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PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **CULTURE & SPORT COMMITTEE**

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**9AM, WEDNESDAY 19 APRIL 2023**

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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**Rachel Bowen (Chair)**  
**Billy Meehan (Deputy Chair)**  
**Grant Smith (The Mayor)**

**Mark Arnott**  
**Vaughan Dennison**  
**Lew Findlay (QSM)**  
**Roly Fitzgerald**  
**Patrick Handcock**  
**(ONZM)**

**Leonie Hapeta**  
**Debi Marshall-Lobb**  
**William Wood**  
**Kaydee Zabelin**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
[pncc.govt.nz](http://pncc.govt.nz)

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## **CULTURE & SPORT COMMITTEE MEETING**

19 April 2023

### **ORDER OF BUSINESS**

**1. Apologies**

**2. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

**3. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**4. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

5. **Confirmation of Minutes** Page 7  
"That the minutes of the Culture & Sport Committee meeting of 8 March 2023 Part I Public be confirmed as a true and correct record."

6. **Update on Covered Bowling Green Detailed Feasibility Assessment (Long Term Plan programme 1891)** Page 13  
Memorandum, presented by Ann-Marie Mori, Policy Analyst and Aaron Phillips, Activities Manager - Parks.

7. **The Globe Theatre Trust: Six-Month Report 1 July - 31 December 2022 and Draft Statement of Intent 2023-26** Page 73  
Memorandum, presented by Sarah Claridge, Democracy & Governance Advisor.

8. **Te Manawa Museums Trust: Six-Month Report 1 July - 31 December 2022 and Draft Statement of Intent 2023-26** Page 131  
Memorandum, presented by Sarah Claridge, Democracy & Governance Advisor.

9. **The Regent Theatre Trust: Six-Month Report 1 July - 31 December 2022 and Draft Statement of Intent 2023-26** Page 217  
Memorandum, presented by Sarah Claridge, Democracy & Governance Advisor.

10. **Committee Work Schedule** Page 261

11. **Exclusion of Public**

To be moved:

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is

excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

*[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].



## PALMERSTON NORTH CITY COUNCIL

### Minutes of the Culture & Sport Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 8 March 2023, commencing at 9.00am

**Members Present:** Councillors Rachel Bowen (in the Chair), Billy Meehan, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Debi Marshall-Lobb, William Wood and Kaydee Zabelin.

**Non Members:** Councillors Brent Barrett, Lorna Johnson and Orphée Mickalad.

**Apologies:** The Mayor (Grant Smith) (absent on Council business).

Councillor Lew Findlay left the meeting at 10.08am during consideration of clause 5. He was present when the meeting resumed at 11.01am. He was not present for clauses 5 and 6.

#### Karakia Timatanga

Councillor Rachel Bowen opened the meeting with karakia.

#### 1-23 Apologies

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 1-23 above was carried.

#### 2-23 Petition: Alteration to Palmerston North Coat of Arms

Presentation of petition by Virginia and Warren Warbrick on behalf of THEN - Histories of Pāmutana.

Virginia and Warren Warbrick presented their petition requesting the reinstatement of the shoe worn by the European woman on the Palmerston North coat of arms. The PowerPoint presentation is available in Minutes Attachments on the PN City Council website.

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the Culture & Sport Committee receive the petition 'Alteration to Palmerston North Coat of Arms' for information.

Clause 2-23 above was carried.

**3-23 Public Comment**

Jeremy Hapeta made public comment in relation to Item 2, suggesting that Councillors should consider the coat of arms holistically. He questioned whether the symbolism, including the red lion, the castle and the dragon, was appropriate, and noted it was not reflective of biculturalism.

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the public comment be received for information.

Moved Roly Fitzgerald, seconded Lorna Johnson.

2. That the Chief Executive investigate options to change the City's coat of arms to better reflect its bicultural heritage, and report back to this Committee.

Clause 3-23 above was carried.

## REPORTS

**4-23 Sport Manawatū - Six-month progress report to Palmerston North City Council July to December 2022**

Memorandum, presented by Ann-Marie Mori, Policy Analyst, Kelly Shanks, Chief Executive, Sport Manawatū and Brad Cassidy, General Manager Partnerships, Sport Manawatū.

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the Committee receive the report titled 'Sport Manawatū – Six-month progress report to Palmerston North City Council July to December 2022' presented to the Culture & Sport Committee on 8 March 2023.

Clause 4-23 above was carried.

**5-23 Annual Sector Lead Report: Community Arts Palmerston North Incorporated (Square Edge Community Arts)**

Memorandum, presented by Stephanie Velvin, Community Development Manager and Karen Seccombe, Artistic Director, Square



Edge Community Arts.

Councillor Lew Findlay left the meeting at 10.08am.

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Annual Sector Lead Report: Community Arts Palmerston North Incorporated (Square Edge Community Arts)' presented to the Culture & Sport Committee on 8 March 2023.

Clause 5-23 above was carried.

**6-23 Victoria Esplanade User Group - Amendments to Terms of Reference**  
Memorandum, presented by Aaron Phillips, Activities Manager - Parks.

Moved Rachel Bowen, seconded Patrick Handcock.

The **COMMITTEE RECOMMENDS**

1. That Council approve amendments to the 2018 Victoria Esplanade User Group Terms of Reference, as detailed in Attachment 1 of this report.

Clause 6-23 above was carried.

The meeting adjourned at 10.27am.  
The meeting resumed at 11.01am.

Councillor Lew Findlay was present when the meeting resumed.

**7-23 Annual Sector Lead Report: Creative Sounds Society Incorporated (The Stomach)**

Memorandum, presented by Stephanie Velvin, Community Development Manager and Harry Lilley, Manager, Creative Sounds Society Incorporated (The Stomach).

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Annual Sector Lead Report: Creative Sounds Society Incorporated (The Stomach)' presented to the Culture & Sport Committee on 8 March 2023.

Clause 7-23 above was carried.

**8-23 Artificial Football Turf Feasibility Study (Long Term Plan Programme 1906)**  
Report, presented by Ann-Marie Mori, Policy Analyst.

Moved Billy Meehan, seconded Orphée Mickalad.

The **COMMITTEE RECOMMENDS**

1. That Council note the feasibility study report found that an artificial football turf is feasible at Massey University, in partnership with Central Football and Massey University, as part of a 'Home for Football' in the Manawatū.

Clause 8.1-23 above was carried 12 votes to 2, the voting being as follows:

**For:**

Councillors Rachel Bowen, Billy Meehan, Mark Arnott, Vaughan Dennison, Roly Fitzgerald, Patrick Handcock, Debi Marshall-Lobb, William Wood, Kaydee Zabelin, Brent Barrett, Lorna Johnson and Orphée Mickalad.

**Against:**

Councillors Lew Findlay and Leonie Hapeta.

Moved Leonie Hapeta, seconded William Wood.

