STATEMENT OF INTENT

For the year ending 30 June 2027

dunedin venues

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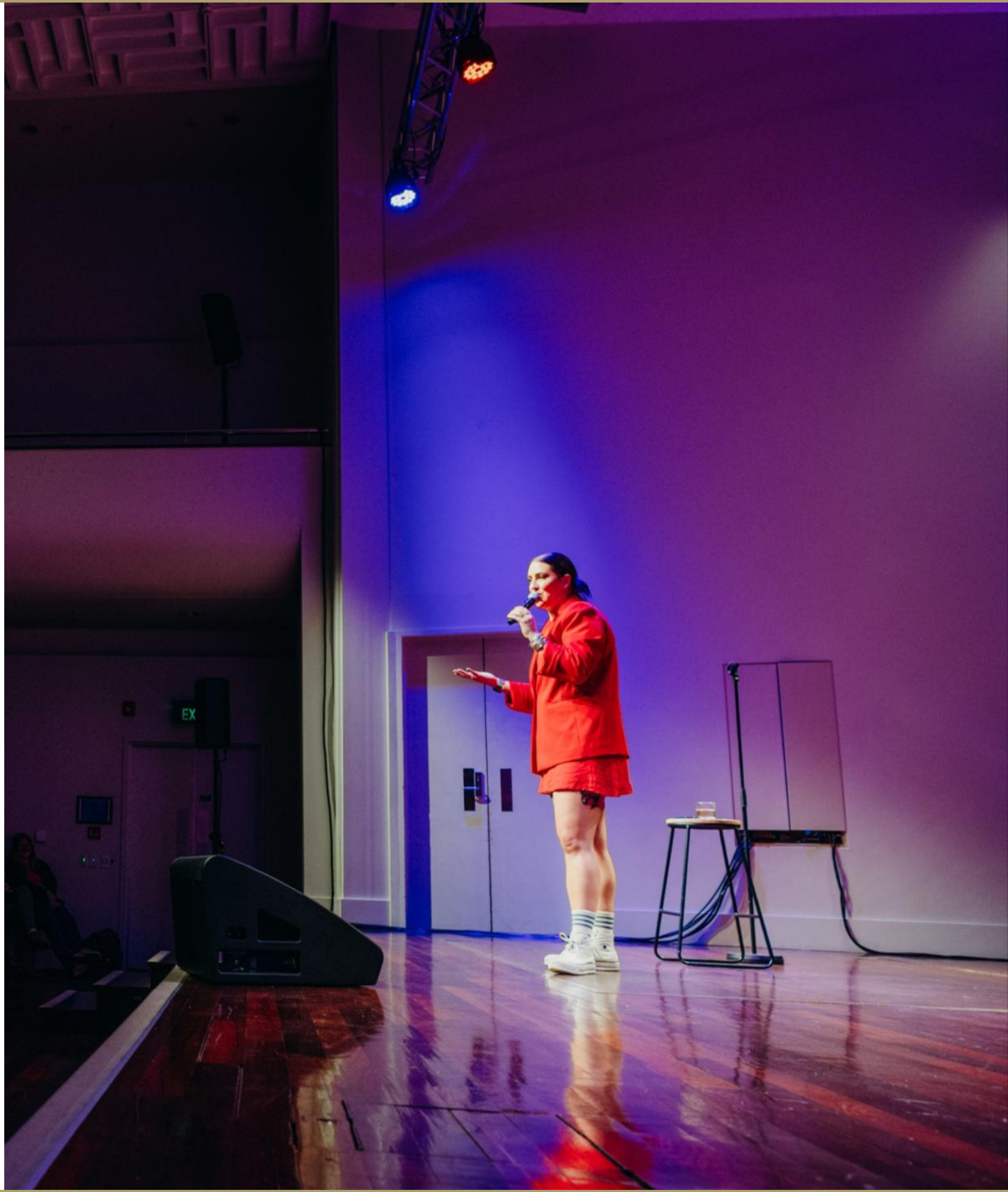
1. INTRODUCTION

Dunedin Venues Management Limited (DVML) is a stadium operator, events, and venue management company. It is a Council Controlled Trading Organisation (CCTO) wholly owned by Dunedin City Holdings Limited (DCHL), which is wholly owned by Dunedin City Council (DCC).

