



# BAY VENUES REPORT

Prepared for  
Tauranga City Council  
H1 FY24 (July - Dec 2023)



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# 1. Executive Summary

## Welcome to the Bay Venues half year report for FY24.

Bay Venues is in good heart with recent work on the strategy and structure of the organisation starting to pay dividends. With several significant projects planned in coming years to address a shortfall in venue capacity, the organisation is well placed to achieve these projects while continuing to deliver our existing facilities and services and explore new opportunities.

We also continue to work hard to manage ongoing challenges such as increased anti-social behaviour in our venues and keeping an ageing network of facilities functioning efficiently for our community.

Total visitation was up across our venue network for the first half of the year compared to the same period last year. Our H1 financial result saw Revenue of \$13.2m and an EBITDA loss of -\$1.28m – both were below/behind budget, but we expect to be on budget at year end.

Challenging economic conditions and increased costs of living have continued to impact event ticket sales and our associated activities, including Bay Audio Visual and BayStation.

Mercury Baypark hosted several large and successful events in H1, including The Classic basketball event by HoopNation over Labour Weekend, the New Zealand Festival of Squash over 12 action-packed days in December, and a sold-out live music event Famous Last Words on New Year's Eve, which showcased an increase in venue capacity allowance in Mercury Baypark Arena's Lion Foundation Centre – Tauranga's largest indoor event venue for concerts and other events.

The work that was done by our health and safety team and engineering experts to make the venue capacity allowance increase possible is just one example of Bay Venues, with support from Tauranga City Council, investing time and resources into our venue network to cater to the city's growing population and increasing demand for sports, recreation, and event space.

Another example, in December, was Tauranga City Council approving funding of \$122.25m to build a new aquatic facility at Memorial Park, as well as \$25m to purchase and refurbish The Warehouse building on Cameron Road as a new indoor courts facility in the Tauranga city centre to replace Queen Elizabeth Youth Centre (QEYC).

The Council-led Active Reserves Master Plan project, which will see the Mercury Baypark site optimised and future-proofed, is also underway with design progressing well.

Meanwhile, a planned renewals and maintenance project at the Mount Hot Pools was completed on time ahead of the summer holidays and the beloved community facility reopened in early December. As well as important preventive maintenance work being done on the plant room and pool heating system, all the outdoor pools were re-tiled for the first time since 1991, and the pool structure and pool tanks underneath were repaired and re-waterproofed to ensure this iconic facility continues to operate successfully and sustainably.

We have several significant venue projects in the pipeline or underway. We look forward to continuing to work closely with Council on these exciting projects in the months ahead.



Chad Hooker, CEO



Simon Clarke, Board Chair



### H1 FY24 TOTAL VISITORS

# 1.13m

(↑ **13% ahead of budget**)  
Full year forecast 2.1m visitors (+5% to budget)



### H1 FY24 TOTAL REVENUE

# \$13.2m

(↓ **1% below budget**)  
Full year forecast \$36.8m (in line with budget)



### H1 FY24 TOTAL EBITDA\*

# \$-1.28m

(↓ **10% behind budget**)  
Full year forecast -\$2.2m (in line with budget)



### H1 FY24 CUSTOMER SATISFACTION

# 86%

(↑ **2% ahead of KPI**)

The statistics in this report are for the year to date and include the first two quarters of the year. This report follows on from the Q1 FY24 report supplied to Tauranga City Council in October 2023.

\*Council has agreed to return Bay Venues to a break-even position from FY25 via increased operational funding in the draft Long Term Plan.

## 1.1 Key Achievements

- The Mount Hot Pools planned closure for renewals and maintenance. This project was completed on schedule and the facility reopened in early December in time for the busy summer holiday season.
- Thousands of people attended the New Zealand Festival of Squash, The Classic by HoopNation, the New Year's Eve drum and bass event Famous Last Words, and a series of other successful events at Mercury Baypark, including the start of the Baypark Speedway season.
- Continued increase of diversity and inclusion initiatives, activities, and events across our network of community facilities.
- Successful implementation of anti-social behaviour guidelines and training for all customer-facing staff.
- Our 2023 staff engagement survey was run in October. We saw a significant increase in overall engagement as well as participation.
- Successful launch of our new finance system and human resources information system.

## 1.2 Key Challenges

- There is growing evidence in some areas of the organisation of the impact the higher cost of living is having on discretionary spending. This has been highlighted by lower-than-expected attendance numbers at several ticketed events, as well as at BayStation. Other areas of our organisation seem to be more resilient to economic headwinds.
- We are continuing to see isolated anti-social behaviour incidents across the network. We have implemented anti-social behaviour guidelines and training for all customer-facing staff, engaged a security manager, and are looking into other appropriate security measures at our venues.
- We have been working hard to keep to budget in an inflationary cost environment, while our ageing facilities continue to operate at capacity and under increasing demand and pressure from a growing population.

## 1.3 Emerging risks and opportunities

- Venue projects in the pipeline or underway include a new aquatic centre at Memorial Park and a new indoor court facility on Cameron Road, both of which have had funding signed off by Tauranga City Council. The Active Reserves Master Plan project involving Mercury Baypark is also ongoing.
- We have an increasing renewals programme across our network of venues as we continue to respond to increasing demand, ageing assets, and meeting our contractual and health and safety obligations. This programme of work requires appropriate resourcing and project management.
- Our much loved but ageing community aquatic facilities Ōtūmoetai Pool and Memorial Pool have significant infrastructural and age-related issues that are regularly resulting in expensive remedial and maintenance measures, making it increasingly challenging to keep both facilities open and operating.



## 2. Community Outcomes

Close to 1,133,000 visits (+1% on H1 FY23) were recorded across the entire Bay Venues network in the first half of this year (H1 FY24), an average of more than 6,100 per day, with a notable increase in Community Centres & Halls compared to the same period last year.

