

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Economic Development Committee will be held on:

Date: Tuesday 8 September 2020
Time: 9.30am
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Economic Development Committee

Komiti OOhanga Whakatupu

OPEN AGENDA

Membership

Chairperson	Cr R Hamilton
<i>Heamana</i>	
Deputy Chairperson	Cr E Wilson
<i>Heamana Tuarua</i>	
Members	Deputy Mayor Taylor Cr Martin Gallagher Cr Rob Pascoe Cr Maxine van Oosten Mayor Paula Southgate (Ex Officio) Maangai Maaori – Olly Te Ua Maangai Maaori – Te Pora Thompson-Evans

Quorum: A majority of members (including vacancies)

Meeting Frequency: As required – no less than four times a year.

Becca Brooke
Governance Manager
Menetia Mana Whakahaere

1 September 2020

Telephone: 07 838 6727
Becca.Brooke@hcc.govt.nz
www.hamilton.govt.nz

Purpose

The Economic Development Committee is responsible for:

1. Governance of Hamilton's economic agenda and investment development opportunities consistent with Council's vision for the city and to enhance the wellbeing of Hamiltonians.

In addition to the common delegations, the Economic Development Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To drive and enhance Hamilton's economic position by actively promoting Hamilton.
2. To promote investment and business attraction opportunities for Hamilton and the greater Waikato region.
3. To provide advice on strategic initiatives, plans, projects and potential property developments that have a material impact upon the Hamilton economy.
4. To develop, review and monitor the implementation of the Economic Development Agenda.
5. To consider and recommend funding for Business Improvement District(s), Hamilton and Waikato Tourism and Te Waka through the Council's long-term plan process.
6. To monitor the performance and provide guidance on Council's relationship with key stakeholders including, but not limited to Te Waka, Hamilton Waikato Tourism and Hamilton Central Business Association.
7. To monitor the performance of Council's major event venues operation (H3).
8. To review and monitor the implementation of Council's Event Sponsorship Policy.
9. To approve annual Event Sponsorship funding applications and monitor any grants made to external organisations under the terms of the Event Sponsorship Policy.
10. To support and assist with efforts for external partnerships on Council projects that will provide economic development opportunities for Hamilton and the region.
11. To develop and monitor policy related to the appointment and remuneration of directors of CCOs, CCTOs and COs.
12. To provide clear direction to Council's CCOs, CCTOs and COs on Council's expectations, including feedback on draft statements of intent.
13. To receive six-monthly reports of Council's CCOs, CCTOs and COs, including on board performance.
14. To undertake any reviews of CCOs and CCTOs and agree CCO/CCTO-proposed changes to their governance arrangements, except where reserved for Council's approval by Council.
15. To develop policy, approve and monitor implementation of plans and strategies in relation to the performance of Council's investments in the Municipal Endowment Fund, the Domain Endowment Fund and strategic property.
16. To recommend to the Council approval of acquisition or sale or lease of properties owned by the Council, or owned by the Municipal Endowment Fund or the Domain Endowment Fund consistent with the Municipal Endowment Fund Investment Policy, for any endowment properties.

The Committee is delegated the following powers to act:

- Approval of event sponsorship applications annually in accordance with the Event Sponsorship Policy.
- Approval of letters of expectation for each CCO, CCTO and CO.
- To provide feedback on draft statements of intent for each CCO, CCTO and CO.

The Committee is delegated the following recommendatory powers:

- Appointments to, and removals from, CCO, CCTO and CO boards
- Approval of proposed major transactions or constitutional adjustments of CCOs, CCTOs and COs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- Approval of acquisition or sale or lease of properties owned by the Council, or owned by the Municipal Endowment Fund or the Domain Endowment Fund consistent with the Municipal Endowment Fund Investment Policy, for any endowment properties.
- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Recommendatory Oversight of Policies and Bylaws:

- *Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy*
 - *Event Sponsorship Policy*
 - *Freeholding of Council Endowment Land Policy*
 - *Municipal Endowment Fund Investment Policy*
1. *Business Improvement District (BID) Policy*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

Council Report

Committee: Economic Development Committee

Date: 08 September 2020

Author: Carmen Fortin

Authoriser: Amy Viggers

Position: Governance Advisor

Position: Governance Team Leader

Report Name: Confirmation of the Open Economic Development Committee Minutes - 12 May 2020

Report Status	<i>Open</i>
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Staff Recommendation

That the Committee confirm the open minutes of the Economic Development Committee meeting held on 12 May 2020 as a true and correct record.

Attachments

Attachment 1 - Economic Development Committee Open Unconfirmed Minutes - 12 May 2020 .

Economic Development Committee

Komiti OOhanga Whakatupu

OPEN MINUTES

Minutes of a meeting of the Economic Development Committee held via audio-visual link on Tuesday 12 May 2020 at 10.00 am.

PRESENT

Chairperson	Cr Ryan Hamilton
Deputy Chairperson	Cr Ewan Wilson
Members	Cr Martin Gallagher
	Cr Rob Pascoe
	Cr Maxine van Oosten
	Mayor Paula Southgate (Ex Officio)
	Maangai Olly Te Ua
	Maangai Te Pora Thompson-Evans

In Attendance:

Cr Dave Macpherson
Jen Baird – General Manager City Growth
Sean Murray - General Manager Venues Tourism and Major Events
Eeva-Liisa Wright – General Manager Infrastructure Operations
Blair Bowcott – Executive Director Special Projects
Tracey Musty – Financial Controller
Mike Bennett – Key Accounts Manager
Stafford Hodgson – Programme Manager, Economics and Policy
James Clarke - Director of the Mayor's Office

Governance Staff:

Amy Viggers – Governance Team Leader
Carmen Fortin and Ian Loiterton – Governance Advisors

16. Apologies

Resolved: (Cr Hamilton/Cr Wilson)

That the apologies for absence from Deputy Mayor Taylor (on Council business), Cr Bunting, Cr Forsyth, Cr Naidoo-Rauf, Cr O'Leary, and Cr Thomson, and for early departure from Maangai Thompson-Evans are accepted.

17. Confirmation of Agenda

Resolved: (Cr van Oosten/Cr Wilson)

That the agenda is confirmed noting that late item 15 (COVID-19 Economic Update) is accepted. This report was circulated to Committee Members prior to the meeting as a late item to ensure the most up to date information was provided.

18. Declarations of Interest

No members of the Council declared a Conflict of Interest.

19. Public Forum

No members of the public wished to speak.

20. Confirmation of the Open Economic Development Committee Minutes - 10 March 2020

Resolved: (Cr Wilson/Cr Hamilton)

That the Committee confirm the open Minutes of the Economic Development Committee meeting held on 10 March 2020 as a true and correct record.

21. Economic Development Committee Chairs Report - 12 May 2020

The report was taken as read.

Resolved: (Cr Hamilton/Cr Wilson)

That the Economic Development Committee receives the report.

Item 16 (COVID-19 Economic Update) was taken after item 6 (Economic Development Committee Chairs Report - 12 May 2020) to accommodate external presenter availability.

16. COVID-19 Economic Update (Late Report)

The report was taken as read.

Resolved: (Cr Hamilton/Maangai Te Ua)

That the Committee receives the report.

22. Waikato Regional Airport Limited - COVID-19 Response

The General Manager Venues Tourism and Major Events introduced Mark Morgan (Hamilton Airport Chief Executive) and, Scott Kendall (Hamilton Airport Finance Manager). They provided Members with an update on Waikato Regional Airport Limited in light of COVID-19. They responded to questions from Committee Members concerning the impact of and timelines for recovery from Covid-19, air traffic control volumes and plans for control towers, the Hamilton Airport Board's strategy in relation to its shareholders and government funding, and land sales.

Resolved: (Cr Wilson/Maangai Thompson-Evans)

That the Committee receives the report and verbal update and information material presented by WRAL.

Item 9 (Te Waka COVID-19 Response) was taken after item 7 (Waikato Regional Airport Limited - COVID-19 Response) to accommodate external presenter availability.

23. Te Waka COVID-19 Response

Hamish Bell (Chairperson), Michelle Hollands (Strategic Partnerships and Projects Manager) and Michael Bassett-Foss (Chief Executive) provided Committee Members with an update on work

being undertaken by Te Waka. They responded to questions from Committee Members concerning Te Waka's capacity to deliver on Hamilton City Council investment, the preparedness of small and medium sized business for Covid-19, the role of Hamilton City Council in responding to Covid-19 in terms of its procurement policies and partnerships, and how they were to support and partner with Maaori businesses.

Resolved: (Cr Hamilton/Cr Wilson)

That the Economic Development Committee receives the report.

The meeting was adjourned 11.52am to 12.07pm.

24. Hamilton Central Business Association Update - COVID-19 effect - Way Forward

Vanessa Williams (General Manager Hamilton Central Business Association) took the report as read and responded to questions from Committee Members concerning e-commerce solutions for local businesses and business priorities for the revitalisation of the city centre. The General Manager City Growth explained Council's approach to footpath trading to support business in response to Covid-19.

Resolved: (Cr Hamilton/Cr Gallagher)

That the Economic Development Committee receives the report.

10. Hamilton and Waikato Tourism - COVID-19 Response

Jason Dawson (Chief Executive Hamilton Waikato Tourism) spoke to the effects of COvid-19 on regional tourism and outlined the response to restart tourism. He responded to questions from Committee Members concerning rail tourism opportunities, tourism promotion and pricing, plans to reopen Hobbiton, and the role of events and virtual tours in the Waikato tourism market.

Resolved: (Maangai Te Ua/Cr van Oosten)

That the Committee receives the report, verbal update and information material presented by Hamilton and Waikato Tourism (HWT).

25. Civic Financial Services Annual Report 31 December 2019

The report was taken as read.

Resolved: (Cr Hamilton/Cr Wilson)

That the Economic Development Committee receives the report.

26. H3 Group - Quarter 3 report 1 July 2019 to 31 March 2020

The General Manager Venues Tourism and Major Events spoke to the report. He responded to questions from Committee Members concerning Chiefs Rugby games in Hamilton post Covid-19 restrictions, H3's provisional budget including strategies to manage its income and costs in response to Covid-19, SkyCity's hotel development, and contactless payment systems.

Resolved: (Cr Wilson/Cr Pascoe)

That the Economic Development Committee receives the report.

Maangai Thompson-Evans retired from the meeting (1:28pm) during the above item. She was not present when the matter was voted on.

Mayor Southgate left the meeting (1:45pm) during the above item. She was not present when the matter was voted on.

The meeting was adjourned 1.55pm to 2.45pm.

Mayor Southgate re-joined the meeting during the above adjournment.

13. Proposed Economic Development Framework

The General Manager City Growth spoke to the Proposed Economic Development Framework. Staff responded to questions from Committee Members concerning the objectives and priorities of the framework, its resource requirements, the role of partners including H3 and Tainui, the status of the framework and what success measures would be used.

Resolved: (Cr Hamilton/Cr Wilson)

That the Economic Development Committee:

- a) receives the report;
- b) approves the proposed Economic Development Framework;
- c) requests staff hold a briefing for Elected Members to discuss the strategic objectives which will form the basis of a refreshed Economic Development Agenda.

27. General Manager's Report

The General Manager City Growth introduced the report. Cr Hamilton and Cr Wilson then updated members on Economic Development Initiative discussions with sector representatives, and the opportunities identified as part of that process.

Resolved: (Cr Hamilton/Cr Wilson)

That the That the Economic Development Committee receives this report.

285. Resolution to Exclude the Public

Resolved: (Maangai Te Ua/Cr Gallagher)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution
C1. Confirmation of the Public Excluded Economic Development Committee) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item 6

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
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The meeting went into a public excluded session at 3.32pm.

The meeting was declared closed at 3.33pm.

Council Report

Item 6

Committee: Economic Development Committee

Date: 08 September 2020

Author: Carmen Fortin

Authoriser: Amy Viggers

Position: Governance Advisor

Position: Governance Team Leader

Report Name: Chair's Report

Report Status	<i>Open</i>
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Recommendation

That the Economic Development Committee receives the report.

Attachments

Attachment 1 - Chair's Report - 8 September 2020 .



Chair's Report

Thank you colleagues for your support in providing some necessary financial resources to the work of this committee through the Annual Plan process. This will help to further activate the aspirations of this portfolio to provide meaningful and tangible headway into this vital well-being.

Through this agenda we approve the framework that has been developed up over the last 6-9 months after much consultation with key stakeholders and feedback from yourselves especially the briefing in July. This is the start of developing what I hope to be an enduring structure which articulates both direction for Council in its leadership capacity and also areas where we best add value with our unique role as local government and in a fit for purpose delivery for our city. There are short, medium and long terms ideals starting to crystallise that will start to emerge over the next few months with some alignment aimed of course with our 10 year plan.

Councillors Ewan, Rob myself and others are exploring the necessary repurposing of the municipal endowment funds and the catalytic power they can provide.

Over the last few months in partnership with Te Waka we have had a summit with Waikato and Hamilton tech leaders and begun discussions around how we can attract more of this to our city and in fact be the tech capital of NZ.

Councillor Maxine and I lead a summit with education leaders from Te Wananga, University, Wintec, High Schools and others forming up conversation around modernised learning and retraining in light of Covid, unemployment and online learning given the huge gap we have with no international students and the challenges and opportunities this presents.

I am working with the Director of the Mayors Office to understand better the formation of our Sister City Relationships and the strategic opportunity that could be realised in robust and clarified agreements. Whilst there may be no travel for two years the groundwork can be laid as in the future we will have the opportunity to extend the opportunities for our businesses, education, health and cultural tourism opportunities that exist beyond our shores.

Covid continues to challenge us on all levels and across all domains of the economy but I remain convinced that through this committee and workstreams we keep our focus up and ahead and remain steadfast in the knowledge that we are a resilient people, city and region and we will come out stronger and prosperous as we work together.

Kotahi ano te koohao o te ngira, E kuhuna ai te miro ma te miro where me te miro pango. A muri i a au kia mau ki te ture ki te whakapono ki te aroha. Hei aha te aha! hei aha te aha!

"There is but one eye of the needle, Through which the white, red and black threads must pass. Hold fast to the law, hold fast to faith, hold fast to love. Forsake all else!"

Chair's Recommendation

That the Economic Development Committee receives the report.

Councillor Ryan Hamilton
Chair, Economic Development Committee
Hamilton City Council

Council Report

Committee: Economic Development Committee
Date: 08 September 2020
Author: Sean Murray
Authoriser: Sean Murray
Position: General Manager Venues, Tourism and Major Events
Position: General Manager Venues, Tourism and Major Events
Report Name: Hamilton and Waikato Tourism Limited - Year End Report 2019/20

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Economic Development Committee of the Hamilton and Waikato Tourism (HWT) year-end report for the period 1 July 2019 to 30 June 2020.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Economic Development Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. HWT provided their six-monthly activity report to the Economic Development Committee on 10 March 2020.
4. At the time, the spectre of COVID-19 was looming and of concern for the region, city and visitor industry at large and was discussed, although the future at that time was unknown. The Committee also asked HWT to present verbally to the May committee meeting following the COVID-19 lockdown across New Zealand. This year-end report will include further implications since that time as they are now more fully understood.
5. Jason Dawson (Chief Executive, HWT) will attend the meeting to provide an update for the Committee.

Background - *Kooreo whaimaarama*

6. HWT is a subsidiary company of Waikato Regional Airport Limited. HWT has a three-year service level agreement with Council for 2018-2021.
7. HWT is supported by six other councils with a total funding pool across all partner Councils of \$1,215,000 + CPI. The following table provides a contribution breakdown. HWT also raises funding contributions and leverages its partnerships with private sector interests of around \$400k annually.

8. Table 1: Council funding of Hamilton and Waikato Tourism

Council	Annual Funding
Hamilton City Council	\$585,000 + CPI
Waipa District Council	\$150,000 + CPI
Waikato District Council	\$150,000 + CPI
Matamata-Piako District Council	\$150,000 + CPI
Otorohanga District Council	\$ 60,000 + CPI
South Waikato District Council	\$ 60,000 + CPI
Waitomo District Council	\$ 60,000 + CPI
Total	\$1,215,000 + CPI

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

9. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
10. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
11. The recommendations set out in this report are consistent with that purpose.
12. HWT is an ambassador of the "Tiaki Promise" programme that promotes care for New Zealand within the visitor industry and by visitors to New Zealand.

Social

13. Hamilton and Waikato Tourism supports and promotes the local and regional tourism and events sector that make Hamilton a great place to live, work, play and visit.

Economic

14. Hamilton and Waikato Tourism's role is to generate competitive economic benefit through visitor sector strategies focused on increasing visitor length of stay and spend.

Environmental

15. Hamilton and Waikato Tourism supports and promotes the local and regional natural environment and green spaces that make Hamilton a great place to live, work, play and visit.

Cultural

16. Hamilton and Waikato Tourism has a goal that by 2025 the Hamilton and Waikato region will be recognised by visitors as the home of Kiingitanga with exceptional visitor experiences that enable the visitor to immerse themselves in our unique Māori culture.

Risks - *Tuuraru*

17. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

18. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

19. Given the low level of significance determined, the engagement level is low. No engagement is required.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

20. Staff confirm that the recommendation to approve funding complies with the Council's legal and policy requirements.

Financial Considerations - *Whaiwhakaaro Puutea*

21. This is a regular operating activity funded through the Long-Term Plan.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Hamilton and Waikato Tourism Limited - Year End Report 2019/20 .

Hamilton & Waikato TOURISM

Annual Report to Hamilton City Council 1 July 2019 – 30 June 2020

Hamilton & Waikato Tourism (HWT) is the region's Regional Tourism Organisation (RTO) whose role is to generate competitive economic benefit through visitor sector strategies focused on increasing visitor length of stay and spend. We are a subsidiary company under the Council Controlled Organisation (CCO) of Waikato Regional Airport Limited and funded through a public/private partnership with the region's tourism industry and seven local authorities including Hamilton City and Matamata-Piako, Ōtorohanga, Waikato, Waipā, Waitomo and South Waikato Districts.

Contributing to community outcomes for Hamilton

Hamilton & Waikato Tourism delivers on Hamilton City Council's community outcomes:

A Great River City – embraces its natural environment and has green spaces, features & community facilities that make it a great place to live, work, play and visit

A City that Embraces Growth – has infrastructure that meets our current demands, supports growth and helps build a strong economy

Key highlights 2019-2020



Executive summary

Following another buoyant tourism and events season for the Waikato from July 2019 to January 2020, the visitor sector was initially impacted from 3 February when New Zealand began implementing border restrictions with China in response to COVID-19. On 19 March 2020, the borders were closed to all except returning New Zealanders. The subsequent Level 4 lockdown (26 March to 26 April) effectively stopped all international and domestic tourism, with the exception of some longer-term international visitors who had arrived before the borders closed.

Waikato's visitor economy was effectively shut down overnight and impacted a range of businesses including tourism operators, transport providers, accommodation, hospitality, retail, conference and event organisers, venues, caterers and suppliers.

On 27 April, New Zealand moved to alert level 3, partially lifting lockdown restrictions but continuing to ban inter-regional travel. On 13 May the country moved to alert level 2, which permitted inter-regional travel, allowing for domestic tourism, while retaining physical distancing and gathering size limits. The remaining domestic restrictions were lifted upon the move to alert level 1 on 9 June, but the border has remained closed to foreign nationals.

Impacts were swift, significant and severe. The region's annual visitor expenditure has declined since the March 2020 lockdown to \$1.417 billion for the year ending June 2020, an 11% decrease on the previous year. International visitors contributed an estimated \$306 million to the region, while domestic travellers injected \$1.111 billion into the Waikato's economy.

Despite the decline, our national rankings are holding with the Waikato regional tourism region maintaining fifth largest in New Zealand for international visitor expenditure behind Auckland, Christchurch, Queenstown and Wellington. We are still the fourth largest region for domestic visitor expenditure behind Auckland, Christchurch and Wellington.

Prior to COVID-19, around 75% of visitors to the Waikato region were from domestic travellers. With around 2.6 million people living within a three-hour drive radius of Hamilton & the Waikato region, we were already a significant domestic drive market for the Upper North Island.

The Waikato also scored the second highest level of domestic visitors during the recent July school holidays (4 – 19 July 2020) across New Zealand in a recently published report by Data Ventures. This followed the success of domestic travel returning into the region during Queen's Birthday weekend.

According to the report, Waikato achieved 19% growth in domestic visitor numbers during the July 2020 school holidays compared to July 2019, with an average of 55,140 domestic travellers visiting during the holidays, compared to 46,350 visitors this time last year. We were only second in the country to Auckland who attracted 79,160 domestic visitors into their region.

Hamilton & Waikato Tourism has been relentless in leading the restart and rebuild strategy for Waikato's visitor economy. From supporting our tourism and event businesses through the initial lockdown, lobbying for additional Government support and now working hard to attract domestic visitors back to the region post-COVID, we've launched a number of marketing campaigns targeting the leisure, business and events market in key 'drive and fly' markets.





Waikato residents positively responded and supported our 'Mighty Local' campaign during Alert Levels 3 & 4. We are now executing an 'Open for Exploration' campaign in the leisure market for domestic travellers outside of the Waikato, the 'Mighty Welcome' campaign in the business events market and a new 'deals' section on our website www.waikatonz.com are helping to drive increased visitation and spend.











The only national 'bed nights' measurement tool, the Commercial Accommodation Monitor provided by the Ministry for Business, Innovation and Employment and StatsNZ, ceased in September 2019. The replacement data set called the Accommodation Data Plan (ADP) will be able to report on commercial accommodation bed nights, occupancy and length of stay. The first report will be made available in September 2020.

The business event insights research programme is also being redeveloped which will enable us to report on the economic impact of the lucrative meetings, conference and exhibitions sector for the region. Every conference we can secure for Hamilton and Waikato is significant for the region, regardless of the sector or size. Conference delegates are also influenced to return for a future holiday based on their positive Waikato experiences. A delegate attending a business event is worth twice as much of a leisure traveller to the region, with an average delegate per night value of \$292 per night for international delegates and \$480 per night for domestic delegates (MBIE Business Events Delegate Survey YE Dec 2019).

Performance targets

Hamilton & Waikato Tourism (HWT) have seven performance targets which are set in the 'Schedule of Services for Local Government 2019-2020'. Due to the impacts of COVID-19 on the closure of international borders and domestic travel restrictions during lockdown, some of the performance targets were not achieved.

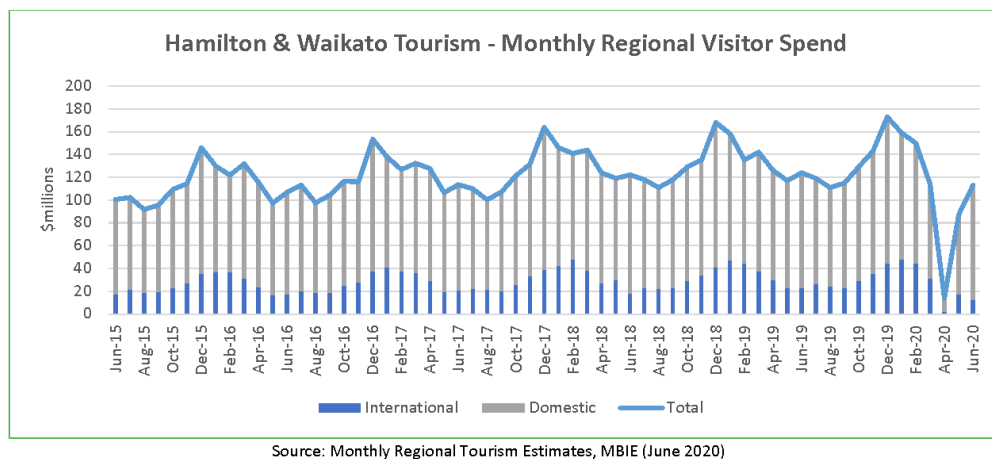
Measure		Result	
	Visitor nights 5% increase of total visitor nights' vs national		6.1% for Waikato 1.2% national growth rate (Year ending September 2019 – new measurement tool due September 2020)
	Visitor spend 5% increase in visitor spend across the region		11% decrease on 2018-2019 \$1.417 billion annual expenditure (Year ending June 2020)

Measure	Result
 Conventions, incentives & business events Grow market share of business events from 9% to 10%	 10.1% market share Fourth largest region behind Auckland, Wellington & Christchurch (Year ending December 2019 – new survey results due February 2020)
 Visitor awareness & perception Improve by 1 point, including Waikato residents	 7.5/10 likelihood to recommend as a place to visit (2018 = 7.2/10; 2019 = 8/10) (Year ending June 2020)
 Website & social media: waikatoz.com 5% digital engagement on 2019-20	 21.16% Industry engagement rate 1.5% (For the year July 2019 - June 2020)
 Industry investment \$450,000 of industry contribution towards marketing activities & campaigns	 \$323,000 international & domestic campaigns, trade show investment, famil in-kind contributions & visitor guide sales (Year ending June 2020)
 Return on investment Total visitor spend per dollar of HWT spend	 \$1,141 (\$1,268 June 2019) Visitor spend per dollar of council funding provided (\$1.24m) ROI comparison to other regions: <ul style="list-style-type: none"> • Auckland: \$307 (\$23.8m) • BoP: \$484 (\$2.1m) • Taupo: \$311 (\$1.95m) • Rotorua: \$167 (\$4.3m) (Year ending June 2020)

Visitor statistics and expenditure

Compared to 2019, tourism spending dropped across all regions for the year ended June 2020. The West Coast region experienced the biggest decline, with a 20% drop in annual spend. The Hawke's Bay and Taranaki regions had the smallest declines in annual tourism spending, both down 8.0%. The entire Waikato region performed well with a decline of only 7% in Coromandel, and 10% for the rest of Waikato including Taupō. In comparison, Rotorua suffered a 16% decline in visitor expenditure.

Following a rebound in May, domestic tourism increased further in June and, in some regions, exceeded June 2019 spending. For the Waikato, we achieved a 7% increase in visitor expenditure for June 2020, compared to a 6.6% uplift for the same month last year.



It is important to note that while domestic tourism expenditure is doing well when compared with the same period last year, the month of June is usually regarded as part of the tourism low season, with historically lower expenditure than other months of the year.

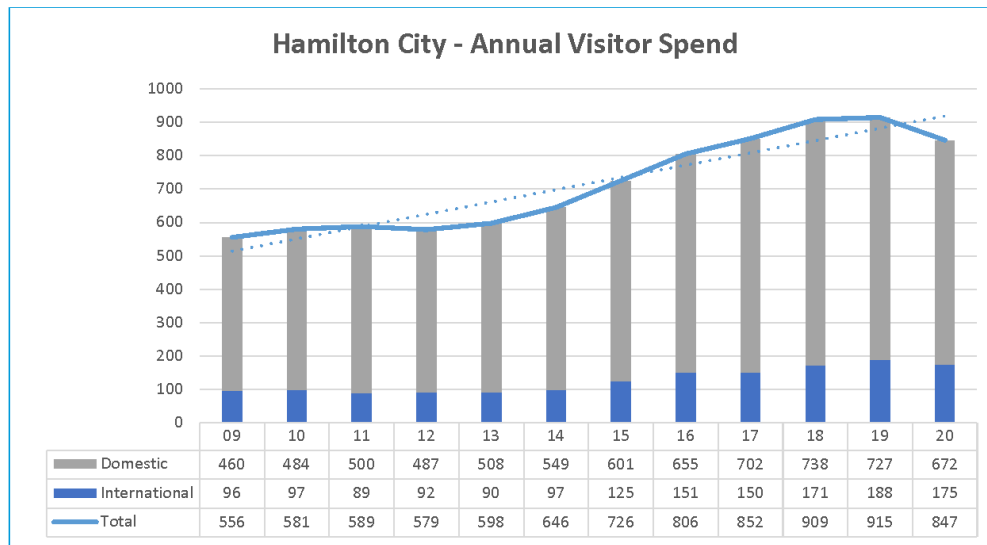
As a region, we've always bucked low season trend in June every year due to the hosting of National Fieldays at Mystery Creek which was delivered online this year. Taking this into account, our region performed well considering the loss of our region's most iconic major event and relying solely on the domestic visitor market.

Total domestic tourism expenditure for New Zealand in June 2020 was \$1.225 million, 2% below 2019 spending, although it was six times higher than during the level 4 lockdown in April.

It has been pleasing to see domestic business and leisure travellers return to the region and continue to spend, especially given the competition in overall consumer spending with consumables up 11% and motor vehicles up 26% during the month of June.

Visitor expenditure in Hamilton

Annual visitor expenditure for Hamilton only declined 7.4% for the 2020-2021 financial year, with only Otorohanga District achieving the smallest decline for the region at 4.0%. Matamata-Piako District suffered the largest decline at 20% reduction in annual visitor expenditure.

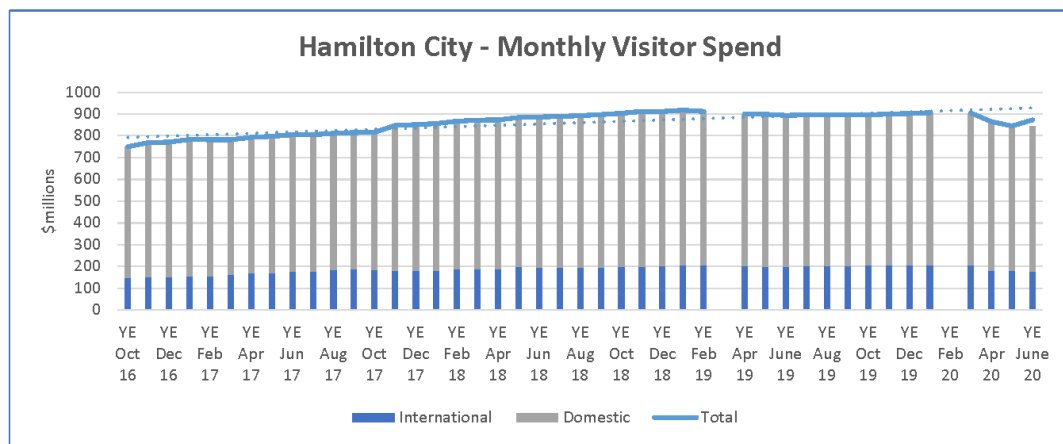


Source: Monthly Regional Tourism Estimates, MBIE (June 2020)

For the year ending June 2020, the visitor economy injected \$874 million into Hamilton's economy, with \$672 million generated by domestic visitors and \$175 million from international travellers. This is a decline of 7.4% for Hamilton compared to June 2019.

Monthly visitor expenditure data is measured by the Ministry of Business, Innovation and Employment (MBIE) in the Monthly Regional Tourism Estimates (MRTE).

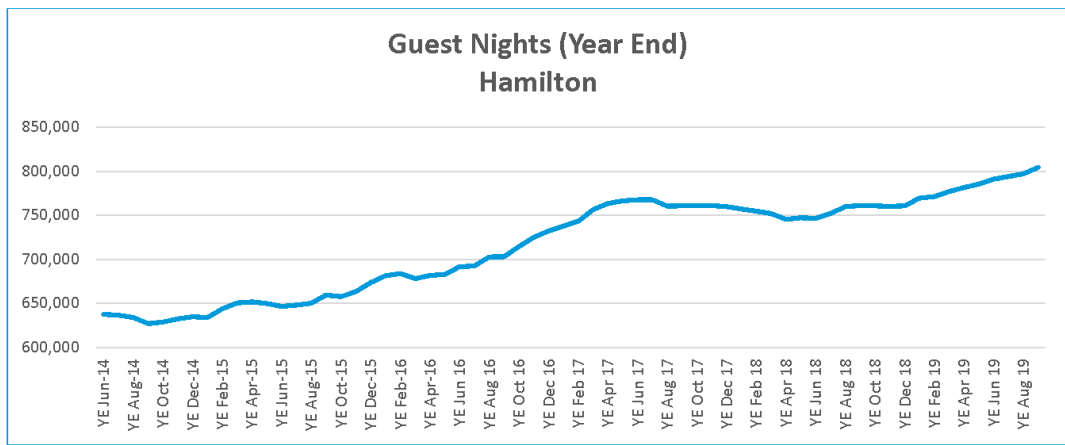
Note: There was no MRTEs for individual Territorial Authorities in March 2019 and February 2020.



Source: Monthly Regional Tourism Estimates, MBIE (June 2020)

Commercial accommodation in Hamilton

Commercial guest nights (hotels, motels, backpackers & holiday parks) for Hamilton peaked at 804,534 commercial guest nights (year ending September 19); 5.7% growth from 2018.



Source: Commercial Accommodation Monitor, Stats NZ (September 2019)

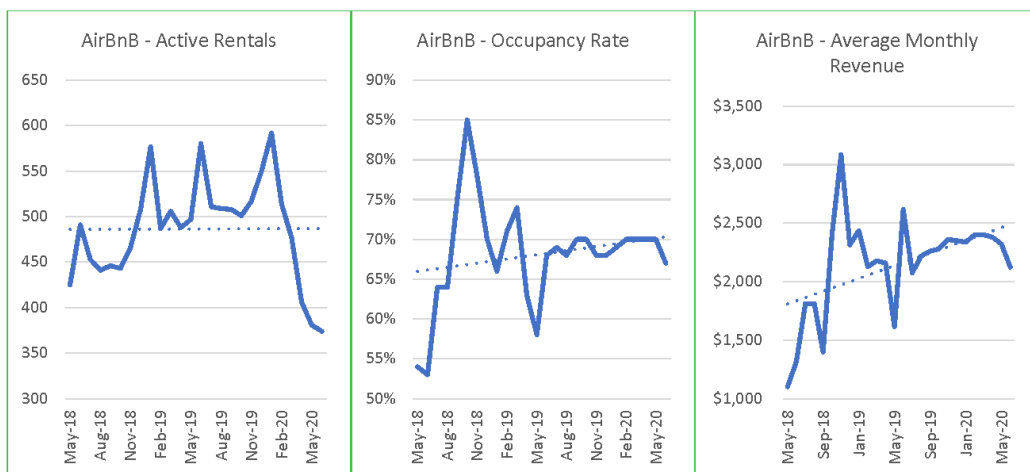
The only national ‘bed nights’ measurement tool, the Commercial Accommodation Monitor provided by the Ministry for Business, Innovation and Employment and StatsNZ, ceased in September 2019, which is the last recorded dataset for the region. The replacement data set called the Accommodation Data Plan (ADP) will be able to report on commercial accommodation bed nights, occupancy and length of stay. The first report will be made available in September 2020.

Non-commercial accommodation in Hamilton

Hamilton also had 374 properties listed on AirBnB during June 2020 as alternative accommodation to the traditional commercial offerings.

This has declined from 580 listings (down 206) in June 2019 due to the impacts of COVID-19.

These properties experienced 67% occupancy during June 2020. For the 12 months July 2019 to June 2020, the average occupancy rate for AirBnB properties in Hamilton was 67%.



Trade & leisure marketing

International marketing

The 'Explore Central North Island' (ECNI) international marketing alliance (including Waikato, Rotorua, Taupō, Coromandel, Bay of Plenty, Ruapehu and Hawke's Bay regional tourism organisations) has undertaken several key activities in the July-Dec period including a North American sales mission in October to train key travel wholesalers and sellers (170 agents trained) and a joint online marketing campaign with Tourism NZ's US office.

Profile of the Waikato has continued in Tourism New Zealand's 'Good Morning World' campaign which features a 'Good Morning World' message each morning from local tourism operators and people. During this summer period regional destinations Raglan, Hobbiton Movie™ Set, Hamilton and South Waikato have been showcased. By having the Waikato featured throughout the campaign is an effective way to showcase the region and our people on a global stage, plus help inspire more travellers to visit our part of the country.

There was a concentrated period of trade training and famils towards the end of 2019. Several of Tourism New Zealand's famils originally scheduled for March 2019 were postponed due to the Christchurch Mosque attacks and reconvened in October-November 2019.

Two of these famils included the Australia mega famil (100 agents) and South East Asia mega famil (60 agents). HWT participated in these mega famils through the agent training days and famil group hosting, while also training 138 agents in Australia during December as part of a Tourism New Zealand roadshow. We also hosted a number of other Tourism New Zealand and wholesaler trade famils traveling through the region.

From late January 2020 travel to NZ from overseas markets began to be impacted by COVID. This impacted a large amount of travel trade and international marketing activity which traditionally take place in the March-June period each year. While HWT was able to attend a Tourism NZ industry event in the Australia market in March to meet with 20 key travel sellers, host three international media famils and attend the International Media Marketplace in Sydney to meet with 22 media/travel writers, other activity from the beginning of April had to be cancelled / postponed until further notice. These included the Tourism NZ KiwiLink event in London, two media famils, the Inbound Tour Operator trade event, various trade famils, the Explore Central North Island trade show, TRENZ and the Tourism NZ and North Island RTO JV marketing campaign into the eastern seaboard of Australia.

However, while borders remained closed, work has continued to keep the travel trade informed on activities, attractions and accommodation within the region. Many in the industry, both here in NZ and overseas, are seeking content and information updates from RTOs on regional product offerings. A number of NZ based travel trade have also pivoted to look at what they can offer in the domestic market and historically outbound-focussed NZ

travel agents and retailers such as Flight Centre and House of Travel, are now seeking content, packages and training for their staff on NZ destinations such as the Waikato. In response to this demand HWT has produced a range of digital collateral including videos, webinars, product update documents and e-DMs.

Domestic marketing

Locals Week Initiative

HWT's inaugural 'Locals Week' launched in September. A key action identified in our Visitor Strategy – the campaign aimed to engage our Waikato residents by making it easy for them to experience what's in their own backyard and become the biggest advocates for our exceptional tourism industry here.

The goal was to educate and inspire our local residents to become ambassadors for tourism across the region by experiencing what we have on offer. We wanted to make it easy for locals to 'give it a go', increase their pride in place and help them become tourism experts for Waikato by offering exclusive and significant 'locals-only' deals for one week.

Other destinations around New Zealand (and internationally) run these types of initiatives and find them extremely beneficial as once locals have experienced tourism products and activities they tend to have a more positive perception of said experience and will recommend our operators when they have friends and family visit.

Christmas 2019

HWT undertook two Christmas focussed campaigns towards the end of 2019. The first focussed on Christmas functions. Targeted at local businesses, the October campaign showcased HWT's domestic partners as well as convention bureau partners to promote their Christmas function ideas and events. Following on from this in early December HWT then ran a mini 'Christmas Gift Guide' campaign to promote vouchers for tourism operator partners' experiences and upcoming events as ideal Christmas gifts to Waikato residents.

Explore Your Own Backyard

The Summer Explore Your Own Backyard campaign which aimed to encourage locals to explore the Waikato over the festive holiday season launched in late December and ran through January.

The online campaign featured domestic operator partners and focussed heavily on profiling region's natural assets such as walks, waterfalls, beaches and cycleways as well as summer events and school holiday activities.