2. That the Chief Executive consider an artificial turf on Council land and report back to this Committee.

*Amended by Council on 15 March 2023  
Clause 38-23*

Clause 8.2-23 above was carried 11 votes to 2, with 1 abstention, the voting being as follows:

**For:**

Councillors Rachel Bowen, Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Leonie Hapeta, Debi Marshall-Lobb, William Wood, Kaydee Zabelin, Brent Barrett and Lorna Johnson.

**Against:**

Councillors Billy Meehan and Orphée Mickalad.

**Abstained:**

Councillor Patrick Handcock.

Moved Rachel Bowen, seconded Brent Barrett.

**Note:**

On a procedural motion: 'That the Committee lie the report on the table until the Chief Executive can provide further advice', the motion was tied. The chairperson declared the motion lost.

Moved Billy Meehan, seconded Orphée Mickalad.

**Note:**

On the motions:

- "2. That the Chief Executive begin discussions with Massey University and Central Football with a view to form a partnership and further discuss governance, management, level of funding commitment, and ongoing operational considerations.
3. That the Chief Executive report back to the Culture & Sport Committee with

the outcome of negotiations and, if appropriate, proposed terms for a formal partnership agreement",

the motions were lost 5 votes to 9, the voting being as follows:

**For:**

Councillors Billy Meehan, Mark Arnott, Roly Fitzgerald, Patrick Handcock and Orphée Mickalad.

**Against:**

Councillors Rachel Bowen, Vaughan Dennison, Lew Findlay, Leonie Hapeta, Debi Marshall-Lobb, William Wood, Kaydee Zabelin, Brent Barrett and Lorna Johnson.

**9-23**

**Manawatū Community Athletics Track - Annual Report for 2022**

Memorandum, presented by Aaron Phillips, Activities Manager - Parks and Kathy Dever-Tod, Group Manager - Parks and Logistics.

Moved Rachel Bowen, seconded Patrick Handcock.

The **COMMITTEE RESOLVED**

1. That the Committee receive the Manawatū Community Athletics Track Annual Report for 2022, presented to the Culture & Sport Committee on 8 March 2023.

Clause 9-23 above was carried.

**10-23**

**Committee Work Schedule**

Moved Rachel Bowen, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

1. That the Culture & Sport Committee receive its Work Schedule dated March 2023.

Clause 10-23 above was carried.

**Karakia Whakamutunga**

Councillor Rachel Bowen closed the meeting with karakia.

The meeting finished at 1.03pm.

Confirmed 19 April 2023

**Chair**



## MEMORANDUM

**TO:** Culture & Sport Committee

**MEETING DATE:** 19 April 2023

**TITLE:** Update on Covered Bowling Green Detailed Feasibility Assessment (Long Term Plan programme 1891)

**PRESENTED BY:** Ann-Marie Mori, Policy Analyst and Aaron Phillips, Activities Manager - Parks

**APPROVED BY:** David Murphy, Chief Planning Officer  
Bryce Hosking, Acting Chief Infrastructure Officer

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### RECOMMENDATION TO CULTURE & SPORT COMMITTEE

1. That the Committee receive the report titled 'Update on Covered Bowling Green Detailed Feasibility Assessment (Long Term Plan programme 1891) presented to the Culture & Sport Committee on 19 April 2023.
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#### 1. ISSUE

- 1.1 Programme 1891 was included in the 2021-31 Long Term Plan (LTP) in Year One for a detailed feasibility assessment on a covered bowling green. The minutes from the Committee of Council note that this was to 'allow the assessment of a potential site and provide clarity as to whether to progress to the next stages of the project'.
- 1.2 A Detailed Feasibility Assessment (DFA) on a Covered Bowling Green facility has now been completed by consultants Third Bearing Ltd (TBL).
- 1.3 The Manawatū-Whanganui Regional Sport Facility Plan (RSFP) Steering Group has evaluated the DFA and concluded that the facility proposal is not yet ready to proceed to the next stages of the facility investment decision-making process.
- 1.4 The purpose of this memo is to inform Council of both the outcome of the DFA (see Attachment 1) and the outcome of the RSFP Steering Group's evaluation (see Attachment 2).

#### 2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 The emergence of a proposal for a covered artificial green has happened alongside merger discussions and actions involving some of the city's bowling clubs over several years. A brief history of events is provided as Attachment 3.

2.2 A preliminary feasibility assessment was reported to the Play, Recreation and Sport Committee ('Bowling Club Merger – Pre-feasibility report') on 18 March 2020. The relevant Council resolution 4-20 was:

(3) *That the Council refer the provision of a grant of \$300,000 to the draft 2021/31 Ten Year Plan process representing a proposed contribution to assist the merging clubs with construction of an artificial bowling green on the Wahikoa Park at North Street.*

(4) *That the Council, when finalising its 2020/21 Annual Budget, consider incorporating provision of \$50,000 to engage external consultants to carry out investigations and reporting for the Regional Sports Facilities Investment Decision Making Process, including assessment of the best location for a covered bowling green.*

2.3 The Bowling Clubs Working Group (Northern, Takaro and Terrace End Clubs) made a presentation to the 16 December 2020 meeting of the Play, Sport and Recreation Committee asking Council to consider funding a feasibility study for a covered artificial green to be used for regional competitions and to cater for growth. Bowls NZ and Bowls Manawatū supported this proposal.

2.4 Budget provision of \$300,000 for a Council-contribution to an artificial bowling green, and \$50,000 for a detailed feasibility study (Programme 1891) were considered, but not included, in the draft 2021-31 LTP that went out for consultation in April 2021.

2.5 Twenty-nine (29) submissions were made on the draft 2021-31 LTP on these bowls-related programmes. After considering the submissions the Committee of Council approved Programme 1891, to carry out a detailed feasibility assessment on a covered bowling green in the 2021/22 Financial Year. This was to 'allow the assessment of a potential site and provide clarity as to whether to progress to the next stages of the project'. This decision aligned with the finding of the Regional Sport Facility Plan (2018) that consideration of a bowls centre in the region was warranted.

### 3. DETAILED FEASIBILITY ASSESSMENT

3.1 Third Bearing Ltd was contracted to carry out the detailed feasibility assessment, although this work was delayed and not completed until late in 2022.

