



**Draft**  
**Statement of Intent**  
**2023/2024**

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# 1. Foreword

I have pleasure, on behalf of Bay Venues Limited (Bay Venues), to present our Statement of Intent (SOI) for the 2023/2024 year. This document outlines Bay Venues strategic approach to meeting Council's expectation of 'putting the community at the heart of everything we do'.

As Tauranga City Council's (TCC) largest Council Controlled Organisation (CCO), Bay Venues plays a significant role in contributing to the wellbeing of the people of Tauranga Moana. We are the kaitiaki of the city's strategic network of community facilities and aspire to provide the best venues for the Bay of Plenty. Our facilities and the experiences we provide, enhance the quality of life for residents of, and visitors to, Tauranga Moana and the wider Bay of Plenty.

This SOI is presented in accordance with the requirement of Section 64 (i) of the Local Government Act 2002 and incorporates the expectations of TCC as outlined in the revised Enduring Statement of Expectations adopted in December 2018 along with the annual Letter of Expectations dated 28 November 2022. It outlines Bay Venues objectives, nature and scope of activities undertaken, and the performance targets by which we will be measured for the year 1 July 2023 to 30 June 2024.

The last three years have presented an incredibly challenging trading environment for Bay Venues not only highlighted by the Covid pandemic, but also managing high inflation, staffing challenges, aging venues and a rapidly growing population. However, despite these challenges Bay Venues remains fully committed to delivering exceptional outcomes to the people of Tauranga Moana.

FY23 has been another difficult year financially, although we did see activity (and increased revenue) start to return to pre-Covid levels towards the end of 2022. Many costs outside our control have increased significantly over the past two years, which together with an existing constrained capacity in our venues, has limited our ability to host more activity and grow revenue and margin.

We had a significant budget deficit for FY22 of \$2.9m (significantly down against an original breakeven budget due to Covid impacts) and have budgeted a deficit of \$1.7m at FY23 year end and are on track to achieve this.

To improve the financial sustainability of the business going forward we are looking at increasing our negative margin user fees over time to a national benchmark position (currently our fees are around 30% below other facilities around the country) and focusing on managing our costs where possible. Notwithstanding this, we will require increased operating funding from council to reduce our deficit to zero. The organisation's finances will also be presented in a transparent and easy to understand format.

The new Board that was appointed in July 2021 is now hitting its straps and with a refreshed management team and re-focused strategy in place, we are confident that the business is well positioned to deliver on our communities and TCC's expectations.

The upcoming Long Term Plan is a critical juncture to ensure that we ramp up our investment to look after our existing community facilities and also plan and deliver overdue investment in new facilities to cater for population growth.

We wish to consolidate our position as TCC's strategic partner in the provision of community facilities and look ahead to projects like the Baypark Master Plan implementation, Memorial Park and the proposed Regional Community Stadium as key opportunities to both benefit the community and grow the business.

We are pleased that relationships with local Iwi, TCC and other key partners are in good heart and that there is a collective desire to see the city progress as we work together to address challenges and capitalise on opportunities.

We are excited about the future for both Tauranga and Bay Venues and look forward to working with you in the year ahead.

A handwritten signature in black ink, appearing to read 'Simon Clarke', is positioned above the printed name.

**Simon Clarke**  
Chair  
Bay Venues

## 2. Strategy

### Tauranga City Vision

We acknowledge that TCC's *Our Direction Tauranga 2050* provides the strategic framework for the city and informs the community outcomes under a vision of: **Tauranga, together we can.**

### Community Outcomes

We also acknowledge Council's desire for us to focus on three key Community Outcomes:

- **We have a well-planned city which fuels possibility**
- **We are inclusive and lift each other up**
- **We value and protect our environment and prioritise nature**

### TCC Purpose

We also note TCC's Purpose, **we're here to make Tauranga better**, and will ensure our strategic focus is aligned with this. To achieve our Vision, Mission and Purpose we will work in partnership with TCC and collaborate with a range of partners throughout the wider community.

### TCC Values

**Pono / Integrity** – We do what we say we will do.

**Manaakitanga / Respect** – We listen to all views and show we care.

**Whaia te Tika / Service** – We do the right thing for the community and each other.

**Whanaungatanga / Collaboration** – We work together and create connections.

These values are closely aligned with the new Bay Venues values that are shown on the next page.