1day.co.nz

HWT partnered with Hamilton-based business 1day.co.nz on a month-long marketing promotion in October to promote our amazing region and the fantastic things there are to see and do here. An iconic NZ brand and consumer purchasing portal with a significant audience and reach, 1-day are passionate local advocates and are keen to help spread positive messaging about the Waikato.

As part of the campaign we offered 1-day's customers the chance to win one of four regional prize packages which showcased a range of Waikato tourism businesses relevant to the themes - Adventure Mad, Culture Vulture, Fanatic Foodie and Crazy Kids.

The promotion, which featured Te Awamutu-born James McOnie, was profiled through both organisation's channels including 1-day's email database of 800,000 and we received around 6,000 entries and email addresses to add to our consumer database.

Short Escapes

HWT's Short Escapes campaign ran from early Feb-late March (when lockdown occurred) profiling regional attractions, activities, accommodation and events. Targeting the region's key drive markets (Auckland, BoP and Taranaki) and fly markets (Wellington and Christchurch) the campaign ran across digital channels including GDN, search, social media, cinema and OnDemand advertising.

Mighty Local

Partnering with Te Waka (the regional economic development agency) and working with Waikato councils, the Waikato Chamber of Commerce, local business associations, Waikato Regional Civil Defence and our i-SITE visitor information centres, HWT developed a campaign to promote and profile everything local across the Mighty Waikato region during the COVID-19 lock-down period. The campaign aimed to encourage Waikato residents to support local businesses through the various levels of COVID-19 and adapted to the market depending on what level we were at – from online retail, virtual experiences and takeaways at Level 4 and 3 to visiting our Waikato attractions, dining and accommodation at Level 1.

Post-Lockdown Campaign - Open for Exploration

As an initial domestic market activation when regional travel opened up post COVID-19 lockdown HWT created a series of videos with local tourism operators to welcome visitors back to the Waikato. These videos were utilised through our organic social media platforms, consumer e-DMs and also later campaign activity.

HWT's post-lockdown campaign 'Open for Exploration', targeted the key drive markets for the Waikato (Auckland, Bay of Plenty, Rotorua, Taupo and Taranaki) inspiring them visit the Mighty Waikato and help to stimulate demand and visitation to local tourism operators and communities. The campaign which launched in late June is designed to complement the 'Do something new, New Zealand' campaign from Tourism New Zealand by encouraging visitors to see new things in familiar places and explore the unknown as well as the known and loved adventures of the Waikato. The campaign creative has included user generated content (UGC) imagery and the 'Do Something New NZ' device.

Tourism NZ - Do Something New, New Zealand campaign

Tourism New Zealand (TNZ) launched the first phase of their national campaign at the end of May. This has been an extensive campaign utilising all forms of advertising from out-of-home to digital and TV inviting New Zealanders to do something 'new' that they wouldn't normally do for a short break or holiday. HWT is working in partnership with TNZ to leverage this activity, particularly in the media space. HWT's marketing manager is also part of the TNZ Domestic Advisory Group along with five other RTO representatives which meets virtually every two weeks to help inform and shape the direction of the TNZ's ongoing domestic campaign activity and also act as liaison for a wider group of RTOs.

Major Events

HWT supported Hamilton City Council's H3 team and local organising committees and event promoters in the promotion and marketing of major events during July-December 2019 including All Blacks vs Tonga, World Darts, Great Britain Rugby League Lions Tour and the HSBC NZ Sevens, as well as Women's Cricket World Cup 2021. This support includes prepping team and media welcome packs, team activity options, event landing pages on waikatoz.com, media and player promo event opportunities and support for bids. Many of the region's key events in the Feb-April period that HWT would normally promote and support through marketing channels had to be cancelled due to COVID-19.

Annual Visitor Guide

100,000 copies of the 2020 official Regional Visitor Guide were distributed in late December 2019, featuring the new Mighty Waikato branding. Distributed nationally through i-SITEs and airports, national and international trade shows and conference delegate packs, the guide is a cost-neutral project with advertising sales funding production and distribution.

Media

Excluding lockdown, HWT had a successful year for domestic travel media coverage. Highlights include working on an insta-meet for International Hobbit Day with Hobbiton Move Set, hosting top influencer Liz Carlson and securing a range of travel stories and articles with publications such as NZ Herald, Sunday Star Times and Stuff. Post-lockdown HWT has been working on a number of media pitches and famils. Domestic media platforms and publications are hungry for content and we have been quick to take up this opportunity. Coverage so far includes content in three NZ Herald Travel Supplements and Breakfast TV where the Waikato was the first region to be covered in their national roadshow with Tourism NZ.

Marketing activity for Hamilton

A summary of specific trade and leisure marketing for Hamilton is detailed below.

Target market	Campaign or activity	Hamilton experiences profiled
Media – domestic & international famils	Media hosting and famils profiling Hamilton: <ul style="list-style-type: none"> • Social Influencer - Young Adventuress • Freelance Journalist – Tim Richards • Social Influencer - The Style Jungle • Yahoo Lifestyle AU • Social Influencer – Zanna Van Dijk 	Hamilton Gardens, Novotel Tainui Hamilton, Chim Choo Ree, Hamilton Zoo, SkyCity Hamilton, Restaurant on Alma, Riverbank Lane, Victoria on the River, Waikato Museum

Target market	Campaign or activity	Experiences profiled
Travel Trade - famils	<p>Hamilton profiled in following trade famils:</p> <ul style="list-style-type: none"> • South East Asia Mega Famil • TNZ Premium Famil • ECNI Roadshow Winner • Manaakitanga Famil • Australia Mega Famil • North Island Welcome Winner 	Hamilton Gardens, Novotel Tainui Hamilton, Helicorp
Domestic – consumer	<p>Hamilton was profiled as part of regional promotions in the following publications:</p> <ul style="list-style-type: none"> • RV Travel – NZ Motorhome Show special edition • Avenues Magazine • Family Times • Go Travel • Regional News • Weekend Herald • Kia Ora Magazine • Stuff.co.nz • NZ Herald Travel Supplement 	Duck Island ice cream, Hamilton Gardens, Good George, Riverbank Lane, Waikato Museum, Te Awa River Ride, Hamilton Farmers' Market, Hamilton Zoo, Escapist, SkyCity Hamilton, Hamilton Christmas Parade, Hare Puke Playground
Travel Trade – events	<p>Trade Training events and sales calls to ITOs and wholesalers throughout the period including:</p> <ul style="list-style-type: none"> • TNZ AU mega famil (100 agents) • TNZ South East Asia mega famil (60 agents) • TNZ North Island Welcome • TNZ RTO Trade Workshop 	Internationally Trade-Ready Product: Hamilton Gardens, Good George Brewery Tour, Waikato Museum, Nature & Nosh, Novotel & Ibis Tainui Hamilton, Waikato River Explorer, Helicorp, Distinction Hotel Hamilton, Jet Park Hotel Hamilton, Days Hotel & Suites, Ambassador Hotel, Duck Island
Travel Trade – Explore Central North Island Alliance	<p>HWT are part of the Central North Island RTO alliance known as 'Explore Central North Island' which includes the two touring routes – The Thermal Explorer Highway and the Pacific Coast Highway. Key activities Jul-Dec:</p> <ul style="list-style-type: none"> • ECNI North America Roadshow, Oct 19 • UK In-market representation 	Internationally Trade-Ready Product: Hamilton Gardens, Good George Brewery Tour, Waikato Museum, Nature & Nosh, Novotel & Ibis Tainui Hamilton, Waikato River Explorer, Helicorp, Distinction Hotel Hamilton, Jet Park Hotel Hamilton, Days Hotel & Suites, Ambassador Hotel

Target market	Campaign or activity	Hamilton experiences profiled
Domestic consumer - Local, Hamilton & Waikato	<ul style="list-style-type: none"> • 'Explore Your Own Backyard' campaign Dec 2019 -Jan 2020 • 'Locals Week" – Sept 2019 • Mighty Local – April – June 2020 	<p>Waikato Museum, Hamilton Gardens, SkyCity Hamilton, Hamilton Zoo, Good George Brewery, Escapist, Novotel Tainui Hamilton, Distinction Hotel Hamilton, Ibis Tainui Hamilton, Ventura Inn & Suites Hamilton, Jet Park Hotel Hamilton, Hamilton Airport, Hertz Hamilton, Cut! Costume and the Cinema, The Gourmet Garage, Hamilton Lake Domain, All Blacks v Tonga, NZ Darts Masters, Brewbus, River Riders, Furnace Restaurant, Madam Woo Hamilton, Confinement Escape Rooms, Distinction Hotel Hamilton, Waikato River Explorer, Lilliput Mini Golf, Te Awa cycleway, HSBC NZ Sevens, Great Britain Rugby League Lions Tour, Te Awa River Ride, Dinosaur rEvolution, Volare, Waikato Farmers Market</p> <p>MIGHTY LOCAL:</p> <p>95 x Hamilton cafes and restaurants offering takeaways during Alert Level 3, online retail, online fitness classes during Alert Level 3 and 4</p>
Domestic consumer - External Drive & Fly Markets	<ul style="list-style-type: none"> • Romer – September 2019 • 1-day – November 2019 • Short Escapes – Feb – March 2020 • Open for Exploration – ongoing from June 2020 	<p>Waikato Museum, Hamilton Gardens, Brew Bus, Duck Island Ice cream, Hamilton Farmers Market, Hamilton Zoo, Bowl & Social, Escapist, Classic Car Museum, Nourish Pod, Gothenburg, Waikato River Explorer, Wonder Horse, Caffè Centrale, Balloons Over Waikato, Hamilton Gardens Arts Festival, Victoria on the River, Dinosaur rEvolution</p>

Target market	Campaign or activity	Experiences profiled
Domestic consumer – Chinese New Zealanders	Ongoing campaign activity has continued through our Weibo social media channel, blogs, forums etc	Waikato Museum, Hamilton Gardens, SkyCity Hamilton, Hamilton Zoo, Escapist, Taitua Arboretum, Boon After Dark, Gourmet Garage, Novotel Tainui Hamilton, Ibis Tainui Hamilton, Hard on the Heels, Hamilton Christmas Parade, Gourmet in the Gardens, Duck Island Ice Cream, HSBC NZ Sevens, Chinese New Year celebration at Waikato Museum, Bugs! Our Backyard Heroes, Hamilton Gardens Arts Festival, Good George Dining Hall, Distinction Hamilton Hotel, Balloons Over Waikato, Te Awa River Ride, Hamilton City river path, Surrealist Garden
Domestic & International consumer and trade	2020 Hamilton & Waikato Regional Visitor Guide	Hamilton city profiled in 'Regional highlights' section and 'Hamilton city' section. A large number of Hamilton-based tourism operators have advertised, as well as retailers, restaurants and cafes in the Hamilton section of the guide
Domestic & international consumer, travel trade and media	Quarterly e-newsletters are distributed to our consumer, trade and media databases	Days Hotel & Suites, Te Ahurei Maori Walking Tour, St Andrews Golf Club, All Blacks V Tonga, Synthony, GBR Rugby League Lions V Tonga Invitational, Boon After Dark, Waikato Regional Theatre, HSBC NZ Sevens, Sounds of Sevens, Novotel Tainui Hamilton, Good George, Hamilton Airport, Brew Bus, Bugs! Our Backyard Heroes, Seddon Park, Hamilton Gardens, The Great Kiwi Beer Festival, Hard on the Heels, NZ Darts Masters, Ferment Fest, Restaurant on Alma, Madam Woo Hamilton, Furnace Restaurant, Distinction Hamilton Hotel, Jet Park Hotel Hamilton, Bowl n Social, Hamilton Zoo, Escapist, The Amazing Dinosaur Discovery, Gourmet in the Gardens, Balloons Over Waikato, Hamilton Gardens Art Festival, Hamilton Lake, Zealong Tea Estate, Duck Island Ice cream, Good George Dining Hall, Waikato Museum July School Holiday Programme, The Cat In The Hat, Investec Super Rugby Aotearoa: Gallagher Chiefs Vs Hurricanes.

Target market	Campaign or activity	Hamilton experiences profiled
Domestic & International consumer	Hamilton City profiled through HWT's website and various social profiles including Facebook, Instagram, Twitter & YouTube.	Waikato Museum, Hamilton Gardens, SkyCity Hamilton, Hamilton Zoo, Good George Brewery, Escapist, Novotel Tainui Hamilton, Ibis Tainui Hamilton, Hamilton Airport, Jet Park Hotel Hamilton, Good George Oktoberfest, Christmas at the Zoo, Ferment Fest, Sammies and Stuff, Gerard V Comedy Hypnotist Show, Hard on the Heels, Bugs! Our Background Heroes, Waikato Museum Hamilton History Tour, Room on the Broom, All Blacks v Tonga, The Gourmet Garage, NZ Darts Masters, Disney on Ice, Boon After Dark, Synthony, Pop-up Globe, Browsers Book Shop, GB Rugby League Lions v Tonga Invitational, Waikato Home & Garden Show, Dylan Moran, Hamilton Fringe Festival, Lugton's Round The Bridges, Swan Lake, HSBC NZ Sevens, Carols on the River, Casabella Lane Festival Day, Boon Street Art, The Ultimate Queen Celebration, The Great Kiwi Beer Festival, All Blacks Fan BBQ, Waikato Regional Theatre, Waikato A & P Show, Seddon Park, Garden Place Christmas Tree, Victoria on the River, 7 Days 10th Birthday Live Tour, Melt 2019 Challenge, Gourmet in the Gardens, Bowl and Social, Duck Island Ice Cream, The Chilli House, Chinese New Year celebration at Waikato Museum, Waitangi Day Celebrations Waikato Museum, Home by Morning, Hamilton Gardens Art Festival, Hamilton Lake Domain, The Amazing Dinosaur Discovery, Zealong Tea Estate, Distinction Hamilton Hotel, Jubilee Park, BLACKCAPS v India at Seddon Park, Sunset Cinema, Music In the Meadow, Balloons Over Waikato, BOON Hamilton Street Art, Hamilton Children's Day 2020, Celebrating the Art of Recycling, Night Flicks Drive in Cinema, Classics Museum, Investec Super Rugby Aotearoa: Gallagher Chiefs vs Hurricanes, Fairfield Bridge, Taitua Arboretum, Go Skydive New Zealand, The River Kitchen, The Kirk Café, Banh Mi Caphe, Hamilton City river path, Good Neighbour, Punnet eatery, EATBurger, Garden Place, Rocky Horror Picture Show, Waiclay National Ceramics Award, Bootleg Brewery, The Exhibition Creator, Mesoverse, Hazel Hayes.

Conferences, incentives & business events

The Hamilton & Waikato region was the fourth largest region behind Auckland, Wellington and Christchurch for conferences and business events for the period ending December 2019. There has been no data collection or reporting of business events data during FY20. A newly named Business Events Venue Survey will commence from 1 July 2020, Fresh Info has been contracted to collect and report data.

Conference leads and rehousing

During May and June, the Business Events Waikato team managed 36 leads, compared to 27 for the same period last year. Our Business Events team successfully relocated 16 business events after Jet Park Hotel Hamilton Airport became a designated Managed Isolation Facility. We were able to re-house most of the events within the Waikato.

We are fortunate the Waikato is predominantly a domestic conference destination and easy to get to from key markets. Our marketing activity is focused on multi-day association and corporate conference market.

Unfortunately, with three of our largest commercial accommodation providers now unavailable as they are Managed Isolation Facilities has impacted on the conference market, significantly reducing our offer. Hosting some of the larger conferences is now very challenging due to limited accommodation availability.

In addition to our limited accommodation inventory, the biggest threat to the conference market is uncertainty. Organisers cannot confidently book conference venues and accommodation, they are afraid of the force majeure clauses in contracts. Currently venues are experiencing short lead-in times which brings its own challenges.

Mighty Welcome / Mighty People – business events campaign

During lock-down, the Business Events Waikato team held focus group meetings via Zoom with selected business event suppliers in the Waikato to agree on our unique selling point. The outcome was unanimous, it is our people. The people working in the conference industry in the Waikato already had a reputation for being professional, responsive, flexible, and willing to work with organisers and colleagues to achieve the best outcome for our clients. This informed our 'Mighty People' / 'Mighty Welcome' restart campaign for the business events sector which is utilising our new website.

Business Events Waikato Showcase

The BE team is currently organising the Business Events Waikato Showcase on 24th September 2020 – an exhibition including all Waikato Business Events Partners. The target market for the event is local organisers, and meeting planners domiciled within driving distance of the Waikato, and predominantly corporates who organise one day meetings and events.

Convention Bureau activity

Summary of specific trade & conference marketing activity (1 July 2019 to 30 June 2020)

Activity	Detail
Enquiries	<p>101 leads received and managed.</p> <p>Hamilton: Bids/proposals: 26 (opportunity sent to 17 Hamilton operators) Leads: 9 (opportunity sent to 6 Hamilton operators) Recommendations: 38 (referred 27 Hamilton operators) Basic assists: 25 (6 Hamilton operators)</p>
Buyers Hosted	35 buyers hosted to the region
Famils	<p>5-7 December 2019: Annual multiday Mega Famil attended by 20 buyers from Wellington, Auckland, Christchurch, and Palmerston North for two nights. Attendees included professional conference & event organisers, in-house corporate event managers, personal/executive assistants, association event organisers, marketing managers and a journalist. Sixteen Business Events Waikato Partners were included (inclusion based on partnership level). Hamilton partners included Claudelands Conference & Exhibition Centre, Distinction Hotel, Novotel Tainui Hotel, Days Hotel & Suites, SkyCity, The University of Waikato and Ibis Tainui Hotel.</p>
TNZ Famils	All TNZ planned famils were cancelled due to COVID-19
Bespoke Famils	<p>Nine bespoke famils organised. 15 buyers were hosted and shown 20 venues and operators across the Waikato, including Hamilton Partners: Claudelands Conference & Exhibition Centre, Novotel Tainui Hamilton, Distinction Hotel, Days Hotel & Suites, SkyCity, Hamilton Gardens, The Atrium, The Verandah, Ibis Tainui, Vidcom, Montana, Ambassador Hotel, Iguana and Zenders.</p>
Trade Shows	<ul style="list-style-type: none"> September 2019: Regional stand Australasian Society of Association Executives (AuSAE) Linc Conference, Napier. December 2019: Exhibited with Tourism NZ and CINZ (Conference & Incentives NZ) at the Professional Conference Organisers Association Conference held in Sydney.
Hosted Events	<ul style="list-style-type: none"> October 2019: Wellington function, attended by over 50 buyers. Co-hosted with six Business Events Waikato Partners, including Claudelands, Distinction Hotel, Novotel Tainui Hamilton and Days Hotel & Suites. October 2019: Meet North South dinner, attended by five guests. Hosted by Business Events Waikato and Dunedin Business Events. November 2019: Co-hosting with Claudelands, attended by nine buyers.

	<ul style="list-style-type: none"> November 2019: Co-hosted event with Tourism New Zealand/Project Waikato Group to create awareness about the CAP and recruit ambassadors.
Sales Activity	<ul style="list-style-type: none"> December 2019: Sales call with Claudelands to Christchurch January and February 2020: Sales calls in Hamilton March 2020: Sales calls to Wellington
AuSAE NZ Networking Activity	<p>(AuSAE – Australasian Society of Association Executives)</p> <ul style="list-style-type: none"> August 2019: Wellington September 2019: Conference – Napier November: Wellington January 2020: Wellington July 2020: Auckland
Tourism NZ Activity	<ul style="list-style-type: none"> September 2019: co-hosted table with Tourism NZ at The Kudos Awards to create awareness about the Conference Assistance Programme and recruit ambassadors. Project Waikato group meetings – business incubator group to seek opportunities for Australasian and international conferences for the Waikato region. Specific focus given to conferences that respond to the needs of the community by creating a social, environmental or cultural impact on the Waikato region.
Partner Communication & Development	<ul style="list-style-type: none"> October 3rd: Google DMO breakfast for Business Events Waikato Partners November 6th: Website Workshop, open to Platinum and Gold Partners November 28th: Spring Symposium December 3rd: Christmas Partner Breakfast February 25th: Henley Hotel Open Home – Partner Event February 28th: BE 101 March 6th: Platinum and Gold Partner Catch-up Weekly BEWAIS Connect – Zoom Partner meetings May 20th: BE Working Group for Campaign May 21st: BE Partners Virtual Quiz June 11th: BE Waikato Reunite Dinner at The Atrium <p>74 Business Events Waikato Partners: Hamilton: Claudelands, Distinction Hotel, Novotel Tainui Hamilton, Days Hotel & Suites, SkyCity, The University of Waikato, ForumPoint2, Hamilton Gardens, Leisure Time Tours, The Verandah, Wintec, ACLX, Any Audio Visual, Classics Museum, Essential Talent, FMG Stadium, Good George, Gothenburg, Hamilton Golf Club, Hamilton Taxis, Hinterland Adventures, Ibis Tainui Hamilton, Iguana, Interactionz, Kerr & Ladbroke, Momento Group, Montana Food & Events, Panama, Park View Motor Lodge, Phoenix Decoration Hire, The Events Company, The Greenspace, The Lawrenson Group, Waikato Museum & Artspost, Waikato River Explorer and Zenders.</p>

Rebuilding the Waikato visitor economy

Hamilton & Waikato Tourism has been instrumental in leading the response, restart and rebuilding of the regional tourism and events sector. The impacts of the COVID-19 pandemic were swift and severe for the entire visitor economy which includes tourism businesses, activities and attractions, accommodation providers, retail and hospitality, transport operators, conferences and business events, major events and venues, education institutions, plus the many suppliers who partner with the sector.

There are a number of key initiatives underway to support the rebuild and reimagining of Waikato's tourism sector.

Strategic Tourism Assets Protection Programme (STAPP)

The \$230m Strategic Tourism Assets Protection Programme (STAPP) was announced in the Government's budget in May to protect the assets in the tourism landscape that form the core of our essential tourism offerings to ensure their survival through the disruption caused by COVID-19. Grants and loans were allocated to tourism businesses, Inbound Tour Operators and Regional Tourism Organisations.

TOURISM BUSINESSES

Tourism businesses will receive a total of \$261m in support comprised of a mix of grants and loans. The Waikato region were successful with funding support provided to the following tourism businesses:

- Discover Waitomo: up to \$4m over two years (year one will be a grant and year two will be a loan if required)
- Ōtorohanga Kiwi House
- Waitomo Adventures
- Spellbound Glowworm and Cave Tour, Waitomo
- Caveworld Waitomo

REGIONAL TOURISM ORGANISATIONS

Hamilton & Waikato Tourism successfully applied for a maximum of \$700,000 to address the significant shortfall in industry investment. The criteria for applying for the grant was to retain existing local government investment.

The Government support can only be used to enhance our work in the following areas:

1. domestic marketing;
2. industry capability; and
3. adopting a destination management approach.

Out of the 27 programmes of work we are looking to undertake under the three tagged areas listed above, 11 are collaboration projects with other regions which border the Waikato. Examples include touring route development with Ruapehu and Taranaki, partnering with Auckland on a joint venture campaign, plus rolling out a regenerative tourism programme across the Central North Island.

Specific STAPP projects we will deliver for Hamilton City in 2020-2021 include:

- Waikato River activation
- Touring route development
- Upweighted business events and domestic marketing campaigns
- Support for major event marketing and promotion

All other projects from consumer marketing to travel data will also benefit Hamilton and the wider region.

Adopting a destination management approach for Waikato

As a region, we are fortunate to have developed our regional Tourism Opportunities Plan in 2016 which was based on conversations to redefine Waikato as a new visitor destination. We worked together to prioritise our five regional game-changers through to identifying emerging opportunities for our region that increased the 'value' of tourism, rather than the 'volume-based' model.

This will help inform the next evolution of our industry to develop a Destination Management Plan bringing together a wider range of stakeholders to help our communities thrive.

Destination management brings together different stakeholders to achieve the common goal of developing a well-managed, sustainable visitor destination. It is an ongoing process that requires destinations to plan for the future and considers the social, economic, cultural and environmental risks and opportunities.



Adopting a destination management approach enables communities and destinations to respond to changing conditions and determine the type of tourism they would like to have and the benefits they would like to receive, taking an active role in managing these.

Destination management requires a holistic and integrated approach with three interdependent components:

1. **Visitor Experience:** the Waikato's experience offering, including activities, attractions, supporting infrastructure, services and amenities
2. **Marketing and Promotion:** the destination's marketing and promotional activity, creating demand and enabling the destination to be competitive, productive and sustainable
3. **Resource Management:** the region's strategy, policy and regulatory frameworks, Te Tiriti o Waitangi, co-governance arrangements, organisational structures and the investments that support the destination.



We have managed to successfully attract funding from the Ministry for Business, Innovation and Employment to undertake this work. Local government are a key partner in creating a destination management plan for Waikato and we look forward to working together on this national initiative.

Major and regional events

Hamilton & Waikato Tourism see major and business events leading the economic and social recovery of region.

Major Events Strategy

In 2018, Hamilton & Waikato Tourism developed the region's first Major Events Strategy to ensure the spotlight continues to shine and grow on our region, as we work to develop a full calendar of events, especially outside of our peak summer period.

We continue to promote the Waikato region to event promoters as/when we are able and have applied for external grants to secure external funding to fully enable this work. The Major Events Strategy will be used as a framework to apply to the Government's \$50m Regional Events Fund to help drive domestic tourism and visitation into the regions.

Domestic Events Fund

The Domestic Events Fund is a \$10 million fund established to support the events sector which has been significantly impacted by the COVID-19 pandemic. It is a contestable fund that will provide funding to events that can deliver the greatest flow-on benefits to regional economies. This fund was designed to inject immediate cash-flow to the sector and the broader supply chain. Applications have closed and we were part of the regional evaluation panel. Recommendations were made to Major Events NZ and we are awaiting a decision.

Infrastructure and Provincial Growth Funds

We worked with our local government partners and visitor attractions to provide tourism projects for the Crown Infrastructure Partners \$3 billion 'shovel-ready' infrastructure fund and updated applications to the Provincial Growth Fund (PGF).

As part of the application process, we provided endorsement for the following tourism-related projects:

- Hamilton Zoo & Waiwhakareke Natural Heritage Park – shared entry plaza
- Tourism connectivity – Hamilton Gardens & Waikato Museum
- Te Awa Cycleway – Hamilton to Cambridge
- Waikato Regional Theatre and South End Precinct
- Waikato Strategic Tourist Route Upgrades
- Hamilton Airport Transport and Infrastructure Enabling Project

We provided support to Waikato District Council's \$2.5m application to the Provincial Growth Fund for the Whaingaroa/Raglan Wharf development to improve safety, access and capacity. The Government funding announced in May will fast-track this project.

Working with Ōtorohanga District Council and the Ōtorohanga Kiwi House, we were grateful for the \$2m grant from the Government's \$3 billion infrastructure fund as part of its COVID-19 Response & Recovery Plan. The redevelopment is an \$8m project which includes a new nocturnal house and visitor centre, including a \$2m loan from the Ōtorohanga District Council.

We also supported Matamata-Piako District Council to finalise their investment business case for the Te Aroha Mineral Spas development. This project was identified in our Tourism Opportunities Plan 2016.

Activating tourism opportunities in Hamilton

New opportunities, product development and events supported by Hamilton & Waikato Tourism during the 2019-2020 financial year include:

- Te Awa Lakes development – Private Plan Change support for water adventure park
- Day Hotel and Suites – redevelopment and relaunch
- Novotel Tainui Hamilton – 40-room expansion and relaunch
- Regional Events Strategy – see below as separate item
- Hamilton Gardens – development and management plan review
- Waikato Regional Theatre development
- Hamilton Ambassador programme in partnership with Hamilton Central Business Association and Hamilton City Council

Tourism Futures Taskforce

In June 2020, the Minister of Tourism set up the New Zealand Tourism Futures Taskforce (the Taskforce) following the significant change to global travel and tourism in New Zealand as a result of COVID-19.

The main purpose of the Taskforce is to advise on what changes New Zealand can make to the tourism system, so that tourism enriches both New Zealand and the wellbeing of New Zealanders.

The Taskforce is co-chaired by Rotorua Mayor Steve Chadwick and Grant Webster from Tourism Holdings Limited. It will make recommendations to address the long-standing productivity, inclusivity and sustainability (environmental, social and economic) issues present in some parts of the tourism sector.

The Taskforce will use a design-thinking approach to draft recommendations, which will be aligned with the four capitals – economic, environmental, social and cultural – set out in the Treasury's Living Standards Framework.

The Taskforce will provide an initial report on the future of tourism in New Zealand in December 2020, with final recommendations and steps for implementation in April 2021.

Conclusion

As we continue to lead the rebuilding and reimagining of our tourism industry post-COVID, our key focus areas for the coming 6-12 months include:

- continuing to work with our industry to stimulate domestic demand between now and the September/October school holidays, plus the lucrative spring/summer season;
- enhance partnership with Tourism New Zealand's national marketing campaign;
- support the industry through the impacts of the COVID-19 and lead industry capability building;
- adopting a destination management approach and merge our existing Visitor Strategy and Tourism Opportunities Plan;
- investigate, review and enhance existing and new touring routes around the region and across borders;
- promote the hero domestic traveller experiences of our region, including our three great rides and cycleways ;

- support event organisers, venues and suppliers to restore our market share in the business events sector;
- support the development of large-scale commercial accommodation to increase average length of stay;
- assist new visitor experience development across the region;
- deliver the additional 27 programmes of work funded under STAPP to boost our economic and social recovery; and
- continue to lobby and advocate for the tourism sector with Government.

These priority areas of activities contribute to the community outcomes set in the 2020-2021 Hamilton City Council Annual Plan of '*A Great River City*' and '*A City That Embraces Growth*'. Attractions, amenities and activities, along with key infrastructure and events, help drive social, cultural and economic wellbeing for residents. A thriving city with a full calendar of business, community and major events and delivering world-class, sustainable visitor experiences, makes residents proud, creates excitement and fun, plus attracts people to live, work, study and play in Hamilton.

On behalf of the board and management of Hamilton & Waikato Tourism, we would like to thank Hamilton City Council, our local government partners and the industry for their continued support, especially as we continue to work our way through the long-term impacts of COVID-19. Your proactive and supportive approach during COVID-19 has been greatly appreciated by the tourism sector.

Jason Dawson
Chief Executive
Hamilton & Waikato Tourism
August 2020

Council Report

Item 8

Committee: Economic Development Committee

Date: 08 September 2020

Author: Sean Murray

Authoriser: Sean Murray

Position: General Manager Venues, Tourism and Major Events

Position: General Manager Venues, Tourism and Major Events

Report Name: Waikato Regional Airport - Statement of Intent and Letter of Expectation 2020/21

Report Status	<i>Open</i>
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Purpose - *Take*

- To inform the Economic Development committee of developments following the last meeting with regards to the Waikato Regional Airport Limited (WRAL) Statement of Intent 2020/21 and Council's Letter of Expectation.
- To seek the Economic Development Committee's approval to receive a revised 2020/21 statement of intent from WRAL subsequently issue a revised letter of expectation from Council.

Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Economic Development Committee:
 - receives the revised WRAL draft statement of intent for the 2020/2021 financial year;
 - approves the draft Council letter of expectation to be forwarded to the WRAL Board; and
 - notes that these recommendations supersede the resolution on both matters from the 10 March 2020 Economic Development Committee meeting.

Executive Summary - *Whakaraapopototanga matua*

- WRAL operates as a limited liability company, with the following shareholders:

Council	Shareholding
Hamilton City Council	50.00%
Matamata-Piako District Council	15.63%
Waikato District Council	15.63%
Waipa District Council	15.63%
Otorohanga District Council	3.13%

- The Directors of the WRAL Board are accountable to their shareholders and are required to act in the best interests of the company. The company constitution guides the rules and relationship between the company activities and its shareholders.

6. The Accountability Process is as follows:
 - i. *The terms as laid out by the company **Constitution**.*
 - ii. *Shareholder **letter of expectation** (strategic, governance, accountability, performance)*
 - iii. *Company **statement of intent (SOI)** following shareholder feedback*
 - iv. *Company **Annual Report** (presentation to each Council)*
 - v. *Company **AGM** (represented by Mayor and CE)*
 - vi. *Company **Half Year Report** (presentation to each Council)*
 - vii. *And/or as **special circumstances** dictate.*
7. This paper relates to the letter of expectation element of the accountability process. The last letter of expectation was issued to the WRAL Board in December 2015. A reassessment of this letter is now required.
8. Staff consider the matters and decisions in this report to have a low significance and that the recommendations comply with the Council's legal requirements.

Background - Koorero whaimaarama

9. The resolutions of the Economic Development Committee on 10 March were as follows;
 - a) *receives the draft Waikato Regional Airport Limited (WRAL) draft Statement of Intent 2020/21;*
 - b) *approves the Letter of Expectation for the purpose of further consultation with the WRAL shareholding Councils and the WRAL Board;*
 - c) *requests the CE, the Mayor and a delegate from the Economic Development Committee consults with other shareholding Councils on the draft Letter of Expectation to seek a consensus;*
 - d) *requests staff report back to the 30 April Council meeting with the feedback on the Letter of Expectation for final approval;*
 - e) *notes that the final letter of expectation must be received by WRAL no later than the 31 May 2020; and*
 - f) *requests the final Waikato Regional Airport Limited (WRAL) Statement of Intent 2020/21 be circulated to Members once approved by the WRAL Board.*

Discussion - Matapaki

2020/21 Letter of Expectation

10. The revised draft letter of expectations as presented to the Economic Development Committee in March 2020 focuses on two new considerations of note.
11. The first being for the company to engage fully in conversations alongside Council in the Auckland to Hamilton corridor plan H2A (which has been occurring). The second area of renewed focus by the company to pursue opportunities for international air services.
12. This latter subject was subject to discussion by the committee and management which led to the resolution that the Mayor and a delegated member of the Economic Development Committee meet with other shareholding Councils (Mayors) to discuss HCC's interest in the airport company being more proactive in the pursuit of international air services.

13. A meeting to do so was established but cancelled due conflicting priorities that came up immediately followed by the disruption of the COVID-19 lockdown. A follow up to this has not been pursued further as the company has since issued to shareholders a revised statement of intent which includes their stated intention to both protect the airports capability to provide service to international flights and proactively investigate any opportunities that are identified.
14. **2020/2021 Statement of Intent**
15. The COVID-19 outbreak hitting New Zealand and the nationwide lockdown resulted in WRAL facing a range of very serious challenges to its operations and its short and medium-term financial performance.
16. As a result, the company (and as reported informally) instituted a range of measures to both respond to the challenge on the ground but also revised their business projections for the new financial year (2020/2021). As a result, profitability expectations for the aviation group within WRAL are expected to reduce dramatically however the diversified business portfolio has contributed greatly to softening the impact as has management cost containment initiatives. Early indications in the new financial year indicate a much firmer result than that reflected in the new SOI
17. The revised statement of intent is attached. As noted earlier the company being aware of Council's desire to lift its engagement in the pursuit of international air services took the opportunity to incorporate this into its new statement of intent in the absence of Council's letter of expectation being formally received.
18. The Chair and Chief Executive of WRAL are due to report on their end of year result and the forward outlook for the business at the next meeting of this Committee. The company Annual General Meeting is scheduled for 4 November 2020.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

19. Staff confirm the recommendation complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

20. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
21. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
22. The recommendations set out in this report are consistent with that purpose.
23. WRAL's activity relates strongly to the economic wellbeing by its delivery of key objectives to operate an efficient and compliant airport, maximised revenue through diversification to protect the core aeronautical business and enhanced tourism growth within the region.
24. There are no environmental, social or cultural wellbeing implications identified in the formulation of this report.

Risks - *Tuuraru*

25. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

26. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

27. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Hamilton City Council Letter for Expectation to WRAL March 2020

Attachment 2 - Revised 2020/21 WRAL Statement of Intent .

10 March 2020

Mr Barry Harris
Chair
Waikato Regional Airport Limited
Hamilton Airport Road, RD2
HAMILTON 3282

Dear Barry

Letter of Expectation (2020/21) for:

- **Waikato Regional Airport Limited and its subsidiaries**

This letter sets out Hamilton City Council's (HCC) expectations of Waikato Regional Airport Limited (WRAL) and its subsidiaries for consideration in WRAL's business planning and the development of its 2020/21 Statement of Intent (SOI). HCC expects the Board of WRAL to do everything possible to pursue the best interest of the company across all elements of the business but do so with a full understanding of the much broader strategic interests of its shareholders.

1. Statement of Intent

In accordance with the Local Government Act 2002, HCC expects the Board of WRAL to submit its Statement of Intent (SOI) in advance of the next financial year. Council reviews all WRAL reports and accountability documents and we request that your draft SOI 2020/21 be provided as early as possible, and no later than 31 March 2020.

In developing the SOI, HCC welcomes discussion on the content of this letter and the Board's views on its priorities in drafting your annual SOI for the coming year and beyond.

HCC expects this Letter of Expectation (LOE) to give the Board a clear sense of WRAL's business' purpose, strategic direction and its business outcomes. HCC expects the Board to accept and understand its powers, responsibilities and obligations as placed upon it by its shareholders.

2. Principle of good governance relationships with shareholders, information flows and no surprises

As a local government entity largely funded by ratepayers, HCC, as shareholder, can face more rigorous scrutiny in the conduct of its business and performance of its investments than private shareholders.

It is vital the Board of WRAL directly or through its Executive team keeps shareholder(s) fully informed on matters material to the business and or of public interest.

Where there are commercial sensitivities involved WRAL should communicate directly with the Chief Executive of HCC and can have total confidence that those matters will be handled appropriately and in confidence by HCC.

Board members should be aware of the major transaction thresholds that apply for the company and each subsidiary. These may be set out in the shareholder agreement or the constitution, rather than solely in the Companies Act.

In summary:

- Major transactions should be signaled via the SOL and identified as such.
Approval of a SOL is not approval of a major transaction by the shareholder.
Or
Through special advice and request for resolution dependent upon timing.
- HCC staff will engage with you to assist in preparing necessary reports for HCC to facilitate consideration by Elected Members.
- Adequate time should be allowed for HCC approval, once your board approves the transaction for presentation to the Shareholder, prior to signing contracts for the transaction.

As a minimum each SOL must clearly state the definition of a major transaction for the company and whether there are major transactions planned during the SOL period.

HCC takes health and safety matters seriously. To ensure that HCC and the group as a whole are adequately addressing health and safety risks, the draft SOL should outline how the Board manage and monitor health and safety risks.

3. HCC Shareholding

HCC remains a 50% shareholder of WRAL. HCC would always consider increasing its shareholding in the business. However at the same time should an opportunity arise for a new investor to take a stake in the airport with a strong strategic fit and common aspiration for the business HCC would consider a reduction of its shares assuming there is no detrimental impact to the business or the interests of Hamilton city and the region.

4. Consistency with wider objectives of HCC

It is important that the Board and Executive of WRAL be familiar with the relevant strategies and policies of HCC that have a bearing on the WRAL operation.

Section 59 of the Local Government Act sets out the principle objectives of a Council Controlled Organisation (CCO). HCC sets out its own objectives, in accordance with s59 (1) (a), in the Hamilton Plan and this should be considered when developing the SOL.

