



Statement of Intent

2022/2023

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1. Foreword

I have pleasure, on behalf of Bay Venues Limited (Bay Venues), in introducing an updated Statement of Intent (SOI) for the 2022/2023 year.

As Tauranga City Council's (TCC) largest Council Controlled Organisation (CCO), Bay Venues play a major role in contributing to the wellbeing of the people of Tauranga Moana. We are the kaitiaki of a strategic network of community facilities. Our facilities and the experiences we provide, enhance the quality of life for residents of, and visitors to, Tauranga Moana and the Bay of Plenty.

This Statement of Intent (SOI) is presented in accordance with the requirement of Section 64 (i) of the Local Government Act 2002 and incorporates the expectations of TCC as outlined in the revised Enduring Statement of Expectations adopted in December 2018 along with the annual Letter of Expectations dated 13 December 2021. It outlines Bay Venues objectives, nature and scope of activities undertaken, and the performance targets by which we will be measured for the year 1 July 2022 to 30 June 2023.

This is the first SOI produced by the new Bay Venues Board that was appointed in July 2021.

It is fair to say that the last 6-8 months has been a difficult time for the Bay Venues business. However, despite the challenges of the current trading environment highlighted by the Covid pandemic, we wish to assure TCC that the Board, executive and staff of Bay Venues remain fully committed to delivering exceptional outcomes to the people and communities of Tauranga Moana. The Board is also pleased with the strategic re-focusing work that has been completed to date and the recruitment of new CEO, Chad Hooker.

This document will outline Bay Venues strategic approach to meeting Council's expectation of driving significant benefits for the community.

The organisation has had its most difficult year ever during 2021/22 with Covid restrictions taking a heavy toll on financial and operational performance. Restrictions throughout the past year included a three-week lockdown, capacity limits on all venues and the large indoor events being prohibited between January and mid-April 2022. All of this has not only had a negative impact on Bay Venues finances, but it has also had a major negative impact on the confidence of activity and event organisers more generally as well as the general public.

It is anticipated that the business may take some time to recover to pre-Covid performance, but we remain hopeful that we are now through the worst of things and that the situation will improve in 2022/23. However, given the ever-changing landscape that government restrictions in response to the Covid pandemic have on our operations and our customers, we would welcome the opportunity to view this SOI as a 'living document' as we move through the year.



Simon Clarke
Chair
Bay Venues

2. Strategic Vision and Purpose

Our Vision

The Best Venues for the Bay.

Our Mission

We are the Kaitiaki of Tauranga's Network of Community Facilities.

Our Purpose

Connecting our Community through Exceptional Experiences.

Our Values

Manaakitanga | Service

Whakawhanaungatanga | Relationships

Kaitiakitanga | Caring

He Toi Tangata | Excellence

We acknowledge TCC's Purpose and Values and will ensure our Bay Venues strategic focus is aligned with this. To achieve our Vision, Mission and Purpose we will need to work in partnership with TCC and collaborate with a range of partners throughout the wider community.

TCC Purpose

We're here to make Tauranga better.

TCC Values

Pono / Integrity – We do what we say we will do.

Manaakitanga / Respect – We listen to all views and show we care.

Whaia te Tika / Service – We do the right thing for the community and each other.

Whanaungatanga / Collaboration – We work together and create connections.

3. Nature and Scope of Activities

Bay Venues core business is venue ownership and management of community facilities and the operation of venue-based businesses, programmes and services. Bay Venues is also in the business of providing event services and hosting events within its venues.

Assets under Bay Venues management are worth approximately \$125 million and the business employs over 320 full time, fixed term, part-time, and casual staff.

We welcomed over 2.1 million visitors to our facilities in the 2019/20 year, a reduced number of 1.6 million users in 2020/2021 and 1.4 million (projected) in 2021/22 because of Covid. We will continue to work hard to welcome members of our community and visitors to our facilities during 2022/2023.

Bay Venues owns and/or manages twenty-four facilities comprising five aquatic facilities, a Stadium and ancillary buildings at Baypark, one large contemporary multi-purpose recreation and event centre, two indoor sports recreation facilities, three community centres, two community share facilities, eight community halls and a high-performance sports training centre.

