'000
AT COST										
Computer software	126	(123)	3	-	(115)	115	-	(1)	(9)	2

Amortisation \$1,000 (2020: \$Nil) is included in depreciation and amortisation expense in the statement of comprehensive revenue and expense

12 Trade and other payables

	2021 \$'000
CURRENT TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	
Trade payables	2,135
Accrued expenses	4,801
Sundry payables	7,777
Revenue in advance	384
Total current trade and other payables from exchange transactions	15,097
CURRENT TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS	
Related party payables	(55)
Lease inducement payment	326
Revenue in advance	7,461
Total current trade and other payables from non-exchange transactions	7,732
Total current trade and other payables	22,829
NON CURRENT TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS	
Lease inducement payment	2,175
Total non current trade and other payables from non-exchange transactions	2,175
Total trade and other payables	25,004

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

13 Employee entitlements

	2021 \$'000
CURRENT	
Annual leave	1,418
Accrued salaries and wages	548
Total current	1,966
Total employee benefit liabilities	1,966

14 Provisions

	Staff costs \$'000	Other \$'000	Total \$'000
CURRENT PROVISIONS			
Opening balance 1 July 2020	-	-	-
Provision transferred from ATEED as part of amalgamation	193	53	246
Additional provisions and increases to existing provisions	529	7	536
Amounts used	(11)	-	(11)
Reversal of previously recognised provisions	(95)	(53)	(148)
Balance 30 June 2021	616	7	623

	Staff costs \$'000	Other \$'000	Total \$'000
NON CURRENT PROVISIONS			
Opening balance 1 July 2020	-	-	-
Provision transferred from ATEED as part of amalgamation	-	378	378
Additional provisions and increases to existing provisions	-	13	13
Amounts used	-	-	-
Reversal of previously recognised provisions	-	-	-
Balance 30 June 2021	-	391	391

15 Deferred tax liability

Movements in deferred tax comprise:

	Notes	Property, plant and equipment \$'000	Provisions \$'000	Total \$'000
MOVEMENTS IN DEFERRED TAX				
Opening balance 1 July 2020		-	-	-
Deferred tax adjustment recognised on amalgamation (Credited) / charged to (deficit) / surplus	3.6 7	4,027 (674)	(638) (128)	3,389 (802)
Balance 30 June 2021		3,353	(766)	2,587

16 Equity

	Notes	2021 \$'000
SHARE CAPITAL		
Share capital		0
		<u>0</u>
CONTRIBUTED EQUITY		
Balance 01 July 2020		0
Arising on amalgamation	3.6	4,377
		<u>4,377</u>
ACCUMULATED SURPLUS / (DEFICIT)		
Balance 01 July 2020		0
Arising on amalgamation	3.6	7,079
(Deficit) / surplus for the period 01 Dec 2020 to 30 June 2021		<u>(324)</u>
Balance 30 June 2021		6,755
Total equity		<u>11,132</u>
Share capital	2021	2020
	Shares	Shares
Opening number of ordinary shares issued	1,000	1,000
Closing balance of ordinary shares issued	1,000	1,000

At 30 June 2021, share capital comprised of 1,000 authorised and issued ordinary shares.

Contributed equity

Contributed equity represents the amount of net assets arising on amalgamation on 01 December 2020. These contributions originally arose in 2010, in the former ATEED, as a result of the disestablishment of previous Auckland councils and council-controlled entities, and establishment of Auckland Council and its newly created council-controlled entities.

Other equity movements includes the transfer of the ATEED amalgamation balances. Future year's depreciation and amortisation expenses will be funded from this reserve.

Accumulated surplus

The accumulated surplus arising on amalgamation (\$7,079,000) reflects the accumulated operating results of ATEED from incorporation as a CCO in 2010 to date of amalgamation on 01 December 2020 and is net of the deferred tax adjustment (refer note 3.6).

Deficit for the current year includes \$198,000 (2020: \$Nil) received from Auckland Council for capital grants.

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

	Notes	2021 \$'000
RECONCILIATION OF NET (DEFICIT) / SURPLUS AFTER TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
(Deficit) / surplus after tax		(324)
ADD/(LESS) NON-CASH ITEMS:		
Depreciation and amortisation expense	10,11	1,324
Other losses and (gains)		2,251
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL:		
Trade and other receivables	9	(28,663)
Trade and other payables	12	22,829
Provisions	14	623
Employee benefits	13	1,966
Net cash inflow (outflow) from operating activities		6

18 Commitments and operating leases**18.1 Operating leases as lessee**

AUL leases property, plant and equipment in the normal course of its 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:

	2021 \$'000
MINIMUM OPERATING LEASE PAYMENTS PAYABLE:	
Less than one year	18,643
Between one and five years	70,674
More than five years	48,632
Total non-cancellable operating leases as lessee	137,949

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

18.2 Operating leases as lessor

AUL 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:

	2021 \$'000
MINIMUM OPERATING LEASE PAYMENTS RECEIVABLE:	
Less than one year	17,861
Between one and five years	59,538
More than five years	44,601
Total non-cancellable operating leases as lessor	122,000

19 Contingencies

AUL 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.

AUL has no quantifiable contingent assets or contingent liabilities at 30 June 2021.

Disclosures are provided for as follows:

19.1 Unquantifiable contingent lease liability

AUL inherited a lease obligation at amalgamation with the lease entered into prior to AUL formation (pre-2011). AUL 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.

20 Related party transactions

Auckland Council is the ultimate parent of AUL as outlined in Note 1. Auckland Council has other CCO's that AUL also transacted with during the period including Auckland Transport, Watercare, and Panuku, as well as in its capacity of Trustee of Regional Facilities Auckland.

Related parties include 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, dependents.

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 favorable than those that it is reasonable to expect AUL 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 Auckland Unlimited website.