- **Location consideration**- although WRAL is not located within HCC's territorial boundaries, HCC has a strong interest in the ongoing development of land use in and around the airport operation and its implications for future core infrastructure provision and land use planning. Given its strong relationship with the Waipa District Council (where the WRAL resides) and other local and central government planning collaborations, the Board should keep HCC fully informed on matters to do with land use and major infrastructure planning requirements.
- **The Hamilton – Auckland Corridor Plan H2A** – HCC also specifically requests that the WRAL Board and Management through its management team engage fully with the Hamilton – Auckland Corridor Plan initiative. This is a partnership between Central Government, NZTA and the Auckland, Waikato, Hamilton and Waipa Councils. This is a critical initiative to secure a long-term plan for this rapid growth corridor. The Hamilton Airport must fully engage with this initiative in sharing its input and expertise and to ensure that its strategic interests are fully considered a part of the plan.
- **An economic enabler** - HCC sees its investment in WRAL providing vital infrastructure and services to foster business activity and economic growth. This aligns with HCC's broader infrastructure investments that have a material impact upon the city's and surrounding region's economic activity. HCC expects the Board to fully recognize WRAL's role as a business

enabler for the city and region and report on those initiatives and outcomes where it has played a role in facilitating new business opportunities.

5. HCC Aspirations for WRAL

HCC also considers the following specific objectives and aspirations apply:

- Core operation- operate in full accordance with the terms of its operating licenses and conditions as per relevant statutory requirements.
- Maximize returns- prudently manage the business to maximize the returns on investment, enabling the Board to maintain and sustain a healthy balance sheet, a profitable trading position and be able to fund future renewals and growth activity.
- Payment of Dividends- Subject to Board strategy, HCC expects a dividend from its investment in WRAL if possible and sustainable. Where no dividend is paid, HCC expects any trading surpluses to be invested back into the business or to offset debt at the Board's direction. This will be a matter for ongoing review.
- Diversification of revenue- the Board should preserve its capacity to diversify its business base, particularly through its property interests, that will add value to the WRAL operation. The Board should continue to operate and grow aviation services, regional commuter and freight services, and flight training activities.
- International Airport - The Board should protect, as best it can, the airports "international" designation and medium to long-term opportunity to extend its runway capability and continue to serve international landings where it can under its current operating license and commercial arrangements with airlines. The company is encouraged to become more proactive in the development of additional aviation activity at the airport including an increase in domestic and international passenger services and air freight. In particular WRAL should pursue new international air service opportunities (charter and scheduled) where it can with an initial focus on international airport city pairing that match existing runway capability notably east-coast Australia and the Pacific rim. Should any new opportunities come out of this approach the Board should report to shareholders on the matter and how they will manage new establishment costs (if required) in support of new services.

6. Hamilton and Waikato Tourism Limited (HWT)

HCC would like the Board of WRAL to support HWT in its role of raising Hamilton's and the wider Waikato region's profile, resulting in increased visitor numbers. HCC plans to continue to purchase tourism marketing outcomes from HWT.

7. Waikato Regional Airport Hotel Limited

HCC welcomes a revitalised focus on the Hamilton Airport Hotel and proposed remediation and expansion plans. HCC expects however that the Board will be prudent and alleviate any risk to WRAL associated with this activity.

We recognise the significant achievements of WRAL over the last year and since incorporation. We thank you for your diligence on behalf of HCC and the company.

If you have any queries or comments, your key contacts are Richard Briggs, Chief Executive and/or Sean Murray, General Manager Venues, Tourism and Major Events Group.

Yours Sincerely

Richard Briggs
Chief Executive
Hamilton City Council

D-3242048



WAIKATO REGIONAL AIRPORT LIMITED

Hamilton Airport

Item 8

Attachment 2



GROUP STATEMENT OF INTENT 2020/2021

(June 2020)

INTRODUCTION

This statement is presented by the Directors in accordance with s.64 (1) of the Local Government Act 2002 and sets out the Board's intentions for the Company and Group for the year ending 30 June 2021 and succeeding two financial years.

COVID-19 and the WRAL Group

The COVID-19 pandemic resulted in world-wide crises: from health, to social and economic devastation. The impact on the WRAL Group was significant, as the business is primarily aviation and hospitality-focused with strong links to tourism and therefore projected revenues have dropped substantially. This has necessitated a conservative, yet cautiously optimistic outlook for recovery over the next three years for the Group.

Fortunately, the Group's 10-year strategy has a focus on non-aeronautical income diversification activities which will continue to be critical to our future. Our property initiatives served us well through the initial COVID-19 crisis period and the anticipated recovery through 2021. In the short to medium term, we expect property initiatives will continue to provide a level of support to the Group, minimising future economic volatility, whilst aviation, hospitality and tourism begin to recover to at least self-supporting levels.

STRATEGIC INTENT

The Group has identified its core purpose and key objectives that recognise the strategic intent of the business:

CORE PURPOSE

- 1) Enabler of air services to the region.
- 2) Operate a first class, safe and compliant airport.
- 3) Strategic positioning of the business to enhance capital value.

WRAL: KEY OBJECTIVES

- 1) Operate an efficient, compliant and resilient airport.
- 2) Enhance the traveller experience.
- 3) Maintain a viable aeronautical business.
- 4) Maximise revenue diversification through non-aeronautical business opportunities.



KEY OBJECTIVES OF THE GROUP:

The Group incorporates Titanium Park Limited, Hamilton & Waikato Tourism Limited and Waikato Regional Airport Hotel Limited.

- 1) Operate an efficient, compliant and resilient airport.
- 2) Enhance the traveller experience.
- 3) Maintain a viable aeronautical business.
- 4) Maximise revenue diversification through non-aeronautical business opportunities.
- 5) Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified property portfolio.
- 6) Operate the airport hotel to recover from the effects of COVID-19 and achieve revised financial targets. Maintain pre-COVID customer satisfaction targets.
- 7) Marketing the Hamilton & Waikato region as a visitor destination to domestic visitors.
- 8) Grow the visitor economy through tourism development and destination management.

Nature and scope of activities to be undertaken:

- 1) **Operate an efficient and compliant airport.**
Operate a safe, secure and compliant airport by providing for essential projects, together with any compliance expenditure warranted.

Assist Air NZ to identify opportunities to recover flight schedules and passenger numbers.

Promote the recovery of the general aviation sector.

Develop and implement a five year plan to give effect to, or seek renewal of the runway extension designation.

Position and protect the airport as an efficient, cost-effective international port of arrival for private, corporate and medical aircraft.

Investigate opportunities to open up Hamilton Airport again to international air services, however the emergence of COVID-19 may impact consultation and timing.
- 2) **Enhance the traveller experience.**
Maximise traveller satisfaction and airport experience.
- 3) **Maintain a viable aeronautical business.**
The COVID-19 pandemic has painted a very different canvas for the aviation sector over the next few years. We will:

TPL will continue marketing for sale, development and optimised investment, all available surplus airport-owned land in a planned and co-ordinated approach.

Land sales and property development are always subject to volatility dependent on regional and national economic conditions. Therefore, as demonstrated by the COVID-19 pandemic, this presents a degree of risk for the Group that will be carefully managed through the staged precinct developments of Titanium Park.

In conjunction with the hotel manager, maximise the recovery plan and earnings of the recently acquired and upgraded airport hotel business.
- 4) **Maximise revenue diversification through non-aeronautical business opportunities**
Support the development of land within the bounds of a sound strategic approach to long-term planning for the airport precinct by its subsidiary Titanium Park Limited (TPL).
- 5) **Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation**
Knowledgeable and capable, high performing and appropriately resourced management team to ensure sound reporting and accountability, and delivery of the strategic plan.

WAIKATO REGIONAL AIRPORT LTD - GROUP STATEMENT OF INTENT 2020/21 - 2

6) Key capital and investment projects and initiatives for the year ending 30 June 2021.

Having now finalised a masterplan for Titanium Park's proposed Northern Precinct development (current site of the WRAL farm), prepare a private plan change submission to Waipa District Council to future-proof development options.



In pursuing its goals, the group will:

- At all times behave in a professional and ethical manner in all its business dealings with its customers and stakeholders.
- Be an employer of choice.
- Ensure a safe and healthy workplace environment that complies with legislation.
- Identify and recognise Shareholders' expectations, within the bounds of corporate prudence.







PERFORMANCE TARGETS

The following annual performance targets are proposed for the Waikato Regional Airport Limited in relation to its core purpose and key objectives.

Based on Company forecasts	Year ending 30 June		
	2021	2022	2023
EBITDA excluding land sales	(\$0.5m)	\$2.3m	\$2.9m
EBITDA including land sales	\$0.3m	\$2.9m	\$3.7m
Net profit before tax <i>no less than</i>	(\$3.7m)	(\$1.5m)	(\$1.0m)
Net operating cash flow (excl land sales)	(\$1.5m)	\$1.5m	\$2.6m
Total debt, excluding funding for design-build properties <i>not exceeding</i>	\$30.0m	\$30.0m	\$30.0m
Percentage of non-landing charges revenue of at least	60%	60%	60%
Land sales	\$4.0m	\$2.0m	\$3.0m
Interest cover <i>at least</i>	-4.0x	3.0x	3.0x

WAIKATO REGIONAL AIRPORT LTD - GROUP STATEMENT OF INTENT 2020/21 - 3

NON-FINANCIAL PERFORMANCE TARGETS

	Health, safety and well-being
	Facilitate Health & Safety meetings every two months with representatives from each entity in the Group
	Zero Work Safe notifiable accidents/injuries
	Independently review and audit the Health & Safety system each year
	Operational compliance
	To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authc audit reports.
	Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)
	Monitor aeronautical noise and facilitate noise management meetings every four months in accordance with the Noise Managem Plan.
	Property (Titanium Park Limited)
	Complete construction of the 4 th Stage of Titanium Park's Central Precinct and 2 nd Stage of Southern Precinct.
	Prepare a private plan change submission to Waipa District Council in relation to the future Northern Precinct Development.
	Complete construction of Titanium Park's first design-build property on Southern Precinct.
	Hotel operation
	Implement a recovery plan to enable a steady return to pre-COVID key metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating.



WAIKATO REGIONAL AIRPORT LTD - GROUP STATEMENT OF INTENT 2020/21 - 4

Statement of accounting policies
The accounting policies adopted by the Group for the year ending 30 June 2021 and succeeding two years are those as adopted in the 2019 Annual Report prepared under Tier 2 of the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The impact of accounting standards changes is not expected to have a material impact on the Group's financial statements or their comparability with previous results.

Dividend policy
The Directors propose that no dividend be paid during the three year period ending 30 June 2021 given the impact of the COVID-19 pandemic.

Information to be provided to Shareholders
The Annual Report of the Company and Group.

An interim Report circulated to Shareholders each half-year including a Chair's Report, Consolidated Income Statement, Consolidated Balance Sheet and progress against Financial Performance Targets.

Shareholder Briefings held at least twice annually.

Future investment proposals
If the Group wishes to subscribe for, purchase, or otherwise acquire shares in any other company or any other organisation, it can do so only after first obtaining approval from the majority of shareholders at either a General Meeting or at a Special Meeting convened for that purpose.

Commercial value of the Shareholders' investment
No valuation of shares has been completed.

The consolidated balance sheet of WRAL as at 30 June 2019 shows shareholder equity of \$97m based on recent independent valuations of the Group's property, plant and equipment and investment properties.

Compensation from Local Authorities
There are no known activities of the Company or Group for which the Directors would seek compensation from any local authority.

Major transactions
Shareholders approve major transactions via a special resolution. A major transaction for WRAL is defined as:

(a)
the acquisition of, or an agreement to acquire (whether contingent or not), assets the value of which is more than 10% of the value of the Company's assets before the acquisition; or

(b)
the disposal of, or an agreement to dispose of (whether contingent or not), assets the value of which is more than 10% of the value of the Company's assets before the acquisition; or

(c)
a transaction which has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities, the value of which is more than 10% of the value of the company's assets before the transaction;

Health & Safety and Wellbeing
The Board and Management will ensure that all requirements to the Health & Safety at Work Act 2015 are maintained. This will be achieved by the engagement of an independent consultant and audit processes to ensure the organisation and its subsidiary companies are maintaining compliant and best practice processes. At all times the Group will continue to monitor and review health and safety requirements via monthly reporting.



Item 8

Attachment 2

Council Report

Committee: Economic Development Committee

Date: 08 September 2020

Author: Mike Bennett

Authoriser: Jen Baird

Position: Key Account Manager

Position: General Manager City Growth

Report Name: Hamilton Central Business Association - Six-Monthly Update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Economic Development Committee on the Hamilton Central Business Association (HCBA) six-monthly update.

Staff Recommendation – *Tuutohu-aa-kaimahi*

2. That the Economic Development Committee receives the report.

Background – *Koorero whaimaarama*

3. The Business Improvement District (BID) Policy sets the process for establishing a BID and related association in return for setting the targeted rate within the defined BID area.
4. Hamilton Central Business Association (HCBA) represents the central city business voice on issues of strategic importance to the CBD, promotes the CBD as a bustling, active, innovative, vibrant places that offers exceptional business and experiences and contributes and collaborates on projects that support the CBD business economy.
5. The rejuvenation of the central city requires ongoing investment and commitment to create a dynamic environment for businesses to thrive.
6. The report is provided in line with the Business Improvement District (BID) Policy reporting requirements for Hamilton Central Business Association (HCBA).
7. Vanessa Williams (General Manager) and Mike Neale (HCBA Executive Committee member) will attend the meeting and will speak to this report.

Financial Considerations - *Whaiwhakaaro Puutea*

8. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

9. Staff confirm that the recommendation to approve funding complies with the Council's legal and policy requirements.

Wellbeing Considerations – *Whaiwhakaaro-aa-oranga tonutanga*

10. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
11. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
12. The recommendations set out in this report are consistent with that purpose.

Social

13. HCBA supports people to be healthy and happy through the CBD Activation Plan, helping to make Hamilton a great place to play and be active.
14. Many elements of HCBA's work ensures that Hamilton is a place where people feel safe. This includes:
 - Conducting an annual city safety survey of the CBD business community
 - Actively supporting City Safe and distributing information to new businesses
 - Partnering in Safe Zone provided to students during Orientation Week
 - Lobbying and implementing public safety messaging and sanitizer stations into the CBD post level 4 lockdown
 - Initiating an 'anti-theft' presentation to support retail.
15. Making our city inclusive and accessible to all has been advanced by HCBA's implementation of an 'accessibility and inclusivity' category into the CBD Celebration Awards highlights and showcases accessibility to businesses. HCBA's involvement in a trial of iBeacons in the central city has supported the visually impaired community. Additionally, HCBA collaborates with Age Concern on the promotion of the CBD to the aged community.

Economic

16. We have a strong and diverse business sector and our city is built on true partnerships, helped in part by HCBA hosting an elected member tour of CBD commercial activity.
17. Activities undertaken by HCBA to help Hamilton have a thriving, sustainable business sector include implementing a virtual CBD during lockdown to support the businesses during restricted trading times, developing and implementing a promotion campaign around Casabella Lane, and a promotion voucher to support local businesses post lockdown.
18. HCBA supports technology initiatives and helping Hamilton become a hub for innovation via their Cultivate IT partnership.
19. Enabling individuals and businesses to prosper is achieved by HCBA's promotion and support of commercial activity in the CBD.

Environmental

20. HCBA's efforts are part of wider initiatives to restore and protect the health and wellbeing of the Waikato River. They have actively pursued river activations through the CBD Activation Plan supporting the Haka Festival coming in to the CBD.
21. HCBA has purposefully selected awards venues for the CBD Celebration Awards facing the river to honour, enhance and protect our environmental treasures like the Waikato River.

Cultural

22. Our city values, respects, protects and promotes the treasured status of tangata whenua, acknowledges our shared history and celebrates our cultural identity and heritage, underscored by HCBA's support and promotion of culture initiatives in the CBD including the Te Ahurei Maaori Tourism CBD heritage walk.
23. Vibrant and attractive public spaces are part of the CBD Activation Plan, which is supported by HCBA.
24. HCBA supports and promotes the central city through promotion, media and initiatives.
25. Our rich history and heritage are valued, protected and celebrated by HCBA's support of cultural initiatives and a diverse range of activations through the CBD Activation Plan and their promotion of CBD businesses supports local communities.
26. Efforts to have a thriving arts and events scene are supported by HCBA's collaboration with organizations to support the implementation of arts and events in the CBD. Most notably, actively lobbying in support of the Waikato Regional Theatre and for the establishment of the Waikato Film Hub.
27. To ensure Hamilton continues to be a place we are proud of, HCBA collaborated to create the Hamilton Ambassador Programme, implemented visual branding on empty shop sites in the CBD and wrote articles and gave interviews to support Shopping, Dining, Eating, Experiencing local businesses.

Risks - *Tuuraru*

28. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Attachments

Attachment 1 - Full Year of CBD Events - July 2019 to June 2020

Attachment 2 - CBD Activation 2019 - 2020 view

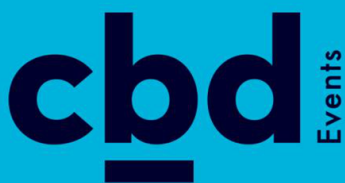
Attachment 3 - Action Plan 2020_2021

Attachment 4 - HCBA 6 monthly report June 2020 view

Attachment 5 - Hamilton Central Business Association - 2020 Performance Report (audited)

Attachment 6 - HCBA 6 monthly presentation June 2020 .

Date	Event	Location	Cancellations
14 th June – 28 th July	Contained Luminescence	Garden Place	
27 th June – 24 th July	Speakatube	Civic Square	
12 th July	Leinster Hurling Final – relocated indoors due to rain		
2 nd August – 30 th November	HYBYCOZO	Garden Place	
14 th October	Placemaking – Boffa Miskell Pop Up Park	Garden Place	
26 th October – 9 th November	Fringe Festival	Garden Place	
26 th October – 9 th November	LIT (Lights in Trees)	Garden Place	
26 th October – 9 th November	Oh My Gourdness (HCBA Office)	Garden Place	
26 th October – 9 th November	Khusbu Patel (HCBA Office)	Garden Place	
28 th October	Singer Songwriter Sessions (part of Fringe)	Victoria on the River	
1 st November	Art Crawl (Casabella Lane, Auteur House, Garden Place, HCBA & Embassy Park Cabaret)	Garden Place	
1 st November	Outdoor Cabaret	Embassy Park	
2 nd November	Arts Bazaare and Craft Fair	Garden Place	
5 th November	Tasty Tunes	Garden Place	
8 th November	Movie Screening	Embassy Park	
12 th November	Tasty Tunes	Garden Place	
14 th November	Waikato Filipino Pasko sa Nasyon	Garden Place	
15 th November	Movie Screening	Embassy Park	
16 th November	CBD Events Registration & Fun Zone (Civic Square & GP)	Garden Place & Civic Square	
17 th November	Round the Bridges Event	Garden Place	
18 th – 30 th November	Christmas Tree Installation	Garden Place	
19 th November	Tasty Tunes	Garden Place	
21 st November	One Hill of a Fight	Garden Place	Postponed
22 nd November	Movie Screening	Embassy Park	
23 rd November	Rocky Horror Night – Riff Raff Birthday	Embassy Park	
23 rd November	Stories in the Garden	Garden Place	
26 th November	Tasty Tunes	Garden Place	
29 th November	Movie Screening	Embassy Park	
30 th November	Christmas Tree Lighting	Garden Place	
2 nd December	Hybycozo Deinstall – Evening Performance	Garden Place	



NEWS + EVENTS IN THE HAMILTON CBD

3 rd December	Tasty Tunes	Garden Place	
6 th December	Carols on the River	Victoria on the River	
6 th December	Weave Festival	Garden Place	
6 th December	Movie Screening	Embassy Park	
7 th December	Stories in the Garden	Garden Place	
7 th December	Colombian Candles Night	Garden Place	
10 th December	Tasty Tunes	Garden Place	
13 th December	Movie Screening	Embassy Park	
14 th December	Waikato Filipino Assn 'Pasko sa Nayon'	Garden Place	
14 th December	Christmas Movies	Victoria on the River	
14 th December	Live Music	Victoria on the River	
16 th December	Live Music	Garden Place	
17 th December	Tasty Tunes	Garden Place	
17 th December	Live Music	Garden Place	
18 th December	Live Music	Garden Place	
19 th December	Live Music	Victoria on the River	
19 th December	Live Music	Garden Place	
20 th December	Movie Screening	Embassy Park	
20 th December	Live Music	Garden Place	
20 th December	Live Music	Victoria on the River	
21 st December	Live Music	Victoria on the River	
21 st December	Live Music	Garden Place	
21 st December	Stories in the Garden	Garden Place	
22 nd December	Casabella Lane Festival Day	Casabella Lane	
23 rd December	Live Music	Garden Place	
24 th December	Live Music	Garden Place	
17 th January	Live Music	Garden Place	
18 th January	Stories in the Garden	Garden Place	
24 th January	Sevens Launch Party	Garden Place	
24 th January	Live Music	Garden Place	
28 th January	Tasty Tunes	Garden Place	
29 th January	Movie Screening	Embassy Park	
31 st January	Live Music	Garden Place	
31 st Jan – 2 nd Feb	Pump Track	Garden Place	
1 st February	Stories in the Garden	Garden Place	
2 nd – 21 st February	Pump Track	Norris Ward Park	
4 th February	Tasty Tunes	Garden Place	
5 th February	Movie Screening	Embassy Park	
5 th February	Summer Meditation	Victoria on the River	
7 th February	Live Music	Garden Place	
11 th February	Tasty Tunes	Garden Place	
12 th February	Summer Meditation	Victoria on the River	
14 th February	Outdoor Cabaret	Embassy Park	



Brought to you by Hamilton Central Business Association. For more information on any of the above please contact admin@hamiltoncentral.co.nz or phone (07) 838 3905.

14 th February	Live Music	Garden Place	
15 th February	Chinese Lantern Festival	Garden Place	Cancelled
15 th February	Stories in the Garden	Garden Place	
18 th February	Tasty Tunes	Garden Place	
19 th February	Summer Meditation	Victoria on the River	
19 th February	Red on Red – HGAF	Garden Place	
20 th February	Daredevil Chicken - HGAF	Garden Place	
21 st February	Live Music	Garden Place	
21 st February	Movie Screening	Embassy Park	
21 st February	Daredevil Chicken – HGAF	Victoria on the River	
25 th February	Tasty Tunes	Garden Place	
26 th February	The Latino Circus – HGAF	Garden Place	
26 th February	Summer Meditation	Victoria on the River	
27 th February	The Latino Circus – HGAF	Garden Place	
28 th February	The Latino Circus – HGAF	Victoria on the River	
28 th February	Food Truck Friday	Victoria on the River	
28 th February	Live Music	Garden Place	
29 th February	Stories in the Garden	Garden Place	
3 rd March	Tasty Tunes	Garden Place	
3 rd March	Kemetic Yoga	Victoria on the River	
4 th March	Summer Meditation	Victoria on the River	
5 th March	Woo_Table Korero – Wairoa & Wairua	Victoria on the River	
6 th March	Live Music	Garden Place	
6 th March	Movie Screening	Embassy Park	
6 th – 8 th March	Boon Street Art Festival	Garden Place	
6 th March	Food Truck Friday	Victoria on the River	
7 th March	Saw Wave	Victoria on the River	
7 th March	Pecha Kucha	Victoria on the River	
7 th March – July	Mesoverse	Victoria on the River	
7 th March	Children's Day	Garden Place	
7 th March	Chalk Fest	Civic Square	
10 th March	Tasty Tunes	Garden Place	
11 th March	Summer Meditation	Victoria on the River	
13 th March	Food Truck Friday	Victoria on the River	
13 th March	Live Music (another event on this date)	Garden Place	Cancelled
13 th March	Outdoor Cabaret	Embassy Park	
14 th March	Stories in the Garden	Garden Place	
17 th March	Tasty Tunes	Garden Place	
17 th – 20 th March	The CBD Walk Thru Balloon	Garden Place	Cancelled
18 th March	Summer Meditation	Victoria on the River	
20 th March	Food Truck Friday	Victoria on the River	
20 th March	Live Music	Garden Place	
20 th March	Movie Screening	Embassy Park	

[illegible]



CBD ACTIVATION 2019/2020

“Bringing vibrancy to CBD public spaces through activation, events and people.”

In July 2018 the Hamilton Central Business Association proposed to leverage individuals, community groups, businesses, associations and existing events to bring a wide range of experiences and activities into the CBD to positively impact on Hamilton’s central city.

OBJECTIVES

There were two main objectives set:

1. Grow the number of people who experience the CBD outside of traditional business needs.
2. A focused activation programme to allow networking, collaboration and engagement within the business community.

ACTIVATION SUMMARY

The Hamilton Central Business Association (HCBA) is proud to have delivered the second year of the activation programme providing events, activities and activations contributing to the vibrancy of the central city. With over 111 activities across four public spaces, the CBD continues to reinforce its position in providing a range of entertainment and experience options for locals and visitors alike.

Unfortunately, due to COVID-19 a small number of events this year have been impacted with postponements and cancellations. However, with international limitations on travel, there is a much keener attitude toward exploration and experiences locally which, can be seen in increasing weekend pedestrian counts around the CBD since the country moved to level 1. It is anticipated that local experiences will continue to provide a drawcard for residents and visitors as they look close to home for entertainment options.

In July 2020 Jason Dawson, CEO of Hamilton Waikato Tourism, identified that the Waikato achieved a 19% growth in domestic visitor numbers during the July 2020 school holidays compared to July 2019. On average, 55,140 domestic travellers visited the Waikato region during the school holidays, compared to 46,350 visitors this time last year. These visitor numbers are enormously beneficial to the businesses that cater to the visitor economy and highlights the importance to have local experiences to compliment the increasing numbers of people coming to the region.

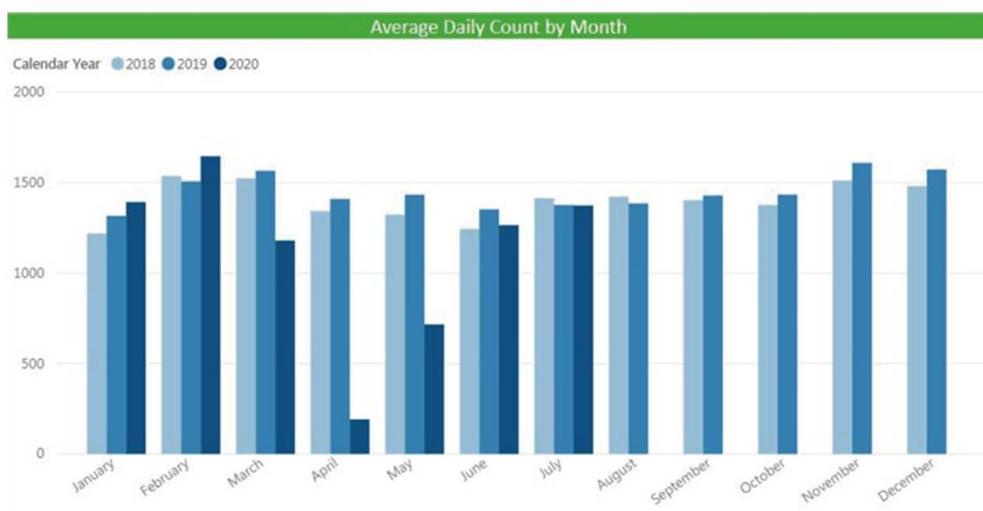
TOTAL ACTIVATIONS

The CBD activation programme successfully delivered 111 events over four key public spaces. Feedback from the community and event organisers continues to be positive with a large portion of events continuing from the previous year.

CBD Space	Number of Activations
Garden Place	67
Victoria on the River	25
Embassy Park	16
Civic Square	3

Full list of events and budget attached. Please note that owing to postponements and cancellations of events due to COVID-19, HCBA did not spend the full budget for the 2019-2020 year. The excess budget of \$13,000 has been added to the 2020-2021 activation budget and will be used to decorate public spaces in support of activations.

CBD PEDESTRIAN DATA



ACTIVATION HIGHLIGHTS 2019-2020

CULTURAL TOURISM

HCBA is continuing to explore the cultural tourism opportunities in the CBD.

- HCBA organised a group of CBD business people to take part in a new tourism venture in the CBD – Te Ahurei Māori Tourism, a Māori walking tour in the CBD, encompassing the Māori myths and legends that relate to Kirikiriroa and CBD artworks.
- HCBA is supporting collaboration between Māori Tourism providers including River Riders Ltd, Haka Festival and Te Ahurei.
- HCBA has developed a relationship with Waikato River Festival put on by Māori Tourism which has traditionally focused its activities at the Hamilton Gardens. For the first time four Waikato River Festival events were held in the CBD just prior to lockdown supporting the Waikato Haka Festival.
- The Chinese Lantern Festival was been cancelled due to COVID-19. However HCBA are working with the organisers to potentially create an event in the CBD around the Chinese Moon Festival in September 2020.

JULY – SEPTEMBER 2019

- HCBA gave a portion of their office space to the Hamilton Immersive Trust to create a public light installation. The newly formed space allowed members of the public to come into the space and have an immersive lighting sensory experience in support of Matariki and the Te Ruru light festival held in Garden Place in June.
- HCBA supported the installation for eight weeks of Hybocozo in Garden Place.

OCTOBER – DECEMBER 2019

- The Fringe Festival launched in October and HCBA hosted two art exhibitions; one in the HCBA offices and the other incorporated into the pop-up shop in Casabella Lane.
- Embassy Park activations started on Friday nights at the end of October and continued throughout the Summer until lockdown forced them to finish at the end of March one month early.
- Riff Raff 15th birthday was held to great success in Embassy Park. A great crowd in attendance, including Richard O'Brien who spoke and cut the elaborate birthday cake. Activations during the evening included Flash mob, singing, drumming and playing of the Rocky Horror Picture Show movie.
- Round the Bridges was a hugely successful event for the CBD, with numbers of people walking around on Sunday 16th November being in excess of 16,000. 2020 will be the 75th anniversary of the event and more activity will be incorporated to celebrate this significant event.
- The weather held out for the annual lighting of the Christmas tree 30th November, seeing thousands of people drawn to Garden Place for the event. Steve McLennan kindly allowed the use of his shop on the corner of Garden Place to have a huge LEGO Christmas display installed.
- HCBA in collaboration with the Red Cross hosted the third annual Weave Festival in Garden Place, attracting more and more visitors each year.
- HCBA hosted Christmas in the Park movies at VOTR screening from 10am-10pm on 14th December, with vast audience engagement on social media promotion and attendance at the event.

JANUARY – MARCH 2020

- 7s launch was held in Garden Place and was extremely well attended. The 7s weekend is considered another huge success for the city and positively contributes to Hamilton's reputation in major events.
- HCBA played host to four Hamilton Garden Arts Festival events in the CBD. The first time for the Festival to expand outside of the Gardens and was met with a hugely positive response from attendees.

- HCBA had a planned an event looking at different transportation options for 2 May. Working with Lime Scooters, electrify bikes and HCC to create a free family friendly day in Garden Place. This event was cancelled due to COVID-19.
- HCBA attended Feast Waikato events to continue to develop hospitality in the CBD. A range of Feast Festival activity was planned through the public spaces in the CBD that was postponed due to COVID-19.
- HCBA attended the blessing of Te Kopu Mania o Kirikiriroa in support of the arts sector.
- HCBA supported Super Saturday in the CBD consisting of: Waikato River Festival, Boon Festival, Pecha Kucha, Saw Wave, Mesoverse, Childrens Day and the Embassy Park cabaret.
- Press release sent out on Activations and Super Saturday in the CBD acknowledging contribution to Waikato River Festival, Boon, Pecha Kucha, Saw Wave, Mesoverse, Childrens Day and Embassy Park Cabaret.
- HCBA supported Childrens Day with both marketing and providing their office space as event headquarters.
- HCBA supported Mesoverse art installation at Victoria on the River and the launch prior to lockdown.
- CBD meditation at Victoria on the River was steadily growing in support throughout February and March. HCBA was able to keep meditation going as an online offering throughout lockdown and attendees testimonials have been sent through at its completion to say how appreciated this was as an offering.

LOOKING AHEAD

- HCBA has co-sponsored a replacement light activation for Garden Place working with the Boon After Dark group to bring an 8-week installation starting mid-August. Called Shroom, giant sized mushrooms will be placed around the grass area for the public to interact with which will light up after dark.
- HCBA is working with the AMP Show to bring a 'petting zoo' activation into the central city for October.
- HCBA has confirmed naming right for the 6km event in Round the Bridges. HCBA is working with the Classic Events team on promotion.
- HCBA is working with Hamilton Christmas on creating events and activation for Christmas in the CBD.
- HCBA working with the H3 team on a city activation plan for Cricket Womens World Cup in February 2021, to include a potential business house cricket competition and a central city cricket hub.

FUNDING AND RESOURCES

- \$100,000 budget from July 2019 – June 2020 allocated **(see attached schedule of costs)**

COLLATERAL AND PROMOTION

- Tag-able CBD spaces on Facebook include Embassy Park, Victoria on the River and Garden Place
- Monthly event calendar for CBD events distributed and promoted
- Promotional plan discussed and implemented for events held in CBD spaces to include:
 - Social media channels of HCBA and event promoter
 - Media release for individual or grouped events
 - Targeted promotion to key media
 - Promotion to key service providers in the CBD and the business network
 - Poster display and distribution
 - Digital screen promotion
 - Business collaboration opportunities explored
 - CBD Advantage Club promotion
- Key events set up as Facebook event pages and listed on Event Finder
- All CBD activity promoted via HCBA social media channels

GOING FORWARD

"At a time when economic systems are no longer predictable, in order to remain competitive, cities are turning to strategies that focus on their own innate resources – their histories, spaces, creative energy and talents. Pressures of globalization and problems caused by economic restructuring, as well as the need to establish new civic identities have prompted cities to utilize 'cultural' assets and resources in an attempt to become distinctive, to regenerate the urban fabric and to create economic, social and cultural prosperity. The creation and promotion of events such as festivals, shows, exhibitions, fairs and championships have become a critical component of urban development strategy across the globe." Eventful Cities Copyright 2010 Elsevier Ltd.

HCBA is grateful for the opportunity to provide events, activations and activities in the central city and understands the importance these play in creating revitalisation strategies for cities. HCBA will continue to look for opportunities to grow and develop the activation calendar in the CBD to positively impact on the reputation of the city.

2020-2021 INDICATIVE BUDGET

- \$15,000 Embassy Park
- \$40,000 Garden Place
- \$30,000 Victoria on the River
- \$5,000 CBD festival development
- \$5,000 CBD light installation
- \$10,000 Creative Waikato (artist led activation)
- \$8,000 resources & collateral

Please note the total budget above incorporates the carried over budget from 2019-2020.

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Contact

Vanessa Williams

Hamilton Central
Business Association

P: (07) 838 3905

M: 022 414 0780



ADVOCACY

To represent the central city business voice on issues and projects of strategic importance to the CBD.

- | | |
|---|---|
| 1- CCTP masterplan support | 5- Commercial and residential development |
| 2- Transportation initiatives | 6- Renewal programmes |
| 3- Tactical urbanism support | 7- Central city safety and wellbeing |
| 4- Central city infrastructure improvements | 8- Local business prioritisation |

PROMOTION

To promote the CBD as a bustling, active, innovative, vibrant place that offers exceptional businesses and experiences.

- | | |
|-------------------------------------|-------------------------------|
| 1- Social media development | 5- Ambassador Programme |
| 2- Sector specific initiatives | 6- Advantage Club |
| 3- CBD public space activation plan | 7- PR opportunities developed |
| 4- CBD visitor packages | 8- CBD Celebration Awards |

ORGANISATION

To contribute and collaborate on projects that support the CBD business economy.

- | | |
|---|--|
| 1- Economic development support | 5- Cultural awareness |
| 2- Partnership and networking opportunities | 6- CBD sector representatives on Executive Committee |
| 3- Smart city initiatives | 7- CBD profile raising activities |
| 4- CBD safety initiatives | 8- Governance roles and responsibilities |

Our Purpose: to advocate, support and promote the CBD on behalf of its members.

HAMILTON CENTRAL
BUSINESS ASSOCIATION

Hamilton Central Business Association (HCBA)

Six-month report ending 30 June 2020

Item 9

Attachment 4



HAMILTON CENTRAL
BUSINESS ASSOCIATION

OUR VISION – To be New Zealand’s premier CBD business destination.
OUR MISSION – Creating a dynamic CBD environment for business to thrive.

1.0 INTRODUCTION

Hamilton Central Business Association continues to represent the business based in the central city; to be their voice on issues of strategic importance to the CBD, to promote the businesses and their offerings to the public, and to contribute and collaborate on projects that support the CBD business economy.

While we are all navigating the new and unfamiliar territory of life post lockdown and the impacts of COVID-19, there will almost certainly be more pain to come, with businesses and employees still facing a period of uncertainty. This is particularly relevant for sectors and businesses that were facing challenges prior to lockdown, most notably the retail and hospitality sectors. However, there has also been some positives take-outs from the enforced lockdown period. We have seen businesses who have been able to rise to challenges that has been placed on them, who have been able to ‘pivot’ their offering during lockdown and who have capitalised on the emotion and genuine desire of the public to support local businesses.

At a citywide level, statistics are showing that although there are fewer transactions in the city, the transactions that are occurring are of a higher dollar value. This has meant that when comparing to the same time last year, there has actually been a higher local spend. Although the market is naturally cautious and understandably so, for those who do have discretionary income available, they are choosing to use it and use it locally.

In 2015 KPMG UK conducted a study around city attractiveness and found that cities are much like magnets – they either have a positive pull that seems to attract the right type of residents and businesses to the city, while others have a magnetic push, that puts the city in decline. The report highlights how important it is to have strong, healthy, well-functioning second cities and identified that smaller cities offer a different pace and often a better quality of life than the hustle and bustle of larger cities and yet can still provide the educational, occupational and cultural opportunities that people seek. Businesses are therefore still able to benefit from quality labour pools and local supply chains, when a second city is a magnet. There are some interesting insights that can be drawn from this report when looking at how to strengthen Hamilton’s magnetic pull and further drive economic development, including the need to create identity around sectors and industry to attract the labour and business market to support it.

The report further identifies to entice the wealth creators, businesses and people, that support a growing cities economic development and magnetism. City attractiveness continues to rate highly as a drawcard. Many businesses in the central city are hopeful that the city’s potential shovel ready projects and Hamilton City Councils CCTP refresh, will see the renewal of infrastructure elements in the CBD to assist with the building of city pride and attractiveness and enhance the identity of the city.

2.0 COVID-19 UPDATES AND IMPACTS

In the lead up to, during and post lockdown, HCBA worked alongside other organisations, to provide communication, assistance, support, and promotional opportunities to its members.

