



**DUNEDIN VENUES MANAGEMENT
LIMITED**

STATEMENT OF INTENT

For the Year Ending 30 June 2019

TABLE OF CONTENT

Table of Content	2
1 Introduction	3
2 Purpose of Statement of Intent	3
3 Objectives.....	3
4 purpose for which the company established	4
5 Corporate Governance	4
6 Performance Targets and Other Measures.....	5
7 Financial Forecasts	11
8 Accounting Policies	12
9 Information to be provided to the Shareholders in the Financial Reports	12
10 Dividend Policy	12
11 Acquisition/Divestment of Shares or Assets in any Company or Organisation	13
12 Compensation Sought	13
13 Commercial Value of Shareholders' investment	13
14 Other matters as agreed by the Shareholders and the Board	13
15 Transactions with Related Parties	14
16 Group Facility Use	14
17 Working with the Shareholder.....	15
Appendix 1: Dunedin City Council Vision: Dunedin is one of the World's Great Small Cities	16
Appendix 2: Strategic Framework	17

1 INTRODUCTION

A Council-controlled organisation (CCO) is an organisation in which the council controls 50 per cent or more of the voting rights or has the right to appoint 50 per cent (or more) of the directors or trustees.

Council-controlled trading organisation (CCTO) means a council-controlled organisation that operates a trading undertaking for the purpose of making a profit

Dunedin Venues Management Limited ('the Company') is a CCTO.

A CCTO is required by law to produce a Statement of Intent (SOI). A SOI is an annual planning document.

2 PURPOSE OF STATEMENT OF INTENT

The SOI demonstrates the accountability to the shareholder and the public by outlining the activities and intentions for the next three financial years. It provides an opportunity for the shareholder to influence the CCTO's direction by commenting on the draft version of the SOI. The SOI provides the basis for the accountability of the directors to their shareholder for the performance of the organisation.

The CCTO is required by law to report in its annual report on its performance targets set in the SOI.

3 OBJECTIVES

As defined in Section 59 of the Local Government Act (LGA), the principal objectives of a council-controlled organisation are to:

- a) "Achieve the objective of its shareholders, 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 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 insist these when able to do so; and
- d) If the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice."

4 PURPOSE FOR WHICH THE COMPANY ESTABLISHED

The principal activities of Dunedin Venues Management Limited (DVML) are:

- Source and secure appropriate events for all venues under its management.
- Plan, host and deliver events to a high standard.
- Manage the assets and facilities for which it is responsible.
- Facilitate community access to the venues for which it is responsible.

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 at every turn.

5 CORPORATE GOVERNANCE

- a) Local Government Act 2002, Role of Directors

As defined in Section 58 of the LGA:

"The role of a director of a council-controlled organisation is to assist the organisation to meet its objectives and any other requirements in its statement of intent.

This section does not limit or affect the other duties that a director of a council-controlled organisation has.

- b) In addition to the obligations of the LGA, the company is also subject to the requirements of The Companies Act 1993.
- c) And all other applicable legislative requirements that apply."

6 PERFORMANCE TARGETS AND OTHER MEASURES

SAFETY AND COMPLIANCE		
Goals	Objectives	Performance Measures
To make safety our first priority and provide a safe environment.	Maximise safety across all venues. Review the Health and Safety Plan with the Health and Safety Committee each year. Work with DVML staff, contractors and service providers to maximise safety across all venues ensuring adequate training is provided. Report on health and safety management and provide statistical data to the monthly board reports. Education and training to ensure world class systems and benchmark to underpin Health and Safety culture.	Minimum of 11 Health and Safety Committee meetings held per year. Health and Safety Plan has been reviewed. Conduct a staff survey to gauge their understanding on Health and Safety procedures. A Incident Frequency Rate Events of less than 0.05% of the total number of people attending events and the venues Total Incident Rate of less than 6 incidents per 200,000 hours worked. Total Recordable Incidents rate of less than 3 Lost Time Incident rate of less than 2 Lost Time Incident Frequency Rate of less than 65
To meet all of its statutory obligations. To act as a socially responsible and environmentally aware corporate citizen.	To undertake an independent annual safety audit. Effective facilities management through scheduled maintenance and asset management planning. Maintain obligations on any current resource consents in place.	Completed independent annual safety audit and any improvements/recommendations are implemented. DVML is not in breach of its statutory obligations. Facilities and infrastructure are maintained as fit for purpose and in accordance with the Asset Management Plan entered in to with Dunedin Stadium Property Limited.

