

VENUES  
ŌTAUTAHI

STATEMENT OF INTENT  
1 JULY 2023 TO 30 JUNE 2026

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## INTRODUCTION

Venues Ōtautahi Ltd is a Council Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. This Statement of Intent (SOI) is prepared by Venues Ōtautahi Ltd (Venues Ōtautahi) in accordance with Section 64(1) of the Local Government Act 2002.

This SOI specifies the objectives, nature, and scope of the activities to be undertaken by Venues Ōtautahi, and the performance targets and other measures by which the performance of the Company may be judged in relation to its objectives.

The SOI is a public and legally required document which is reviewed and agreed annually with the Company's sole Shareholder, the Christchurch City Council (Council) and covers a three-year period. This SOI covers the period from 1 July 2023 to 30 June 2026.

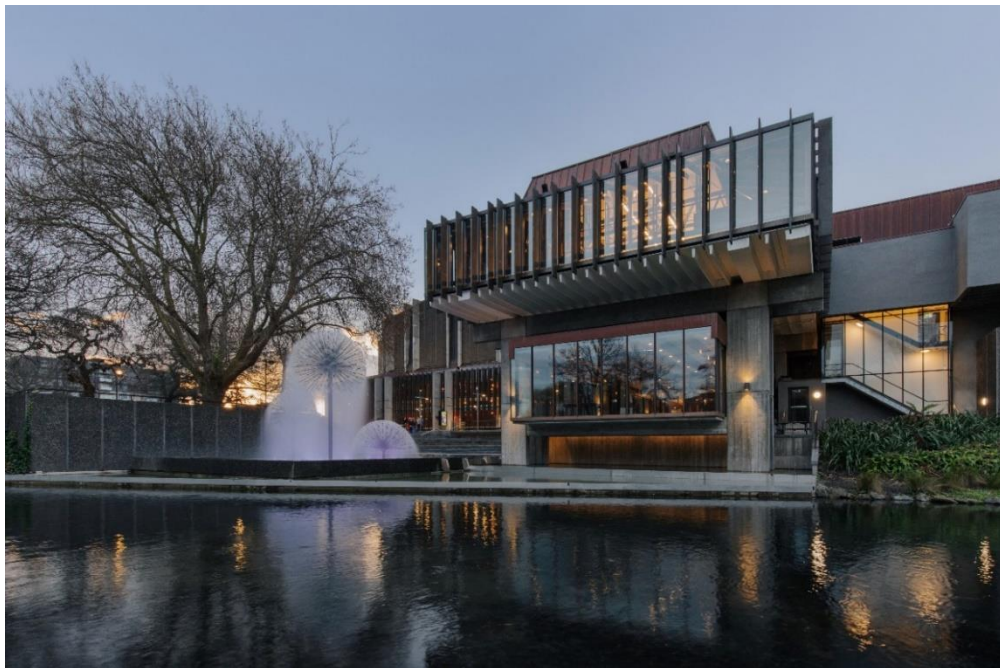
## NATURE AND SCOPE OF ACTIVITIES

Venues Ōtautahi is the Christchurch City Council (Council) owned venues, event, and asset management company. Venues Ōtautahi attracts, plans, and delivers a broad range of ticketed, business, civic, lifestyle, wedding, culinary and community events, including a significant number of major entertainment and sporting events in the city of Christchurch and manage a diverse and iconic portfolio of community venues.

Venues are places for locals and visitors to connect for celebration, education, trade, and entertainment. They exist for community connection and to deliver social, cultural, and economic benefits for our community and these philosophies underpin the Venues Ōtautahi ethos and culture.

The Company currently operates the Christchurch Town Hall, Wolfbrook Arena, the Airforce Museum of New Zealand, Apollo Projects Stadium and Hadlee Pavilion (including all International sporting fixtures at Hagley Oval). VŌ is also responsible for the operation and management of Te Kaha, Canterbury's new 36,000 capacity stadium due to open in April 2026, and delivers a number of large-scale events through the event and culinary services 'mobile' arm of the business, including events such as SailGP.

The events delivered across the portfolio of Venues Ōtautahi venues deliver over \$30m of estimated economic benefit annually to the Canterbury region including around \$2m of direct contribution to local suppliers and producers of food and beverage through our celebrate and source local procurement strategy.



The around 380 events held across the Venues Ōtautahi portfolio annually, deliver significant social, cultural, and economic benefit to the region and ultimately these iconic city venues play a valued role to the Ōtautahi, Christchurch community's way of life and the economic prosperity and social wellbeing of the region.

Venues Ōtautahi's mission is to strategically manage and leverage the venues to deliver positive social, cultural, and economic benefit to the region.

Venues Ōtautahi way of doing business is to be bold, agile, and kind. We have the best interests of the community at the core of everything we do and at the heart of our culture.

The venues are owned by the community and are for the community. Venues Ōtautahi are proud and privileged to manage them, and the community is proud to own them.

Venues Ōtautahi undertakes the following activities.

- Venue marketing and event attraction
- Event planning, delivery, and venue operations
- Retail, corporate, banquet and mobile catering
- Asset management and facilities maintenance
- Community and strategic local partnership and engagement

Venues Ōtautahi's mission, direction and way of doing business is aligned with the principles of the Council's framework with openness to new ideas, people, and new ways of doing things at the core of who we are.



Venues Ōtautahi's nature and scope of activities align with and are driven to contribute to the Council Strategic Framework Community Outcomes.

#### **1. Resilient Communities**

- Community is at the heart of everything we do.
- Strong focus on community access to and connection with the venues improving social wellbeing.
- Venues support the celebration of our identity through arts, culture, heritage, sport, and recreation.

#### **2. Liveable City**

- Events at the city's venues support a vibrant and thriving city centre.
- Community venues play their part in making Christchurch a 21st century garden city we are proud to live

### 3. Healthy Environment

- Strategic focus on building sustainability, resource efficiency and waste minimisation at all venues.
- Innovation in building sustainability and delivery of positive environmental outcomes

### 4. Prosperous Economy

- Direct contribution to the regional economy through the Venues Ōtautahi local procurement strategy supporting an inclusive, equitable economy with broad-based prosperity for all.
- Significant positive economic benefit delivered to the region through all events held at Venues Ōtautahi venues.
- Taking care of the venues is a core pillar of the business to deliver our contribution to robust city infrastructure and community facilities.

Venues Ōtautahi is committed to a close and collaborative partnership with our shareholder, the Council, to navigate our way through the inevitable challenges in the future, to celebrating successes delivered through the city venues for Ōtautahi, Christchurch and to ensuring Venues Ōtautahi keeps getting better, stronger, and more resilient and the venues are the pride and delight of everyone, especially the people of Christchurch who own them.



## THE VENUES

### Christchurch Town Hall

Christchurch Town Hall is the city's premiere performance venue with a range of multi-purpose spaces, including the much-celebrated Douglas Lilburn Auditorium and James Hay Theatre as well as event spaces such as the Limes Room, Avon Room, and Victoria Room, all varying in capacity from 100 to 2,800.