VISION

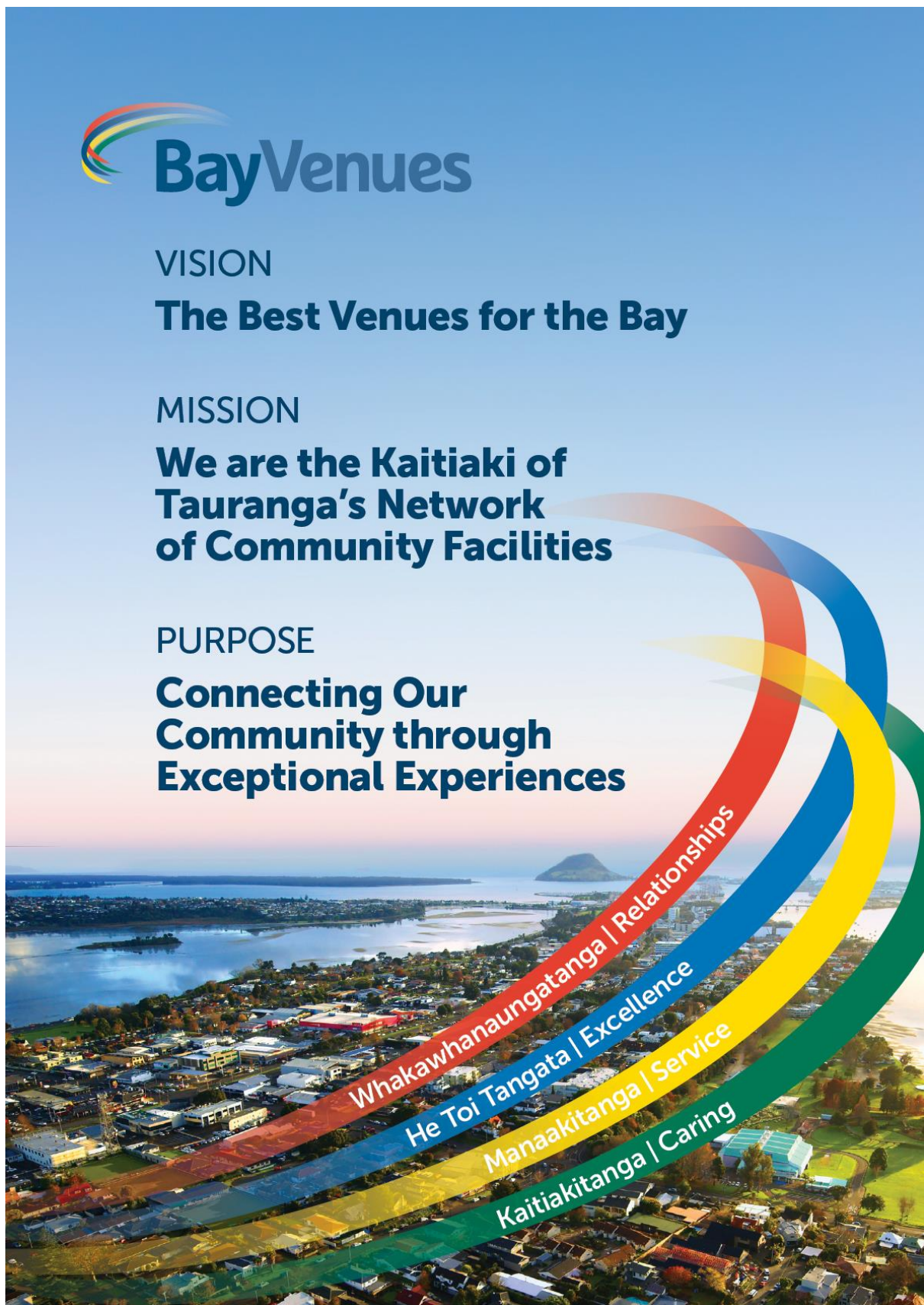
**The Best Venues for the Bay**

MISSION

**We are the Kaitiaki of  
Tauranga's Network  
of Community Facilities**

PURPOSE

**Connecting Our  
Community through  
Exceptional Experiences**



### 3. Nature and Scope of Activities

Bay Venues core business is the venue ownership and management of community facilities and the operation of venue-based businesses, programmes and services. Bay Venues is also in the business of providing event services and hosting events within its venues.

Assets under Bay Venues management were valued at \$137.2m as at 30 June 2022 and the business employs over 370 full time, fixed term, part-time, and casual staff.

While we welcomed over 2.1 million visitors to our facilities in the 2019/20 year we then saw significantly reduced visitation through 2020/2021 and 2021/22 due to Covid. We now have visitation increasing again and expect to easily exceed our target of 1.6m visitors through our facilities in 2022/23. We will continue to work hard to welcome members of our community and visitors to our facilities during 2023/2024.

Bay Venues owns and/or manages twenty-four facilities comprising five aquatic facilities, a Stadium and ancillary buildings at Baypark, one large contemporary multi-purpose recreation and event centre (also located at Baypark), two indoor sports recreation facilities, three community centres, two community share sports facilities, eight community centres and halls and a high-performance sports training centre.

Aquatic Facilities (5)	Indoor Sports Facilities (6)	Community Halls & Centres (11)	Event Facilities (3)
Baywave	Trustpower Arena (6 court)	Arataki Community Centre	Trustpower Stadium
Mount Hot Pools	QEYC & Memorial Hall	Elizabeth St Community Centre	Trustpower Arena (3 court)
Greerton Pools	Mount Sports Centre	Papamoa Community Centre	Pavilions
Memorial Pool	Aquinas Action Centre	Papamoa Sports & Rec Centre	
Otumoetai Pool	Merivale Action Centre	Bethlehem Hall	
	Adams Centre for High Performance	Matua Hall	
		Greerton Hall	
		Welcome Bay Hall	
		Tauriko Hall	
		Waipuna Park Pavilion	
		Cliff Rd Building	

Note: Trustpower Arena is listed under both Indoor Sports Facilities and Event Facilities.