CBD Business Advocacy

- HCBA held a series of discussions with businesses around safety in the CBD post lockdown.
 - Public sanitizer stations – HCBA placed one in Riverbank Lane and one in Casabella Lane and purchased two additional stations for use in the CBD when public events are able to be held again.
 - Social distancing indicators – HCBA had yellow stickers reaffirming the 2 metre

safety message in spaces throughout the CBD.

- HCBA advocated for Council to consider a refund or credit for businesses who pay to have tables and chairs outside their businesses for the duration of Alert Levels 3 & 4.
- HCBA has also proposed that the fee for tables & chairs be waived for the 2020/2021 financial year and additional tables & chairs be placed around the CBD to support hospitality with more appropriately spaced table options.
- HCBA fielded a number of questions around off-licensing potential for licensed premises utilising a takeaway model in Level 3. This process was confirmed with Council and the information passed on to enquirers to progress, if interested.
- HCBA fielded a number of questions from businesses concerned about meeting the safety requirements for Level 3 – regulations confirmed via the Government Covid-19 site and MBIE.
- HCBA asked Council to consider CBD safety checks to be carried out with businesses operating in Level 3.
- HCBA ensured all relevant information relating to business and COVID-19 was provided to CBD businesses including being a communication channel for:
 - www.covid19.govt.nz
 - www.business.govt.nz
 - Te Waka, Business Support Centre, webinars
 - Economic Development information and webinars
 - EMA information
- HCBA attended a weekly zoom meeting with Te Waka and a community of business leaders, where happenings across the Waikato were discussed and information shared around business sectors and relevant inputs.

CBD Sector Support

- HCBA created a Covid-19 section on the hamiltoncentral.co.nz website for the business community, as a reference point for up-to-date information, including updates from Government, Te Waka and Hamilton City Council pre, during and post lockdown.
- Prior to lockdown HCBA visited every hospitality business in the CBD, approximately 200, inviting them to an emergency meeting on how best to address the Covid-19 situation and its challenges. This was held in collaboration with Waikato Food Inc, Hamilton Waikato Tourism and Te Waka. There was an enormous turnout of businesses, where some practical suggestions for hospitality businesses to implement during level 3 were discussed. These were communicated out to the CBD network. This included streamlining tables and chairs to observe appropriate distancing and number regulations, hand sanitiser stations, online promotional activities, guest registers and personal service options. In addition, HCBA promoted to 37,000 plus social media followers, a series of delivery and takeaway options that the business community were able to quickly implement in order to help the situation. This was a short-term measure, as it was announced within hours of the meeting that Level 4 was to commence in 48 hours.
- Prior to lockdown HCBA visited every retailer in the CBD, approximately 400, offering a workshop to ensure their websites were offering high calibre e-commerce options. For those retailers not utilising e-commerce, HCBA offered to help with a practical workshop to get them online. Retail businesses and their buying options were heavily promoted via HCBA social media channels. Note that although there was interest, these workshops were unable to be delivered prior to lockdown, however HCBA co-ordinated an online training session for both the hospitality and retail sector during lockdown. In addition HCBA provided a series of targeted information to both the retail, hospitality and beauty & wellness sectors with regards to impacts from Covid-19, particularly around navigating the essential services and product lines and re-opening again in level 3.
- HCBA supported the hospitality and retail sectors with ongoing sector specific promotional opportunities, including:

- Mighty Local campaign
- Mighty Waikato e-Cookbook
- Dish Magazine
- Surprise Dining
- Eat Local
- Our Local
- New Zealand Made
- Waikato Food Inc
- During lockdown HCBA ensured promotion of all CBD businesses who continued to market themselves to their customers. There were some fantastic marketing initiatives implemented during the lockdown period, as businesses continued to promote themselves to their customer bases, even when there was no transaction occurring.

CBD Business Promotion

- HCBA created a virtual CBD on <https://www.hamiltoncentral.co.nz/virtual-cbd> to highlight businesses operating at each alert level during and post lockdown, either as an essential service or with an alternative offering. It is anticipated that this site will form the basis for creating a digital CBD which can be navigated from personal devices and phones.
- HCBA ran a Facebook weekly promotion for four weeks, offering our 37,000 followers the opportunity to tell us a business they would like to win a \$50 voucher for in the CBD. This had an extensive public reach and ensured our local businesses continued to be front of mind in an essentially non-trading economy. Two winners were selected each week with the vouchers to be redeemed post lockdown.
- The same local voucher competition was also provided to our CBD Advantage Club members, ensuring CBD workers also had a chance to be rewarded for supporting local businesses.
- HCBA communicated ways for business to keep connecting with their customers during the lockdown period. Although not necessarily revenue generating activity, we emphasised the need for businesses to focus on developing their customer loyalty by looking at what online offerings could be undertaken at this time.
- HCBA was a key spokesperson to the media during lockdown, speaking on behalf of the CBD businesses and reiterating the message for the public to think local and act local for shopping, eating and entertainment.
- HCBA wrote several 'Shop Local' articles for the media, including the Waikato Times, Waikato News and Hamilton News on the importance of supporting local businesses.
- HCBA worked in partnership with Hamilton Waikato Tourisms Shop Local campaign, utilising Phantom Billboards, Waikato News, The Breeze and Nourish Magazine for advertising.
- HCBA ensured constant communication to the membership over the lockdown period, including newsletter updates, contact calls, webinar attendance and collaboration with other support organisations.

3.0 ADVOCACY

To represent the central city business voice on issues and projects of strategic importance to the CBD.

CBD Masterplan development

- HCBA are extremely supportive of Council's refresh of the Central City Transformation Plan(CCTP) and will continue to be a key advocate to the business community about this. HCBA will be hosting LandLAB at their AGM, who have been contracted by Council to complete the CCTP refresh.

Waikato Regional Theatre

- HCBA continues to support the development of the Waikato Regional Theatre, however due to lockdown, the business engagement event on the project has been postponed and will now be held later in the year.

- Prior to lockdown HCBA held theatre drop-in Q & A sessions with Momentum Waikato for the South end of town businesses.

Access Hamilton initiatives in the CBD

- HCBA attended the consultation for the Micro Mobility & Biking Plan in the city to provide feedback from the business community on the new bike parklets and mobility in and around the CBD.
- HCBA is continuing to work with the local business community on 'end of destination' bike facilities in the CBD.
- HCBA surveyed and advocated on behalf of the business community for the 2-hour free parking trial to continue for the 2020/2021 financial year. Representatives from retail, hospitality, tourism and commercial businesses attended Council Chambers to show their support.
- Transportation - HCBA provided support to the Waikato Regional Council on the new Rideshare CBD transportation offering.

Partner on Central City Improvements

- HCBA hosted a group of elected members on a commercial tour of the CBD for up-to-date information of developments underway in the CBD and future commercial considerations.
- HCBA outlined some suggested tactical urbanism ideas for consideration in the central city that may be able to be incorporated into the Innovative Street development projects.
- HCBA have branded some empty properties around the CBD with Neat Places imagery, to help keep the CBD looking vibrant. HCBA has sent proposals to property owners with key empty sites to consider this branding while encouraging potential businesses into tenancies.

4.0 PROMOTION

To promote the CBD as a bustling, active, innovative, vibrant place that offers exceptional businesses and experiences.

Ambassador Programme

- A bespoke Ambassador training programme was held with the Mayor and Elected members just prior to lockdown in March 2020.
- Further trainings have been scheduled from July 2020.

Advantage Club

- HCBA have completed a reformatted Advantage Club offering, with a focus on using this forum to promote new businesses and events to CBD workers. Each month subscribers have an opportunity to win vouchers for a profiled new business.

Sector Specific Initiatives

- HCBA supported the Shop Local marketing campaign, including billboards and advertising supporting retail, hospitality, tourism and wellness & beauty sectors. This has translated into some of our local businesses enjoying record trading days post lockdown.
- HCBA has worked with the creative sector to support opportunities for events and activations in the CBD, including Boon Arts Trust, Boon After Dark and Hamilton Vibrant Trust.
- HCBA is working in collaboration with Hamilton Waikato Tourism, Creative Waikato and Te Waka on the establishment of the Waikato Film Hub.
- HCBA has worked with the education sector via the University of Waikato, to help new students navigate the CBD, including international student orientation and new student induction. HCBA provides promotional material for orientation packs, including Neat Places guides and Hamilton Central social media channels.
- HCBA is working with Age Concern to promote hospitality businesses in the CBD to

the aged community, including themed food days.

Social Media Development

- HCBA Facebook followers +37,000, Instagram followers +2,300
- Social media highlights include:
 - \$110 Iguana experience voucher +20,000 reach
 - \$25 Iguana 'all you can eat ribs meal' +30,000 reach
 - Madam Woo \$50 giveaway +41,000 reach
 - Mexico \$100 giveaway +16,000 reach
 - The Edge eyebrow threading giveaway +8,500 reach
 - Lilliput Escape Rooms +10,000 reach
 - Summer event promo +12,000 reach
 - ACC moving into CBD story +104,000 reach
 - HCBA created 2 x \$500 spending spree promotions in the CBD
- HCBA are supporting Casabella Lane and the businesses within, through the administration of their Facebook and Neighbourly social media channels.

PR Opportunities

- HCBA participated in a Kiwi Podcast profiling the CBD and the business within.
- HCBA completed a podcast on Hamilton CBD with Free FM.
- HCBA has monthly interviews with Free FM to discuss the happenings in the CBD.
- HCBA has continued to provide comment to media on the CBD post lockdown and pitched different businesses and initiatives to the media, with good pick up.

CBD Celebration Awards

- HCBA are continuing the theme of celebrating the business located in the CBD, with the CBD Celebration Awards scheduled for 18 November 2020.
- The awards are being held later date this year due to the venue, which will be disclosed closer to the awards date.
- HCBA are hopeful of securing Spark Business to sponsor the awards for the second year running.

5.0 ORGANISATION

An effective, engaged, collaborative Business Association that represents the needs of the central city businesses, to create a dynamic business community.

Commercial Update (pre-lockdown)

2020 started with considerable activity and momentum in the commercial sector, with a high number of lease enquiries. Large scale development activity resumed with Tristram Precinct in full swing, the Novotel Hotel extension building wrap starting to be removed, and the Days Inn Hotel hospitality development nearing completion. Waikato Tainui announced it will build a \$50m four level office complex on the corner of Tristram and Collingwood Streets. This office development at 8,500sqm will accommodate 650 ACC staff, to be configured in three pavilions. ACC have taken a 15-year initial lease with an expected completion date of October 2022.

Highlights:

- Suite 27, Level 1 in the Arcadia Building on Worley Place has been leased by a national training institution
- Accident Compensation Corporation have leased 2 floors of office space at 500 Victoria Street
- Fill a Bowl is expanding into the CBD and will occupy space in the refurbished Beggs Wiseman Building on the corner of Ward and Victoria Streets. Fit out is currently underway
- True Clothing moved to a larger premises on Barton Street
- Part of Level 1, 83b Tristram Street has been leased to a skin specialist
- A health specialist is moving into Unit B, 313 Barton Street
- Café and coffee distributor leased space in Reid House on Alexandra Street

- Switch Group have started operating at their new refurbished space at 102 Rostrevor Street
- Le Fleur Florist has opened on the ground floor in the Monckton Trust building at 67 Rostrevor Street
- Waikato District Health Board have completed their fitout and now moved into their new office space in the former Farmers Building on Alexandra, Collingwood & Anglesea Streets
- Vetro Mediterranean Foods have leased 122 Rostrevor Street and will be commencing their fitout shortly
- Goldsmith Gallery has moved and are now operating at 427 Victoria Street
- Niche Skincare & Day Spa have leased the refurbished space at 302 Barton Street and will commence fitout shortly

Commercial Update (post-lockdown)

It was expected that the commercial market post-lockdown would be naturally cautious, however there was a significant amount of tenant enquiry immediately after, with a number of leases completed and a number under various stages of negotiation. Enquiries have continued to remain high over the past few months, as businesses look to review their existing leases and changing space requirements. As the CBD workforce has made its way back in offices, it has certainly highlighted the reliance of businesses on high levels of foot traffic to support the local economy.

Highlights:

- Physio RX have established themselves in 108b Rostrevor Street
- 1 London Street (ground floor) has been leased by a Government tenant
- Burger Bro has expanded their offering, having leased 237 Victoria Street
- Hamilton Central Business Association are moving into 10 Garden Place, as part of the Panama shared office stable
- Off and On, a beauty and hair treatment business have opened at 25 Ward Street
- 821 Victoria Street has been leased by national recruitment firm TradeStaff
- Haley Adele Photography has opened at 16 Casabella Lane
- Two new eateries are moving into Reid House in Alexandra Street
- Animone Graphic Design has leased 15 Casabella Lane
- Yogost has opened in their new premises at 575 Victoria Street
- Soul Images an Expressive Arts Studio in Casabella Lane
- Shallow Bakery have opened at 120 Alexandra Street
- Skin Depot have opened as a collab with Ktizo at 324 Tristram Street

Other notable developments include the turning of the sod ceremony for the new office development called Union Square, which is occupying the former Ebbett Holden site on the corner of Hood and Anglesea Streets. This large-scale transformational project consists of five inner-city buildings totalling circa 30,000sqm. Rabobank and AA Insurance will be the occupants of the first building planned for this development, with completion due in the third quarter of 2021.

Partnership and Networking Opportunities

- HCBA collaborated on a LinkedIn Local event at the Meteor attracting approximately 200 people on the topic of 'art in the city' with speakers Paula Southgate, Nancy Caiger, Ryan Hamilton and Kelvyn Eglinton.
- HCBA contributed to a successful Safe Zone, held during the University of Waikato's Orientation Week.
- HCBA spoke to the Hamilton Central Rotary Group about the role HCBA plays in supporting and promoting the CBD and the business community.
- HCBA attended an Auckland Business Improvement District (BID) Conference in Otahuhu.
- HCBA have been working with the businesses in Casabella Lane to raise the profile on the collection of shops that now make up the Lane. HCBA have created a promotional social media campaign and working are alongside the Body Corporate to offer a spending spree in the Lane for one lucky winner.

- HCBA facilitated an anti-theft presentation by the police for a large CBD retailer and their staff.
- HCBA are collaborating on two Social Business evenings with Waikato Chamber of Commerce at Cemac in July and Lilliputt in August.
- HCBA are collaborating with Momentum Waikato to provide a social business evening to promote the Waikato Regional Theatre.
- HCBA is working with RocketSpark to facilitate the Tech events in the CBD on behalf of Cultivate IT.
- HCBA is working with iBeacon and Blindsquare on the potential of setting up beacons in Garden Place to trial how they can benefit to people who are visually impaired.

6.0 FUTURE FOCUS

HCBA are continuing to provide an essential support role for the business community post lockdown. There is a real need to continue to reinforce the local buying message to the public and the role that large businesses and public sector organisations also play in ensuring that local businesses are at the top of every shopping list for goods and services.

There are still changes expected in the CBD over the coming months as the full impact of COVID-19 and lockdown are realised. HCBA will continue to work on a number of initiatives to highlight the businesses and experiences to be enjoyed in the CBD, with the hope that the early momentum of 2020 can be re-established.

One area of development that has been highlighted during lockdown and throughout the alert levels, is a new trend around the delivery of goods and services direct to the customer. This is continuing to be explored by various businesses, as they look to make their offering even more convenient to the customer.

Future Highlights:

- HCBA is trialling a CBD bundle package including an overnight stay, attractions & activities and food offerings. In collaboration with i-Site and a selection of local businesses to be marketed via social media.
- HCBA has confirmed the fourth Neat Places, in collaboration with Hamilton Waikato Tourism, to be completed in October 2020.
- HCBA is holding its AGM in August, showing Hamilton City Councils CCTP refresh with LandLAB presenting and Union Square with Foster Development presenting.
- HCBA have contracted a group of students via the Wintec Design Factory to complete a project of work around the attractiveness of the CBD.
- HCBA will continue to develop a digital CBD as a promotional tool for the central city.

7.0 RECOMMENDATION

The HCBA recommends this report be received by the Hamilton City Council.

Mike Neale, NAI Harcourts

Hamilton Central Business Association Executive Committee

20 August 2020

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Performance Report

Hamilton Central Business Association
For the year ended 30 June 2020

Prepared by Slater Chartered Accountants



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Compilation Report

Hamilton Central Business Association For the year ended 30 June 2020

Compilation Report to the Executive Committee of Hamilton Central Business Association

1. Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Hamilton Central Business Association for the year ended 30 June 2020.

These statements have been prepared in accordance with the accounting policies described in the notes to these financial statements.

2. Responsibilities

The Executive Committee is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

3. Audit Engagement Undertaken

An audit has been undertaken on the enclosed financial statements per the attached audit report.

4. Independence

We have no involvement with Hamilton Central Business Association other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

5. Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.



Slater Chartered Accountants

Hamilton

Dated: 19 August 2020



Directory

Hamilton Central Business Association For the year ended 30 June 2020

Nature of Business

Promotion and development of business in the Hamilton CBD

IRD Number

104-245-730

Date of Incorporation

24th November 2008

Chartered Accountant

Slater Chartered Accountants

Hamilton

Bankers

ASB Bank

Hamilton



Approval of Financial Report

Hamilton Central Business Association
For the year ended 30 June 2020

The Executive Committee is pleased to present the approved financial report including the historical financial statements of Hamilton Central Business Association for year ended 30 June 2020.

APPROVED

For and on behalf of the Executive Committee

Chairperson

Date 11/8/2020

Executive Committee Member

Date 11/8/2020

Hart&Co

NORTH SHORE

HAMILTON CENTRAL BUSINESS ASSOCIATION INC INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2020

Report on the Performance Report

To the Trustees and Board of the Hamilton Central Business Association Inc

Opinion

We have audited the performance report of Hamilton Central Business Association Inc, which comprises the trust directory, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2020, the statement of financial position as at 30 June 2020, and the statement of accounting policies and other explanatory information.

In our unqualified opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of Hamilton Central Business Association Inc as at 30 June 2020, and its financial performance, and cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of Hamilton Central Business Association Inc in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Hamilton Central Business Association Inc.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report on behalf of the entity which comprises:
 - ☐ the entity information;
 - ☐ the statement of service performance; and
 - ☐ the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- (c) such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of Hamilton Central Business Association Inc for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate Hamilton Central Business Association Inc or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is 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 conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the [entity'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 performance report 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the trustees 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.



Auditors

Hart & Co - North Shore
Chartered Accountants
Albany, Auckland

19 August 2020

Entity Information

Hamilton Central Business Association For the year ended 30 June 2020 Cash Basis

Legal Name of Entity

Hamilton Central Business Association

Entity Type and Legal Basis

Incorporated society

Entity's Purpose or Mission

To provide advocacy, support and promotional opportunities for the business and property owners located within the Hamilton Central Business Improvement District (Hamilton, New Zealand).

Entity Structure

Executive committee led by a chairperson, with all members carrying voting rights for major events and transactions of the association.

Main Sources of Entity's Cash and Resources

- Funds received from commercial ratepayers in the Hamilton CBD
- Funds raised from special projects focused on businesses in the Hamilton CBD

Main Methods Used by Entity to Raise Funds

- Funding from Hamilton City Council (Rates from commercial members and funding for special projects)
- Fees and other income received from members for participation and recognition in special projects hosted by the association

Entity's Reliance on Volunteers and Donated Goods or Services

Minimal, as current expenditure is covered by income and funds received by the association.

Physical Address

341 Victoria Street, Hamilton Central, Hamilton, New Zealand, 3204

Postal Address

341 Victoria Street, Hamilton Central, Hamilton, New Zealand, 3204

Statement of Service Performance

Hamilton Central Business Association For the year ended 30 June 2020 Cash Basis

Description of Entity's Outcomes

Advocacy - "To support and facilitate environmental, commercial and design projects in the CBD."

1. CBD masterplan development
2. Access Hamilton initiatives in the CBD
3. Property Council research project
4. Partner on central city improvements
5. Promote CBD businesses and initiatives
6. Commercial and residential development

Promotion - "To market and promote CBD businesses, events and activities."

1. CBD activation plan
2. Ambassador Programme
3. Advantage Club
4. Sector specific initiatives
5. Social media development
6. PR opportunities
7. Stories of the CBD
8. CBD Celebration Awards

Organisation - "To contribute and collaborate on projects that support the CBD business economy."

1. Economic development opportunities
2. Partnership and networking opportunities
3. CBD safety initiatives
4. Smart city initiatives
5. Cultural awareness opportunities
6. Executive Committee representative of the CBD community
7. CBD brand development and profile raising
8. Governance role: People's Project, Safe Zone, Zeal, Riff Raff Trust, Embassy Park Working Group, Central City Safety Action Strategy contributor, Access Hamilton contributor, Boon Street Art contributor, Smart City contributor
9. Smart Waikato Secondary School Employment Programme

	2020
Quantification of the Entity's Outputs	
Activation - CBD	
Funding	102,485
Spending	(87,029)
Total Activation - CBD	15,456
Garden Place	
Funding	3,450
Spending	(1,591)
Total Garden Place	1,859
Ambassador Programme	
Funding	20,030
Spending	(21,596)
Total Ambassador Programme	(1,566)
Safe Zone	
Spending	(2,084)
Total Safe Zone	(2,084)
Business Awards	
Funding	18,517
Spending	(37,261)
Total Business Awards	(18,744)
Other Project Spending	
Special Projects - Member Workshop & Events	(176)
Special Projects - Advantage Club	(1,722)
Special Projects - Economic Development	(7,725)
Special Projects - Corporate Identity/PR	(2,397)
Special Projects - Retail Campaign	(2,023)
Total Other Project Spending	(14,043)
Total Quantification of the Entity's Outputs	(19,122)

Statement of Financial Performance

Hamilton Central Business Association For the year ended 30 June 2020

	2020	2019
Revenue		
Rates from Members	303,000	296,935
Grants & Special Projects		
Ambassador Programme	20,030	-
Business Awards - Sales & Sponsorships	18,517	8,726
Income - CBD Activation	102,485	113,778
Garden Place Live Music	3,450	3,600
Grants - Safe Zone	-	4,735
Neat Places	-	858
Screen Promotions	-	427
Total Grants & Special Projects	144,482	132,124
Total Revenue	447,482	429,059
Other Income		
Interest Received	122	243
Other Income	2,054	87
Insurance Claims Received	-	936
Total Other Income	2,177	1,265
Total Revenue and Other Income	449,659	430,325
Expenses		
ACC Levies	460	590
Accountancy Fees	180	150
Advertising	1,665	1,530
Audit Fees	2,814	2,471
Bank Fees	112	138
Carparks	4,810	4,440
Computer Expenses	157	425
Depreciation	8,447	6,195
Insurance	-	4,329
Marketing	9,576	1,837
Meeting Costs - AGM	55	1,153
Meeting Costs inc Social Business	3,801	3,754
Office Cleaning	1,483	1,677
Office Expenses	833	1,586
Postage	180	161
Power	1,702	1,802
Printing & Stationery	1,533	3,166
Rent	12,845	12,845
Seminars & Conferences	2,208	922
Special Projects	7	-

These financial statements should be read in conjunction with the attached Compilation Report and Notes.

	2020	2019
Special Projects - Advantage Club	1,722	2,785
Special Projects - Ambassador	21,596	5,143
Special Projects - Business Awards	37,261	31,701
Special Projects - CBD Activation	87,029	110,398
Special Projects - CBD Stats	-	1,359
Special Projects - Corporate Identity/PR	2,397	5,285
Special Projects - Economic Development	7,725	6,350
Special Projects - Garden Place	1,591	7,381
Special Projects - Member Workshop & Events	176	-
Special Projects - Neat Places	-	4,641
Special Projects - Retail Campaign	2,023	-
Special Projects - Safe Zone	2,084	7,712
Sponsorship	12,283	12,370
Staff Expenses	515	82
Staff Training & Welfare	605	-
Subscriptions	2,850	2,379
Telephone & Tolls	3,768	4,217
Travel Expenses - NZ	1,161	304
Wages	195,798	197,000
Website Maintenance	3,000	1,750
Interest Paid - UOMI	(3)	3
Interest - Bank Overdrafts & Credit Cards	-	-
Travel Expenses - Overseas	3,320	-
Total Expenses	439,767	450,031
Net Surplus (Deficit) Before Adjustments	9,892	(19,706)
Net Surplus (Deficit) for the Year	9,892	(19,706)

These financial statements should be read in conjunction with the attached Compilation Report and Notes.



Statement of Movements in Funds

Hamilton Central Business Association
For the year ended 30 June 2020

	2020	2019
Movements in Funds		
Opening Balance	53,577	73,283
Increases		
Surplus/(deficit) for the Period	9,892	(19,706)
Total Increases	9,892	(19,706)
Closing Balance of Funds	63,469	53,577

These financial statements should be read in conjunction with the attached Compilation Report and Notes.

Statement of Financial Position

Hamilton Central Business Association As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Bank Accounts	11	58,455	61,999
Trade and Other Receivables		15,974	987
Total Current Assets		74,429	62,986
Non-Current Assets			
Property, Plant and Equipment	12	9,976	17,275
Total Non-Current Assets		9,976	17,275
Total Assets		84,405	80,261
Liabilities			
Current Liabilities			
Trade and Other Payables	13	8,227	18,728
GST Payable	14	12,708	7,956
Total Current Liabilities		20,936	26,684
Total Liabilities		20,936	26,684
Net Assets		63,469	53,577
Equity			
Retained Earnings		63,469	53,577
Total Equity		63,469	53,577

These financial statements should be read in conjunction with the attached Compilation Report and Notes.

Depreciation Schedule

Hamilton Central Business Association For the year ended 30 June 2020

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE	PRIVATE USE AMOUNT
Office Equipment							
Modem Office	1,148	-	1,148	-	153	995	-
2x Laptops May 2012	3,462	25	-	-	12	12	-
AOC 23.9" Monitor	248	-	-	-	-	-	-
Asus Laptop 15"	584	79	-	-	40	40	-
Canon Eos 18-55MM Camera Kit	393	6	-	-	4	2	-
Fridge	652	104	-	-	26	78	-
Heat Pumps	3,043	785	-	-	157	628	-
Laptop	1,878	69	-	-	34	34	-
Mircosoft Surface Pro	2,461	1,774	-	-	1,188	585	-
MS Office Professional 2007	258	-	-	-	-	-	-
Office Desks	726	514	-	-	67	447	-
Office Furniture	1,891	400	-	-	64	336	-
Printer	684	2	-	-	1	1	-
Surface Pro 256GB i5 8GB w/ Cover	4,346	1,194	-	-	800	394	-
Website	5,391	366	-	-	183	183	-
Website - HCBA	9,750	9,344	-	-	4,672	4,672	-
Total Office Equipment	36,915	14,660	1,148	-	7,401	8,407	-
Plant & Equipment							
Samsung 55" PHF Signage Panel	6,880	2,614	-	-	1,046	1,569	-
Total Plant & Equipment	6,880	2,614	-	-	1,046	1,569	-
Total	43,795	17,275	1,148	-	8,447	9,976	-

These financial statements should be read in conjunction with the attached Compilation Report and Notes.

Notes to the Financial Statements

Hamilton Central Business Association For the year ended 30 June 2020

1. Reporting Entity

Hamilton Central Business Association is an incorporated society incorporated under the Incorporated Societies Act 1908. The financial statements of Hamilton Central Business Association are special purpose financial statements. These financial statements have been prepared for internal purposes and may not be suitable for any other purpose.

2. Basis of Preparation

These financial statements have been prepared in accordance with taxation principles contained within the Income Tax Act 2007 and disclosure requirements contained within the Tax Administration (Financial Statements) Order 2014.

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a tax value basis are followed by an incorporated society, unless otherwise stated in the specific accounting policies.

3. Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

4. Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

5. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, tot the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised on receipt gross of refundable tax credits.

Dividends received are recognised on receipt gross of refundable tax credits.

6. Accounts Receivable

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

7. Foreign Currency Transactions

Transactions in foreign currencies are converted at the new Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the statement of profit and loss.

8. Property, plant and equipment and investment property

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

9. Provisions

Provisions are recognised when the company has an obligation which can be reliably measured at balance date as a result of past event and it is probable that the company will be required to settle the obligation.

Where the company expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

10. Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

	2020	2019
11. Cash and Bank Accounts		
ASB - 00	2,907	11,628
ASB - 01	5,273	6,705
ASB - 50	43,061	44,020
ASB - 51	9,153	1,828
ASB Credit Card XX-4043	(1,939)	(2,183)
Total Cash and Bank Accounts	58,455	61,999
	2020	2019
12. Property, Plant and Equipment		
Plant and Equipment		
Plant and machinery owned	6,880	6,880
Accumulated depreciation - plant and machinery owned	(5,311)	(4,266)
Total Plant and Equipment	1,569	2,614
Office Equipment		
Office Equipment owned	36,915	35,767
Accumulated depreciation - Office Equipment owned	(28,508)	(21,107)
Total Office Equipment	8,407	14,660
Total Property, Plant and Equipment	9,976	17,275
	2020	2019
13. Trade and Other Payables		
Creditors	3,503	13,772
Wages & PAYE Payable	4,725	4,956
Total Trade and Other Payables	8,227	18,728

	2020	2019
14. GST		
GST	7,592	2,840
GST Adjustments - 2017	1,965	1,965
GST Adjustments - 2018	3,152	3,152
Total GST	12,708	7,956

15. Contingent Liabilities

The incorporated society had no contingent liabilities and no guarantees as at 30 June 2020 (2019: Nil/Nil).

16. Capital and Lease Commitments

The incorporated society has undertaken a new lease at a premises in Garden Place, Hamilton to commence on 1st July 2020 (2019: Nil).

	2020	2019
17. Related Parties		
Hamilton City Council		
Rates from Members	303,000	296,935
Grants & Other Income	123,450	111,448
Total Hamilton City Council	426,450	408,383
Total Related Parties	426,450	408,383



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The logo features the letters 'CPD' in a large, bold, white sans-serif font, followed by the word 'Promotion' in a smaller, white sans-serif font. The text is set against a solid purple rectangular background.

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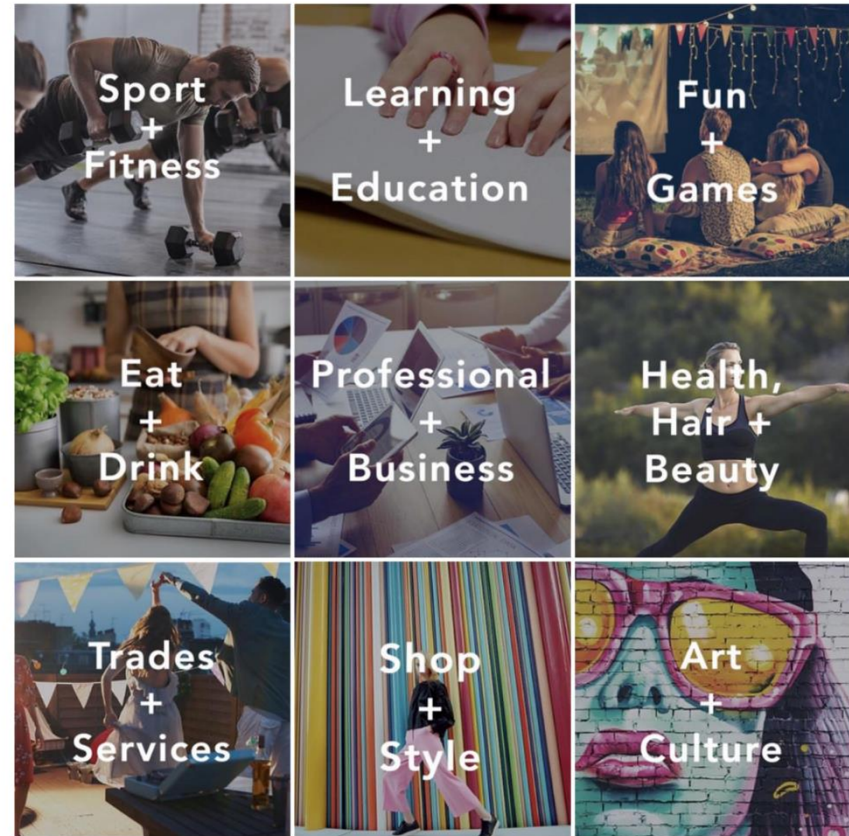
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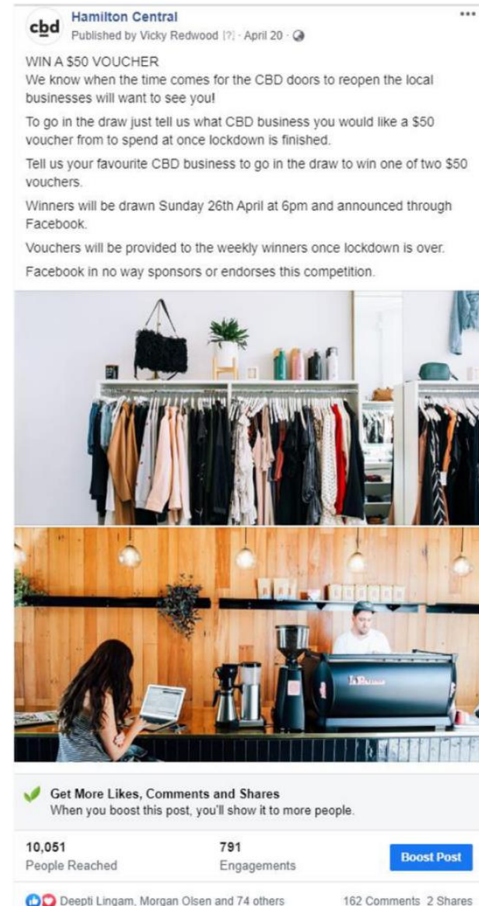
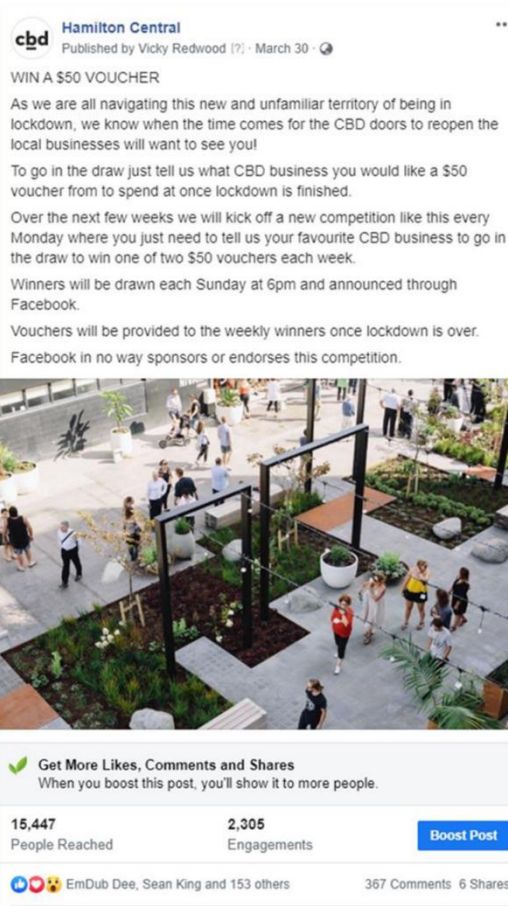
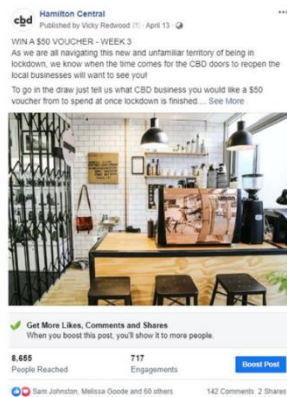
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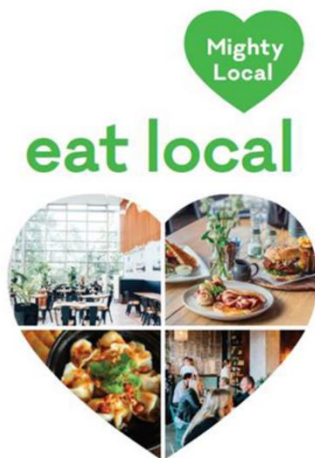
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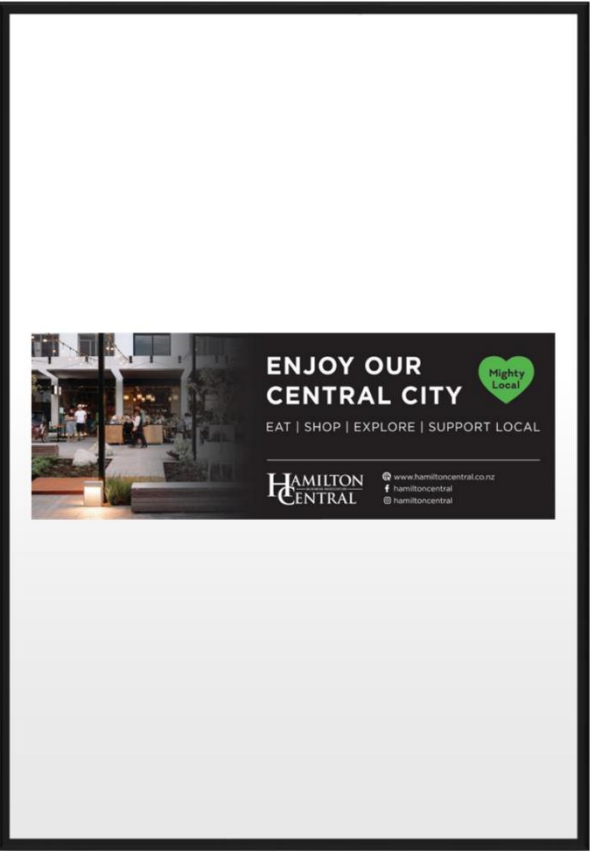
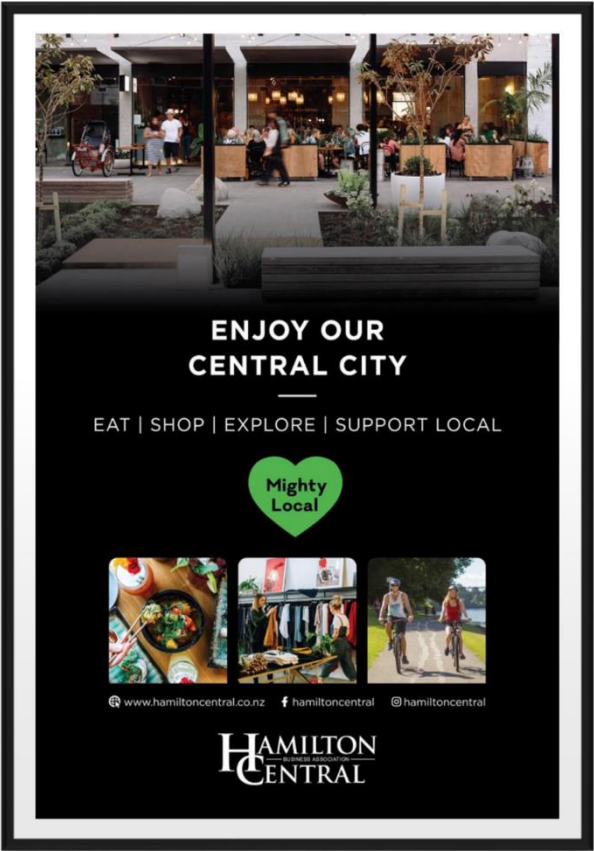
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The logo for CBID People is displayed on a solid yellow rectangular background. The letters 'c', 'b', 'i', and 'd' are in a large, bold, blue, lowercase sans-serif font. The 'i' is positioned below the 'b' and 'd'. To the right of these letters, the word 'People' is written in a smaller, blue, sans-serif font, oriented vertically.