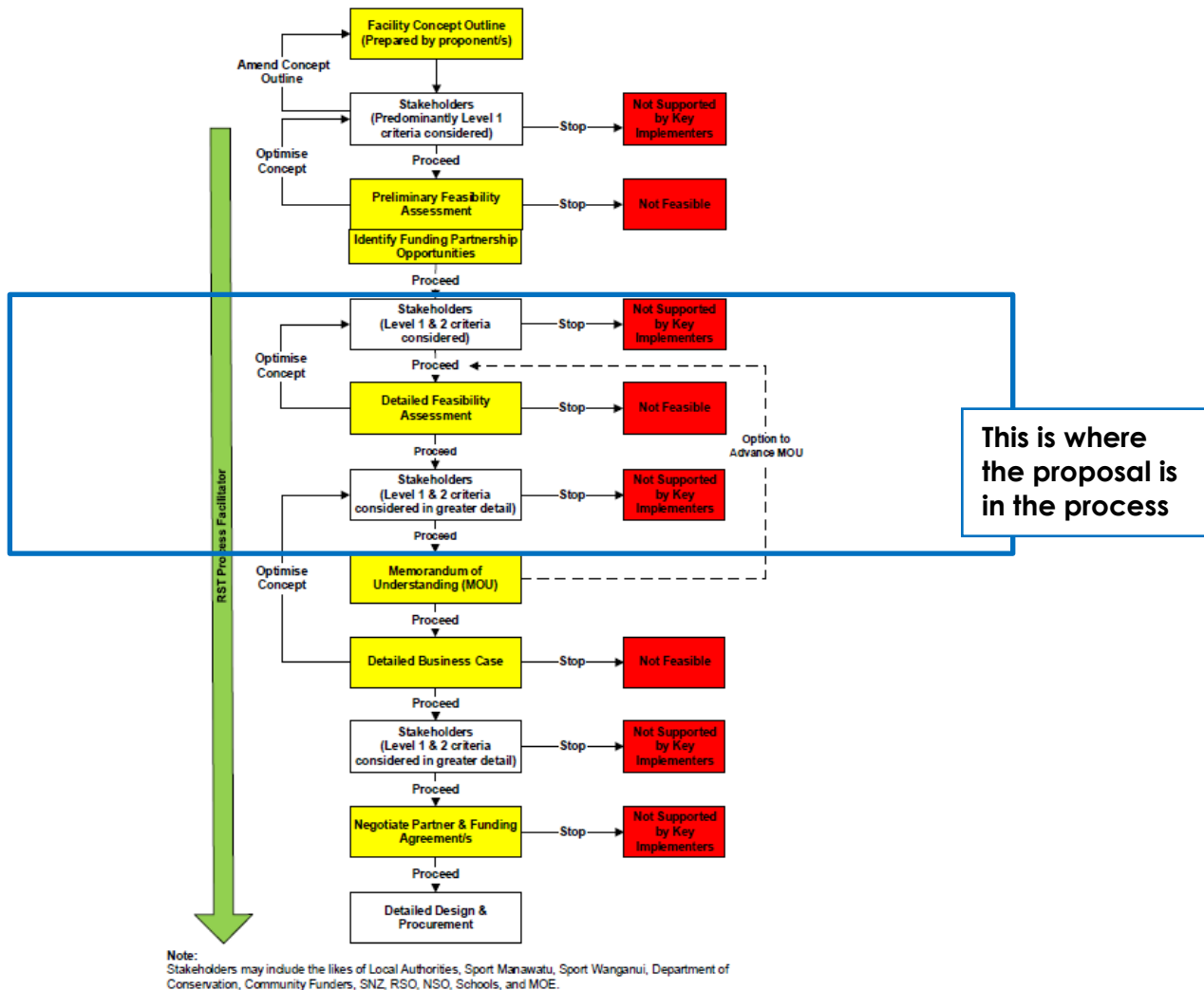
3.2 The main conclusion from the Covered Bowling Green Detailed Feasibility Assessment (refer to Attachment 1) is:

- *Without strong strategic direction for bowls in the city and wider Manawatū region, the development of a covered facility to function as a regional centre is not viable.*



- 3.3 The recommendation in the DFA to Bowls Manawatū is:
- *Bowls Manawatū confirm and implement its strategic plan, that includes a commitment to facility development, to provide leadership, certainty, and confidence for stakeholders.*
- 3.4 The report also notes:
- *The preferred option for a covered facility is to locate it at an existing bowling club site; the three shortlisted club sites being Takaro Sports Club, Palmerston North Bowling Club, and North End Bowling Club, that are all feasible options for erecting a cover over a green.*
  - *A high-level cost to install a cover over an existing green is \$1,150,000.*
- 3.5 The recommendations in the DFA to Sport Manawatū are:
- *Discussions with the identified key parties including local and regional authorities and funders be pursued further to better understand the appetite these parties have for the proposed level of investment in the facility.*
  - *The proposed revenue streams and operating costs be tested further with the three shortlisted clubs to better understand their willingness for and commitment to an ongoing obligation. This will assist in the preparation of robust business case.*
- 3.6 The recommendation in the DFA to the individual clubs is:
- *Funding be requested in the 2024 - 2034 LTP of councils to allow clubs time to ready themselves for any future development.*
- 4. FACILITY INVESTMENT DECISION-MAKING PROCESS AND EVALUATION OF THE DFA**
- 4.1 The diagram below shows the steps in the Facility Investment Decision-making process (endorsed by Council in 2018) and outlines the pathways on completion of a detailed feasibility assessment.

Figure 5.1: Full Facility Investment Decision Making Process



- 4.2 The RSFP Steering Group's report, included as Attachment 2, advises on progression through the next steps in the process and informs any future Council decisions on contributing funding (investment) towards this facility proposal.
- 4.3 The RSFP Steering Group has now evaluated the DFA and concluded that the facility proposal is not yet ready to proceed to the next stages of the facility investment decision-making process.
- 4.4 The Steering Group supports moving forward with the DFA's recommendations (listed in section 3 above) and has made additional recommendations. Together, if implemented, these recommendations will strengthen the case for a covered bowling green proposal and may assist in identifying a preferred club site for future development.
- 4.5 The recommended approach should enable the Council to decide if it should make a funding contribution to a covered green. Staff comment and recommendations on this matter would only be brought forward following

progress being made in line with the RSFP Steering Group's recommendations to the bowls community.

## 5. FINANCIAL CONSIDERATIONS

- 5.1 There are no Council budgets for future planning and investigative stages (required under the RSFP investment decision-making process) for a covered bowling green or bowls centre.
- 5.2 The DFA recommends that the bowls community make a \$300,000 (total) funding request for a contribution towards a covered facility from the combined territorial authorities in the region as part of the 2024-34 LTP process.
- 5.3 Council has not currently made any financial commitment towards a covered bowling facility.

## 6. CONCLUSION




- 6.1 The completed DFA provides the bowls community with useful information and recommendations to support the future development of bowls facilities in Palmerston North.
- 6.2 The RSFP process demonstrates the importance of working alongside the proponent of any new sports facility to ensure the proposal is strong and likely to be supported by funders.
- 6.3 Sport Manawatū and Council officers will continue to work with Bowls Manawatū and member clubs as they consider the next steps.

## 7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
If Yes quote relevant clause(s) from Delegations Manual	
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>Yes</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in Active Communities	
The action is: Carry out a feasibility assessment for a covered artificial green for	

bowls	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	The preparation of a feasibility study concludes another step to progress decision-making for a covered artificial bowling green in the Manawatū region. This research, guided by the RSFP investment decision-making process, informs Council's decision-making processes. It relates to social well-being and Council's goal of being a more active community.