The iconic Town Hall hosts around 280 events per year ranging from concerts, civic events, community events, trade shows, corporate and business events, gala dinners, school, and university events, performing arts and weddings.

### Air Force Museum of New Zealand

The Airforce Museum of New Zealand offers a wonderful and unique experience with a large open space and options to be surrounded by planes steeped in the history of war.

The Airforce Museum hosts around 30 events annually of capacities up to 1000 and hosts events ranging from expos, trade shows, art exhibitions, corporate and business events, gala dinners, and school events.

### **Hagley Oval**

Hagley Oval is Christchurch's iconic cricket ground and is home to the much-celebrated Hadlee Pavilion. The ground hosts around 30 events annually, has a capacity of 9,000 and hosts events ranging from international and domestic cricket, corporate events, and weddings.



### **Apollo Projects Stadium**

Apollo Projects Stadium is Christchurch's largest sporting Stadium and is home to one of the World's most successful rugby teams, the Crusaders. The stadium has a permanent seating capacity of 17,100 and holds large concerts up to 27,000. Around 15 major events are hosted at Apollo Projects Stadium per year across rugby union, rugby league, football, motorsport events and large concerts.

### **Te Kaha**

Te Kaha is the new Canterbury Stadium due for completion in 2026. Te Kaha will be New Zealand's most premiere venue with a seating capacity of 30,000 and the ability to hold large concerts up to 37,000. With a permanent roof Te Kaha will be genuinely multi use and is expected to host around 200 events per year across a diverse range of event types such as rugby union, rugby league, football, motorsport, boxing, e-sports, corporate events, expos and tradeshow, education and conferencing events, and large, medium, and intimate style concerts.

### **Wolfbrook Arena**

Wolfbrook Arena is the largest indoor multipurpose arena in the South Island with a capacity of 9,000, hosting around 40 events per year. Wolfbrook Arena delivers a diverse range of events including major international concerts, major indoor sporting, expos, large corporate events/dinners, school, and university events.

### **VŌ Events**

VŌ Events is the venue management and mobile culinary services arm of the business delivering event, venue, and culinary management services to venues aligned with the principles and ethos of VŌ as well as mobile events such as SailGP for example.

## CURRENT POSITION

### 1. Covid-19

Covid-19 has had a significant and severe impact on the Venues Ōtautahi business over the past three financial years. The company, across this period was unable to operate for close to 70% of the time and the last full financial year of operation was FY18/19, prior to both the Christchurch Town Hall reopening. Prior also to Venues Ōtautahi completing the transition to be an independently governed and managed Council Controlled Organisation.

With new baselines therefore being established and a business transformed through necessity and opportunity, it is therefore important to reflect both this as well as the valuable learnings garnered across this challenging time for the business in the Venues Ōtautahi FY23-26 Statement of Intent.

The transformation of the business, accelerated by the need to survive, recover, and prepare for future success included the 60% downsizing of permanent resourcing levels, establishment of a variable resourcing model, review, and amendment of all commercial and service level agreements, increased internal controls and the streamlining of the operational delivery model. These fundamental changes have served the company well and Venues Ōtautahi is well positioned heading into an optimistic future.



Despite the impacts of Covid-19 anticipated to endure for some time, the Venues Ōtautahi business has returned to a strong level of event activity since restrictions on gatherings were lifted in April 2022, with the expected lag in rate of return of event activity not coming to fruition.

As of 31 December 2022, the Company had recorded a year to date surplus EBITDA result of \$1m for FY22/23, \$906k ahead of budget.

Events in the venues had contributed an estimated \$15m of economic benefit to the region and around \$1m in direct contribution to local food and beverage suppliers at the half way point of the financial year. A strong recovery in the first full financial year of operation post Covid-19.

With the benefits of a variable cost model, an agile and resilient culture, a rigorous cost management but strategically commercial approach coupled with a strong start to FY22/23 Venues Ōtautahi is well positioned as we embark on the period of this Statement of Intent to advance in the face of any future adversity, to grow and diversify the business and to continue to deliver a strong level of business as usual.

## 2. Celebrate and Source Local

The decision to end the long-term outsourced catering partnership with Spotless Services in April 2020, to bring catering in-house and to implement a local procurement strategy for food and beverage continues to have a significant and legacy impact on the business.

Venues Ōtautahi is ideally positioned in the supply chain between its producers and customers and this model shows that large venues can buy local while still maintaining efficient, safe, and effective supply chains.

Venues Ōtautahi consistently sources around 80% of all food from Canterbury, 3% from the wider South Island, 14% from the North Island and only 3% from overseas. Prior to April 2020, 30% of products were imported, 50% were from the North Island and only 5% were from the Canterbury region.

Procuring locally not only delivers a positive economic benefit to the region with, despite the constraints of Covid-19, around \$1.9m of direct economic contribution to local producers and suppliers in FY22/23 but also means Venues Ōtautahi can provide clients and guests with the best food and beverage experience the region has to offer.

With commercial viability underpinning the strategy, significant cost savings have also been achieved. The Company has seen average food and beverage cost of goods sold reduce by over 10%.

Procuring locally remains a focus and priority of Venues Ōtautahi with \$2m, \$2.2m and \$2.5m of direct economic contribution to Canterbury suppliers forecast across the next 3 financial years. With the intent this approach extends beyond food and beverage to all venue products and services this direct contribution to the Canterbury region will continue to grow.



## 3. Economic Impact

Venues and events deliver significant economic and social benefit to the community. Venues Ōtautahi as part of the broader city events eco-system, is focused on attracting major entertainment, sporting, and business events to the Venues Ōtautahi portfolio of venues, being those events that bring the most direct and indirect economic impact to the region. For FY22/23, for example, events held across the portfolio of Venues Ōtautahi venues will deliver an estimated direct economic benefit of around \$35m to the region.



With ticketed events returning strongly after a long period of constraint, as the industry rebuilds and confidence in delivering and attending events returns, this will continue to grow throughout the coming years.

With such significant contribution to the economic wellbeing of the Canterbury region being delivered from events across the portfolio of community venues, there is a real opportunity for Venues Ōtautahi to take a leadership role to develop the event portfolio and ultimate broader social, cultural, and economic wellbeing of the region and this will be a focus of the business across the period of this Statement of Intent.

#### 4. Social, Environmental and Business Sustainability

##### 4.1 Environmental Sustainability

Caring for the environment using thoughtful and sustainable methods, always acting with future generations in mind, taking a role in contributing to the health and sustainability of the social fabric of the region are long term strategic priorities of Venues Ōtautahi.

Venues Ōtautahi commits to building a culture whereby responsibility for positive sustainability outcomes is embraced by every member of our team, whatever their role or position.

We believe in a holistic approach with an innovative, inclusive, and future focused approach to environmental, social and business sustainability critical.

Our commitment to both environmental and social sustainability is a journey, in the course of which we align our values, purpose and strategy with the social and economic needs of our stakeholders, whilst embedding environmentally responsible and ethical business policies and practices into everything we do.