2. PURPOSE OF STATEMENT OF INTENT

This Statement of Intent (SoI) sets out DVML's planned activities and financial forecasts for the next three years. It includes performance measures and targets which form the basis of DVML's organisational accountability and will be reported on in DVML's 2027 Annual Report. This SoI takes shareholder expectations into consideration.



3. OBJECTIVES

As a CCTO, DVML has the following objectives, as defined in Section 59 of the Local Government Act 2002 (LGA):

a) Achieve the objectives of its shareholder, both commercial and non-commercial, as specified in the statement of intent; and

b) Be a good employer as per clause 36 of Schedule 7 of the LGA; and

c) Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and

d) To conduct its affairs in accordance with sound business practice.

DVML will contribute to the growth and vitality of Dunedin City by driving strong and sustainable business performance, building a reputation for innovation and excellence in venue management and demonstrating our commitment to the delivery of outstanding event experiences.

As a DCC Group company, DVML aims to contribute to the DCC’s strategic framework and achievement of city objectives.

DVML plays a vital role in enriching Dunedin's liveability by enhancing its cultural, economic and social vibrancy.

DVML’s aim is to have impact across several key areas:

1. ECONOMIC CONTRIBUTION

Attracting major events:
Hosting concerts, sports matches and festivals at Forsyth Barr Stadium and other venues, such as the Town Hall, brings visitors to Dunedin, boosting the local economy, supporting tourism and local businesses.

Job creation:
The events industry generates employment, from event staff to hospitality, security and tourism services.

Supporting local businesses:
Events drive spending at hotels, restaurants, and retail stores, strengthening the city’s economy.

2. SOCIAL & COMMUNITY BENEFITS

Enhancing community engagement:
Public events, festivals, and cultural celebrations create opportunities for social connection and civic pride.

Providing recreational and entertainment opportunities:
A diverse event lineup contributes to a high quality of life by offering residents world-class entertainment without leaving the city.

Supporting local sports and the arts industry:
DVML provides high-quality facilities which can be accessed by community organisations through CAG programs.

3. CULTURAL & CREATIVE GROWTH

DVML venues provide opportunities for showcasing local talent:
The venues offer platforms for local artists, musicians, and performers to reach wider audiences.

Hosting national and international acts:
Bringing global entertainment to Dunedin enhances cultural diversity and adds to the city’s appeal.

Preserving and celebrating heritage:
DVML venues host historic and cultural events, reinforcing the city's unique identity.

4. INFRASTRUCTURE & CITY REPUTATION

Enhancing Dunedin's appeal as a destination:
A thriving events calendar makes Dunedin more attractive to tourists, students and new residents.

