An aerial photograph of an industrial or commercial district, showing numerous buildings, parking lots, and roads. The entire image is overlaid with a semi-transparent red filter. A large white bracket is positioned at the top center, framing the text 'Business North Harbour'.

**Business
North
Harbour**

ANNUAL REPORT

30 JUNE 2016

BUSINESS PLAN

1 JULY 2016–30 JUNE 2019

Executive Committee Board



Kevin Moore
Chair
Crown Worldwide NZ



Steve Plummer
Deputy Chair
Centurion Property Management



Terry Zouch
Deputy Chair
KiwiBank



Kathryn Chivers
McVeagh Fleming –
representing EasyForms



Greg Frittelli
Insurance and Lending
Group (ILG)



Peter Jollands
Jollands Callander



Ross Keith
Advantage Business



Allan Kent
Zeald



Nicky Lukan
BNZ Retail and Partners



Janet Marshall
Colliers International



Emma Monsellier
Davenport Harbour
Lawyers



Vaughan Reed
Labyrinth Solutions

Executive staff



Janine Brinsdon
General Manager



Dave Loader
Crime Prevention
Specialist



Sarah de Zwart
Relationship Manager



Shirner Kenny
Communication and
Marketing Manager



Debbie Kenzelmann
Office Manager and
Finance

Our Gold Sponsors 2016/17



Design • Print • Promo • Web



Partnership Programme

MASSEY UNIVERSITY
TE KUNENGA KI PŌREHUROA
UNIVERSITY OF NEW ZEALAND

Chair and GM report

It has been a significant year, resulting in the delivery of several key strategic projects that we believe will facilitate continuing growth and investment in the North Harbour business district. Much of our focus over the past twelve to thirty-six months has been on working to mitigate the risk to business efficiency as a result of that growth, and leveraging positive outcomes from the increased scale and presence of the North Harbour region.

In last year's annual report, we outlined our intention to hold an expansion ballot north of the existing North Harbour Business Improvement District (BID). This was successful, taking effect on 1 July 2016 (see more on pages 4–5). We are now extending our programmes to include these new members, providing them with a strong voice and opportunities to connect, communicate and collaborate with their neighbours.

The second strategic project delivered was the rebrand from North Harbour Business Association to Business North Harbour. The strategy behind the rebrand was to highlight our unique location – focusing the attention and investment decisions of key stakeholders on the region, and providing business and commercial property owners with a clear sense of place.

The need for a strong regional identity has been highlighted throughout the extended Proposed Auckland Unitary Plan (PAUP) consultation process, in which we have been heavily involved on behalf of our members. This process decides the shape of future developments and the activities that can be conducted within the



**Connect.
Communicate.
Collaborate.**

www.businessnh.org.nz

On behalf of the Executive Committee Board and executive team, it gives us great pleasure to report on the achievements, outcomes and progress made over the past twelve months.

Our advocacy and mediation focus has been on enabling business growth and prosperity within the area.

North Harbour BID for the next thirty years. Our advocacy and mediation focus has been on providing options for both tenants and property investors, enabling business growth and prosperity within the area. We would like to thank all those members who engaged with this process, helping us to understand their position and represent them most effectively. Our submissions resulted in considerable changes to the originally notified plan (see page 6).

With membership and programme growth comes a greater administrative support workload. During the year, we have increased our project management support with the appointment of a Relationship Manager, who is also responsible for transport stakeholder relationships and programme deliverables. We also increased the capacity across our membership communications and crime prevention resources. Janine Brinsdon's tenure of six years as General Manager provides the executive team with a solid base of experience and expertise on which to continue building innovative and relevant member programmes. Following the introduction of the new Health and Safety at Work Act 2015, we also took the necessary steps to ensure that we comply as an organisation.

Leadership and governance for the Business North Harbour team continues to be provided by the Executive Committee Board and its specialist subcommittees: Economic Development and Strategy, Marketing and Member Services, Finance, and Transport and Crime Prevention. Thanks to the twelve elected local business representatives who generously give of their time and expertise to guide and develop Business North Harbour.

Business North Harbour's Constitution governs the formation of this Executive Committee, and limits the tenure of any one member. As a result, Kevin Moore will stand down as a board member, and as Chair, at the 2016 AGM. It is appropriate that we acknowledge his significant contribution, especially during the PAUP process, and we collectively thank him for his commitment.

We look forward to a continued partnership with our members and key stakeholders as we work together to ensure that North Harbour remains a desirable and prosperous location for business and investment in Auckland.

Kevin Moore
Chair

Janine Brinsdon
General Manager

The growth of North Harbour and why it is so important

Regional growth

Since 2000, the North Harbour business district has undergone phenomenal growth. The number of businesses located here has increased from 1480 to more than 3700, and employee numbers have risen from 10,000 to over 25,000.

Managing the impact of this growth has been a priority for Business North Harbour since becoming a Business Improvement District (BID) in 2008. We aim to leverage the area's profile on behalf of our significant business and commercial property owner membership, throughout any decision-making processes that may affect our area. This includes formal representation to local and central government, economic development and transport agencies, and the Upper Harbour Local Board (UHLB), ensuring that planning and investment decisions best reflect the needs of our commercial property owners, business owners and tenants. Our annual member surveys gather information critical for local advocacy projects, such as transport, crime prevention and access to investment, and our programmes are designed to keep the area safe, accessible, and thriving as it grows.

We're big enough to make a difference, but small enough to respond to the individual needs of our commercial property and business owners.

Demand for scalable local employment options in the area has continued, alongside significant population growth on the North Shore, and employment patterns are changing. Diversity of industry sectors has naturally occurred as a result of this growth, especially within the business service sector, which has clustered in North Harbour to support traditional sectors such as manufacturing.

How does our growth compare?

When lobbying for infrastructure investment or representation in local government policy, it is vital for us to understand how we are tracking at Auckland and local board level. North Harbour BID is captured within the UHLB area, which is the narrowest geographic cluster available for the key economic data below. The great news is that regionally we have been outperforming greater Auckland in GDP growth over the past five years, although this trend shows a change in 2015 (Source: Statistics NZ, Auckland Council).

Business North Harbour's employment numbers for the same period show an environment in which entrepreneurs are prepared to take risks to start new ventures.

Growth in the number of business units in the Upper Harbour area averages 3.9% p.a. over the ten years to March 2015, compared with 1.2% p.a. in the national economy.

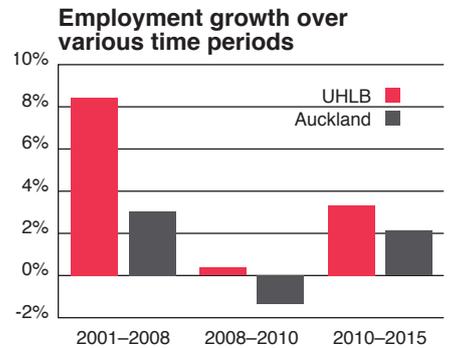
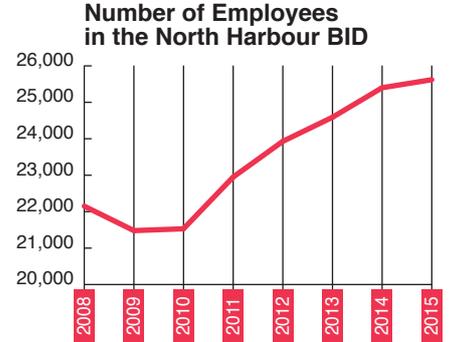
Overall, productivity within the UHLB area paints a positive picture when compared to both Auckland and New Zealand.

Employment

Employment patterns are changing. Over the past five years, the UHLB area has outperformed Auckland. However, this trend showed a change for 2015. Business North Harbour's employment numbers for the same period show increases from 21,530 in 2010 to 25,620 in 2016.

Membership growth

As outlined in last year's business plan, in April 2016 Business North Harbour invited commercial property and business owners north of the existing NHBID to become members. This invitation was driven by a desire from those members for our help to improve transport (especially parking), reduce crime, and increase opportunities for economic development, business connection and collaboration.

