

1 December 2014

Official Information Request No. 9000131716
(Please quote this in any correspondence)

Cr Cameron Brewer
PO Box 9733
Newmarket, Auckland
Auckland 1149

Via email: cameron.brewer@aucklandcouncil.govt.nz

Dear Cr Brewer,

Local Government Official Information and Meetings Act 1987 (the Act)

PR, Marketing and Communications

I refer to your email received on 19 September 2014 requesting the following information:

- All public relations, communications, publishing and marketing costs, both in-house and external costs such as the use of consultancies, advertising agencies and media design companies in the Auckland Council Group (including the seven major CCOs and smaller legacy CCOs) for the first four years of this council - from 1 November 2010 to 30 June 2014 broken down by financial year.

Costs to be broken down by CCO and by department or office for the council itself, where practical.

- A list and numbers of the communications, public relations, and marketing staff working inside the Council/CCOs and a list of the different external communications and marketing consultancies, advertising agencies and media production companies engaged and the total amounts paid to each external business both in 2012/2013 and 2013/2014, and in total.

Response to request

I note we responded to a similar request from you on 18 February 2013 on the first two years of council's expenditure on communications and marketing (Ref: 9000120510), and that therefore part of this request has already been provided to you.

I attach a cost breakdown of council's communications and marketing expenditure that was recently made available publically – please see attachments A and B below.

The recent review and restructure of Auckland Council's communications and marketing function will result in annual cost savings of \$4.3m from 2013-14. The changes will cut costs by reducing staff numbers; bringing design services in-house, reducing reliance on external suppliers and a reduction in marketing spend.

The 2013-14 budget for the former Communications and Public Affairs unit was \$12.7m. The changes are part of a wider programme to achieve cost and efficiency savings, where Council intends to secure savings of \$240m a year for the next 10 years.

Substantial Collation

To the extent that this response does not provide the information that you have requested, your request is refused pursuant to Section 17(f) of the Act: that the information requested cannot be made available without substantial collation or research.

The remaining parts of your request would involve considerable hours of collation work by council officers and staff in CCOs. We estimate the time involved to be approximately 100 hours, as the information requested does not currently exist either in the form that you have requested or it is held in different locations and recorded in different ways.

Consideration was made to fixing a charge or extending the time limit under Section 17(a)(1), however we concluded that the amount of time required to respond to your request would make any charge or extension unreasonable, and devoting staff time and resources to this request would impair efficient administration.

I apologise for the delay in getting this decision to you and draw your attention to your right to make complaint to the Office of the Ombudsman, under Section 27(3) of the Act, for this delay and should you believe Auckland Council has not responded appropriately.

Karl Ferguson, Communications and Engagement Director would be happy to meet you and discuss whether some parts of your request could be provided.

Yours sincerely,



Nicole Miell
Official Information Advisor
Public Information Office | Democracy Services

Commentary on Auckland Council CCO Marketing and Communications expenditure for the Financial Year 2013-14

Auckland Council (\$12.7m total Marketing and Communications budget for FY 2013-14)

Auckland Council is the biggest local government in Australasia and covers a broad range of activities, far broader than any other territorial authority in the country.

As such, given our size and the wide-ranging scope of our activities and legislative requirements to communicate and engage with 1.4m Aucklanders, our Communications and Marketing needs are unique compared with other councils - and even New Zealand's major corporates.

By implementing new organisational, process and system arrangements, including bringing a publication design facility in-house, Council will cut \$4.3m off the Marketing & Communications department's budget for 2013/14. The reorganisation, which now has the department called Communications and Engagement, came into effect on 1 July.

The savings have been achieved by:

- A reduction in communications and engagement resource costs from a current 130 FTEs to 92 FTEs representing a savings of \$1.8m per annum by centralised management of the organisational-wide communication and engagement salary budget and adopting a network operating model.
- Reductions of annual (variable) spend with the external agency representing an annual saving of \$1.4m per annum by establishing an in-house design studio to undertake tactical design work.
- A reduction in the annual costs of print media production through council's copy centre and external print supplier by 25% or \$625k per annum by controlling an accelerated move from print to digital media.
- Reductions in "other marketing" spend of 20% or \$500k with better budget management, vendor management and contracting controls.
- A reduction of the annual agency retainer reflecting the change in the service delivery model and volumes representing a \$433k per annum saving.
- Lower transactional processing costs by reducing purchase order volumes by 50% representing an annual saving of \$11k.

The net benefit of the restructure is projected to be \$4.3 million in FY14-15, \$4.4 million in FY15-16 and \$4.4 million in FY16-17. We anticipate the project will deliver net benefits of \$34 million from FY15-16 to FY21-22.