## Aquatic Facilities

### Baywave

This is an aquatic and leisure centre, recognized regionally as providing a variety of recreational & leisure, competition, aquatic education, exercise, health & wellbeing activities. The configuration of the lap pool also accommodates synchronised swimming, water polo and underwater hockey as well as regional and national aquatic events. The venue is home to several water-based sporting clubs/squads. In 2019 an aqua play facility for children was added. The latest maintenance closure took place in early 2023 to undertake pool maintenance, new non-slip flooring and to replace failing water pipes.

Several secondary business units operate within the complex and are complimentary to the overall purpose of the facility:

- BaySwim (learn to swim and water safety programmes)
- Clubfit (health & fitness club)
- Café
- Merchandise
- Massage Therapy

### Mount Hot Pools

An iconic and unique hot saltwater facility and world-class tourist attraction, providing rest, relaxation, and rejuvenation/rehabilitation for a broad range of visitors. The Mount Hot Pools also provides several physical therapy options for the general public including massage therapy, aqua walking and aquarobics.

### Greerton Aquatic & Leisure Centre

An aquatic and leisure centre, providing a variety of fun, safe, well-maintained aquatic and therapy activities for the general public (primarily local). The 18m hydrotherapy pool is popular for rehabilitation and senior adults. Aquatic Evolution Tauranga are anchor tenants of the facility. Other activities which complement the centre include:

- BaySwim (learn to swim and water safety programmes)
- Aqua aerobics
- Clubfit (health & fitness club)

The facility has just had an extensive refurbishment including new non-slip flooring, seismic strengthening, new changing facilities and a reconfigured entrance. In addition new signage has been installed and the pools and interior and exterior of the facility have been repainted.

### Memorial Pool

An outdoor seasonal facility with a lap and learners pool, BBQ facilities and green space, providing a safe, clean, maintained environment for families and recreational swimmers to enjoy during the summer months. This pool is end of life and scheduled to be replaced by a new aquatic complex in Memorial Park in the coming years. Planning for the future use of the site needs to be undertaken by TCC. Any significant plant failures in the interim may require the earlier closure of the facility.

### Otumoetai Pool

Otumoetai Pool provides a safe and clean facility servicing the local community, in particular the neighbouring College during school hours and the anchor tenants, Evolution Aquatics Tauranga who are high users of the facility. This is an old outdoor pool that had a marquee style roof installed over it around 20 years ago. We are experiencing more significant maintenance issues with the facility and it is fast approaching the end of its economic life. When the new Memorial Park aquatic complex is



completed the facility should be closed. Planning for the future use of the site needs to be undertaken by TCC. Any significant plant failures in the interim may require the earlier closure of the facility.

### **BaySwim**

Bay Venues delivers a quality Learn to Swim programme catering for all ages at Baywave and Greerton Aquatic and Leisure Centres. In addition, BaySwim also provides Water Safety Education for primary school groups as part of our funded Water Safety NZ's 'Water Safety for Life' programme.

### **Massage Suites**

Massage suites are located at the Mount Hot Pools and Baywave and aid in the rebalancing of mind, body and soul.

## Indoor Sports Facilities

### Trustpower Arena

The Trustpower Arena is the key sporting venue for indoor sports such as basketball, volleyball, futsal and premier netball. The six-court side of the facility has a focus on community sport while the three-court facility also gets used for community sport when not being used to host events. The facility also provides a range of pay for play sports leagues and programmes that service the community. Within the facility is a licensed café providing quality food and beverage service.

The Baypark Master Plan provides future direction for the wider Trustpower Baypark site as a community sports hub with the opportunity to move the pit facilities on-site and relocate netball courts and athletics track to Baypark and consider other future sporting facilities such as gym sport and sand court facilities.

With the planned demolition of the Mount Sports Centre and closure of QEYC in the medium term there will be an acute shortage of indoor court space in the city. There could be an opportunity to add more courts on to the Arena (6 court side).

### Aquinas Action Centre (Community Share Facility)

Situated on the grounds of Aquinas College, the facility features a single court gymnasium suitable for hosting sport, recreational and cultural activities outside of agreed school access hours.

### Merivale Action Centre (Community Share Facility)

This facility is located on the grounds of Merivale Primary, it features a single court gymnasium suitable for hosting sporting / recreational groups and community activities outside of agreed school access hours. There are some issues with the facility suffering from condensation issues that leave the floor unsafe at times.