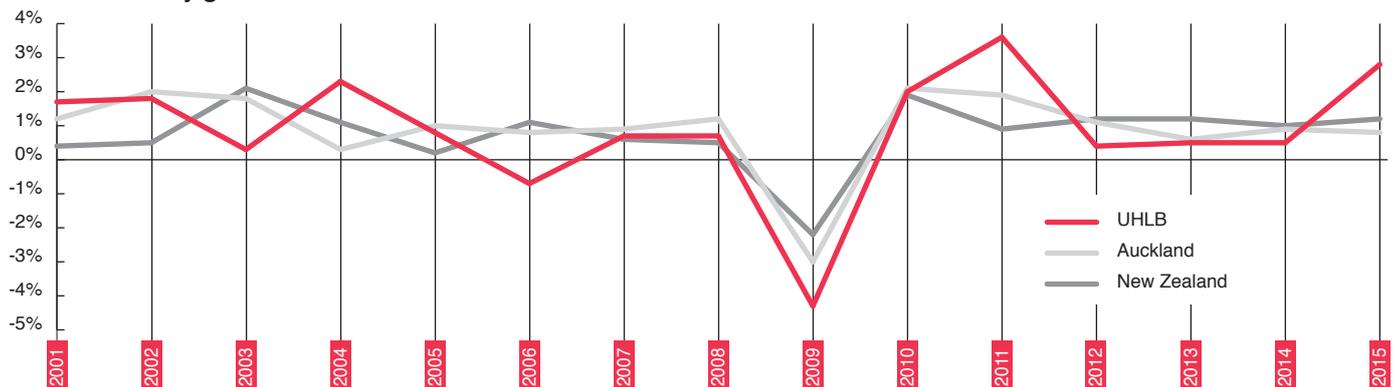


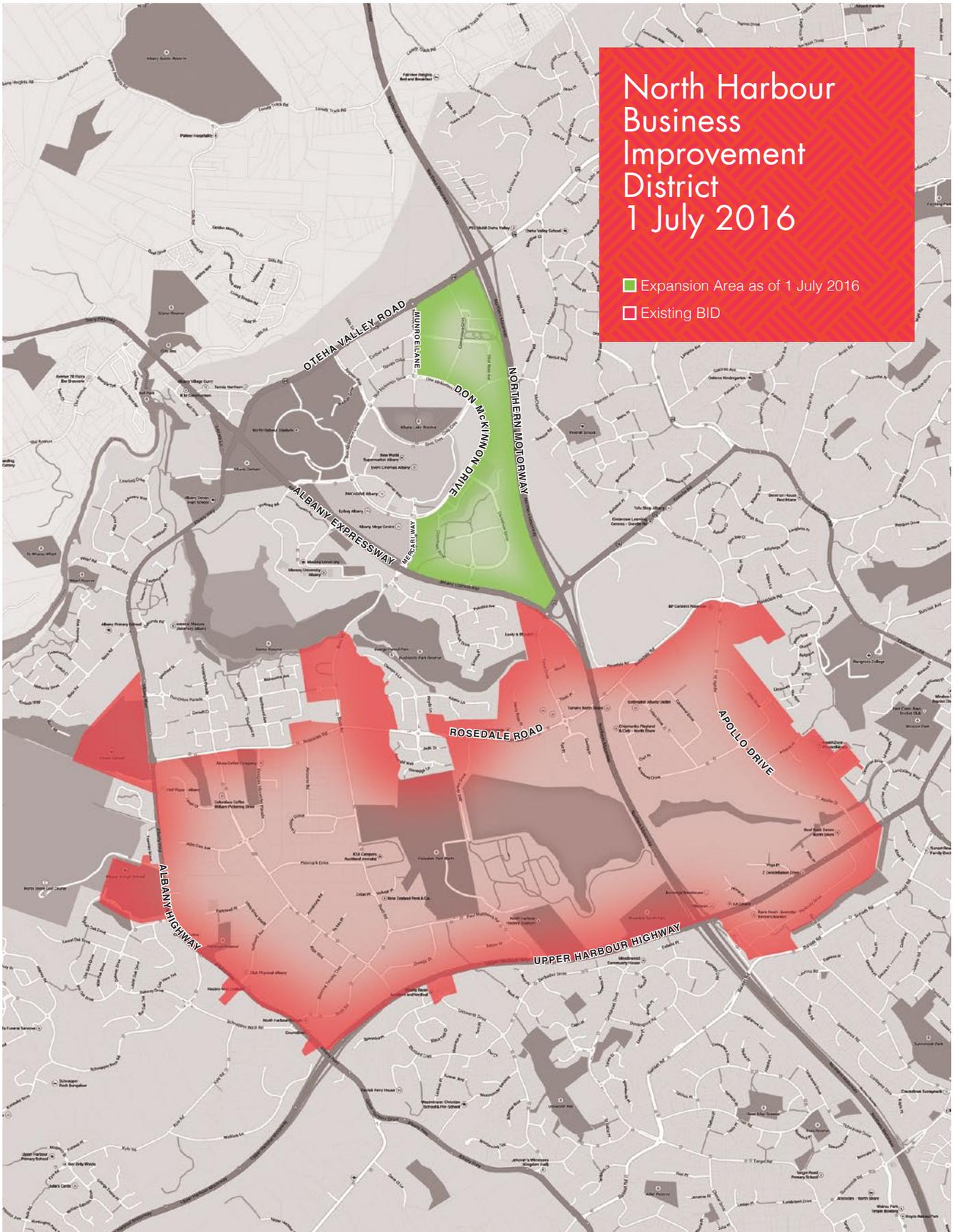
The ballot was successful, with 281 eligible voters and new members to be welcomed on 1 July 2016 (see the map on page 5 for their location). Auckland Council Economic Development and BID Partnership Department recommended the ballot results be ratified by UHLB, and for the additional total targeted rate (\$61,573 p.a.) to be included in the Auckland Council 2016/17 budget.

Thank you to all eligible voters who participated in the ballot. We look forward to working with and for you in the coming years.

A full ballot expansion report is available at businessnh.org.nz.

Productivity growth 2001-2015





[✓] VOTEYES



30.6% votes returned
in the NHBID Expansion
Ballot, May 2016



74.42% of those
votes returned in favour
of joining the NHBID

Postcode of choice

What makes North Harbour such a great place for investment?

Government listens!

As the Proposed Auckland Unitary Plan (PAUP) controlling the future of Auckland took shape, Business North Harbour actively represented our members and lobbied local government politicians throughout the process, ensuring that the voices of business and commercial property developers were heard. Over the past twelve months, we attended three hearings and spent five days in mediation in front of the Auckland Unitary Plan Independent Hearing Panel. The panel's recommendations to Auckland Council were modifications to the 30-year plan that better reflect the current diversity and future scale of our district.

Representing the views of more than 4000 diverse members during this process was a challenge, and we were aware that not all members would be happy with the collective position. However, for members on the eastern side of SH1, the base zone for a significant number of properties was changed from Light Industry to General Business, allowing greater flexibility and scale for commercial operations. The majority of members on the western side of SH1 remained Light Industry, again giving flexibility and surety across their industrial/commercial activities.

We wish to thank and acknowledge over 525 members who attended public meetings for the PAUP and contributed to our submission process. Auckland Council's decision to accept the recommendations is open to legal challenges within the High Court. The final outcome will be known during the period of our Business Plan.

Since 2010, Business North Harbour's member programmes and services have expanded.

Keep North Harbour moving

Two key projects were advanced this year.

Central and local government has committed \$700 million to the Northern Corridor Improvement Project, with the aim of providing a better link from West to North Auckland, and greatly improving access within the North Harbour district. Local traffic from East Coast Bays will be able to move more freely, and improvements to the Northern Busway will provide an alternative to single car journeys and reduce demand for on-street parking locally. As a result of our advocacy, access from the improved motorway connections will be retained into and out of our estate. Construction will commence in 2018.

Completion of the Albany Highway Project, involving a further \$52 million from Auckland Transport, is due ahead of time, in October 2016. Throughout the project we have focused on keeping members aware of the road works to minimise the impact on their journey times.