21 Remuneration

	2021 \$'000	2020 \$'000
KEY MANAGEMENT REMUNERATION		
Director Fees	358	356
Senior management salaries and other short term benefits	1,037	-
Total key management remuneration	1,395	356

	2021	2020
SENIOR MANAGEMENT TEAM INCLUDING CHIEF EXECUTIVE		
Full-time equivalent members	6	-
Remuneration (\$'000)	1,037	-

	2021 Number of employees	2020 Number of employees
THE NUMBER OF EMPLOYEES THAT RECEIVED OVER \$100,000 AS AT 30 JUNE IS AS FOLLOWS: *		
\$100,000 - \$109,999	2	-
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	2	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	2	-
\$270,000 - \$279,999	1	-

Remuneration numbers are for the seven months from 1 December 2020 to 30 June 2021.

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

21 Remuneration (continued)

	2021 \$'000	2020 \$'000
DIRECTORS' REMUNERATION BY DIRECTOR		
Mark Franklin	65	
Jannah Wootten	53	24
Carol Cheng	38	
Evan Davis	33	
Fabian Partigiani	41	40
Daniel Walker	19	
Jennifer Rolfe	52	40
Andrew Barnes (retired 9 September 2020)	22	78
Joanna Perry (retired 9 September 2020)	13	50
Andrew Collow (retired 9 September 2020)	12	46
Candace Kinser (retired 9 September 2020)	10	40
Geoff Clews (retired 1 November 2019)		20
Lisa Bates (retired 1 November 2019)		18
Total directors' remuneration	358	356

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.

22 Subsequent events occurring after the balance date

22.1 Cancellation of significant leases

Auckland Unlimited Limited received in August 2021 notices of contract termination at some Auckland film studio sites effective August 2022. Auckland Unlimited Limited is a Lessor in those contracts, and as Auckland Unlimited Limited also leases film studios from other parties, is also recognised as a Lessee. Both Lessor and Lessee contracts are treated as operating leases and accounted for under PBE IPSAS 13 Leases.

With the terminations effective in August 2022, Auckland Unlimited Limited has a substantial period of time to contract replacement lessees in an industry where film studio locations are well sought after domestically and internationally. The longer term net financial effect of the terminations is currently indeterminate.

In the unlikely event that Auckland Unlimited Limited is unable to attract and contract other film productions or other potential users of the effected properties over the next seven accounting periods, the reduction in the surplus of future lease receipts over future lease payments due to the terminations would be approximately \$17m. The immediate financial effect of the terminations is a decrease in future lease payments of approximately \$59m and future lease receipts of approximately \$76m.

22.2 COVID-19 global pandemic

At 11:59pm on Tuesday 17 August 2021, New Zealand entered COVID-19 Alert Level 4, which locked down all but essential services, and at 11:59pm on Tuesday 21 September 2021, Auckland moved to COVID-19 Alert Level 3 which allows some businesses to open with contactless interaction with customers and social distancing.

During alert levels, AUL's employees were able to work entirely remotely and could continue core functions. GridAKL properties remain closed until the appropriate opening level, which includes the Lysaght co-working space operated by AUL. The film studios were able to operate in Level 3, with a restricted limit in the number of people on site.

AUL implemented a number of measures to manage potential financial impacts. Key among these was the introduction of a comprehensive cost approach to activity, including the suspension of all non-essential projects and operating expenditure.

The change in the COVID-19 alert levels had no impact on the financial statements.

23 Financial risk management

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

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

AUL'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.

		Carrying amount	Fair value
		2021	2021
	Notes	\$'000	\$'000
FINANCIAL ASSETS			
Trade and other receivables	9	28,663	28,663
Cash and cash equivalents		1,063	1,063
Total financial assets		29,726	29,726
FINANCIAL LIABILITIES			
Trade and other payables	12	(25,004)	(25,004)
Total financial liabilities		(25,004)	(25,004)
Net financial assets (liabilities)		4,722	4,722

(a) Market risk

AUL is not exposed to foreign exchange risk.

(b) Credit risk

Credit risk is the risk that a third party will default on its obligation to AUL causing AUL 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 receivables.

AUL have limited exposure to credit risk on receivable accounts due. The main receivables at any point in time are Auckland Council and government agencies. These receivables are parties to signed contracts with AUL. Exposure to credit risk on other receivables 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 is undertaken.

AUL 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.

AUL'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 2021 \$1,063,000 (2020: \$Nil).

Counterparties without credit ratings for receivables is 2021 \$28,663,000 (2020: \$Nil).

23 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk represents AUL'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. AUL mostly manages liquidity risk by continuously monitoring forecasted expenditure and actual cash flow requirements. AUL's payables 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
30 JUNE 2021	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NON-DERIVATIVES								
Trade and other receivables	9	28,663	-	-	-	-	28,663	28,663
Total		28,663	-	-	-	-	28,663	28,663

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
30 JUNE 2021		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NON-DERIVATIVES								
Trade and other payables	12	(25,004)	-	-	-	-	(25,004)	(25,004)
Total		(25,004)	-	-	-	-	(25,004)	(25,004)

23 Financial risk management (continued)

d) Financial instruments by category

The following tables present AUL's assets and liabilities that are measured at fair value as at 30 June 2021.

	Notes	Total Receivables 2021 \$'000
AT 30 JUNE 2021		
Cash and cash equivalents		1,063
Trade and other receivables	9	<u>28,663</u>
Total		<u>29,726</u>

Liabilities as per balance sheet

		Total Payables 2021 \$'000
AT 30 JUNE 2021		
Trade and other payables	12	<u>(25,004)</u>
Total		<u>(25,004)</u>

24 Capital management

AUL's equity comprises contributed equity and accumulated funds. Equity is represented by total assets less total liabilities. The Local Government Act 2002 requires AUL 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.