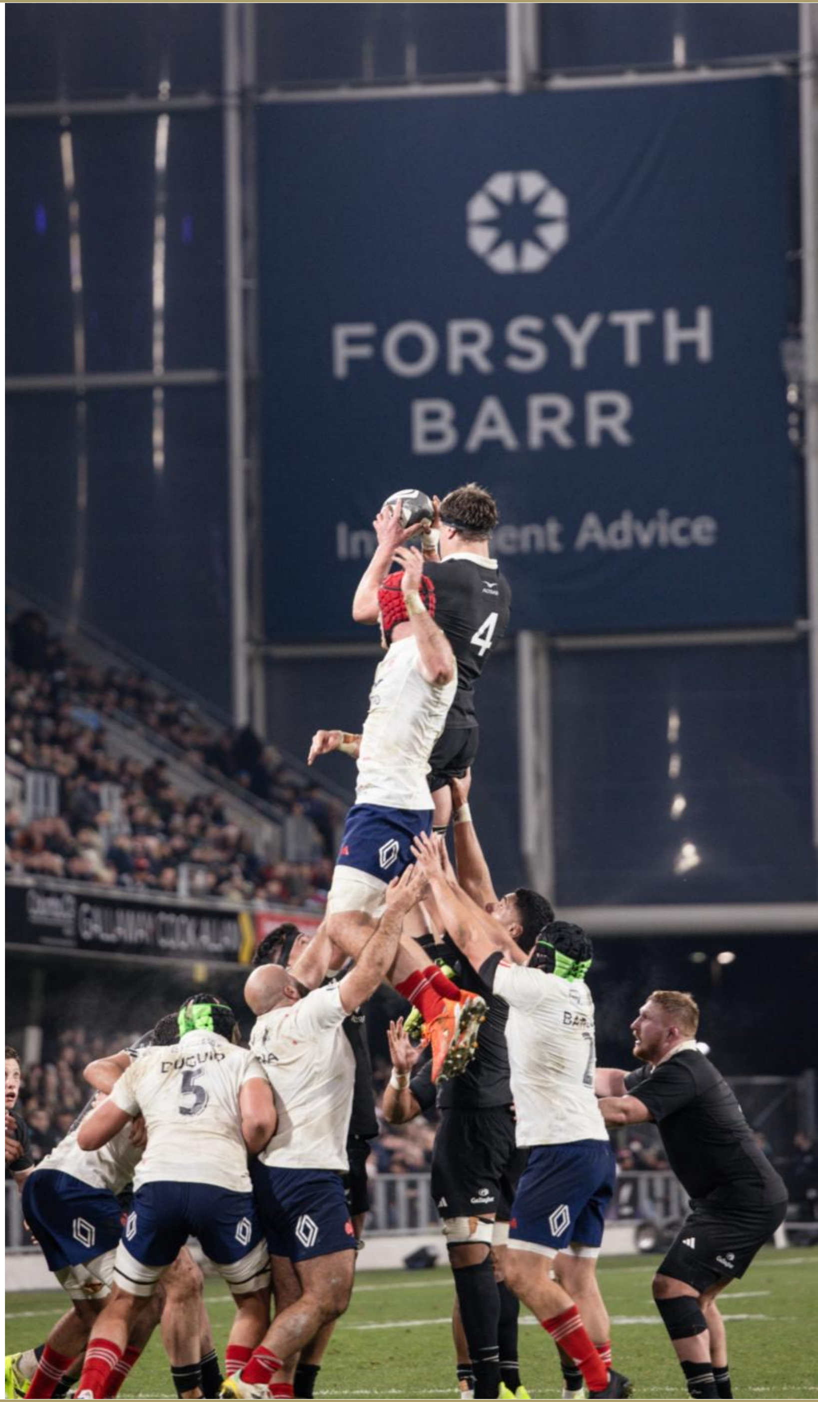
Maximising use of Forsyth Barr Stadium and the Dunedin Centre:
The covered multi-purpose stadium ensures events can be held year-round, while the Dunedin Centre adds old world charm to the portfolio.

Attracting investment:
A vibrant events sector encourages business investment and relocation to Dunedin.

5. SUSTAINABILITY & INNOVATION

Encouraging sustainable practices and events:
DVML is leading in green event practices (e.g. first stadium in NZ to use LED grow lights), and is implementing a number of waste reduction strategies.

DVML supports DCHL's Carbon Roadmap by endeavouring to reduce emissions (on a per 1,000 attendee basis) from its 2019 baseline. We will also work with the Dunedin City Council to identify alternative or complimentary opportunities to contribute to the Dunedin City Council's city-wide net zero goal.