TIR – The total incident rate is the recorded incidents across all venues multiplied by 200,000 hours worked divided by the actual hours worked by people at the venues.

TRI – The total recordable incidents recorded is the total number of lost time injuries, or injuries which require medical treatment administered by a professional Doctor

LTI – A lost time injury that leads to an employee being absent from work

LTIFR – The lost time injury frequency rate is measured by the number of lost time injuries per 1,000,000 hours worked

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

FINANCIAL		
Goals	Objectives	Performance Measures
To increase economic benefit to the region.	A minimum of \$5m visitor spend per each major event (>10,000 pax) for Dunedin City.	Achieve a 15:1 return on investment of the Event Attraction Fund.
Achieve financial performance that represents an acceptable return.	Ensure budgeted results provide an appropriate return	Achieve budget results.
Strengthen the balance sheet.	Increase retained earnings to invest in the future.	No unplanned call on capital.

MARKETING AND BUSINESS		
Goals	Objectives	Performance Measures
To build strong and innovative commercial partnerships that enhance event experiences and create a point of difference.	To work with DVML's preferred suppliers to deliver on mutually agreed performance targets.	Improved contribution to DVML's financial performance and reputation for service excellence. Survey Commercial Partners for satisfaction level – minimum 80% satisfaction to be achieved
To lead the way with venue and facilities' development projects to ensure that DVML venue offerings are flexible, scalable and fit for purpose (and create new opportunities for growth).	Improving venue utilisation by investing in DVML's venue assets and facilities in order to better meet the needs of the diverse range of event producers DVML hires its venues to.	Increasing the number and value of hire days in DVML's venues.
To create market and business development campaigns that grow our market share and build customer loyalty across all of the segments in which DVML competes.	Increased awareness through strategic development across digital platforms. Monitoring effectiveness of campaigns. Promoters are encouraged to bring top level and appropriate acts to all DVML's venues. Positive engagement, future proofing business through commitment to upcoming concerts, having the trust and confidence that DVML delivers a great product. Increase new Memberships Members feel valued and receive exceptional service that will also encourage renewal of Membership and new Members. Facilitate Member events, Lounge experience development and increase benefits.	We have established a benchmark for monitoring effectiveness across all digital platforms. A full calendar of quality events across all DVML's venues that provide economic benefit and positive community engagement to Dunedin City. Achieve 100 new memberships. Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.

HUMAN RESOURCES		
Goals	Objectives	Performance Measures
To retain and value our employees.	Relevant training is provided to Staff.	Attract and retain key staff.
To be non-discriminatory, culturally sensitive, and provide equal opportunities. These practices are to be encouraged in DVML's service providers.	To recognise and review staff performance. Consistently manage the EEO policy of DVML.	Conduct a confidential staff survey, achieve 80% satisfaction and improvements/recommendations are implemented.
To grow high performance teams based on attracting and retaining key staff who share our ambitions for the business and commitment to delivering the best for Dunedin City.	Maintain HR and Health and Safety policies, practices and the appropriate levels of investment to position DVML as an employer of choice in the venue management business by enabling, recognising and rewarding the people who make a difference.	
SHAREHOLDER		
Goals	Objectives	Performance Measures
To engage with Dunedin City Holdings Limited annually on opportunities for DVML to contribute, or assist where possible, with Dunedin City Holdings Limited outcomes.	Consult with Dunedin City Holdings Limited on matters to be included in DVML's Statement of Intent.	Submit annually DVML's Statement of Intent having given consideration to Dunedin City Holdings Limited expectations.
To bring to the attention of Dunedin City Holdings Limited any matters where there may be conflict between the Dunedin City Holdings Limited outcomes.	Consult with Dunedin City Holdings Limited at the earliest possible time on matters where conflict may or could result.	Matters have been escalated to the shareholder.
Keep Dunedin City Holdings Limited informed of all substantive matters.	To promptly advise Dunedin City Holdings Limited on a 'no surprises' basis of any substantive matter that has the potential to impact negatively on Dunedin City Holdings Limited and DVML with a particular focus on the media.	Report to Dunedin City Holdings Limited within 24 hours of the board becoming aware of substantive matters which have the potential to negatively impact on the shareholder and the company with a particular focus on matters of interest to the media.