### Mount Sports Centre

Located at Blake Park, this facility features a single court gymnasium suitable for hosting sporting and recreational groups, community activities and minor events. The facility is also home to Tauranga City Basketball's office. This is an old facility and it will be demolished in the next few years as part of the Blake Park master plan. The removal of the facility will reduce court provision in the city by one court.

### Queen Elizabeth Youth Centre (including Memorial Hall)

Located at Memorial Park, this facility provides the city with a multi-court venue suitable for hosting sporting & recreational groups, cultural and community activities. The venue also hosts a variety of regional and national tournament and events. Pay for play sports leagues and centre-run programmes are also provided at this venue. Planning is underway for the redevelopment of the QEYC to include more court space along with a new aquatics complex, gym and café. While the feasibility study for the redevelopment contemplated re-purposing the existing two court in the QEYC, subsequent investigations and issues are suggesting that a full replacement of the facility is needed, and this is currently being reviewed. During construction the facility will be unavailable for 2-3 years reducing court provision in the city by three courts until the new facility opens.

### University of Waikato Adams Centre for High Performance

Based at Blake Park opposite Bay Oval, The University of Waikato Adams Centre for High Performance is a high quality facility of over 2,500 m<sup>2</sup> that include a 652m<sup>2</sup> gym, plunge pools, physiotherapy, massage and rehabilitation rooms, a sport science laboratory with performance testing, research and acclimatisation facilities, meeting rooms and an athlete's lounge. It caters for a wide range of athletes, high performance organisations, sports science research and athlete medical support

services. Current tenants of the Centre include NZ Rugby, BOP Rugby, Body in Motion High Performance Sports and the University of Waikato. Strong demand for space in the facility along with potential development on neighbouring sites has prompted investigations into potential expansion options for the facility.

### **Clubfit**

This is made up of two gymnasiums located at Baywave and Greerton Aquatics Centre. Clubfit provides support and fitness programming to members who have access to mid to high quality equipment.

### **Community Centre-Run Programmes**

Bay Venues runs several community focused programmes across the network for pre-schoolers, children, youth and adults including the popular Tumble Time, Funky Fundays, Oddball, coaching clinics, sports days, birthday parties, social badminton and more.

### **Sports Leagues**

Bay Venues organises sports leagues both at the Trustpower Arena and Queen Elizabeth Youth Centre for indoor netball, fastnet, football, and turbo touch.

## Community Halls & Centres

### Arataki Community Centre

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. Early consideration is currently being given to possible expansion of the facility to cater for increasing demand for space.

### Bethlehem Hall

This venue is primarily used for local community groups to host a variety of activities. Private functions are also held at this venue.

### Cliff Road Building

This building provides a space for hire and is home to a small number of community users. The facility is in poor condition and will only operate in the short term until the future of this site is decided. Planning for its demolition should commence as soon as possible.

### Elizabeth St Community & Arts Centre

This is a facility for community groups to host a variety of activities. It also provides space for individuals to host private functions. The facility is in average condition and its future needs to be considered in conjunction with Council's investment in the new Civic Precinct.

### Greerton Hall

This is a facility for local community groups to host a variety of activities. It also provides space for individuals to host private functions. Greerton Hall is also used as office space for Greerton Village Mainstreet. The facility is old and tired and will need to be redeveloped or replaced in the medium to long term.

### Matua Hall

This venue provides space for local community groups and individuals to host a variety of activities and private functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

### Papamoa Community Centre (at the Library)

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. The venue also provides visitors with useful information including activities and services available in the community.

### Papamoa Sports & Recreation Centre

Located at Gordon Spratt Reserve, this indoor facility has rooms of varying sizes as well as a range of equipment, to enable community groups to host their activities. There is also a commercial kitchen and licensed bar for groups, businesses and individuals to host functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

### Tauriko Hall

This hall provides space for local community groups to host a variety of activities and provides a venue for individuals to host private functions. During the weekdays, Schools' Out hosts an OSCAR programme at the facility. The facility is in poor condition and will be replaced in due course when a new community centre can be established in the Tauriko area.

**Waipuna Park Pavilion**

This pavilion is for the users of Waipuna Park to utilise for registrations, after match functions and meetings at no charge. Other community groups can also utilise the facility to host their activities.

**Welcome Bay Hall**

These venues provide space within the local community for community groups to host a variety of activities. They also provide space for individuals to host private functions. The venue is old, tired and not connected with the adjacent community centre. There is an opportunity to enhance and better connect this facility in the medium term.

## Event Facilities

### Trustpower Arena

In addition to its purpose as a community indoor sports hub, the three-court side of the Arena acts as the key events facility for the region. When combined with the six-court side of the facility the Arena is a versatile multi-purpose venue with the ability to host any type of event – from community and national sporting fixtures through to trade shows, conferences, gala dinners, corporate hospitality and concerts.