Aquatic Facilities (5)	Community Halls & Centres (11)	Indoor Sports Facilities (5)	Other (3)
Baywave	Arataki Community Centre	Trustpower Arena	Trustpower Baypark Stadium
Mount Hot Pools	Elizabeth St Community Centre	QEYC & Memorial Hall	University of Waikato Adams Centre for High Performance
Greerton Pools	Papamoa Community Centre	Mount Sports Centre	Pavilions
Memorial Pool	Papamoa Sports & Rec Centre	Aquinas Action Centre	
Otumoetai Pool	Bethlehem Hall	Merivale Action Centre	
	Matua Hall		
	Greerton Hall		
	Welcome Bay Hall		
	Tauriko Hall		
	Waipuna Park Pavilion		
	Cliff Rd Building		

Aquatic Facilities

Baywave

This is an aquatic and leisure centre, recognized regionally as providing a variety of recreational & leisure, competition, aquatic education, exercise, health & wellbeing activities. The configuration of the lap pool also accommodates synchronised swimming, water polo and underwater hockey as well as regional and national aquatic events. The venue is home to a number of water-based sporting clubs/squads. In 2019 the facility underwent a comprehensive maintenance closure which included the installation of an aqua play facility for children. The next maintenance closure is scheduled for early 2023 to undertake pool maintenance, skylight replacement, new non-slip flooring and to replace failing water pipes.

Several secondary business units operate within the complex which are complimentary to the overall purpose of the facility:

- Learn to Swim (including water safety lessons)
- Clubfit (health & fitness club)
- Café
- Merchandise
- Massage Therapy

Mount Hot Pools

An iconic and unique hot saltwater facility and world-class tourist attraction, providing rest, relaxation, and rejuvenation/rehabilitation for a broad range of visitors. The Mount Hot Pools also provides several physical therapy options for the general public including massage therapy, aqua walking and aquarobics.

Greerton Aquatic & Leisure Centre

An aquatic and leisure centre, providing a variety of fun, safe, well-maintained aquatic and therapy activities for the general public (primarily local). The 18m hydrotherapy pool is popular for rehab and senior adults. Aquatic Evolution Tauranga are anchor tenants of the facility. Other activities which complement the centre include:

- Learn to Swim (including water safety lessons)
- Aqua aerobics
- Clubfit (health & fitness club)

The facility is currently undergoing an extensive refurbishment including new non-slip flooring, seismic strengthening, new changing facilities and a reconfigured entrance. In addition will be new signage and repainting the pools and interior and exterior of the facility.

Memorial Pool

An outdoor seasonal facility with a lap and learners pool, BBQ facilities and green space, providing a safe, clean, maintained environment for families and recreational swimmers to enjoy during the summer months. This pool is at end of life and scheduled to be replaced by a new aquatic complex in Memorial Park in the coming years.

Otumoetai Pool

Otumoetai Pool provides a safe, clean, well-maintained facility servicing the local community, in particular the neighbouring College during school hours and the anchor tenants, Evolution Aquatics Tauranga who are high users of the facility. This is an old facility and we are starting to encounter more significant maintenance issues. Planning for its future will need to be considered.

BaySwim

Bay Venues delivers a quality Learn to Swim programme catering for all ages at Baywave and Greerton Aquatic and Leisure Centres. In addition, BaySwim also provides Water Safety Education for primary school groups as part of our funded Water Safety NZ's 'Water Safety for Life' programme.

Indoor Sports Facilities

Trustpower Arena

The Trustpower Arena is the key sporting venue for indoor sports such as basketball, volleyball, futsal and premier netball. The six-court side of the facility has a focus on community sport while the three-court facility also gets used extensively for community sport when not being used to host events. The facility also provides a range of pay for play sports leagues and programmes that service the community. Within the facility is a licensed café providing quality food and beverage service.

Aquinas Action Centre (Community Share Facility)

Situated on the grounds of Aquinas College, the facility features a single court gymnasium suitable for hosting sport, recreational and cultural activities outside of agreed school access hours.

Merivale Action Centre (Community Share Facility)

This facility is located on the grounds of Merivale Primary, it features a single court gymnasium suitable for hosting sporting / recreational groups and community activities.

Mount Sports Centre

Located at Blake Park, this facility features a single court gymnasium suitable for hosting sporting and recreational groups, community activities and minor events. The facility is also home to Tauranga City Basketball's office. This is an old facility and its future is being considered as part of the Blake Park master plan.