DCC Strategic Framework Accountabilities

SOCIAL AND WELLBEING

Goals	Objectives	Performance Measures
To make people feel connected and involved in Dunedin City's community and city affairs.	Create awareness through a variety of distribution channels to ensure the community is informed of DVML happenings.	Positive community feedback.
To engage with the Dunedin City Council on a regular basis where the Dunedin City Council 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 Event Funding (\$750,000 across all DVML venues).	Report to the Dunedin City Council 6 monthly on the application of the Service Level Agreement for Community Event Funding to ensure it is applied efficiently and caters to a variety of events and community groups.
To be recognised as a positive contributor to our community.	Initiate opportunities to speak to the community, stakeholders and interested organisations.	Senior management conduct a minimum of 5 speaking engagements.

ECONOMIC DEVELOPMENT STRATEGY

Goals	Objectives	Performance Measures
To maintain DVML's economic sustainability through the mitigation of business risk, wherever reasonably possible, given the sector in which it operates.	Continue to generate economic benefit to Dunedin City through securing high quality events.	Achieve a minimum of \$5m visitor spend per each major event (>10,000 pax) for DVML and Dunedin City. Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax). 60% of attendees of all major events (>10,000 pax) to come from outside of Dunedin City.
To be the lead agency in event bidding, origination and promotion for major events in Dunedin City.	Attract, secure and create new major events to the city.	DVML and Dunedin City is successful in attracting, securing and creating major events that gain positive exposure for Dunedin City, create economic benefit and serve the community's needs.

ENVIRONMENT STRATEGY		
Goals	Objectives	Performance Measures
To be recognised as a positive contributor to Dunedin City's community.	Act as a socially and environmentally responsible corporate citizen. Develop sustainable practices. Improve energy efficiency and waste management. Building Management System (BMS) has been reviewed to ensure maximum efficiency from Heating, Ventilation and Air-Conditioning (HVAC system).	Recycled waste is increased by 10% from the previous year. Utilise low energy bulbs throughout all venues. Adjust timers on all lighting.
ARTS AND CULTURE STRATEGY		
Goals	Objectives	Performance Measures
To build unity and community pride by celebrating Dunedin City's character, diversity and individuality through arts and culture.	Ensure that DVML's venues are available for community use.	.Funding from the DCC for Community Events is fully utilised

7 FINANCIAL FORECASTS

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

	Year ending 30/06/2019	Year ending 30/06/2020	Year ending 30/06/2021
Shareholder's Funds to Total Assets	58%	62%	66%

The Company has adopted a target Shareholder Funds to Total Assets ratio (equity ratio) of 70%, but expects this ratio will fluctuate depending on a variety of circumstances including asset renewal and investment cycles. During periods of higher capital expenditure, the equity ratio will likely be lower and, at other times, may exceed the current target.

"Shareholder's 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 30/06/2019	Year ending 30/06/2020	Year ending 30/06/2021
Dividend/Subvention Distributions	Nil	Nil	Nil

c. Other Financial Forecasts

	Year ending 30/06/2019 \$'000	Year ending 30/06/2020 \$'000	Year ending 30/06/2021 \$'000
EBITDA	471	584	784
Net Profit after Tax	84	38	183
Cash Flow from operations	194	549	727
Capital Expenditure	565	1,800	350

The projections provided have been prepared using the most recent Company budget information and incorporate a number of assumptions about the future metrics of key business profitability drivers. In deriving these projections advice and judgement has been applied to predict the future state of the commercial market environment in which the Company operates.

