

Chairman's Report – HOTC AGM 2011

Good evening.. it's my pleasure to welcome you here this evening.

Just to set the scene, the new board and I came to office last year in the midst a time of significant change, not least of which was the advent of the new Auckland Super City and its attendant new city governance structure. Since then, this organisation has therefore had to operate in somewhat uncharted territory, so it has been doubly important that in all respects HOTCity has continued to be well structured, well organised and well researched – the catchcry here is that we must always be “standing on thick ice” – so that we remain both credible and influential as we develop and execute plans for the direction of our patch of this city– or as it is now called by Council – Auckland's ‘Engine Room.’ – an appropriate name as Auckland's CBD is the shop front for our city with a working population of over 80,000 commuting here every day and a student population in excess of 70,000. When combined with the residential population of 24,000 the central city that we speak for is, in effect, very similar in size to Hamilton – NZ's 4th largest city.

I can't go any further without acknowledging the efforts that your current Board members have put in this past year to the administration of this organisation. Peter Cammell, Shale Chambers, Chris Cherry, Jason Copus, John Courtney, Marion Edwards, Gary Langsford, Callum Mallett and Alan Matson, thank you. Ladies and gentlemen, this has been a hard working board – bringing to the table excellent representation from a broad range of your membership and vigourously debating all aspects of HOTCity's strategic direction. Try as I might, our board meetings have never been brief !

Now is also a good time to acknowledge the pivotal role which Alex Sweeney continues to play as our CEO. In his own irrepresible way, he astounds us all with the vigour and passion he pours into this organisation and this City, especially when the process of battling bureaucrats for results is more often than not, a long winded and frustrating pastime.

Alex also has the uncanny ability of being able to surround himself with a group of highly talented and hard working professionals who make up the HOTCity team. I want to acknowledge Kate Cleaver who heads up our Marketing, ably assisted by Megan McComb. Then Jane Stewart and Natalie Donze run our events team. Tania Loveridge is in charge of stakeholder relationships, Jocelyn Hugill runs all of our membership communications and social media and Raewyn Pope is our 'Director of First Impressions' holding it all together out there at our front desk.

Ladies and gentlemen, you could not hope to have a more committed team working for your interests so guys on behalf of all of us, thank you so much for everything you've done and achieved this year.

So to put things in context, this group of just 8 people run a business with an operating budget of \$3.7 million which added to the contributions which HOTCity manages to leverage up from a wide range of our specific project partners, ends up being a spend of more than \$4.7million – this is a significant business.

So I now want to give you a snapshot of how that money has been put to use this past year by giving you just a few examples of great HOTCity work

Most of us are still recovering from the success of the All Blacks in the weekend and the Rugby World Cup, and we do acknowledge that it hasn't been as successful for some of our sectors as for others. In planning for this event, our insight was that tourists like to visit where the locals go so our strategy was give CBD visitors the best opportunity possible to find retail, hospitality and tourist experiences delivered by way of the Insiders Guide. 94,000 copies of this pocket sized publication were distributed at key visitor destinations and 5750 people downloaded the apps. While the results of this

initiative are yet to be fully measured, there has been a strong element of legacy investment and we look to continue the Insider's Guide concept in some form into next year.

Our BIG Little City consumer brand, that attracts the majority of our partnership funding, is something that we remain committed to.

Big Little City is an events based campaign. We are strong believers that events form the basis of modern urban economies and we don't have to look far to see examples of this – Wellington and Melbourne are cities that have transformed their economies with expanded events budgets. This year we have seen continued measurable success for BIG little City, with our winter campaign growing consumer spending and market share over the quieter winter months. The results were, increased spending in the CBD with campaign partners by 22.5% versus last year, and 4.3% for ALL HOTC members. We have committed substantial funding to an expanded events budget and Jane and Natalie have developed an events strategy that focuses on exclusive CBD events that are designed to activate and directly benefit our businesses, such as the inaugural Restaurant Month, which involved over 60 restaurants and provided a 45% increase in expenditure, from the previous year, for the participating businesses. We look forward to the upcoming events such as Christmas and Fashion Festival.

Our research confirms that the cost and availability of parking continues to be a deterrent to visiting the city. Interestingly there is a diminishing expectation that it be free parking. With this in mind we made the case to Council to promote an improved parking offer – Council has 48% of the short term parking stock in the CBD so can have a disproportionate impact on this negative perception. We negotiated a \$2.50 per hour off peak parking offer, till end of December, and continue to embed this in all of our promotions. This is a wonderful fit with our events strategy as events are typically staged in the off peak period.

Rubbish collections are also problematic – there is never a right time to put rubbish into a high density 24/7 urban environment - so we turned the problem on its ear and made the rubbish more attractive. This year we ran a three stage campaign to rethink the rubbish challenge.