Stories in the Media

Waikato businesses jump online to ease Covid-19 squeeze alert level 3



Why supporting your local businesses helps us all



Waikato businesses prepare to open doors when restrictions ease



Waikato barbers and beauty salons booked out as shopping centers begin to fill



Find out how Waikato eateries, and hospo bosses are preparing to survive and thrive once Covid-19 lockdown restrictions are eased.



Waikato business owners are raring to go under Covid-19 alert level three



Item 9

Attachment 6

Waikato leaders back campaign to go local



Hamilton readies for life under Covid-19 level 2 lockdown



Hamilton businesses take on day one, under new rules



Steady stream of customers returning to Hamilton's CBD with bars reopened



Hamilton casts off coronavirus shackles

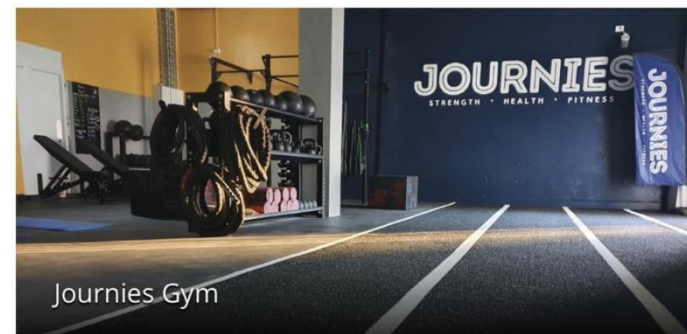


Events help Hamilton's economy post-covid





Online offering extends escape room operator's reach



'Make-or-break': Gym takes it online

CPD Business

Developments



Item 9

Attachment 6

New | Expanded | Relocated

Attachment 6



Item 9



cbd i d Awards

Attachment 6

Item 9



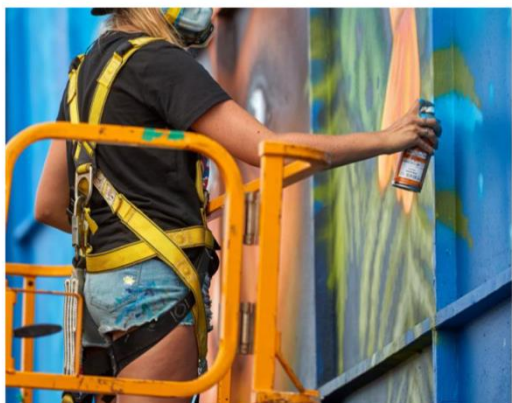
cbda

Events

Attachment 6

Item 9









ADVOCACY

To represent the central city business voice on issues and projects of strategic importance to the CBD.

- | | |
|---|---|
| 1- CCTP masterplan support | 5- Commercial and residential development |
| 2- Transportation initiatives | 6- Renewal programmes |
| 3- Tactical urbanism support | 7- Central city safety and wellbeing |
| 4- Central city infrastructure improvements | 8- Local business prioritisation |

PROMOTION

To promote the CBD as a bustling, active, innovative, vibrant place that offers exceptional businesses and experiences.

- | | |
|-------------------------------------|-------------------------------|
| 1- Social media development | 5- Ambassador Programme |
| 2- Sector specific initiatives | 6- Advantage Club |
| 3- CBD public space activation plan | 7- PR opportunities developed |
| 4- CBD visitor packages | 8- CBD Celebration Awards |

ORGANISATION

To contribute and collaborate on projects that support the CBD business economy.

- | | |
|---|--|
| 1- Economic development support | 5- Cultural awareness |
| 2- Partnership and networking opportunities | 6- CBD sector representatives on Executive Committee |
| 3- Smart city initiatives | 7- CBD profile raising activities |
| 4- CBD safety initiatives | 8- Governance roles and responsibilities |

Our Purpose: to advocate, support and promote the CBD on behalf of its members.

Council Report

Committee: Economic Development Committee

Date: 08 September 2020

Author: Mike Bennett

Authoriser: Jen Baird

Position: Key Account Manager

Position: General Manager City Growth

Report Name: Te Waka Six-Monthly Update

Report Status	<i>Open</i>
----------------------	-------------

Purpose - *Take*

1. To update the Economic Development Committee with Te Waka's 6-monthly report for the period January 2020 to June 2020 as required by the Partnership Agreement Schedule of Functions and Services for the 2019/2020 financial year.

Staff Recommendation – *Tuutohu-aa-kaimahi*

2. That the Economic Development Committee receives the report.

Background – *Koorero whaimaarama*

3. Te Waka was established in July 2018, with a Partnership Agreement between Te Waka and Hamilton City Council being signed in September 2018.
4. Te Waka is the Economic Development Agency for the Waikato Region, serving as a champion for and the collective voice of the region's economic and business needs and opportunities.
5. Te Waka exists to:
 - Lift economic performance across the Waikato region
 - Support and enable business and industry growth
 - Attract business and investment
6. Te Waka aims to achieve this by:
 - Gathering intelligence, sharing insights, advocating on behalf of the region and its businesses
 - Building connections, creating partnerships and driving collaboration
 - Being well managed and financially sustainable
7. As part of the Partnership Agreement with Te Waka with Hamilton City Council provides funding \$140,000 per annum for each financial year ending 30 June 2021.
8. The agreement requires Te Waka to report to the Economic Development Committee on a six-monthly basis.
9. Hamish Bell (Chair) and Michael Bassett-Foss (Chief Executive) will attend the meeting and speak to the Annual Report.

Legal and Policy Considerations – *Whaiwhakaaro-aa-ture*

10. Staff confirm that the recommendation to approve funding complies with the Council's legal and policy requirements.

Wellbeing Considerations – *Whaiwhakaaro-aa-oranga tonutanga*

11. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
12. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
13. The recommendations set out in this report are consistent with that purpose.

Social

14. Social wellbeing can be linked to economic wellbeing, and Te Waka's work to lift economic performance across the Waikato will improve the social and cultural outcomes in Hamilton and our wider region.
15. Te Waka's Impact Project work has developed a list of impact ready projects such as house insulation that supports people to be healthy and happy.

Economic

16. Supporting and enabling business and industry growth in Hamilton generates income to provide present and future financial security.
17. Creating employment opportunities for Hamiltonians will facilitate economic activity for the city including housing and consumption.
18. Economic growth attracts new people to Hamilton, further expanding our economic base.

Environmental

19. Te Waka's Impact Project work has developed a list of impact ready projects that include riparian planting work which protects and enhances our natural taonga, green spaces and biodiversity.

Cultural

20. The Maaori Economic Development work programme, delivered by Te Waka in collaboration with Maaori collectives, regional government, Maaori business support agencies and leaders, and whanau enterprise, delivers outcomes for employment, enterprise growth and capability. This supports the values, aspirations and growth of our tangata whenua.
21. Te Waka works to facilitate commercial growth in Hamilton, which can be a catalyst for the arts and events scene, protecting and celebrating our rich history and heritage.

Financial Considerations - *Whaiwhakaaro Puutea*

22. This is a regular operating activity funded through the Long-Term Plan.

Risks

23. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Attachments

Attachment 1 - Six Monthly Report Jun 2020 final



Te Waka 6 Monthly Stakeholder Report January – June 2020

Introduction

The initial vision was clear

- Waikato Means Business was a great tag line, the fundamentals underpinning the formation of Te Waka remain as valid today as ever
- A **joined-up regional approach supported by localised delivery has significant benefit**

But the world has changed, and our focus must now shift

- We **learnt a lot** over the last six months – and Covid will have a once in a generation impact
- We must now **focus our attention** on where we can achieve material economic impact
- And on how we best focus limited resource to **add the most value**

We continue to engage widely on our new Strategic Plan – the focus our efforts moving forward.

Te Waka is:

- The Economic Development Agency for the Waikato Region, serving as a **Champion for and the Collective Voice of the region's** Economic and Business Needs and Opportunities

We exist to:

- **Lift Economic Performance** across the Waikato Region
- Support and **Enable Business & Industry Growth**
- **Attract Business and Investment**

We will achieve this by:

- **Gathering Intelligence, Sharing Insights, Advocate** on behalf of the region and its businesses
- Building Connections, Creating **Partnerships & Driving Collaboration**
- Being **well managed and financially sustainable**

And by living our Values:

- Collaborative, Inclusive, Outcome Focused, Agile / Nimble, Responsive, Courageous

This report updates and builds on the 6-month report to December 2019.



Executive Summary

Much has been achieved to date

- Despite being in establishment mode, we have **met the KPIs set by our council stakeholders**
- Real support delivered in volume to business across the region, plus **some decent regional wins**
- We doubled down during Lockdown and significantly **extended our support** and engagement

Business Support & Business Attraction

- Waikato **Business Support Centre** established, and staff doubled in response to Covid
- Delivered **\$4.4m in funding to 1373 businesses**, with ~\$4m more to come
- Successfully spearheaded the **NZIST head office bid** alongside Hamilton City Council, Waikato Tainui and the Waikato Chamber of Commerce
- Supported delivery of **\$110m in inwards investment** (PGF & CIP)
- Attracted further support from TPK for **Maori ED** and from MSD to support **job redeployment**
- Supported the **Waikato Plan** refresh plus the establishment of the **interim Regional Skills Leadership Group**

Regional Collaboration & Stakeholder Engagement

- Established **Regional Communities of Learning** – enabling localised engagement, understanding of needs
- Launched **Mighty Local** with Hamilton Waikato Tourism and started discussions with others re collaboration
- **Re-engaged** with local stakeholders, and lifted engagement with large business
- Launched the new **Waikato.com** website as a one-stop destination

Market Intelligence & Advocacy

- **Expert groups** mobilised to gather/interpret intelligence - **Economic Radar** launched
- **Targeted advocacy** on a range of issues and opportunities

And lastly, we acknowledge and celebrate Dallas Fisher who was instrumental in the establishment of Te Waka and getting it operational, Dallas stepped down as Chair in March 2020.



The functions and services outlined in our Partnership Agreement with our 10 funding councils remain relevant and are reported on in the sections below.

Contribute to operationalising the Waikato Regional Economic Development Strategy

Te Waka continues to coordinate alignment between regional agencies. The need for this was magnified during COVID-19 with several hosted forums per week to ensure alignment in response efforts. We continue to host forums for Local Authority economic development staff to increase alignment and economic development capability across the region.

Craig Barrett was appointed as Iwi representative to the Board in early 2020. Craig was selected by Tainui Waka Iwi and nominated by the Waikato Mayoral Forum as allowed for by the Te Waka constitution. This appointment has already resulted in improved engagement with Iwi and increased momentum with delivery of the Māori economic development agenda.

Aside from deviations in work priorities caused by the response to COVID-19, Te Waka has met all key performance indicators agreed under the partnership agreement with 10 Waikato councils.

Te Waka's role as a connector with central and local government about economic development priorities in the region has continued to strengthen. Currently four government agencies have active partnerships supporting regional delivery with resourcing aligned with Te Waka.

Hamish Bell was appointed Acting Chair in March and permanent Chair in June following the resignation of previous Chair, Dallas Fisher in March. With stewardship from Hamish, the board has undertaken a refresh of the Te Waka Strategy to incorporate experience gained during the first two years of operation and learning from COVID-19 response efforts. Engagement continues with key stakeholders on the refreshed strategy.

Te Waka has continued to provide resource and support to the Regional Housing Initiative and Waikato Wellbeing Project. We seek to link the critical function of housing as an enabler to economic growth, linking and connecting the Wellbeing agenda to Economic agenda is a critical and important function for Waikato leaders and leadership.

Provide contracted Business Growth Advisory, Innovation and Mentoring Services

Business support has dominated the work of Te Waka with the equivalent of nearly three years of business engagements completed in the period from April to June supported by a doubling of staff numbers during lockdown. Over \$4.4 million in support funding has been allocated to 1373 Waikato businesses during the year comprising capability development vouchers, COVID-19 support funding, and research and development funding. **Waikato continues to be the leading region nationally for R&D funding per SME business.**



With recent expansion into the Matamata-Piako district, we have now completed the hub and spoke model of delivery that has permanent locations in towns around the region for monthly visits. This represents seven years of working with Local Authority partners to provide joint services across 10 districts and city.

A highlight during COVID-19 was the establishment of a regional business response framework comprising an Eastern, Southern and Central economic communities of learning. These cross-functional groups of business support agencies work together to support businesses and garner intelligence. Looking ahead these groups will continue to develop, building a network to:

- Enable a common voice and advocacy channel for sub-regional and regional projects/opportunities;
- Growing capability of the network to ensure local businesses thrive; and
- Developing, designing and collaborating on shared work programmes.

Deliver and continue to develop the Waikato Story

The Waikato Story supported the Mighty Local initiative by telling the stories of businesses who have innovated during the COVID-19 lockdown. Eight businesses were profiled across hospitality and tourism, services for the deaf and children's entertainment.

The Waikato Story had 9,500 story views between January and June 2020 with 42 new stories published.

A focus for the last year has been the development of a new website to act as a platform to better tell Waikato's story. It is now live and the Waikato Story toolkit has updated infographics available using 2019 data.

Develop and deliver a Sector and Industry Development Programme

Sector development has been a focus of COVID-19 recovery efforts. The strength of relative sectors has been assessed alongside their traditional contribution to the Waikato Economy. Sector resilience, ability to respond and provide growth in a time of recession, potential contribution to employment and collaborative opportunities across business in industry were considered, together with Te Waka's ability to influence the sector and industry. Key sectors prioritised as part of our future work plan include:

- | | |
|--|------------------|
| 1. Logistics and Distribution | 4. Agriculture |
| 2. Technology and Innovation | 5. Manufacturing |
| 3. Construction | 6. Healthcare |
| 7. Education (with an emphasis on international education) and education as an enabler of sector development | |



We recognise the significant role of Hamilton & Waikato Tourism, Destination Coromandel and Enterprise Great Lake Taupo in the Tourism sector and will continue to support these organisations with development of this important sector.

Sector development has a strong connection to labour market and workforce planning. Work programmes for each priority sector are being developed, with recent work including:

- Supported construction sector leaders to develop a comprehensive bid for Waikato to host the Centre of Vocational Education (CoVE) for Construction. Whilst unsuccessful in the bid, initiatives developed during the bid preparation will proceed.
- Working with Hamilton City Council on an innovation workstream with initial traction developed with tech sector leaders with actions currently being progressed.

Support Māori Enterprise and co-facilitate the implementation of the Iwi Economic Development Plans

20 out of 22 economic goals have been achieved in Te Whare Ohaoa (Māori Economic Action Plan Refresh) launched by Minister Mahuta in mid-2019, with two actions still in progress. The action plan celebrates collaboration with Iwi, Te Hūmeka, Te Puni Kōkiri, the Ministry for Social Development, Ministry for Business Innovation and Employment and Tainui Waka Tourism to deliver outcomes for Māori Collectives and Whānau Enterprises, including support for regional projects and land development.

Whānau Enterprise remains the heart of the Māori economy. Te Waka continues to prioritise Māori enterprise through business growth engagement and partnering to deliver business support events, for which Waikato is recognised as a national leader in this space. **More than 100 Māori enterprises** received funding, coaching and mentoring, and in-market connections in their pursuit of financial independence through enterprise.

Just before lockdown and in conjunction with Te Hūmeka and He Waka Eke Noa, we hosted a social procurement event for suppliers in Waikato to promote and encourage business entry into diverse supply chains across the region. We work closely alongside Te Ahikōmako to foster enterprise start-up and acceleration through focussed capability programming and resourcing.

Iwi engagement continues under the guidance of our Kaumaatua, Tame Pokaia. Critical to success is understanding Tainui Waka Iwi economic recovery plans and ongoing engagement to identify and monitor how we can support the delivery of outcomes, in these plans.



Support and Facilitate, as agreed, a Waikato Regional Labour Market Strategy, actions and Initiatives

Te Waka continued to lead the Regional Labour Market Working Group as it explored forums and trends in education and workforce development. COVID-19 dramatically changed New Zealand's workforce landscape, moving the Waikato from less than 4% unemployment with themes of skills shortages to projected 10-15% unemployment with a focus on redeployment and skills shortage in a changing economic context.

We partnered with Cambridge Chamber of Commerce to launch the Waikato Nxtstep job redeployment website, support by funding from WEL Energy Trust. The Ministry for Social Development has aligned redeployment focused resources alongside the Te Waka team.

Te Waka provided guidance to the Ministry for Business, Innovation and Employment in the formation of the interim Regional Skills Leadership Group, part of the Review of Vocational Education. Te Waka holds a position on the group alongside industry sector leaders and aims to find better ways of meeting future skills and workforce needs, and a joined-up approach to labour market planning.

Develop, support and promote proposals to local regional and national funding programmes including Provincial Growth Fund

Te Waka continues its advocacy on regional priority projects including projects to the Provincial Growth Fund and the Crown Infrastructure Partners "shovel ready" initiative. We have **assisted to develop 15 successful funding applications alongside project owners and advocated for an additional 10 successful projects for a total of \$110 million** of government investment into the region. Many more projects are still being considered by government.

Momentum has continued with businesses interested in establishing in Waikato. The successful NZIST head office bid is a great example of how regional leaders rally in support of common objectives. It follows the Rabobank head office announcement in Hamilton. There are many other business attraction opportunities underway that will transpire over the coming months and years.

Te Waka will continue to develop its relationship with Waikato LASS in support of council-initiated projects.



Deliver a communications and engagement programme to inform stakeholders of the Te Waka programme and information on the state of the economy.

Prior to the COVID-19 lockdown Te Waka had been working with councils and other partners to consider effective ways to bring meaningful economic data to inform investment decisions. During lockdown we established the Waikato Economic Radar collating weekly live information on consumer spending, employment, business leases and sales, residential consents and property sales, financial indicators (interest rates, exchange rates and trade data). We will continue to evolve this report to track and monitor Waikato Economic progress.

In partnership with Waikato Regional Council, we released quarterly economic reports that focused on GDP, labour market, international markets and tourism in relation to COVID-19. We will continue to partner with Waikato Regional Council, Waikato Wellbeing Project and Waikato LASS to align intelligence and insights for the region.

To guide and support the establishment and enablement of regional insights we formed an Intelligence Network. It includes senior partners from PWC, KPMG and Deloitte, and Waikato Regional Council senior economists. Regular insights and advice are sourced from national economic specialists Brad Olsen and Cameron Bagrie.

During COVID-19, business support communications grew significantly, encompassing newsletters, social media news and events. A total of 30 webinars were developed and presented in partnership with various business advisory experts. These webinars had more than 2,000 attendees and are available on Waikato.com to view on-demand.

Council Report

Committee: Economic Development Committee

Date: 08 September 2020

Author: Mike Bennett

Authoriser: Jen Baird

Position: Key Account Manager

Position: General Manager City Growth

Report Name: Updated Economic Development Agenda

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Economic Development Committee's approval for a proposed update to the Economic Development Agenda.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Economic Development Committee:
 - a) receives the report;
 - b) approves the proposed update to the Economic Development Agenda.

Executive Summary

3. The Economic Development Agenda (the Agenda) was released in 2012.
4. Staff presented a framework for refreshing the Agenda in May 2020. This was followed by a briefing in July 2020 to identify strategic objectives for the updated Agenda.
5. Staff now seek approval for the updated Agenda, to enable a prioritised work programme specifically designed to position Hamilton for business investments that are consistent with the Council's vision (see Attachment 1).
6. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

7. The primary goal of economic development is to make cities and regions attractive and competitive places in which to invest and do business.
8. Some of the core activities undertaken by high-growth councils contain elements of economic development. This can include transportation improvements, development of parks and reserves, implementing sustainability efforts and engaging in long-term planning.
9. In late 2012, the Council released an [Economic Development Agenda](#).

10. The 2019-22 Triennium saw the Council establish an Economic Development Committee responsible for governance of Hamilton's economic agenda and investment development opportunities consistent with the Council's vision for the city and to enhance the wellbeing of Hamiltonians.
11. At the request of the Chair and Deputy Chair of the Committee, staff provided a framework for understanding the partnerships, capabilities and resources required to refresh and implement the Agenda at the 12 May 2020 Economic Development Committee meeting.
12. An Elected Member briefing was held on 29 July 2020 to advance beyond the framework and identify strategic objectives to be included as part of the updated Agenda.
13. The resulting updated Agenda focuses on the parts of the framework that the Council determined to have the most impact consistent with their vision for the city and to enhance the wellbeing of Hamiltonians (**Attachment 1**).

Discussion

14. The updated Agenda consists of four priorities and their anticipated outcomes:
 - a) Boundaryless Approach
 - Our approach supports for the Future Proof / Te Tau Tiitoki strategy
 - We have contributed to the economic goals of the Hamilton-Auckland (H2A) Corridor Plan and the Hamilton-Waikato Metro Spatial Plan
 - Our work has led to an increase in labour market interactions across sub-regional boundaries
 - b) In Partnership
 - Collaboration with Waikato -Tainui is improving wellbeings, socioeconomic outcomes, and the quality of life for all Hamiltonians
 - Meaningful engagement is creating a culture of shared economic success
 - Sector-based action planning has identified near-term opportunities
 - Partnerships with education providers have positioned Hamilton as a hub for talent development and job training
 - c) Proactive & Purposeful
 - Our competitive advantages are widely shared and communicated using authentic stories told in a simple and clear way
 - Business attraction efforts align with Te Waka to ensure our value proposition is considered by regional, national and international investment projects
 - Use of strategic policies and initiatives has led to business retention and expansion
 - d) Platform for Growth
 - We are creating economic conditions that are conducive to growth, investment, and new employment
 - The Hamilton Invest website is the go-to resource for information about investment and growth opportunities in our region
 - Our team can provide the data, insights, tools and connections to support the needs of a wide range of organisations

Next steps

15. If the Economic Development Committee approves the updated Agenda, staff will revise the Economic Development Framework to reflect the Agenda's priorities and desired outcomes.
16. Staff will also create a programme work plan and begin foundational work.
17. If the updated Agenda is not approved, staff will schedule an Elected Member briefing or drop-in session to receive further guidance and direction.

Financial Considerations

18. There are no direct financial implications for the Council of the staff recommendation.

Legal and Policy Considerations

19. There are no legal implications for the Council of the staff recommendation.

Wellbeing Considerations

20. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
21. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
22. The recommendations set out in this report are consistent with that purpose.

Social

23. Social wellbeing and economic wellbeing are strongly linked. Increasing economic development activity in Hamilton provides the opportunity for businesses and their employees to grow and prosper, generating income to support families, whaanau, hapuu and communities and creating opportunities for social connection.
24. Growth in economic opportunity and participation can improve the social and cultural outcomes in a community.

Economic

25. Increasing economic development activity in Hamilton provides the opportunity for businesses and their employees to grow and prosper, generating income to provide present and future financial security.
26. Creating employment opportunities for Hamiltonians will facilitate economic activity for the city including housing and consumption.
27. Economic growth attracts new people to Hamilton, further expanding our economic base.

Environmental

28. The Council is committed to ensuring effects of city development are not at the detriment of our natural environment.
29. Economic development and growth can drive innovations that actively respond to the challenges of climate change.

Cultural

30. The Council is committed to working collaboratively with Waikato-Tainui and Mana Whenua, working in partnership to achieve the best outcomes for the people of Hamilton.
31. Commercial growth can be a catalyst for the arts and events scene, protecting and celebrating our rich history and heritage.
32. Economic development provides opportunities to reinvent existing public spaces and create new vibrant areas that embrace our social and cultural diversity.

Risks - *Tuuraru*

33. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy

Significance

34. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

35. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Updated Economic Development Agenda

Updated Economic Development Agenda

8 September 2020



Our Role in Economic Development

- The primary goal of economic development is to make cities and regions an attractive place to invest and do business.
- Some of the core activities undertaken by high-growth councils contain elements of economic development.
- This can include transportation improvements, development of parks and reserves, implementing sustainability efforts and engaging in long-term planning.
- This updated Economic Development Agenda will enable a prioritised work programme specifically designed to position Hamilton for business investments that are consistent with the Council's vision.

Updated Economic Development Agenda

Boundaryless Approach

- Our approach supports the Future Proof / Te Tau Tiitoki strategy of a diverse and vibrant metropolitan centre strongly tied to distinctive, thriving towns and rural communities
- We have contributed to the economic goals of the Hamilton-Auckland (H2A) Corridor plan and the Hamilton-Waikato Metro Spatial Plan
- Our work has led to an increase in labour market interactions across sub-regional boundaries

In Partnership

- Collaboration with Waikato Tainui is improving wellbeings, socioeconomic outcomes, and the quality of life for all Hamiltonians
- Meaningful engagement across our economic development ecosystem is creating a culture of shared economic success
- Sector-based action planning has identified near-term opportunities for transformation and growth
- Partnerships with education providers have positioned Hamilton as a hub for talent development and job training

Proactive & Purposeful

- Hamilton's competitive advantages are shared using authentic stories told in a simple and clear way
- Business attraction efforts align with Te Waka to ensure Hamilton's value proposition is considered by regional, national and international investment projects
- The strategic use of policies and initiatives has led to the retention and expansion of existing businesses

Platform for Growth

- We are creating economic conditions that are conducive to growth, investment, and new employment
- The Hamilton Invest website is the go-to resource for information about investment and growth opportunities in our region
- Our team can provide the data, insights, tools and connections to support the needs of a wide range of organisations

Council Report

Item 12

Committee: Economic Development Committee

Date: 08 September 2020

Author: Sean Murray

Authoriser: Sean Murray

Position: General Manager Venues, Tourism and Major Events

Position: General Manager Venues, Tourism and Major Events

Report Name: H3 Group - Quarter 4 and Year End Report 1 July 2019 to 30 June 2020

Report Status	<i>Open</i>
----------------------	-------------

Purpose - *Take*

1. To inform the Economic Development Committee on the performance of H3 including financial and non-financial reporting, focusing on quarter 4 and year end results from 1 July 2019 to 30 June 2020.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Economic Development Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. The intention of this report is to provide a more focused commentary on H3 activity – Council’s major events venue operation. This includes Claudelands, FMG Stadium Waikato, Seddon Park and residual activity related to the Founders Theatre.
4. A report providing Q4 and year end results is attached.
5. This report also speaks to the impact of COVID-19 on H3 business and into the coming financial year. While trading expectations remain uncertain, the report includes an early assessment of business levels which is subject to change.
6. The financial reporting of H3 activity is also reported to Council’s Finance Committee within the 2018-2028 10-Year Plan Monitoring Report under “Venues, Tourism and Major Events” activity.
7. Staff consider the matters in this report to have low significance and the recommendations comply with the Council’s legal requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

8. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future (‘the 4 wellbeings’).
9. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
10. The recommendations set out in this report are consistent with that purpose.

Social

11. H3 venues and events are safe for people to attend.
12. H3 venues are a place where communities can meet, compete and perform.
13. H3 Venues are place Hamiltonians are proud of.

Economic

14. H3 venues attract events that have a positive economic impact to the city.
15. Events held at H3 venues attract people to the city.
16. H3 venue infrastructure is well maintained, and improvements align with industry needs and requirements.
17. H3 financial management and decision making is sound.

Environmental

18. H3 venues respond to climate change challenges through several operating and built in initiatives. However continuous improvement and attention to this responsibility remains a critical element of the operations reputation and competitiveness. Refer Section 5 of the activity report.
19. H3 venues are healthy environments.
20. H3 cares about reducing, recycling and reusing water, electricity and waste.

Cultural

21. H3 venues offer a range of events for people to attend.
22. The heritage of H3 venues and locations is valued.
23. Our community has trust in H3.

Risks - *Tuuraru*

24. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

25. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

26. Given the low level of significance determined, the engagement level is low. No engagement is required.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

27. Staff confirm that the recommendation to approve funding complies with the Council's legal and policy requirements.

Financial Considerations - *Whaiwhakaaro Puutea*

28. This is a regular operating activity funded through the Long-Term Plan.

Attachments - *Ngaa taapirihanga*

Attachment 1 - H3 Q4 and Year End Activity Report 2019/20 .

Item 12

ACTIVITY REPORT YEAR END 2019/20



 **Hamilton City Council**
Te kaunihera o Kirikiriroa



GM'S COMMENT

Item 12

H3 is a business unit within the Venues, Tourism and Major Events Group at Hamilton City Council responsible for overseeing the city's premier event venues. This report is a summary of H3's Q4 and Year End activity for 2019/20 financial year and was prepared for Council's Economic Development Committee for its meeting on 8 September 2020.

H3 venues hosted a wide variety of events throughout the year, attracting over 440,000 patrons to events in our venues. In late March, event activity was suspended due to the COVID-19 lockdown as mass gathering restrictions were implemented.

This report provides detail on the impact of COVID-19 on H3's business and our reactions to it. Irrespective of the impact of lockdown in Q3 and Q4, H3 still delivered to its original 2019/20 budget due in part to increased revenue obtained through the majority of the year and a focus on cost containment.

I am pleased to report that our reputation in the events and venue industry is very strong across the New Zealand market which reflects well on Hamilton. During the year we received the following national accolades; a true testimony to the dedication and professionalism of the H3 team:

Attachment 1

Winner: EVANZ Large Venue of the Year – Claudelands

Winner: EVANZ Rising Star of the Year Kyle Evelyn (H3 Lead Event Technician)

Finalist – NZEA Best Venue 2019

Claudelands for Hospice Waikato and MFE 'Bucket List Banquet'

Finalist – NZEA Best International Event 2019

HSBC NZ Sevens (entered by 37 South and NZ Rugby)

Finalist – NZEA Best Sports Event 2019

HSBC NZ Sevens (entered by 37 South and NZ Rugby)

Sean Murray

GENERAL MANAGER
VENUES, TOURISM AND MAJOR
EVENTS GROUP

H3 GROUP | Q4 AND YEAR END REPORT 2020

1. HIGHLIGHTS

1.1 - SUMMARY OF QUARTER FOUR

- Following COVID-19 lockdown, H3's venue activity was able to re-start into the quarter, resulting in some event business returning to venues. Various H3 teams had been preparing for some weeks prior to the level change, to get ready for events including social distancing requirements, alternate room layouts, service changes for catering, hygiene and contact tracing requirements.
- The rapid move to unrestricted event gatherings was well received by event organisers and the public. In Q4 there were 32 public ticketed performance and sports events, exhibitions and sales at H3 venues, alongside 53 conferences, meetings and functions across all venues.
- In total, 49,850 people attended events at H3 venues in Q4. Claudelands had 30,306 people attend events and our stadia (FMG Stadium Waikato and Seddon Park) welcomed 19,544 attendees.

1.2 - 2019/20 YEAR IN REVIEW

- H3's venues hosted a diverse range of events across the year, alongside the completion of some significant capital and renewals projects at the venues.
- In total, 260,905 people attended events at Claudelands and 179,992 attended events at FMG Stadium Waikato and Seddon Park. As well as public ticketed performance and sports events (305), there were also 593 conferences, meetings and functions across all three venues. These events, while not always of high profile, were attended by over 44,000 people.
- Asset management renewal and capital projects took place during the year. Work on several projects took place including the completion of the Chiefs corporate hospitality suites (August), completion of the light tower renewal at Seddon Park (October), replacement of the turf at FMG Stadium Waikato (November – January), flooring replacement at Claudelands (December), plus installation of electronic payment options at FMG Stadium Waikato with Montana Food and Events (March). Ongoing work also took place around venue seismic building evaluations, plus security planning.
- H3 venues remain challenged during peak season with lack of availability at times. The lack of high-standard hotel inventory in Hamilton remains the number one inhibitor for growth in the large conference and major event activity market.

440,897
people attended
events at H3 Venues
in 2019/20



1.3 - EVENT ACTIVITY - CLAUDELANDS

TOTAL NUMBER OF ATTENDEES, NUMBER OF EVENTS, HIRE DAYS

261,424 ATTENDEES | 284 EVENTS | 634.5 HIRE DAYS

- Across all quarters, Claudelands was the host venue for a number of new and returning events.

- In August 2019, Disney On Ice's 'Mickey and Friends' ice skating show took place, with over 24,300 people attending 10 shows. The venue also staged for the first time the NZ leg of the Professional Darts Corporation's World Series of Darts 'NZ Darts Masters' event, with 5,912 people attending a weekend of



entertainment. In January, Claudelands hosted for the first time the 2020 4 and Rotary Nationals 'Show and Shine' car show day (attendees over 4,900 and pictured above) and in March, 5,932 patrons enjoyed another new event – The Great Kiwi Beer Festival. Performance (comedy, music, theatre, cultural and community) shows also entertained ticket buyers throughout the year. Some of these included:

AMERICA IN CONCERT	CANCER SOCIETY ANNUAL BALL	CRAFT AND QUILT FAIR
1 – DAY SALE	WAIKATO A&P SHOW	WAIKATO HOME & GARDEN SHOW
ALL FORD DAY	KIDS FOR KIDS PERFORMANCE	ASPIRE EXPO
HOUSE OF TRAVEL'S TRAVEL	SYNTHONY NZ SYMPHONY	SYNTHONY
TE MANA KURATAHI	ORCHESTRA CONCERTS	CANCER SOCIETY RELAY FOR LIFE

- In addition to all the above events, there are many events booked that are private or non-ticketed in nature such as business events (conferences, meetings) and functions (business related and private). Claudeland hosted a number of medium and large conferences including Trafinz Annual Conference 2019 (160 pax), NZ Recreation Association Conference 2019 (175 pax), Hire Industry Association NZ 2019 Conference (230 pax), WasteMINZ Conference 2019 (360 pax), Practice Managers and Admin Association of NZ Conference 2019 (395 pax), Water NZ Conference and Expo (900 pax) and Health Informatics NZ Conference (930 pax), STIHL Annual Conference and the Waikato Festival of Technology and Innovation 'Tech Fest 2020'.



H3 GROUP | Q4 AND YEAR END REPORT 2020

- Other corporate functions included The Kudos Hamilton Science Awards, Brian Perry Regional Sports Awards, Waikato Wellbeing Summit, Waikato Chamber of Commerce Luncheon, Waikato Women's Refuge Annual Saving Rose Gala Dinner and NZ Management Association Student Graduation Ceremonies.

1.4 - EVENT ACTIVITY - STADIA

TOTAL NUMBER OF ATTENDEES, NUMBER OF EVENTS, HIRE DAYS

179,992 ATTENDEES | 614 EVENTS | 418 HIRE DAYS

- Across all quarters, FMG Stadium and Seddon Park were the host venues for a number of new and returning events.

1.4.1 FMG STADIUM WAIKATO

- FMG Stadium Waikato hosted an All Blacks test match, Super Rugby, Mitre 10 Cup games and Super Rugby Aotearoa matches across the year. The venue also successfully completed the turf renewal project.
- In early January 2020, a small blessing ceremony took place, prior to the first international event – the 2020 HSBC NZ Sevens. The event was enjoyed by over 45,000 patrons across 2 days. The All Blacks Sevens extended their record as the most successful team on home soil with a 27-5 defeat of France in the final. The title was New Zealand's 10th on home soil but the first in Hamilton.
- Unfortunately, due to COVID-19 restrictions, a public open day (sponsored by FMG) and unveiling of the new History Wall was postponed in March. Subsequently the history wall has been unveiled (July) and will be reported on in the first quarterly report of 2020/21. The open day will be held later in 2020/21 (date tbc) and will include tours, rooftop walk and on-field events.
- The venue also hosted private functions such as weddings and other gatherings and is a popular venue for a number of small and medium business events throughout the year. In total over 148,000 people attended a range of events at FMG Stadium Waikato.



H3 GROUP | Q4 AND YEAR END REPORT 2020

1.4.2 SEDDON PARK

- Seddon Park held another successful cricket season, hosting several international cricket matches – Blackcaps v England test match, India v Blackcaps T20 and India v Blackcaps ODI. In addition, the White Ferns played a test against South Africa, plus the NZ A Team played India in a three-day warm up match. Associated trainings also took place with the venue with a number of Indian team supporters on site. In Q2, the new Seddon Park lights were unveiled and used for televised matches.
- During the year, domestic cricket (Super Smash, Ford Trophy, Plunket Shield and HBJ Shield) and kids community cricket also took place plus a new event, Sunset Cinema.
- Hamilton's reputation as a host city for international sporting events was further enhanced with the announcement the city will host a semi-final, as well as pool matches including the White Ferns, for the ICC Women's Cricket World Cup in February and March 2021. Hamilton is one of six host cities and this announcement is testament to the quality of the city's premier cricket facility at Seddon Park. (H3 has been subsequently advised in Q1 2020/21 this event has been postponed until 2022 due to COVID-19.)
- Across the year over 31,000 people attended events at Seddon Park.



1.5 - EVENT ACTIVITY - OTHER

FOUNDERS THEATRE

- Founders Theatre remained closed for all but essential maintenance. A final decision on the future of Founders is scheduled to be made by Council to inform the 2021-31 Draft Long-Term Plan. In the 2018-2028 10-year Plan, \$802k was budgeted for the demolition of Founders Theatre during 2018/19. Due to this not taking place during the financial year, the amount has been moved to 2021/22 budgets.



1.6 COVID IMPACT ON H3

- The impact of COVID-19 began from mid-February, with a number of cancellations including high profile events such as Netball, Super Rugby and Cricket. Prior to this, patronage numbers were strong with 391,0047 people attending events between July – December 2019, an 11% increase on the same time last year.
- As a business we have adapted accordingly and our focus has been on maintaining our high level of service and care to our clients during this challenging period plus focusing on a number of organisational improvement projects.
- Prior to the lockdown and subsequently, staff have been engaging in conversations with our partner and key clients (including national sporting organisations) about the potential future event landscape and effects on high level sport due to the inability of events to take place. We supported several H3 tenants with rental relief as per the Council process.
- H3 venues were officially closed to the public when the government announced the level 4 lockdown on 26 March 2020.
- H3 incurred increased cleaning, power and marketing costs in relation to an up-weighted cleaning schedule at venues in use, new hand sanitising stations, increased power costs for Community Based Assessment Centre (CBAC) opening hours, signage, web maintenance and collateral design for client and customer communication.

