



# BAY VENUES REPORT

Prepared for  
Tauranga City Council  
Q4 FY24 (Apr - Jun 2024)



Bay Venues

Tauranga City

# 1. Executive Summary

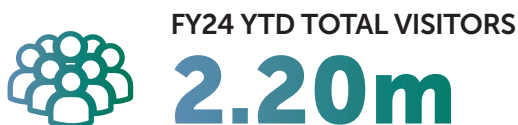


(↑ \$354k or 1% ahead of budget, 8% ahead of prior year)



(↓ \$238k or 11% behind budget, and 16% behind prior year)

EBITDA excludes provision for \$180k to calculate prior year Holidays Act remediation costs (taking total reported EBITDA to -\$2.59m)



(↑ 10% ahead of budget, 4% ahead of prior year)



(↑ 1% ahead of target, ↓ 2% behind prior year)

## Welcome to the Bay Venues Q4 report for FY24.

Bay Venues' network of community facilities hosted more than 2.2 million visits this year, an overall increase of 4% compared to last year. There were 68 sporting and aquatic tournaments, 83 significant events, and 56 cultural activities and events.

Despite the challenging economic environment, people are still prioritising their health, wellbeing, and community connection; attending our venues in the same numbers, sticking to their daily and weekly routines. Our Aquatics, Community Centres & Halls, and Sports & Fitness facilities all recorded more visits year on year.

However, during those visits, people have been spending less. The increased pressure on household discretionary income has meant fewer add-on purchases, most notably across Aquatics, as well as an ongoing impact on events and events-related business, such as catering. This is reflected in the drop in Mercury Baypark visit numbers this year.

As a result of these economic headwinds, we have seen margins reduced in some areas of our organisation and our FY24 financial operating result has fallen behind budget. We have also increased investment in security and maintenance.

We are closely monitoring economic conditions and working proactively to manage any impact on our financial results, making significant efforts to reduce costs and generate additional revenue, while maintaining operational delivery and our high level of customer satisfaction, which was 86% for the year.

The final quarter of the year had many highlights, including the continued growth of culturally diverse and inclusive activities, events, and initiatives hosted in our venues – from swimming classes for babies delivered in te reo Māori at Greerton Aquatic & Leisure Centre, to a festival of disability sport at Mercury Baypark Arena, and a Nepalese New Year celebration at Pāpāmoa Sports & Recreation Centre. Our team is working alongside many different cultures and communities in Tauranga to connect them to our facilities around the city.

This quarter also saw progress on several key facility projects, including the Cameron Road indoor sports facility, Memorial Park Aquatic Facility, and Baypark Master Plan, which will see Tauranga Netball Centre move from Blake Park to Mercury Baypark. We are excited about this opportunity, with the relocation on track to be completed in 2026.

Bay Venues is working closely with Tauranga City Council on all these projects and would like to thank the outgoing Commissioners for their leadership in planning for future growth across the city.

Congratulations to our new mayor Mahé Drysdale and the nine new city councillors. We look forward to continuing our work with Tauranga's elected members.



Chad Hooker, CEO



Simon Clarke, Board Chair

The statistics in this report are for the year to date and include all four quarters of FY24. Financial numbers presented are still subject to our independent audit. The commentary, however, is focused on activities specific to Q4 FY24. This report follows on from the Q3 FY24 report supplied to Tauranga City Council in May 2024. Our Annual Report & Annual Audited Financial Statements will provide an overview of the FY24 year.

\*Council (our shareholder) has agreed to facilitate the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan.

## Key Achievements

- There were more than 2.2m total visits to our network of community facilities across the city in FY24, an increase of 4% compared to last year.
- As part of Tauranga City Council's Active Reserves Master Plan project, Tauranga Netball Centre will be moving from Blake Park to Mercury Baypark. This exciting project is on track for netball to be relocated in 2026.
- We are continuing to see growth in the number of culturally diverse user groups, activities and events hosted in our facilities, especially in our Community Centres & Halls.
- New and inclusive swimming initiatives have started in our aquatic venues, including classes for babies delivered in te reo Māori, and sign language swimming classes for people with hearing disabilities.
- The Adams Academy has 118 memberships, an increase of more than 30% on last year. Several athletes who train at the Adams Centre for High Performance, including members of the New Zealand Sevens teams, Hayden Wilde, Sam Tanner, and Eva Morris, are competing at the Paris 2024 Olympics.
- The Healthvision Festival of Disability Sport returned to Mercury Baypark Arena, with a wide range of sports and activities on offer for athletes from around the country.
- Live sport and entertainment held at Mercury Baypark this quarter included televised Sal's NBL basketball and ANZ Premiership Netball, a new Muay Thai event livestreamed to 12 countries around the world, a youth hip hop dance competition, a performing arts competition, and motorsport.
- The Mercury Baypark Stadium floodlights have been upgraded to energy efficient LED. These lights will provide improved lighting for the Baypark Speedway track and address safety concerns around track lighting.
- In our Health, Safety and Wellbeing space, there were no lost time injuries reported this quarter.
- Our Facilities team has been resourced to deliver the increased capital, maintenance and renewals programmes under Tauranga City Council's Long-Term Plan.

## Key Challenges

- Our FY24 financial operating result has fallen behind budget because of the challenging economic environment, increased costs, and increased pressure on household discretionary income. This saw margins reduced in some areas of our business, particularly events as well as events-related business, such as catering. This is an industry-wide issue with some events downsized or cancelled. Despite attendance remaining high, we have also experienced people spending less in our aquatic facilities on add on purchases. Significant efforts to reduce some of our controllable costs have been successful, but not enough to offset the drop in discretionary spending. There has also been increased investment across our venue network in additional security measures and maintenance.
- Many of our ageing venues require significant maintenance and renewals, including work to improve the earthquake resilience of key buildings at Mercury Baypark.
- Reprioritising our capital plan to deliver Tauranga City Council's Baypark Master Plan project has meant other projects have been pushed out, most notably the expansion of the Adams Centre for High Performance.