### VISITORS

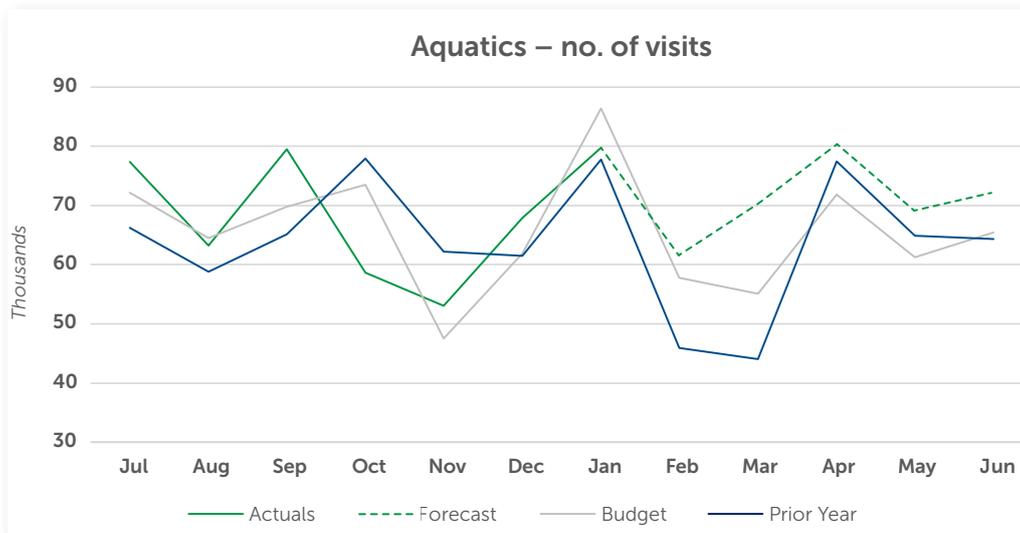
	H1 FY23	H1 FY24	Variance
Aquatics	391,915	399,804	2%
Community Centres & Halls	170,931	194,948	14%
Sports & Fitness	429,236	418,487	-3%
Mercury Baypark	129,741	119,380	-8%
<b>Total</b>	<b>1,121,823</b>	<b>1,132,619</b>	<b>1%</b>

### FY24 H1 REVENUE



### 2.1 Aquatic Facilities

The Aquatics network was on track in the second half of H1 FY24 (Q2), despite the closure of the Mount Hot Pools for planned renewals and maintenance. Q2 saw approximately 5,000 users (3%) more than forecast across the network. This increase reflects how important aquatic recreation and leisure is to our customers, with many of them temporarily moving from the Mount Hot Pools to Baywave and Greerton Aquatic & Leisure Centre for their regular aquatic fix. Regular Mount Hot Pools rehabilitation and disability customers frequented the Greerton hydrotherapy pool and Baywave spa as an alternative warm water rehab option during the closure. Record numbers at Baywave for events such as Orange Day and the Weet-Bix Kids TRYathlon, along with BaySwim's continued growth, all combined to exceed forecast.



**1,800**  
TAMARIKI FROM 10 KURA  
ATTENDING A SERIES OF WATER  
SAFETY LESSONS YTD

**2,195**  
DISABILITY AQUATIC  
MEMBERSHIPS

**4,385**  
BAYSWIM TERM  
ENROLMENTS YTD

**399,804**  
AQUATIC CENTRE  
ENTRIES YTD

During the Mount Hot Pools closure in October and November, all the outdoor pools were re-tiled. These old tiles were installed back in 1991 and needed to be replaced. While the pools were being re-tiled, we also took the opportunity to assess the pool tanks and remedy the pool structure underneath, as well as address any unseen issues and completely re-waterproof all pool tanks to ensure they are ready for many more years of service to the community. As part of this project, improvements and updates were also made to the reception area, the car park management system and flow, the changing rooms, and the private pools and massage rooms. Important preventive maintenance work on the plant room and pool heating system was also completed and all the gutters inside and outside the facility was replaced. The facility re-opened on schedule on 6 December, in time for the busy summer holiday season.

With the Mount Hot Pools closed, the rest of the Aquatics network saw a small spike in occupancy, with aqua fitness classes at Greerton benefiting most, recording 200 (60%) more attendees in November.

BaySwim's Term 4 (Q2) enrolments finished the year at 2,238 members, 13% over the stretch target set, and 445 (26%) more than Term 4 the previous year. Greerton BaySwim was a standout, reaching over 500 swimmers, 150 more than Term 4 in previous years. Important school water safety sessions continued into December, with nearly 6,200 water safety visits to prepare our coastal kids for summer.

Baywave hosted Tauranga City Council's annual Orange Day event in Q2, with more than 800 road patrol students from 28 schools having fun in the wave pool and Aqua Play area, as well as on an inflatable obstacle course in the lap pool. It was the biggest Orange Day event on record.

Baywave hosted approximately 109,000 visits in Q2 – 6,000 more than forecast and 60% of total visitation for the whole Aquatics network while the Mount Hot Pools was closed.



Baywave Orange Day

New inclusion initiative at Baywave with great community feedback

Memorial Pool opened on 6 November for the summer season and the popular Flippa Ball league commenced the following day, with over 300 children attending every Tuesday evening. Memorial Pool continues to be popular with school-age children and local schools, hosting more than 800 children from six local schools for their end-of-year school treat.

The Memorial Pool summer season didn't kick off without a few challenges, however. We are investigating the cause of higher-than-normal water loss, with the ageing pool currently losing roughly 80m<sup>3</sup> of water a day, which could relate to a piping or pool tank issue. The Memorial Pool heating bore also encountered pressure issues, leading to sub-optimal pool temperatures. Bore specialists had to be called in to address this issue. Both challenges reflect the difficulty of maintaining Memorial Pool and its durability for upcoming seasons.