Environmental sustainability is essential for the long-term viability of major events. In an industry of mass gatherings generating large volumes of waste and in venues with peaks and troughs in activity, taking a strategic approach to sustainability is both a challenge and an opportunity.

Venues Ōtautahi strives, through a highly engaged and informed team, to be innovative in delivering sustainable operational practices and reducing the business's carbon footprint across all categories with a particular focus on waste management, water and energy usage, shipping and transportation, internal consumables, and food and beverage packaging.



Venues Ōtautahi prioritises safety and sustainability in all decision making and focuses on identifying, understanding, and prioritising the environmental risks inherent in our business, allocating the necessary resources to ensure that these risks are managed effectively and economically.

Venues Ōtautahi has a target of carbon neutrality by 2030 and is committed to taking a continuous improvement approach to our performance in delivering not only this result but with a longer-term goal to be carbon positive. In support of achieving this goal the company entered a formal partnership with Toitū Envirocare, a specialist provider of business sustainability services, to seek certification across all Venues Ōtautahi venues through the Toitū Environmental Management Accreditation Programme.



## 4.2 Social Sustainability

Venues Ōtautahi also strives for social sustainability, with ethical and local sourcing of products and services underpinning our culinary services philosophy, a commitment to employing local with an over 700 strong team in Christchurch alone, contribution to a strong regional economy with over \$35m of estimated economic benefit to the Canterbury region per annum through events hosted in the VŌ portfolio of venues and around \$2m of direct contribution to local Canterbury suppliers through our local sourcing model, all contributing positively to the health and sustainability of the social fabric of the region.

Assuring and enabling the same experience for all members of the community in all Venues Ōtautahi venues is a strategic priority of Venues Ōtautahi and on his basis accessibility and inclusivity are strategic fundamentals in everything we do.

Venues Ōtautahi is also committed to creating a diverse and inclusive culture, and one connected to our cultural heritage where our people are enabled to innovate and find new and better ways of delivering value to clients, guests and the community at large.

Venues Ōtautahi have a strong partnership with Ngāi Tūāhuriri with this cultural connection reflected in our culinary services offering, our front of house service and guest experience strategy and with the intention as we continue to deepen this partnership into future years, extending to training, development and employment opportunities. All aspects of this partnership contributing to the economic growth and support to our local Māori community.

Social responsibility and supporting those members of our community who need it the most is also core to the philosophies by which VŌ live by, and we are committed to meeting the highest standards of social and environmental performance, accountability, and transparency.

Social sustainability for Venues Ōtautahi includes our commitment to purchasing local, our commitment to employing local, our commitment to paying the living wage and to making sure where we can we do good for those around us. This includes for example the repurposing of food at the end of events being taken to the local city mission or women's and men's shelters.

Venues Ōtautahi believe in a system where businesses can benefit people, communities, and the planet, we intend to make long term strategic decisions over quick wins and will continue to measure our success in part based on the positive impact delivered by all aspects of the business.

#### 4.3 Business Sustainability

Venues Ōtautahi will continue to focus on building a resilient business underpinned by focus on growth and diversification to not only grow commercial returns but to de-risk the business in times of adversity.

Venues Ōtautahi intend to collaborate with and learn from the Council family, particularly Christchurch International Airport as leaders in sustainability innovation, as well as industry partners globally taking innovative approaches to delivering sustainable outcomes to support us on our sustainability journey.



#### 5. Health, Safety and Wellbeing

The health, safety, and wellbeing of our Venues Ōtautahi team, key delivery partners, clients, guests in the venues and all stakeholders involved with the business is paramount.

Venues Ōtautahi pursue collective and continuous improvement, genuine engagement across the business, have a focus on critical risk and a system underpinned by quality systems and processes to deliver outcomes focused on improving the health and wellbeing of all involved in or with the Venues Ōtautahi business.

A comprehensive overhaul of the Venues Ōtautahi health and safety management system was undertaken in FY22/23 and included the development of a more strategic approach to the identification, management, monitoring, and assurance associated with critical risk.

This focus on collective and continuous improvement across all aspects of health, safety, and wellbeing and the strategic management of critical risk is a strategic priority and will remain so into the future.

With mental health and wellbeing identified as a critical risk and one more apparent in the current environment the development and implementation of a wellbeing strategy and approach that supports the mental, physical, social, and spiritual health of our people and strengthens the connection between us is a priority of Venues Ōtautahi, now and in the future.

## 6. Economic Conditions

With a volatile and challenging economic forecast ahead in Aotearoa, including the impacts of Cyclone Gabrielle, of which are yet to be fully understood, through the continued learnings garnered from Covid-19 and a business transformed to be resilient and responsive in times of adversity, Venues Ōtautahi is well prepared to weather the storm.

Increased costs including those associated with food and beverage, repairs and maintenance, asset management, utilities, insurance, along with the potential for increased levels of unemployment and a recessionary environment creating increased competition for the discretionary dollar are all factors in developing the Venues Ōtautahi FY23-26 Statement of Intent.

On this basis, the Venues Ōtautahi FY23-26 Statement of Intent reflects a realistic and achievable revenue forecast underpinned by a continued focus on cost constraint, high yield event creation and attraction, sourcing local and de-risking through diversity and growth.

At the same time, Venues Ōtautahi will not compromise on continuing to focus on enhancing the client and guest experience, prioritising positive social and environmental sustainability outcomes and the health, safety and wellbeing of everyone involved with or visiting Venues Ōtautahi venues, our commitment to paying all Venues Ōtautahi staff at a minimum the living wage, accessibility and inclusivity, maximising the social, cultural and commercial outcomes of Te Kaha for the city and assuring the safety, compliance and operational functionality of the venues.

## 7. Te Kaha

Te Kaha, due to open in April 2026, during the period of this Statement of Intent, is the last of the 16 Anchor Projects created to regenerate the city centre of Christchurch following the catastrophic sequence of major earthquakes that devastated the city in 2010 and 2011.



Each of the Anchor Projects symbolises the next step in a long road to recovery and Te Kaha is the last and the most important of all. It is a symbol of resilience, endurance and strength and the end of a journey through all of its challenges that has bonded the people of the region together.

This endurance and strength are reflected in the name gifted by Ngāi Tūāhuriri, Te Kaha which means “enduring strength”. A name that will carry the legacy of this important symbol forever.

The success of Te Kaha is important for the hearts and minds of the community and a place of whanaungatanga, unity, belonging and cohesion for all. It is also a venue set to deliver significant economic benefit to the region.

Te Kaha will be a venue for the community to be proud. It will celebrate everything wonderful about the Canterbury region and will do on the world stage. It will activate and connect this part of the city and the surrounding precinct will bring heart, life, and warmth to the external facing part of the venue.

With an ever-changing event and technology landscape there is the opportunity to build an asset for the future landscape. Te Kaha will be ahead of all other venues in New Zealand and the Southern Hemisphere and as such, the region will be at a genuine competitive advantage in securing top quality events that will deliver positive regional benefit.

Te Kaha as a multi-use, covered stadium built with the future of events in mind will be an attractive proposition for various sporting codes, promoters, exhibitors, corporates, e-sport tournament organisers, conference organisers and community groups. This and the uniquely local positioning of the venue will set it apart.