## Emerging Risks and Opportunities

- We are working closely alongside Tauranga City Council on the design and delivery of several key facility projects that will ramp up over the coming months, including the Cameron Rd indoor sports facility, Memorial Park Aquatic Facility, and the Baypark Master Plan.
- Queen Elizabeth Youth Centre (QEYC) is currently scheduled to close at the end of this year when Term 4 sport is complete. The decommissioning of this building will align with the opening of the new indoor sports facility on Cameron Rd.
- We continue to work collaboratively with Tauranga City Council, the Ōtūmoetai community, as well as key user groups and stakeholders, to explore the current state of Ōtūmoetai Pool and options going forward.
- Greerton Aquatic & Leisure Centre will temporarily close for planned renewals and maintenance for five weeks, from Monday 16 September 2024. Clubfit gym upstairs will remain open for most of the project and will have an alternative entrance.
- The Government's Ka Ora, Ka Ako | Healthy School Lunches programme in primary schools is unchanged for the next two years (2025/26) which is predominantly where Bay Venues' Hearty Kai team operates. However, programme savings targets might present challenges in future. We are continuing to build strong relationships with the Ministry of Education and other suppliers to proactively address future risks or opportunities.
- Tauriko Hall, built in the late 1930s and in poor condition due to its age, is scheduled to be decommissioned in September 2024, timed to align with the SH29 Tauriko Enabling Works. Bay Venues has worked with all regular users of the hall to find alternative locations for their bookings in advance of the hall closing and has kept key stakeholders up to date.
- A significant change to BayStation activities at Mercury Baypark has seen the drift trikes activity discontinued in Pavilion 3 and the space converted into an indoor skating rink, to be run by Bay Roller Sports. Paintball and laser tag will now operate under our existing BayActive community sports brand and the outdoor area where these two activities are played has been temporarily closed while we undertake maintenance and improvement work.
- Planning has begun for upgrade projects at Bethlehem Hall and Greerton Hall over summer, as well as minor improvement works at Matua Hall and Welcome Bay Hall.
- Generating revenue to offset the cost of running community facilities is even more topical in the current economic climate. There are several initiatives underway or being actively explored that we intend to implement in FY25, including additional billboard advertising, expanding our commercial partnership network, upselling and bundling products/services, as well as improving and expanding our retail catering offer.



# Community Outcomes

## VISITORS

	Q4 FY23 YTD	Q4 FY24 YTD	Variance
Aquatics	766,384	829,524	+8%
Community Centres & Halls	336,649	358,184	+6%
Sports & Fitness	762,223	803,232	+5%
Mercury Baypark	247,507	209,531	-15%
<b>Total</b>	<b>2,112,763</b>	<b>2,200,471</b>	<b>+4%</b>

**68**

Sporting & Aquatic  
Tournaments YTD

**56**

Cultural Activities &  
Events YTD

**31**

Diversity & Inclusion  
Initiatives YTD

## FY24 YTD REVENUE

**\$27.3m**

**TOTAL**  
(1% ahead of budget and 8%  
ahead of prior year)

**\$1.3m**  
COMMUNITY  
HUBS

**\$7.2m**  
ASSOCIATED  
ACTIVITIES

**\$0.8m**  
BUSINESS  
SUPPORT

**\$2.4m**  
EVENTS

**\$9.1m**  
AQUATIC & LEARN  
TO SWIM

**\$6.5m**  
SPORTS & FITNESS

## TAURANGA CITY COUNCIL FUNDING:

**\$5.2m**

OPERATING GRANT (incl. within above operating revenue)

**\$5.9m**

RENEWAL CAPITAL FUNDING

## 2.1 Aquatic Facilities

The Aquatics network hosted 829,524 visits this year, which was up 8% compared to last year and 5% ahead of target. BaySwim enrolments – 8,784 for the year – were ahead of target by 15%.

There were 207,000 visits to our Aquatics venues in Q4, which was marginally below forecast. Milder winter temperatures and the challenging economic environment have had an impact.

While Baywave attendance numbers remained steady, spend per head decreased, with fewer purchases of extra services such as the hydroslide, spa, sauna, and steam room. Visits to the Mount Hot Pools dropped by 12% compared to the same period last year, again reflecting the squeeze on discretionary spending and warmer winter months.

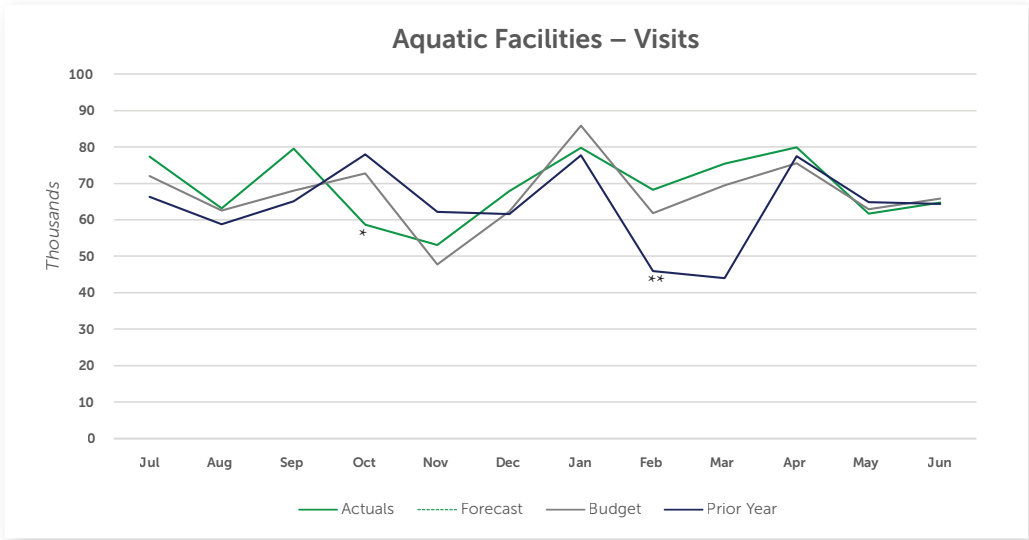
BaySwim had a good quarter with almost 2,500 term enrolments, which was 12% ahead of target.