Solid investment returns

Our commercial property investors not only have a good choice of tenants, but are receiving good rental returns due to demand for property. The negotiated changes to the PAUP, as they stand at the time of writing this report, will protect this position, with a change under General Business Zone for stand-alone office space from 100m² GFA (gross floor area) per tenancy to 500m² GFA per site.

Metropolitan Office Vacancy Survey

Date	North Harbour	Mairangi Bay
Sep 08	14.40%	8.58%
Mar 13	8.78%	12.11%
Sep 13	9.26%	8.66%
Mar 14	6.12%	10.20%
Sep 14	3.55%	8.06%
Mar 15	3.86%	6.99%
Sep 15	3.42%	3.53%
Mar 16	4.86%	5.00%

Metropolitan Industrial Vacancy Survey

Date	North Harbour	Mairangi Bay
Aug 07	3.80%	2.09%
Aug 12	3.74%	3.40%
Aug 13	3.03%	3.52%
Aug 14	2.86%	1.86%
Aug 15	1.53%	0.62%
Aug 16	1.08%	2.44%

Colliers International Research

Decreased costs – leveraging greater value

Since 2010, Business North Harbour's member programmes and services have expanded to offer more support for business networking, communication, economic development, transport management and crime prevention.

However, these greater options have not been funded by an increased targeted rate per property – in fact, the cost per commercial property has dropped. If your property is worth \$1,500,000, your contribution has decreased from \$1146 in 2008 to just \$729 in 2016. In an age of increasing costs for business, this is good news.

Gold sponsor and external grant funding growth in 2015–16 has made a valuable contribution. Gold sponsor income increased by 37%, highlighting the value these 13 businesses place on being able to build a strong local profile and business connections.

We received \$20,000 unbudgeted support from Auckland Transport to assist in resourcing transport-related projects. We had budgeted \$35,000 from UHLB to support our economic development projects, but only received \$10,000. UHLB did however provide \$15,000, as budgeted, to support the North Harbour BID Expansion, May 2016.

\$62,000
gold sponsorship

345 submissions from members collated and reviewed by Business North Harbour regarding the Proposed Auckland Unitary Plan

500 pages of evidence delivered to Auckland Unitary Plan Independent Hearing Panel

\$3.719B
CV 2015 for NHBID

Our new identity

The new Business North Harbour brand was released in February 2016, following approval of the recommendation to change from North Harbour Business Association (NHBA) at the 2015 AGM.

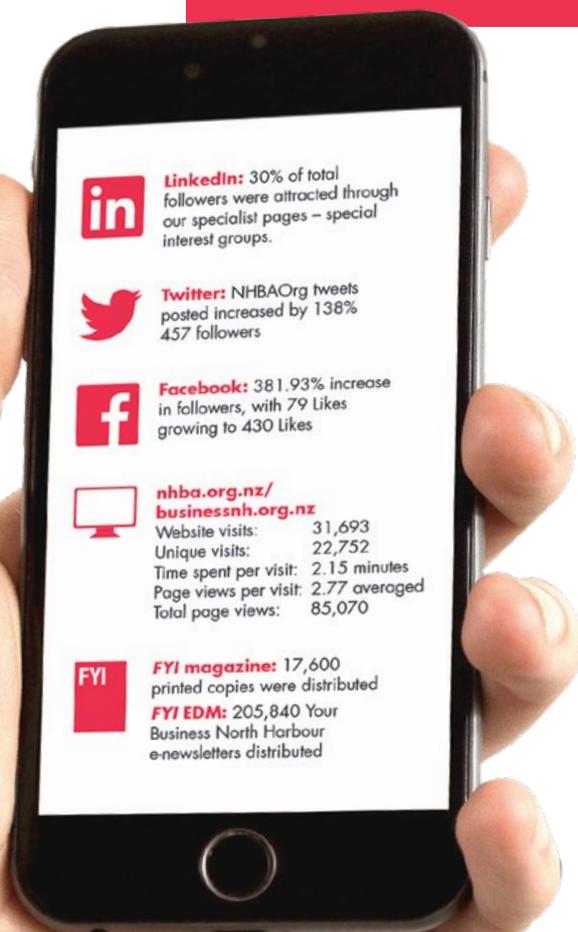


The *Connect, Communicate, Collaborate* strapline reflects the key priorities of our members (Business North Harbour Membership Survey 2015), and also ties together our core programmes.

Our research confirms that the name Business North Harbour provides a clear message that this is the postcode of choice for business and investment, and we believe that the cleaner branding reflects the quality of the businesses located within the BID.

As part of the roll-out of the new identity, a strategic decision was made to invest in a new online platform, not just the reskinned website as per the 2015/16 budget. In tandem, it was decided to bring forward investment in our CRM portal, to deliver a more robust and streamlined membership database platform and enable the collection of confidential economic data on a macro and micro level. This unbudgeted investment was funded out of cash reserves, as detailed on page 12. No additional significant investment will be required in 2016/17.

This is the postcode of choice for business and investment.



Communicate

Internal media

The rebrand was completed on 2 February 2016 – on time and to budget – with the launch of the businessnh.org.nz website, logo and on-street signage.

As to be expected with the website url change, there was a decrease in visitor traffic from a total of 46,282 in 2014–15 (source: Google Analytics). That loss of traffic has already reversed now that businessnh.org.nz is tracking. The new website layout has been well received, with page views per session lifting to a credible 2.87.

As a result of our social media communication plan review, we prioritized the growth of Facebook over Twitter, resulting in an overachievement in Facebook growth (381%) while still growing our Twitter followers by 57%.

LinkedIn growth was 81% overall, which was lower than we predicted. However, through the ongoing development of specialist content pages and groups, such as the North Shore Commercial Property Group, our reach will continue to grow throughout the 2016/17 year.

FYI magazine was produced as planned. *FYI* is the only publication to reach not only all business owners within the NHBID, but also 2000+ commercial property owners, providing members with the chance to influence both groups of decision-makers.

Our e-newsletter, now called *Your Business North Harbour*, is delivered twice weekly, with general news for members on Tuesday, and events promotion on Friday. Six-monthly reviews will be undertaken to ensure the communication frequency is appropriate for our members' needs. Following a stringent database audit, the current e-news subscriber level is 2573 subscribers. While we accept that this is lower than projected, we are confident that the EDM messaging has been opened in excess of 70,000 times throughout the year.

External media partners

We continued to have a monthly column in the *North Harbour Networker*. Columns in *Channel* magazine have been timed to align with major news and events (e.g. PAUP and our conference). We featured in the *North Shore Times* on November 2015, and in February, March and May 2016, and have established a relationship with the *New Zealand Herald*. The planned feature (February 2016) in *NBR* was delayed to allow the expanded membership base to benefit. This feature will take place during 2016 or 2017.

Connect

Our focus for the past twelve months has been on leveraging our scale to provide members with access to speakers who would normally be unavailable to them as individuals.

Thought-provoking presentations were given by our Business Breakfast and Lunch speakers – Hon. Paula Bennett, TUANZ CEO Craig Young, and the British High Commissioner to NZ, Jonathan Sinclair – encouraging business leaders to look at their operations and markets with fresh eyes.

Our partnership with Facebook delivered the first Boost Your Business event in New Zealand, with MC Mia Garlick, Facebook's Director of Policy, NZ and Australia, encouraging the panel of local business marketers to share their online lessons and experiences.

Due to a period of eight weeks without a Communication and Marketing Manager, and speaker unavailability, we were unable to fully deliver on some KPIs. We hosted:

- 4 out of 5 Business Lunches/Breakfasts
- 3 out of 4 Women in Business workshops – on target with per event attendees
- 3 out of 4 Business After Five events – on target with per event attendees.

We delivered the super networking event that we committed to scope in last year's business plan (February 2016). We will repeat this additional event in the 2016–17 period.



14,200

One Day Sale shopper guides distributed

850

attendees at our Business Lunches, Breakfasts, Business After Fives and special interest group events

\$10,000

grant secured for waste minimisation project

With **46%** of our businesses stating they were in growth mode, finding skilled staff was a problem for

36%

Collaborate

Economic development

The fifth Business Expo was held at QBE Stadium in September 2015, attracting more than 600 visitors to 83 stands.