1.6.1 CBAC Location

- From 21 March, Claudelands became a hub for the COVID-19 pandemic response in Hamilton. Claudelands (Exhibition Hall B&D) opened as a drive-thru testing centre offering COVID-19 testing facilitated by the Waikato DHB. This was momentarily ceased in mid-June, before re-starting 27 June and into Q1 2020/21.
- As at 30 June, 21,894 COVID-19 tests had been conducted at the Claudelands CBAC. The Grandstand at Claudelands was also used by the DHB as flu vaccination centre for a short time. This was supported by a small number of H3 staff rostered on to facilitate this service from a venue perspective.



Above - Testing facilities at Claudelands CBAC - April 2020



H3 GROUP | Q4 AND YEAR END REPORT 2020

1.6.2 Logistics Hub - "Here to Help U"

- Claudelands was also the location of a logistics and distribution hub for a community led frozen food and food parcelling initiative by the Wise Group and Civil Defence called "Here to Help U", supported by Montana Food and Events and H3 staff.
- Over 451,464 total units of care were provided to the Hamilton community through frozen meals and food parcels, prepared and provided by Montana from venue kitchens and from the packing service set up in the Claudelands Arena.
- This included 8,110 family food parcels which were created onsite, using H3 staff to load stock in and out, divide stock, complete inventory checks and counts, pack parcels and deliver to community groups on a daily basis.
- H3 would like to acknowledge the support and partnership of Montana Food and Events for their contribution to the frozen meal initiative.



Above - MFE Staff preparing frozen meals from Claudelands kitchen - April 2020

1.6.3 Civil Defence Support

- A number of H3 staff were co-opted to the City's Civil Defence operation from the Genesis Building's Emergency Operation Centre through alert levels three and four, using their skills, experience and expertise to support the function.
- H3 Finance staff supported the Hamilton City Civil Defence team with accounting provision including procurement (over 300 individual invoices) of welfare services and NEMA claim reimbursement of COVID-19 pandemic related costs. H3 continues to liaise with NEMA in relation to these claims into Q1 2020/21.

1.6.4 Staff Redeployment

- All of these initiatives were resourced by H3 staff, either rostered daily to facilitate the service from a venue management, logistical and operational perspective, or re-deployed into physical work resulting from the activity.
- H3 had 57 staff deployed to assist in some way over the COVID-19 response, with approximately 5,708 hours deployed in total.



H3 GROUP | Q4 AND YEAR END REPORT 2020

1.6.5 Our Continuing Response to COVID-19

- The short term closure due to COVID-19 had a notable impact on virtually all H3 customers, suppliers and downstream business across Hamilton which included staff retrenchments and uncertainty over future business levels.
- The H3 sales team are working hard to get business back into venues, with some success. All staff are very conscious of the negative impact on employment as a result of lost business in Q4 (and into the first quarter of 2020-21).
- As a result we have adopted a new internal mantra - which is all about increasing employment opportunities for our customers, clients suppliers and key partners.
- H3 has completed a number of cost cutting exercises, delayed some transformation initiatives, implemented non-replacement of any departing staff and the team have taken almost 1,000 days of annual leave as part of a programme to reduce annual leave liability across H3.
- Throughout this time and now into Q1 of 2020/21, our external presence has been of vital importance.
- Our work in this area has played a pivotal role in H3's COVID-19 response, from initially sharing hygiene messages and advice through social channels, electronic mails, on-site messaging and pre-event emails during the early stages of the pandemic, before rolling out event cancellation/postponement messages, assisting with client messaging and overseeing internal staff messaging as the situation accelerated and alert levels came into effect.
- Currently we continue to engage with and inform our clients and audiences of event announcements throughout this period, as well as experiment with different types of social media and content to gauge audience engagement levels and build a greater understanding of their preferences.

**Discover the steps
we've taken to get back
to business (events)**
CLAUDELANDS



Getting back to business (events)

As we get set to welcome you and your events back to FMG Stadium Waikato, we wanted to let you know about the steps we've taken to ensure you can return to business in the safest, smartest and most cost-effective way possible.

The wellbeing of you, your guests and our staff is our number one priority. Therefore, we are closely following advice from the Ministry of Health regarding COVID-19 and are currently taking the following steps in preparation for getting back to business.



We can't wait to get back to business with you again in the not-too-distant future in the meantime, feel free to reach out to us if you have any queries.

FMG Stadium Waikato

GETTING JOBS BACK FOR OUR MAT3S

Getting back to business (events)

As we get set to welcome you and your events back to Claudelands, we wanted to let you know about the steps we've taken to ensure you can return to business in the safest, smartest and most cost-effective way possible.

The wellbeing of you, your guests and our staff is our number one priority. Therefore, we are closely following advice from the Ministry of Health regarding COVID-19 and are currently taking the following steps in preparation for getting back to business.



We can't wait to get back to business with you again in the not-too-distant future! In the meantime, feel free to reach out to us if you have any queries.

- The Claudelands team

CLAUDELANDS

Above and below - Examples of specific collateral / client messaging

2. FINANCIAL SUMMARY

Item 12

H3 Financial Summary

2.1 -Table 1 - RESULT FOR THE PERIOD 1 JULY 2019 to 30 JUNE 2020

Prior YTD Actual 2018-19		Actual YTD	Annual Budget	Variance favourable/ (unfavourable)
\$000		\$000	\$000	\$000
	Revenue			
-	Subsidies and Grants	-	-	-
2	Capital Revenue	40	100	(60)
7,376	Revenue from Activities	6,680	6,115	565
7,379	Total Revenue	6,720	6,215	505
	Direct Operating Costs			
2,682	Cost of Sales	2,756	2,050	(705)
4,923	Personnel Costs	5,147	5,301	154
2,367	Operating and Maintenance costs	2,327	2,139	(188)
114	Professional Costs	101	188	87
926	Administrative Costs	896	945	49
1,518	Property Costs	1,512	1,640	129
12,530	Total Direct Operating Costs	12,737	12,263	(474)
(5,152)	Direct Operating Surplus/(Deficit)	(6,017)	(6,048)	31
	Indirect Revenue			
359	Interest Income	139	124	15
	Indirect Overhead Costs			
5,100	Depreciation and Amortisation	5,325	5,491	165
2,416	HCC Overhead Allocation	2,795	2,705	(90)
1,911	Finance Costs	1,704	1,643	(61)
9,428	Total Indirect Operating Costs	9,824	9,839	15
(9,069)	Net Indirect Costs	(9,686)	(9,715)	29
(14,221)	Net Surplus/(Deficit)	(15,703)	(15,763)	61
-	Gains and Losses	-	-	-
-	Total Gains and (Losses)	-	-	-
(14,221)	Surplus/(Deficit)	(15,703)	(15,763)	61

NOTE: The Financials presented exclude Founders Theatre for reporting purposes. Any prior year comparatives reflect this also.



H3 GROUP | Q4 AND YEAR END REPORT 2020

Attachment 1

2.2 - REVENUE

- Favourable due to additional volume of events incurred in Q1 to Q3. Loss of revenue due to COVID-19 was \$1.277m.

2.3 OPERATING EXPENDITURE**COST OF SALES**

- Additional costs relate to the uplift in revenue in Q1 to Q3 and were driven by the different mix of events.

OPERATING AND MAINTENANCE COSTS

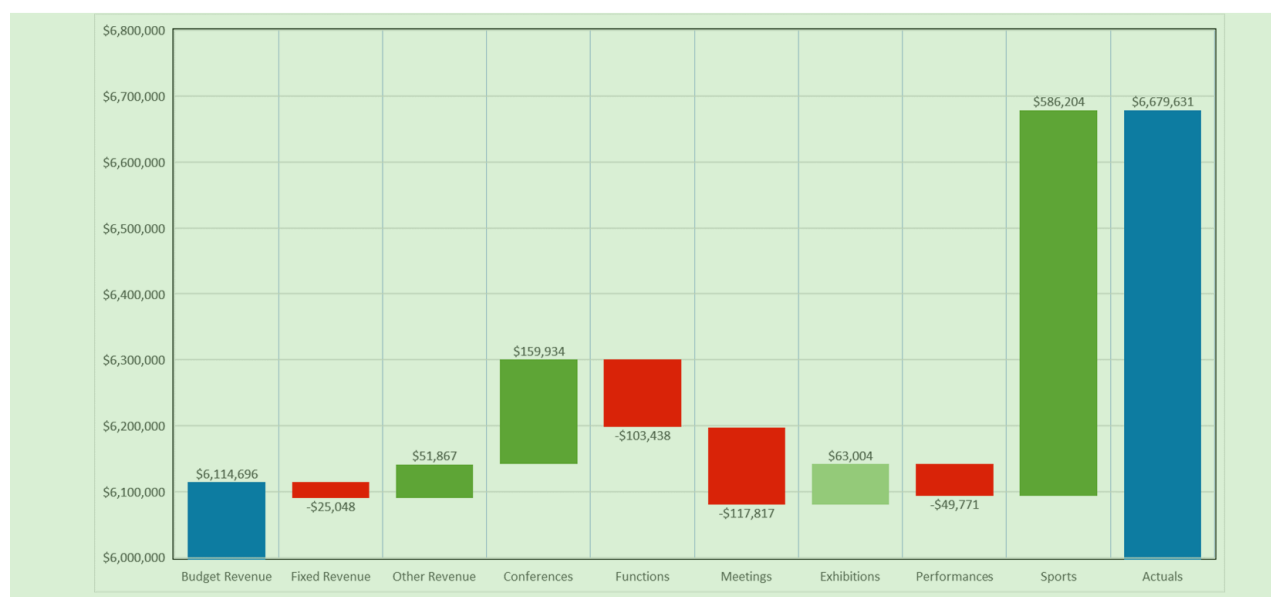
- Additional maintenance costs, including cost of work carried out in FY18-19 flowing into current year.



REVENUE SUMMARY

Item 12

2.4 GRAPH 1 - 2019/20 H3 REVENUE VARIANCE TO BUDGET (EXC. CAPITAL)



Attachment 1

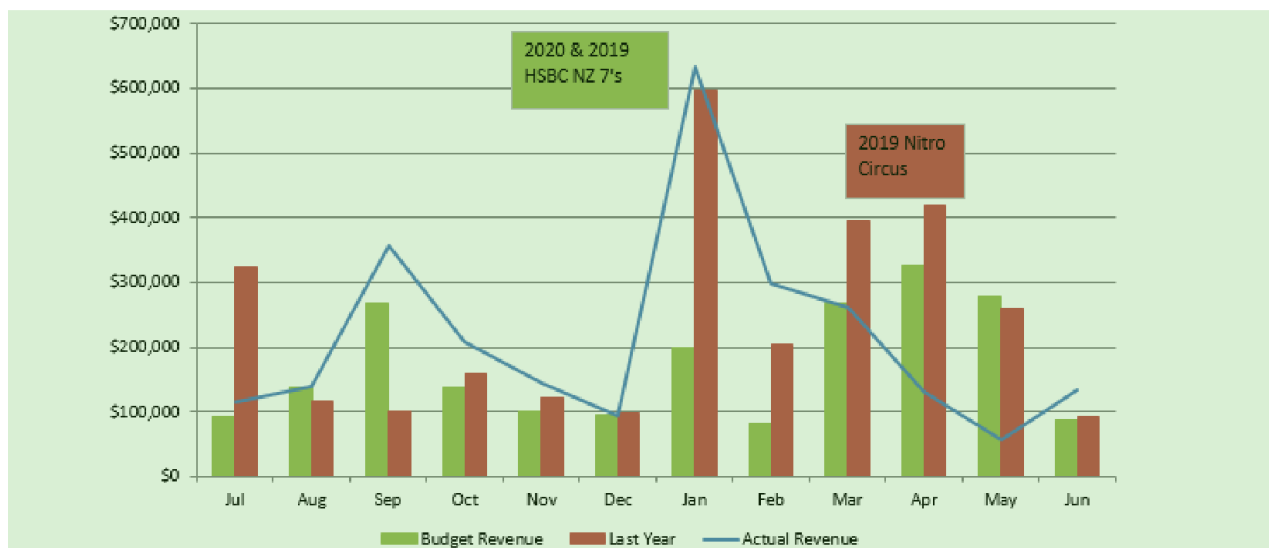
- Overall, the impact of COVID-19 on H3's revenue was offset by favorable results across the first three quarters of the year.
- Total revenue for the year finished above budget by \$565k (9%). Conference revenue was \$160k above budget with higher yield conferences, partially offset by lower event volumes.
- Sporting events revenue was \$586k above budget with higher than expected yields, attendees and hire days (Event example: NZ Darts Masters, All Blacks v Tonga and the HSBC NZ Sevens).
- Functions (\$103k) and meetings (\$117k) event revenue were below budget with higher event volumes.
- Exhibitions revenue was \$63k above budget, driven by higher than expected attendees and hire days but offset by lower than expected event volumes.



H3 GROUP LIMITED | Q4 AND YEAR END REPORT 2020

STADIA RESULT

2.5 - GRAPH 2 - 2019/20 STADIA REVENUE



2.5.1 - TABLE 2 - STADIA SUMMARY PERIOD 1 JULY 2019 TO 30 JUNE 2020

	Actual YTD	Annual Budget	Variance Favourable/ (unfavourable)
	\$000	\$000	\$000
Revenue			
Subsidies and Grants	-	-	-
Capital Revenue	40	100	(60)
Revenue from Activities	2,871	2,361	510
Total Revenue	2,912	2,461	451
Direct Operating Costs			
Cost of Sales	1,215	823	(392)
Personnel Costs	2,120	2,220	100
Operating and Maintenance Costs	1,211	1,451	240
Professional Costs	52	107	54
Administrative Costs	442	463	21
Property Costs	789	879	90
Total Direct Operating Costs	5,829	5,943	114
Direct Operating Surplus/(Deficit)	(2,918)	(3,482)	565

- Total Stadia revenue for year is 22% above budget driven by HSBC NZ Sevens, which was unbudgeted, due to the event not being confirmed at time of budget setting.
- In line with Council resolution Chiefs, Waikato Rugby Union and Northern Districts Cricket received 3 months' rent relief for leased space for the period to June 2020, valued at \$87k.

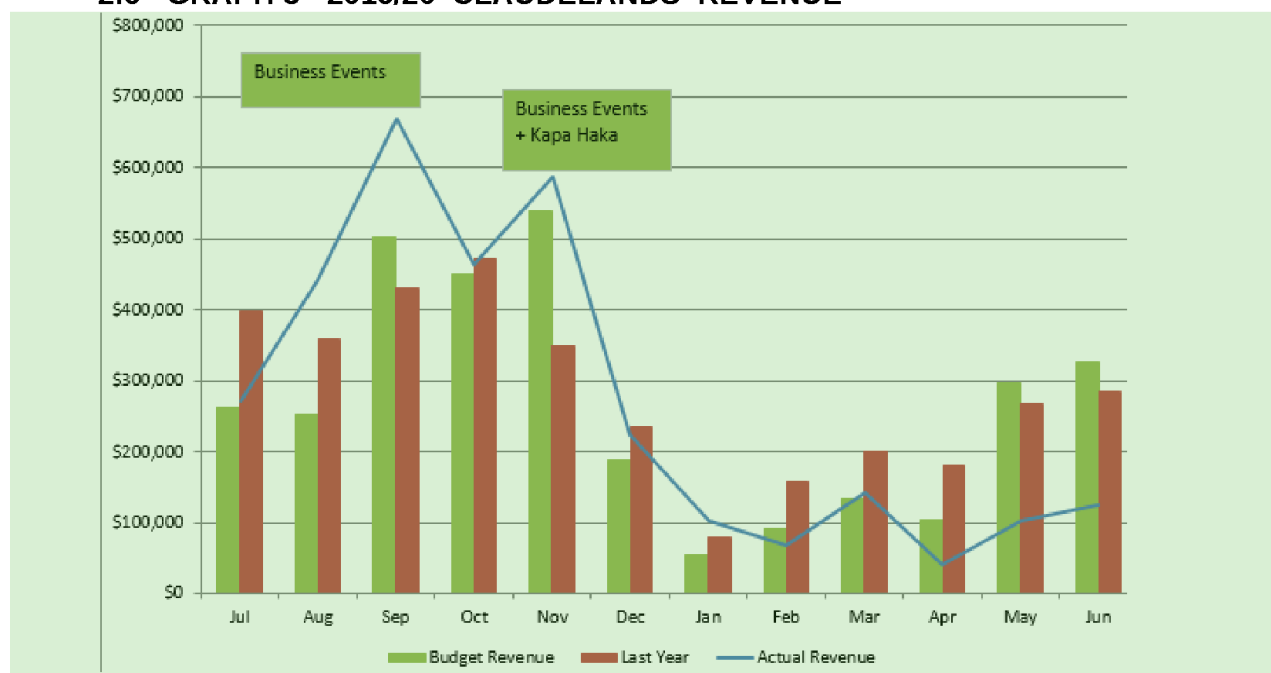


H3 GROUP | Q4 AND YEAR END REPORT 2020

CLAUDELANDS RESULT

Item 12

2.6 - GRAPH 3 - 2019/20 CLAUDELANDS REVENUE



Attachment 1

2.6.1 - TABLE 3 CLAUDELANDS SUMMARY PERIOD 1 JULY 2019 TO 30 JUNE 2020

	Actual YTD	Annual Budget	Variance Favourable/ (unfavourable)
	\$000	\$000	\$000
Revenue			
Subsidies and Grants	-	-	-
Capital Revenue	-	-	-
Revenue from Activities	3,808	3,754	54
Total Revenue	3,808	3,754	54
Direct Operating Costs			
Cost of Sales	1,541	1,227	(314)
Personnel Costs	3,026	3,081	55
Operating and Maintenance Costs	1,116	687	(428)
Professional Costs	48	81	33
Administrative Costs	454	482	28
Property Costs	723	761	38
Total Direct Operating Costs	6,908	6,320	(588)
Direct Operating Surplus/(Deficit)	(3,099)	(2,566)	(533)

- Total Claudelands revenue for the year, ended 1.5% above budget. This was due to the very strong Q1-Q3 result across our events. In line with Council resolution, Montana Food and Events and Waikato Show Trust has each received 3 months' rent relief for leased space for period to June 2020 (\$8.3k)



H3 GROUP | Q4 AND YEAR END REPORT 2020

3. ACTIVITY SUMMARY

3.1 - NUMBER OF EVENTS, HIRE DAYS AND ATTENDANCE AT H3 VENUES - 2019/20



**440,897 people
attended events**



**898 events
took place**

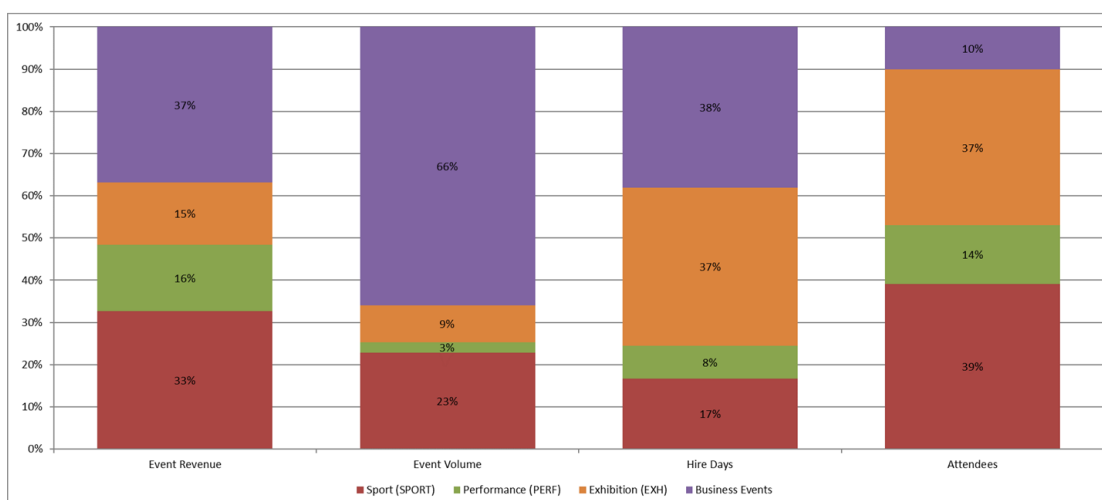


**1052.5
hire days**

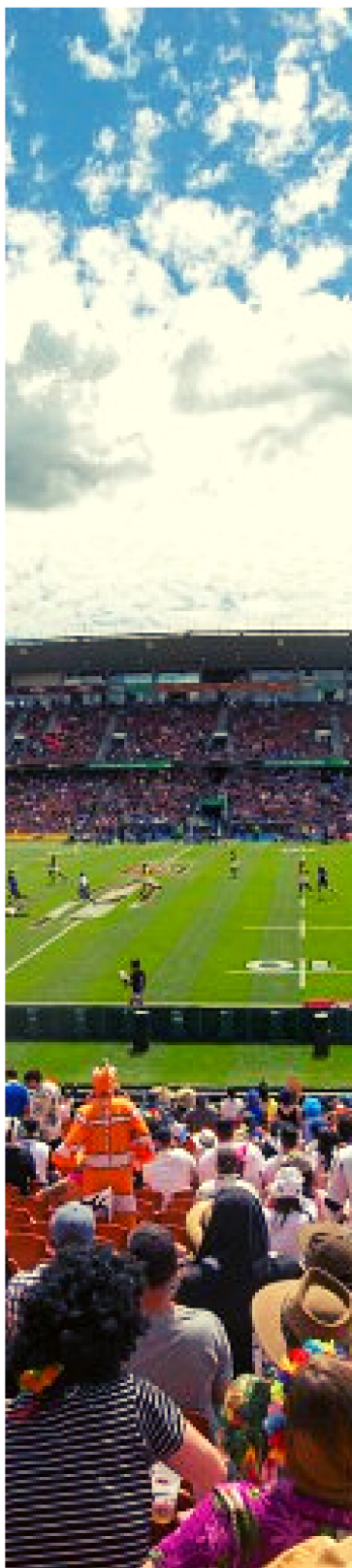
3.2 - TABLE 4: BY EVENT TYPE FOR THE PERIOD 1 JULY 2019 - 30 JUNE 2020

Event Type	Number of Events					Hire Days					Attendance				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Business Events	215	200	125	53	593	134.5	146.75	78.75	66.75	426.75	15,491	21,765	6,149	1,167	44,572
Exhibition	29	16	23	8	76	31.75	57.25	145.75	116.25	351	36,624	59,575	36,627	29,680	162,506
Performance	11	11	1	0	23	46.75	36.5	4.75	0	88	33,162	27,681	661	0	61,504
Sport	59	58	65	24	206	70.75	51.75	57.25	7	186.75	42,315	25,766	85,231	19,003	172,315
Total	314	285	214	85	898	283.75	292.25	286.5	190	1052.5	127,592	134,787	128,668	49,850	440,897
FY 2018/19 comparison	368	310	240	318	1236	259.25	245	190.25	289.5	984	111,449	123,485	174,099	149,312	558,345

3.3 - GRAPH 4: BUSINESS MIX BY EVENT TYPE FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020



H3 GROUP | Q4 AND YEAR END REPORT 2020



3.4 - 2018-2028 10-YEAR PLAN KPIS

TABLE 5: FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020

Measure	Annual Target	Q1	Q2	Q3	Q4	TOTAL
The number of people attending events at H3 Venues	440,000	127,592	134,787	128,668	49,850	440,897

3.5 - OTHER NON-FINANCIAL KPIS - CUSTOMER SATISFACTION

TABLE 6: FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

Survey Type	Q1	Q2	Q3	Q4	TOTAL
Business Events Hire Survey (1-10)	9.1	9.5	9.3	0	9.3
Ticketed Events Attendee Survey (1-10)	8.6	8.7	0	0	8.7

- Due to COVID-19 H3 temporarily ceased surveying business event clients and ticketed event attendees through Q3 and Q4. Surveying activity has recommenced for Q1 2020/21.

3.6 - KEY SUPPLIERS

Contracts approved or renewed during 2019/20 were:

- Contract 18540 – Lift Replacement FMG Stadium Waikato
- Contract 15065 – Cleaning of H3 Venues (renewal)
- Contract 16291 – Audio Visual Services for H3 venues (renewal)
- Recognising the impact COVID19 has had on the event industry, as reported in our quarter 3 report, we are continuing to work closely with key suppliers to manage contractual obligations, with the focus on minimising costs where able. This will continue into 2020/21.



H3 GROUP | Q4 AND YEAR END REPORT 2020

3.7 - OUR PEOPLE

- H3's cumulative permanent staff turnover for the year was 12.61% with a total of nine staff leaving against an average staff number of 72. This is slightly below the prior year period result (14.6%). H3 has a relatively stable workforce and average length of service of 6.33 years.



Some of the H3 team collecting EVANZ 2019 awards, Christchurch

	Q1	Q2	Q3	Q4	TOTAL
Permanent staff turnover	3	2	2	2	9

- In early May and through to end of July 2020, H3 adopted a programme to help reduce annual leave liability. This was predicated on the amount of leave available to be taken per staff member and included some staff moving to a four-day working week and taking one day a week as annual leave. Bulk annual leave was taken in some circumstances to help reduce the cost to the business.
- In total, over 965 days of leave was taken by H3 staff over this time. This had a positive impact on operational expenditure of \$52k.

3.8 - HEALTH AND SAFETY

TABLE 7: INJURIES, MEDICAL TREATMENT AND LOST TIME INJURIES FOR THE PERIOD 1 JULY 2019 - 30 JUNE 2020

	Q1	Q2	Q3	Q4	TOTAL
Injuries	0	2	0	1	3
Medical Treatment	0	1	0	0	1
Lost Time Injuries	0	0	0	0	0

- There was one health and safety incident in Q4. All four incidents relate to staff and were sprains (2) and cuts (2).
- The main health and safety focus during Q4 was the wellbeing of our staff and supporting the city response to COVID-19:
 - Established working from home during Covid Alert Level 4 for those staff that were able to
 - H3 staff supported Hamilton's Covid response in the following ways:
 - Worked at Civil Defence Emergency Operations Centre
 - Supported community food parcel operations
 - Supported operation of the CBAC (Community Based Assessment Centre)
 - Implemented a monthly online Emergency Response Quiz for the H3 team

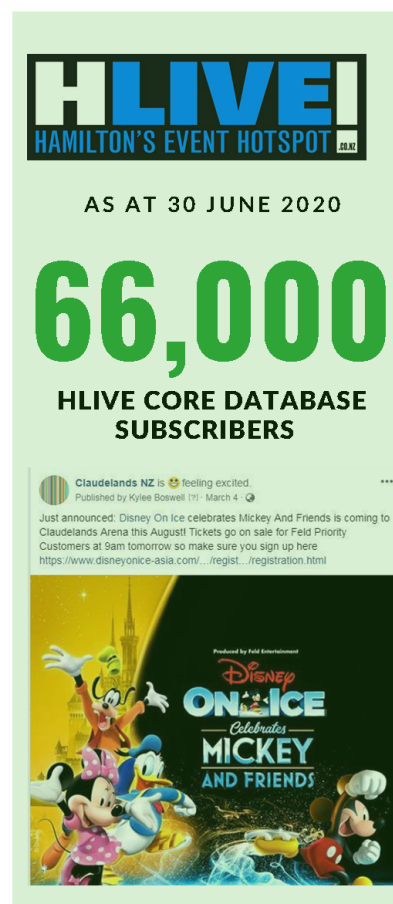


H3 GROUP | Q4 AND YEAR END REPORT 2020

4. SOCIAL MEDIA HIGHLIGHTS

Item 12

- In total across the past 12 months HLive NZ's Facebook likes increased by 1766, while the Facebook likes of Claudelands NZ and FMG Stadium Waikato grew by 1565 likes and 577 likes respectively. Growing HLive's brand awareness and following is an important area of focus for the H3 Marketing team, so it was pleasing to see this page experience the greatest increase in Facebook likes out of the three pages over the past 12 months.
- For the Q4 period, the HLive NZ Facebook page had a positive increase of 231 likes (going from 12,154 to 12,385), while FMG Stadium Waikato increased by 94 likes over the quarter (going from 7359 to 7453). Despite Claudelands NZ experiencing an increase in likes over the 12 months, the page experienced a slight decrease of 34 likes over the last quarter (dropping from 18,539 to 18,505) – possibly as a result of less event activity taking place during this period due to COVID-19.
- Ticket giveaways consistently receive high engagement across all three Facebook pages, however the most engaged with post over the past 12 months was our response to the incident in August 2019 where a member of the public was discouraged from breastfeeding at Claudelands by a contractor during Disney On Ice. Our response to the incident reached over 15,800 people and received 6000 reactions, comments and shares. The post with the second highest engagement for the year was the 21 January 2020 announcement that the 'Sunset Cinema' outdoor movies series were taking place in Seddon Park in February. This post reached over 26,000 people and received 866 reactions, comments and shares, and 3,407 post clicks through to the ticketing website.
- While Facebook remains by far our most popular social media channel, over the next 12 months the H3 Marketing team will also be focused on growing its following on other social media channels to be seen by new audiences and broaden its reach.
- This will include building on its current 740-strong HLive Instagram following, as well as growing its online community of business event organisers and industry contacts via the Meet_Claudelands Instagram account (currently with 506 followers) and the H3 Group NZ LinkedIn page (currently with 644 followers).



Attachment 1



H3 GROUP | Q4 AND YEAR END REPORT 2020

5. SUSTAINABILITY

- H3 has spent the past year investigating and evaluating sustainability initiatives at H3 venues, with most of our focus based on Claudelands and FMG Stadium Waikato.
- Upon commencement of the project it was clear that H3 needed to get the 'back end' processes right in our venues before we could make visible changes and tell H3's sustainability story to the public, this is where our actions have been based.
- Initially our focus was heavily on waste management with the Council's waste management supplier change to EnviroWaste due in September 2020. Many of the processes we would like to put in place, are on hold until then when this new supplier is on board. This will allow us to recycle more of our waste products than we currently are able to and instigate new practices that H3 currently have restrictions around.
- There is a high demand from clients for more initiatives and practices to be introduced throughout our venues and this further reinforces the need for this programme of work. It is also noted that sustainability is a current focus in venues throughout Australasia. H3's current work includes:
 - Introduction of 'Our Branches of Sustainability' that reinforce our commitment to meaningful and long-lasting sustainable practices
 - New waste management bins and systems at Claudelands to allow recycling to be in line with the current HCC Waste management system
 - Sustainability information added to Claudelands website and venue digital signage system
 - Extensive consultation with Montana around areas of improvement & adjustment
 - All food waste from Montana now going to an MPI approved pig farm
 - Relationship building and strategy alignment with the wider Council team
 - Review of cleaning products and supplies to ensure they are from a sustainable source
 - Reusable cups introduced in the lounges at FMG Stadium Waikato
 - Landyard recycling system at Claudelands and FMG Stadium Waikato
 - Electronic sign in system for contractors and visitors to our venues
 - Electronic contract signing system ready to roll out



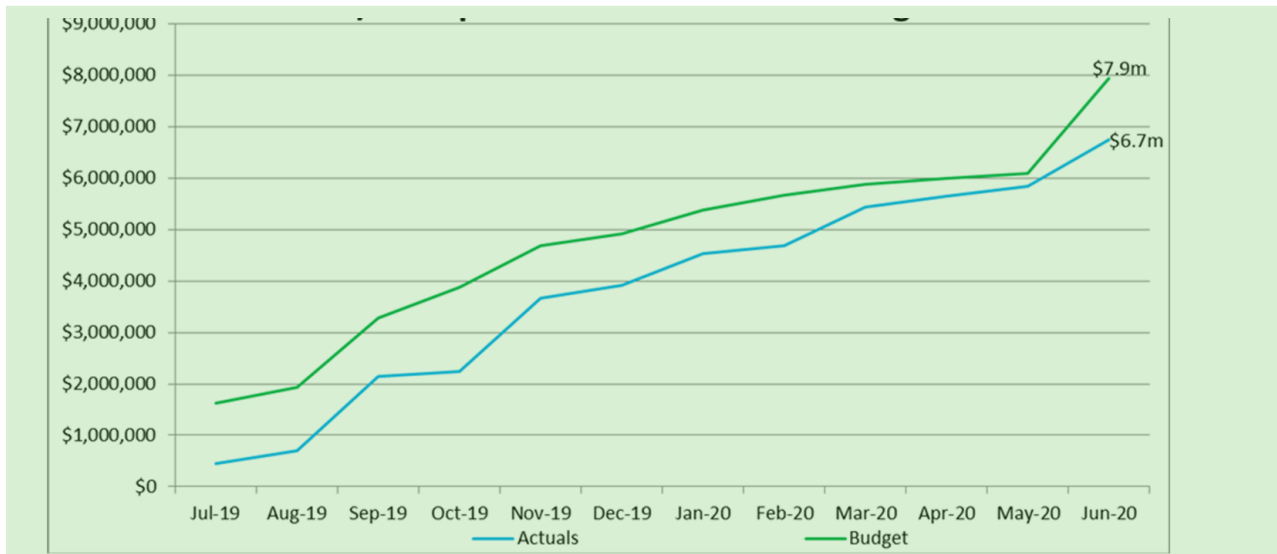
H3 GROUP | Q4 AND YEAR END REPORT 2020

6. CAPEX & ASSET MANAGEMENT

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6.1 - 2019-20 CAPEX SPEND ACTUALS VERSES BUDGET

GRAPH 5: FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020



Attachment 1

- Our capital programme had an underspend of \$1.2m. This underspend is the result of timing and schedule delays due to COVID-19 restrictions. Underspent budget has been deferred to 2020/21.

6.2 - ASSET MANAGEMENT

6.2.1 SEDDON PARK - LIGHT TOWERS

- The physical works on the light towers are now complete, with code of compliance certification issued. This project is now closed.

6.2.2 FMG STADIUM WAIKATO - TURF REPLACEMENT

- Work to replace the playing surface at FMG Stadium Waikato kicked off in November and was completed in early Q3 in time for the HSBC NZ Sevens. The Turf is performing extremely well and feedback from the players and World Rugby were very complimentary of the quality of the pitch.

6.2.3 FMG STADIUM WAIKATO - LIGHT TOWERS

- Investigation and design work continues which will inform scope and schedule of this work. This project will be incorporated into the 2021-31 Long Term Plan, with timing to occur over the first two years.



H3 GROUP | Q4 AND YEAR END REPORT 2020

6.2.4 FMG STADIUM WAIKATO RENEWAL WORKS - PASSENGER LIFT

- The lift car has arrived in the country and H3 are working to accelerate the installation over the coming months. Completion is expected in Q1 2020/21.

6.2.4 FMG STADIUM WAIKATO TIE-RODS

- These have arrived and replacement work is due to commence in Q1 2020/21. Completion is expected in Q2 2020/21.

6.2.5 CLAUDELANDS – RENEWALS WORK

- Carpeting – After 10 years of use, the Conference area carpet has been replaced. Feedback from clients has been very positive. The next phase of replacement is the Arena concourse which is scheduled for Q1 2020/21.

6.2.6 SEDDON PARK - STAFF FACILITIES

- The Seddon Park staff facilities project was delayed due to COVID-19. Funds were deferred to FY20/21 with work due to commence in Q1 2020/21. The project is on schedule to be completed by the start of the upcoming cricket season.

6.2.7 WEL NETWORK STAND

- Remediation options assessment is continuing and will be included in draft 2021-2031 LTP budgets.



Above - significant capital projects completed in 2019/20 include the turf replacement at FMG Stadium Waikato and new Seddon Park lights.



H3 GROUP | Q4 AND YEAR END REPORT 2020

7.HOT TOPICS

7.1 - AREAS OF FOCUS

- Transformational Projects
- Continued COVID-19 Response

The looking forward section of this report will cover the actual and anticipated utilisation and financial impacts of COVID-19 on the H3 operation however there are several new operational issues that have emerged that the H3 operation now has to face:

- **Workforce Planning** - will continue as planned (this is about staff rostering optimisation and cost recovery)
- **Event and Venue Security** - this programme remains a focus for H3 and will be including in draft 2021-2031 LTP planning.
- **Environmental Sustainability** - this programme remains a focus for H3 and will be including in draft 2021-2031 LTP planning.
- **WEL Networks Stand at FMG Stadium Waikato** - Remediation options assessment is continuing and will be included in draft 2020-2031 LTP budgets.
- **COVID-19 Alert Level 2, Level 1 and beyond** - Major operational planning continues for the events and venues management industry as to how it safely resumes operations for the varying types of events that are delivered across H3 venues.
- This work is being coordinated on a national, regional and customer by customer basis and has a major impact on onsite operational procedures; staffing, space design, the method of hospitality service and commercial model. This remains a very fluid but resolvable situation.



8. THE YEAR AHEAD 2019-20

8.1 FORWARD LOOKING FINANCIALS - REVENUE

TABLE 8: H3 EVENT METRIC FORECAST FOR THE PERIOD ENDED 30/6/2021

Full Year Forecast		Full Year Forecast	
Claudlands		Stadia	
Revenue	\$ 2,148,395	Revenue	\$ 566,719
Attendees	307,295	Attendees	154,273
Hire days	670	Hire days	289
Event Volume	315	Event Volume	325

8.2 TABLE 9: H3 Operating Budget 2020-21

	Annual Budget	Revised Budget	
	Total	Total	Variance
	\$'000	\$'000	\$'000
Revenue			
Subsidies and Grants	-	-	-
Capital Revenue	100	100	-
Revenue from Activities	5,967	3,689	(2,278)
Total Revenue	6,067	3,789	(2,278)
Direct Operating Costs			
Cost of Sales	1,926	1,085	(841)
Personnel Costs	5,624	5,224	(400)
Operating and Maintenance costs	2,009	1,834	(175)
Professional Costs	198	198	-
Administrative Costs	942	817	(125)
Property Costs	1,604	1,454	(150)
Total Direct Operating Costs	12,304	10,613	(1,691)
Direct Operating Surplus/(Deficit)	(6,237)	(6,824)	(587)

Variance Explanations

- Revenue From Activities - quarterly reductions are (75%), (40%), (30%), (20%) respectively
- Cost of Sales - linked to reduction in event revenue
- Personnel Costs - Personnel savings due to reduced events and tightening of staff management (i.e. minimal use of casual labour)
- Operating and Maintenance costs - Reduction in costs due to reduced event use and careful management
- Admin Costs - Savings through careful management
- Property Costs - Reduction in utilities due to reduced event use



8. THE YEAR AHEAD 2019-20

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8.3 FORWARD LOOKING

- In H3's last report (Q3), we shared expectations on the financial and management response impact. The fundamentals as advised at that time have not changed.
- Post lockdown, the return of business exceeded expectations, cancellations became re-bookings, events returned to our venues sooner than anticipated and controls over the conduct of meetings and gatherings were all but back to normal. Our results for July 2020 came in ahead of original budgets.
- The move in August to level 2 (Hamilton and rest of NZ) and level 3 (Auckland) have had further impact and reminded us of the need to remain not only vigilant of the virus, but also conservative in our business expectations. However, we remain optimistic.
- While it remains under review, H3 will hold to its revised 2020/21 budget (as noted in 8.2). However the financial goal will remain to achieve if not exceed the original direct operating budget.