Swimming classes for babies delivered in te reo Māori have started every Tuesday in the learner pool at Greerton Aquatic & Leisure Centre. This is run by Toi Tangata, an agency that specialises in healthy living and learning based on Te Ao Māori principles. About 10 whānau have been coming along to the weekly lessons so far. BaySwim is also starting sign language swimming classes for people with hearing disabilities.

Our water safety programme for school kids was delivered to 2,864 students from 21 schools throughout the year. Thanks to funding from Water Safety NZ, New Zealand Community Trust, and the Acorn Foundation, these tamariki were able to participate in four to five hours of water safety lessons.

Time and resources spent training lifeguards at our busy aquatic centres is as important as it has ever been. A recent incident saw lifeguards save the life of a man who suffered a medical event in a





**2,864**  
TAMARIKI ATTENDING WATER SAFETY LESSONS YTD

**2,430**  
DISABILITY AQUATIC MEMBERSHIPS

**8,784**  
BAYSWIM TERM ENROLMENTS YTD

\*2024 Mount Hot Pools planned closure for renewals and maintenance.  
\*\*2023 Baywave planned closure for renewals and maintenance.

pool, requiring resuscitation. The lifeguards’ response was commended by a local police officer who attended the incident. Bay Venues and Tauranga City Council continue to work closely with Ōtūmoetai community members, an independent aquatics expert, and other key user groups and stakeholders to explore the current state of Ōtūmoetai Pool and options going forward. A dedicated working group has been formed to investigate the pool’s future in collaboration with the local community. The working group has representatives from the Ōtūmoetai community, EVO swimming club, Ōtūmoetai College, Tauranga City Council, and Bay Venues. There is also an external independent aquatics expert in the working group. A detailed condition assessment and geotechnical investigations are being undertaken to inform future decision making.

The Tauranga City Council project to build a new aquatic facility at Memorial Park has now entered the preliminary design stage and Bay Venues is heavily involved in the project team, providing operational aquatics expertise and guidance.

Preparations are underway for the temporary closure of Greerton Aquatic & Leisure Centre for planned renewals and maintenance later this year. The venue will be closed for five weeks, from Monday 16 September. During this time, all three pools will be emptied, and the internal pool tanks and exterior pool surrounds will be resurfaced. The entire plant room will be shut down to undertake a mechanical service and deep clean, as well as maintenance on the filter tank surfaces. The temporary hydrotherapy pool access ramp will be replaced with a permanent ramp, the floor in the entry lobby area will be levelled out, and atmosphere controls will be installed in the reception area.

The Clubfit gym upstairs will be getting a new roof, however the gym will remain open for most of the project and will have an alternative entrance.

Each of our aquatic facilities is closed every few years for important preventive maintenance and renewals work such as this, which cannot be completed when the pools are operating. This reduces unexpected outages and ensures the complex infrastructure inside our pool plant rooms – which operate 24 hours a day, seven days a week – are kept in good working condition.

We will also be drilling a new hot water (geothermal) bore outside Greerton Aquatic & Leisure Centre to replace the existing bore which is the original and is coming to the end of its useful life. This geothermal bore provides hot water for our pools and showers and is vital for water temperature control and also pool hall heating.

## SUSTAINABILITY

We have installed smart meter monitoring at Baywave to track and analyse energy consumption trends. These insights will enable us to make informed operational changes, further reducing our energy usage and enhancing overall efficiency. We plan to introduce smart meters at other venues with high energy usage.

## Aquatics

“Your cleaners are extremely diligent and helpful. Never seem to be angry or frustrated with the jobs they are required to do. The entire Aqua deep-water crew have individually all commented on their work. Please pass this on. Extremely hard to get and keep good staff!”

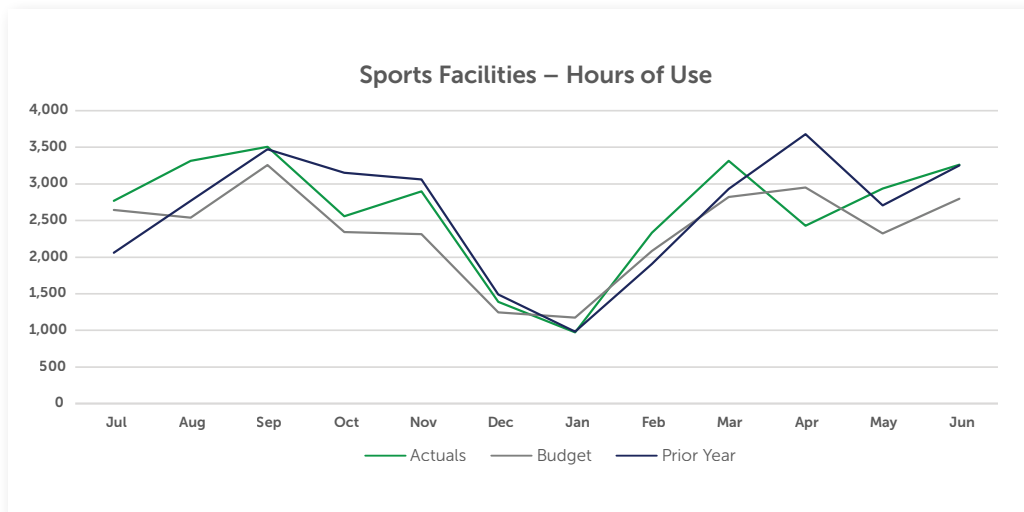
– Baywave Customer, May 2024

**83.7%**  
Overall Customer Satisfaction

**53,500**  
Website Visitors

**322,051**  
Social Media Reach

## 2.2 Sports & Fitness Facilities



**99,963**  
PROGRAMMES – ADULTS & SENIORS YTD

**104,383**  
PROGRAMMES – CHILD/ YOUTH YTD

**22,014**  
PROGRAMMES – PRE-SCHOOL YTD

**438**  
REHABILITATION MEMBERSHIPS (GREEN SCRIPT + AWA MEMBERSHIPS)

Note: Sports Facilities include Mercury Baypark Arena six court, Queen Elizabeth Youth Centre and Memorial Hall, Mount Sports Centre, Aquinas Action Centre, and Merivale Action Centre.