25 Variances against budget in the statement of intent (SOI)

	Actual 2021 \$'000	Budget 7 months 1 Dec - 30 Jun 2021 \$'000	Variance 2021 \$'000
OPERATING BUDGET			
Revenue			
Operating funding from Auckland Council	28,590	34,912	(6,322)
Fees, user charges and other revenue	12,719	8,786	3,933
Subsidies and grants	6,149	6,940	(791)
Total revenue	47,458	50,638	(3,180)
Expenditure			
Personnel costs	15,070	12,474	(2,596)
Other employee benefits	233	210	(23)
Employee benefits	15,303	12,684	(2,619)
Depreciation and amortisation	1,324	1,706	382
Grant, contributions and sponsorship	5,873	6,242	369
Other operating expenses	26,282	31,712	5,430
Total expenses	48,782	52,344	3,562
Net operating revenue	(1,324)	(1,706)	382
CAPITAL BUDGET			
Capital funding from Auckland Council	198	119	79
Total capital expenditure	198	119	79
(Deficit) / surplus before tax	(1,126)	(1,587)	461

Operating funding from Auckland Council	COVID-19 had an impact on budgeted workplans during the year, with the suspension of all non-essential projects and operating expenditure, and the cancellation of a number of events, resulting in requiring less opex funding from Auckland Council.
Fees, user charges and other revenue	Increased property rental above budget allowance.
Subsidies and grants	Less external revenue received during the period that was not included in the budget.
Employee benefits	Increase in employee benefits that has been offset by reductions in other operating expenses, in response to activity relating to COVID-19.
Grants, contributions and sponsorship	Decrease due to budgeted activities and events cancelled or postponed as a result of COVID-19.
Other operating expenses	Mainly due to savings relating to activity across the business that did not proceed as a result of the suspension of all non-essential projects and operating expenditure, and savings on the 36th America's Cup event programme.
Capital funding from Auckland Council	More capital spent on leasehold properties in the last 7 months than planned.

The budget is derived from the SOI. The SOI is for ATEED for the first five months and AUL for the last seven months. The budget disclosed in note 25 is for the latter.



Statement of Service Performance

Auckland Unlimited Limited Statement of Service Performance

Annual Result (FY 2020/21)

This statement of service performance presents the performance of Auckland Unlimited against the ten Auckland Unlimited Limited (AUL) key performance indicators (KPIs) set out in the Auckland Unlimited statement of intent (SOI) 2020-2023 (approved by Auckland Council on 24 November 2020 and came into effect on 1 December 2020). This SOI was developed to represent the activity of Auckland Unlimited post the amalgamation of Regional Facilities Auckland Limited (RFAL) and Auckland Tourism, Events and Economic Development (ATEED) and includes separate KPIs for Auckland Unlimited Limited and Regional Facilities Auckland (RFA). Results for the RFA KPIs are presented separately in the Regional Facilities Auckland Annual Report.

Reporting for a 12-month period






This statement of service performance covers the full 12-month period from 1 July 2020 to 30 June 2021. As such, results for the period 1 July 2020 to 30 November 2020 relate to the pre-amalgamation performance of Auckland Tourism, Events and Economic Development (ATEED) while results for the period 1 December 2020 to 30 June 2021 relate to the post-amalgamation performance of Auckland Unlimited Limited. Any reference in the following KPI's and comments to Auckland Unlimited, refers to Auckland Unlimited Limited.

The decision to report for the full 12-month period (rather than the 7-month period of Auckland Unlimited Limited) has been made on the following basis:

- It is consistent with the measures and targets in the Auckland Unlimited 2020-23 SOI which were transferred directly from the ATEED 2020-23 SOI and therefore intended to measure performance over a 12-month period;
- 12-month reporting is more meaningful than a seven-month and five-month split (with potentially no public reporting of ATEED five months performance to 30 November). Thus, good accountability is achieved;
- It is consistent with section 225(e) of the Companies Act which states that one of the effects of amalgamation is that the amalgamated company is responsible for meeting the liabilities and obligations of the amalgamating companies. In the case of AUL, this would include the previous performance obligations of ATEED.

Performance Status

KPIs have been assessed for 2020/21 according to the criteria below. Auckland Unlimited'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.

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

In summary, of the 10 KPIs:

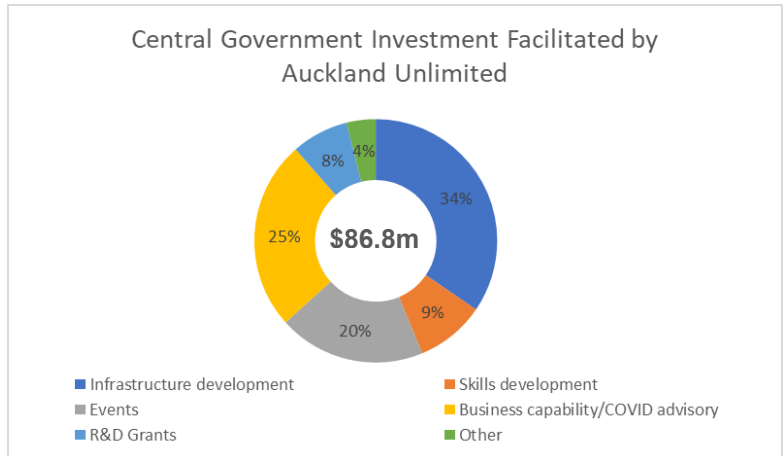
- 7 were achieved
- 3 were not achieved

KPI 1: Value of central government investment into Auckland facilitated by Auckland Unlimited

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
Not measured	\$20m	\$86.8m	✓

Result

Over 2020/21 Auckland Unlimited facilitated \$86.8m of central government investment into Auckland. This includes investment that occurred over 2020/21 and investment that Auckland Unlimited has secured this year, but that will occur over the coming two to three years. The largest share of this investment will fund new infrastructure facilities in west Auckland (34%). Significant investment has also been facilitated in the form of funding to assist building business capability - in particular among businesses impacted by COVID-19 through the Covid Advisory and Tourism Transition Funds (25%). Auckland Unlimited was also successful in securing \$17m to fund major events over a four year period (20%) through the Regional Events Fund and secured \$8m through to 2023/24 to deliver skill development programmes for Pasifika workers (Project Ikuna, 9%). In addition, \$6.6m of Research and Development funding was distributed to Auckland businesses through the Regional Business Partner programme (8%).