This event has become a showcase for local business, drawing visitors from the North Shore and CBD. Local businesses contributed to a \$4000 door prize, which helped to drive awareness and excitement in the wider community. The Expo was promoted on Eventbrite, with pre-registrations helping to streamline organisation and improve the visitor experience.

An excellent range of seminars covering social media, business success case studies, and recruitment (how to attract the right people) added value to the education and collaboration component of the day, with more than 150 people attending these seminars.

As a result of visitor and exhibitor feedback, the decision was made to host this event bi-annually to keep it fresh.

Thank you to UHLB for sponsoring the venue through their Economic Development Budget.

One Day Sale

Business North Harbour's One Day Sale took place in November 2015, and was another phenomenally successful event for retailers and shoppers. Most retail outlets reported increased sales of 30% year on year, and the majority said they would return in 2016.

A total of 14,200 shopper guides were distributed, promoting the 57 outlets that officially participated. An additional flow-on effect was reported across the entire business district for that day, with retailers who weren't included in the official One Day Sale promotion indirectly benefiting. Total participants exceeded the target of 80.

There were more than 9000 hits on the One Day Sale website page, with the reach across our combined social media channels exceeding 46,000 impressions.

C3 launch

The C3 programme (Connect, Communicate, Collaborate) was initiated to bring together business and students, providing businesses with additional resources to deliver project wish lists, and giving students real-life experience of the business world.

An expo was held in September 2015, with over 300 students and 32 business owners connecting. The success of this launch means that C3 will become part of our ongoing economic development programmes.

Building capability

Our commitment to deliver relevant training to members and their staff continued over the past year. We hosted a Health and Safety workshop, and a workshop on effective networking.

Although these were well attended, going forward we will link the majority of our training workshops to our main conference and business expo, as we believe this will provide the audience and speakers with greater value.

Member-hosted workshops were promoted through our events calendar, ensuring that the business district was aware of the depth of workshops available locally, while encouraging increased connection and collaboration between members.

Special interest groups

Building on the outcomes of the May 2015 membership survey, we researched the need for sector-specific conferences or trade shows. Based on the results, we decided to host our first conference, with an overriding human resource focus – Organisational Development: Attract, Retain, Comply. Although speaker availability prohibited the hosting of the conference within the 2015–16 timeframe, it is planned for August 2016.

April 2016 saw the launch of the North Shore Commercial Property Group (NSCPG), in response to requests from our property owners for access to sector experts and speakers. The popularity of the launch event resulted in the NSCPG being added to our core events programme.

Social responsibility

The aim of minimising waste and providing a cost-effective recycling/upcycling programme resulted in Business North Harbour negotiating a \$10,000 grant from Auckland Council's Waste Minimisation and Innovation Fund. These funds were partially applied to the March 2016 inorganic collection management and promotion. The balance will be allocated to a feasibility study and further research into enhanced recycling facilities within the business district and on individual member premises.

Building on existing programmes

Keeping your business moving

Managing the impact of the region's extraordinary growth – in business units, employee numbers and property values – continues to be the focus of our transport programme. When the region is bursting at the seams, congestion and over-demand for on-street parking will result.

Although Business North Harbour is not in a position to construct parking buildings or new roads, through our stakeholder relationships we are able to influence the management of current assets and priorities for new investment.

Management of current assets

Commuter education forms the backbone of our transport programme. We have given one-on-one and group presentations in an effort to influence how North Harbour employees travel to work, and thus reduce congestion in the area. More than 165 transport resource kits were distributed to business owners so that they could share with their staff the various alternatives to driving. Increased use of these alternatives would lead to decreased demand for all-day on-street parking, freeing up space for trade visitors and customers.

Carpooling and public transport remain the main alternatives to single occupancy car journeys. It is accepted that public transport patronage growth will be restricted until the new North Shore public transport timetable takes effect in 2018. However, there is a clear appetite for the use of public transport when available – evidenced by the distribution of more than 89 new HOP cards during the year, allowing commuters to trial public transport.

With the aim of bringing forward changes in behaviour, UHLB funded a shuttle feasibility study that enabled Business North Harbour to research a service supplementing Auckland Transport's existing public transport timetable during peak hours. Despite local business support and supplier availability, and after considerable work had been completed, Auckland Transport refused permission for Business North Harbour's service to use their public transport facilities. This was an obvious disappointment, as reducing on-street parking demand and providing an alternative to driving to work was the overall aim.



Albany Highway redevelopment.
Due for completion ahead of schedule, October 2017.

Programme realignment

After two years, our Walk for Coffee initiative ended, and was replaced by a walking month competition run by Auckland Transport. This encouraged members to team up to walk the equivalent of the length of New Zealand, and attracted 27 participants. We also had nine companies participate in Auckland Transport's Bike Challenge, and 37 participants in cycle training. While these numbers seem small, they compare favourably with other regions across Auckland for Auckland Transport-driven initiatives.

Representation

Our business and commercial property owners were provided with access to key local and central government transport decision-makers through a series of public meetings (ten for the Northern Corridor Improvements Project) and our Business Breakfast presentations.

In addition to these meetings, the views of our members were conveyed through formal submissions on key strategic plans such as the Public Transport Network Review North, Proposed Auckland Unitary Plan, Auckland Council Long Term Plan 2015–25, and Auckland Council 2016/17 Budget. In our

submission for the latter, we were very clear that the Interim Transport Levy was to remain at \$183 per property, not increase to \$450 as proposed. The proposal was successfully overturned, resulting in significant rates savings across the business district.

All print, digital and social media platforms were used to keep members and their staff informed about key projects such as the Albany Highway redevelopment, Tawa Drive clearway, and proposed Constellation Drive clearway.

We conducted parking occupancy surveys on Parkway Drive and Constellation Drive to understand the impact of the Constellation Drive Park and Ride overflow and the growth of employment through that strategic corridor. We managed improved safety through the delivery of localised advocacy projects, such as the installation of yellow lines on Triton Drive and the Arrenway Drive roundabout, improving visibility and access through these key streets.

We also successfully advocated for changes to Auckland Transport's proposed pedestrian crossings in Apollo and Orbit Drives, resulting in increased commuter safety with minimum loss of on-street parking.

195 individual
journey planning
consultations

11 group
transport educational
presentations

\$7120
worth of preloaded
HOP cards distributed

Over **180**
business and property
owners attended
meetings with NZTA
and Auckland
Transport management
to discuss key projects

\$667.5k
saved in additional
rates through lobbying
for status quo with the
Interim Transport Levy
(Auckland Council
2016/17 Budget)

Keeping your investment safe

Since 2003, we have delivered initiatives aimed at reducing crime and security breaches across North Harbour.

As a result of this investment, and the ongoing education of our business owners, their staff and landlords, North Harbour now benefits from one of the lowest crime rates in Auckland, and indeed New Zealand.

Throughout the past twelve months, we have realigned our crime prevention efforts. Due to the largely modern build across the estate, we have reduced the focus on formal Crime Prevention Through Environmental Design (CPTED) inspections in favour of more relevant programmes.

Trending crime

Our MOU with North Shore Police provides Business North Harbour with timely information regarding criminal behaviour and patterns within the BID.

Two of the few areas of increasing criminal activity are theft ex cars and stolen vehicle registration number plates. Based on this trend, we continue to invest in our Vehicle Security Programme – providing education and practical resources to reduce the number of incidents, and protecting our members and their trade customers through increased awareness.

Business North Harbour’s funded nightly security patrol continues to provide our crime prevention specialist with details of insecure premises. Following the pattern set by NZ Police, we no longer follow up incidents of lights left on if the property appears secure. However, with every lapse in security (such as gates, windows or doors left open) the business owner is contacted by our crime prevention specialist. By following through on these lapses (76 in the past year), business assets are kept safe and investments protected.



We have instructed Armourguard to pay specific attention to ‘hot sites’ – premises that have been victims of crime or are at risk due to trending crime. The patrol will include these sites in their nightly patrol until the issues are resolved.

During the past twelve months, 498 member visits were undertaken to distribute resource kits, empowering members to keep their commercial assets safe.