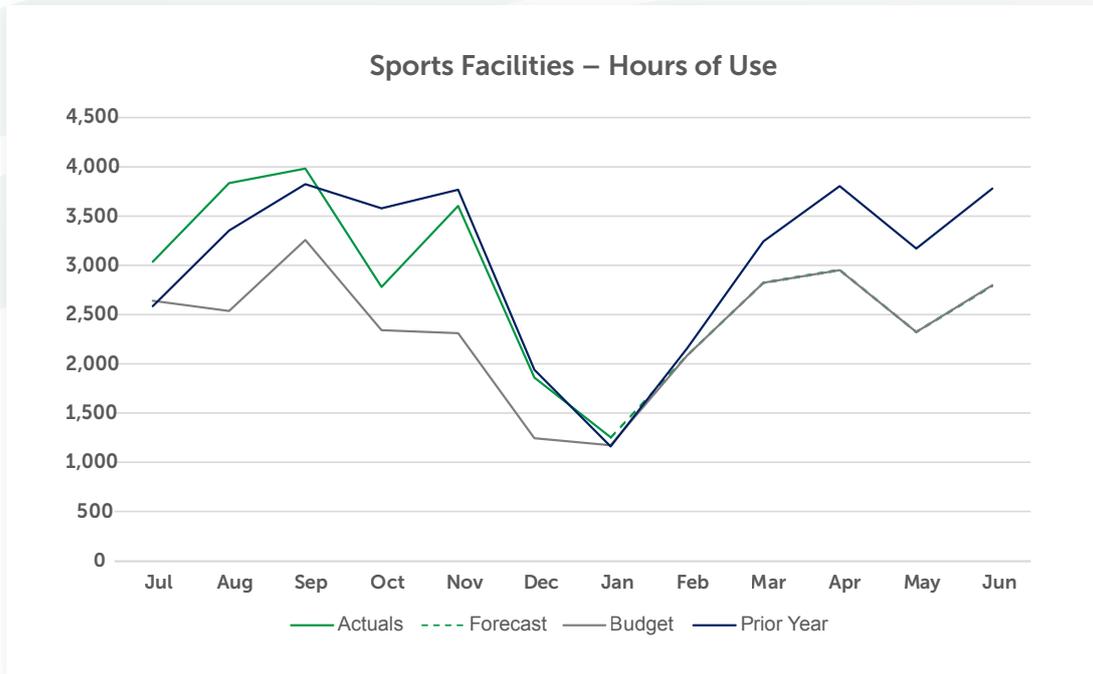


### Mount Hot Pools back in action, regulars return

Tom and Joan Dunne are among the local regulars enjoying being back at the Mount Hot Pools. The couple went to Baywave during the recent Mount Hot Pools closure to keep up with their aqua exercise regime, but were back at their favourite community facility under Mauao as soon as it re-opened in early December. "We've noticed a difference," Tom says. He says "the whole place is tidied up" and "modernised" with "a crisper design". "And the friction on the bottom of the pool makes these exercises easier," he says. Tom and Joan live close by and walk to the venue every single weekday for aqua exercise classes and often return over the weekend as well, to soak in the pools and recover after walking up Mauao. "We're seven-days-a-week users, really," Tom says. "It's a wonderful facility, always has been, particularly with the Mount in the background." He says the outlook is "beyond belief". "You can't get a better combination of comfort and exercise in a facility, it's a chance to remain healthy and in an aesthetic environment." Joan adds: "It's not only the exercise component in the wonderful warm water, but the social component too. The group here is quite tight and after the exercise session, usually there's a coffee hour."

## 2.2 Sports & Fitness Facilities

The first half of the year was steady with actual hours of use performing above budgeted activity. Hours of use for H1 FY24 was also mostly above or on par with the previous year, apart from October. This reflects several large events held in October 2022 at Queen Elizabeth Youth Centre (QEYC) and Mercury Baypark Arena that did not reoccur in October 2023.



### Sports Facilities

The Volleyball New Zealand Club Championships was held in October across both Mercury Baypark Arena and QEYC, with over 7,000 people attending. This tournament is the pinnacle club volleyball event in New Zealand.

Regular social sports leagues continue to perform strongly with most leagues at capacity. Traditionally, registrations drop-off over the second half of H1, however in Q2 FY24 we saw a 6% increase in Tuesday indoor netball teams at Mercury Baypark Arena compared to the previous year.

Programmes at QEYC are also growing in popularity with social badminton up by 220% in Q2 when compared to the previous year – 724 visits (FY24) vs 323 (FY23).

Our pre-school Tumble Time programme recorded more than 4,500 visits in Q2, with a 10% increase in participation.

The Funky Fun Day programme, which is a fun, non-competitive day of sports, saw more than 3,200 tamariki participate over Q2.

**48,402**  
PROGRAMMES –  
ADULTS & SENIORS

**58,377**  
PROGRAMMES –  
CHILD/YOUTH

**9,336**  
PROGRAMMES –  
PRE-SCHOOL

**410**  
REHABILITATION  
MEMBERSHIPS  
(Green Script + AWA Memberships)





## Social indoor netball as popular as ever

On any given Tuesday, there could be as many as 70 teams playing in the social indoor netball league at Mercury Baypark Arena in Mount Maunganui. That's at least six rounds held back-to-back, with the first set of games starting at 6pm. Teams are made up of friends, work colleagues, family members, and even fellow gym-goers. Ages range from 14 years old right through to players in their late 60s. Many teams will sign up for consecutive leagues, sometimes for years at a time. Mitch Rawiri Terry, a netball programme supervisor for BayActive, has been involved in social indoor netball at Baypark Arena for more than a decade now. She says she gets so much joy watching everybody out on court, having fun. "It's been great. I've met so many different people coming in and out of this place, and just meeting more and more new faces as the years go by. It's just like one big family," she says.