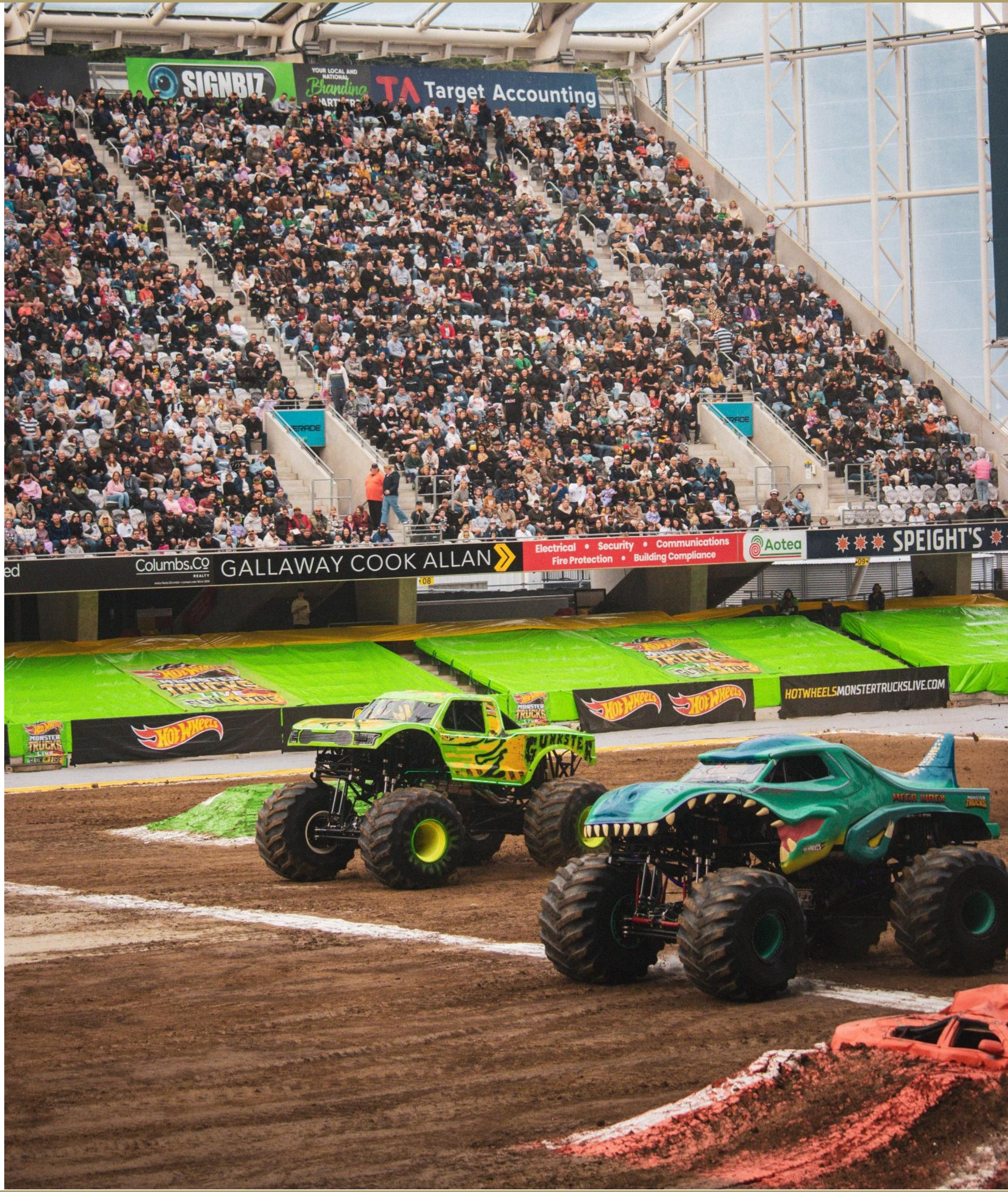
4. NATURE & SCOPE OF ACTIVITIES

The principal activities of DVML are to:

- Source and secure events for all venues under its management that delivers commercial and economic returns for the company and the region.
- Plan, host and deliver exceptional events.
- Manage the assets and facilities for which it is responsible.
- Facilitate community access to the venues for which it is responsible.

In the 2027 financial year, DVML will continue to provide input into the potential development of the Forsyth Barr Stadium precinct as required.