Venues Ōtautahi as the operator of Te Kaha has the responsibility for attracting, planning, and delivering entertainment, sporting, business, and community events, developing a commercial strategy to maximise the opportunity of this stunning new venue for the region, and for managing the asset itself.

Venues Ōtautahi has been and will continue to be intensively engaged across all aspects of the project with this early engagement, and leadership in the Te Kaha project from a design, construction and stakeholder engagement perspective has been, and will continue to be, invaluable.



From a design perspective, Venues Ōtautahi continues to assure key design fundamentals of operational functionality, commercial viability, guest experience, accessibility and inclusivity, sustainability, and multi-use functionality are prioritised while concurrently are focused on the importance of the whole of life versus capital trade-offs for Te Kaha.

Venues Ōtautahi will continue this intense level of engagement through the remaining design, construction, and commissioning phases of the new venue prior to its opening in mid-2025.

In late 2022, Venues Ōtautahi commenced the two phased process to develop and execute the commercial strategy for the new venue. Phase one, concluded in early 2023 identified and valued all commercial assets including naming rights, corporate hospitality, sponsorship, and membership at Te Kaha.

The development and execution of the sales strategy for all commercial assets, which will be robust, competitive and will withstand public scrutiny, will continue in earnest, from this point on, throughout the period of this Statement of Intent.

Venues Ōtautahi have developed the Te Kaha brand and narrative and have commenced the execution of a communications and engagement strategy. The purpose of early development of the brand and story are to build community connection and pride in what will be a stunning venue for the region and to activate and underpin the commercial strategy for the venue.

The attraction of major events to Te Kaha underpins the long-term commercial strategy for the venue and deliver the most significant economic benefit to the region. Venues Ōtautahi will develop an integrated and long-term strategy for attracting major events to Te Kaha in the best interests of the city.

The Te Kaha Investment Case includes a nominal bid incentive fund allocation of \$56.9m across the 25-year life of the asset and \$4.3m of annual capital and operational support.

It is Venues Ōtautahi's intention to work with the broader event eco-system, Council and ChristchurchNZ through the 2024 Long-Term Planning process to confirm the bid incentive fund allocation in line with the city's major events strategy.

Concurrently through the 2024 Long Term Planning process it is Venues Ōtautahi's intention to work with Council to re-confirm the operational and capital support required from FY25/26 following analysis of detailed design, whole of life costs and forecast commercial and revenue outcomes.

Te Kaha is a critical project for the city and Venues Ōtautahi feel privileged to be involved in the project and to take care of what is going to be a stunning new venue on behalf of the Canterbury community.



## 8. Embracing our Heritage

Venues Ōtautahi has a deep connection to the community through the venues and to the rich cultural heritage of the region. Venues Ōtautahi is committed to continuing to deepen this connection through reflecting the cultural narrative of the region into all aspects of the client and guest experience and in the physical aspects of the venues themselves. Venues Ōtautahi look forward to continuing to forge a close and strategic relationship with Ngāi Tūāhuriri and to taking this journey together.

## 9. Accessibility and Inclusivity

Assuring and enabling the same experience for all members of the community in all Venues Ōtautahi venues is a strategic priority of Venues Ōtautahi.

Not only will the make-up of our business be reflective of the diverse make up of our community, but the venues will be physically assessed and evolved to assure the whole community has an enhanced but inherently safe and secure experience in all Venues Ōtautahi venues, including Te Kaha.

Venues Ōtautahi will work with the right community groups and individuals to understand the opportunities and the challenges and will prioritise this in FY23/24.



## 10. Asset Management

Taking care of the community's venues is a key pillar of the business. Venues Ōtautahi have focused on developing a strategic approach to the management of the assets to ensure the venues are safe and sustainable and maximise Shareholder value throughout their lifecycle.

Venues Ōtautahi has established asset management and preventative maintenance plans for all venues with a particular focus on Wolfbrook Arena. The Arena is 22 years old, and, in a period requiring significant asset renewal and improvement to maintain the quality, safety and functionality of the asset.

A planned programme of capital works at the Arena to ensure it is safe, compliant, and functional is well underway and extends beyond the three-year horizon of this Statement of Intent.

## STRATEGIC OPPORTUNITIES AND CHALLENGES

There are key strategic opportunities and challenges material to the future of the business. These include;

1. Long tail of recovery from the severe impacts of Covid-19 on the Venues Ōtautahi business.
  - a. *This SOI reflects the impacts of and recovery assumptions associated with Covid-19*
2. The opening of Te Pae, Christchurch Convention Centre in 2021 substantially increased venue supply in Christchurch. The primary purpose of Te Pae remains to re-establish and grow Christchurch's share of the international conference and convention market however this strategy has been undermined by both the heightened awareness of environmental issues associated with business travel and a general change in travel behaviour post Covid-19.
  - a. *This SOI factors a shift in focus by Te Pae to the national and local event market across both business and ticketed events and the increased competition a new local venue resulting in potential loss of revenue for Venues Ōtautahi.*
3. Venues Ōtautahi is the operator of Te Kaha and as such Venues Ōtautahi has had intensive and early engagement in venue design and construction, is preparing for the commissioning, commercialisation, and operationalisation of the new venue, is leading venue communications, stakeholder engagement and brand development, all of which provide a demand on people and financial resources over and above business as usual activity.
  - a. *This SOI allows for expenditure associated with the following functions associated with Te Kaha and assumes these as direct Te Kaha project costs reimbursed to Venues Ōtautahi.*
    - *Project management of Venues Ōtautahi operator advice throughout design, construction, and commissioning phases of the venue*
    - *Leadership of communications and brand development*
  - b. *This SOI allows for pre-opening costs for the following functions associated with Te Kaha and assumes these within Venues Ōtautahi operating cashflows for FY23\*.*
    - *Operator advice to design, construction, and commissioning phases of the venue*
    - *Development and, execution of the commercial, event attraction and technology and data strategies for Te Kaha*
    - *Increased operational resource required for the commissioning, commercialisation, and operationalisation of the venue.*

*\* Council to reimburse Venues Ōtautahi on all actual Te Kaha pre-opening costs incurred across FY23 and FY24 in FY25. Venues Ōtautahi receive the balance of pre-opening costs (\$4.7m less actual costs incurred and reimbursed), as allowed for in the 2021-2031 Long Term Plan, in FY26.*

  - c. *This SOI does not allow for the bid incentive fund and structure of administration required for Te Kaha which will be confirmed in the Council 2024-2034 Long Term Plan*
4. Extended operation of the Temporary Stadium to mid-2026 and the increased costs of repairs and maintenance of the asset for this extended period
  - a. *This SOI reflects the Council resolution to underwrite the future operations of the Stadium to mid-2026.*
5. Volatility of Global and National Economic Forecast
  - a. *This SOI reflects the Company's preparedness for a volatile global and national economic forecast, including an allowance for risk associated with the yet to be determined impacts of Cyclone Gabrielle.*



## PURPOSE AND DIRECTION

Venues Ōtautahi's mission is to strategically manage and leverage the venues to deliver positive social, cultural, and economic benefit to the region.