There was a steady increase in indoor sport facility usage in Q4, with attendance ahead of budget by 6% and hours of use above the same period last year.

Our BayActive social netball and football leagues hosted 144 teams each week this quarter, and there were more than 10,000 other visits to centre-run programmes. Casual drop-in, pay-for-play social badminton numbers have increased by more than 50% when compared to Q4 last year.

The Filipino community held two successful basketball tournaments at Mercury Baypark Arena in Q4. The first event attracted more than 1,000 attendees. The second event, supported by Tauranga City Council, attracted over 6,000 people, included cultural craft and food elements, and was attended by dignitaries from the Philippine Embassy.

The BayActive offering has been expanded to include paintball and laser tag, which are both getting a site refresh at Mercury Baypark. This means BayActive customers planning a birthday party or team building session can combine paintball and laser tag with popular indoor sports like basketball, dodgeball, soccer, or touch rugby.

Clubfit and the Adams Centre for High Performance achieved net membership growth over the quarter.

Clubfit membership, despite declining by 3% in June, reached 2,717 financial customers, which was equal to the closing position of FY23. Clubfit has maintained 420 Green Script members.

The Adams Academy closed the quarter with 118 memberships, an increase of more than 30% on the previous year – a positive sign signalling the number of up-and-coming athletes in the city and referrals from High Performance Sport New Zealand. Several athletes who train at the Adams Centre for High Performance are at the Paris 2024 Olympics, including members of the New Zealand Sevens teams, triathlete Hayden Wilde, 1500m runner Sam Tanner, artistic swimmer Eva Morris, and hockey umpire Rachel Williams.



### Festival of Disability Sport at Mercury Baypark

The Healthvision Festival of Disability Sport returned to Mercury Baypark Arena on 27 & 28 April, with a wide range of sporting codes and activities on offer. The two-day festival, hosted by Parafed Bay of Plenty, is one of New Zealand's largest disability sporting events and saw physically disabled athletes from around the country competing in everything from wheelchair rugby and wheelchair basketball to badminton, boccia, hockey, flag football, cricket, and table tennis.

The festival, which also featured have-a-go sessions as well as the Disability Sport Awards and dinner in the Arena's Lion Foundation Centre, was open to anybody with a physical disability, including low vision and hearing impairments, as well as whānau, friends and supporters.

The project at Greerton Aquatic & Leisure Centre later this year presents an opportunity for the Clubfit gym upstairs to make improvements and lift its service offering. As well as getting a new roof, Clubfit Greerton will be getting new showers, upgraded bathrooms, and new and updated equipment.

Bay Venues continues to work alongside Tauranga City Council on the Cameron Rd indoor sports facility project and the transition from Queen Elizabeth Youth Centre (QEYC). We are also working closely with mana whenua, sports and recreation organisations and user groups, as well as other key stakeholders. QEYC is scheduled to close at the end of this year when Term 4 sport is complete.

The new central city home of indoor community sports and recreation in Tauranga, located just 750m up the street in the old Warehouse building on the corner of Cameron Rd and 10th Ave, will open early next year allowing QEYC to be decommissioned. The new facility will feature four basketball-size indoor courts and will be home to a variety of community sports and recreation activities.

Bay Venues is also involved in the Active Reserves Master Plan project involving Mercury Baypark. As part of Tauranga City Council's city-wide plan to improve sports and recreation facilities and reserves to support our growing population, Tauranga Netball Centre will be moving from Blake Park to Mercury Baypark.

Both the Council and Bay Venues are actively working with Tauranga Netball on their relocation. This collaboration currently includes detailed design work for the courts and buildings, with the project on track for netball to be relocated in 2026.

Reprioritising our capital plan to deliver the Active Reserves Master Plan project at Mercury Baypark has meant other venue projects have been pushed out, most notably the proposed expansion of the Adams Centre for High Performance, which will be postponed until 2027.

The focus at the Adams Centre has now shifted to significant renewals and capital works to improve venue functionality. Project planning is underway.

## Sports & Fitness

*“Quality facility. Need further funding to ensure it remains a world class facility.”*

*– Adams Centre for High Performance Customer, June 2024*

**88.9%**  
Overall Customer Satisfaction

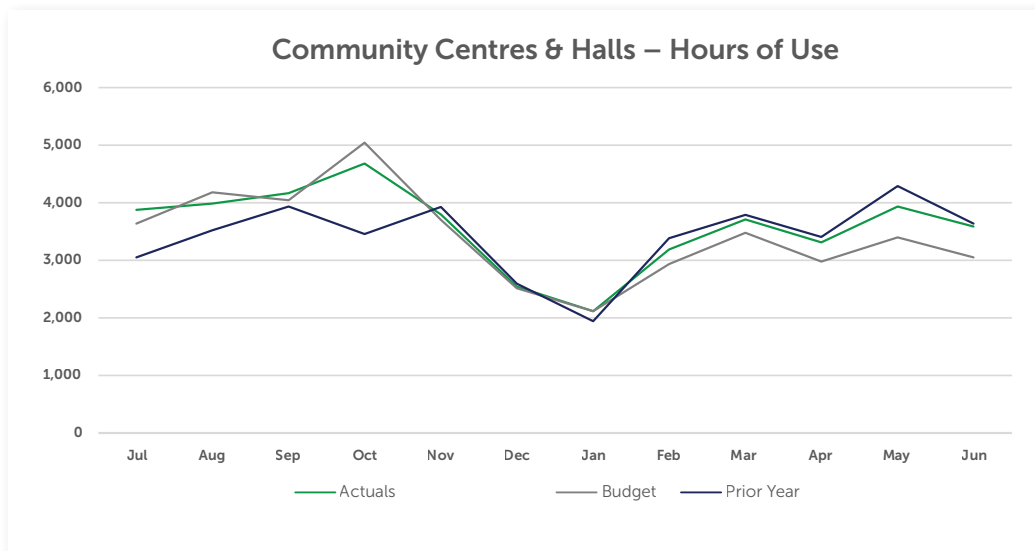
**15,059**  
Website Visitors

**101,755**  
Social Media Reach





## 2.3 Community Centres & Halls



Hours of use across our Community Centres & Halls were higher than budgeted in Q4 but slightly lower than in the same period last year.