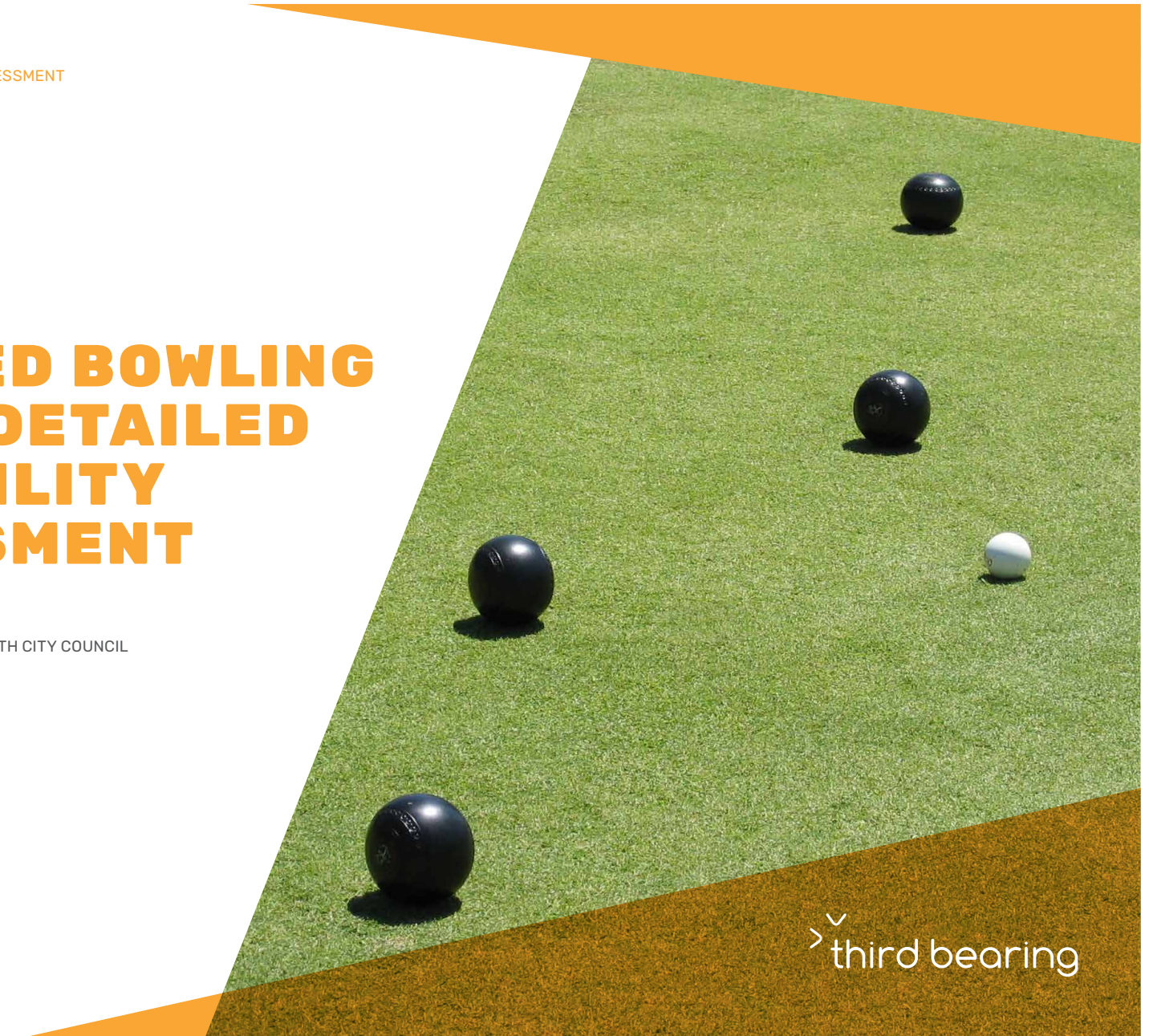
## ATTACHMENTS

1. Covered Bowling Green Detailed Feasibility Assessment prepared for Palmerston North City Council - Third Bearing Ltd. [↓](#) 
2. RSFP Steering Group - assessment of Covered Bowling Green Detailed Feasibility Assessment [↓](#) 
3. Brief history of events and Council decisions [↓](#) 

FINAL DETAILED FEASIBILITY ASSESSMENT

# COVERED BOWLING GREEN DETAILED FEASIBILITY ASSESSMENT

PREPARED FOR PALMERSTON NORTH CITY COUNCIL  
NOVEMBER 2022



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# EXECUTIVE SUMMARY

1. This Detailed Feasibility Assessment (DFA) has investigated the prospect of establishing a covered artificial bowling green to act as a regional centre. This report follows on from a pre-feasibility study completed in March 2020 resulting in PNCC committing funding to undertake a DFA.
2. There was a change in scope between the pre-feasibility and DFA. The pre-feasibility assessment focused on a club driven initiative and was revised to a centre driven initiative for this assessment.
3. The purpose of undertaking the DFA was to ascertain what opportunities exist for the development of a Covered Bowls Facility (to operate as a Regional Bowls Centre), and to propose the form, function and scale of the identified venue.
4. For the development of a future-oriented bowls facility there are inherent challenges in meeting the needs of all stakeholders in a realisable and affordable manner.
5. The DFA has concluded that:
  - > Opportunities are already being explored by some city clubs to cover a green. The engagement process identified some clubs were well advanced in their planning.
  - > Irrespective of the outcome of this assessment, it is likely clubs will continue to pursue a cover for their facility.
  - > Without strong strategic direction for bowls in the city and wider Manawātū region, the development of a covered facility to function as a regional centre is not viable.
  - > Nationally bowls membership is continuing to decline along with the volunteer network to support the running of clubs. Bowls Manawātū (BM) membership is consistent with this trend but projected to stabilise.
  - > Demographic projections suggest that changes in the city will occur due to an aging population with rapid change in the ethnic composition of the city's population expected.
  - > NIWA projections indicate weather in the Manawātū region will get wetter and temperatures will get warmer.

- > A covered green improves player experience and increases both the number of days and the time within a day available for play.
- > National and international bowls events are awarded to centres with covered greens
- > The preferred option for a covered facility is to locate it at an existing club site.
- > A high-level estimate of development costs for different scenarios determined an indicative price range between:

Scenario	Cost (Incl 20% Contingency)
Install a cover over an existing artificial green	\$1,147,800
Install a new artificial green and cover	\$1,483,800
Install an artificial green only	\$336,000

Excluding GST

- > The breakdown of proposed sources of funding include:

Source	Contribution Amount	Percentage of total project cost
Clubs and the Centre	\$275,000	24%
Local authorities	\$300,000	26%
Grants bodies	\$575,000	50%
<b>Total funding</b>	<b>\$1,150,000</b>	<b>100%</b>

Excluding GST

- > Clubs will need to generate additional revenue over and above current income to pay for the operational costs of a cover.

Estimated additional Revenue	\$64,340
Total operating costs	\$62,190
<b>Difference</b>	<b>\$2,150</b>

Excluding GST

- > The three shortlisted club sites being Takaro Sports Club, Palmerston North Bowling Club, and North End Bowling Club, are all feasible options for erecting a cover over a green. There are cost differences for each site i.e. some require a new or replacement artificial green before moving forward with a cover concept.
- > An alternative approach is to break the project into stages and focus on installation of artificial greens only as a first step to mitigate predicted weather trends, increasing costs to maintain natural greens and declining volunteer numbers.