### Trustpower Stadium, Baypark

This is Tauranga City's only significant outdoor stadium. It has the capacity for crowds of up to 19,000 people inclusive of seated and corporate hosting areas. It features a 480-metre oval clay speedway track and a basic grass area (inside the track). The primary activity is Speedway race meetings (15-17 per annum). A Promoter is contracted to promote and operate Speedway events at Baypark. Trustpower Stadium is also a venue for other events and activities suited to outdoor spaces (e.g. drifting). Corporate boxes and a Premium Lounge are also available for businesses to utilise for hosting, functions or meetings.

The recent Baypark Master Plan has contemplated the future use of the wider Baypark site and how it can best be utilised to benefit the community. The Master Plan provides future direction for the site as a community sports hub with the opportunity to move the pit facilities on-site to accommodate netball courts, athletics track and other future sporting facilities.

While Trustpower Baypark is regarded as one of the better equipped Speedway venues in New Zealand with a fast, wide clay track and a large well serviced pit area, it is showing its age and significant future investment will be required to maintain it. Currently the facility is not funded for depreciation and consequently there is no funding for asset renewals. Early discussions have commenced with the Bay or Plenty Speedway Association to start considering what the future of the Stadium is beyond the end of their agreement in 2029.

### Trustpower Stadium Lounge

The Stadium Lounge is a self-contained venue adjoined to the Baypark Stadium offering a secure and private environment to host public and private functions. Suitable for meetings, conferences, gala dinners, school balls, private functions, weddings and small to medium sized trade shows, this venue can comfortably accommodate up to 500 people for dinner or 900 for performances. For major stadium events, this facility offers the client added flexibility for hosting corporate hospitality or pre and post event activities. This space is starting to show its age and with no funding for renewals it is becoming more difficult to maintain it to an acceptable standard.

### External Areas

Various external areas around Trustpower Stadium are used for events, most notably concerts over the busy new year period and events like Polo in the Bay. Most infrastructure for events like these is brought in on a temporary basis. These larger outdoor events can draw crowds in excess of 15,000 people.

## Associated Activities

Bay Venues operates several venue-based business units that are more commercially focused including:

### Bay Catering

This business unit primarily provides catering services at venues managed by Bay Venues as well as some off-site catering at other venues and events. Bay Catering also operates food and beverage outlets throughout Trustpower Baypark venue as well as the cafes at Trustpower Arena and Baywave. Bay Catering also have contracts with the Ministry of Education to provide school lunches to children at schools throughout the Bay of Plenty.

### Bay Audio Visual

A sound, lighting and audio-visual equipment and support business unit that provides services primarily at the Trustpower Arena, Trustpower Stadium Lounge, Trustpower Stadium and some external off-site events and venues.

### BayStation

BayStation is a family entertainment business that operates four different entertainment products including Blokarts, Drift Trikes, Paintball and Lasertag. The operation complements the range of activities on offer at Baypark.

### Merchandise

Bay Venues operates small retail outlets at its aquatic facilities selling swimming apparel and associated products.

## 4. Key Areas of Focus for the Year Ahead

### Council's Expectations

Bay Venues acknowledges TCC's requests in the Letter of Expectation to focus our business activities to contribute to the following Community Outcomes:

- **We have a well-planned city which fuels possibility**

Including supporting TCC with implementing the Domain, Blake Park and Baypark Master Plans, active participation in implementing the Events, Action and Investment Plan and aligning our facilities and asset renewals planning through the Long Term Plan.

- **We are inclusive and lift each other up**

Including increasing community access and participation for diverse groups, demonstrating cultural awareness to ensure people of all ages and from all backgrounds are welcome, and progressing social return on investment reporting.

- **We value and protect our environment and prioritise nature**

Including working alongside TCC in measuring, monitoring and mitigating our greenhouse gas emissions.

TCC has asked Bay Venues to ensure:

- financial reporting is clear and transparent;
- more information about what Bay Venues does and how it operates is published online for the community to access, and it engages the community through joint storytelling opportunities ;
- greater alignment and operational efficiencies through shared services collaboration with TCC;
- the Board undertakes professional development.

### Our Strategic Focus Areas

We updated our strategy in 2022 after the last SOI was prepared and our four strategic focus areas include how we will contribute to TCC's Community Outcomes.

#### 1. Maximising Activity & Events

- We host a wide range of successful activities and events (sporting, cultural, service, recreation and business) within our facilities that collectively enhance the social, cultural and economic wellbeing of Tauranga.
- We have a strong focus on the recreation needs of our community and encouraging participation for diverse groups
- We actively look for opportunities, including targeting new events and attracting new and diverse community activities through a Community Led Development approach.
- We deliver exceptional customer experiences including using technology.
- We keep people safe through having a proactive Health & Safety culture supported by good systems.



## **2. Looking After our Assets**

- We provide facilities and assets that are safe, well maintained, professionally managed and fit for purpose.
- We look after and enhance our existing assets now and for the future.
- We have a long-term Venue Strategy including agreed priorities for facilities and asset renewals planning, embedded within TCC's Long Term Plan. This includes providing for growth across the city.
- We recognise that our venues are part of a wider network of community facilities across the city, region and country.
- We recognise TCC funding of facilities through co-naming and branding;
- We partner to deliver major recreation projects for the city.
- We have a Sustainability Action Plan to ensure our venues are operated in a sustainable manner including measuring, monitoring and mitigating our greenhouse gas emissions.
- We develop facilities with a sustainability focus and target Greenstar ratings for new buildings.