Auckland Unlimited was also successful in securing \$17m to fund major events over a four year period (20%) through the Regional Events Fund and secured \$8m through to 2023/24 to deliver skill development programmes for Pasifika workers (Project Ikuna, 9%). In addition, \$6.6m of Research and Development funding was distributed to Auckland businesses through the Regional Business Partner programme (8%).

Why do we measure this?

The impact of COVID-19, meant that 2020/21 presented a unique opportunity to Auckland Unlimited to access government funding for Auckland businesses and the Auckland economy through a range of programmes and funding sources. The imperative to source funding for Auckland from central government was exacerbated by the impact of COVID-19 on Auckland Council finances and Auckland Unlimited revenue sources. The most obvious example of this was the suspension of the Accommodation Provider Targeted Rate (APTR) which reduced Auckland Unlimited’s operational funding by \$14.6m. As Auckland’s economic development agency it is a key part of our role to advocate to government on behalf of Auckland and ensure that we are receiving our ‘fair share’ of government investment.

How do we measure this?

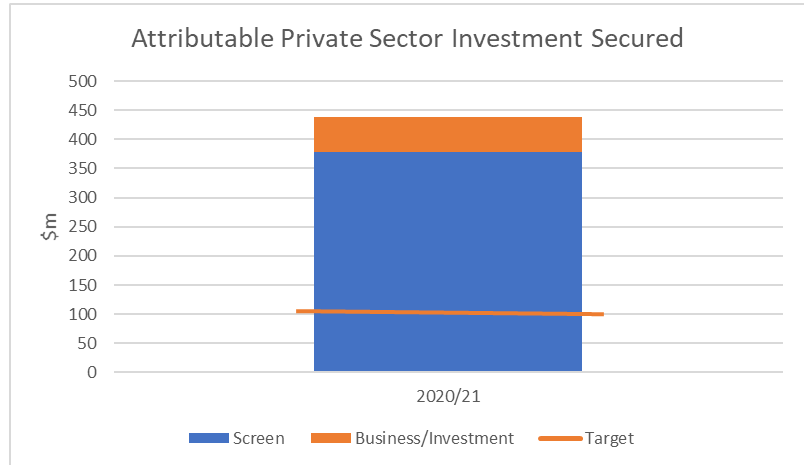
Government investment has been measured through the collation of executed contracts with central government departments and agencies over the period of the financial year. Contracts still in progress at the end of the financial year have not been included in the final result.

KPI 2: Attributable value of private sector investment secured over the year

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
Not measured	\$100m	\$438.7m	✓

Result

Over 2020/21 the estimated attributable value of private sector investment secured by Auckland Unlimited was \$438.7m. This is significantly above the target of \$100m. The largest contribution to this overall result came from the attraction of screen/film activity to Auckland (86% of result) including the ongoing filming of the first season of the Amazon Lord of the Rings series and a range of other films and TV series which chose to film in Auckland.



Although not anticipated at the start of the year, the ability to film in Auckland for most of the year without having to adhere to COVID-19 restrictions contributed significantly to Auckland being seen as an attractive filming location. In addition, private sector investment into Auckland was also secured through the role that Auckland Unlimited played in securing other construction, retail and technology business and investment deals for Auckland (14% of final result).

Why do we measure this?

One of Auckland Unlimited’s key roles is to work collaboratively with others to help attract investment into the Auckland economy. Through our new statement of intent, one of our key strategic priorities is increasing capital invested into Auckland for economic and cultural outcomes. As such, it is appropriate that Auckland Unlimited measures the value of private sector investment secured each year.

How do we measure this?

For the purposes of this measure, Auckland Unlimited has identified two key activities that attract direct private sector investment into Auckland. These activities are:

1. The attraction and support of screen production activity to Auckland (including film facilitation and the operation of Kumeu Film Studios and Auckland Film Studios).
2. The attraction and support of other business and investment to Auckland including through the InvestAKL digital platform.

The level of private sector investment from these activities is sourced directly from clients based on their best estimates of the level of investment they have or are intending to make into Auckland. The reported result relates to the level of investment secured over the year, but not necessarily occurring within the year. (e.g. securing a film deal that may happen the following season).

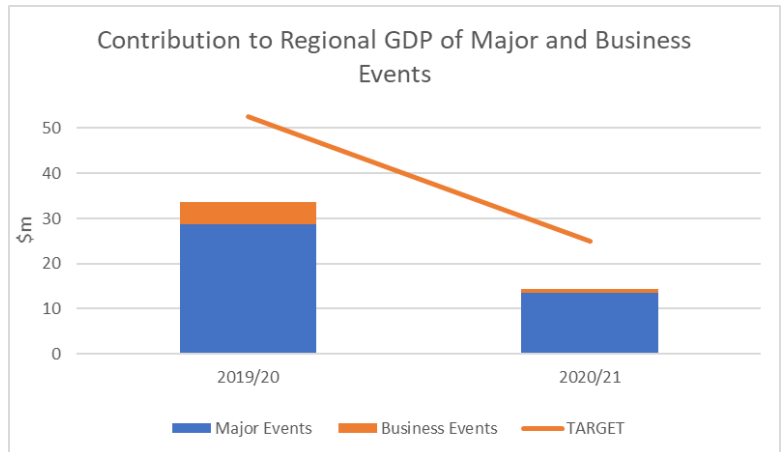
Recognising that Auckland Unlimited usually collaborates with partners to secure investment activity, and is not solely responsible for investment occurring, a level of attribution is applied to each secured investment deal. The attribution level considers whether the investment activity would have occurred with or without Auckland Unlimited’s involvement (based on a client view) and the level of Auckland Unlimited’s involvement in securing the investment. On average, the level of attribution applied to screen investment deals is higher than that applied to general business investment deals due to Auckland Unlimited’s significant involvement in attracting screen deals, running and sourcing studio infrastructure, and facilitating filming activity in public spaces.