## Recommendations

### It is recommended that:

- > BM confirm and implement its strategic plan, that includes a commitment to facility development, to provide leadership, certainty and confidence for stakeholders.
- > Discussions with the identified key parties including local and regional authorities and funders be pursued further to better understand the appetite these parties have for the proposed level of investment in the facility.
- > Funding be requested in the 2024 - 2034 LTP of councils to allow clubs time to ready themselves for any future development.
- > The proposed revenue streams and operating costs be tested further with the three shortlisted clubs to better understand their willingness for and commitment to an ongoing obligation. This will assist in the preparation of a robust business case.





# 1. INTRODUCTION

## Appointment and Terms of Reference

6. The Palmerston North City Council (PNCC) has engaged Third Bearing Limited (TBL) to undertake a Detailed Feasibility Assessment for a proposed Covered Bowls Facility.

## Purpose

7. The purpose of undertaking the Detailed Feasibility Assessment (DFA) (as outlined in the Regional Sport Facilities Plan (RSFP) is to ascertain what opportunities exist for the development of a Covered Bowls Facility (to operate as a Regional Bowls Centre), and to propose the form, function and scale of the identified venue.
8. The DFA must clearly demonstrate the case for a covered facility with a detailed focus on the need and overall viability.

## Work Programme and Reporting

9. The assignment was commissioned in December 2021 with an anticipated conclusion of 30 June 2022. An extension to the project was granted by PNCC in June 2022 based on not being able to gather sufficient information on critical components of the scope within the original timeframe
10. Research and discovery were undertaken between December and January with stakeholder engagement conducted between February and October 2022. A final report was completed November 2022.
11. The project structure included a project working group and project sponsor. Project liaisons from PNCC and Sport Manawātū (SM) provided Project advice and direction for the project.
12. Our work was carried out by Sonia Griffin, Tyson Schmidt, Peter Askey, Mark Devery, Jemma Cheer, and Julie Keane of TBL.

## Abbreviations, Tables and Currency Units

13. The following abbreviations are used throughout the text:
  - > RSFP – Regional Sport Facilities Plan
  - > PNCC – Palmerston North City Council
  - > SM – Sport Manawātū
  - > BM – Bowls Manawātū (“The Centre”)
  - > BNZ – Bowls New Zealand (“The National Sports Organisation”)
  - > DFA – Detailed Feasibility Assessment
  - > TBL – Third Bearing Limited
  - > PWG – Project Working Group
  - > NIWA – National Institute of Water and Atmospheric Research
  - > NI – North Island
  - > CET – Central Energy Trust
  - > ECCT- Eastern and Central Community Trust
  - > LTP – Long Term Plan
  - > NSO – National Sports Organisation
  - > PN – Palmerston North
  - > SNZ – Sport New Zealand
  - > DOC – Department of Conservation
  - > RSA – Returned Services Association
  - > MOU – Memorandum of Understanding
  - > AGM – Annual General Meeting
  - > HRC – Horizons Regional Council
  - > LA – Local Authorities

## Definitions

14. Bowling Green – normally a square configuration, either a grass or synthetic surface on which bowls is played
15. Bowling Rink – a strip of a bowling green used for playing bowls
16. Memberships as defined by the BNZ constitution:
  - > Playing member means a person who wishes to enjoy the playing and non-playing rights and privileges of being a member of a Club, including life members, and students.
  - > Non-Playing member means a person who does not wish to play bowls but wishes to enjoy an ongoing association with a Club including participating in social activities at the Club, and includes non-playing life members.
  - > Casual - means a person who participates in any bowling event or competition held by or at a Club(s), Centre(s) or Bowls NZ in accordance with Rule 9.2(c) and becomes a Member for the period of that event or competition and/or while present at the bowling venue. The rights and privileges of membership as a Casual Member shall be specified in the constitution, regulations and/or rules of the Club, Centre or Bowls NZ (whichever is holding the event or competition) and/or as set out in the written agreement with the Casual Member to participate in the event or competition. Such a rule / agreement must comply with the Bowls NZ Regulations.
  - > Social – Non bowling members of a club
17. Jack Attack – is a modified version from the traditional form of lawn bowls, with three players per team who each deliver their two bowls within an end, aiming to get as close as possible to the jack. The delivery of all six bowls completes an end, where teams then change direction of play and re-position the jack
18. Readiness – relates to the organization demonstrated ability to commence a project
19. “Centre” means a geographical area classified by Bowls NZ in the Centre District Register in which each Centre has authority and responsibility for the administration of the Games of Bowls.



## 1. INTRODUCTION

### Probity

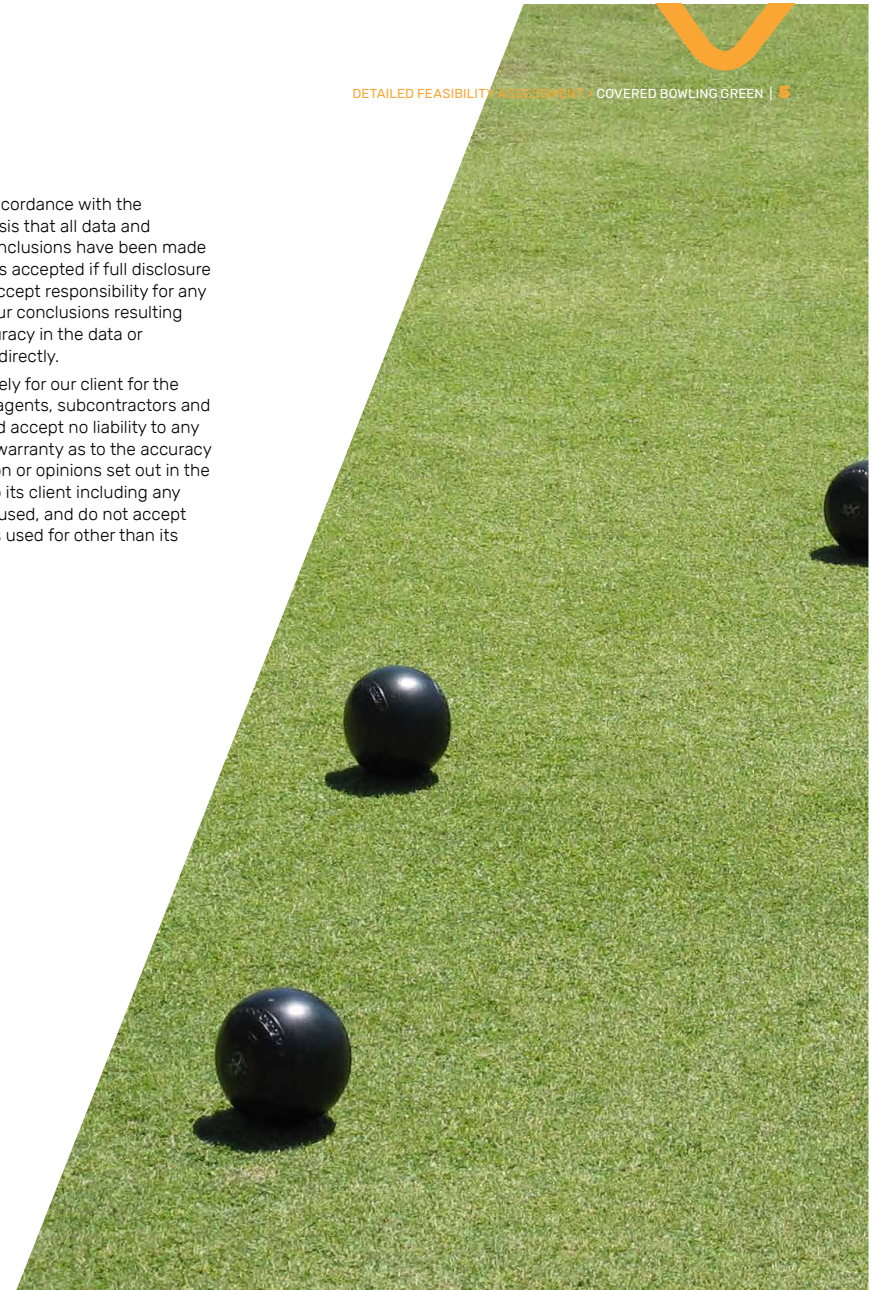
20. PNCC officers, project working group members, bowling clubs and various other stakeholders have provided guidance in respect of our terms of reference and assisted us with our work. We considered their advice and requests but are satisfied that none influenced our report or its conclusions inappropriately.