Auckland Council currently employs 92 FTE staff for public relations, channel performance, social media, brand, communications and similar activities. These activities include:

- statutory consultation and engagement activity
- production of statutory documents such as the Long-term Plan and annual reports;
- rates communications

- integrated communications support for council's 28 departments, including Civil Defence
- integrated communications support for local boards
- communicating the activities and decisions of local boards, committees and the Governing Body
- internal communications including group wide co-ordination
- corporate communications
- media relations, handling an average of 30 media enquiries a day
- communications channel management including OurAuckland suite of communications, digital and social media channels, video channel and content
- design studio capability that provides a low-cost, in-house service for producing materials
- brand management including digital signage, agency contract management
- public notices
- recruitment advertising
- services to provide accessible communications including language translations.

ATEED \$5.2m

ATEED facilitates tourism, major events, business and industry sector development and activities to attract investment.

The organisation is the guardian of the Auckland regional brand, responsible for marketing Auckland as a destination. The organisation carries out extensive communications, marketing and strategy to support its activities. Specific areas of ATEED activity that require significant commitment to marketing and communications include:

Economic Development

Economic Growth

- Economic Development Strategy targeting overall GDP growth of 5% year on year
- Key target sectors of competitive advantage
 - ICT and digital media from \$4.2bn to \$11bn
 - Screen from \$1.8bn to \$4.7bn
 - Food and beverage from \$3.3bn to \$8.5bn
 - Health technologies from \$1.3bn to \$3.5bn
 - International education from \$1.4bn to \$3.7bn

Attracting business and investment to Auckland

- ATEED is developing strategies to ensure Auckland has a proactive presence in key international markets as well as identifying and attracting business and foreign direct investment into our key sectors, infrastructure projects and key initiatives, including the film sector
- ATEED is leading the establishment or incubation of an Auckland Investment Office to promote and coordinate investment activities across the council and the substantive CCOs.

Building a culture of innovation and entrepreneurship

- ATEED regards innovation as the most crucial driver of economic growth and the area where we can make the greatest contribution to achieving Auckland's goals.
- We invest, on behalf of Council, in infrastructure that supports innovation, and the growth of high-tech, export-ready business. This includes two key projects: The FoodBowl – Te Ipu Kai – in Mangere; and the development of the GridAKL innovation precinct in Wynyard Quarter.

Growing a skilled workforce:

- ATEED focuses on supporting the development of the capability of small businesses, using central government's Regional Business Partners programme, to grow business or skills capability through NZTE training vouchers.

Tourism

Building Auckland's brand and identity

- ATEED promotes the Auckland brand and story across all business, tourism and major event activity in domestic and international markets in a way that leverages our distinct advantages.
- Every great city has a great brand and positioning. A clearly articulated brand position for a city is important for attracting tourists, students, migrants, researchers, innovators, entrepreneurs, investors and events and the associated benefits they bring.

Growing the visitor economy

- The total visitor economy value in 2014 is forecast to be \$5.194 billion with 900 new jobs generated
- ATEED is charged with growing the visitor economy, focusing on both growing demand for Auckland and enhancing the visitor proposition by working with our partners and networks.

Major events

- We attract and invest in a world-class portfolio of major events as a contributor to economic growth
- For 2012/13:
- GDP impact of 39.1m achieved against a target of \$30m (and increased from 28.9m the previous year). Visitor nights of 290,000 against a target of 95,000 (and increased from 224,000 the previous year)

- For 2013/14 GDP impact target is \$40m and visitor night target 120,000.
- Both targets on track to be exceeded with strong annual incremental growth again anticipated.

Auckland Transport \$5.02m

Auckland Transport is responsible for all of the region's transport services (excluding state highways), from roads and footpaths, to cycling, parking and public transport.

As such it is responsible for all public relations, communications, publishing and marketing campaigns and promotions associated with information Aucklanders need to be informed of in relation to the broad spectrum of AT's activities.

- These include public notices, statutory consultation and engagement, production of statutory documents such as the Regional Land Transport Programme and Annual Report, communication of public transport services and service changes, and internal communications.
- Significant major projects which accounted for major communications and marketing expenditure include the rollout of AT HOP and campaigns relating to public transport promotion and road safety
- The AT HOP project alone required the production of around 900 separate pieces of communication material, targeted to specific audiences.
- AT produces campaigns and information material for events, road closures and disruptions, new services, service changes, promotions to increase PT use, safety and compliance material, reminders to renew concessions, general signage and timetables.

Regional Facilities Auckland \$1.7m

Regional Facilities Auckland (RFA) offers experiences to improve the cultural, environmental and social wellbeing of residents and visitors.