Pride in North Harbour

Stacks of wooden pallets not only appear unsightly, but can be used by criminals

to gain access to premises. Business North Harbour launched a pallet swap scheme in 2014/15 to match members who have surplus pallets with those who need them, providing a free way of disposing of unwanted pallets for some, and saving others the cost of purchase. This continues to be an important service – more than 109 new introductions were made over the past twelve months.

During that time, we have also protected the quality of our business district by managing the reporting of faulty street lights and the repair process (100 incidents), graffiti removal (97 incidents), reporting of suspicious vehicles (36 incidents), and the removal of illegally dumped or excessive rubbish.

Community safety

Because it is important to understand the impact of crime across the wider North Harbour area, we have hosted meetings with stakeholders such as NZ Police, Auckland Council, Upper Harbour Local Board, Westfield Mall Albany, Massey University and QBE Stadium. This sharing of information has resulted in more comprehensive preventative action across the wider community.



848 educational messages distributed directly to commuters: Lock Your Car, Remove Your Valuables

320 vehicles’ licence plates fitted with tamper-proof screws

5206 reports received on ‘hot sites’

2600 pallets recycled

Financial Report



Independent Auditor's Report to the Members of Business North Harbour Incorporated

We have audited the financial statements within the accompanying performance report of Business North Harbour Incorporated on pages 12 and 13 which comprises the statement of financial position as at 30 June 2016, and the statement of financial performance and cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

This report is made solely to the members, as a body, in accordance with the Constitution. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Business North Harbour Incorporated and the members as a body, for our work, for this report, or for the opinions we have formed.

Members' Responsibility

The members of the governing body are responsible on behalf of the entity for:

- a) the preparation and fair presentation of the financial statements which comprises the financial statements containing 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 in New Zealand by the New Zealand Accounting Standards Board, and
- b) such internal control as the Board determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion only on the financial statements within the performance report based on our audit. We have not audited the entity information and statement of service performance. 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)). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information within the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information within the performance report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial information in the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information in the performance report.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Business North Harbour Incorporated.

Opinion

In our opinion, the financial statements on pages 12 and 13 present fairly, in all material respects, the financial position of Business North Harbour Incorporated as at 30 June 2016, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit).

Contact details

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Terry Zouch (Deputy Chair)
Steve Plummer (Deputy Chair)
Greg Frittelli
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Financial Statements

Statement of Financial Performance

For the Year Ended 30th June 2016	Note	2016 Actual (\$)	2016 Budget Unaudited (\$)	2015 Actual (\$)
Revenue				
NHBID Targeted Rate Levy – 2016		523,000	522,996	523,000
NHBID Targeted Rate Levy – 2017		156,603	-	-
Membership Subscriptions		10,711	24,360	10,824
Grants Received		73,042	59,992	97,176
Sponsorship		62,666	60,300	45,683
Function & Events Income		68,223	92,395	22,445
Advertising Income		28,131	31,900	24,040
Training Income		-	-	13,150
Sundry Income		-	-	2,000
Interest Received		2,168	2,196	4,186
Total Income		924,544	794,139	742,504
Less Expenses				
Employee Related Costs	5	345,742	311,278	303,390
Costs Related to Providing Member Programmes and Services	6	307,079	353,208	280,345
Other Expenses	7	70,239	54,794	72,363
Lease and Rental Expenses	8	40,968	43,169	48,910
Total Expenses		764,028	762,449	705,008
Net Surplus/(Deficit) Before Depreciation		160,516	31,690	37,496
Less Depreciation Adjustments				
Depreciation as per Schedule		23,674	24,600	21,563
Amortisation of Intangibles		2,467	-	-
Net Depreciation Adjustment		26,141	24,600	21,563
Net Surplus		\$134,375	\$7,090	\$15,933

Statement of Cash Flows

For the Year Ended 30th June 2016	2016 (\$)	2015 (\$)
Cash Flows from Operating Activities		
Cash was received from:		
NHBID Targeted Rate Levy - 2016	523,000	523,000
NHBID Targeted Rate Levy - 2017	156,603	-
Subscriptions and Other Receipts from Members	11,270	11,198
Sponsorship, Donations, Fundraising and other Similar Receipts	59,264	36,053
Receipts from Providing Goods and Services	133,815	184,905
Interest Receipts	2,168	4,183
Net GST Refund Received	10,267	(73)
Cash was applied to:		
Payments to Suppliers and Employees	(812,684)	(707,793)
Total Cash Flows from Operating Activities	83,703	51,473
Cash Flows from Investing Activities		
Cash was applied to:		
Payment for Property, Plant and Equipment	(1,042)	(38,389)
Payment for Intangibles	(24,000)	-
Total Cash Flows from Investing Activities	(25,042)	(38,389)
Total Cash Flows	58,661	13,084
Cash at beginning	161,717	148,633
Closing Cash	220,378	161,717

Statement of Movements in Equity

For the Year Ended 30th June 2016	2016 (\$)	2015 (\$)
Equity at Start of Year	138,758	122,825
Surplus & Revaluations		
Net Surplus for the year	134,375	15,933
Total Recognised Revenues & Expenses	134,375	15,933
Equity at End of Year	\$273,133	\$138,758

Statement of Financial Position

As at 30th June 2016	Note	2016 (\$)	2015 (\$)
Current Assets			
BNZ Cheque Account		166,185	24,979
BNZ Oncall Account		18,770	136,738
BNH Targeted Rate Account		35,250	-
Westfield Vouchers on Hand		173	-
GST Refund Due		3,075	13,342
Taxation		367	367
Accounts Receivable		24,838	7,369
Payments in Advance		1,549	1,425
Total Current Assets		250,207	184,221
Non-Current Assets			
Property, Plant & Equipment	9	49,163	71,796
Intangible Assets	10	21,533	-
Total Non-Current Assets		70,696	71,796
Total Assets		320,903	256,016
Current Liabilities			
BNZ Visa Account		1,074	2,756
Accounts Payable		17,161	66,808
Accrued Expenses		21,575	16,350
Rent Incentive Accrual		4,452	6,881
Funding Received in Advance		-	21,603
Receipts in Advance		3,508	2,860
Total Current Liabilities		47,770	117,259
Total Liabilities		47,770	117,259
Net Assets		\$273,133	\$138,758
Represented by:			
Equity			
Retained Earnings		273,133	138,758
Net Assets		\$273,133	\$138,758

The accompanying notes form part of this Performance Report and should be read in conjunction with the reports contained herein.

For and on behalf of the Association:



Kevin Moore (Chair)

Date: 12 October 2016

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Business North Harbour Incorporated is a non-profit organisation registered under the Incorporated Societies Act 1908.

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting. The performance report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain

items for which specific accounting policies have been identified.

(a) Changes in Accounting Policies

In the past the entity has applied Generally Accepted Accounting Practices. For the year ended 30 June 2016 reports have been prepared under PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). This change has not resulted in any difference in reported results. All policies have been applied on bases consistent with those used in previous years.

(b) Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment:

- Furniture & Fittings
- Office Equipment
- Plant & Equipment

All property, plant & equipment is stated at cost less depreciation. Depreciation of the assets has been calculated at the

maximum rates permitted by the Income Tax Act 2007.

(c) Intangibles

Intangible Assets are amortised by the straight line method over the period during which any benefit is expected, not exceeding 10 years.

(d) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(e) Income Tax

No provision for Income Tax has been made as there is no current or deferred tax payable. The Association is exempt from Tax pursuant to section CW40(1) of the Income Tax Act 2007.

(f) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(g) Revenue Recognition

Grants and donations are recognised as income when they become receivable, unless the Association has a liability to repay the grant if the requirements of the grant are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period.

During the financial year, an amount of \$156,603 which relates to a NHBID Targeted Rate Levy was recognized as income in the current year in accordance with the PBE Standards but relates to funding received in advance of the period which it relates, being 1 July to 30 September 2016.

All other revenue is reported when it is earned.

Interest income is recognised on a cash received basis.

2. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2015:\$0).