The free inner city bus link service was a concept promoted and supported by HOTCity. For six years we have picked up the farebox contribution that keeps the inner city bus service free of charge. For the past two years this service has been running at capacity and we have been pushing to expand the service. We finally prevailed and now have a nine bus service arriving every five minutes and extended into Wynyard Quarter. What started out as a leap of faith by us here is now a mainstream service – an example of applying a creative process to a well researched project and delivering – in this case, 364 days a year service.

So, as you can see our fingers are over a many and varied range of activities and of course all of this is built on the back of what we call 'business as usual.' This is the 9 Ambassador staff who have grown another arm and a leg with the introduction of Segways to further enhance the service they deliver.

Our commitment to making the city safer continues to expand with our 7 person security service based here in our offices. They now do a morning sweep through the city to get it ready for business and we have additional evening patrols from

Wednesday to Saturday that work hand in glove with the Police as they run a nearly seamless integration with the downtown police call centre.

Along with the great things, any responsible organisation should take the time to focus on areas where we know we could do better, and I'd like to mention a couple of these. The Board in particular felt that much of the good work which HOTCity achieved often went un-noticed – no doubt a legacy of Alex's tendency to shy away from the limelight – so we have now adopted a policy, where practical, to do a little more self promotion. A recent example is our logo now being associated with the free inner city bus service which as I just said, we have championed.

We have also recognised that we could be doing better in terms of general engagement with our membership at large, in particular so that we can meet our objective of speaking with the full support of our membership. This is no mean feat. HOTCity already communicates with 3,836 members via a variety of electronic and traditional printed newsletters. However, I am pleased to report that we have made substantial progress on this with the employment of Tania in January of this year. One of Tania's key roles is to strengthen the diversity of our membership relationships so stand by - she will be coming to a retail outlet or office tower near you in the very near future. If we look at our expenditure in this area over the past year we see that we have increased our activity by 82% - a beginning along a long path and one that we are committed to doing more of.

With such a broad constituency we are upping the ante in terms of the way that we seek to substantiate our thinking on key areas of interest so it should be of no surprise to anyone to see the way that we have elevated our public profile in terms of the way we seek out opinions on key areas. Council's new City Centre Master Plan is a case in point. This is a vital piece of planning work which will profoundly affect the future development of the CBD which amid all the noise of the RWC, Council has sought submissions from the public. Hopefully you may have noticed the print campaign we ran over the last 2 weeks, encouraging feedback on four key issues which will be included in HOTCity's submission to this plan due in by close of play next Monday.

We will continue to advocate on your behalf on the CBD rates differential and the application of targeted rates. Currently our membership pays the highest rate in the dollar to council and in doing so subsidises suburban expenditure. Compounding this we have also elected to pay a CBD targeted rate – in effect a rating premium – to complete streetscape upgrades such as Queen Street and the new shared space projects, that are not budgeted for out of the general rate. We will continue to monitor this rating differential in the upcoming year when rates equalisation throughout the Super City will create some interesting political challenges for the new Auckland Council.

Down on our waterfront we have been heavily involved in the very public debate surrounding the Ports activity, the location of the cruise ship terminal and the potential for greater public access at Wynyard Quarter. Of course we recognise the importance of a working waterfront and the economic justification of a successful port but we will not shirk from asking the hard questions few others seem willing to ask. We will continue to champion a new economy on our waterfront and the potential alternative activators that can enhance our access to the CBD waterfront.

You will have also noticed the images behind us here. The walking cycle bridge attached to the Akld Harbour Bridge is a potentially transformational project. With the strong growth in cycle commuters this is a link to the central city that will only grow in importance. It is also our belief that such an addition will enhance our tourism offering in the way that it

complements our 100% Pure international branding and create another offering for tourists to stay another day here in our city. In San Francisco 84% of international tourists walk the Golden Gate Bridge and they are doubling the size of their bus park and bike rentals at the foot of the bridge.

This is a project that we are supporting from an organizational point of view and also providing public relations support to.

So, as you can see we are working over a wide spectrum of activities with many balls in the air. It is always exciting in the heart of the city and we look forward to keeping up the good fight on your behalf and keeping the pressure on ourselves to do even better.

We certainly aim to, and I believe that we do, punch above our weight on your behalf... but the most exciting thing is the huge potential that this organisation has - especially within the new Auckland governance structure - and the constructive way in which we go about championing its importance.

I close thanking you for your attendance today but not before I acknowledge two retiring Board members today. Marian Edwards has only been with us for the past year but her business takes her far and wide – and in the next year for an extended period to India. For this reason Marion is stepping down. Peter Cammell has also decided after 8 years on our Board and four as our Chair not to stand for re-election this year.

Peter climbs mountains for a hobby so trying to make some sense and get some strategy around the work that Alex and his team do could possibly have been one of his biggest mountains... but he prevailed and we are that much stronger as an organisation in terms of professional systems, and strategic priorities.

Peter, we are much robust and resilient for your invaluable contribution and today we thank you for this contribution. Our heartfelt thanks and best wishes go with you.