The undertaking by DVML of any activity of a nature or scope outside of the above would be subject to the prior approval of the shareholder.



5. CORPORATE GOVERNANCE

DVML is governed by a board of independent directors appointed by DCHL. Directors meet regularly to direct and control DVML's proceedings.

The role of a director of a CCTO is defined in section 58 of the LGA as "... to assist the organisation to meet its objectives and any other requirements in its statement of intent."

In addition to the obligations of the LGA, DVML is also subject to the requirements of the Companies Act 1993, and all other applicable legislative requirements.

The DVML board operates in accordance with accepted best practice governance.

CHAIR

Lee Piper

Adam La Hood

Verity Webber

Dylan Rushbrook

6. PERFORMANCE TARGETS & OTHER MEASURES

ECONOMIC DEVELOPMENT *(DCC Strategic Framework Accountabilities – Economic Development)*		
GOALS	**OBJECTIVES**	**PERFORMANCE MEASURES**
Attract major events to Dunedin with the assistance of the Event Attraction Fund (EAF), an annual grant from the Dunedin City Council.	Achieve a 15:1 Return On Investment (ROI) of the Event Attraction Fund.	For events with 15,000 attendees or more, and which access the Event Attraction Fund, ROI is calculated by the sum of Visitor Marginal Direct Spend against the level of EAF investment for these events. DVML will work with the DCC on determining an appropriate tool to measure Visitor Marginal Direct Spend for events with less than 15,000 attendees which access the Event Attraction Fund.
To increase economic benefit to the Dunedin City and region through major events.	Visitor Marginal Direct Spend and satisfaction rating targets are achieved, determined through a post event patron survey assessed by an independent economist.	For each event over 15,000 attendance which uses Event Attraction Funding, achieve a minimum of $5m visitor marginal direct spend for Dunedin City. For each event over 15,000 attendance which uses Event Attraction Funding, achieve a minimum 80% satisfaction rating.
To maximise utilisation of Forsyth Barr Stadium and the Dunedin Centre.	Manage DVML's operations to maximise economic impact and commercial return through event acquisition at Forsyth Barr Stadium and the Dunedin Centre.	Hold a minimum of 50 commercial and community events at Forsyth Barr Stadium. Hold a minimum of 100 commercial and community events at the Dunedin Centre.
To enhance the value that DVML delivers to its Members.	Members receive value through enhanced offerings, which is reflected in member retention and new memberships.	Achieve a 75% retention rate of member renewals by contract value. Contract 50 new Membership seats for the year to 30 June 2027.

PEOPLE AND CULTURE

(DCC Strategic Framework Accountabilities – Social & Wellbeing)

GOALS	OBJECTIVES	PERFORMANCE MEASURES
To support and sustain a workplace that encourages and enables individuals as well as teams to grow and develop, providing high levels of satisfaction and a strong sense of wellbeing.	To create a motivated and satisfied team and to understand and action opportunities for improvement within the team environment. Ensure that all employees are paid at least the living wage.	At least 80% of staff are satisfied with working at DVML, as indicated in the annual staff survey. All direct employee's are paid the living wage, or more.
Forsyth Barr Stadium to provide a sense of value to ratepayers.	Ratepayers feel satisfied that Forsyth Barr Stadium is attracting events and providing economic benefit to the city.	Achieve 85% ratepayer satisfaction (users) with Forsyth Barr Stadium in the Dunedin City Council's Residents' Opinion Survey.

SAFETY & COMPLIANCE

(DCC Strategic Framework Accountabilities – Social & Wellbeing, Parks & Recreation and Ara Toi Arts & Culture)

GOALS	OBJECTIVES	PERFORMANCE MEASURES
Keep safety as DVML's first priority and provide a safe environment.	Manage risks to workers, visitors and event attendees through proactive risk identification and management.	Health & Safety critical risk controls reviewed every 6 months. Incident Frequency Rate Events (IFRE) less than or equal to <0.05% of the total number of event attendees across all venues. Total Recordable Incident Frequency Rate < 6 per 200,000 hours worked.
Forsyth Barr Stadium is always event ready.	Facilities and infrastructure are maintained as fit for purpose.	Forsyth Barr Stadium maintains a current Building Warrant of Fitness (BWOF).