Venues Ōtautahi way of doing business is to be bold, agile, and kind.

Doing good for our community through the generation of economic, social, and cultural benefits is at our very core and the ultimate measurement of success.

Christchurch's major venues are places for locals and visitors to connect for celebration, education, trade, and entertainment.

The venues exist for Community Connection, to deliver social, cultural, and economic benefits for our community:

- **Social benefits** through inclusion and unity.
- **Cultural benefits** through celebration of identity, pride in us and our city.
- **Economic benefits** through employment, trade, visitor spending and City promotion.
- **Environmental benefits** through guardianship, protection, and ethical sourcing



We aim to spend cautiously, invest wisely, and minimise operating grant funding while at the same time not allowing the latter to materially constrain economic, social, and cultural impact.

At a minimum the quantifiable economic and social benefits derived from the venues are expected to exceed the whole of life cost of developing, maintaining, and operating the venues.

Our people believe it is a special privilege to serve the venues and the community.

## STRATEGIC OBJECTIVES AND KEY PRIORITIES

### 1. Economic Impact

- Attract more commercial and business events and grow event yields.
- Attract major entertainment and sporting events to Ōtautahi, Christchurch.
- Seed new event opportunities with local partners to maximise the social and economic benefits for the region.
- Leverage the opportunity of an in-house catering model.
- Support local business through a regional procurement strategy that extends beyond food and beverage to all venue products and services, wherever it is commercially viable.
- Maximise the commercial return for the city and shareholder of Te Kaha.
- Diversify revenue streams to increase commercial returns and de-risk the business.
- Implement long-term asset management and preventive maintenance plans to maintain the value of the assets on the balance sheet.



### 2. Social and Cultural Impact

- Attract major entertainment and sporting events to Ōtautahi, Christchurch.
- Maintain reasonable venue access for local cultural, community and not-for profit groups
- Build community and stakeholder connection and engagement with Te Kaha.
- Integrate our local Ōtautahi cultural narrative into all aspects of Venues Ōtautahi service.
- Fulfil food and beverage requirements from local sources of supply wherever commercially viable

### 3. Client and Guest Experience

- Enhance the client event experience journey throughout the event life cycle.

- Provide a warm, friendly, and welcoming venue experience complimented by quality, value for money services and authentic local hospitality.
- Assure and enable the same experience for all members of the community through accessible and inclusive venues.

#### 4. People and Culture

- Create a diverse culture strongly connected to our cultural heritage
- Enable our people to innovate, disrupt the status quo and find new and better ways of delivering value to clients, guests and the community
- Enable an agile, hands on and responsive culture underpinned by a genuine care for each other

#### 5. Digital Transformation

- Reimagine the business through digital transformation.
- Execute data and technology strategy to drive value and enhance experiences
- Create a digitally lead client and guest experience model.
- Develop an integrated and systematic operating model that will drive efficiency and mitigate risk.



#### 6. Sustainability and Environment

- Take a holistic approach to environmental, social, and business sustainability.
- Support the achievement Council's policy goal of net zero greenhouse emissions by 2030.
- Take an innovative approach to operational sustainability for Te Kaha
- Use thoughtful and sustainable methods and always act with future generations in mind.
- Procure ethically and locally sourced products and services.
- Reset environmental sustainability strategy for the entire business to reduce carbon footprint.
- Build a resilient business underpinned by a focus on growth and diversification

- Have high standards of social and environmental performance and accountability

## **7. Health, Safety and Wellbeing**

- Pursue collective and continuous improvement, and engagement with a focus on the management of critical risk underpinned by quality systems and processes.
- Develop a holistic approach to wellbeing that supports the mental, physical, social, and spiritual health of our people and strengthens the connection between us.

## **8. Shareholder Relations**

- Continue to develop a close and collaborative partnership with our Shareholder.
- Keep the Shareholder fully informed of all material matters and operate on a no surprises basis.



## **9. Legislative Compliance – we will meet our obligations under relevant legislation and regulations.**

- Consolidate and centralise control of legislative compliance functions.
- Commit to the delivery of all reporting and compliance obligations to our shareholder.

## **10. Risk Management**

- Review, reset, maintain, and monitor risk registers.
- Prioritise the identification and mitigation of critical risk.
- Establish a business assurance programme to proactively manage and mitigate business risk.

## **11. Community Connection and Engagement**

- Maintain reasonable venue access for local cultural, community and not-for-profit groups.
- Develop and implement a community engagement strategy to build a sense of pride and value in the venues for the people of Christchurch.

## COMMUNITY

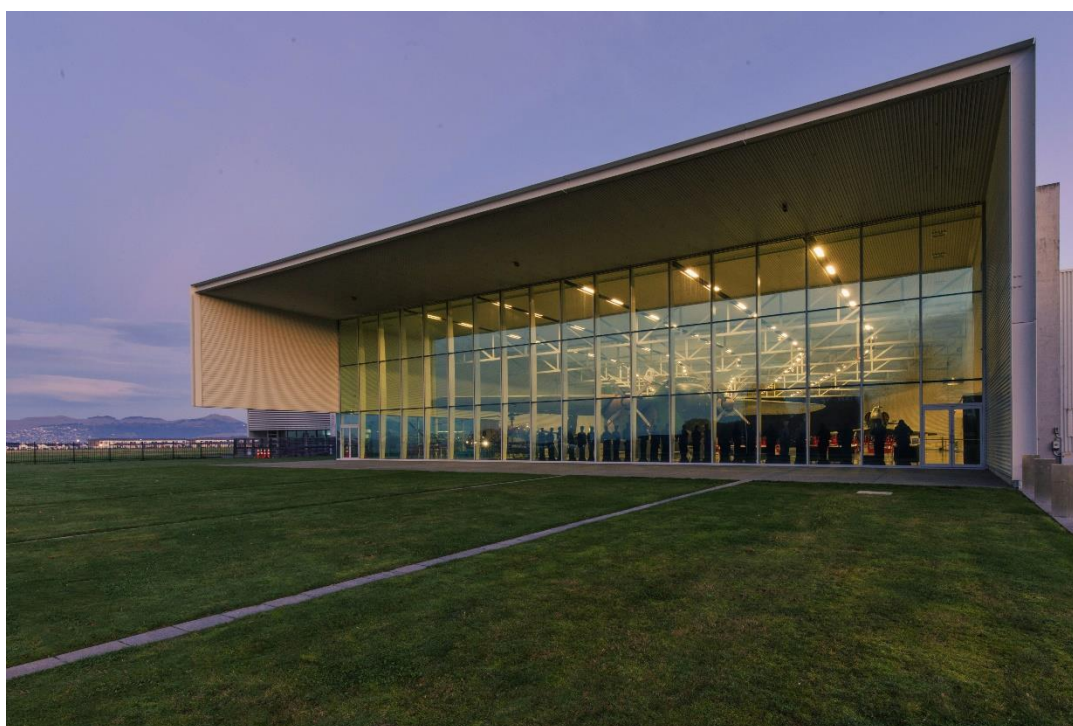
Venues Ōtautahi primarily supports the local community by managing and operating the Christchurch Town Hall, Wolfbrook Arena, Hagley Oval (Hadlee Pavilion) and the Stadium, those assets owned by the people of Christchurch for their economic, social, and cultural benefit.