## **3. Leveraging Our Capability**

- We utilise our existing skills, expertise, spaces and equipment to derive revenue where it is appropriate and aligned with our core business of providing community facilities.
- We continue to provide a range of existing commercial business operations.
- We actively explore and capitalise on appropriate new revenue opportunities.
- We are committed to gaining efficiencies through shared services with TCC, including providing our services to TCC where appropriate.
- Profits from commercial operations are used to offset the cost of providing facilities to the community.

## **4. Building Our Capability**

- We strive for excellence and foster collaboration and partnership to achieve the best possible outcomes.
- We work hard to build a positive, high performance team culture.
- We focus on developing our team and our leaders.
- We cultivate constructive working relationships with TCC, mana whenua and other key partners.
- We are committed to biculturalism and partnership with mana whenua.
- We have systems that enable our teams to be productive and successful and create efficiencies through digital transformation.
- We clearly communicate financial information and show how ratepayers help to fund our activities.
- We will explore ways to measure and report on the social return on investment (ROI) from our activities.
- We publish quarterly reports that highlight our impact in the community.

## Our Objectives

	Maximising Activity & Events	Looking After our Assets	Leveraging our Capability	Building our Capability
<b>Strategic Objectives (3 years)</b>	<ul style="list-style-type: none"> <li>Maximise activity across our venues</li> <li>Consistently deliver exceptional customer experiences</li> <li>Proactively attract new events and activities</li> <li>Develop a strong Health &amp; Safety culture supported by good systems</li> </ul>	<ul style="list-style-type: none"> <li>Look after and enhance our assets and actively plan for and manage asset renewals</li> <li>Implement the Venue Strategy and provide for future needs</li> <li>Deliver venue projects to a high standard &amp; partner on key projects</li> <li>Operate our venues sustainably</li> </ul>	<ul style="list-style-type: none"> <li>Continue our existing commercial business operations</li> <li>Actively progress appropriate new complementary revenue opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Build a positive, high performance team culture</li> <li>Provide Technology &amp; systems that support our people</li> <li>Develop strong working relationships with key partners (inc mana whenua)</li> <li>Provide consistent reporting that supports decision making</li> </ul>
<b>Key Projects (FY24)</b>	<ul style="list-style-type: none"> <li>Embed Community Led Development to attract new and diverse activities</li> <li>Implement the customer experience programme</li> <li>Complete H&amp;S Review Action Plan</li> <li>New event operating model including update venue hire &amp; supplier agreements</li> <li>Investigate with TCC drug testing for summer events</li> <li>Actively participate in implementing TCC Events Action &amp; Investment Plan</li> </ul>	<ul style="list-style-type: none"> <li>Embed the Venue Strategy in the LTP</li> <li>Complete Phase 1 of the Baypark Masterplan</li> <li>Implement Sustainability Action Plan</li> <li>Commence the Memorial Park Project</li> <li>Complete the Hot Pools Project and Stadium Light Replacement</li> <li>Secure Funding &amp; Leases to Gain approval for Adams Centre Expansion</li> <li>Complete Support Office Works</li> </ul>	<ul style="list-style-type: none"> <li>Measure and monitor ROI on Significant Projects</li> <li>Proactively Investigate Opportunities to Manage Additional Facilities</li> </ul>	<ul style="list-style-type: none"> <li>Embed Leadership Programme</li> <li>Develop and Launch a Staff Retention &amp; Attraction Action Plan</li> <li>Implement the Technology Roadmap</li> <li>Roll-out new transparent Reporting Framework</li> <li>Investigate social ROI reporting with TCC</li> <li>Implement a Bi-cultural Awareness Programme</li> <li>Deliver a new HRIS system</li> <li>Develop a Diversity &amp; Inclusion Action Plan</li> </ul>
<b>KPI's (FY24)</b>	<ul style="list-style-type: none"> <li>Achieve &gt;2.0M visits</li> <li>Host &gt;75 significant events</li> <li>Lead &gt;10 diversity and inclusion initiatives</li> <li>Achieve customer feedback rating of &gt;85%</li> <li>No preventable serious harm incidents</li> </ul>	<ul style="list-style-type: none"> <li>No preventable unplanned facility closures</li> <li>Deliver capital and renewals programme on time and on budget</li> <li>Establish three preventative maintenance initiatives</li> <li>Reduce energy consumption &gt;5%</li> </ul>	<ul style="list-style-type: none"> <li>Achieve breakeven EBDITA or better (TBC)</li> <li>Explore new revenue generating initiatives</li> <li>Deliver shared service initiatives where it makes sense</li> </ul>	<ul style="list-style-type: none"> <li>Achieve &gt;70% team engagement</li> <li>Achieve &lt;35% staff turnover</li> <li>Agree Memorandum of Understanding with two mana whenua</li> </ul>