KPI 3: The contribution to regional GDP from major events and business events attracted or supported

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
\$33.7m	Original LTP: \$66.5m Revised: \$25m ¹	\$14.3m	✘

Result

Over 2020/21 the estimated contribution to regional GDP from major and business events attracted or supported by Auckland Unlimited was \$14.3m, which is below the target of \$25m. The primary reason for not achieving the target was the impact of the COVID-19 pandemic, which resulted in 21 major events and 6 business events that were due to occur over 2020/21 to be cancelled or postponed. Additionally, a number of business events were held ‘virtually’ and as a consequence no visitor impact eventuated. Postponed events included the 2020 Pan Pacific Water Polo Festival, the 2020 Rally NZ – Round 10 World Rally Championship, the 2021 ICC Women’s Cricket World Cup, and the 2021 WBSC Mens Softball World Championship. Cancelled events included the 2020 World Symposium on Choral Music, the 2020 New Zealand Fashion Week, the 2021 ASB Classic and the 2021 Auckland Lantern Festival.



Why do we measure this?

Auckland Unlimited 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 Auckland Unlimited’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 was also incorporated into the measure, and this has been continued last year and 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. Over 2020/21 the major event portfolio included 45 events held over the year that Auckland Unlimited played a role in attracting or supporting. However, for the purposes of this measure, only 28 of these events were formally evaluated as the nature of the remaining 17 events meant they would have had no or negligible impact on regional GDP.

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 Auckland Unlimited 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 27 business events held over the year that Auckland Unlimited 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 Auckland Unlimited that have occurred over 2020/21.

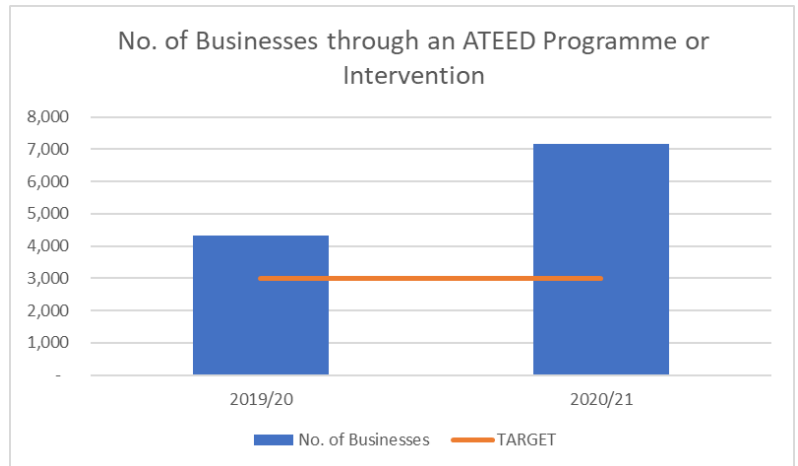
¹ Targets were originally set in 2018 and were revised down in 2020 to reflect the impact of COVID-19 on international travel, the subsequent suspension of the Accommodation Provider Targeted Rate and the impact of the delay in the opening of the New Zealand International Convention Centre.

KPI 4: Number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
4,315	3,000	7,162	✓

Result

Over 2020/21, 7,162 businesses have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention. This year's result is significantly above the target of 3,000 businesses and is a 66% increase compared to last year. The primary reason for the significant increase this year was Auckland Unlimited's response to the COVID-19 crisis. In particular, the Regional Business Partner programme team at Auckland Unlimited supported over 4,000 businesses to access the COVID-19 Business Advisory Fund and almost 700 businesses to access the Tourism Transitions Fund.



Why do we measure this?

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

How do we measure this?

The number of businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention is measured via an internal process. The programmes and interventions run by Auckland Unlimited across the Destination and Economic Development divisions are captured and defined. On a quarterly basis, details related to the businesses that have been through each programme or intervention are captured internally via Auckland Unlimited's Customer Relationship Management and other internal systems.

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

The measure includes only businesses that went through an Auckland Unlimited 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 Auckland Unlimited programmes or interventions, are counted only once.

KPI 5: Customer satisfaction of customers, partners and stakeholders who have interacted with Auckland Unlimited

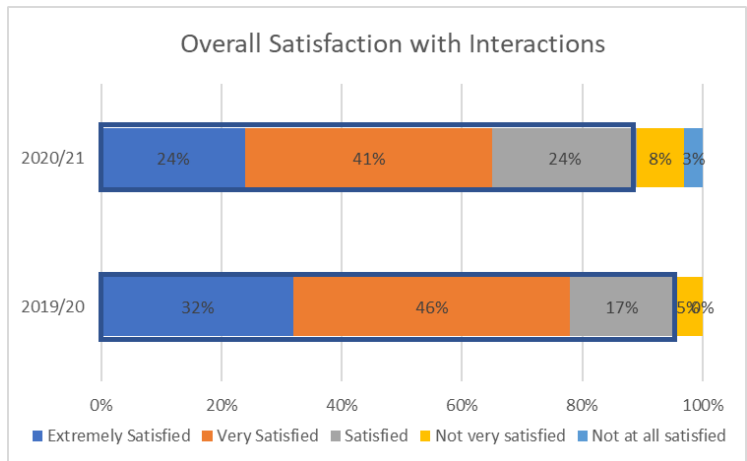
2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
66% ²	85%	88%	✓

Result

Over 2020/21, 88% of Auckland Unlimited’s customers, partners and stakeholders said they were either extremely satisfied, very satisfied or satisfied with their interactions with Auckland Unlimited. This exceeds the target of 85%. This year, the customer satisfaction measure was broadened in scope to incorporate a broader range of customers who have both longer term and shorter term, purpose driven contacts and interactions with Auckland Unlimited.