Attachment 1



H3 GROUP | Q4 AND YEAR END REPORT 2020

Council Report

Committee: Economic Development Committee

Date: 08 September 2020

Author: Sean Murray

Authoriser: Sean Murray

Position: General Manager Venues, Tourism and Major Events

Position: General Manager Venues, Tourism and Major Events

Report Name: Major Event Sponsorship Fund - recommendations for approval

Report Status	<i>Open</i>
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Purpose - *Take*

1. To recommend applications from the 2020 funding round to the Major Event Sponsorship fund for approval by the Economic Development Committee.
2. To inform the Economic Development Committee of a review of event sponsorship fund activity from the 2019-20 financial year.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Economic Development Committee:
 - a) receives the report including the management recommendations;
 - b) approves the following single year event sponsorship applications for financial sponsorship in 2020/21 (one year):
 - i. **Cambridge to Hamilton Paddle Race 2020** by The Boatshed Kayaks Limited for \$5,000;
 - ii. **NZ U15 & U19 Badminton Championships 2020** by Badminton NZ Incorporated for \$5,000;
 - iii. **Rāhui Pōkeka Ahurei 2020** by Tainui Teachers Association Society Incorporated for \$15,000;
 - iv. **NZ Artistic Swimming Nationals 2020** by Tauranga Synchronised Swimming Club Incorporated for \$2,000;
 - v. **He Piko He Taniwha 2021** by Tainui Waka Tourism Incorporated for \$25,000;
 - c) approves the following multi-year event sponsorship applications for financial sponsorship 2020/21 and 2021/22 (for two years):
 - i. **The Great Kiwi Walk Series 2021 and 2022** by SMC Events for \$10,000 each year;
 - d) approves the following multi-year event sponsorship applications for financial sponsorship in 2020/21, 2021/22 and 2022/23 (for three years):
 - i. **Round the Bridges 2020, 2021 and 2022** by Hamilton Harriers Club Inc and Classic Events for \$10,000 each year;

- ii. **Hamilton Gardens Arts Festival 2021, 2022 and 2023** by Hamilton Gardens Summer Festival Foundation for \$120,000 each year;
- iii. **iBoon: Hamilton Street Art Festival 2021, 2022 and 2023** by Hamilton Arts Trust for \$25,000 each year;
- iv. **Balloons over Waikato 2021, 2022 and 2023** by Balloons over Waikato Trust and Classic Events for \$120,000 each year;
- v. **Feast Waikato 2021, 2022 and 2023** by Waikato Food Inc for \$10,000 each year.
- e) approves the following event sponsorship applications for financial sponsorship in 2021/22 (one year):
 - i. **New Zealand Marching Championships 2022** by Marching Waikato for \$20,000
- f) approves the following event sponsorship applications for financial sponsorship in 2021/22 and 2022/23 (two years):
 - i. **The Achilles Hope and Possibility Marathon 2021 and 2022** by Achilles Track Club NZ Inc for \$10,000 each year.
- g) declines the following applications for financial sponsorship in 2020/21:
 - i. Daedalum@ the Waikato A&P Show 2020 by Showing Waikato Limited;
 - ii. Art for All@ the Waikato Show 2021, 2022 and 2023 by Showing Waikato Limited;
- h) notes the remaining surplus in 2020/21 budget will remain in the fund available for any out of round applications for the remaining of the current financial year; and
- i) notes the remaining surplus of future year's fund will be available for further allocation expected to open in March/April of the relevant year.

Executive Summary - *Whakaraapopototanga matua*

4. Council recently conducted an applications process for major event sponsorship fund allocations. A total of 15 events have applied for funding from Council.
5. As per the terms of reference, the Economic Development Committee is delegated "approval or otherwise for event sponsorship applications in compliance with the [Event Sponsorship Policy](#) and approved budget".
6. As per the Community Committee terms of reference, the ability "to provide input on the allocation of events sponsorship funding to the Economic Development Committee" was sought and direction obtained at a meeting between staff and relevant elected members on 24 August 2020.
7. The report includes the management recommendations for approved and declined applications across 2020/21 and 2021/22 financial years. Council can receive applications for future financial years, as well as single or multi-year funding requests. This can provide event organisers and applicants with more certainty to stage their events in Hamilton.
8. The funding round for the 2020-21 Major Event Sponsorship Fund initially opened in March but was suspended due to COVID-19. The round was re-activated in July as NZ moved to alert level 1. The funding round was open and available for applications from 1-31 July 2020. This was advertised with two council media releases and associated updated website information.
9. Staff will work closely with all approved applicants in relation to current COVID-19 alert level impacts on events and gathering. Any approval to fund is on the provision that the event to be able to take place i.e. level 1 alert level or lower.

10. Staff consider the decisions made in this report to have a low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

11. Hamilton's Major Event Sponsorship Fund is designed to provide support to organisations delivering events in line with Hamilton's objectives. The application of the fund is governed by the [Event Sponsorship Policy](#) and focuses on larger event opportunities where exposure will reach well beyond Hamilton, delivering high profile coverage and where it will attract significant numbers of visitors, plus deliver community participation.
12. The allocation of funds is highly contestable. Council is to be treated as any commercial sponsor would in terms of recognition and benefits and this is negotiated on an individual basis with approved applicants. Sponsorship funding will be allocated to support the effective organisation and marketing of events and is not intended to fund operating shortfalls.
13. Applicants applying for funding need to ensure their events help to achieve these objectives and meet the following criteria:
 - i. **Exposure and promotion for the city:** The event lifts the status, awareness or profile of Hamilton through the media exposure it receives (international/national & local). It helps position Hamilton as New Zealand's premier events destination and provides proof of Hamilton's positioning as a go-ahead, modern, achieving and well-balanced city.
 - ii. **Economic benefits for the city:** The event increases the number of people who would normally come into the city at that time thereby providing potential benefit to local businesses. Events that bring in new money and result in people staying in Hamilton are more desirable. Supports events that bring visitors to Hamilton.
 - iii. **Promote pride and sense of place for Hamilton residents:** The event gives residents and those living outside Hamilton, additional entertainment choice and recreational opportunities as well as creating a more vibrant and interesting local lifestyle.
14. All 15 applications were assessed against the criteria by management in compliance with the Event Sponsorship Policy to collectively assess and determine applications for approval by the Committee.
15. Full management recommendations are attached as attachment one and due to size, full applications are provided as separate cover.

Discussion - *Matapaki*

Approval Recommendations – Major Event Sponsorship Fund 2020-21

16. The total budget of the 2020-21 Major Event Sponsorship Fund is \$401,246.
17. The total available balance of the fund is \$361,246, as funding for Matariki ki Waikato (2020, 2021 and 2022 for \$40k each year), was approved in February 2020. Ultimately their June/July 2020 event was unfortunately cancelled due to COVID-19 but this does not impact on available budget, as this will be used to support their 2021 event.
18. The General Manager Venues, Tourism and Major Events has recommended the following: – as detailed in the recommendation and in attachment one:
 - *11 event sponsorship applications for funding are approved from the 2020-21 major event sponsorship fund, totalling \$347,000.*
 - *two event sponsorship applications for funding are declined from the 2021-21 major event sponsorship fund.*

Approval Recommendations – Major Event Sponsorship Fund 2021-22

19. The total budget of the 2021-22 Major Event Sponsorship Fund is \$410,146.
20. The total available balance of the fund is \$370,146, as funding for an event (Matariki Ki Waikato 2022, for \$40k) was approved by Committee resolution in February 2020.
21. The General Manager Venues, Tourism and Major Events has recommended the following: – as detailed in the recommendation and in attachment two:
 - *Two event sponsorship applications for funding are approved from the 2021-22 major event sponsorship fund, totalling \$30,000.*
22. These recommendations are seen as fair representation of the Council investment in line with the intent of the Event Sponsorship Policy - to focus on larger event opportunities where exposure reaches beyond Hamilton, delivers high profile coverage, attracts visitors to the city and deliver community participation.

Summary – Review of Event Sponsorship Fund Activity 2019-20

23. This report will also summarise the event sponsorship activity of the previous financial year and provide a short breakdown of activity. In 2019/20, the fund had \$392,846 to allocate with a total of 13 events approved for funding totalling \$392,500.

2019-20 Review of Event Sponsorship Fund Activity			
Event Name	Date	Event Applicant	Funding approved
NZ Brass Band Championships 2019	July-19	Hamilton Citizens Band Club Inc	\$50,000
NZ Secondary Schools Swimming Championships 2019	Sep-19	Swimming NZ Incorporated	\$10,000
NZ National Bridge Congress 2019	Sep-Oct 19	NZ Bridge Incorporated	\$7,500
Filipino Fiesta	Oct-19	Waikato Filipino Association	\$5,000
Tainui Waka Primary School Kapa Haka 2019	Nov-19	Tainui Waka Primary School Kapa Haka Committee Inc	\$25,000
Waikato 100	Nov-19	Waikato Rowing Club	\$5,000
Round the Bridges 2019	Nov-19	Hamilton Harrier Club Incorporated	\$5,000
Hamilton Gardens Arts Festival 2020	Feb-20	Hamilton Summer Festival Foundation	\$126,000
Porritt Classic 2020	Feb-20	Athletics Waikato-Bay of Plenty	\$5,000
Boon Street Art Festival 2020	Mar-20	Hamilton Arts Trust	\$26,000
Balloons over Waikato 2020	Mar-20	Balloons over Waikato Trust	\$108,000
Waikato International	Mar-20	Waikato Badminton Assoc Inc	\$5,000
Waikato Nesian Festival	Mar-20	K'aute Pasifika Trust	\$5,000
Wheels Along the Waikato	Mar-20	Rototuna Rotary	\$5,000
Feast Waikato	Apr-20	Waikato Food Incorporated	\$5,000

24. Council's standard terms under sponsorship contract provides for 80% of approved sponsorship up front with the 20% balance paid post event subject to the successful staging and outcome of the event as contracted and delivery of a satisfactory post event report.
25. A small number of events were unfortunately caught up in the impact of COVID-19 in the later part of the year, including the outright cancellation of the Waikato International (which had athletes travelling from 18 countries to attend) and Feast Waikato events.
26. Both events had received sponsorship funds from Council prior to cancellation and have reported back to management on how their funding was already expensed in the lead up to

their events as most event expenditure is spent before the event itself takes place. Waikato Badminton refunded a small portion of their initial 80% funding (\$1,788.31 inc GST) as indicated by them as appropriate to be returned, and Feast Waikato only claimed 80% of their total funding.

27. Balloons over Waikato 2020 was a significant event that was also caught up in the COVID-19 issue. At extremely short notice, the organisers had to alter course and cancel the public gathering portions of their event as the country entered lockdown level 2. The organisers reported that all planning for the event was 100% locked in, including all the balloons, pilots, suppliers and contractors and vendors already in Hamilton. Subsequently the bulk of event costs were also committed.
28. Entering lockdown resulted in the cancellation of the large public elements of their event - the Zuru Nightglow and other Innes Common based events. Although no public were able to attend gathering to see the balloons up close, the organisers rapidly obtained permission to have their balloonists fly from alternate parks and grounds across the city. This resulted in balloons filling the skies across Hamilton. This was an exciting and uplifting event for many Hamiltonians at a difficult time and the organisers should be thanked for their valent efforts in re-inventing their event for the city.
29. Two events were also completely removed from the event calendar by the organisers prior to any event funding being paid out (Waikato Nesian Festival and Wheels along the Waikato).
30. The above activity resulted in underspend in the 2019/20 event sponsorship budget at year-end of \$17,346.
31. All the applicants that had events take place have fulfilled event objectives and sponsorship agreement terms in place.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

32. Staff confirm the staff recommendations in this report complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

33. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
34. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
35. The recommendations set out in this report are consistent with that purpose.

Social

36. Event activity helps promote social opportunities for Hamiltonians and visitors to the city to enjoy and participate in, creating a vibrant and diverse city.

Economic

37. Event activity brings economic return to the city by way of new visitor expenditure that would not otherwise come to Hamilton and increased use of local business suppliers employed to provide services to support event activity.

Environmental

38. There are no known environmental impacts in relation to this activity that are not mitigated directly by the event organisers.

Cultural

39. Event activity helps promote cultural events and awareness of our heritage and history for Hamiltonians and visitors to the city to enjoy and participate in.

Risks - *Tuuraru*

40. All applicants to the Event Sponsorship Fund have been kept informed throughout the process and were notified of the management recommendation to mitigate any potential risk; however, there is still a risk that some applicants will not be happy with the outcome of the funding decisions. Immediately following the meeting, all applicants will be notified of the Committee recommendation.
41. Any approval to fund requires the event to be confirmed to take place regarding current COVID event restrictions. Staff will work carefully with approved applicants to confirm funding agreements and necessary event cancellation policies and processes.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

42. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

43. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Summary of Management Recommendations for approval: MESF 2020/21

Attachment 2 - Summary of Management Recommendations for approval: MESF 2021/22

Attachment 3 - Full Applications - 2020/21 (*Under Separate Cover*)

Attachment 4 - Full Applications 2021/22 (*Under Separate Cover*)

Summary of Management Recommendations for approval: MESF 2020/21

Event Name	Date	Event Applicant	Requested	Multi year request			Management Recommendation	Amount Recommended	Criteria Assessment	Management Comment
				1 year 20/21	2 year 20/21 & 21/22	3 year 20/21, 21/22 &22/23				
Cambridge to Hamilton Paddle Race 2020	26-27 Sept 2020	The Boatshed Kayaks Limited	\$8,000	√			APPROVE	\$5,000	21/30	Recommended - Potential to grow into a national enthusiasts event with a long-life and utilisation of our river.
NZ U15 & U19 Badminton Champions 2020	8-11 Oct 2020	Badminton NZ Incorporated	\$5,000	√			APPROVE	\$5,000	24/30	Recommended – national sporting event with level of overnight visitation for city, associated incremental income to city businesses and use of key asset. A good fit to event sponsorship fund criteria and approach to encourage more amateur multi day sporting events to the city.
Rāhui Pōkeka Ahurei 2020	9-10 October 2020	Tainui Teachers Association Society Inc	\$20,000	√			APPROVE	\$15,000	22/30	Recommended - Regional competition. Good fit to city and region plus significant visitation generated.
Daedalum@The Waikato A&P Show 2020	31 Oct - 8 Nov 2020	Showing Waikato Limited	\$50,000	√			DECLINE	\$0	N/A	Not recommended - Event concept is simply a commercial extension within a long established larger event which is extremely well-funded. Limited attractor of overnight stays or income to local businesses.
Round The Bridges 2020	15 November 2020	Hamilton Harriers Club Inc	\$10,000			√	APPROVE	\$10,000	27/30	Recommended – well attended/established event with strong corporate support plus an ongoing focus to attract greater audiences to the event and potential for overnight visitation. Arguably community centric but draws upon a national running circuit. Low investment, good returns. Demonstrates city infrastructure capability.
NZ Artistic Swimming Nationals 2020	12-14 Dec 2020	Tauranga Synchronised Swimming Club Inc	\$2,000	√			APPROVE	\$2,000	21/30	Recommended – national sporting event with level of overnight visitation for city, associated incremental income to city businesses and use of key asset. A good fit to event sponsorship fund criteria and approach to encourage more amateur multi day sporting events to the city.
Hamilton Gardens Arts Festival 2021	17-28 Feb 2021	Hamilton Gardens Summer Festival Foundation	\$165,000			√	APPROVE	\$120,000	26/30	Recommended – an iconic legacy event for Hamilton and a natural fit with the event sponsorship fund criteria of pride and profiling. It endorses Hamilton as an event destination to those outside the region and nationally and use of a key city asset as a must-see destination plus employs local business. Funding for this event is very challenging and heavily reliant on Council support.
Boon: Hamilton Street Art Festival 2021	4-7 Mar 2021	Hamilton Arts Trust	\$35,000			√	APPROVE	\$25,000	16/30	Recommended - this is an excellent offering with proven performance. It's delivery against the major event sponsorship fund criteria is limited but attracts support from elected members to be approved for funding (2019 for 2020 event).
Waikato River Festival - He Piko He Taniwha 2021	6-29 Mar 2021	Tainui Waka Tourism Incorporated	\$25,000	√			APPROVE	\$25,000	18/30	Recommended - this is a strong event concept for the city and warrants some further testing. Will request funding is allocated to event marketing spend.
Balloons over Waikato 2021	16-20 Mar 2021	Balloons over Waikato Trust	\$130,000			√	APPROVE	\$120,000	27/30	Recommended – an iconic key event for Hamilton and a good fit with the event sponsorship fund criteria for pride and national and international profile and attention. The largest scale applicant with high participation levels across a range of events. High community support. Funding for this event is very challenging and reliant on Council support.
Feast Waikato 2021	1-5 April 2021	Waikato Food Incorporated	\$10,000			√	APPROVE	\$10,000	21/30	Recommended - this is a strong event concept for the city which warrants some testing. Potential to build to be a much greater event (profile and scale), strong fit to our economy, limited visitation at this time.
Art for All @The Waikato Show 2021	9-11 April 2021	Waikato Winter Show Association	\$9,500			√	DECLINE	\$0	N/A	Not recommended - simply a commercial extension within a long established larger event which is extremely well-funded. Limited attractor of overnight stays.
The Great Kiwi Walk Series 2021	8 May 2021	SMC Events	\$15,000	√			APPROVE	\$10,000	22/30	Recommended - Likely to be small delivery in short term but great potential to build into a much larger opportunity. Council needs to look at this more holistically and not just in the context of event sponsorship. (i.e river walks to destinations)
TOTAL REQUESTED			\$484,500	TOTAL EVENT SPONSORSHIP FUND BUDGET 2020/21			\$401,246			
PRIOR APPROVALS							\$40,000		Matariki Ki Waikato approved for funding in Feb 2020 (for 3 years 2020, 2021 and 2022)	
TOTAL RECOMMENDED FOR APPROVAL							\$347,000			
BALANCE REMAINING (SURPLUS)							\$14,246			

Event Name	Date	Event Applicant	Requested	Multi year request			Management Recommendation	Amount Recommended	Criteria Assessment	Management Recommendation
				1 year 20/21	2 year 20/21 & 21/22	3 year 20/21, 21/22 &22/23				
The Achilles Hope and Possibility Marathon	15 November 2021	Achilles Track Club NZ Inc	\$14,000		√		APPROVE	\$10,000	21/30	Recommended - strong opportunity for growth.
New Zealand Marching Championships	17-19 March 2022	Marching Waikato	\$30,000	√			APPROVE	\$20,000	23/30	Recommended - National, large visitor generator, cost effective participation. Plus use of city infrastructure capability. A good fit to event sponsorship fund criteria and approach to encourage more amateur multi day sporting events to the city.
TOTAL REQUESTED			\$30,000	TOTAL EVENT SPONSORSHIP FUND BUDGET 2020/21					\$410,146	
PRIOR APPROVALS								\$40,000	Matariki Ki Waikato approved for funding in Feb 2020 (for 3 years 2020, 2021 and 2022)	
TOTAL RECOMMENDED FOR APPROVAL								\$30,000		
BALANCE REMAINING								\$340,146		

Council Report

Item 14

Committee: Economic Development Committee

Date: 08 September 2020

Author: Amy Viggers

Authoriser: Becca Brooke

Position: Governance Team Leader

Position: Governance Manager

Report Name: Open Information Only Reports

Report Status	<i>Open</i>
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Purpose - *Take*

1. The following reports are for information only:
 - General Managers Report
 - Covid-19 Economic Update - 26 August 2020

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Infrastructure Operations Committee receives the following information only reports:
 - General Managers Report; and
 - Covid-19 Economic Update - 26 August 2020.

Attachments - *Ngaa taapirihanga*

Attachment 1 - General Managers Report

Attachment 2 - Covid-19 Economic Update - 26 August 2020

Council Report

Committee: Economic Development Committee

Date: 08 September 2020

Author: Jen Baird

Authoriser: Jen Baird

Position: General Manager City Growth

Position: General Manager City Growth

Report Name: General Manager's Report

Report Status

Open

Purpose

1. To inform the Economic Development Committee of topical issues, areas of concern and items which need to be brought to the member's attention, but which do not necessitate a separate report.

Staff Recommendation

2. That the Economic Development Committee receives this report.

Executive Summary

3. This report is to inform the Economic Development Committee of topical issues, areas of concern and items which need to be brought to the member's attention.

Economic Innovation Project update

4. An education sector think tank was held on 2 July 2020. Over the last 2 years, Te Waka has worked hard to build a profile and understanding of the education sector, so staff partnered with Te Waka to deliver this sector's think tank.
5. The think tank was attended by 16 people from a cross section of secondary, tertiary and private education providers and representatives from the business community. Council representatives were Cr van Oosten and Cr Hamilton.
6. There were three key areas of conversation on the day.
 - a. Improve partnership opportunities between the sector and business:
 - b. There was a desire both from the education providers and the business representatives to better understand how to engage effectively to drive positive outcomes for all. While there is some activity happening, it was clear there was a need for more understanding and a real opportunity to both grow the sector commercially and drive great training and development outcomes for business. Te Waka has started this connection programme.
 - c. International Education advocacy:
 - d. There was a focus on creating a strong value proposition for the Waikato International Education Sector. Work has begun to create a unique, future focused student experience in the Waikato including an emphasis on retention of existing students and a destination

story for attraction of new students. This work will bring together key partners across the region engaged in International Education including Hamilton City Council.

- e. A clear vision for the education sector in the Waikato:
 - f. The group felt that there was an opportunity to clearly define what education meant for the Waikato. Education is a large and complex system and any vision would need to be led by the sector itself rather than via an economic development lens.
7. Te Waka's new strategic direction is focused on developing a sector based approach to growth. The Education sector is one of the region's core sectors and Te Waka has already completed significant work in this area. Te Waka will continue to take the lead on this sector (with ongoing Council involvement) and will report progress through its regular reporting to Council.
 8. The technology sector conversation gained the most traction in the early stages of the Innovation Project. Since the last Committee meeting, a small, self-selected group has met to further the work programme. The key focus areas for this activity are:
 - a. Raising the profile of Hamilton as the heart of technology for New Zealand through the telling of authentic stories of the city's growth, success and businesses: this work has been scoped and this will kick off during the next period.
 - b. Grow and attract talent:
 - The Instillery are leading a 'Digital Natives' project which seeks to increase the diversity of the people within the sector by funding short-course training of Maaori, Pacifica and female candidates in subject areas in high employment demand.
 - Te Waka are also leading the connection between education and the technology sector – particularly the opportunity for University of Waikato, Wintec and/or Te Wananga o Aotearoa to deliver short courses to meet the immediate needs of the industry.
 - c. To attract talent and business to the region: Within this meeting's agenda is a report seeking the endorsement of the Council to deliver work against an agreed Economic Development Agenda to lay the foundation and deliver the tools and resources needed to achieve this goal.

Wellbeing Considerations

9. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
10. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report. The recommendations set out in this report are consistent with that purpose.
11. There are no known social, economic, environmental or cultural considerations associated with this matter due to this report being for information only.

Significance & Engagement Policy

12. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

Attachments

There are no attachments for this report

Attachment 1

Item 14

Council Report

Item 14

Committee: Economic Development Committee

Date: 08 September 2020

Author: Stafford Hodgson

Authoriser: Jen Baird

Position: Programme Manager - Economics and Policy

Position: General Manager City Growth

Report Name: Covid-19 Economic Update - 26 August 2020

Report Status	Open
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Purpose - *Take*

1. To update the Economic Development Committee on recent Covid-19 economic impacts.
2. The *Covid-19 Economic Update – 26 August 2020* report is attached to this report.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Economic Development Committee receives the report.

Background - *Koorero whaimaarama*

4. The Growth Funding & Analytics unit have provided regular updates on the economic impacts of Covid 19 to Elected Members since the early stages of the pandemic. This is the latest update (as at 26 August 2020) and includes the latest national, regional and council-generated economic data.
5. All Members were invited to an optional drop-in Zoom session on Monday 7th September at 2pm.

Attachments - *Ngaa taapirihanga*

Attachment 1 - COVID-19 Economic Update 26 August 2020

Attachment 2

COVID-19 ECONOMIC UPDATE:

26 August 2020

This report is best read in conjunction with the Council's [Covid-19 Economic Reporting Dashboard](#).

NEW ZEALAND CONTEXT

Much has changed since our last briefing! On 11 August, the Prime Minister announced that New Zealand had 4 new cases on Covid-19 in the community. Auckland was moved into Alert level 3 from 12 August while the rest of New Zealand moved to Alert level 2. Auckland is set to move out of Alert Level 3 on Sunday 30 August if there are no significant changes to the cluster. Schools and workplaces will reopen, and regional travel will be allowed.

Businesses across New Zealand have felt the pinch of the changes in Alert levels, particularly with Aucklanders unable to leave Auckland. A large number of flights were cancelled, another blow to both airlines and the tourism industry. Card spending across New Zealand was down -1.7% in the week ending 16 August despite increased spending in Food, liquor & pharmacies and Home & recreational retailing.

The number of Jobseeker and Covid-19 Income Relief Payment recipients has continued to increase, however, the rate of increase has slowed somewhat. The wage subsidy was re-introduced nationwide for two weeks to assist businesses who have been affected by Auckland returning to alert level three. The latest restrictions are expected to result in more business closures both in Auckland and across New Zealand, so expect to see an increase in benefit recipients in the coming months.

The New Zealand Activity Index (NZAC) indicates NZ had moved back above pre COVID-19 levels of economic activity in July. NZAC is a measure aggregating consumer spending, unemployment, job vacancies, traffic volumes, electricity generation, economic outlook and manufacturing expectations. This index highlights the importance to the economy of kiwis feeling safe enough to go about their lives normally. This is expected to fall again in August due to increased alert levels and people voluntarily restricting their movements as a precaution.

The global economic outlook remains bleak with ongoing growth in the number of COVID-19 cases. Most countries continue to record economic activity well below pre-COVID levels and to respond with increased fiscal stimulus. Australia continues to battle its second wave of the virus. Victoria remains in Stage 3 lockdown while Melbourne is halfway through a 6 week Stage 4 lockdown.

Statistics New Zealand released migration data for the June Quarter which showed a net increase of 1,590 people since April 2020. To put this in context, net migration in the same period in 2019 was 36,784 people. Moving forward, migration will continue to be seriously limited by border restrictions, limited flights and the capacity of managed isolation facilities. We are not expecting to see significant changes to these numbers until these restrictions change.

Customs arrival and departure data shows that there continues to be more people departing New Zealand than arriving each month, although on average, the daily difference appears to be lower in August so far (-68 people per day) than it was in July (-305 people per day).

Further detail on the New Zealand economy can be found here [Treasury: Weekly Economic Update](#).

HAMILTON AND THE WAIKATO – SUMMARY

Employment

COVID-19 Income Relief Payment (CIRP) recipient statistics are now reported monthly for Territorial Authorities. In July there were 601 people receiving the payment, up from 314 in June, which represents approximately 40% of all Waikato Regional recipients. The number of Jobseeker (work ready) recipients was flat in July.

Broadly we know from that the Jobseeker statistics that Hamilton and Waikato unemployment has increased less than nationally. The combined increase in the number of CIRP and Jobseeker recipients equates to an increase of 1.81% of the estimated working age population in Hamilton (aged 15 to 64 years) compared with 1.96% nationally. For more information, visit the [Ministry of Social Developments COVID-19 reporting webpage](#).

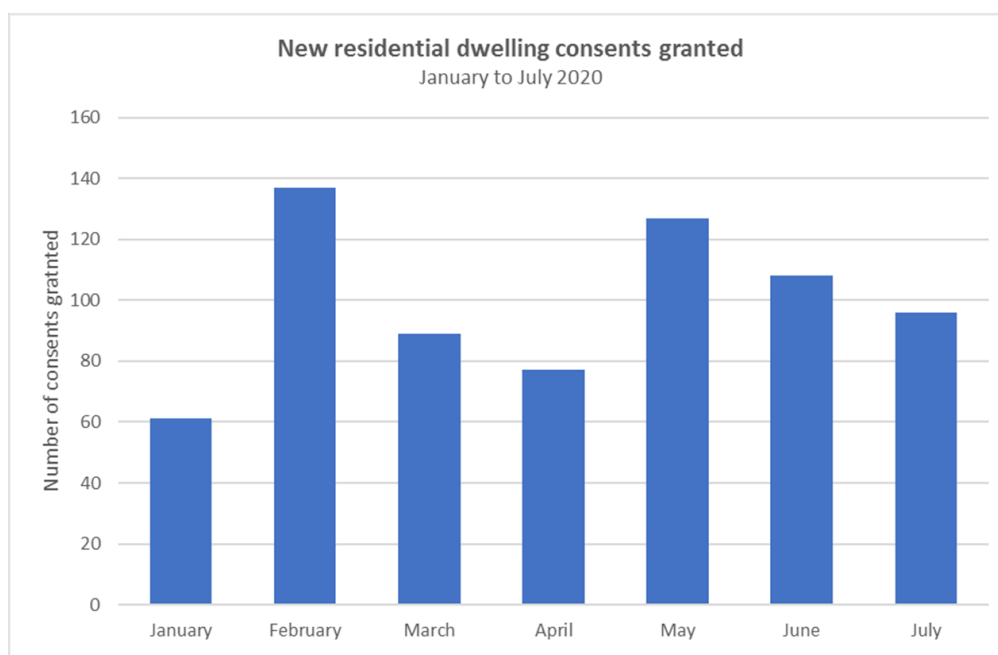
Official unemployment statistics, while technically robust, do not reflect the current reality of labour market due to the unprecedented constraints placed on New Zealanders. Statistics New Zealand reported a drop in the national

unemployment rate to 4.0% for the 2020 June quarter, driven more by definitions of who is “actively” looking for work than an actual drop in unemployment. During lockdown, those who were unemployed were unable to “actively” look for work, so did not fit the definition of unemployed.

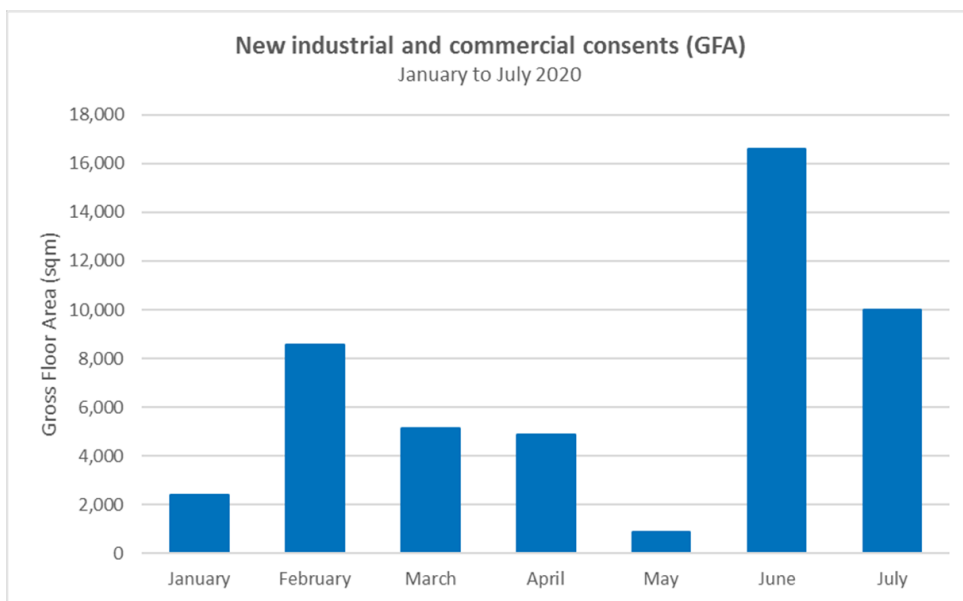
In Infometrics earlier forecast, the bulk of Hamilton job losses were predicted in the retail and wholesale trade industry (-1,705 jobs), accommodation and food services (-1,689 jobs), construction (-767 jobs) and non-food manufacturing (-749 jobs). They forecast Hamilton’s overall unemployment level to rise from 4.9% over the March 2020 year, to 8.3% in March 2021. This compares to a forecast national unemployment rate by March 2021 of 9.0% and broadly aligns with the Treasury’s forecast peak unemployment.

Consenting and Construction

Hamilton has consented 695 dwellings in the first seven months of 2020. This broadly tracks with the pre-Covid Hamilton City Council long term projections which average 1,200 dwellings per year over the ten-year period. In 2019 there was over 1,600 dwellings consented – the highest since 1973. When comparing to this record high 2019 consent figure any other year will be lower. The current level of consenting activity is in alignment with the cities anticipated and planned for growth. Council projections anticipate consenting to slow over the coming months - meaning essentially brand new projects will slow but the current pipeline will continue.



In contrast non-residential consents granted for the first seven months of 2020 were for 13,590 sqm of new floor area. This contrasts with 89,110 sqm for this same quarter last year, 85% less. Non-residential consents are down significantly on previous years, however non-residential consenting tends to fluctuate as these consents tend to be large. For example one consent in April 2019 comprised 35,000 sqm of floor area. Historic data also shows that they are not lodged in a linear fashion. Feedback from non-residential developers indicates that they are waiting for the dust to settle prior to starting new projects. If the values of these non-residential assets change significantly over the coming months many potential projects may no longer remain viable. Conversely if the disruption to business is not as significant as anticipated, then non-residential construction consenting will wind back up again.



Graphs and more consenting data can be found at the Council's [Covid-19 Economic Reporting Dashboard](#).

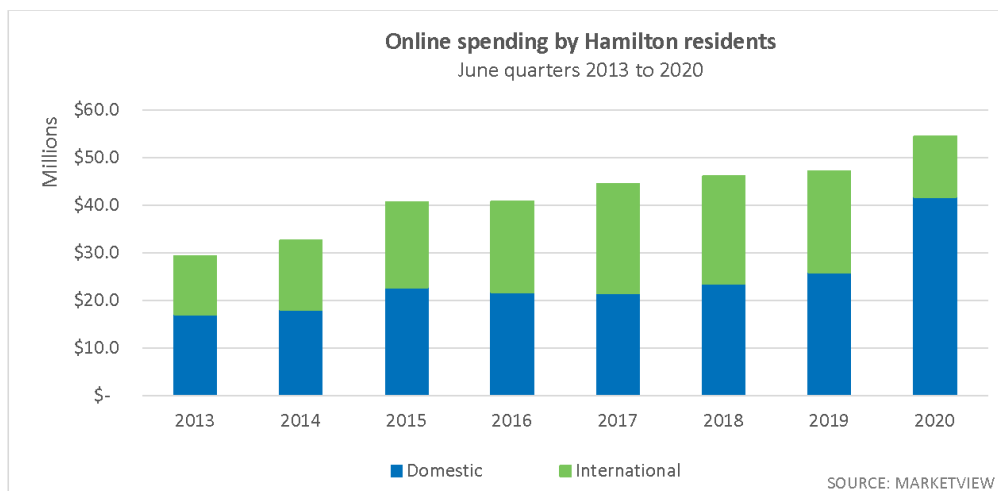
Card Spending

Weekly card spending has remained slightly above normal levels as we moved back down through the alert levels and the economy has progressively reopened. As we moved back into Alert level 2 (Alert level 3 in Auckland), spending spiked. Spending in the Food, liquor & pharmacies category (the category includes supermarkets, liquor stores, etc) was 26% higher and Home & Recreation was 60% than the same time last year. This reflects people stocking up in case we went into full lockdown. For further information see the attached full report.

Quarterly spending data for the June 2020 quarter showed a drop of near \$1M or 22% compared to the June 2019 quarter. This dataset is more comprehensive than the weekly card spending data. Online spending data for Hamilton residents increased markedly in the June 2020 quarter. Overall online spending increased by 16% (\$7.3M), but there was a massive shift from international to domestic purchases, resulting in a 61% increase in domestic online spending and a 40% decrease in international purchases. The campaign to buy local as well as the disruption that Covid-19 is having on international postal services will have played a significant role in this swing, however, the move from instore spending to online shopping is likely to be the leading factor. During Level 3, many businesses only operated on a 'click & collect' or delivery basis. As we moved to Alert level 2, many shoppers continued to shop online instead of instore. Unfortunately it is not possible to know what proportion of the domestic spend was with Hamilton based businesses.



**Hamilton
City Council**
Te kaunihera o Kirikiriroa



Infometrics Ltd latest report

Infometrics have now released their Quarterly Economic Monitor for the June 2020 quarter (attached). Head line indicators painted a bleaker picture for Hamilton than what we had seen in some of the weekly indicators we have been monitoring. While GDP, consumer spending, non-residential consenting and unemployment were painted Hamilton in an unfavourable light, Infometrics reported on a number of indicators that were more positive, including car and commercial vehicle registrations, tourism expenditure, residential consenting, traffic flow, house prices and house sales.

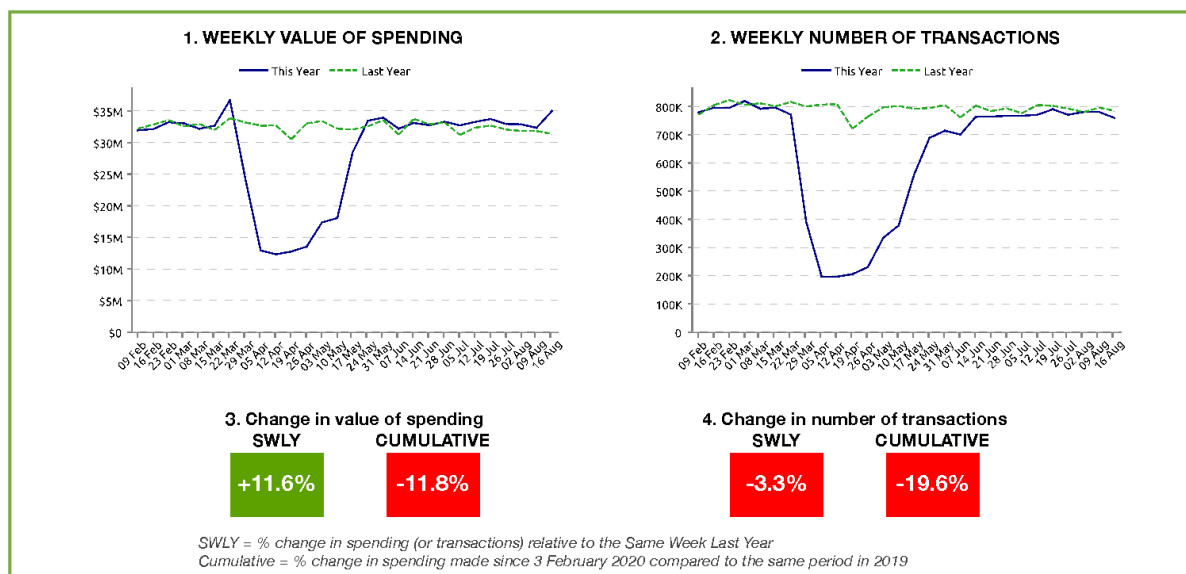
Disclaimer

Information contained in this paper was researched from a range of sources by the Growth Funding & Analytics Unit. Our best efforts have been made to ensure the information in this document is correct and that any conclusions are based on the information available at the time. This information will be continuously changing as the situation changes almost daily. COVID-19 has had a massive impact on the local, national and global economies. The disruption is unprecedented, which makes predicting what will happen at a national level difficult let alone for Hamilton. This report will be updated regularly to include the latest information and projections from leading sources.