There was a decline in bookings and there were also cancellations, especially during the second half of the quarter. This is likely due to the current economic environment and the pressure that is putting on some of our user groups.

We continue to see growth, however, in the number of culturally diverse user groups, activities and events hosted in our facilities. Our team is working alongside many different cultures and communities in Tauranga to connect a diverse range of people and groups to our venues around the city. Our Community Development Ambassador regularly meets with cultural community groups to develop these connections in person and also visits cultural centres and places of worship to gain a deeper understanding.



### Pride of Pāpāmoa

A new 90 square metre mural honours Pāpāmoa legend Sarah Hirini, one of the world's greatest ever rugby sevens players and a member of the gold medal winning Black Ferns Sevens team at the Paris 2024 Olympics. It took local artist Millie Pidwell two weeks to paint the mural by hand at Pāpāmoa Sports & Recreation Centre, a community facility in Gordon Spratt Reserve that will soon celebrate its 30th birthday. This mural is the first of six commissioned by Tauranga City Council around the city as part of its Tauranga Tiahuia Mural Project. These murals will be revealed throughout the year and were funded by the Department of Internal Affairs through the Hine te Hiringa – Empower Women Utilising FIFA Women's World Cup 2023 Fund.

In May, we organised for a group of Bay Venues staff to visit Gurudwara Sikh Sangat Tauranga to learn more about Sikh beliefs and customs. Bay Venues was recognised and thanked by several different groups at a recent multi-ethnic forum for our Community Development Ambassador Justine Knowles' ongoing engagement and for her support and involvement in many new initiatives and events across the city. Bay Venues was also acknowledged as a valued partner of Multicultural Tauranga during its AGM and in its Annual Report.

Among the many different cultural activities and events hosted in our facilities this quarter was an ethnic women's hui at Arataki Community Centre, a Nepalese New Year celebration at Pāpāmoa Sports & Recreation Centre, and an Eid celebration for the Pakistani community at Matua Hall.

Pāpāmoa Sports & Recreation Centre hosted several event highlights in Q4, including a Tauranga Netball Centre quiz night fundraiser with about 200 people in attendance, the Bay of Plenty Classic arm-wrestling competition with about 250 people, and a Pāpāmoa Bulldogs rugby league club day and memorial event with more than 300 people.



Tauriko Hall, built in the late 1930s and in poor condition due to its age, is scheduled to be decommissioned in September 2024, timed to align with the SH29 Tauriko Enabling Works. The hall is no longer fit for purpose and given the substantial cost of necessary repairs, Tauranga City Council has made the decision to demolish the hall.

The last day of use is scheduled for Friday 30 August. Preparatory work will begin in September and the demolition will take place during the Term 3 school holidays, from the end of September to mid-October. Bay Venues has worked with all regular users of the hall to find alternative locations for their bookings in advance of the hall closing and has kept key stakeholders up to date.

Bay Venues is also working alongside Tauranga City Council on the Gate Pā Community Centre project, and looking at what the preferred management model for the facility could be.

Planning has begun for upgrade projects at Bethlehem Hall and Greerton Hall over summer, as well as minor improvement works at Matua Hall and Welcome Bay Hall.



### A special guest from Vanuatu

Pāpāmoa Sports & Recreation Centre hosted the Honourable Deputy Prime Minister and Minister of Foreign Affairs of Vanuatu, Matai Seremaiah Nawalu, in May. The event was organised by the Ni-Vanuatu Bay of Plenty Association Aotearoa. There were 300 guests filling the venue, with another 150-plus outside catching every word via the PA system. There was also a BBQ set up outside and the field lights were put on, creating a great atmosphere. Venue supervisor Monique O'Reilly has developed a close relationship with the local Ni-Vanuatu community. Pāpāmoa Sports & Recreation Centre has become their home away from home for large community gatherings and celebrations, including a special Vanuatu Children's Day event coming up in July. The venue was also a polling station during the recent Vanuatu referendum, with more than a thousand voters visiting over five days.

## Community Centres & Halls

*“Everything was perfect. The staff and the full occupied rooms with kitchen facilities, everything perfectly blended together for me.”*

*– Pāpāmoa Sports & Recreation Centre Customer, June 2024*

**93.8%**  
Overall Customer Satisfaction

**21,200**  
Website Visitors

**102,045**  
Social Media Reach

## 2.4 Events

### 83 Significant Events (over 500 pax) YTD

There was a wide variety of sporting content on display at Mercury Baypark this quarter, from televised Sal's NBL basketball and ANZ Premiership Netball, to the Muay Thai Lights Out Fight Series (livestreamed to 12 countries around the world), PROJECT youth hip hop dance competition, Baypark Speedway, and the D1NZ National Drifting Championship Grand Finale.

Mercury Baypark Arena hosted eight home games for the Tauranga Whai Men's Basketball team in Q4, as well as two packed ANZ Premiership Netball games with the Waikato Bay of Plenty Magic. The Arena also hosted New Zealand Rugby for an event announcing the New Zealand Sevens team for the 2024 Paris Olympics, as well as the Showquest Aotearoa performing arts competition which returned after a hiatus with the Bay of Plenty show proving to be the largest nationwide.

The Baypark Speedway season ran all meetings with no weather cancellations and closed with the Bay Smackdown Season Finale in April. Mercury Baypark also welcomed an ice rink in time for the school holidays.

There were also several high-profile entertainment event announcements this quarter, including 7 Days Live, comedian Sarah Millican, and Crowded House.

The squeeze on discretionary income continued to impact the events industry this quarter and this resulted in quieter periods at Mercury Baypark, as well as slower than usual ticket sales and fewer attendees at some events.

Costs have been controlled with prudent management and the Events team at Bay Venues has been working hard to stay connected with clients to understand their approach to the challenging economic environment, while also managing client expectations due to smaller than usual event budgets.