Satisfaction was slightly higher among those who have had a longer term relationship (91%) than those who have had a shorter term purpose driven interaction (88%).

Compared to the equivalent result from last year (which differs from the result reported in the 2019/20 Annual Report), overall satisfaction has dropped from 95% to 88%. This drop has been more apparent among purpose driven interaction customers (from 96% to 88%) than longer term customers (from 92% to 91%). This result reflects surveying across a broader range of purpose driven interaction customers this year including customers in some areas where outcomes are not always straightforward for customers (e.g. film permitting).



Why do we measure this?

Auckland Unlimited 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. Over 2019/20, 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 is designed to put customer driven improvements at the heart of how Auckland Unlimited operated 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 Auckland Unlimited 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 Auckland Unlimited’s action planning.

How do we measure this?

Customer satisfaction is measured via an online survey of purpose driven interaction customers and long term customers, partners and stakeholders from across the business.

The 2020/21 surveying was based on a total of 809 interviews including 630 purpose driven interaction customers and 179 longer term relationship customers. This is a significant increase on the number of customers contacted in 2019/20 (total of 365 customers).

The customer satisfaction measure is calculated as the percentage of customers who say they are “Extremely satisfied”, “Very satisfied” or “Satisfied” in response to the question; “How satisfied are you with your interaction/s with <business unit>?” (relationship survey) or “How satisfied are you with the <event/programme attended?>” (purpose driven interaction survey).

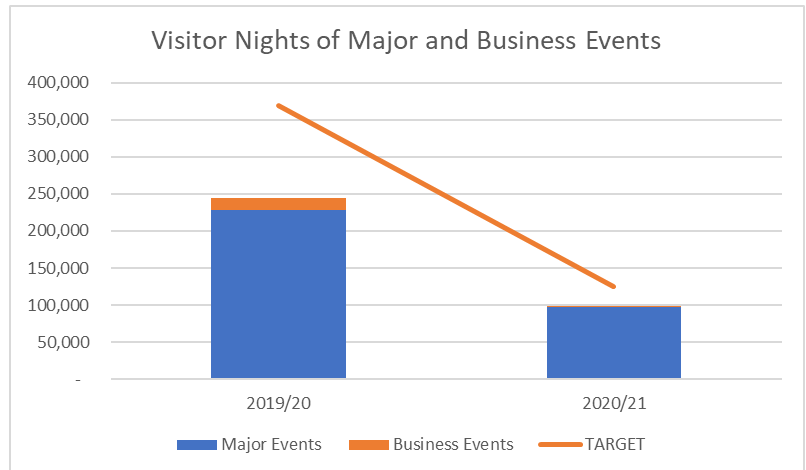
² The result reported in the 2019/20 Annual Report (66%) related only to customers who said they were “Extremely satisfied” or “Very satisfied”. This year that was broadened to also include those who said they were “Satisfied”.

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

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
244,249	Original LTP: 435,000 Revised: 125,000 ³	99,037	✘

Result

Over 2020/21 the estimated number of visitor nights resulting from an Auckland Unlimited intervention was 99,037, which is below the target of 125,000. The primary reason for not achieving the target was the impact of the COVID-19 pandemic, which resulted in 21 major events and 6 business events that were due to occur over 2020/21 to be cancelled or postponed. Additionally, a number of business events were held ‘virtually’ and as a consequence no visitor night impact eventuated. Postponed events included the 2020 Pan Pacific Water Polo Festival, the 2020 Rally NZ –



Round 10 World Rally Championship, the 2021 ICC Women’s Cricket World Cup, and the 2021 WBSC Men’s Softball World Championship. Cancelled events included the 2020 World Symposium on Choral Music, the 2020 New Zealand Fashion Week, the 2021 ASB Classic and the 2021 Auckland Lantern Festival.

Why do we measure this?

Auckland Unlimited has measured visitor nights generated from major events attracted or supported on an annual basis since 2012. This reflects that a key objective of Auckland Unlimited’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, was also incorporated into the measure, and this has been continued last and this year.

How do we measure this?

Measurement of the estimated number of visitor nights resulting from an Auckland Unlimited 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. Over 2020/21 the major event portfolio included 45 events held over the year that Auckland Unlimited played a role in attracting or supporting. However, for the purposes of this measure, only 28 of these events were formally evaluated as the nature of the remaining 17 events meant they would have generated no or a negligible number of visitor nights.

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 Auckland Unlimited 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 27 business events held over the year that Auckland Unlimited 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 Auckland Unlimited that occurred within the 2020/21 year.

³ Targets were originally set in 2018 and were revised down in 2020 to reflect the impact of COVID-19 on international travel, the subsequent suspension of the Accommodation Provider Targeted Rate and the impact of the delay in the opening of the New Zealand International Convention Centre.

KPI 7: Uptake of Auckland Play-Book and associated brand assets from aucklandnz.com brand hub

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
Not measured	Baseline to be set	14,562	

Result

Over 2020/21, 14,562 video and photographic assets have been downloaded from the Auckland Brand Library. This sets a new baseline for future measurement. Over the year, 723 new photographic and video assets were created to support Auckland businesses and stakeholders to create on-brand content to communicate Tāmaki Makaurau Auckland’s unique identity as defined in the Tāmaki Makaurau He Aratohu Auckland Playbook.