The Company also operates the Airforce Museum of New Zealand and considers this asset as a strategic venue in the portfolio of assets adding to the significant economic, social, and cultural benefit delivered from events across the portfolio of assets.

Venues Ōtautahi endeavours to maintain reasonable local cultural and community event access to all venues under its ownership or management through the provision of discounted venue hire rates with venue compliance, maintenance, and operating costs, particularly in relation to the heritage listed Christchurch Town Hall but across all major venues, making affordability for these groups more challenging.

Any consideration of future acquisition of assets or establishment of management services agreements for additional venues will always be underpinned by the alignment with Venues Ōtautahi community principles and in the best interests of Ōtautahi, Christchurch.

The establishment of the Ōtautahi Collective and inclusion of a community fund in all syndicate partnerships will support Venues Ōtautahi's ability to increase connection with and accessibility to the Venues Ōtautahi venue portfolio.



## GOVERNANCE

The Board is responsible for the strategic direction and control of the Company. The Board guides and monitors the business and affairs of Venues Ōtautahi on behalf of the Shareholder to whom it is accountable within the framework of the purpose, direction and objectives set out in this Statement of Intent.

All Directors are required to comply with a formal Code of Conduct, based on the New Zealand Institute of Directors' Principles of Best Practice. The Board will conduct an annual self or independent review of Board performance and effectiveness.

## PERFORMANCE TARGETS

### 1. Operational Performance Targets

In addition to the above financial performance measures, Venues Ōtautahi will report to the Shareholder on a quarterly basis the progress against our stated objectives. Venues Ōtautahi will also use the following measures to assess its operational performance:

Objective and Strategy	Performance Measure		
	2023/2024	2024/2025	2025/2026
<b>Economic Impact</b>			
Attract and manage events that generate positive social, cultural, and economic impact.	Maximise visitor spending by holding at least 15 major ticketed events at Venues Ōtautahi venues <sup>1</sup> .	Maximise visitor spending by holding at least 16 major ticketed events at Venues Ōtautahi venues <sup>1</sup> .	Maximise visitor spending by holding at least 17 major ticketed events at Venues Ōtautahi venues <sup>1</sup> .
Contribute direct economic benefit to the region <sup>2</sup> through implementation of local procurement strategy where commercially viable	80% of food product lines procured from Canterbury	80% of food product lines procured from Canterbury	80% of food product lines procured from Canterbury
<b>Social and Cultural Impact</b>			
Maximise attendance at Venues Ōtautahi venues	Guests to venues exceed 450,000 <sup>3</sup>	Guests to venues exceed 500,000 <sup>3</sup>	Guests to venues exceed 550,000 <sup>3</sup>
Make venues available to support local community groups/individuals	At least 40 events receive the community rate, or the value of community discounts applied equate to at least \$100,000	At least 45 events receive the community rate, or the value of community discounts applied equate to at least \$110,000	At least 45 events receive the community rate, or the value of community discounts applied equate to at least \$110,000
<b>Client and Guest Experience</b>			
Guest NPS <sup>4</sup>	Achieve greater than 45 NPS <sup>4</sup> during the year	Achieve greater than 50 NPS <sup>4</sup> during the year	Achieve greater than 60 NPS <sup>4</sup> during the year
Client Net Promoter Score (NPS <sup>4</sup> )	Achieve greater than 45 NPS <sup>4</sup> during the year	Achieve greater than 50 NPS <sup>4</sup> during the year	Achieve greater than 60 NPS <sup>4</sup> during the year
<b>Asset Care</b>			
Ensure assets are maintained at a suitable level for general use at all venues.	Assets are safe, compliant, and operationally functional.	Assets are safe, compliant, and operationally functional.	Assets are safe, compliant, and operationally functional.
<b>Health, Safety and Wellbeing</b>			
Ensure the health and safety of our Venues Ōtautahi team, key delivery partners, clients, guests in the venues and all stakeholders involved with the business.	No serious harm incidents involving critical risks for guests, staff, or third-party stakeholders.	No serious harm incidents involving critical risks for guests, staff, or third-party stakeholders.	No serious harm incidents involving critical risks for guests, staff, or third-party stakeholders.

Objective and Strategy	Performance Measure		
	2023/2024	2024/2025	2025/2026
<b>Sustainability and Environment</b>			
Contribute to reducing the City's carbon footprint by achieving target of net carbon neutrality by 2030.	Achieve reduction carbon footprint.	Achieve reduction carbon footprint.	Achieve reduction carbon footprint.
<b>Governance</b>			
Report to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	Meet all LGA and Council reporting deadlines.	Meet all LGA and Council reporting deadlines.

1. *Major Events defined as:*

*Arena: Event attendance > 5000,*

*Apollo Projects Stadium: Ticketed events other than Super Rugby and Mitre 10 Cup games*

*Hagley Oval: International cricket or large ticketed matches such as the Black Clash*

2. *Regional is Christchurch and Canterbury. Can include National or International suppliers if point of origin is Canterbury.*

3. *The visitor numbers include events such as concerts and sports (ticketed events), dinners, conferences, expo's and trade shows (unticketed events). Visitor numbers for expo's and trade shows are captured using a clicker system at the entry point to the venue.*

4. *Any Net Promoter Score above 0 is 'good' and means that your audience is more loyal than not. A score above 20 is considered 'favourable'. Anything above 50 is excellent and means your organisation has considerably more satisfied customers than dissatisfied ones. An NPS score above 80 is World Class and means customers love you and your company generates a lot of positive word-of-mouth referrals.*