Business events were typically smaller in Q4 and the Mercury Baypark Arena Suites were less utilised through April and May than previous years, with things picking up in June.



By the end of the quarter, the level of interest in future venue bookings was starting to look more positive as hirers see things picking up in future months.

Members of our Events, Bay Audio Visual, and Bay Catering teams were on the ground in Rotorua at MEETINGS 2024 – New Zealand's premier trade show for anyone involved in the conference, meetings, events, exhibition, and travel incentive industry. Mercury Baypark and our events-related businesses were showcased alongside our city partners Tourism Bay of Plenty, Tauranga City Council, and Trinity Wharf, supported by tourism operator pop ups. Ahead of MEETINGS 2024, we hosted a famil tour of Mercury Baypark for Professional Conference Organisers.



## Events

“The booking process was great.”

– Mercury Baypark Arena Suites Customer, April 2024

**85.7%**  
Overall Customer Satisfaction

**11,600**  
Website Visitors

**390,987**  
Social Media Reach

## 2.5 Associated Activities

### Hearty Kai

**235,193** Lunches YTD (in line with budget and 12% below prior year)

The Government announced some changes to the Ka Ora, Ka Ako | Healthy School Lunches programme this quarter. The primary school model is unchanged for the next two years (2025/26) which is predominantly where Bay Venues operates with only a few lunches contracted at secondary school level. Targeted savings are expected to apply pressure on Bay Venues/Hearty Kai as a provider in future, and we are continuing to liaise with the Ministry of Education and other suppliers to strengthen our relationships and understand any future risks or opportunities.

Special lunches are a great way of connecting with tamariki and rangatahi. In June, the Hearty Kai kitchen prepared more than 1,100 special Matariki meals for 11 local schools.

These were individual hot hāngī-style lunches with chicken nibbles, kūmara, pumpkin, potato, homemade tasty stuffing, mānuka smoke oil – all wrapped up in cabbage leaves and steamed in the oven. Dessert was fruit salad and custard, sprinkled with Flake chocolate sticks. This special meal was well received by the schools and the amount of thought and effort that went into it was recognised. It was a good chance for the Hearty Kai team to build on their already strong relationships with the schools and students.

### Bay Catering

Bay Catering has been involved in some great events this quarter, including large dinners for EVES Real Estate and Bayleys, the Muay Thai Lights Out Fight Series, the New Zealand Sevens Olympic team announcement, the Craigs Investment Partners State of the Nation event, and the D1NZ National Drifting Championship Grand Finale.

The strong economic headwinds that are having an ongoing impact on the events industry continue to have a knock-on effect for Bay Catering, with full year EBITDA \$388k behind budget. Most of this budget variance is due to staff costs, reflecting our commitment to paying Living Wage rates for our full-time staff and resulting from a continued trend of smaller events, which incur higher relative staff costs per event.

Fewer attendees and less spending have affected our revenue significantly. For example, the D1NZ National Drifting Championship Grand Finale saw a 27% drop in revenue compared to the previous year, mirroring trends we have seen at a number of large events.

Bay Catering has been working on its retail café strategy this quarter, of which a key part was developing our food story, highlighting our strong connection to supporting local. Kotahitanga: A Culinary Connection to Our Community. By local, using local, for local and giving back to local.



### Bay Audio Visual

Bay Audio Visual performed well in FY24 despite the economic challenges, with a strong second half of the year and Q4 helping produce a \$200k EBITDA profit, \$45k ahead of budget.

Recent investments in LED and projection equipment have presented new opportunities and been well utilised. The Bay Audio Visual team has also been involved in several new events.

One highlight for the quarter was delivering audio visual packages for the Tauranga Whai Men's Basketball team, which played eight home games in Q4 at Mercury Baypark Arena in their inaugural Sal's NBL season.

### SUSTAINABILITY

Bay Venues has reduced overall energy consumption across its venue network by more than 10% in FY24. One of the contributing factors is a series of strategic energy-saving initiatives we have implemented, including new LED energy efficient lighting at Mercury Baypark Arena, and geothermal heating for the Aqua Play area at Baywave.



The Bay Audio Visual team was also involved in the new Muay Thai Lights Out Fight Series event, as well as the PROJECT youth hip hop dance competition, the Showquest Aotearoa performing arts competition, the New Zealand Sevens Olympic team announcement, awards evenings for EVES Real Estate and Bayleys, school balls, and MEETINGS 2024 in Rotorua.

## BayStation

There has been a significant change to BayStation activities this quarter.

The drift trikes activity was discontinued in May. Pavilion 3 at Mercury Baypark (where the drift trikes activity was held) has been converted into an indoor skating rink for Tauranga, to be run by Bay Roller Sports – a new community venture that is a joint effort between two well established organisations, Mount Mustangs Inline Hockey Club and the Tauranga Roller Skating Club.

The newly named Revolution Skate Centre will cater to indoor roller sports enthusiasts, including inline hockey, artistic/figure skating, roller derby, speed skating, discos, tournaments, and other community events.

Meanwhile, the outdoor area where the paintball and laser tag activities are played at Mercury Baypark has been getting a refresh. The area has been temporarily closed while we do some maintenance and improvement work. We timed this work with our quieter winter period and aligned it with the construction going on inside Pavilion 3.

As part of the paintball and laser tag refresh, these two activities will now operate under our BayActive community sports team, providing more package opportunities for customers booking birthday parties or team building sessions. Customers will be able to combine laser tag and paintball with any of the indoor sports and activities at Mercury Baypark – basketball, dodgeball, tug of war, soccer, touch rugby, to name just a few.

The BayStation brand will be discontinued in Q1 FY25.