### Acknowledgements

21. The co-operation and assistance of the people we interviewed for this project is gratefully acknowledged, as is the assistance provided by:
- > Project Sponsor: Julie Macdonald
  - > Project working group: Ann-Marie Mori (PNCC), Brad Cassidy (SM), Steve Beel (BNZ), Mark Noble and Steven Toms (BM)
  - > Council officers: Aaron Phillips, Simon Mori and Blair Webster
22. We wish to acknowledge those organisations that were interviewed and assisted with the provision of information and data for this project including Bowls New Zealand, Bowls Manawatū, Sport Manawatū, Palmerston North Bowling Club, Takaro Sports Club, North End Bowling Club, Woodville Bowling Club, Shannon Bowling Club, Bulls Bowling Club, Hokowhitu Bowling Club, Dannevirke Bowling Club, Johnston Park Bowling Club, Himatangi Bowling Club, Bowls Kāpiti Coast, Nae Nae Bowling Club, Greenkeepers Association.

### Disclaimer

23. TBL has prepared this report in accordance with the instructions of its client on the basis that all data and information that may affect its conclusions have been made available to us. No responsibility is accepted if full disclosure has not been made. We do not accept responsibility for any consequential error or defect in our conclusions resulting from any error, omission or inaccuracy in the data or information supplied directly or indirectly.
24. This report has been prepared solely for our client for the stated purpose. TBL, its officers, agents, subcontractors and their staff own no duty of care and accept no liability to any party, make no representation or warranty as to the accuracy or completeness of the information or opinions set out in the report to any person other than to its client including any errors or omissions howsoever caused, and do not accept liability to any party if the report is used for other than its stated purpose.





## 2. METHODOLOGY

### Background

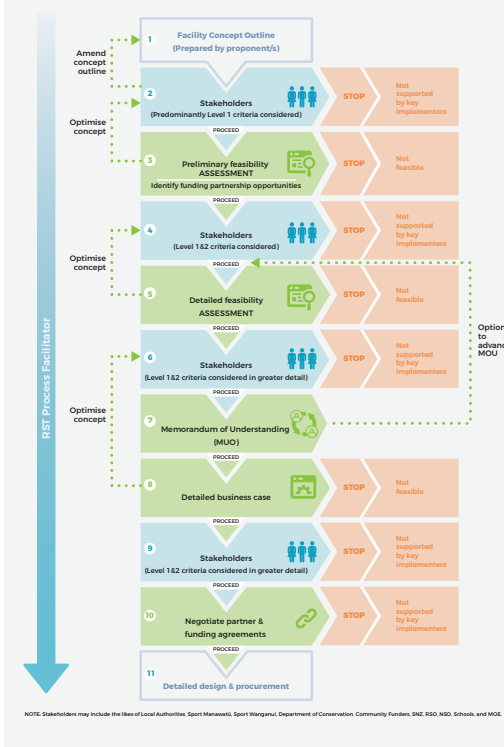
25. A preliminary feasibility assessment was carried out by TBL in 2020 which involved testing the viability of a club merger, and the potential site for a covered artificial green. A demand assessment was conducted to determine the need for a covered facility using the Regional Sport Facility Plan to guide the process.
26. The preliminary feasibility assessment was developed in conjunction with three city clubs who had intention to merge to one site. To date, a merger of two of these clubs has occurred, with the third choosing to remain autonomous.
27. The preliminary assessment results were supportive, with funding granted through the 10-year plan process to commission a DFA to provide more accurate costings and expected benefits. An outcome of the presentation to the PNCC Play, Recreation and Sport committee held on 10 June 2019 requested the provision of architectural conceptual and QS estimates with a view of identifying the preferred site for the potential development.
28. A key finding in the preliminary feasibility assessment was that any decision around a covered green should be made with reference to a city or regional strategy for bowls.
29. There are a number of bowling club facilities within the city, and neighbouring Manawatu area, which range in terms of size and scale.
30. Three of the Palmerston North-based bowling clubs are located on land leased from PNCC, while the Palmerston North Bowling Club own the land and building it sits on. Several of the clubs including those in neighbouring Districts have ambition to erect a covered canopy over existing greens in order to take advantage of the changing nature of the game and those wanting to play it.
31. Bowls is a game that appeals to a wide variety of people of all ages. Membership of clubs continues to appeal to the older age group and to younger, generally very competitive, players able to commit the time to fully participate in club activities. In recent years there has been an increase in the number of "casual" players, particularly younger persons who cannot commit to full membership but who enjoy playing bowls in the evening when the activity either does not interfere with work or family commitments or offers the opportunity to share time with their families. The numbers of persons playing "casual" bowls now greatly exceeds the membership of clubs.

32. Generally, Bowls has been considered a summer activity but, over the years, winter bowls has become increasingly popular for members. However, cold and wet weather is a deterrent. There is a trend, within New Zealand and internationally, towards covered greens offering year-round facilities for members and casual players of all ages to play Bowls throughout the day, or in the evening.
33. Unlike other codes where summer/winter transitions are necessary between codes to promote the Balance Is Better philosophy<sup>1</sup>, the primary demographic involved in bowls do not have competing activities, therefore all year round playability is a feasible consideration.