3. RELATED PARTIES

During the year there have been material transactions between Business North Harbour Incorporated and related parties as follows:

Related Party	Relationship	Type of transaction	Value	
			2016 (\$)	2015 (\$)
Greg Frittelli	Executive Committee Member of Business North Harbour Incorporated and Shareholder of ILG Insurance Brokers Limited	Insurances	\$5,433	\$4,276
Peter Jollands	Executive Committee Member of Business North Harbour Incorporated and Director of Jollands Callander	Recruitment services	\$840	\$840
Katheryn Chivers	Executive Committee Member of Business North Harbour Incorporated and employee of McVeagh Fleming	Legal advice re crime prevention	\$429	\$399

4. SECURITIES AND GUARANTEES

There was no overdraft as at balance date nor was any facility arranged.

5. EMPLOYMENT RELATED COSTS

	2016 (\$)	2015 (\$)
Crime Prevention Scheme Salaries	34,228	52,951
Transport Management Program Salaries	51,344	38,576
Administration Costs	62,712	40,981
Management Costs	112,044	108,003
Marketing Costs	61,612	45,592
Recruitment Expenses	15,351	10,198
Staff Training	240	-
Kiwisaver Contributions	7,319	6,106
Accident Compensation Levy	892	982
	345,742	303,390

6. COSTS RELATED TO PROVIDING MEMBER PROGRAMMES AND SERVICES

	2016 (\$)	2015 (\$)
Crime Prevention Scheme Costs	56,497	92,646
Transport Management Program Costs	11,229	19,183
Business Development	239,353	168,515
	307,079	280,345

7. OTHER EXPENSES

	2016 (\$)	2015 (\$)
Accountancy Fees	4,093	11,580
Advertising	-	1,675
Audit Fees	4,282	4,377
Bank Charges	1,562	1,017
Cleaning & Laundry	1,726	1,342
Board Support	10,255	8,190
Computer Expenses	6,903	13,697
Consultancy	-	500
Donations	1,000	-

7. OTHER EXPENSES continued...

General Expenses	1,627	2,331
Independent Election Services	3,175	-
Insurance	5,912	2,850
Legal Expenses	1,080	4,248
Licences & Registrations	1,621	668
Light Power & Heating	-	1,687
Meeting Costs	1,561	2,117
Postage & Courier	4,519	269
Printing & Stationery	7,461	5,425
Repairs, Maintenance & Low Cost Assets	795	500
Signage	-	175
Security	-	407
Subscriptions	1,527	1,479
Telephone, Tolls & Internet	6,810	3,647
Travel - National	2,830	4,183
Travel - International	1,500	-
	70,239	72,363

8. LEASE AND RENTAL EXPENSES

	2016 (\$)	2015 (\$)
Rents	40,968	48,910
	40,968	48,910

9. PROPERTY, PLANT & EQUIPMENT

	2016 (\$)	2015 (\$)
Furniture & Fittings		
At Cost	21,284	21,284
Less Accumulated Depreciation	(5,929)	(4,024)
	15,355	17,260
Current Year Depreciation	1,905	1,704
Office Equipment		
At Cost	15,373	14,332
Less Accumulated Depreciation	(12,808)	(10,130)
	2,565	4,202
Current Year Depreciation	2,678	2,504

9. PROPERTY, PLANT & EQUIPMENT continued...

	2016 (\$)	2015 (\$)
Plant & Equipment		
At Cost	147,529	147,529
Less Accumulated Depreciation	(116,286)	(97,195)
	31,243	50,334
Current Year Depreciation	19,091	17,355
Total Property, Plant & Equipment	\$49,163	\$71,796
Total Depreciation for the Year	\$23,674	\$21,563

10. INTANGIBLE ASSETS

	2016 (\$)	2015 (\$)
Intangible Assets at Cost	24,000	-
Accumulated Amortisation	(2,467)	-
	21,533	-
Current Year Amortisation	2,467	-

11. CAPITAL EXPENDITURE COMMITMENTS

At balance date there were no known capital commitments (2015: \$0).

12. OPERATING LEASE COMMITMENTS

Business North Harbour Incorporated has the following lease commitments:

	2016 (\$)		2015 (\$)	
	Current	Non-Current	Current	Non-current
Lease of Property	34,000	28,333	34,000	62,333

13. POST BALANCE DATE EVENTS

No significant events have occurred since balance date that would require disclosure in these financial statements (2015: \$0).

14. CHANGE OF NAME

The Society changed its name to Business North Harbour Incorporated on 28 January 2016.

We have a number of priorities in the coming 12-36 months.

As we welcome the new commercial property and business owners located in the expanded North Harbour Business Improvement District (NHBID) area (see map on page 5), our focus will be to inform them about the programmes and support now available to them. We will be bringing them up to speed as quickly as possible, so that we have consistency of engagement and business growth across the wider business district.

For all our members, we will look to use the investment in our CRM platform to increase participation within these businesses – through the entire team, not just the business owner – so that we can help build profit and productivity across the business district.

As an organisation, we are not planning an expansion ballot for the coming twelve months. This will give us the chance to induct a new Executive Committee, Chair and Deputy Chair, streamline our project management processes, and create time to benchmark our member services against other leading membership organisations.

Following four years of significant growth and change, it is the intention to focus on consolidation during the July 2016–June 2017 period covered by this business plan. However if any fantastic potential programmes are identified – either through member suggestion or natural evolution – we will be in a position to trial them in the coming months.

Unlike the past three years, the Proposed Auckland Unitary Plan will not dominate our regional advocacy programme. Local government elections, due to take place in October 2016, will dictate how Auckland is to be run, and what the drivers will be over the next three years. Although there will be some changes as a result of the election, we are confident that the depth of stakeholder relationships we have developed (including non-political appointments within Auckland Council, Auckland Transport and NZTA) will enable ongoing advocacy for continued investment in North Harbour. Without this investment, our district's efficiency would be challenged due to the current rate of business unit and employee growth.

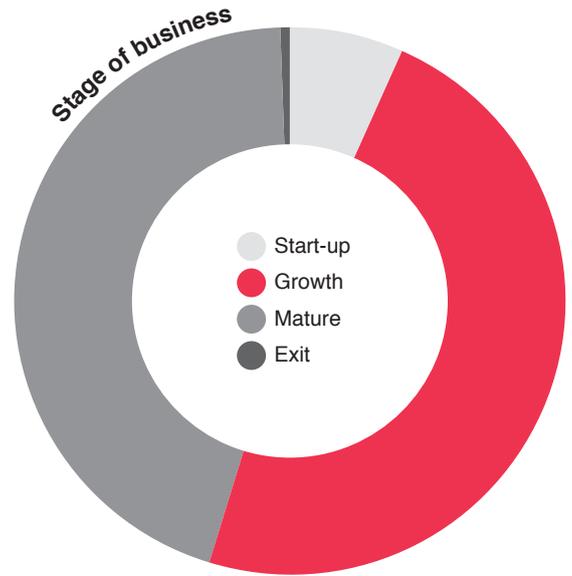
Thank you for your time spent reviewing this documentation. We look forward to working with and for you in the coming years.

Business Plan 2016–2019



Priorities

- Mitigate the impact of the Northern Corridor Improvement project redevelopment on business efficiency and access
- Continue to provide a voice for business and investment with key local and central government decision-makers
- Advocate for improved access for localised commuter trips
- Identify employers and partners to engage in an interim transport solution – a shuttle bus alternative to relieve on-street parking demand



Managing regional growth

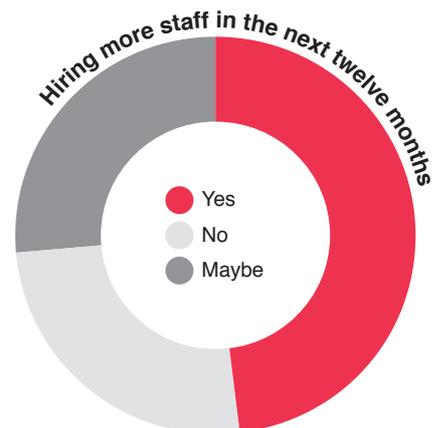
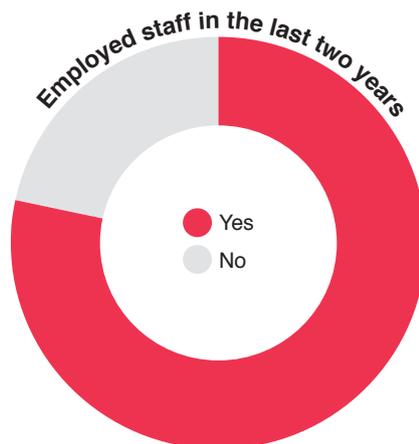
As you would expect in a business district of this size, businesses are at various stages of development. Nearly 7% are in start-up, 48% are in a growth phase, and 44% are mature, with fewer than 1% looking to exit.