## 5. Performance Measures

### a. Balanced Scorecard

Activity	Target	Weighting
<b>Maximising Activity &amp; Events</b>	<ul style="list-style-type: none"> <li>▪ Host &gt;2.0 million visits to our facilities</li> <li>▪ Host &gt;75 significant events (500+ people)</li> <li>▪ Support &gt;10 inclusivity &amp; diversity initiatives</li> <li>▪ Achieve a customer feedback rating &gt;85%</li> <li>▪ No preventable serious harm incidents in our facilities</li> <li>▪ Key projects are completed</li> </ul>	50%
<b>Looking After our Assets</b>	<ul style="list-style-type: none"> <li>▪ No preventable unplanned facility closures</li> <li>▪ Capital and renewals programme delivered on time and on budget</li> <li>▪ Establish three preventative maintenance initiatives</li> <li>▪ Reduce energy consumption by &gt;5%</li> <li>▪ Key projects are completed</li> </ul>	25%
<b>Leveraging our Capability</b>	<ul style="list-style-type: none"> <li>▪ Achieve breakeven EBITDA (TBC)</li> <li>▪ Explore new revenue generating initiatives</li> <li>▪ Deliver new shared service initiatives where it makes sense</li> </ul>	10%
<b>Building our Capability</b>	<ul style="list-style-type: none"> <li>▪ Achieve &gt;70% team engagement</li> <li>▪ Achieve &lt;35% staff turnover</li> <li>▪ Agree Memorandum of Understanding with two mana whenua</li> <li>▪ Key projects are completed</li> </ul>	15%

## b. Financial

[To be updated following budget setting process. Prior Year budget currently shown.]

Bay Venues Ltd Profit & Loss (000's)	Budget 21/22	Forecast 21/22	Budget 22/23	Forecast 23/24	Forecast 24/25
	Total	Total	Total	Total	Total
<b>Revenue</b>					
User Fees and Charges	21,416	16,361	18,848	19,954	20,824
TCC Community Outcome Subsidy	2,916	3,256	4,030	4,268	4,519
<b>Total Revenue</b>	<b>24,332</b>	<b>19,617</b>	<b>22,877</b>	<b>24,221</b>	<b>25,343</b>
Less Total expenditure before interest and Depreciation	24,331	22,550	24,600	25,829	26,604
<b>EBITDA Profit/(Loss)</b>	<b>1</b>	<b>(2,933)</b>	<b>(1,722)</b>	<b>(1,608)</b>	<b>(1,261)</b>
BVL Funded Depreciation	823	616	677	877	813
BVL funded Debt Servicing	205	414	621	659	724
<b>Suplus/(Deficit) - after BVL capital costs</b>	<b>(1,027)</b>	<b>(3,963)</b>	<b>(3,020)</b>	<b>(3,145)</b>	<b>(2,799)</b>
Add back: Adjustments for funding					
Renewals Grant	6,782	6,782	10,278	5,430	3,126
Debt Servicing Grant	258	258	258	258	258
Debt Retirement Grant	194	194	344	344	344
Less: Other Depn and debt servicing					
Depreciation	5,267	5,267	6,424	6,653	6,883
Debt Servicing	380	380	380	380	380
<b>Net Suplus/(Deficit)</b>	<b>561</b>	<b>(2,375)</b>	<b>1,057</b>	<b>(4,489)</b>	<b>(6,678)</b>

## 6. Reporting

Bay Venues is committed to supporting TCC's strategic priorities and objectives. Bay Venues will endeavour to respond promptly and appropriately on issues raised by TCC.

Bay Venues will provide TCC with the following information:

### a) Statement of Intent (SOI)

Provide TCC with a draft SOI by 1 March 2024 and a final SOI by 30 July 2024

### b) Annual Report

Provide an Annual Report to TCC within two months after the end of the financial year. This will comply with section 68 of the Local Government Act 2002 and include the following:

- i. Board report including summary of the financial results, a report of the operations, a comparison of performance in relation to objectives and any recommendation as to dividend;
- ii. Audited financial statements for the financial year in respect of the Company, and;
- iii. The Auditor's report on:
  - Those financial statements; and
  - The performance targets and other measures by which performance has been judged in relation to the objectives.
- iv. The audited financial statements shall consist of:
  - Statement of Financial Position; and
  - Statement of Comprehensive Income; and
  - Statement of Movements in Equity; and
  - Statement of Cashflows; and
  - Disclosure of Related Party Transactions; and
  - Notes to the Financial Statements; and
  - Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

The annual report is to be presented in the format prescribed by TCC to enable consolidation into the Group.

### c) Quarterly Reports

As soon as practicable after the conclusion of each quarter, Bay Venues will provide TCC with a report of performance against the SOI including:

- i. Summary of Financial Performance
- ii. Report on KPI's year to date
- iii. Commentary on performance for the preceding quarter
- iv. Commentary on expected performance for the next quarter

A Quarterly Report will not be required for Q4 where the Annual Report is provided instead.