Queen Elizabeth Youth Centre (including Memorial Hall)

Located at Memorial Park, this facility provides the city with a multi-court venue suitable for hosting sporting & recreational groups, cultural and community activities. The venue also hosts a variety of regional and national tournament and events. Pay for play sports leagues and centre-run programmes are also provided at this venue. Planning is underway for the redevelopment of the QEYC to include more court space along with a new aquatics complex, gym and café.

Community Centre-Run Programmes

Bay Venues runs several community focused programmes across the network for pre-schoolers, children, youth and adults including the popular Tumble Time, Funky Fundays, Oddball, coaching clinics, sports days, birthday parties, social badminton and more.

Sports Leagues

Bay Venues organises sports leagues both at the Trustpower Arena and Queen Elizabeth Youth Centre for indoor netball, fastnet, football, and turbo touch.

Community Halls & Centres

Arataki Community Centre

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. Consideration is currently being given to possible expansion of the facility to cater for increasing demand for space.

Bethlehem Hall

This venue is primarily used for local community groups to host a variety of activities. Private functions also use this venue.

Cliff Road Building

This building provides a space for hire and is home to No Compromise box fit group and community dinners. It is also a storage area for the petanque club. The facility is in poor condition and will only operate in the short term until the future of this site is decided.

Elizabeth St Community & Arts Centre

This is a facility for community groups to host a variety of activities. It also provides space for individuals to host private functions. The facility is in average condition and its future will be considered in conjunction with Council's investment in the new Civic Precinct.

Greerton Hall

This is a facility for local community groups to host a variety of activities. It also provides space for individuals to host private functions. Greerton Hall is also used as office space for Greerton Village Mainstreet.

Matua Hall

This venue provides space for local community groups and individuals to host a variety of activities and private functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

Papamoa Community Centre (at the Library)

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. The venue also provides visitors with useful information including activities and services available in the community.

Papamoa Sports & Recreation Centre

Located at Gordon Spratt Reserve, this indoor facility has rooms of varying sizes as well as a range of equipment, to enable community groups to host their activities. There is also a commercial kitchen and licensed bar for groups, businesses and individuals to host functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

Tauriko Hall

This hall provides space for local community groups to host a variety of activities and provides a venue for individuals to host private functions. During the weekdays, Schools' Out hosts an OSCAR programme at the facility. The facility is in poor condition and will be replaced in due course when a new community centre can be established in the Tauriko area.

Waipuna Park Pavilion

This pavilion is for the users of Waipuna Park to utilise for registrations, after match functions and meetings at no charge. Other community groups can also utilise the facility to host their activities.

Welcome Bay Hall

These venues provide space within the local community for community groups to host a variety of activities. They also provide space for individuals to host private functions.

Events

Trustpower Arena

In addition to its purpose as a community indoor sports hub, the three-court side of the Arena acts as the key events facility for the region. When combined with the six-court side of the facility the Arena is a versatile multi-purpose venue with the ability to host any type of event – from community and national sporting fixtures through to trade shows, conferences, gala dinners, corporate hospitality and concerts.

Trustpower Stadium, Baypark

This is Tauranga City's only significant outdoor stadium. It has the capacity for crowds of up to 19,000 people inclusive of seated and corporate hosting areas. It features a 480-metre oval clay speedway track and a turf area (inside the track). The primary activity is Speedway race meetings (15-17 per annum). Trustpower Stadium is also a venue for other events and activities suited to outdoor spaces (drifting and outdoor concerts etc). Corporate boxes and a Premium Lounge are also available for businesses to utilise for hosting, functions or meetings. A master plan is currently underway to consider the future use of the wider Baypark site and how it can best be utilised to benefit the community.

While Trustpower Baypark is regarded as one of the best equipped Speedway venues in New Zealand with a fast, wide clay track and a large well serviced pit area it is showing its age and significant future investment will be required to maintain it. A Promoter is contracted to promote and operate Speedway events at Baypark.

Trustpower Stadium Lounge

The Stadium Lounge is a self-contained venue adjoined to the Baypark Stadium offering a secure and private environment to host public and private functions. Suitable for meetings, conferences, gala dinners, school balls, private functions, weddings and small to medium sized trade shows, this venue can comfortably accommodate up to 500 people for dinner or 900 for performances. For major stadium events, this facility offers the client added flexibility for hosting corporate hospitality or pre and post event activities.