WEEKLY CARD TRANSACTION MEASURE

Hamilton City

Week ending 16 August 2020



5. WEEKLY SPENDING CHANGE BY CATEGORY				
	SWLY		Cumulative	
	\$	#	\$	#
Food, liquor & pharmacies	+26.3%	+3.1%	+9.3%	-9.5%
Hospitality & Accommodation	-15.6%	-14.5%	-27.3%	-28.5%
Fuel & Automotive	-5.2%	-1.7%	-22.8%	-18.7%
Clothing, Footwear & Dept. Stores	-19.0%	-23.9%	-26.9%	-29.8%
Home & Recreational Retailing	+60.3%	+38.1%	-7.6%	-12.5%
All other	-13.6%	-13.5%	-32.2%	-34.1%
TOTAL	+11.6%	-3.3%	-11.8%	-19.6%

7. CHANGE BY ORIGIN OF CARDHOLDER				
	SWLY		Cumulative	
	\$	#	\$	#
NZ CARDS	+12.2%	-3.0%	-11.5%	-19.5%
INTERNATIONAL	-26.2%	-24.9%	-25.8%	-29.2%

8. WEEKLY VALUE OF SPENDING - ALL OF NZ				
	SWLY		Cumulative	
	\$	#	\$	#
New Zealand	-1.7%	-11.9%	-10.3%	-19.0%

6. WEEKLY SPEND AND TRANSACTION CHANGES				
	SWLY		Cumulative	
Week Ending	\$	#	\$	#
03-May	-48.0%	-58.1%	-23.6%	-31.2%
10-May	-43.9%	-52.8%	-25.0%	-32.8%
17-May	-11.3%	-29.5%	-24.1%	-32.6%
24-May	+2.7%	-13.3%	-22.4%	-31.4%
31-May	+1.2%	-11.4%	-21.0%	-30.2%
07-Jun	+3.0%	-8.0%	-19.7%	-29.0%
14-Jun	-1.9%	-5.0%	-18.8%	-27.7%
21-Jun	-0.4%	-2.5%	-17.8%	-26.5%
28-Jun	+0.3%	-3.3%	-17.0%	-25.4%
05-Jul	+4.9%	-1.1%	-16.0%	-24.3%
12-Jul	+2.8%	-4.3%	-15.2%	-23.4%
19-Jul	+3.1%	-1.5%	-14.4%	-22.5%
26-Jul	+2.8%	-2.8%	-13.8%	-21.7%
02-Aug	+3.3%	+0.1%	-13.1%	-20.9%
09-Aug	+1.6%	-1.9%	-12.6%	-20.2%
16-Aug	+11.6%	-3.3%	-11.8%	-19.6%

About

Marketview has compiled a sample of over 25,000 New Zealand retail and consumer services businesses we know to have been operating continuously on the Paymark network over the last two years.

Each merchant has been put into the summary categories shown in Table five. We have compared the value of spending and volume of credit and eftpos transactions for each week since 3 February 2020 with the Same Week Last Year (SWLY). Cumulative figures are based on a running total of spending/transactions since 3 February 2020.

NB: Weeks run Monday to Sunday, spending figures include GST, no allowance is made for non-card purchases. International figures are based on spending on credit cards issued by non-NZ financial institutions. Does not include online transactions. No adjustments are made for inflation.

Reading this Report

Charts One and Two – plots the weekly value of spending/volume of transactions at merchants in Hamilton City for the seven days ending on the date shown

Tables Three and Four – highlights the percentage change in total spending / transactions compared to the Same Week Last Year and the Cumulative total spending / transactions since 3 February 2020

Table Five – provides a change spending / transactions breakdown by key category within Hamilton City

Table Six – provides both a week by week and the cumulative change in spending / transactions from 3 February 2020

Table Seven – provides the change in spending / transactions within Hamilton City, by origin of cardholder

Table Eight – provides the change in spending / transactions for our national sample.

Contact Us

For all enquiries, please contact us at info@marketview.co.nz or 04 472 1991.

Overview of Hamilton City

Hamilton City's economy has been one of the worst hit by the COVID-19 pandemic, with provisional estimates from Infometrics showing a GDP decline of 14%pa in the June 2020 quarter, resulting in a 2.2% annual decline for the June 2020 year. The Hamilton economy faced a tougher blow than the wider Waikato Region, which contracted 1.4%pa in the June 2020 year, due to the large amount of primary industries in the wider region able to continue operating throughout Level 4 and Level 3 lockdown in April.

Marketview data shows consumer spending in Hamilton fell sharply in the June 2020 quarter, down 21% compared to June 2019, as households stayed outside the Hamilton urban centre for an extended period. This hit took annual spending down 4.5%pa, a bigger hit than the 2.8%pa nationwide contraction. However, the Infometrics Local Economic Insights Dashboard shows local monthly spending in Hamilton City returned to above pre-COVID levels in June. However, doubts remain for consumer spending in the coming quarters as Hamilton City returns to Level 2 lockdown, which will limit consumer spending as a large portion of the workforce works from home, and spending from nearby Auckland is limited.

Construction activity has softened, with non-residential building consents in Hamilton City down 15%pa, compared to an 8.8%pa contraction across New Zealand. Business investment and expansion is under considerably uncertainty and pressure, which will limit additional construction activity.

Job losses continue to mount, with a 16%pa rise in Jobseeker Support numbers. Overall, an additional 2,577 people in Hamilton were accessing a Jobseeker Support benefit or COVID-19 Income Relief Payment at the end of June, a 42% rise from June last year.

Indicator	Hamilton City	Waikato Region	New Zealand
Annual average % change			
Gross domestic product	↓ -2.2%	↓ -1.4%	↓ -2.1%
Traffic flow	↓ -7.0%	↓ -11.3%	↓ -9.4%
Health Enrolments	↑ 3.0%	↑ 2.4%	↑ 2.5%
Consumer spending	↓ -4.5%	↓ -1.9%	↓ -2.8%
Residential consents	↓ -1.6%	↑ 4.7%	↑ 8.1%
Non-residential consents	↓ -14.8%	↑ 6.2%	↓ -8.8%
House prices*	↑ 9.0%	↑ 8.2%	↑ 7.5%
House sales	↓ -5.8%	↓ -9.5%	↓ -6.0%
Tourism expenditure	↓ -7.4%	↓ -9.2%	↓ -12.3%
Car registrations	↓ -10.1%	↓ -10.9%	↓ -19.3%
Commercial vehicle registrations	↓ -20.8%	↓ -22.3%	↓ -24.6%
Jobseeker Support recipients	↑ 15.7%	↑ 17.7%	↑ 19.0%
Level			
Unemployment rate	5.0%	3.9%	4.1%

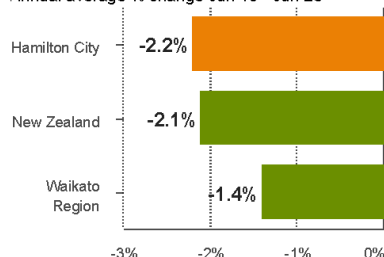
* Annual percentage change (latest quarter compared to a year earlier)

Overview of national economy

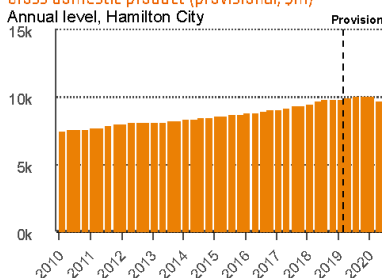
The New Zealand economy took a severe hit during the June 2020 quarter, as the COVID-19 pandemic saw the country locked down at home for around four weeks at Alert Level 4, before a rapid move down the Alert Levels to Level 1 in early June. The economy has endured a dramatic shift in focus, from life support at Level 4 to an adrenaline rush at Level 1. Yet the immediate economic ramifications are clear to see – economic activity has fallen, nearly 50,000 Kiwis lost their jobs, businesses struggled to cope with lower earnings, and incomes were reduced. The June quarter likely represents the largest single hit to the economy, but the economic scarring and restructuring will continue to occur over the coming years. New Zealand is not out of the woods yet.

Gross domestic product (provisional)

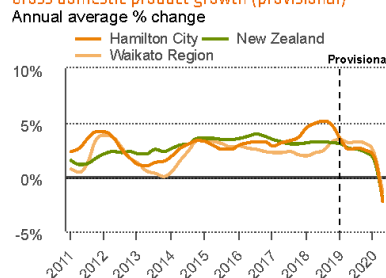
Gross domestic product growth (provisional)
Annual average % change Jun 19 - Jun 20



Gross domestic product (provisional, \$m)



Gross domestic product growth (provisional)



Highlights for Hamilton City

- GDP (provisional) in Hamilton City was down 2.2% for the year to June 2020 compared to a year earlier. Growth was lower than in New Zealand (-2.1%) and lower than in Waikato Region (-1.4%).
- GDP (provisional) was \$9,743 million in Hamilton City for the year to June 2020 (2019 prices).
- Annual GDP growth in Hamilton City peaked at 5.2% in the year to September 2018.

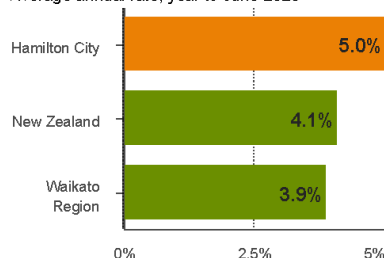
National overview

Infometrics estimates that economic activity across New Zealand fell 12.6%pa in the June quarter, with year-end economic growth sitting at -2.1%pa. A substantial proportion of the economy was closed or operating at a significantly reduced level, with transport, accommodation, hospitality, retail, tourism, and construction activity taking the greatest hit. This steep fall also accounts for the rapid evolution of the economy back down the Alert Levels, with pent-up demand in the economy, and a rebuilding of economic momentum, helping to temper the four-and-a-half-week collapse in economic activity. Primary sector operations continued on broadly unchanged, helping to keep a base level of economic momentum.

Unemployment rate

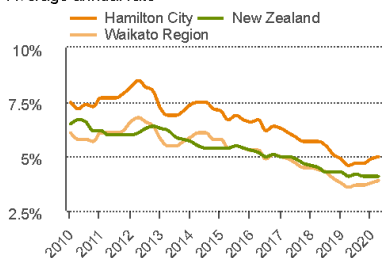
Unemployment rate

Average annual rate, year to June 2020



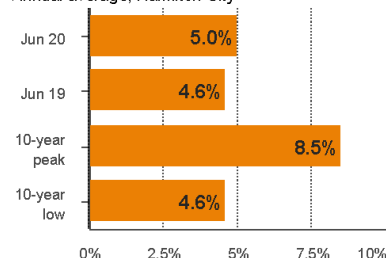
Unemployment rate

Average annual rate



Unemployment rate

Annual average, Hamilton City



Highlights for Hamilton City

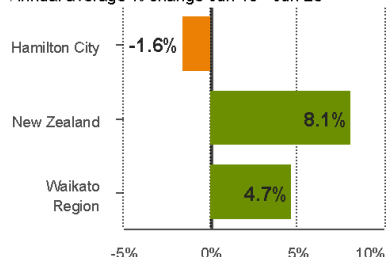
- The annual average unemployment rate in Hamilton City was 5.0% in June 2020, up from 4.6% a year earlier.
- The unemployment rate in Hamilton City was higher than in New Zealand, where the unemployment rate averaged 4.1% over the year to June 2020.
- Over the last ten years the unemployment rate reached a peak of 8.5% in June 2012;

National overview

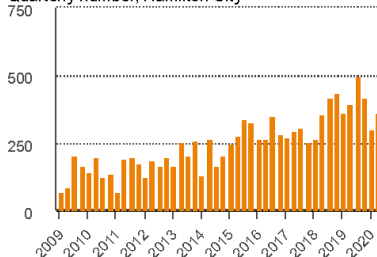
The June 2020 Household Labour Force Survey showed an incredulous drop in the unemployment rate to 4.0%, although this outcome is driven by definitions rather than a surprisingly rosier labour market. With many unable to be "actively" looking for work due to the Alert Level restrictions, those who lost jobs were counted in the "Not in Labour Force" category as they didn't fit the definition of unemployed. The underutilisation rate, a broader measure of spare capacity in the labour market, also rose from 10.4% to 12.0%. The weekly unemployment rate increased to 6.2% at the end of the quarter.

Residential consents

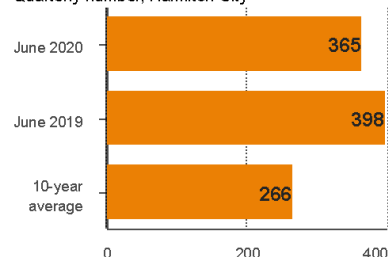
Growth in no. of new dwelling consents
Annual average % change Jun 19 - Jun 20



Residential consents
Quarterly number, Hamilton City



Number of new dwelling consents
Quarterly number, Hamilton City



Highlights for Hamilton City

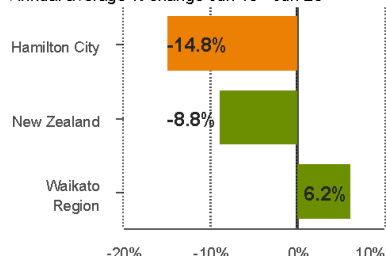
- A total of 365 new residential building consents were issued in Hamilton City in the June 2020 quarter, compared with 398 in the same quarter last year.
- On an annual basis the number of consents in Hamilton City decreased by 1.6% compared with the same 12-month period a year ago. The number of consents in New Zealand increased by 8.1% over the same period.

National overview

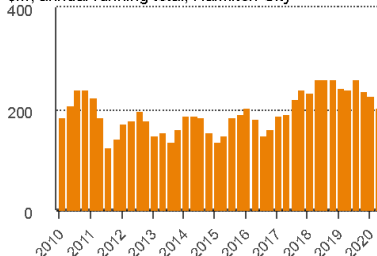
Consents for new dwellings grew by 8.1% over the year to June 2020. Despite soft consent issuance through April due to the Level 4 lockdown, a strong rebound in May and June meant that consents for the June 2020 quarter were unchanged from June 2019. This strong level of consenting will keep builders busy for the rest of the year, but consents are likely to ease as we approach Christmas, leading to soft workloads in 2021.

Non-residential consents

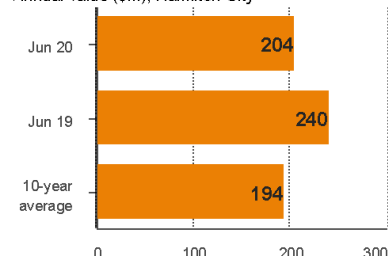
Growth in value of consents
Annual average % change Jun 19 - Jun 20



Non-residential consents, Hamilton City
\$m, annual running total, Hamilton City



Value of non-residential consents
Annual value (\$m), Hamilton City



Highlights for Hamilton City

- Non-residential building consents to the value of \$204 million were issued in Hamilton City during the year to June 2020.
- The value of consents decreased by -14.8% over the year to June 2020. By comparison the value of consents in New Zealand decreased by -8.8% over the same period.
- Over the last 10 years, consents in Hamilton City reached a peak of \$261 million in the year to June 2018.

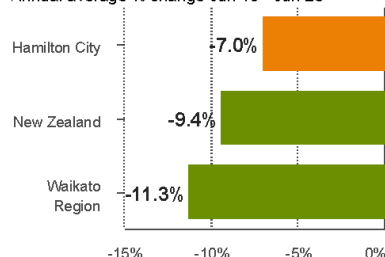
National overview

Non-residential building consents eased by 8.8% over the year to June 2020, following a peak in June 2019. Consents dipped through April and May due to the Level 4 lockdown but recovered strongly in the month of June. The June resurgence likely represents a catchup for projects which were delayed due to lockdown. With weak growth prospects across the economy, consents are likely to ease in coming quarters.

Traffic flow

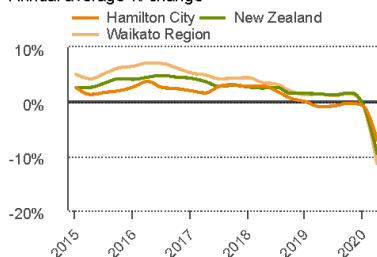
Annual change in traffic flows

Annual average % change Jun 19 - Jun 20



Traffic volume growth

Annual average % change



Highlights for Hamilton City

- Traffic flows in Hamilton City decreased by -7.0% over the year to June 2020. This compares with an decrease of -9.4% in New Zealand.

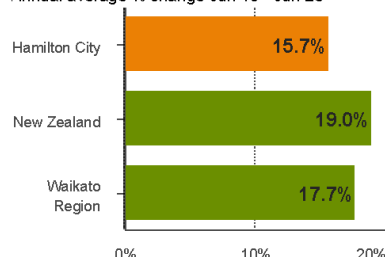
National overview

Traffic flows across New Zealand hit the brakes in the June quarter, with usually bustling roads left deserted at the start of the quarter as the lockdown was enforced. Freight continued to move across the country, but at reduced levels, with only essential goods ordered and delivered. Transport activity recovered as New Zealand moved down the Alert Levels, with Kiwi road trips bolstering domestic tourism activity, and a dash to online retailing seeing package delivery delays. Traffic levels during Level 4 dropped to 15% of usual in the depths of Level 4, before increasing to just over 80% towards the end of the quarter.

Jobseekers

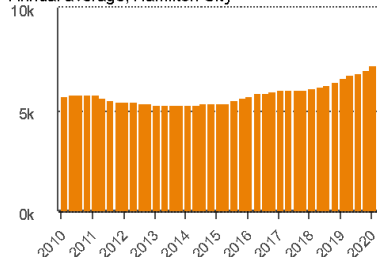
Annual change in Jobseekers

Annual average % change Jun 19 - Jun 20



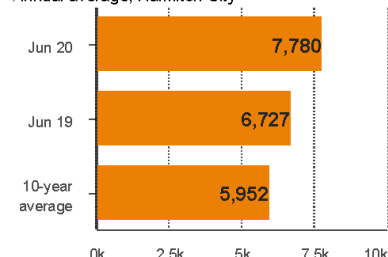
Jobseekers

Annual average, Hamilton City



Jobseekers

Annual average, Hamilton City



Highlights for Hamilton City

- Working age Jobseeker Support recipients in Hamilton City in the year to June 2020 increased by 15.7% compared with the previous year. Growth was lower relative to New Zealand, where the number of Jobseeker Support recipients increased by 19.0%.
- An average of 7,780 people were receiving a Jobseeker Support benefit in Hamilton City in the 12 months ended June 2020. This compares with an average of 5,951 since the start of the series in 2010.

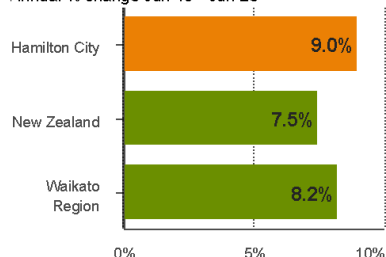
National overview

In total, nearly 50,000 New Zealanders were added to government unemployment support over the June 2020 quarter, taking the total number of people supported to over 200,000. On average over the last year, Jobseeker Support recipients are up 19%pa. This rise doesn't include the COVID-19 Income Relief Payment which was supporting nearly 11,000 more people at the end of June 2020. This rise in government support of Jobseeker Support recipients occurred even as the government spent over \$12.3b to support 1.7m workers (61% of the labour force) through the Wage Subsidy and extension.

House prices

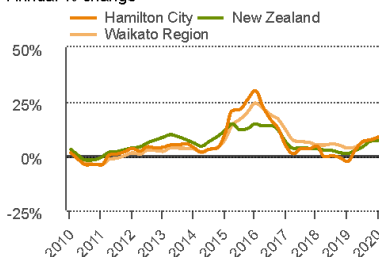
Annual change in house prices

Annual % change Jun 19 - Jun 20



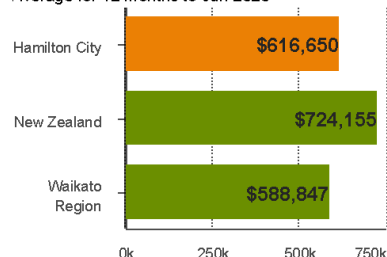
House price growth

Annual % change



Average current house value

Average for 12 months to Jun 2020



Highlights for Hamilton City

- The average current house value in Hamilton City was up 9.0% in June 2020 compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 7.5%.
- The average current house value was \$616,650 in Hamilton City over the June 2020 year. This compares with \$724,155 in New Zealand.

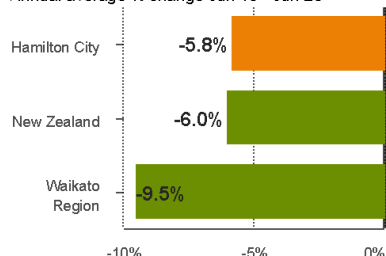
National overview

House values have grown strongly in the year to June 2020, up by 7.5% compared to the year to June 2019. Interest rate cuts throughout 2019 spurred on late-cycle growth in the property market, particularly in Auckland. Values have bounced back relatively strongly post-lockdown, but the impending removal of the wage subsidy and mortgage holiday schemes will likely bring softness to the housing market.

House sales

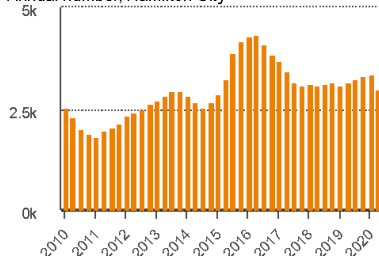
Annual change in house sales

Annual average % change Jun 19 - Jun 20



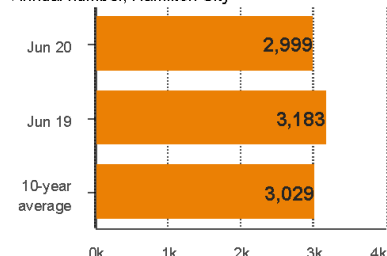
House sales

Annual number, Hamilton City



House sales

Annual number, Hamilton City



Highlights for Hamilton City

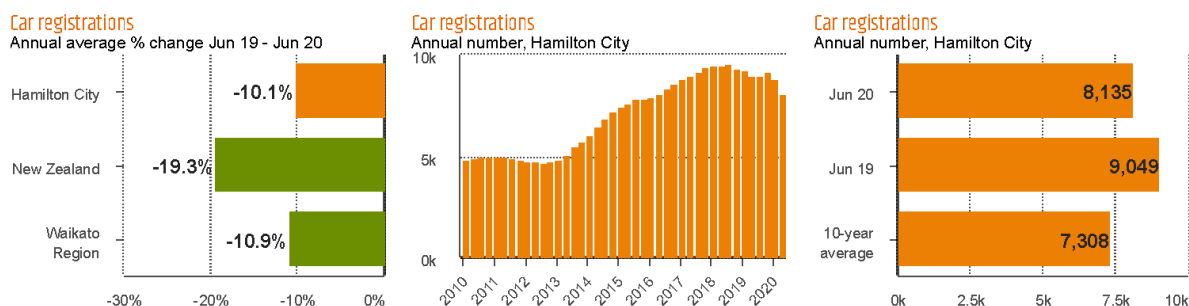
- House sales in Hamilton City in the year to June 2020 decreased by 5.8% compared with the previous year. Growth outperformed relative to New Zealand, where sales decreased by 6.0%.
- A total of 2,999 houses were sold in Hamilton City in the 12 months ended June 2020. This compares with the ten year average of 3,029.

National overview

House sale volumes fell sharply in the June quarter, as the Level 4 lockdown period impeded sales taking place. The weak June quarter lead to a 6.0% decline in sales over the year to June 2020.

Surprisingly strong house prices at present may encourage more listings to come to market in the coming months but with an overall deterioration in economic conditions, households are more likely to stay put, keeping sales volumes low.

Car registrations



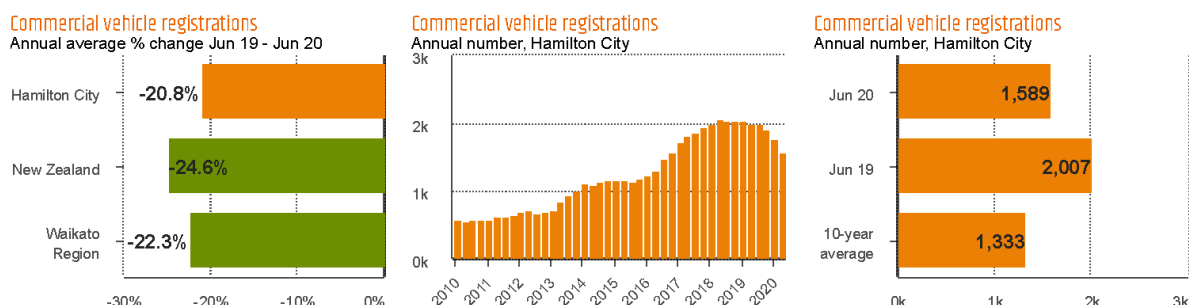
Highlights for Hamilton City

- The number of cars registered in Hamilton City decreased by -10.1% in the year to June 2020 compared with the previous 12 months. Growth was higher than in New Zealand, where car sales decreased by -19.3%.
- A total of 8,135 cars were registered in Hamilton City in the year to June 2020. This compares with the ten year average of 7,308.

National overview

The decline in car registrations has accelerated, falling 43%pa in the June 2020 quarter, which contributed to a 19% fall in the June 2019 year. Car registrations have been on a downward path since the middle of last year, but constraints on trading during lockdown were a major contributor to the June quarter's result, with registration numbers toppling across the board in both new and used, large and small cars. There are signs that money saved by households during lockdown is being spent on new cars, but this spending may only be temporary. As job losses begin to accumulate, consumers' and businesses' willingness to make major purchases could well dry up. The additional impact of New Zealand's closed borders on demand for rental cars from the tourism industry and the outlook for the car market is far from rosy.

Commercial vehicle registrations



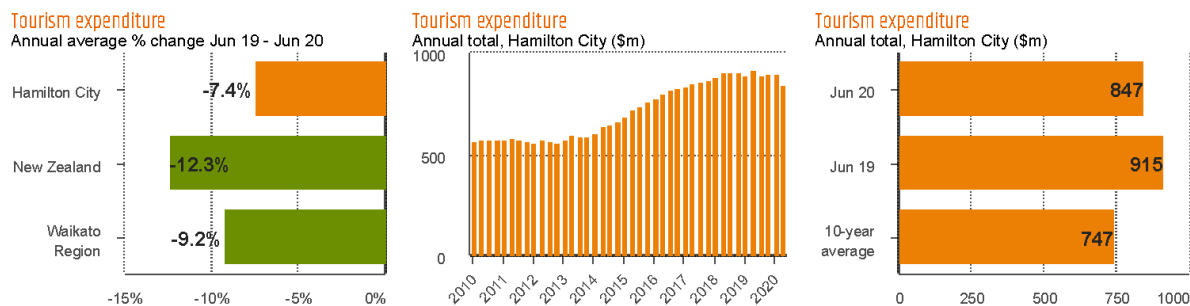
Highlights for Hamilton City

- The number of commercial vehicles registered in Hamilton City decreased by -20.8% in the year to June 2020 compared with the previous 12 months. Growth was higher than in New Zealand, where commercial vehicle sales decreased by -24.6%.
- A total of 1,589 commercial vehicles were registered in Hamilton City in the year to June 2020. This is higher than the ten year annual average of 1,333.

National overview

Commercial vehicle registrations fell 48%pa in the June 2020 quarter, which contributed to a 25% fall in the June 2020 year. Commercial vehicle registrations have been weakening since the middle of last year but, at just over 9,000 registrations, the June 2020 quarter result was comparable to levels last seen in the aftermath of the GFC. The June 2020 quarter saw falls in light, medium and very-heavy commercials. However, there are early signs of a recovery in light commercials on the back of a primary sector that is seeing continued demand for New Zealand's food exports, a better than expected pipeline of construction work in the near-term, and households' willingness to spend money saved during lockdown.

Tourism Spending



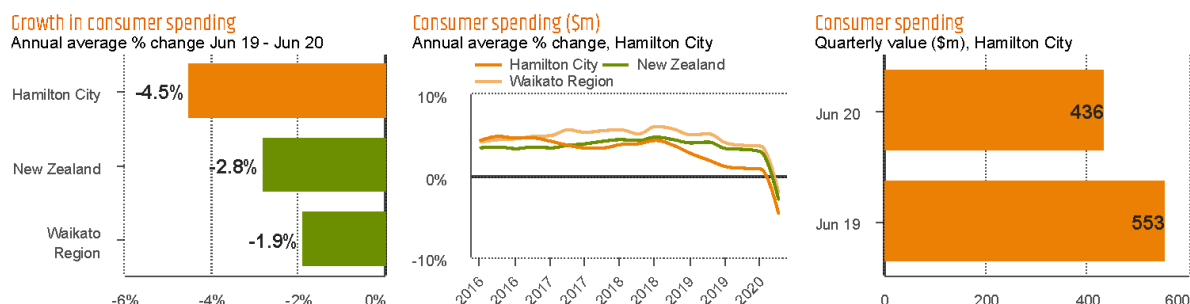
Highlights for Hamilton City

- Total tourism expenditure in Hamilton City decreased by 7.4% in the year to June 2020. This compares with a decrease of 12.3% in New Zealand.
- Total tourism expenditure was approximately \$847m in Hamilton City during the year to June 2020, which was down from \$915m a year ago.

National overview

Tourism spending fell 12.3%pa over the year to June 2020, as the border closure and domestic restrictions hit visitor activity. Total tourism spending over the last 12 months totalled \$26b, with spending of \$3.6b lost compared to the June 2019 year. The West Coast recorded the hardest hit, with tourism spending down just over 20%pa, followed by Southland (-16%), Otago (-15%) and Wellington (-14%). Domestic travel has helped bolster tourism activity in recent months but won't be enough to outweigh the loss of international tourism activity.

Consumer Spending



Highlights for Hamilton City

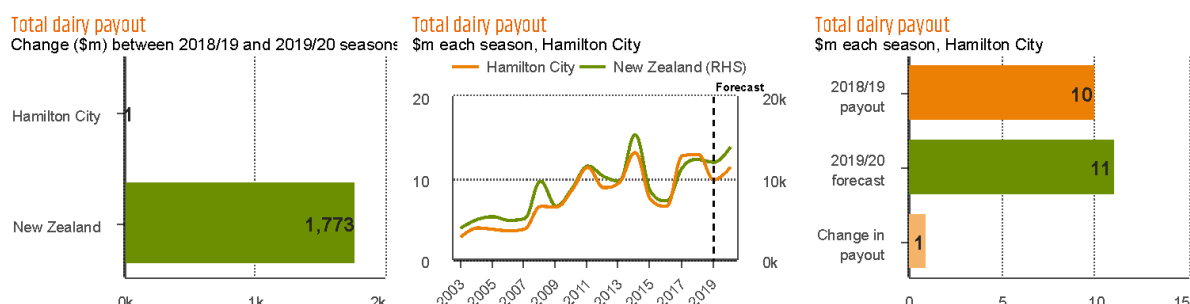
- Electronic card consumer spending in Hamilton City, as measured by Marketview, decreased by -4.5% over the year to June 2020 compared to the previous year. This compares with an decrease of -2.8% in New Zealand.

National overview

Consumer spending fell off a cliff in the June 2020 quarter, with spending down 20% compared to June 2019, as households held onto their wallets during the lockdown period. Spending over the year to June 2020 was down 2.8% compared to the June 2019 year.

Consumer spending has been surprisingly resilient since the Level 4 lockdown, but we expect it to soften in the coming quarter as post-lockdown surge ends and the end of the wage subsidy extension brings about a second wave of redundancies.

Total dairy payout



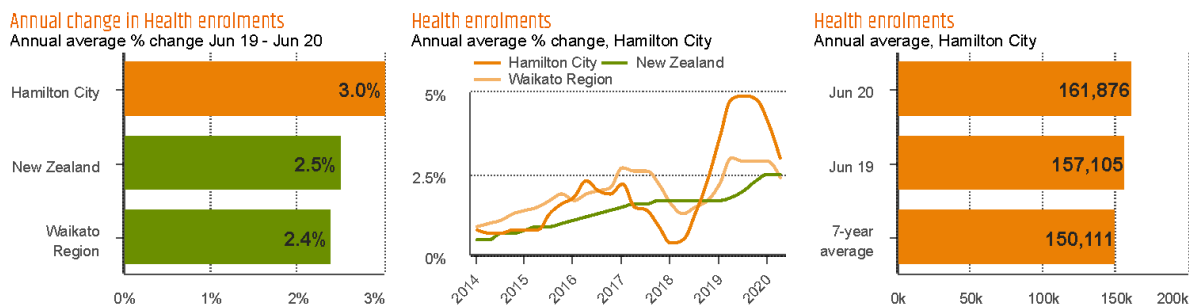
Highlights for Hamilton City

- Hamilton City's total dairy payout for the 2018/19 season is estimated to have been approximately \$9.83m.
- Hamilton City's dairy payout for the 2019/20 season is expected to be approximately \$11.3m, \$1.46m higher than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately \$11,964m in the 2018/19 season, and is expected to be \$1,773m higher in the 2019/20 season.

National overview

Near-term expectations for the dairy sector are holding up, with global demand still present for New Zealand's (now again) largest export. As expected, the dairy pay-out has settled towards the lower end of previous expectations, with Fonterra's pay-out for the season just finished sitting at \$7.15/kgms. The drought has hurt farmers in the North Island, with higher feed costs and other issues biting. Considerable uncertainty remains around the dairy outlook, with Fonterra's opening pay-out for the current season ranging between \$5.90-\$6.90/kgms – with a mid-point of \$6.40/kgms – reflecting expected issues. Dairy exports were up 13%pa in the June 2020 quarter, highlighting the current resilience in primary sector activity.

Health Enrolments



Highlights for Hamilton City

- The number of people enrolled with a primary health organisation in Hamilton City in the year to June 2020 increased by 3.0% compared with the previous year. Growth was higher relative to New Zealand, where the number of enrolments increased by 2.5%.
- An average of 161,876 people were enrolled with primary healthcare providers in Hamilton City in the 12 months ended June 2020. This compares with an average of 150,111 since the start of the series in 2013.

National overview

The number of people enrolled at a health provider remained strong in the June 2020 year, with a 2.5%pa rise – in line with the March 2020 year. Net migration has increased in recent months, driven by an influx of returning New Zealanders, with national population growth of 2.1%pa in June 2020. The health and contact tracing focus of the COVID-19 pandemic is likely seeing an increase in the number and accuracy of health enrolment details, meaning that the strength of health enrolments might not be driven purely by an increasing population.

Technical notes

Building Consents

Building consents data is sourced from Statistics New Zealand. The number of residential consents issued for new dwellings is the measure for residential consents. For non-residential consents, the measure is the value of both new buildings and alterations.

Consumer Spending

The consumer spending data is sourced from Marketview. It measures total electronic card spending using spending through the Paymark network and adding to it an estimate of non-Paymark network spending using the pattern of BNZ card holder spending at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

Dairy

Dairy data has been sourced from the "New Zealand Dairy Statistics", a publication co-owned by DairyNZ and LIC, as well as calculations made by Infometrics. The data accords to dairy seasons, which run from June to May. Total dairy payouts in each territorial authority have been calculated by Infometrics by utilising milk solids production in conjunction with Fonterra's farmgate milk price (excluding dividends) from the dairy season in question. For the current season, Infometrics calculates a payout forecast using our own expectation of the farmgate milk price and the assumption that milk solids production continues running at the same level from the previous season.

Earnings

The earnings data comes from the quarterly Linked Employer Employee Data (LEED) published by Statistics New Zealand. LEED publishes the mean earnings of full quarter jobs for each quarter. Full quarter jobs may include full time and part time jobs. Earnings include overtime and lump sum payments. We sum the mean earnings for the four quarters making up the year to arrive at an estimate of average annual earnings. Infometrics projects average annual earnings to the current quarter using growth rates in industry earnings measured in the Labour Cost Index.

Gross Domestic Product

Gross Domestic Product is estimated by Infometrics. A top down approach breaks national industrial production (sourced from production based GDP measures published by Statistics New Zealand) is broken down to TA level by applying TA shares to the national total. Each TA's share of industry output is based on earnings data from LEED. GDP growth in recent quarters is based on a model which uses the various partial economic indicators presented in this report as inputs. Estimates of GDP for these most recent quarters are provisional until Infometrics updates its annual GDP series in the Regional Economic Profile at the beginning of each year. Gross domestic product is measured in 2019 dollar terms.

Health Enrolments

Health enrolments are sourced from the Ministry of Health. They record the number of people in each area who are enrolled with a Primary Health Organisation (PHO). Enrolment is voluntary, but most New Zealanders enrol at a general practice for health reasons and for the benefits of enrolment, such as cheaper doctors' visits and reduced costs of prescription medicines. Changes to how the Ministry of Health recorded this data led to Infometrics revising our approach to health enrolment figures for the March 2019 Quarterly Economic Monitor onwards. Our new approach completely revises our timeseries of health enrolments, so care should be taken when comparing the March 2019 report with previously downloaded reports.

Previously, the data provided was only for those people whose addresses are able to be accurately recorded by the Ministry of Health. We have now switched to breaking down TA-level health enrolments based on trends in stated health enrolments by area, to ensure that the total number of enrollees published in the Monitor align with the national-level figures published by the Ministry of Health. A new system for classifying and recording health enrolment addresses from March 2019 onwards by the Ministry means significantly higher numbers of unallocated enrollees, resulting in the need to review our model.

House Sales

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

House Values

House value (dollar value) are sourced from QVNZ. The levels quoted in the report are average current values over the past 12 months. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house's price between sales.

Jobseekers Support

In July 2013 the New Zealand's welfare system changed to better recognise and support people's work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can't work at the moment, for example, because they have a health condition, injury or disability.

Tourism Expenditure

Tourism expenditure data is sourced from the Ministry of Business, Innovation and Employment's (MBIE) Monthly Regional Tourism Estimates. These are estimated values for tourism spending that approximate values found in the International Visitor Survey (IVS) and Tourism Satellite Account (TSA), using modelling of a sample of electronic card spending throughout New Zealand from domestic and international accounts.

Traffic Flow

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

Unemployment

Regional level unemployment rates are sourced from Statistics New Zealand's Household Labour Force Survey. Trends in the number of Jobseekers are used to break down regional unemployment rates to TA levels. The TA level unemployment rates are benchmarked on census following the release of each census. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

Vehicle Sales

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Appointment of Directors - Waikato Regional Airport Limited) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. Municipal Endowment Fund - Management and Policy Approval		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
Item C2.	to enable Council to carry out negotiations	
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)