### Scope

34. PNCC endorsed the RSFP and the investment process framework outlined in this plan to guide decision-making for proposed sport and recreation facilities.
35. The purpose of the RSFP is to provide a high-level strategic framework for regional sport and recreation facility planning. It is designed to provide direction on what should be done and crucially, what should not be done. The plan is designed to focus thinking at a network wide sport and recreation facilities level with emphasis on national, regional and sub-regional assets, while also capturing local level facility data.
36. The Facility Investment Decision Making Process provides for six key work-stages, of which the first two have been completed for this project.<sup>2</sup> See Table One for full process outline.
37. All proposed facilities, whether new build or redevelopments, are required to go through this process. The process is designed to reduce time and cost for both the project proponents and potential stakeholders by only requiring the minimum amount of work to be undertaken at each stage in order to inform the next stakeholder review stage.
38. The DFA relies on the information provided by the client and stakeholders including utilisation data, concept design and costings of those designs.

Table One – Full Facility Investment Decision Making Process



<sup>1</sup> <https://sportnz.org.nz/resources/balance-is-better-philosophy/>  
<sup>2</sup> The Manawatu-Whanganui RSFP



## 2. METHODOLOGY

39. The key output of the DFA is a report which includes investigations on:
- > understanding the current and anticipated future demand for Bowling Clubs seeking support for a covered facility
  - > identifying whether opportunities exist for Bowling Clubs to partner with BM to operate the facility as a Regional Bowling Centre
  - > the preferred site for a covered facility specifically considering:
    - Installation of a covered canopy over a new or existing artificial green
    - Development of a Regional Bowling Centre at the preferred site
    - To clearly define how any proposed development of the preferred site will fit within the existing bowling club facility network.

### Approach

40. The general approach adopted in carrying out the DFA was to:
- > Review all previous work undertaken and establish relationships with key stakeholders
  - > Conduct interviews with key stakeholders to establish their expectations with regards to the project scope, understand current usage and identify any issues that could impact the project
  - > Clarify the goals and objectives of the stakeholders to establish an acceptable and viable project
  - > Review and research similar projects undertaken or planned in other locations which may provide guidance for the proposed development
  - > Determine from research and information gathered the key functions and features for a proposed facility
  - > Establish a set of site criteria to be approved by the Project working group and for short-listed clubs to undertake a self – assessment of their own site
  - > Identify potential sources of capital funding and potential operating models
  - > Assess viability of a future facility development
  - > Prepare a report on the findings

### Documents and Data Received

41. A range of documents and data related to the project were provided to us to review and utilise in this assessment. Documents used for material input into this assessment include:
- > Bowls New Zealand National Facilities Strategy – Toward 2030
  - > Bowls New Zealand Bowling Greens Evaluation Documents
  - > Bowls New Zealand National Membership Data
  - > Bowls New Zealand Strategic and Operational Direction – BNZ 2020 – 2022
  - > Sport New Zealand – The Future of Bowls – A Report for Bowls NZ
  - > Sport New Zealand – Community Sport and Recreation Facility Development Guide
  - > Manawātū – Whanganui Regional Sport Facility Plan
  - > PNCC – Te Mahere Tūroa – 10-year Plan 2021 – 2031
  - > PNCC – Te Mahere Hapori Hohe – Active Communities Plan
  - > PNCC – Support and Funding Policy
  - > PNCC – Play Policy
  - > Whanganui District Council Sport and Recreation Strategy – Facilities

### Interviews and Consultation

42. Table Two below sets out the organisations who were interviewed or provided information in relation to the project.

Table Two – List of interviews and parties consulted

1	Bowls New Zealand
2	Bowls Manawātū
3	Takaro Sports Club
4	Palmerston North Bowling Club
5	North End Bowling Club
6	Woodville Bowling Club
7	Hokowhitu Bowling Club
8	Bulls Bowling Club
9	Himatangi Beach Bowling Club
10	Shannon Bowling Club
11	Ashhurst Bowling Club
12	Johnston Park Bowling Club
13	Dannevirke Bowling Club
14	Palmerston North City Council
15	Nae Nae Bowling Club
16	Bowls Kāpiti Coast
17	Sport Manawātū
18	Kimbolton and District Bowling Club
19	Bowls Manawātū Greenkeepers Assoc
20	Shade Systems Limited
21	Pacific Membranes Limited
22	RSL Consultancy







### 3. PROJECT DETAILS

#### The Need

43. The BNZ Facilities Plan 2022 identifies BNZ's intent to support the future of those small bowling clubs that adopt a plan to become a local facility that delivers a diverse range of activities (including lawn bowls) into its community. This is a shift from the previous BNZ Facilities Plan where the intent was to focus on rationalization of bowling clubs based on population.
44. The revised plan recognises the importance of the wellbeing of communities including facilities that are diverse and inclusive in their operation. The ever-changing demographic of New Zealanders accessing the game of bowls has changed and the future of bowling clubs relates to the provision of good quality off-green facilities that will attract not only bowlers but other groups who can access and utilise these facilities.

#### The Concept and Vision

45. Following the completion of the pre-feasibility study in 2019, PNCC allocated funding for the completion of the DFA. There was a significant shift from the pre-feasibility study undertaken to the new scope in that the facility was to move from a club-based concept to a wider concept where the site would primarily serve the purpose of operating as a Regional Bowls Centre.
46. To determine the most suitable location for the Regional Centre it was considered necessary to assess all Centre club sites as potential locations for development of a Covered Bowling Facility.
47. There are 15 centre clubs that are located across PN City, Manawatu District, Rangitikei District and Taranaki District. Not all clubs from within the Centre wished to engage. Some preferred a "wait and see approach" and others did not respond to requests to engage.
48. With the shift in scope to determine if opportunity existed for Bowling clubs to partner with BM to operate a regional Bowling Centre, increased engagement with BM was required to understand their readiness both strategically and operationally to partner in the development of a regional centre.
49. A steering group was formed with representatives from PNCC, SM, BNZ and BM to inform and guide the assessment process.

#### Activities

50. Bowling Clubs are predominately used for bowls activity however a number of clubs have expanded their offering to include other adjuncts. This approach is beneficial to increase the utilisation of facilities. The bowls season generally runs from October to the end of April, the season may be extended if the weather remains favorable.
51. Activity at bowling clubs during the winter months is minimal, you would be more likely to see indoor activity by other users of the club over this time eg Indoor Bowls, Darts and Pool Clubs.
52. The national event calendar is driven by BNZ. Each year BNZ prepare and circulate to all Centre's a calendar of national events. BM then sends this to their clubs requesting they indicate which events they wish to host. BM then allocates events based on a fair and equitable approach.
53. BNZ do not have a formalized structure of facility hosting requirements, however we understand there are elements that are non-negotiable depending on the level of event eg International or National level events that specify the need for a Cover, require 40x40 greens of a high quality and are accessible to supporting infrastructure. By way of example, to be eligible to host the World Bowls Champion of Champion Singles event, a cover is required as it is with the National Champion of Champion finals for singles, pairs, triples and fours.