It also contributes to the economic wellbeing of Auckland by utilising sound commercial business practice to ensure Aucklanders receive value for investment in their regional facilities.

Importantly, all the businesses that form Regional Facilities Auckland have financial and visitation targets and are required to sell tickets to the public. Promoting the venues and events through marketing and communications is therefore a critical part of RFA's businesses.

- Auckland Live (seeking, negotiating, securing, and managing international and national programmes in the Aotea Centre, The Civic, Auckland Town Hall, Bruce Mason Centre and Aotea Square). While Auckland Live undertakes a range of public good activities it receives just 10 per cent of its funding from Council – the remaining 90 per cent is from its commercial activities.
- Auckland Stadiums (Western Springs, Mt Smart, QBE North Harbour Stadium) are almost fully commercial.
- Auckland Art Gallery is subsidised by Council but is also required to meet a range of commercial and visitation targets.
- Auckland Conventions – another of RFA's businesses – is entirely commercial and receives no Council funding, although returns a profit for Council.

- Marketing and communications activities include promotion of shows at the Aotea Centre, and the Civic such as Annie, Wicked, Mamma Mia, and at Auckland Art Gallery for its exhibitions and activities such as My Country: Contemporary Art from Black Australia, and Five Maori Painters, Auckland Zoo and Auckland Stadiums also promote their commercial activities in order to drive visitation and spend.

Waterfront Auckland \$1.2m

Waterfront Auckland is the custodian of the waterfront on behalf of Auckland. It is responsible for leading the revitalisation of the inner city waterfront.

With a focus on consultation and balancing stakeholder interests, Waterfront Auckland aims to deliver the true potential the Auckland waterfront has to offer. Its activities requiring significant marketing and communications activity include:

- Promoting and publicising events and activations managed by Waterfront Auckland e.g. Silo cinema, Wynyard Quarter birthday.
- Supporting the marketing efforts of events held on the waterfront e.g. Seafood festival to ensure strong visitation and engagement by ratepayers with public spaces on the waterfront.
- Establishing and maintaining dialogue with some 150 different groups and organisations that have a stake in the redevelopment of the waterfront.
- Holding four public information forums and hosting around 250 international delegations each year to generate potential investment interest and to share development learnings and information.
- Consulting and communicating on the Waterfront Plan through public open days, stakeholder meetings, resulting in over 1000 pieces of feedback and general support for the direction proposed.
- Promoting Waterfront Auckland's activities through media liaison through media releases and responding to media queries and maintaining direct communications with the public including signage, collateral, e-newsletters, public information requests and management of digital engagement via website, social media and electronic screens at two information kiosks (Karanga Plaza and Queens Wharf.)

Communications and marketing budgets August 2014

- Note: 1. Watercare responded separately and can provide their response to you.
 2. Auckland Council Investments Ltd (ACIL) and Auckland Council Properties Ltd (ACPL) do not have communications/marketing budgets.
 3. 2010/2011* covers 8 months of the first year of amalgamation

Group	2010/11*	2013/14	Comments
Regional Facilities Auckland	\$1.2m	\$1.7m	RFA's activities are by and large self-sufficient except for the Auckland Art Gallery and Auckland Live, which manages programmes in the Aotea Centre, The Civic, Auckland Town Hall, Bruce Mason Centre and Aotea Square. As an organisation dependent on primarily selling tickets to events, Marketing and Communications play an important role in RFA's business operations.
Auckland Council	\$5.2m	\$12.7m	Council's communications and engagement unit provides internal and external communications, marketing, online content and channel strategy, media, brand and print design services, market research, consultation and engagement and corporate communications to keep Aucklanders informed of council activities.
ATEED	\$690,207	\$5,298,899	Major events; economic growth; growing the visitor economy; building Auckland's brand and identity; attracting business and investment; Building a culture of innovation and entrepreneurship; growing a skilled workforce and enabling talent and education.
Auckland Transport	\$3.7m	\$5.02m	Auckland Transport is responsible for public relations, communications, publishing and marketing activities including public transport promotion and road safety. It also publishes public notices, statutory consultation and engagement, producing statutory documents such as the RLTP and an Annual Report, communication of public transport services and service changes and internal communications. The roll out of AT HOP at \$1.3m was a major activity and \$1.8m was spent on campaigns.
Waterfront Auckland	\$743,781	\$1.2m	Waterfront Auckland's activities include promoting and publicising events and supporting the marketing efforts of events e.g. Seafood Festival; Stakeholder communications; consultation on the Waterfront Plan; media liaison and public information activities. Investor relations and marketing that have helped deliver \$850 million of private investment into Wynyard Quarter.