## Clubfit

Clubfit membership remains steady at 80% of maximum occupancy and remained stable in Q2.

Temperature improvements have been made to the main studio space at Clubfit Baywave, however the wider gym area requires a long-term solution to manage higher temperatures and the impact on customer experience over our summer period. Options to address this are currently being investigated.

The Clubfit Greerton offering was upgraded with approximately 50% of the fitness equipment renewed in November. This upgrade has been very well received by the regular users and has modernised the look and functionality of the space.

## The University of Waikato Adams Centre for High Performance

A Memorandum of Understanding was established in November that sees the Adams Centre become a High-Performance Sport NZ recognised regional performance pod. This has resulted in increased athlete referral with 13 Tailored Pathway Athletes enrolled to date. We expect ongoing athlete referral to continue as the partnership continues to develop.

The Adams Centre hosted several external high-performance users over Q2. The Chiefs rugby team, Australian Women's Sevens, and the Blackcaps to name a few.

The annual Adams Academy Awards evening was held in November. The event was attended by Sir Paul Adams and featured several reputable guest speakers. There were 19 award recipients in total and some of those acknowledged for outstanding performances on the national and international stage include: Samuel Tanner – Athletics New Zealand, George Wyllie – Athletics New Zealand, Tatiana Kaumoana – Athletics New Zealand & Whai Basketball, Michael Sutton – Tauranga Athletics Club, Finnley Oliver – Triathlon New Zealand, and Remy Sale – Surfing New Zealand.



Adams Academy Award recipients

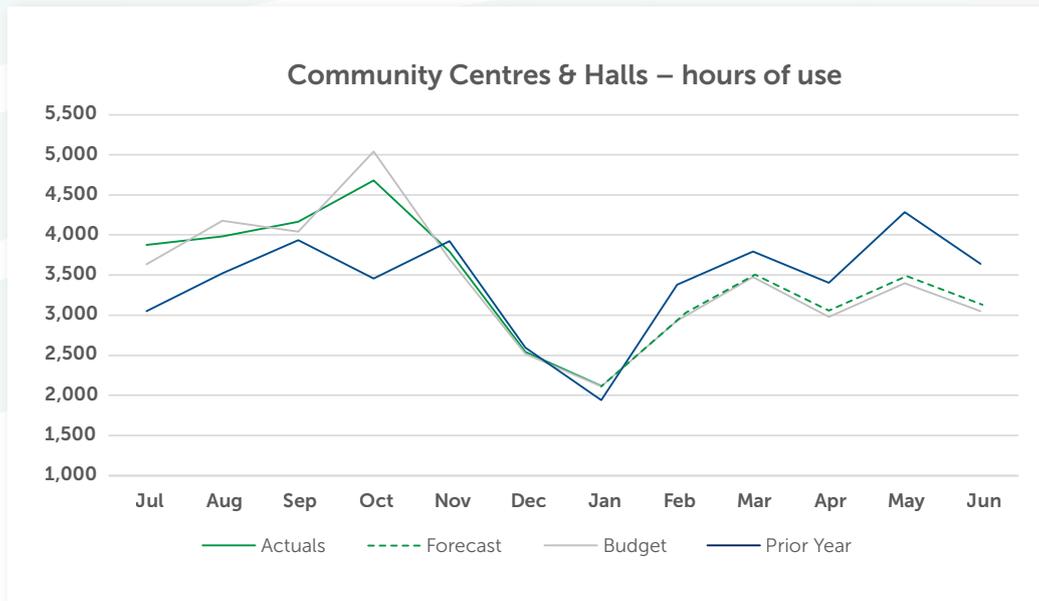


Guest Speakers NZ Triathlon Coach Craig Kirkwood and Dr Stacy Sims



Funky Fun Day participants

## 2.3 Community Centres and Halls



Venue utilisation at our Community Centres and Halls is on par with budget and last year for the first half of FY24 and bookings are looking positive for the rest of the year with a lot of regular users and new users confirming space.

There was a continued increase in culturally diverse and inclusive activities and events in our Community Centres and Halls in Q2. Our Community Development Ambassador is working closely with many different cultural groups in the city, including the Indian, Korean, and Chinese communities to grow the community play programme in our venues. Our Community Centres and Halls also hosted the Bangladeshi and Nepalese communities for cultural and religious celebrations, as well as an AGM.

The New Zealand general election in October saw more than 20,000 voters visit five of our venues over a two-week period for both advance voting and voting on election day.

Our Community Centres and Halls team has also been engaging with Age Concern to explore potential partnership opportunities and provide meeting places and activity venues to help connect older people in Tauranga. Age Concern has made multiple bookings in 2024 at Pāpāmoa Community Centre. We also collaborated with Tauranga City Council's Community Development team and partnered with user groups to support Spring Fest, hosting a wide range of activities tailored to our senior community.

Other highlights in Q2, which demonstrate the diversity of activities and events in our Community Centres and Halls on any given week, include:

- Tauriko Hall hosting a Halloween Spooky Ball for more than 180 people
- An Emergency Services Open Day in November at Pāpāmoa Sports & Recreation Centre, which drew an impressive crowd of 1,400 people
- The Pāpāmoa Fire Brigade's 50-year celebration and sit-down dinner at Pāpāmoa Sports & Recreation Centre
- A special seven-course Christmas community meal for more than 200 people at Arataki Community Centre (with gifts donated for kids in the community)
- Pāpāmoa Sports & Recreation Centre hosting about 150 tennis players, match officials, physios and other supporting personnel over eight days during the EVES Open World Tennis Tour event at Pāpāmoa Tennis Club





## Community connection and culture through dance

Every Thursday at Elizabeth Street Community & Arts Centre in central Tauranga, you will find a 5.30pm ura class. Ura is traditional Cook Islands dancing and Ngaire Utanga says her weekly class is “all about the fitness”. “I’m getting women out here who are too shy to go to the gym and want to try something new.” She says she started with about 10 dancers and now has close to 30 regulars. “I’m just really proud of them, they’ve come a long way over a year and a lot of them, when they first started, couldn’t even move. They were just so stiff. Now they’re so flexible, they’re so happy, and they leave here feeling excited because this form of fitness is totally different.” Ngaire says the ura class, which also features Tahitian dance styles, has created a “sense of community” and has attracted a diverse group of people, “from the Pacific, Europeans, all over”. There is also a good mix of ages, from high school students all the way up to a woman in her 60s. “I’m pretty excited. A lot of the participants are from Polynesian backgrounds and a lot of them are coming here to learn the dance, learn the Cook Islands culture through the form of dancing.”