## Associated Activities

*“Simple and easy.”*

*– Mercury Baypark Arena Cafe Customer, April 2024*

**100%**

Overall Customer Satisfaction

**6,645**

Website Visitors

**1,089**

Social Media Reach

# 3. Management Update

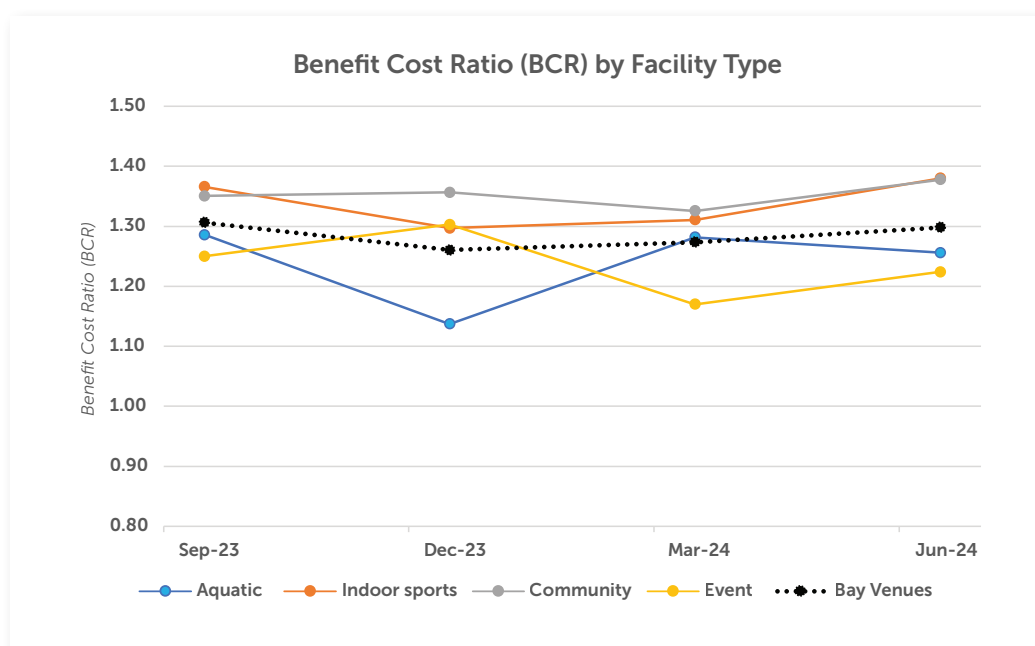
## 3.1 Finance

Across the business, June had an EBITDA loss of \$45k which was \$24k below forecast. This took FY24 full year EBITDA to -\$2.41m, \$238k or 11% behind budget (note: this excludes \$180k provision for calculating prior year Holidays Act remediation costs).

Full year revenue was \$414k or 2% behind budget (after normalising software funding), this was primarily driven by lower user fees in Events and Aquatics with economic pressures impacting customers' discretionary spend. The revenue deficit was partly offset through savings in staff costs and costs of goods sold. The budget overrun is largely due to investments in additional security and cleaning, which were unbudgeted but were critical for ensuring the safety and wellbeing of staff and customers.

Looking forward, we expect FY25 will continue to provide economic challenges, however with the support of Council we have worked hard to develop an operational budget which will see us return to positive net surplus. It is imperative that we continue to look for efficiency improvements where possible and maintain tight cost control as we deal with uncertain operating conditions.

### Cost Benefit Analysis



Overall benefit cost ratio (BCR) increased by 2% in Q4 (from 1.27 to 1.3). This is due to a 12% improvement in visits compared to Q3. All segments of the business had a BCR of greater than one, meaning they are delivering positive net benefit. Some individual facilities had BCR of below one during the quarter, including Memorial Pool (closed over winter), Ōtūmoetai Pool, and Greerton Aquatic & Leisure Centre.

**Indoor Sports** - Net benefit increased by 45% in Q4, primarily due to Mercury Baypark Arena six court visitor user hours increasing by 26,000 hours. This was driven by more than 15,000 attendances to Tauranga City Basketball leagues held during May.

Queen Elizabeth Youth Centre net benefit also increased significantly, although visitor user hours were in line with Q3 the gain came through better cost efficiencies with a 3% increase in costs and a 10% increase in benefits.

**Events** - Net benefit increased by 69% in Q4 due to more large events held in Q4, including the Muay Thai Lights Out Fight Series, Tauranga Home Show, eight Tauranga Whai Men's Basketball games, and two Waikato Bay of Plenty Magic netball games. Compared to prior year (Q4 FY23), net benefit was 4% higher.

**Aquatics** - Net benefit decreased by 9% in Q4. The biggest contributor to this decrease was the closure of Memorial Pool over the winter months. Ōtūmoetai Pool also had a decrease in net benefit, caused by a 14% reduction in visits.

**Community Centres & Halls** - Q4 net benefit increased by 50% from Q3, and 30% from prior year Q4. All 11 community venues saw a positive increase this quarter with the most notable being Arataki (+114%), Pāpāmoa Sports & Recreation Centre (+60%), Pāpāmoa Community Centre (+42%) compared to Q3. These three locations all saw increases due to a combination of increased user hours and increased cost efficiencies across the board.

The Bay Venues cost benefit reporting model was developed during FY24, as we add more data we will continue to test and refine this reporting to ensure it remains relevant in future.