Additionally, there have been 12,025 page views of the Tāmaki Makaurau Brand Home (aucklandnz.com brand hub) since it went live in October 2020. The Tāmaki Makaurau Brand Home is the online home for brand related material such as the Playbook, educational videos, a brand checklist and, the extensive research informing this work. Continuous optimisation of the Brand Home and work to promote its use will continue over 2021/22.

Why do we measure this?

Measurement of the number of downloads of photographic and video assets indicates that Auckland business and stakeholders are using quality, on-brand imagery to communicate about Auckland in an aligned way. Photographic and video assets are costly to produce, therefore open-source, free, quality, on-brand assets deliver significant value to Auckland business and stakeholders, as well as to the Auckland region by allowing the city to communicate in a way that builds our reputation. Page views of the brand home indicate interest in understanding the Brand of Auckland, and why aligning to the brand pillars is essential for growing the reputation of the region.

How do we measure this?

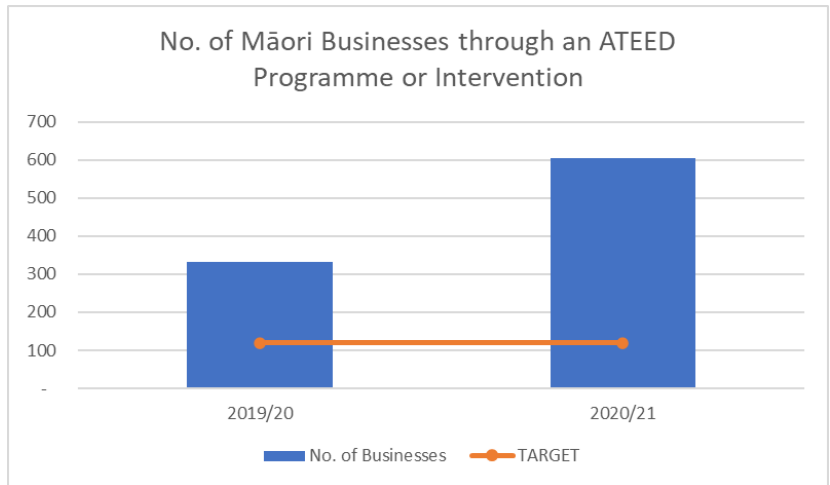
Our brand library reporting comes directly from our Digital Asset Management system (DAM). Google analytics measures page views of the Tāmaki Makaurau Auckland Brand home. These metrics can be pulled on a daily basis but are collated and reported every quarter.

KPI 8: Number of Māori businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
333	120	604	✓

Result

Over 2020/21, 604 Māori businesses have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention. This year’s result significantly exceeds the target of 120 businesses and is an 80% 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 businesses) to apply for a COVID-19 business grants. The key Auckland Unlimited programme or interventions that have benefited 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 Business Innovation Clinics.



Why do we measure this?

Auckland Unlimited is the lead agency for the Kia ora te Umanga, Māori Business, Tourism and Employment priority within *Kia Ora Tāmaki Makaurau*, the council family’s Māori Outcomes Performance Measurement Framework. This priority is based around the Mana outcome statement that intergenerational wealth is created through a thriving Māori economy and will be achieved through the mahi objective that the council group supports a resilient and regenerative Māori economy by supporting economic opportunities for Māori businesses and iwi organisations. Measurement of the number of Māori businesses that have been through an Auckland Unlimited programme or benefited from an Auckland Unlimited intervention is one way that Auckland Unlimited 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?

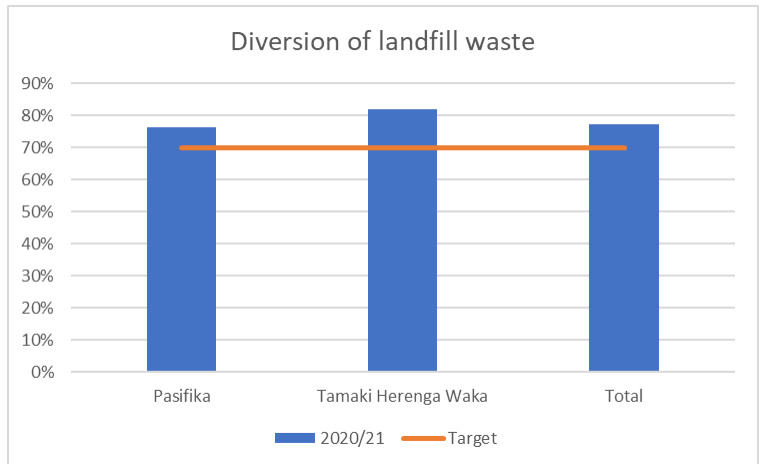
This is a sub measure of the total measure (KPI 4). Where possible, Māori businesses have been self-defined and include businesses that consider themselves a Māori business due to ownership, philosophy, principles, goals, tikanga, management practices, branding, assets (both tangible and intangible), and employees. These categories align with those used by Statistics NZ to define Māori businesses.

KPI 9: Auckland Unlimited delivered events (Diwali, Lantern, Pasifika and Tāmaki Herenga Waka Festivals): Diversion of landfill waste

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
Not measured	70%	77%	✓

Result

Over 2020/21, 77% of waste from Auckland Unlimited’s delivered events was diverted from landfill. This exceeds the target of 70%. This year’s result is based on data from the Pasifika (76%) and the Tamaki Herenga Waka (82%) festivals only. Diversion of landfill waste for the 2020 Diwali Festival could not be measured as COVID-19 concerns led to a change in the festival format – from a single centralised event to series of smaller sub-regional events across the region. The 2021 Lantern Festival was cancelled as a result of Auckland being at COVID-19 Alert Level 3 for the first 3 days of the scheduled festival.




Why do we measure this?