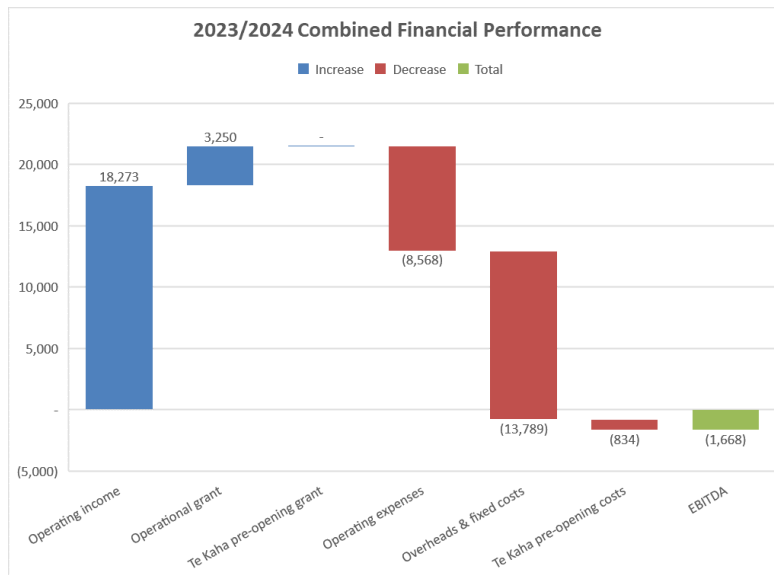
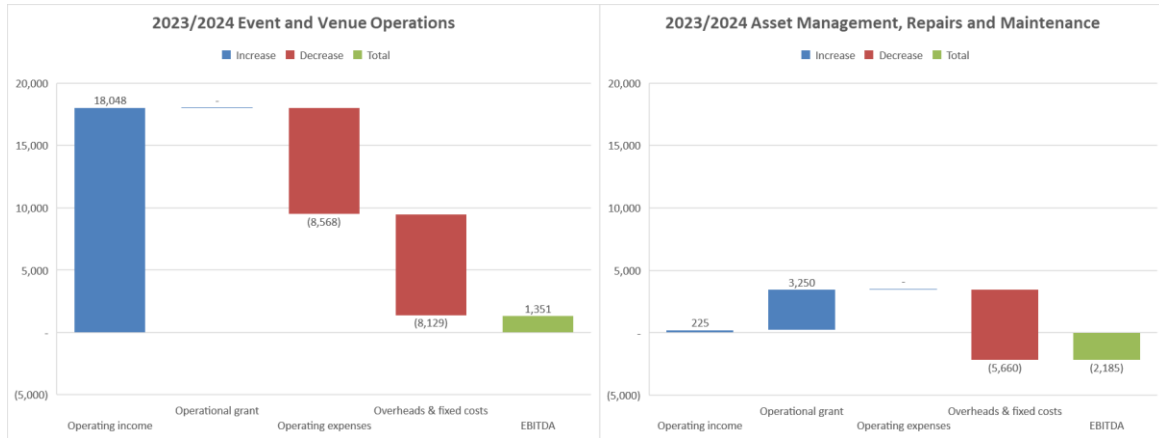






## 2. Financial Performance Targets

Below is a graphical representation of the forecasted EBITDA split between event and venue operational performance (operations) and asset management, repairs, and maintenance (property) for the 2024 financial year:



This includes Te Kaha pre-opening costs to be funded by Venues Ōtautahi for the 2024 financial year with the timing of grant revenue to be received in FY25 and FY26.

The consolidated financial performance targets for Venues Ōtautahi are as follows:

Consolidated	2023/24	2024/25	2025/26
	\$000	\$000	\$000
Direct operating income	18,273	18,768	19,082
Operating grant revenue received from Council	3,250	3,050	3,050
Te Kaha Pre-opening grant	-	2,440	2,345
Less: Direct operating expenses	8,568	8,802	9,012
Less: Net operating overheads and fixed costs	13,789	14,294	14,230
Less: Te Kaha pre-opening expenses	834	1,249	2,345
<b>EBITDA</b>	<b>(1,668)</b>	<b>(87)</b>	<b>(1,110)</b>

The forecast capital structure and ratio of shareholder's funds to total assets for the next three years is:

Financial Year	2023/24	2024/25	2025/26
	\$000	\$000	\$000
Issued shares and other equity instruments	244,636	244,636	244,636
Debt	1,400	700	-
Total Assets	236,651	231,569	224,602
Shareholder funds to total assets ratio	90%	90%	91%



The forecast capital expenditure for Venues Ōtautahi owned venues is detailed below:

	2022/23 (Cfwd)	2023/24	2024/25	2025/26
	\$000	\$000	\$000	\$000
Asset management plan	6,322	1,753	2,272	1,311
Operational equipment	710	646	519	693
	7,032	2,399	2,791	2,004
Inflationary Provision (as per 2023/24 draft Annual Plan)	-	104	244	247
	7,032	2,503	3,035	2,251
Less Forecasted Capital Grant Balance held in Asset Sinking Fund at 30 June 2023	4,510	-	-	-
Capital Grant (as per draft 2023/24 Annual Plan)	-	2,503	3,035	2,251
	2,522	0	0	(0)

The balance of the carry forward for 2022/23 of \$2.52 million is to be funded through cash flow as was prior to Venues Ōtautahi receiving the capital funding grant from the 2022 financial year.

## COMPENSATION SOUGHT FROM COUNCIL

Public assembly venues such as town halls, entertainment and sporting arenas, and stadia exist to deliver economic and social benefits to their communities. The whole of life costs of developing, maintaining, operating, and refurbishing these types of assets is a significant investment by the local authority. The operator of these assets is fully funded for asset development and care and will require some form of operating subsidy to ensure market competitiveness in event attraction and community access.

### 1. Operational, Capital and Debt Servicing Support

Venues Ōtautahi has confirmed operational and capital funding in the 2021-2031 Council Long Term Plan for the period of this Statement of Intent ending 30 June 2026.

Operational support and capital grant funding provided to Venues Ōtautahi is prioritised to ensuring the venues are safe, compliant, and operationally functional.

Operational support contributes around 54% of the fixed costs associated with managing the city assets, Christchurch Town Hall, Wolfbrook Arena, and the Stadium. These fixed costs include repairs and maintenance, rates, insurance, building compliance, and utilities which by in large are fixed and in the current economic climate are subject to material increases year on year. The remainder of these fixed costs are offset by operational revenues.

Capital funding is solely prioritised to the delivery of the asset management plan for the Christchurch Town Hall, Wolfbrook Arena and the Stadium.

To provide ongoing clarity and assurance to Council as to the appropriate allocation of this operating and capital support, Venues Ōtautahi provides Council dashboard reporting on a quarterly basis to clearly reflect the prioritisation of these funds.

With fixed asset costs forecast to increase from the 2023 and 2024 years, increased local and national competition in the market, a long tail of recovery from the impacts of Covid-19, the impacts of high inflation and a volatile economic environment, the operational funding support sought for the period of this Statement of Intent remains the same.

With the intention all Venues Ōtautahi debt, including the historical Lancaster Park loan is repaid across the FY23 and FY24 years, the debt funding support required from Council reduces by \$800k in FY24 and by an additional \$200k in FY25, reducing Venues Ōtautahi annual operational support required from Council from \$4.05m to \$3.05m by FY25.



## 2. Te Kaha Operational, Capital, Bid Incentive and Pre-Opening Support

### Pre-Opening Support

The Te Kaha Investment Case includes an allocation of \$4.7m (inflationary adjusted) for pre-opening operating support for Venues Ōtautahi split across the two years prior to opening. This is also allowed for in the 2021-2031 Council Long Term Plan.

Pre-opening costs include the development and execution of the commercial strategy (including identifying and valuing all commercial assets, developing and executing the sales strategy, event attraction, marketing collateral costs including website development and other enabling technology), developing and starting to acquire sufficient resources across business development and as we move into testing, commissioning and operationalising the venue, additional assets and facilities, operations and culinary services resources.

With the criticality of delivering the best commercial outcome for the shareholder and the city and particularly given the magnitude of this opportunity and the time it takes to negotiate material commercial arrangements the commencement of the commercial strategy starts well before the venue is operational.