Bay Events

This business unit is primarily responsible for attracting events to Bay Venues facilities. Venue hire, corporate hospitality, signage, corporate boxes, outdoor space hire and event support make up the products and services offered by Bay Events.

Bay Catering

This business unit primarily provides catering services at venues managed by Bay Venues as well as some off-site catering at other venues and events. Bay Catering also operates food and beverage outlets throughout the Trustpower Baypark venue as well as the cafes at Trustpower Arena and Baywave. Bay Catering also have contracts with the Ministry of Education to provide school lunches to children at schools throughout the Bay of Plenty.

Bay Audio Visual

A sound, lighting and audio-visual equipment and support business unit that provides services primarily at the Trustpower Arena, Trustpower Stadium Lounge, Trustpower Stadium and some external off-site events and venues.

Associated Activities

Bay Venues operates several venue-based business units including:

University of Waikato Adams Centre for High Performance

Based at Blake Park opposite Bay Oval, The University of Waikato Adams Centre for High Performance is a high quality facility of over 2,500 m² that include a 652m² gym, plunge pools, physiotherapy, massage and rehabilitation rooms, a sport science laboratory with performance testing, research and acclimatisation facilities, meeting rooms and an athlete's lounge. It caters for a wide range of athletes, high performance organisations, sports science research and athlete medical support services. Current tenants of the Centre include NZ Rugby, BOP Rugby, Body in Motion High Performance Sports and the University of Waikato. Strong demand for space in the facility along with potential development on neighbouring sites has prompted investigations into potential expansion options for the facility.

Clubfit

This is made up of two gymnasiums located at Baywave and Greerton Aquatics Centre. Clubfit provides support and fitness programming to members who have access to mid to high quality equipment.

Merchandise

Bay Venues operates small retail outlets at its aquatics facilities selling swimming apparel and associated products.

BayStation

BayStation is a family entertainment business that operates four different entertainment products including Blokarts, Drift Trikes, Paintball and Lasertag. The operation complements the range of activities on offer at Baypark.

4. Key Areas of Focus for 2022/23

Bay Venues acknowledges TCC's request to focus our business activity to contribute to the following TCC Community Outcomes:

- **We have a well planned city**, with specific reference to supporting planning around the Tauranga Domain, Blake Park and Baypark
- **We are inclusive**, with specific reference to strengthening mana whenua relationships
- **We value and protect our environment**, with specific reference to reducing greenhouse gas emissions

We also note that TCC have asked Bay Venues to ensure its financial reporting is clear and transparent and that Board professional development is undertaken.

In FY23 Bay Venues will continue to develop and execute robust business plans and innovative initiatives that support and deliver the overall objectives of the Bay Venues Strategic Plan.

Key Goals

Primary Goal

1. **Community Benefit** – We host a wide range of successful activities and events (sport, culture, service, recreation and business) within our facilities that collectively enhance the social, cultural and economic wellbeing of Tauranga.

Supporting Goals

2. **High Quality Facilities** – Our facilities and assets are safe, well maintained, professionally managed and fit for purpose.
3. **A High Performing Organisation** – We strive for excellence and foster collaboration and partnership to achieve the best possible outcomes.

Objectives

Community Benefit

1. Host at least 1.6 million visits to our facilities. We will provide analysis broken down by facility type and type of activity.
2. Host at least TBC events and activities* in our facilities across a range of activity types.
3. Support at least 10 diversity and inclusion initiatives during the year.
4. Achieve a customer feedback rating of >85%.
5. Have no preventable serious harm incidents in our facilities.