As part of the council group, Auckland Unlimited aligns with *Te Tāruke-ā-Tāwhiri, Auckland’s Climate Plan*, and plays a key role in the implementation of the economy section of the plan. Within Action Area F3 of the plan, the council group is expected to “lead by example in council facilities and drive zero waste events”. As a deliverer of events, one of the environmental impacts of Auckland Unlimited is waste to landfill. Measurement of landfill waste diversion at Auckland Unlimited delivered events is one way that Auckland Unlimited can measure its contribution to the goals of *Te Tāruke-ā-Tāwhiri*.

How do we measure this?

The diversion of landfill waste at Auckland Unlimited delivered events (Diwali, Lantern, Pasifika and Tāmaki Herenga Waka Festivals) is measured and reported by Clean Event, an independent event waste management company. Waste at each event is collected and categorised into waste, recycling, organics and cardboard. Diversion is a measure of the total weight (in kilograms) of non-waste (recycling, organics and cardboard) as a percentage of all waste across all measured events.

KPI 10: Number of Auckland Unlimited delivered events (Diwali, Lantern, Pasifika and Tāmaki Herenga Waka Festivals) that achieve Carbon Zero

2019/20 Result	2020/21 Target	2020/21 Result	2020/21 Status
Not measured	1/4	0/4	

Result

Over 2020/21, no Auckland Unlimited delivered events (Diwali, Lantern, Pasifika and Tāmaki Herenga Waka Festivals) achieved a carbon neutral certification. It was originally intended that the 2020 Diwali Festival would achieve Toitū carbonzero certification. However, when COVID-19 concerns led to a change in the festival format – from a single centralised event to series of smaller sub-regional events, this was not possible. The 2021 Lantern Festival then was part way through the Toitū carbonzero certification event operations process when it was cancelled as a result of Auckland being at COVID-19 Alert Level 3 for the first 3 days of the scheduled festival. Auckland Unlimited is now in the process of achieving Toitū carbonzero certification for event operations for the 2021 Diwali Festival, which will be Auckland Unlimited’s first carbon neutral event.

Why do we measure this?

As part of the council group, Auckland Unlimited aligns with *Te Tāruke-ā-Tāwhiri, Auckland’s Climate Plan*, and plays a key role in the implementation of the economy section of the plan. To align with *Te Tāruke-ā-Tāwhiri*, Auckland Unlimited will contribute to Auckland Council group’s emissions reduction target of 50% by 2030, and ensure it is prepared for the physical impacts of climate change. Within Action Area F3 of the plan, the council group is expected to “*lead by example in council facilities and drive zero waste events*”. As a deliverer of events, Auckland Unlimited is committed to reducing carbon outputs from events as one way that we can measure our contribution to the goals of *Te Tāruke-ā-Tāwhiri*.

How do we measure this?

The achievement of a carbon neutral certified event is gained by measuring, reducing and offsetting through a certification such as Toitū carbonzero event or event operations. Activities related to the event which produce carbon are identified. Estimated data is then used to calculate the total carbon equivalent produced by each activity and collated together to form a total emissions footprint for the event. Reduction initiatives can then be identified in order to reduce the footprint ahead of the event. The calculations are then audited, offsets are purchased to allow the event to claim its zero-carbon status, and then after the event, the data is actualised and another audit is undertaken.

Glossary

Term	Definition
Attributable value	The value that can be attributed to the work of Auckland Unlimited. The attribution level considers whether activity would have occurred with or without Auckland Unlimited's involvement (based on a client view) and the level of Auckland Unlimited's involvement.
Accommodation Provider Targeted Rate (APTR)	A targeted rate of accommodation providers levied by Auckland Council to fund 50% of the destination focussed activity of Auckland Unlimited (previously of Auckland Tourism Events and Economic Development, ATEED).
Brand assets	Refers to digital assets such as photographs, videos, logos and other visual collateral that aligns to the Auckland Place Brand and is made freely available for individuals and organisations to use.
Business events	A term that is typically used to cover a range of business focussed events including meetings, incentive travel, conferences, conventions and exhibitions.
Intervention	A programme or service delivered by Auckland Unlimited designed to assist business through providing support that might not otherwise be available and/or accelerating access to support through provision of information and resource.
Major events	A broad term encompassing the range of events that the Auckland Unlimited Major Events team play a role in attracting to Auckland and/or supporting. This can include mega-events (significant, one-off, large scale), major events, national events and regional events, all of which bring benefit from outside of Auckland and/or play a role in defining regional identity.
Purpose driven initiative	A term used to describe an initiative or event that has a clear end purpose, providing specific benefits such as providing education, information/updates and/or opportunities to meet or connect.
Regional GDP	A geographic breakdown of national-level GDP (gross domestic product), which is New Zealand's official measure of economic activity. Measures the total of all value-added created within a region as a result of all the finished goods and services produced within a specific time period.
Toitū carbonzero certification	A certification offered by Toitū Envirocare Limited aligned to ISO 14064-1 or PAS 2050, that measures greenhouse gas emissions, and puts in place strategies to manage, reduce and offset impacts.
Visitor night	A measure of visitor activity that equates to one visitor staying one night within a region. Ten visitor nights may result from one visitor staying ten nights or ten visitors each staying one night.

Directory

For the year ended 30 June 2021

The Directors as at the year ended 30 June 2021 are as follows:

- Mark Xavier Franklin (appointed 14 September 2020)
- Jennah Mary Wootten
- Hongyu (Carol) Cheng (appointed 14 September 2020)
- Evan Welch Davies (appointed 14 September 2020)
- Fabian Elio Partigliani
- Daniel Te Whenua Walker (appointed 14 September 2020)
- Jennifer Helen Rolfe

Shareholders	Auckland Council (100%) 135 Albert Street Auckland, 1010 New Zealand
Registered Office	Auckland Council, Aotea Centre Level 4, 50 Mayoral Drive Auckland, 1010 New Zealand
Auditors	Audit New Zealand Level 15, 88 Shortland Street, CBD Auckland 1010 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	3089627