As of October 2022, Venues Ōtautahi commenced the process of identifying and evaluating all commercial assets at Te Kaha and the development and execution of the sales strategy commenced February 2023.

It is on this basis, costs associated are being incurred by Venues Ōtautahi however are being managed within current cashflows and operating expenditure with there being no revenue associated with Te Kaha to offset.

Over the period of this Statement of Intent, these costs are set to increase as detailed operational and asset management planning and execution commences as will the resources required for intensive operator involvement in testing and commissioning.



To support Council in minimising rates impact for the 2023 and 2024 years and what is reflected in the FY23-26 Statement of Intent, Venues Ōtautahi will manage FY23 and FY24 Te Kaha pre-opening costs within current cashflows with Council to reimburse Venues Ōtautahi on all actual Te Kaha pre-opening costs incurred across FY23 and FY24 in FY25.

Venues Ōtautahi will receive the balance of pre-opening costs (\$4.7m in base dollars as per the draft 2023/24 Annual Plan) less actual costs incurred and reimbursed, as allowed for in the 2021-2031 Long Term Plan, in FY26 as shown below.

Te Kaha pre-opening costs	2022/23	2023/24	2024/25	2025/26	Total
	\$000	\$000	\$000	\$000	\$000
Te Kaha Pre-Opening Grant (2023/24 Base Dollars)	0	0	2,440	2,345	4,785
Less: Te Kaha Pre-Opening Costs	357	834	1,249	2,345	4,785
	(357)	(834)	1,191	-	-

### Bid Incentive Fund

The Te Kaha Investment Case includes a nominal bid incentive fund allocation of \$56.9m across the 25-year life of the asset and \$4.3m of annual capital and operational support.

It is Venues Ōtautahi's intention to work with the broader event eco-system, Council and ChristchurchNZ through the 2024 Long-Term Planning process to confirm the bid incentive fund allocation and administration structure associated with bid incentive funding for Te Kaha and all major events attraction hosted in Venues Ōtautahi venues.

### Operational and Capital Support

Concurrently through the 2024 Long Term Planning process it is Venues Ōtautahi's intention to work with Council to re-confirm the operational and capital support required from FY25/26 following analysis of detailed design, whole of life costs and forecast commercial and revenue outcomes with the current allocation allowed for on a straight line basis across the 25 year life of the asset in the Council 2021-2031 Long Term plan, \$4.3m per annum (inflationary adjusted).

### 3. Funding for ongoing and extended operation of the Temporary Stadium

In September 2021 the legal ownership of all Stadium assets transferred to Council with the operational responsibility including asset management of the Stadium to Venues Ōtautahi. Council committed the financial support to enable the future operation of the Stadium until the opening of Te Kaha in 2025.

With the opening of Te Kaha now expected in April 2026, Council have confirmed the extension of this financial support for the operations and repairs and maintenance of the Stadium accordingly.



#### 4. Consolidated Operational, Capital and Debt Financing Support

The total operating, repair and maintenance grants required for the period of this SOI are included in the operating grant below.

Of note, and as detailed above, the debt funding support to Venues Ōtautahi from Council reduces by \$800k in FY24 and by an additional \$200k in FY25, reducing Venues Ōtautahi annual operational support required from Council from \$4.05m to \$3.05m by FY25.

Financial Year	2022/23	2023/24	2024/25	2025/26
	\$000	\$000	\$000	\$000
Operating grant	3,050	3,050	3,050	3,050
Debt financing grant	1,000	200	-	-
<b>Total operating and finance funding</b>	<b>4,050</b>	<b>3,250</b>	<b>3,050</b>	<b>3,050</b>



The request for compensation in the 2024 year is for costs associated with the continued delivery of the Asset Management Plan for required safety and compliance upgrades at the Arena and some improvements to the Christchurch Town Hall.

Financial Year	2023/24	2024/25	2025/26
	\$000	\$000	\$000
Capital Grant (as per 2023/24 draft Annual Plan)	2,503	3,035	2,251
<b>Total Capital Grant</b>	<b>2,503</b>	<b>3,035</b>	<b>2,251</b>

## ACCOUNTING POLICIES

Venues Ōtautahi has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards (NZ IFRS), generally accepted accounting practice and the policies adopted by the Christchurch City Council Group.

The Company's detailed accounting policies are available in the Venues Ōtautahi most recent annual report for the year ended 30 June 2022, as published in the CCO section of the Council website.

The Venues Ōtautahi actual accounting policies during the three-year period of this SOI may change as a result of changes to NZ IFRS standards and interpretations.



## ACQUISITION/DIVESTMENT AND OTHER SIGNIFICANT TRANSACTIONS POLICY

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long term strategic and commercial objectives of Venues Ōtautahi.

When the subscription, acquisition or divestment is considered by Directors to be significant to Venues Ōtautahi business operations, it will be subject to consultation with, and where required approval of, the Shareholder.

Major transactions as defined in the Companies Act 1993, s129(2), will be subject to Shareholder approval by special resolution.

### Distributions

During the period of this SOI Venues Ōtautahi will not return capital funds to its Shareholder.

## ESTIMATE OF COMMERCIAL VALUE

The Shareholder investment in Venues Ōtautahi was assessed as at 30 June 2022 by Deloitte at \$204.9 million on a net asset value basis. The Venues Ōtautahi Board consider that the investment value is an appropriate estimate of the commercial value.

## INFORMATION TO BE REPORTED TO THE SHAREHOLDER

### 1. No surprises

Venues Ōtautahi will operate on a 'no surprises' basis in respect of significant Shareholder related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations. Any sensitive issue that may result in media enquiry will be communicated to the Shareholder as soon as possible.

The Board aims to ensure the Shareholder is informed of all major developments affecting the Company, while at the same time recognising commercial sensitivity may preclude certain information from being made public.

Within this constraint, information is communicated to the Shareholder through periodic reports, occasional briefings, regular reports and informal updates on important issues.

### 2. Local Government Act 2002 reporting requirements

Venues Ōtautahi will provide information requested by the Shareholder in accordance with the requirements of the Local Government Act 2002.

An Annual Report will be submitted to the Shareholder. The Annual Report will include audited financial statements and such other details as are necessary to permit an informed assessment performance and financial position of the Company during the reporting period provided to the Shareholder.

Half Yearly Reports will also be provided to the Shareholder. These reports will contain unaudited information and comply with PBE IAS 34.



The SOI will be submitted to the Shareholder for consultation annually, as required by the Local Government Act 2002. The Directors will include any other information they consider appropriate and where it is necessary, due to significant changes, revised forecasts will be submitted to the Shareholder.

### 3. Other Reporting

Quarterly Reports will also be provided to the Shareholder, which will include the financial and non-financial performance of the Company.



## CONTACT DETAILS

Contact details for both the Chair and Chief Executive are at the Venues Ōtautahi registered office:

**Address:** 81 Jack Hinton Drive  
Addington  
Christchurch 8024

**Telephone:** +64 3 339 3599

**Website:** [www.venuesotautahi.co.nz](http://www.venuesotautahi.co.nz)