Strategic Objectives

- *Develop a Wellbeing Reporting Framework in partnership with TCC.*

**Reporting methodology to be confirmed. Target will be comparable with 2020/21 result.*

High Quality Facilities

6. Have no preventable unplanned facility closures.
7. Deliver our capital and renewals programme to business case.

Strategic Objectives

- *Develop a long-term Venue Strategy in partnership with TCC.*
- *Develop a Baypark Masterplan in partnership with TCC.*
- *Develop and implement a Sustainability Plan (including a target to reduce greenhouse gas emission).*
- *Be TCC's strategic delivery partner for community facilities and work collaboratively with them on key strategic projects.*

A High Performing Organisation

8. Achieve our budgeted financial result.
9. Meet regularly with TCC management, key facility users and mana whenua.

Strategic Objectives

- *Agree Memorandum's of Understanding with key Iwi and mana whenua that will include the kaupapa (purpose) and proposed outcomes.*
- *Implement an easily understood and transparent funding-finance model.*
- *Implement a High Performance Programme for key staff.*
- *Implement a Technology Roadmap.*

6. Performance Measures

a. Balanced Scorecard

Activity	Target	Weighting
Community Benefit	Host >1.6 million visits to our facilities. Host >TBC events and activities. Support >10 inclusivity & diversity initiatives. Achieve a customer feedback rating >85%.	50%
High Quality Facilities	No preventable serious harm incidents in our facilities. No preventable unplanned facility closures. Capital and renewals programme on time and on budget.	20%
A High Performing Organisation	Achieve Budgeted EBITDA	20%
Strategic Objectives	All FY23 Strategic Objectives are completed.	10%

b. Financial

Bay Venues Ltd Profit & Loss (000's)	Budget 21/22	Forecast 21/22	Budget 22/23	Forecast 23/24	Forecast 24/25
	Total	Total	Total	Total	Total
Revenue					
User Fees and Charges	21,416	16,361	18,848	19,954	20,824
TCC Community Outcome Subsidy	2,916	3,256	4,030	4,268	4,519
Total Revenue	24,332	19,617	22,877	24,221	25,343
Less Total expenditure before interest and Depreciation	24,331	22,550	24,600	25,829	26,604
EBITDA Profit/(Loss)	1	(2,933)	(1,722)	(1,608)	(1,261)
BVL Funded Depreciation	823	616	677	877	813
BVL funded Debt Servicing	205	414	621	659	724
Suplus/(Deficit) - after BVL capital costs	(1,027)	(3,963)	(3,020)	(3,145)	(2,799)
Add back: Adjustments for funding					
Renewals Grant	6,782	6,782	10,278	5,430	3,126
Debt Servicing Grant	258	258	258	258	258
Debt Retirement Grant	194	194	344	344	344
Less: Other Depn and debt servicing					
Depreciation	5,267	5,267	6,424	6,653	6,883
Debt Servicing	380	380	380	380	380
Net Suplus/(Deficit)	561	(2,375)	1,057	(4,489)	(6,678)

c. Reporting

Bay Venues is committed to supporting TCC's strategic priorities and objectives. Bay Venues will endeavour to respond promptly and appropriately on issues raised by TCC.

Bay Venues will provide TCC with the following information:

i. Statement of Intent (SOI)

Provide TCC with a draft SOI by 1 March 2022 and a final SOI by 30 July 2022

ii. Annual Report

Provide an Annual Report to TCC within two months after the end of the financial year. This will comply with section 68 of the Local Government Act 2002 and include the following:

- a. Board report including summary of the financial results, a report of the operations, a comparison of performance in relation to objectives and any recommendation as to dividend;
- b. Audited financial statements for the financial year in respect of the Company, and;
- c. The Auditor's report on:
 - i. Those financial statements; and
 - ii. The performance targets and other measures by which performance has been judged in relation to the objectives.
- d. The audited financial statements shall consist of:

- i. Statement of Financial Position; and
- ii. Statement of Comprehensive Income; and
- iii. Statement of Movements in Equity; and
- iv. Statement of Cashflows; and
- v. Disclosure of Related Party Transactions; and
- vi. Notes to the Financial Statements; and
- vii. Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

The annual report is to be presented in the format prescribed by TCC to enable consolidation into the Group.

iii. Quarterly Reports

As soon as practicable after the conclusion of each quarter, Bay Venues will provide TCC with a report of performance against the SOI including:

- a. Summary of Financial Performance
- b. Summary of Financial Position
- c. Report on non-financial KPI's year to date
- d. Commentary on performance for the preceding quarter
- e. Commentary on expected performance for the next quarter

A Quarterly Report will not be required for Q4 where the Annual Report is provided instead.

iv. Quarterly Meetings

Upon request by TCC, members of the Board of Bay Venues will meet with the TCC Commissioners and/or their appointed representative(s) quarterly in a confidential, informal workshop to discuss and review issues of common interest.

