



STATEMENT OF INTENT

For the Year Ending 30 June 2023



TABLE OF CONTENT

		Page
1.	Introduction	3
2.	Purpose of the Statement of Intent	3
3.	Objectives	3
4.	Nature and Scope of Activities	4
5.	Corporate Governance	5
6.	Performance Targets and Other Measures	6-9
7.	Financial Forecasts	10
8.	Accounting Policies	11
9.	Dividend Policy	11
10.	Commercial Value of Shareholder's Investment	11
11.	Transactions with Related Parties	12
12.	Other Matters as Agreed by the Shareholder and the Board	13
	a.) Information Provided to the Shareholder in the Financial Reports	13
	b.) Working with the Shareholder	13
	c.) Acquisition/Divestment of Assets or Shares in a Company or Organisation	14
	d.) Compensation Sought	14
	e.) Group Facility Use	14

1. INTRODUCTION

Dunedin Venues Management Limited (DVML) is a stadium operator, events, and venue management company. It is a Council Controlled Trading Organisation (CCTO) owned wholly 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 (Sol) 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 2023 Annual Report. This Sol takes DCHL expectations into consideration.

3. OBJECTIVES

As a CCTO, DVML has the following objectives, as defined in Section 59 of the Local Government Act (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 recognises the value that locally-based businesses and organisations bring to the community, and will work collaboratively with those organisations to optimise content for the community.



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4. NATURE AND 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 2023 financial year DVML will provide input to potential development on the Forsyth Barr Stadium site as required, and will continue to deliver agreed outcomes for Dunedin Railways' hibernation operations.

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



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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.



Raewyn Lovett – Chair



Adam La Hood



Joanne Conroy



Dylan Rushbrook

6. PERFORMANCE TARGETS AND OTHER MEASURES

SAFETY AND COMPLIANCE (DCC Strategic Framework Accountabilities – Social and Wellbeing, Parks and Recreation & Ara Toi Arts and Culture)		
Goals	Objectives	Performance Measures
Maintain business continuity within required Ministry of Health guidelines during a Pandemic.	Maintain a Pandemic Response that ensures business continuity and staff work in a safe and secure environment.	Manage and implement Government and Ministry of Health guidelines as set out in New Zealand's COVID-19 traffic light system. Ensure all staff have access to required systems in the event they are not able to work in the office.
To make safety DVML's first priority and provide a safe environment.	Review the Safety and Wellness management system and improvement plan with the Safety and Wellness Committee annually. Report on Safety and Wellness management and provide statistical data to the Board monthly. Provide staff education and training to support awareness and legislative requirements under the Health and Safety Work Act 2015. Complete annual Safety and Wellness internal auditing programme.	Safety and Wellness management system and improvement plan is reviewed. Opportunities for improvement and corrective actions are prioritised and actioned. An Incident Frequency Rate Events (IFRE) < 0.05% of the total number of event attendees across all venues. Total Incident Rate (TIR) < 6 incidents per 200,000 hours worked. Total Recordable Incidents (TRI) < 3. Lost Time Incidents (LTI) < 2. Lost Time Incident Frequency Rate (LTIFR) < 17 per 1,000,000 hours worked. Staff training is relevant, current and meets current legislative requirements. Audits completed as per programme and show no critical non-compliances. Opportunities for improvement and corrective actions are prioritised and completed.
To meet all of DVML's statutory obligations.	Meet and maintain all statutory, regulatory and resource consent requirements. Facilities and infrastructure are maintained as fit for purpose and in accordance with the approved current Asset Management Plan. Report on facilities indicators and provide statistical data to the monthly board reports.	No material breaches of legislation. No material breaches of KPI's as set out in the approved current Asset Management Plan section 4.4.3. Reports are provided within deadlines and data is acted upon.

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.