### d) Quarterly Meetings

Upon request by TCC, members of the Board of Bay Venues will meet with the TCC Commissioners and/or their appointed representative(s) quarterly in a confidential, informal workshop to discuss and review issues of common interest.

**e) Half Yearly Governance to Governance Meeting**

The Board of Bay Venues will meet with the TCC Commissioners every six months in a confidential, informal session to discuss and review any issues of common interest.

**f) Half Yearly Mayor/CEO to Chair/CEO Meeting**

The Commission Chair and CEO of TCC will meet with the Chair and CEO of Bay Venues every six months, three months before or after the Governance-to-Governance meeting, to discuss and review any issues of common interest.

**g) Management Meetings**

Regular meetings with operational management/staff at least quarterly.

**h) No Surprises**

Notwithstanding the reporting requirements the Board will operate on a 'no' surprises' basis to ensure that TCC is appraised as soon as is practicable, of any event or the possibility of an adverse effect of an economic, social or political nature.

## 7. The Board's Approach to the Governance

The directors of Bay Venues are responsible for the stewardship and future well-being of the organisation. The directors assist the organisation to meet its objectives and requirements in the Statement of Intent. Directors exercise leadership, enterprise, integrity and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity and effectiveness. In discharging their responsibilities Directors have a duty to act in the best interest of Bay Venues as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the legal entity defined in the Bay Venues Constitution consistent with 1.3.1 of the Companies Act.

More detailed obligations in relation to both the Directors obligations to Bay Venues and TCC's obligations to Bay Venues are outlined in the Enduring Statement of Expectations (ESE).

## 8. Board Performance Reviews

A Board led bi-annual review will be undertaken in July/August 2023 by an independent entity, with results reported to TCC. The cost of this review will be funded by TCC. This review will be conducted within the Institute of Directors (IoD) "Better Boards" programme providing comparative data to prior reviews by IoD.

The report will provide assessment on the Board's performance within:

- Chair and Individual Director effectiveness.
- Board policies and procedures/effectiveness.
- Overall Board effectiveness, dynamics and connectivity to Stakeholder and Community.

## 9. Ratio of Consolidated Funds

In November 2014 TCC resolved that an appropriate starting debt equity ratio of 20:80 is appropriate for Bay Venues, but the ratio may change up to 25:75. This ratio is calculated as: Debt to Equity Ratio = Total Debt / Total Equity.

## 10. Estimate of Commercial Value

The Board estimate that the commercial value of the TCC's investment in Bay Venues is represented by the net assets of Bay Venues. This value is calculated from total assets less liabilities. As at 30 June 2022 this was \$101.7m.

## 11. Accounting Policies & Other Compliance

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993.

## 12. Dividend Policy

Bay Venues will not be in a position to pay a dividend anytime in the short to medium term and acknowledges that any retained surpluses over \$250,000 (net after depreciation and interest) must be approved by Council unless otherwise agreed or prevented due to legal requirements.

If a surplus is achieved, Council may decide to reinvest part or all the surplus into Bay Venues if Bay Venues establishes a compelling investment proposal and/or using such option to retire debt.

In determining funds that are 'surplus', Council will consider the operating result against budget including the accounting surplus, the underlying cash surplus, and surpluses generated from particular activities.

## 13. Procedures for Acquisition of Other Interests

Pursuant to the Constitution, Bay Venues will only invest in the shares of a new or existing company or organisation with the prior approval of TCC. Where the Board consider the size of the acquisition warrants it, they will have due diligence carried out prior to any binding agreement being made.

## 14. Other Matters Agreed Between the Board and Shareholder

Bay Venues shall enter, where necessary, such agreements with TCC giving effect to any restrictions, requirements and obligations required by TCC.

Due to the impact of Covid over the past few years Bay Venues revenue and profitability has been significantly negatively impacted. While existing loan arrangements with TCC are sufficient to cover this in the short term, Bay Venues wishes to signal to TCC a need to review the funding and/or loan arrangements to ensure that the business can continue to operate.

## 15. Transactions between Related Parties

Transactions between TCC and Bay Venues will be conducted on a commercial basis (fair and reasonable) and if appropriate contestable basis.

Other related party transactions will be on a commercial basis and in accordance with Bay Venues procurement policy.

## 16. Compensation from Local Authority

Compensation for any services provided to the TCC has been agreed as per the revised Enduring Statement of Expectations and the Letter of Expectations.

Council provide Bay Venues with an operating grant of \$[to be updated, was 3.448m in FY23], which increases annually with CPI. TCC's operating grant to Bay Venues helps deliver:

- Business related outputs, which apply across all facilities



- Community related outputs which apply only to the facilities and activities that are considered to have a community focus.

The outputs expected of Bay Venues are detailed in section 4 of the ESE.

## **Schedule 1 – Enduring Statement of Expectations**

## **Schedule 2 – Annual Letter of Expectation FY24**