v. Half Yearly Governance to Governance Meeting

The Board of BVL will meet with the full Council of Elected Members/Commissioners of TCC every six months in a confidential, informal session to discuss and review any issues of common interest.

vi. Half Yearly Mayor/CEO to Chair/CEO Meeting

The Commission Chair and CEO of TCC will meet with the Chair and CEO of Bay Venues every six months, three months before or after the Governance-to-Governance meeting, to discuss and review any issues of common interest.

vii. No Surprises

Notwithstanding the reporting requirements the Board will operate on a 'no' surprises' basis to ensure that TCC is appraised as soon as is practicable, of any event or the possibility of an adverse effect of an economic, social or political nature.

6. The Board's Approach to the Governance of BVL

The Directors of Bay Venues are responsible for the stewardship and future well-being of the organisation. Directors exercise leadership, enterprise, integrity and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity and effectiveness. In discharging their responsibilities Directors have a duty to act in the best interest of Bay Venues as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the legal entity defined in the Bay Venues Constitution consistent with 1.3.1 of the Companies Act.

More detailed obligations in relation to both the Directors obligations to Bay Venues and TCC's obligations to Bay Venues are outlined in the Enduring Statement of Expectations (ESE).

7. Board Performance Reviews

A Board led bi-annual review will be undertaken in July/August 2022 by an independent entity, with results reported to TCC. This review will be conducted within the Institute of Directors (IoD) "Better Boards" programme providing comparative data to prior reviews by IoD.

The report will provide assessment on the Board's performance within:

- Chair and Individual Director effectiveness.
- Board policies and procedures/effectiveness.
- Overall Board effectiveness, dynamics and connectivity to Stakeholder and Community.

8. Ratio of Consolidated Funds

In November 2014 TCC resolved that an appropriate starting debt equity ratio of 20:80 is appropriate for Bay Venues, but the ratio may change up to 25:75. This ratio is calculated as: Debt to Equity Ratio = Total Debt / Total Equity.

9. Estimate of Commercial Value

The Board estimate that the commercial value of the TCC's investment in Bay Venues is represented by the net assets of Bay Venues. This value is calculated from total assets less liabilities.

10. Accounting Policies & Other Compliance

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993.

11. Dividend Policy

Any retained surpluses over \$250,000 (nett after depreciation and interest) must be approved by Council unless otherwise agreed or prevented due to legal requirements.

Council may decide to reinvest part or all the surplus into Bay Venues if Bay Venues establishes a compelling investment proposal and/or using such option to retire debt

In determining funds that are 'surplus', Council will consider the operating result against budget including the accounting surplus, the underlying cash surplus, and surpluses generated from particular activities.

12. Procedures for Acquisition of Other interests

Pursuant to the Constitution, Bay Venues will only invest in the shares of a new or existing company or organisation with the prior approval of TCC. Where the Board consider the size of the acquisition warrants it, they will have due diligence carried out prior to any binding agreement being made.

13. Other Matters Agreed as Between the Directorate and the Shareholders

Bay Venues shall enter, where necessary, such agreements with TCC giving effect to any restrictions, requirements and obligations required by TCC.

Due to the impact of Covid over the past year Bay Venues revenue and profitability has been significantly negatively impacted. While existing loan arrangements with TCC are sufficient to cover this in the short term, Bay Venues wishes to signal to TCC a need to review the funding and/or loan arrangements to ensure that the business can continue to operate.

14. Transactions between Related Parties

Transactions between TCC and Bay Venues will be conducted on a commercial basis (fair and reasonable) and if appropriate contestable basis.

Other related party transactions will be on a commercial basis and in accordance with Bay Venues procurement policy.

15. Compensation from Local Authority

Compensation for any services provided to the TCC has been agreed as per the revised Enduring Statement of Expectations and the Letter of Expectations.

Council provide Bay Venues with an operating grant of \$3.448m, which increases annually with CPI. TCC's operating grant to Bay Venues helps deliver:

- Business related outputs, which apply across all facilities
- Community related outputs which apply only to the facilities and activities that are considered to have a community focus.

The outputs expected of Bay Venues are detailed in section 4 of the ESE.

Schedule 1 – Enduring Statement of Expectations

Schedule 2 – Annual Letter of Expectation FY23