IFRE – The Incident Frequency Rate Events is measured by the number of registered incidents divided by the number of attendees.

TRIFR – The Total Recordable Incident Frequency Rate is measured by the number of recordable incidents multiplied by 200,000 hours worked divided by the actual hours worked by workers at the venues.

Recordable Incidents are defined as an injury or illness resulting in death, days away from work (lost time), restricted work case (alternative duties) or a medical treatment case (beyond first aid).

ENVIRONMENT & SUSTAINABILITY *(DCC Strategic Framework Accountabilities – Te Ao Tūroa Environment)*		
GOALS	**OBJECTIVES**	**PERFORMANCE MEASURES**
Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives.	Contribute to Council's Carbon Neutrality initiatives.	Achieve the FY2027 targets outlined in the Emissions Reduction Action Plan. Achieve the FY2027 targets outlined in the Waste Reduction Action Plan.
	Manage DVML operations to enhance economic and environment sustainability.	Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.
	DVML strives to be single-use cup free in the venues it controls or manages wherever practicable.	Continue to work with the DCC to reduce the serving of drinks in single use cups at DVML venues.
To engage with the DCC on a regular basis where the DCC can assist DVML to enable local and regional groups to access all facilities under its management.	Facilitate community access through providing funding for community events through the Community Access Grant ($750,000) annually across all DVML venues.	Report to the DCC on the application of the Service Level Agreement for Community Event Funding to ensure it caters to a variety of events and community groups.

SHAREHOLDER		
GOALS	**OBJECTIVES**	**PERFORMANCE MEASURES**
To bring to the attention of DCHL any matters where there may be conflict between DCHL and DVML outcomes.	Consult with DCHL at the earliest possible time on matters where conflict may or could result.	Matters which may or could cause conflict have been escalated to the Shareholder.
Keep DCHL informed of all substantive matters.	To promptly advise DCHL on a 'no surprises' basis of any substantive matter that has the potential to impact negatively on DCHL and DVML with a particular focus on matters of interest to the media.	Report to DCHL within 24 hours of the Board becoming aware of substantive matters which have the potential to negatively impact on the Shareholder and DVML with a particular focus on matters of interest to the media.

7. FINANCIAL FORCASTS

a. The ratio of Shareholder Funds to Total Assets and the definition of those terms.

	YEAR ENDING 30/06/2027	YEAR ENDING 30/06/2028	YEAR ENDING 30/06/2029
Shareholder Funds to Total Assets	16%	18%	20%

DVML has adopted a target Shareholder Funds to Total Assets ratio (equity ratio) of 25% but expects this ratio will fluctuate depending on a variety of circumstances including accounting entries relating to IFRS16 leases, asset renewal and investment cycles. In relation to IFRS16, the equity ratio is low in the early years of a lease contract and increases each year as the lease asset reduces.

“Shareholder Funds” are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

“Total Assets” means the aggregate amount of all current and non-current assets.

b. Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the Shareholder.

	YEAR ENDING 30/06/2027	YEAR ENDING 30/06/2028	YEAR ENDING 30/06/2029
Dividend/Subvention Distributions	Nil	Nil	Nil

c. Other Financial Forecasts

	YEAR ENDING 30/06/2027 $'000	YEAR ENDING 30/06/2028 $'000	YEAR ENDING 30/06/2029 $'000
EBITDA	$1,689	$1,886	$1,906
Net Profit/(Loss) after Tax	$154	$225	$280
Cash Flow from Operations	$815	$2,292	$2,153
Capital Expenditure	$1,054	$400	$400
Term Borrowings	$Nil	$Nil	$Nil
Shareholder Funds	$2,494	$2,656	$2,858

8. ACCOUNTING POLICIES

a) General Accounting Policies

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

b) Particular Accounting Policies

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are listed in DVML's Annual Report.