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 Dunedin City Holdings Limited group and are fully listed in DVML's annual report.

9 INFORMATION TO BE PROVIDED TO THE SHAREHOLDERS IN THE FINANCIAL REPORTS

	Monthly	Quarterly	Half Yearly	Annual
Statement of Financial Performance	X	X	X	X
Statement of Financial Position	X	X	X	X
Statement of Cash Flows	X	X	X	X
Statement of Service Performance against SOI targets		X	X	X
Statement of Movement in Equity			X	X
Notes to the Financial Statements			X	X
Directors' Report			X	X
Auditors Report				X
Statement of Intent (Draft)				Prior to 1 st December
Statement of Intent (Final)				Prior to 30 th June

10 DIVIDEND POLICY

DVML wishes to maintain an optimal capital structure and will every three years review that structure to determine whether additional capital can be released and whether changes need to be made to the dividend policy. Dividends will be paid in two instalments 31 December and 30 June.

11 ACQUISITION/DIVESTMENT OF SHARES OR ASSETS 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 the Company. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that DVML or its subsidiaries should acquire assets, they will obtain prior approval of Dunedin City Holdings Limited where an investment into the new assets exceeds \$500,000.

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 Dunedin City Holdings Limited.

The approval of Dunedin City Holdings Limited 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.

12 COMPENSATION SOUGHT

At the request of the Shareholder, the Company 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.

13 COMMERCIAL VALUE OF SHAREHOLDERS' INVESTMENT

The commercial value of the Shareholder's investment in the Company 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.

14 OTHER MATTERS AS AGREED BY THE SHAREHOLDERS AND THE BOARD

- a) The undertaking by the Company of any activity of a nature or scope not provided for in the Company's mission or goals would be subject to the prior approval of the Shareholder.
- b) The approval of the Shareholder is also required before the Company could dispose of any segment of its business or shares in a subsidiary or associated company where the value of the asset to be disposed of exceeds the investment delegated authority set out in Section 11 above.

15 TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 72.03% of Taieri Gorge Railway Limited and 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

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

Related Party Transactions

Dunedin City Council	Council rates for properties owned by the Company
	Event Attraction Fund, Service Level Agreement, University of Otago Oval
	Lease of Council owned land
	Provision of Services
Dunedin City Treasury Limited	Provision of debt funding and deposit facilities to the Company generating interest payments to and from DCTL
Dunedin Stadium Property Limited	Lease of property owned by the Company
	Provision of facility management services
Dunedin City Holdings Limited	Functions appropriate between Parent company and subsidiary

16 GROUP FACILITY USE

DVML undertakes to operate "group" purchasing of goods and services unless it is demonstrated conclusively to the Shareholder that the total combined cost to the Group and Dunedin City Council of such Group purchasing is greater than the total combined cost to the Group and Dunedin City Council of ceasing to purchase such goods and services as a Group including the cost to the Group and Dunedin City Council of ceasing any such group purchasing.

17 WORKING WITH THE SHAREHOLDER

The Company will undertake to keep the shareholder informed of all substantive matters, as set out in the performance targets above. The Company will work to build a culture of accountability and constructive working practices between the shareholder and the Company. It is expected that any conflicts that may arise between the shareholder and the Company will be resolved directly between the shareholder the Company, acknowledging appropriate governance practices.

APPENDIX 1: DUNEDIN CITY COUNCIL VISION: DUNEDIN IS ONE OF THE WORLD'S GREAT SMALL CITIES

The vision of the Dunedin City Council Long Term Plan is to make Dunedin an attractive place to work, live, study and visit.

This is achieved by the following Strategic Framework.