The key challenges uniting them are local competition (49%), business profitability (46%), and access to skilled staff (35%). Following these are issues that reflect the growth of business units and employees over recent years, such as congestion and parking shortfalls. Offshore competition and compliance are new issues that were identified in the most recent survey.

Regional infrastructure investment

In terms of addressing some common issues facing North Harbour, there is some good news, with \$700m being invested to ease congestion. Of this funding, \$450m has been committed by central government under the Accelerate Auckland announcement. However, the benefits of this investment won't be realised for a further three years. With 78% of our current members having employed new staff over the past two years, and 48% expecting to do so in the next 12 months, demand for premises and transport links will continue to be under pressure. Our commitment is to investigate alternative modes of transport for commuters and staff, and we will continue to push for improved public transport links ahead of the main Public Transport Review timetable to be rolled out in 2018. We need to work together to make a difference.

Any investment made in interim transport solutions will make a big difference beyond just the business district, because 61% of business owners reported that they chose North Harbour as a business location due to proximity to their home. If we are to be able to draw on the large residential communities close by for our workforce (important for another 20%), then the short-term pain of redevelopment will be worthwhile.



Business and investment growth



Connection and collaboration

We will continue to deliver business and economic development events over the next twelve months, providing opportunities for local businesses to connect and new supplier relationships to be formed, resulting in increased productivity and profits through those collaborations.

Breakfast is the most popular event time for our members, so we will focus on obtaining quality speakers for that time slot. Women in Business and North Shore Commercial Property Group are recent additions to our programme. Their success in 2015/16 has ensured their continuance in 2016/17.

After five consecutive years, our annual Business Expo has moved to a bi-annual event, alternated with our conference (launching August 2016). This change was driven by members wanting access to specialist speakers and exhibitors.

Our C3 programme is now into its second year. This programme connects students and businesses, and provides a true win-win outcome both for business owners looking to tick projects off their to-do lists and for students seeking real world experience. The intention now is to develop an online portal matching business projects and student skills 24/365, rather than relying solely on one or two physical expos. The online resource will be launched before February 2017. By working closely with tertiary institutions in the business district, Business North Harbour will help address the skills shortage issue that 35% of survey respondents mentioned as a key challenge.

Connecting local service providers is another way we can work collaboratively to meet business demand for skills. By choosing a supplier within a 7km radius, business owners will keep costs down through reduced travel time, improving productivity and profit.

The development of an enhanced membership portal, hosted through businessnh.org.nz, will serve two main purposes. It will provide enhanced search functionality for the public directory, and therefore better promotion of the wide-ranging local businesses amongst North Harbour employees and those wanting to form local supplier relationships.

The second driver for Business North Harbour's investment in the new membership portal is to provide a platform to collect vital economic and business demographic data. This confidential information will help us connect cluster groups to assist with specialist knowledge. For example, 10% of our members are either importing or exporting, with the main current market being Australia. The additional information gained through the member portal will enable us to bring together those looking at new markets, allowing them to collaborate, resulting in greater efficiency.

CONNECT

Key deliverables for 2016/2017

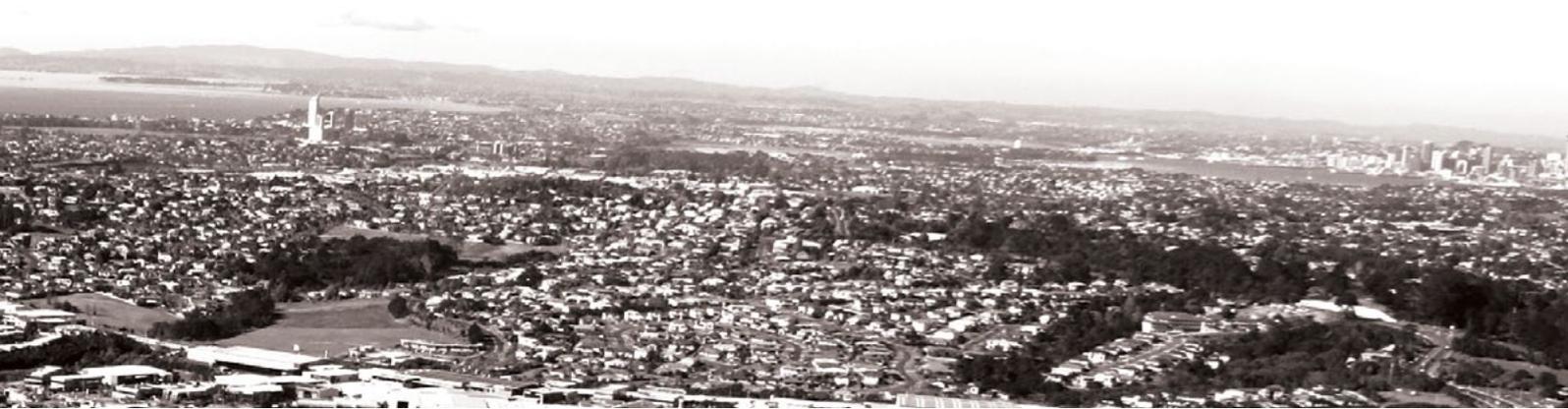
- Host ten major events per year (Business Lunches, Breakfasts, Women in Business, After Fives and North Shore Commercial Property Group) that collectively attract 1000+ participants.
- Publish four issues of *FYI* magazine, and send a minimum of 48 issues of *Your Business North Harbour* e-newsletter.
- Ensure 90% of all businesses have a current, fully utilised directory profile on businessnh.org.nz.
- Grow the impact of the Inorganic/Recycling initiative launched in 2015. Continue to seek external grant funding for the development of resources.

COLLABORATE

Key deliverables for 2016/2017

- Deliver the member portal by December 2016 to enable the collection of increased economic and demographic baseline data.
- Strengthen relationships with Business NZ, EMA and Chamber of Commerce to provide members with increased specialised industry knowledge, based on the member priorities (member portal).
- Continue to strengthen relationships with Massey University (through our MOU), AUT ICT Graduate School, UNITEC and regional ITOs.

The success of the Women in Business and North Shore Commercial Property Group events has ensured their continuance in 2016/17.



Communication

We will review our communication strategy to keep the content and platforms relevant.

In the last survey, 64% of respondents felt that *FYI* magazine was very or somewhat important to their business. We will deliver four issues in the 2016/2017 period, with content focused in line with survey results: local business success stories, business trends and news, local government policy changes, transport projects and professional development. Unless there is an increase in the percentage of those who consider it very important, it is likely that the printed publication frequency will be reduced in 2017/18.

Nearly 80% of respondents like our weekly *Your Business North Harbour* e-newsletter (EDM), and we will continue to develop the content mix and reach of this platform, providing strong links to our social media and other online media.

Keeping your investment safe

The Business North Harbour nightly security patrol is the most valued service for both our member groups.

Between the security patrol reports and NZ Police we are kept informed of any criminal trends. Two emerging patterns are theft ex cars and stolen registration number plates. We are distributing related resources for businesses: translated vehicle security resources will be made available for the Asian retail market, and 150 door signs encouraging clients to keep valuables out of sight will be distributed. This is just one example of building on a regional service, and creating a local responsive programme.

There is still good growth to be had in the pallet swap programme and recycling/inorganic collection. Both of these will continue throughout the next 24 months.