9. DIVIDEND POLICY

DVML's current policy is not to pay dividends.

DVML wishes to maintain an optimal capital structure and every three years will review that structure to determine whether additional capital can be released and whether changes need to be made to the Dividend Policy.

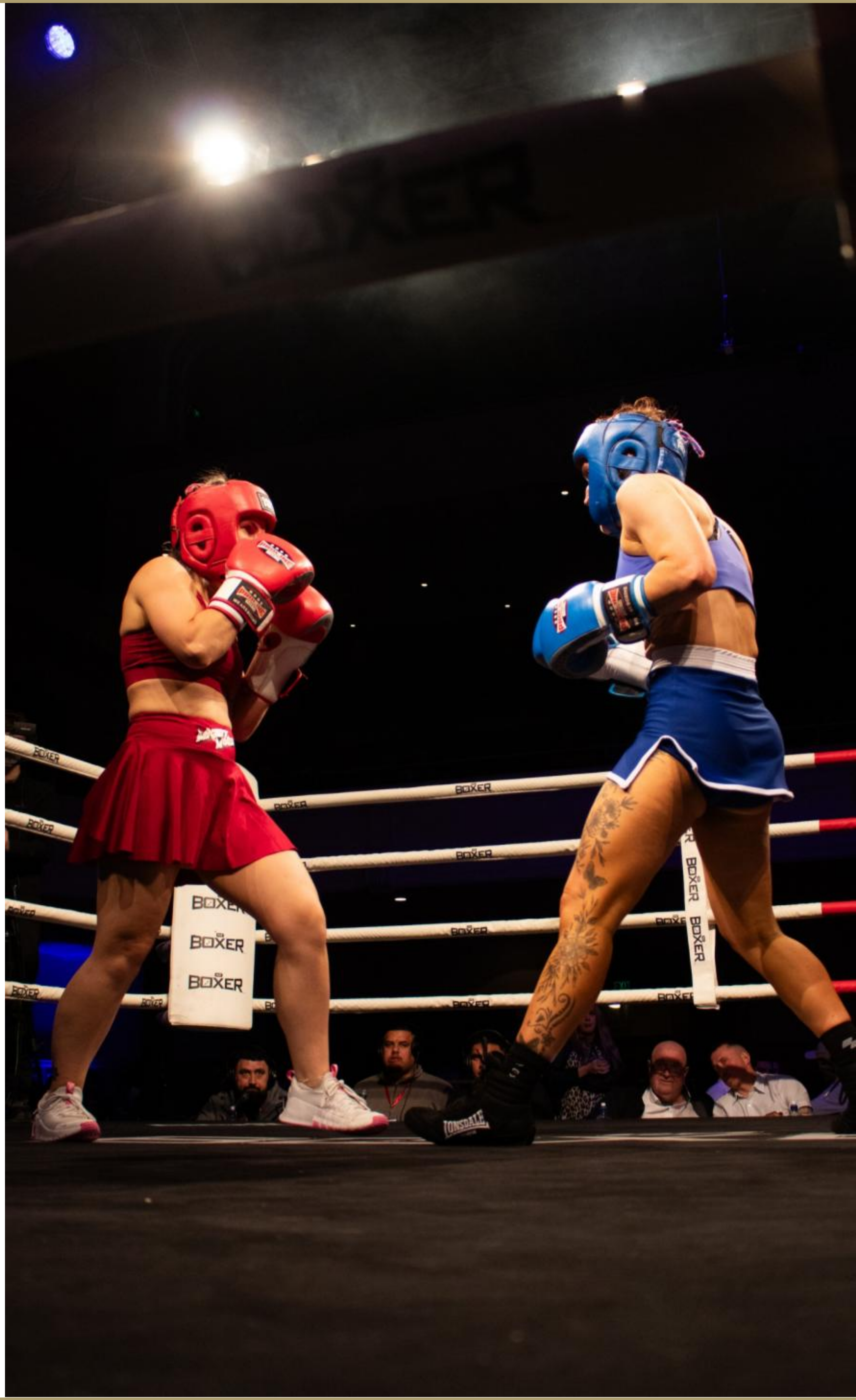
DVML's retention of cash is important:

a) In an environment where future cashflow remains uncertain.
b) To continue DVML's asset replacement program.
c) To provide the ability to bid for major events.

10. COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT

The commercial value of DCHL's investment in DVML is considered by the directors to be not less than the Shareholder's Funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the SoI is completed.



11. TRANSACTIONS WITH RELATED PARTIES

The DCC is the sole shareholder of DCHL.

DCHL is the Shareholder of Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited (DCTL), Dunedin Railways Limited, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

DCHL owns 50% of Dunedin International Airport Limited.

Transactions between the companies, DCC and other DCC controlled enterprises will be on a wholly commercial basis.

Charges from DCC and its other entities and charges to DCC and its other entities will be made for goods and services provided as part of the normal trading activities of each company.

DCHL and its subsidiaries will undertake to obtain all debt funding from DCTL, with exceptions as agreed with the board of DCHL.

DUNEDIN CITY COUNCIL	DCC rates for properties leased by DVML.
	Event Attraction Fund and Community Access Grant.
	Occupancy of DCC owned property.
	Provision of services.
DUNEDIN CITY TREASURY	Provision for debt funding and deposit facilities to DVML generating interest payments to and from DCTL.
DUNEDIN STADIUM PROPERTY LIMITED	Lease of property to DVML. Provision of facility management services.
DUNEDIN CITY HOLDINGS LIMITED	Functions appropriate between Parent company and subsidiary.

12. OTHER MATTERS AS AGREED BY THE SHAREHOLDER & THE BOARD

a) Information to be provided to the Shareholder

	QUARTERLY	HALF YEARLY	ANNUALLY
Key financial performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors Report		✓	✓
Auditors Report			✓
Statement of Intent (Draft)			Prior to 1 March
Statement of Intent (Final)			Prior to 30 June

b) Working with the Shareholder

DVML will undertake to keep DCHL informed of all substantive matters, as set out in the performance measures above. DVML will work to build a culture of accountability and constructive working practices between DCHL and DVML.

It is expected that any conflicts that may arise between DCHL and DVML will be resolved directly between DCHL and DVML, in accordance with appropriate governance practices.

DVML will work with DCHL to ensure that its sponsorship activities align with DCC's strategic framework.

DVML will continue to support the Graham Crombie Intern Director Programme. The programme aims to develop governance capability in Dunedin and broaden the city's pool of emerging directors, offering emerging directors the opportunity to gain experience and insight into governance by working alongside an experienced commercial board.

DVML commit to working with DCC, DCHL and its Auditors to incrementally shorten the DCC Group annual reporting timeline.

c) Acquisition/Divestment of assets, or shares in any company or organisation

DVML will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DVML. In order to maximise benefit to DCHL, shares or assets may also be sold in response to, or in anticipation of, ongoing changes in the marketplace.

If the directors intend that DVML or its subsidiaries should acquire assets, they will obtain prior approval of DCHL where an investment into the new assets exceeds $500,000. For the purpose of this section "Asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the directors intend that DVML or its subsidiaries should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) exceeding a total investment of $500,000 they will obtain prior approval of DCHL.

The approval of DCHL is required before disposal by DVML of any segment of its business or shares in a subsidiary or associate company where the value of the asset to be disposed of exceeds the investment delegated authority of $500,000.

d) Compensation Sought

At the request of DCHL, DVML may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, DVML does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

e) Group Facility Use

DVML will undertake to operate "Group" purchasing of goods and services, unless it is demonstrated conclusively to DCHL that the total combined cost of such Group purchasing to the Group and DCC (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

f) Cyber Security

DVML commit to accessing and managing cyber security risks in a manner appropriate to the events sector.