6. PERFORMANCE TARGETS AND OTHER MEASURES contd

MARKETING AND BUSINESS (DCC Strategic Framework Accountabilities – Economic Development)		
Goals	Objectives	Performance Measures
To increase economic benefit to the Dunedin City and region through major events (Insofar as events are deliverable).	A minimum of \$5m visitor marginal direct spend per each major event (> 10,000 pax) for Dunedin City.	Visitor Marginal Direct Spend target is achieved, determined through a post event patron survey assessed by an independent economist. 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.
Forsyth Barr Stadium to provide a sense of value to ratepayers.	Ratepayers feel satisfied that Forsyth Barr Stadium is delivering exceptional events and providing economic benefit to the city.	Achieve 85% ratepayer satisfaction with Forsyth Barr Stadium in the Dunedin City Council's Residents' Opinion Survey.
To build strong and long lasting commercial partnerships.	To work with DVML's Commercial Partners to deliver cost, quality and revenue outcomes consistent with DVML's budgets and Strategic Pillars.	Achieve a 80% retention rate of Commercial Partner renewals by contract value.
To enhance the sense of value that DVML delivers to its Members.	Members feel valued, engaged and receive exceptional service through enhanced offerings.	Survey Members for satisfaction level – minimum 80% Satisfaction to be achieved. Achieve a 75% retention rate of member renewals by contract value.
To contribute in event bidding, origination and promotion for major events in Dunedin City.	Continue to identify opportunities for the city.	In conjunction with DCC, submit bids of a high quality that will secure events and drive economic benefit and civic pride for the city.

6. PERFORMANCE TARGETS AND OTHER MEASURES contd

ENVIRONMENT AND SUSTAINABILITY (DCC Strategic Framework Accountabilities – Te Ao Tūroa Environment)		
Goals	Objectives	Performance Measures
To be recognised as a positive contributor to Dunedin City's community. Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives.	Initiate opportunities to speak to the community, stakeholders and interested organisations DVML has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. 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. Manage DVML operations to be economically and environmentally sustainable.	Senior management conduct a minimum of five speaking engagements. Implement DVML's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets. Implement DVML's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets, which will include specific measures relating to the use of single use cups. Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report. Asset refurbishments and replacement to consider the carbon impact of the lifecycle of the asset.
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 and increased satisfaction levels through the Residents Opinion Survey.
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 is applied efficiently and caters to a variety of events and community groups.

6. PERFORMANCE TARGETS AND OTHER MEASURES contd

HUMAN RESOURCES (DCC Strategic Framework Accountabilities – Social and 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.	Recognise and review staff performance. Ensure staff are engaged with the company vision, purpose and values. Continue to provide wellness support.	Performance reviews are conducted with all staff at least every six months, implement any training, improvements, and recommendations as appropriate. Conduct a confidential staff annual engagement survey acting on outcomes as appropriate. Provide quarterly 'pop up' staff wellness sessions on various topics of interest. Ensure that all direct employees are paid at living wage or above.

FINANCIAL (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 of \$400,000.	Achieve a 15:1 Return On Investment of the Event Attraction Fund.	ROI is achieved and calculated by Visitor Marginal Direct Spend against the level of EAF investment for the major event.

SHAREHOLDER		
Goals	Objectives	Performance Measures
To bring to the attention of DCHL any matters where there may be conflict between the DCHL outcomes.	Consult with DCHL at the earliest possible time on matters where conflict may or could result.	Matters which may or could 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 FORECASTS

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

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholder Funds to Total Assets	8%	15%	20%

DVML has adopted a target Shareholder Funds to Total Assets ratio (equity ratio) of 10% 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 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Dividend/Subvention Distributions	Nil	Nil	Nil

c. Other Financial Forecasts.

	Year ending 30/06/2023 \$'000	Year ending 30/06/2024 \$'000	Year ending 30/06/2025 \$'000
EBITDA	\$2,773	\$4,117	\$2,952
Net Profit after Tax	\$184	\$1,153	\$568
Cash Flow from Operations	\$2,149	\$5,417	\$2,752
Capital Expenditure	\$1,617	\$775	\$400
Term Borrowings	\$Nil	\$Nil	\$Nil
Shareholder Funds	\$1,603	\$3,056	\$3,924

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 as a result of Covid-19.
- 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 Sol is completed.

11. TRANSACTIONS WITH RELATED PARTIES

The DCC is the sole shareholder of DCHL.

DCHL is the sole shareholder in 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.

Related Party Transactions

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 Limited	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 Railways Limited	Provision of management services.
Dunedin City Holdings Limited	Functions appropriate between Parent company and subsidiary.

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

a) Information to be provided to the shareholder

	Quarterly	Half Yearly	Annual
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 Sol 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 not accept sponsorship or award naming rights to companies involved in activities deemed to be inconsistent with DCC's ethical position.

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.