## 2.4 Events

### H1 FY24

**30**

**Sporting & Aquatic  
Tournaments**

**39**

**Significant Events  
(over 500 pax)**

**35**

**Cultural  
Events**

Mercury Baypark’s versatility as an event venue was on full show in Q2, hosting everything from expos and large sporting events, to live music, live comedy, speedway, awards evenings, meetings and conferences.

A highlight of the quarter was the New Zealand Festival of Squash returning to Mercury Baypark Arena for the second year in a row. This international sporting event in December featured 12 days of world class competition, attracting about 8,000 attendees and consisting of three separate tournaments including the Oceania Junior Championships, the New Zealand Squash Open, and the WSF Men’s World Team Squash Championship. The spotlight placed on Tauranga Moana as a desirable destination to visit, for both a national and international audience, as a result of the event promotion during this period, was significant. The event will be hosted in Christchurch in 2024.

The Classic basketball event by HoopNation hosted at Mercury Baypark Arena, Queen Elizabeth Youth Centre, Mount Sports Centre, and Aquinas Action Centre over Labour Weekend was also a major boon for the city. It drew more than a thousand players and several thousand supporters and basketball fans over four days.

The Baypark Speedway 2023/24 season started in October and the popular Bay Super Bowl and South Pacific Champs event with fireworks saw more than 6,000 in attendance. Mercury Baypark Stadium hosted five other Speedway meetings in Q2, with an average of 1,950 attendees per event, and worked alongside the promoter to help them succeed and actively seek cost savings when appropriate to do so. There has also been a concerted effort by the Mercury Baypark and wider Bay Venues team to increase our level of service to the Baypark Speedway team.

Another event highlight in Q2 was the New Year’s Eve drum and bass event Famous Last Words, which was hosted inside Mercury Baypark Arena and was a sell out with approximately 5,000 attendees. The fact this gig was held indoors, which provided weather security, contributed to the success of the event.

Famous Last Words was also the first significant event to be held in Mercury Baypark Arena’s Lion Foundation Centre since work was completed to increase the venue’s capacity allowance. It is the largest indoor event venue in Tauranga.



## A slam dunk for Tauranga's economy

The Classic by HoopNation is one of New Zealand's premier basketball events and each year it showcases some of the country's top basketball talent. The Classic was held over four days in October, with more than a thousand players competing and hundreds of games held across Mercury Baypark Arena, Queen Elizabeth Youth Centre, Mount Sports Centre, and the Aquinas Action Centre. Tauranga City Council enlisted Fresh Info to conduct an event evaluation report, which yielded remarkably positive findings for the city. The Classic drew 5,601 basketball fans to the action-packed games which were free for all spectators to attend. It attracted 4,354 visitors to Tauranga including 100 international visitors, resulting in almost 15,000 visitor nights. The economic impact of The Classic extended far beyond the courts. The influx of visitors resulted in a substantial \$1.9m in visitor expenditure in the city over the event weekend. "It's awesome to see The Classic continue to grow in stature and impact," Paul Berridge, co-founder of The Classic, says. "HoopNation and the basketball community hold a special regard for The Classic in Tauranga as the city offers a distinct combination of elements that set it apart."

Other events held at Mercury Baypark in Q2 included:

- Bay of Plenty Home Show
- Bay of Plenty Baby Expo
- Tauranga Women's Lifestyle Expo
- Comedian Bill Bailey
- Māori Sports Awards
- Blindspott concert
- First Mortgage Trust Investor Meeting
- NZ Blood Service Community Blood Drive
- Collab Digital Marketing Breakfast
- Port of Tauranga AGM
- Christmas functions, including Baypark sponsor Mercury

Q2 was also notable for several events yielding fewer attendees than expected. An emerging theme has been lower ticket sales in part due to financial constraints on the discretionary dollar. This in turn has placed significant pressure on promoters' confidence. One concert that was to be held at Mercury Baypark had low ticket sales and cancelled at short notice, relocating to a smaller venue in a bid to save costs.

Looking ahead, there are several large and popular events planned for Q3 at Mercury Baypark, including Juicy Fest, One Love Festival camping, comedian Russell Howard, Armageddon Expo, and the Seniors and Travel Expo. The inaugural Sal's NBL basketball season for the Whai men's side also commences in March 2024.



Māori Sports Awards



NZ Festival of Squash

## 2.5 Associated Activities

### Healthy School Kai

# 122,952

### School Lunches

There were 122,952 lunches delivered to 10 local Tauranga schools in the first half of FY24 as part of our successful school lunch programme and we saw continued good uptake of the lunches in Q2 and our interaction with the schools was very positive. We also hosted Welcome Bay School in our Healthy School Kai kitchen in Q2 and they got a hands-on food preparation experience and saw how their lunches are prepared each day.

Our new chef, Victor Fitzpatrick, together with the rest of the Healthy School Kai team, has developed new menus for this year, receiving positive feedback from the schools and the Ministry of Education.

In Q2 we trialled a lunch and dinner service for local RSE workers. With nutrition and convenience at the heart of our offer, we have had positive feedback as well as great insights into how to develop this further over the coming year.

We have increased revenue by 7% (vs budget) due to catering for non-Ministry of Education clients, including RSE workers and sports teams.