APPENDIX 2: STRATEGIC FRAMEWORK

Strategy	Priority	Explanation
Social Wellbeing Strategy (2013)	Connected people	Making people feel connected and involved in community and city affairs.
	Vibrant and cohesive communities	Building better communities both at a local/geographic level and communities of interest.
	Healthy and safe people	Promoting good health and ensuring people feel safe, and are safe.
	Standard of living	Promoting a good work/ life balance and full employment.
Economic Development Strategy (2012)	Affordable and healthy homes	People are living in warm and healthy homes and affordable housing options are available to all.
	Business vitality	Improving the ease of doing business. Growing the value of exports.
	Alliances for innovation	Improving linkages between industry and research. Increasing scale in innovative and tradable sectors.
	A hub for skills and talent	Increasing the retention of graduates. Building the skills base. Growing migrant numbers.
	Linkages beyond our borders	Increasing international investment. Establishing strategic projects with other cities.
Te Ao Tūroa - Environment Strategy (early draft themes)	A compelling destination	Marketing Dunedin and exporting education uplift.
	Connecting people with the environment	Dunedin's community enjoys and is connected with the natural environment.
	Guardianship of the environment	Dunedin's community actively works together to understand, enhance and celebrate the values of the natural environment.
	Protecting and enhancing the environment	Dunedin protects, restores and enhances its natural heritage, biodiversity, landscapes and ecosystems.
	Responding to environmental changes	Dunedin limits its impact on, and adapts to, environmental changes, including climate change.
Ara Toi – Arts & Culture Strategy	Sustainable resource use	Dunedin reduces reliance on non-renewable resources, minimises waste and uses water responsibly
	Identity Pride	Building unity and community pride by celebrating the city's character, diversity and individuality through arts and culture.
	Access and inclusion	Enabling self-expression and sharing of ideas to connect diverse people.
	Creative economy	Capitalising on the economic growth of the arts and culture sector.
Spatial Plan (2012)	Inspired connections	Utilising existing networks and fostering new connections to facilitate creativity.
	A liveable city	A healthy and safe environment; quality air and water; a connected community; recreation, leisure & learning, opportunities; healthcare, and warm housing.
	An environmentally sustainable and resilient city	Resilient ecosystems and communities; actively responding to climate change; reducing dependence on non-renewable resources; seismic-strengthened heritage buildings.
	A memorable and distinctive city	Protecting significant landscapes; quality architecture and urban design; memorable and engaging public art; celebrating Tangata Whenua and European heritage; actively re-using built heritage.
	A city that enables a prosperous and diverse economy	Maintaining and growing our rural economy, industrial base and world class communications; attracting and retaining internationally-focused people; supporting and benefiting from the tertiary education sector.
	An accessible and connected city	An urban form that supports accessibility from a range of modes and sustainable transport choices; a safe and efficient road network; affordable and convenient public transport; it is safe and pleasant to walk and cycle.
	A vibrant and exciting city	A successful arts and culture scene, vibrant central city and local centres.
Parks & Recreation Strategy (early draft themes)	Well-connected open spaces	Managing green and open spaces to provide for social interaction and physical health and wellbeing.
	Accessible recreational facilities	Making recreational open spaces and facilities accessible to all.
	Collaborate to provide and protect	Working collaboratively to improve recreation and environmental outcomes.
Integrated Transport Strategy (2013)	Safety	Prioritising safety improvements according to risk.
	Travel choices	Prioritising investment and space to improve the provision of active modes and public transport.
	Connectivity of centres	Improving connections within and between centres and the central city for public transport and active modes.
	Freight	Efficiently and effectively moving freight.
	Resilient network	Integrating land use and transport to reduce demand for vehicle travel and increasing the resilience of the transport network.
Three Waters Strategy (2010)	Meeting water needs	Meeting the safe and quality water needs of the city for the next 50 years from existing water sources.
	Adaptable supply	Being able to adapt our water supply to a variety of future climate change and population scenarios.
	Environmental protection	Improving the quality of our discharges to minimise the impact on the environment.
	Maintaining service levels	Ensuring that, as a minimum, key service levels are maintained into the future.
	Kaitiakitaka	Adopting an integrated approach to management of the three waters and embrace the concept of kaitiakitaka.