COMMUNICATE

Key deliverables for 2016/2017

- Grow LinkedIn engagement by 140%, Twitter and Facebook by 100%.
- Increase unique visitor numbers to businessnh.org.nz by 35%.
- Increase overall engagement through 35% more page views per visit across our website.
- Research the use of apps for key projects such as One Day Sale, C3, Business Expo and Conference to enhance the user experience.
- Increase EDM readership opening rates from 18% to 25%.
- Review current external media partnerships to maximise advertising investment and reach.
- Negotiate regular references to North Harbour, and members, across regional and national media partners.

KEEP YOUR INVESTMENT SAFE

Key deliverables for 2016/2017

- Conduct nightly patrols across the entire NHBID area, 365 days a year.
- Continue to support members with practical tools and resources should they become victims of crime.
- Deliver 5000 Lock Your Car, Remove Your Valuables messages.
- Secure 1000 vehicle registration plates, to prevent their theft and reduce driver costs.
- Deliver 50 door buzzers to avoid theft from unmanned reception or warehouse areas, reducing opportunist theft within the business district.
- Deliver 200 risk assessments and 500 toolkits, to educate property and business owners on how to keep their physical assets safe.
- Host two cybersecurity workshops to minimise individual and collective risk to members.



Member feedback confirms that the current service and support programmes are on track.

You spoke, we listened

When asked to rank our current services, the message was clear from both our property owner and business owner membership: you want us to provide you with access to local industry and sector specialists. 'Together Stronger' still rings true.

Business and investment growth is also critical, so you want assistance with compliance and business governance, be that health and safety, understanding the impacts of Auckland Council's Unitary Plan, or a voice when it comes to bylaws and the annual Auckland Council budgetary process. We will continue to collaborate with sector leaders to give you access to training and the latest best practice thought leadership. This knowledge will be delivered through our communication platforms, special interest groups, and seminars at our conference or expo (2017). We are also negotiating access to an online HR help desk resource which should be live Qtr 1 2017. We will continue to develop relationships on your behalf with industry-specific bodies and organisations, to give you access to these networks and expertise.

Through our membership survey (May 2016), and ongoing direct contact with both business and property owners, the common feedback confirms that the strategic development of the current member service and support programmes, as set by the Executive Committee and executive team, is on track and that regional advocacy projects are vital. However, we are mindful that businesses who have been in the area for a long time will be ready to move beyond our core programme educational messages. Now, with the scale and depth of industry representation across our newly expanded area, we are in a position to break down our programmes into more bespoke solutions and drive growth through smaller, focused groups.

HELP MAKE GETTING FROM A TO B EASIER

Key deliverables for 2016/2017

- Collaborate with Auckland Transport and NZTA to extend the Look Before You Leave camera network and minimise our capital investment requirements.
- Deliver 150 transport resource and education packs direct to commuters and through employers.
- Deliver 30 preloaded HOP cards to encourage public transport trials.
- Deliver ten travel expos to employees and students.
- Attract 45 new registrations on the regional Let's Carpool website to reduce single-occupancy vehicle journeys.
- Continue negotiations with Auckland Transport for improved access across key arterial routes.
- Continue to represent member-driven requests for improved safety to their premises.
- Mitigate the risk to business and property owners from proposed parking levies and restrictions.

YOUR VOICE

Key deliverables for 2016/2017

- Continue a watching brief on the Auckland Unitary Plan High Court judgments.
- Actively review Auckland Council and UHLB 2017/18 plans and budgets. Seek member submissions relating to increased operational costs or compliance.
- Collate member preferences for second Waitemata crossing modes and timelines.
- Lobby business and employees for their views on additional Park 'n' Ride facilities.
- Strengthen safety and crime prevention relationships across the wider Albany/North Harbour area.
- Closely track North Harbour crime trends and issues. Revise programmes and investment to respond as appropriate.
- Advocate for positive outcomes for North Harbour through the Auckland Transport Alignment Project (ATAP).
- Meet face to face with 1300 members to determine their transport, crime prevention, economic development and advocacy priorities.
- Ensure Business North Harbour Inc. complies with the operational and governance requirements outlined in the Auckland Council Business Improvement District (BID) Policy 2016.

ENABLE GROWTH

Key deliverables for 2016/2017

- Host two regional events – the Business Expo and Conference – providing direct networking and business development opportunities and access to first-class workshops.
- Attract 100 exhibitors and 850 visitors to the sixth Business Expo, 30 exhibitors and 150 attendees to the inaugural Conference.
- Market and host the annual One Day Sale retail event, with 100 registered outlets. Deliver a 25% increase in sales for those outlets against 2015.
- Research the wider appetite for a Business North Harbour loyalty card, as requested by 53% of surveyed members (Source: Business North Harbour membership survey May 2016).

Budget 16/17 and Draft 17/18

In line with the Auckland Council Business Improvement District (BID) Policy 2016, and supported by our continued commitment to financial and operational transparency, we have produced a three-year Business Plan. This is supported by a draft budget through to 30 June 2018.

The impact of the positive North Harbour Business Improvement District Expansion, held April–May 2016, is reflected in the total targeted rate levy of \$626,413, which includes our new membership. This includes an amount of \$156,603 received and recognised as income during the 2015/2016 year, but relates to 2016/2017 funding.

The impact of our expanded membership and increased geographical reach has enabled us to leverage growth across our gold sponsorship and event income streams. This is reflected in the final budget for the financial year ending 30 June 2017.

However, you will note that we have reflected decreased confidence in external grant funding for programme support and development. Although this may prove too pessimistic, we feel it is a prudent position to take in light of the actual external grant funding received in 2015/16 versus budgeted.

The financial impact of changes in programme development and priorities, as outlined in the preceding Annual Report and Business Plan documentation, is shown below.

The decision to bring forward investment in our membership database (CRM) to the 2015/16 financial period is reflected in the reduced membership communication budget – now \$127,622. Effective management of supplier contracts has resulted in cost savings across the crime prevention programme.

The inclusion of our core business capability training programme into the Business Expo

and Conference platforms has enabled reallocation of a portion of the training budget towards further growth and support of specific economic development projects, such as the One Day Sale, core business events and special interest groups.

As highlighted in last year's AGM material, a successful expansion ballot would require additional investment in personnel and administrative support. As of 2016, we have a full time Office Manager/Finance position, and increased project management and communication/marketing functionality. There is no expectation that additional resources will be required in the 2016/17 period, nor that we will attract unexpected recruitment expenses as occurred in the 2015/16 period.

As with all budget forecasts, the economic environment may require changes to the operational budgets. But it is with confidence we present the 2016/17 and draft 2017/18 budgets for your review and approval.

Budget position			
	Draft 2017 Expanded NHBID (\$)	FINAL 2017 Budget (\$)	Proposed 2017/18 (\$)
Key Revenue Streams			
Member Targeted Rate	626,413	626,413	657,734
External Programme Grants	50,000	29,000	29,000
Events including Expo	120,000	132,075	135,000
Gold Sponsorship	65,000	70,000	70,000
Associate Membership Subscriptions	22,000	20,793	21,000
Advertising and Promotion	45,000	42,450	45,000
Interest	2,800	2,800	3,000
<i>Total Estimated Income</i>	931,213	923,531	896,082
Expenditure			
Crime Prevention Programme	118,000	99,076	100,000
Transport Programme	102,000	115,876	112,000
Events including Expo & One Day Sale	148,000	159,123	165,000
Member Communications	135,000	127,622	130,000
Business Training and Economic Development	65,000	25,766	40,000
<i>Total Programme Costs</i>	568,000	527,463	547,000
Operating Expenditure			
Personnel	190,000	214,512	215,000
Administration and Accounting	60,000	66,566	68,000
Premises	46,000	46,680	48,000
IT/Computer	11,000	12,750	16,000
Depreciation	25,000	25,000	25,000
BID Programme Development	15,000	12,000	30,000
BID Extension Ballot	0	0	0
Board Honorariums	7,500	15,000	7,500
<i>Total Operating Costs</i>	354,500	392,508	409,500
<i>Total Estimated Expenditure</i>	922,500	919,970	956,500
Estimated Surplus/Deficit	8,713	3,561	4,234



**Business
North
Harbour**

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Business North Harbour



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