### Bay Catering

Q2 has seen a boost in catered events at Mercury Baypark, with total revenue of \$3m (on budget). Out-catering also remained strong with 30 functions in Q2, serving over 2,000 dinners and lunches.

The New Zealand Festival of Squash returned to Mercury Baypark this year and was a great success for the venue, as well as our Bay Catering team. Catering included corporate functions, courtside tables, and retail for the spectators over a two-week period.

Other catering highlights included the Te Puke High School Centennial celebration, where we catered a canapé function, dinner, and day catering for over 500 people, and the Community Christmas Lunch in Katikati for 300 people. This was the second year we catered the Katikati event. It is great to be part of giving back in a way that helps so many.

### Bay Audio Visual

Bay Audio Visual helped deliver several high-profile events in Q2, including the New Zealand Festival of Squash, the Battle of the Trades boxing event, and the Māori Sports Awards. A large number of other events were also designed and delivered across many sectors including sports, community, cultural, arts, and business events.

Revenue of \$491,000 and EBITDA profit of \$63,000 was achieved for H1 FY24; this was below budget largely due to event cancellations and/or downsizing of events. Bay AV has restructured its team and is now under the "Technology" umbrella at Bay Venues, alongside our IT department. This provides better alignment in our technology strategy. Additional investments in AV assets such as 60m<sup>2</sup> of outdoor-rated LED, and two high quality projectors, are helping to provide outstanding experiences for our customers and visitors.



*Battle of the Trades*

### BayStation

BayStation welcomed 2,905 unique customers in Q2. This was below budget but still represented a steady increase in foot traffic from the previous quarter.

Customer satisfaction remained high, with an average score of 91.4% across Q1 and Q2.

## 3. Management Update

### 3.1 Finance

The first half of FY24 EBITDA of -\$1.28m was \$120,000 (-10%) behind budget. Revenue was \$13.2m, \$195,000 (-1%) below budget.

The revenue shortfall is primarily driven by Associated Activities, which was behind budget for H1 FY24, largely due to late event cancellations and low BayStation numbers. However, in Q2, both Bay Catering and Bay AV delivered several significant events leading to a recovery in revenue. User numbers across our core operations (including Aquatics, Community Centres and Halls, and Sports & Fitness) have been ahead of expectation, offsetting the revenue decline in Associated Activities.

Overall operating costs of \$14.5m were well managed, \$75,000 below budget for the first half of FY24.

Looking forward to the remainder of FY24, we are on track to achieve our budget for the year of -\$2.2m EBITDA. With a reset of the funding model kicking in from FY25 onwards, we expect to return to a small surplus EBITDA result in FY25.

### 3.2 Facilities

#### Projects

Contractors have been engaged for the Mercury Baypark Stadium floodlight replacement project and a letter of intent has been provided to enable them to procure the lights. The project will be completed by the end of September, ensuring no disruption to the start of the 2024/25 Baypark Speedway season.

The refurbished Mercury Baypark support office – Karikari – is on track to open on 7 February 2024 and will accommodate our Bay Venues support staff. Mana whenua Ngā Pōtiki gifted the name Karikari and will be blessing the new workspace before staff move in. Karikari was a thriving historical Ngā Pōtiki settlement at the foot of Mangatawa (the hill range visible from Mercury Baypark), located around Te Tāhuna o Rangataua (the estuary/bay that borders Mercury Baypark). It was at Karikari that a culture of innovation emerged as Ngā Pōtiki whānau came together to live, work, and collaborate.

#### Upcoming

Programme resource planning for the next three years has commenced. Our renewals programme in years one to three is approximately \$37m, much of which is catch up at Mercury Baypark, with little to no renewals funding having been previously funded by Council.

Adequate resourcing for these projects and getting the right level of project management to assist is a priority to ensure we deliver on this plan.

#### Asset Management

Our Draft Asset Management Plan has been reviewed by an external auditor. Overall results were positive and we have identified some areas for improvement. Some of these improvements will be implemented over the next three months.