# Consolidated Statement of Performance – FY24 YTD

YTD Profit & Loss - Jun '24	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	6,350	6,676	5,879	727	764	562	4,514	4,589	3,527	2,202	2,202	2,489	7,191	7,800	7,650	53	0	676	21,037	22,031	20,784	
TCC Operating Subsidy	2,640	2,383	2,192	556	501	441	1,971	1,779	1,595	0	0	4	0	0	56	0	(0)	61	5,167	4,663	4,350	
Other Income	138	46	41	1	0	0	30	14	60	171	150	0	38	31	0	711	11	7	1,089	251	108	
COVID-19 Subsidies	2	0	17	0	0	0	1	0	4	0	0	0	1	0	5	3	0	10	6	0	36	
Total Revenue	9,130	9,105	8,129	1,283	1,265	1,004	6,516	6,381	5,187	2,373	2,352	2,493	7,230	7,831	7,710	767	11	755	27,299	26,945	25,277	
<b>Expenditure</b>																						
Cost of Goods Sold	0	0	0	10	21	0	10	14	0	0	0	0	2,543	2,639	2,646	0	0	0	2,562	2,674	2,646	
Employee Expense	4,533	4,404	3,777	527	536	463	2,420	2,391	1,909	678	741	428	3,406	3,251	3,235	5,852	6,459	6,016	17,416	17,782	15,827	
Administrative Expense	149	122	134	28	27	19	97	58	66	35	69	31	130	98	115	1,220	1,179	1,019	1,659	1,553	1,385	
Advertising and Marketing	73	95	89	4	5	3	50	64	53	68	85	70	29	63	31	78	106	148	303	417	394	
Consultancy	19	7	7	0	0	0	0	1	4	22	0	1	7	0	4	1,203	685	871	1,250	692	887	
Operating Expense	1,334	1,303	1,143	258	311	239	565	609	538	629	357	546	341	533	540	1,967	1,774	1,643	5,095	4,888	4,649	
Repairs & Maintenance	462	371	337	53	81	57	103	116	103	0	0	0	101	83	79	888	462	990	1,608	1,113	1,567	
Total Expenditure	6,570	6,302	5,487	880	980	782	3,245	3,253	2,673	1,432	1,253	1,077	6,557	6,667	6,650	11,208	10,665	10,686	29,893	29,120	27,355	
<b>EBITDA Profit/(Loss) pre-allocations</b>	2,559	2,803	2,641	403	286	222	3,271	3,128	2,514	941	1,099	1,416	673	1,164	1,061	(10,441)	(10,654)	(9,932)	(2,593)	(2,175)	(2,078)	
Business Support Allocations	3,016	3,078	2,869	1,095	1,118	1,042	2,323	2,371	2,210	2,846	2,904	2,707	1,160	1,184	1,103	(10,441)	(10,654)	(9,932)	0	0	0	
% total allocations	29%			10%			22%			27%			11%									
<b>EBITDA Profit/(Loss) post-allocations</b>	(457)	(275)	(228)	(692)	(832)	(820)	948	757	304	(1,905)	(1,805)	(1,291)	(487)	(20)	(43)	0	0	0	(2,593)	(2,175)	(2,078)	
Non-Funded Depreciation	5	5	0	0	0	0	21	30	0	1	1	0	79	80	0	38	40	0	143	156	0	
Non-Funded Debt Servicing costs	3	5	85	0	0	6	3	5	198	0	0	2	17	26	29	3	5	28	26	41	348	
Surplus/(Deficit) after BVL capital costs	(465)	(285)	(313)	(692)	(832)	(826)	924	722	105	(1,906)	(1,806)	(1,293)	(583)	(126)	(72)	(41)	(45)	(28)	(2,763)	(2,372)	(2,426)	
Other Transactions																						
Renewal Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,894	6,041	8,739	5,894	6,041	8,739	
Interest Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,317	1,317	1,619	1,317	1,317	1,619	
Less:																						
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	(1)	0	0	1,279	1,135	588	1,278	1,135	588	
Depreciation	2,276	2,149	2,027	357	340	340	1,399	1,173	1,069	739	740	740	476	403	453	2,589	2,368	2,316	7,836	7,172	6,944	
<b>Profit/Loss on Disposal</b>	0	0	9	0	0	(0)	(33)	0	42	0	0	0	0	0	4	0	0	0	(33)	0	55	
<b>Net Surplus/(deficit)</b>	(2,741)	(2,433)	(2,348)	(1,049)	(1,172)	(1,165)	(442)	(450)	(1,006)	(2,645)	(2,546)	(2,033)	(1,058)	(529)	(529)	3,301	3,810	7,426	(4,633)	(3,321)	345	

## 3.2 Health, Safety, and Wellbeing

### Health & Safety

Lead Indicators	FY23	FY24	Q1	Q2	Q3	Q4
Health & Safety Committee Meetings	9	10	2	1	2	5
Health & Safety conversations completed	19	44	10	7	15	12
Lag Indicators	FY23	FY24	Q1	Q2	Q3	Q4
Total incidents recorded	711	701	169	152	189	191
Actual critical incidents under Bay Venues control	0	0	0	0	0	0
Actual major severity incidents under Bay Venues control	10	26	4	9	5	8

There were no lost time injuries reported in Q4.

This was a significant improvement, thanks in part to work done earlier this year where we identified a trend where lost time injuries were mainly due to repetitive tasks exacerbating pre-existing employee injuries. We implemented targeted education strategies to prevent these types of injuries.

Over the past two financial years, we have been promoting operational learning through increased incident reporting. As anticipated, this initiative has led to a rise in reported incidents. We analysed all 26 FY24 major severity incidents under Bay Venues' control against our Risk Management Framework's people consequence criteria to assess their actual impact.

The breakdown is as follows: 0 Catastrophic, 2 Major, 4 Moderate, 4 Minor, and 16 Insignificant. This analysis demonstrates that operational learning has enabled us to better understand our processes and identify potential failures before they result in serious harm, showcasing Bay Venues' effectiveness in risk management.

## 3.3 HR

The last quarter of the year is always busy with cyclical activities such as our pulse staff engagement survey and end of year performance reviews. We also continued to prioritise learning and development for our leaders, including the delivery of a bespoke Diversity & Inclusion training session. During this session, our leaders were asked to reflect on the characteristics of inclusion and were presented with a challenge of how they could improve their own leadership in this space.



### Work-based learning

Facilities Coordinator Jacquie Wilson and Sports & Community Activation Manager Annalise Klay recently completed their two-year Facility Operations Apprenticeship – a qualification for people who are keen to develop the skills and knowledge necessary to operate and maintain a recreation facility. This apprenticeship was delivered through Te Mahi Ako, a tertiary education organisation that specialises in work-based learning for people working in active recreation, leisure and entertainment.

## 3.4 IT

Our new workforce management platform – Humanforce Cloud – went live on 1 July. This will enable significant benefits including access to rostering, scheduling, and leave management via mobile devices. Humanforce Cloud will also set us up to address Holidays Act remediation work, improved integrations with HR and Payroll, and shift-bidding capability.

We have also enhanced business resilience through a new uninterruptible power supply (UPS) solution that will keep critical services and applications running for more than one business day in the event of a power outage to Mercury Baypark Arena.