# Consolidated Statement of Performance – H1 FY24

	Aquatic Facilities			Community Hubs			Sports Facilities			Events Facilities			Associated Activities			Business Support			Grand Total		
	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year
<b>Revenue</b>																					
User Fees	2,980	3,129	2,145	323	329	178	2,204	2,216	1,470	1,026	1,047	956	3,905	4,255	3,558	0	0	(255)	10,438	10,977	8,052
TCC Operating Subsidy	1,320	1,191	913	278	251	184	986	890	665	0	0	2	0	0	23	0	0	26	2,584	2,331	1,812
Other Income	90	30	14	1	0	0	14	14	31	88	64	0	25	16	0	9	11	9	227	135	54
COVID-19 Subsidies	0	0	346	0	0	60	0	0	177	0	0	18	0	0	158	0	0	287	0	0	1,046
<b>Total Revenue</b>	<b>4,390</b>	<b>4,350</b>	<b>3,418</b>	<b>601</b>	<b>580</b>	<b>422</b>	<b>3,204</b>	<b>3,119</b>	<b>2,342</b>	<b>1,114</b>	<b>1,111</b>	<b>976</b>	<b>3,930</b>	<b>4,271</b>	<b>3,739</b>	<b>9</b>	<b>11</b>	<b>67</b>	<b>13,248</b>	<b>13,443</b>	<b>10,964</b>
<b>Expenditure</b>																					
Cost of Goods Sold	0	0	0	4	11	0	5	10	0	0	0	0	1,350	1,394	1,271	0	0	0	1,359	1,415	1,271
Employee Expense	2,202	2,149	1,540	273	267	185	1,251	1,196	814	363	370	160	1,801	1,713	1,488	2,946	3,140	2,374	8,837	8,836	6,561
Administrative Expense	87	61	64	15	13	8	45	29	14	10	33	11	60	49	37	618	575	412	834	760	547
Advertising and Marketing	36	50	42	2	2	2	33	32	21	40	43	27	19	34	18	51	53	61	181	215	170
Consultancy	0	6	0	0	0	0	0	1	0	12	0	0	0	0	0	349	343	225	361	349	225
Operating Expense	663	654	470	133	155	103	286	315	240	182	141	74	209	314	322	914	890	652	2,388	2,468	1,860
Repairs & Maintenance	244	203	123	24	40	29	41	59	48	0	0	0	51	38	28	208	220	200	568	560	428
<b>Total Expenditure</b>	<b>3,234</b>	<b>3,123</b>	<b>2,238</b>	<b>452</b>	<b>488</b>	<b>326</b>	<b>1,661</b>	<b>1,642</b>	<b>1,138</b>	<b>607</b>	<b>587</b>	<b>272</b>	<b>3,489</b>	<b>3,542</b>	<b>3,164</b>	<b>5,086</b>	<b>5,220</b>	<b>3,924</b>	<b>14,528</b>	<b>14,603</b>	<b>11,062</b>
<b>EBITDA Profit/ (Loss) pre-allocations</b>	<b>1,156</b>	<b>1,227</b>	<b>1,180</b>	<b>149</b>	<b>92</b>	<b>96</b>	<b>1,542</b>	<b>1,477</b>	<b>1,205</b>	<b>507</b>	<b>525</b>	<b>704</b>	<b>441</b>	<b>729</b>	<b>575</b>	<b>(5,076)</b>	<b>(5,209)</b>	<b>(3,857)</b>	<b>(1,280)</b>	<b>(1,160)</b>	<b>(98)</b>
Business Support Allocations	1,480	1,519	1,124	562	577	427	1,141	1,171	867	1,311	1,346	996	582	597	442	(5,076)	(5,209)	(3,857)	0	0	0
% total allocations	29%			11%			22%			26%			11%								
<b>EBITDA Profit/ (Loss) post-allocations</b>	<b>(324)</b>	<b>(291)</b>	<b>55</b>	<b>(413)</b>	<b>(486)</b>	<b>(332)</b>	<b>401</b>	<b>306</b>	<b>338</b>	<b>(804)</b>	<b>(821)</b>	<b>(292)</b>	<b>(140)</b>	<b>132</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,280)</b>	<b>(1,160)</b>	<b>(98)</b>
Non-Funded Depreciation	2	2	94	0	0	7	11	15	121	0	0	0	40	40	65	20	20	62	87	78	349
Non-Funded Debt Servicing costs	1	2	33	0	0	2	1	2	80	0	0	0	8	13	12	1	2	10	12	21	138
Surplus/(Deficit) after BVL capital costs	(327)	(296)	(72)	(413)	(486)	(341)	389	289	137	(804)	(821)	(292)	(188)	79	56	(21)	(22)	(72)	(1,379)	(1,258)	(584)
<b>Other Transactions</b>																					
Renewal Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,952	3,403	1,914	3,952	3,403	1,914
Interest Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	658	658	675	658	658	675
<b>Less:</b>																					
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	593	542	227	593	542	227
Depreciation	1,075	1,074	706	170	170	130	698	586	271	370	370	150	213	201	101	1,184	1,184	843	3,710	3,586	2,201
Profit/Loss on Disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Surplus/(deficit)</b>	<b>(1,403)</b>	<b>(1,371)</b>	<b>(778)</b>	<b>(583)</b>	<b>(655)</b>	<b>(471)</b>	<b>(309)</b>	<b>(298)</b>	<b>(134)</b>	<b>(1,174)</b>	<b>(1,191)</b>	<b>(442)</b>	<b>(401)</b>	<b>(123)</b>	<b>(44)</b>	<b>2,813</b>	<b>2,313</b>	<b>1,446</b>	<b>(1,071)</b>	<b>(1,325)</b>	<b>(423)</b>

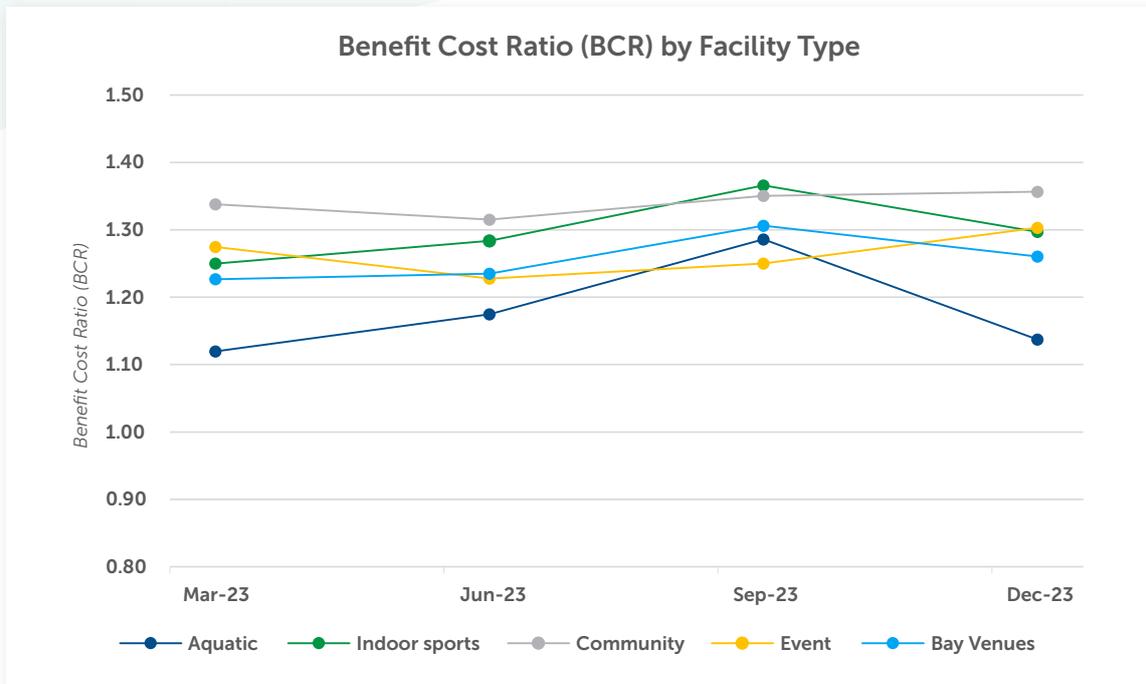
## Cost Benefit Analysis

Bay Venues has recently engaged the support of Fresh Info to develop a method of reporting the net benefit to the community of operating our facilities. The measure we have used to report against is Benefit Cost Ratio (BCR). BCR is defined as overall benefit / overall cost, a positive BCR means the benefits outweigh the costs.

Benefits captured include financial surpluses, value derived by residents who enjoy the facilities, tourism benefits, and any other benefits that can be attributed to the facility.

Conversely the costs include facility operating costs, asset depreciation, value of time and money committed by residents when using facilities, the cost of servicing additional tourism, and any other costs that can be attributed to the facility.

The consolidated Bay Venues BCR for Q2 was 1.26, meaning there is an overall net benefit to the community across all facilities.



### Facility Insights:

- Aquatics decline in Dec'23 (Q2) was due to the scheduled Mount Hot Pools closure. Other Aquatics facilities were busier than normal and overall Aquatics maintained a positive BCR.
- Indoor Sports also saw a slight decline in Q2, which was mainly due to coming off Q1 highs (which included AIMS Games and Gymnastics nationals). Q2 was still above the full year average and maintained a positive BCR.
- Events saw an increase in Q2 BCR due to a steady run of large Baypark events, including Battle of the Trades, Māori Sports Awards and the Festival of Squash.

## 3.3 Sustainability

Our draft sustainability action plan has been completed and will be presented to our Board in H2. This is a key KPI for the end of the year and has been an outcome of collaboration between multiple teams helping form the various pillars of the sustainability team. Planned capital and renewals projects will help enable us to continue working on improvements and deliver on key components of the action plan.

## 3.4 Health, Safety & Wellbeing

### Health & Safety

Lead Indicators	Q1	Q2
Health & Safety Committee Meetings	2	1
Health & Safety conversations completed	10	4
Lag Indicators		
Total incidents recorded	169	89
Critical incidents under Bay Venues control	0	0
Major incidents under Bay Venues control	4	5

Our key achievements in Q2 were:

- The launch of a new Health & Safety (H&S) training offering for our employees addressing the increasing problem of anti-social behaviour within our facilities. Each interactive two-hour workshop was facilitated in-house by a member of our anti-social behaviour committee, with the training discussing a number of topics including what we define anti-social behaviour to be, what to do when faced with it, and the importance of reporting. Our employees are reporting feeling “empowered”, “knowledgeable”, and “valued” as a result of the training.
- A review of the H&S Committee to ensure that we are meeting our Health & Safety at Work Act duties, particularly in relation to the determination of work groups after a change to the organisation’s structure. This review saw the Committee increase in size from 19 worker representatives to 33 representatives.
- The reallocation of FTE from the People & Capability (Human Resources) team to the H&S team to ensure that we can make further progress against our H&S workplan.

## 3.5 People & Capability

The key highlights of Q2 in the people space include:

- The completion of our annual Staff Engagement Survey. We were thrilled to see both a significant increase in our participation rate, as well as our overall engagement score.
- In Q2 we delivered two new offerings to employees under our Learning & Development programme Strive to Thrive – an internally facilitated Recruitment Foundations course to help upskill our leaders, and a cultural connections course, Te Kete a Rohe (offered through Tauranga City Council).
- In November, we ran our second annual Ngā Tohu Toa awards evening. More than 200 members of our Bay Venues team came together to celebrate the great accomplishments our people have achieved over the past year. A number of awards were given to employees across the organisation, with the pride in the room being felt by all.



## 3.6 Customer Experience

### CUSTOMER SATISFACTION YTD

**86%**

Overall Customer Satisfaction

**84%**

Overall Satisfaction with our Staff

**79%**

Overall Satisfaction with the Facility

**87%**

Overall Satisfaction with the Service

*“Everything was great, the staff, the easy set-up, the food was exceptional and the technical staff were so easy to deal with. Definitely top service!”*

*Mercury Baypark event client, September 2023*

*“Great venue, very affordable, staff were so amazing and super helpful. Excellent facilities and was awesome being shown how to use everything”*

*Pāpāmoa Sports & Recreation Centre user, December 2023*

*“After three lessons Lisa has confidence in the water and really enjoys swimming! Thank you for the amazing effort and love you put into teaching”*

*BaySwim customer, November 2023*

## 3.7 Marketing

### **230,764** web visitors (Jul – Dec)

Web traffic (from 11 Bay Venues websites) for the first half of FY24 was steady, with month on month increases coinciding with school holidays. Year on year we have more than doubled web traffic to baycatering.co.nz. Traffic to bayvenues.co.nz and taurangapools.co.nz has increased by 20% and 24%, and mercurybaypark.co.nz has increased by 54% year on year.

### **649,722** social media reach (Jul – Dec)

Our new social media strategy prioritises engagement over post frequency and reach, which has resulted in a decline in our reach year on year, but we are seeing higher levels of engagement. As with our website traffic, social media reach increases during school holidays. The October 2023 school holidays was our highest performing month, with posts reaching over 180,000 people.

## 3.8 IT

Some key projects were delivered within our Technology Roadmap including the successful launch of a new finance system in December, and a human resources information system that paves the way for improvements to business critical processes including recruiting, onboarding, and performance management. Additional benefits including mobile friendly applications and increased security have added value across the board.