#### Contextual Linkages

54. As identified in the Preliminary Feasibility study consideration has been given to how this project aligns with key strategies.
55. Recently BNZ partnered with Sport New Zealand (SNZ) to explore the future of the game and how to best position themselves to be fit for purpose and sustainable into the future.<sup>3</sup> The board and senior management were conscious of the rapid speed of change occurring across society and wanted to test its strategy through understanding the long-term issues and challenges shaping the future.
56. The approach used in this study was the Futures Triangle developed by Sohail Inayatullah to map the past, present and future. This approach helps explore the space of plausible futures by applying a dimensional view that considers the tension and interaction of three forces:
  - > Weight of History
  - > Push of the present
  - > Pull of the future

57. The report identifies topics such as critical issues facing Bowls NZ over the next 5 – 10 years, success factors and things that are holding them back from achieving success. Of particular interest and relevant to this report are:
  - > Reliance on the motivation of affiliated clubs to achieve outcomes
  - > Clubs with ageing facilities and volunteer base often without the capacity and capability to manage significant facility upgrades or renewals.
58. Priority actions identified by BNZ is to provide facility management support to clubs and to support club volunteers. This level of support from the NSO will be fundamental to assist clubs undertaking significant change.

#### BNZ Facilities Strategy – Toward 2030

59. In 2012, BNZ adopted a facilities strategy that outlined the status of all bowling facilities available within New Zealand. A Facilities Plan has subsequently been developed that focuses on positioning clubs to embrace the ever-changing demographic of New Zealanders accessing the game.
60. This facilities strategy identifies BNZ's role to encourage and support a community targeted facilities strategy. The alignment of this project to their strategy is supported through:
  - > identifying and developing new initiatives and partnerships
  - > promoting a shift to paid facility administration over volunteer
  - > leading and facilitating the 'change conversation' within clubs; and
  - > communicating and sharing what other clubs are doing to embrace a more diverse future.
61. It is BNZ's aim to ensure that any club or group of clubs that wish to improve and / or change the game and their own place in it, will receive their support and guidance to achieve their goal.

<sup>3</sup> The future of Bowls NZ – July/Aug 2022





### 3. PROJECT DETAILS

#### PNCC

##### Te Mahere Tūroa – 10-Year Plan 2021 – 2031

62. The 10-Year Plan was adopted by PNCC on 7 July 2021 and outlines Council's intentions to achieve its vision of Small city benefits, big city ambition.
63. Programme 1891 "Covered Bowling Green – Feasibility Study" provides for \$50,000 in the 20/21 financial year to complete this assessment. There is no funding identified for this project in the LTP beyond the completion of the DFA.
64. As noted in Section 3 – Infrastructure Strategy<sup>4</sup>, PNCC have agreed to investigate the repurposing of land formerly leased by the Terrace End Bowling Club (Summerhays St). Following the amalgamation of the club with North End, the site is now being considered for alternative use by Council. This supports both the City Development Strategy and the Housing Future Development Plan.

##### Te Mahere Hapori Hohe – Active Communities Plan

65. The PNCC vision is He iti rā, he iti pounamu Small city benefits, big city ambition. The Active Communities plan primarily contributes to the PNCC's goal of a Creative and Exciting City.
66. The plan identifies that Council will contribute to pre-feasibility or needs assessment work (as required by Council's commitment to the RSFP). An action in the plan is to carry out a DFA for a covered artificial green for bowls.
67. PNCC currently supports bowling clubs by leasing reserve land. All bowling club's occupy land owned by PNCC are currently on a month-by-month lease renewal pending the outcome of this DFA. With the amalgamation of the Terrace End and North End clubs to one site, land at 17 Summerhays Street, provides PNCC development options.

#### Manawatū – Whanganui Regional Sport Facility Plan

68. PNCC endorsed the Manawatū-Whanganui Regional Sport Facility Plan in 2018 to provide a high-level strategic framework for regional sport and recreation facility planning. It provides guidance and support to making investment decisions on sports facility development.
69. The key finding for bowls from the RSFP was "as demand warrants it, assess facility rationalisation/optimising opportunities (including assessment of Bowls Centre option)".
70. PNCC have commissioned the review of the PN section of the RSFP and a report was recently presented to Council. We understand the preliminary findings record that the categorization status of the bowls clubs within the city have remained at 'District' level under the hierarchy.

#### Sport New Zealand Facilities Framework and Community Sport and Recreation Facilities Development Guide

71. Assessment of this project follows the SNZ framework through the six-stage assessment approach of Concept, Plan, Design, Build, Operate and Improve.

#### PNCC Support and Funding Policy

72. PNCC updated their Funding Policy in 2022 after a period of consultation. The new Support and Funding Policy has a wider scope than the previous Policy to empower community providers to ensure decisions align with Council's strategic direction. It aims to include:
  - > Increased capacity for external groups and organisations to deliver initiatives that enhance the cultural, economic, and social wellbeing of the city.
  - > A transparent, and consistent system for support and funding programmes.
  - > Shared understanding that Council support is provided through various means, including grants funding, sponsorship, scholarships, subsidies, and community rental rates.

#### BM Strategic Plan

73. A key success factor identified in the Pre-feasibility Study was a clear strategic direction for bowls in the City and region was needed before a cover was to be considered. Engagement with BM has identified that this strategic direction continues to be underdeveloped and additional support outside of this project has been provided to them by TBL and SM to review their strategic plan. An updated draft Strategic Plan was developed with the intent for it to be presented to members at the 2022 AGM, this failed to happen.
74. The consequence of BM not presenting and finalising the Strategic Plan is to extend the time required to socialise and get buy in from clubs to develop an operational plan to support the implementation. This has raised concern for the project from the outset given the intention of the DFA was to determine if a covered facility could function as a regional centre.
75. The 2022 – 2027 draft plan focuses on four key areas:
  - > Promote and Grow the Game
  - > Talent Development
  - > Enhanced Facilities; and
  - > Good Governance





## 4. CURRENT STATE

### Stocktake

76. There are 15 clubs within the BM Centre catchment area, the clubs are situated in Bulls, Dannevirke, Shannon, Woodville, Himatangi, Pahiatua, Kimbolton, Foxton Beach, Ashhurst, Rongotea, Feilding and Palmerston North as shown in Figure One.
77. The facility inventory collated for clubs within the Centre District identified a total of 27.5 greens across the 15 clubs (refer Table Three below). Of these, 81% are grass greens with the remainder being artificial surfaces. Two of the artificial surfaces have been subject to recent damage and are currently under repair.

Table Three – Green stocktake

Club	Greens	
	Artificial	Grass
Woodville		1
Takaro	1	1
Shannon		2
Palmerston North	1 <sup>5</sup>	2
North End	1 <sup>6</sup>	2
Johnston Park	1	2
Hokowhitu		3
Dannevirke		2
Bulls		1.5
Himatangi		1
Pahiatua		2
Te Kawau <sup>7</sup>		
Kimbolton		1
Foxton Beach	1 <sup>8</sup>	1
Ashhurst		1
<b>Total</b>	<b>5</b>	<b>22.5</b>

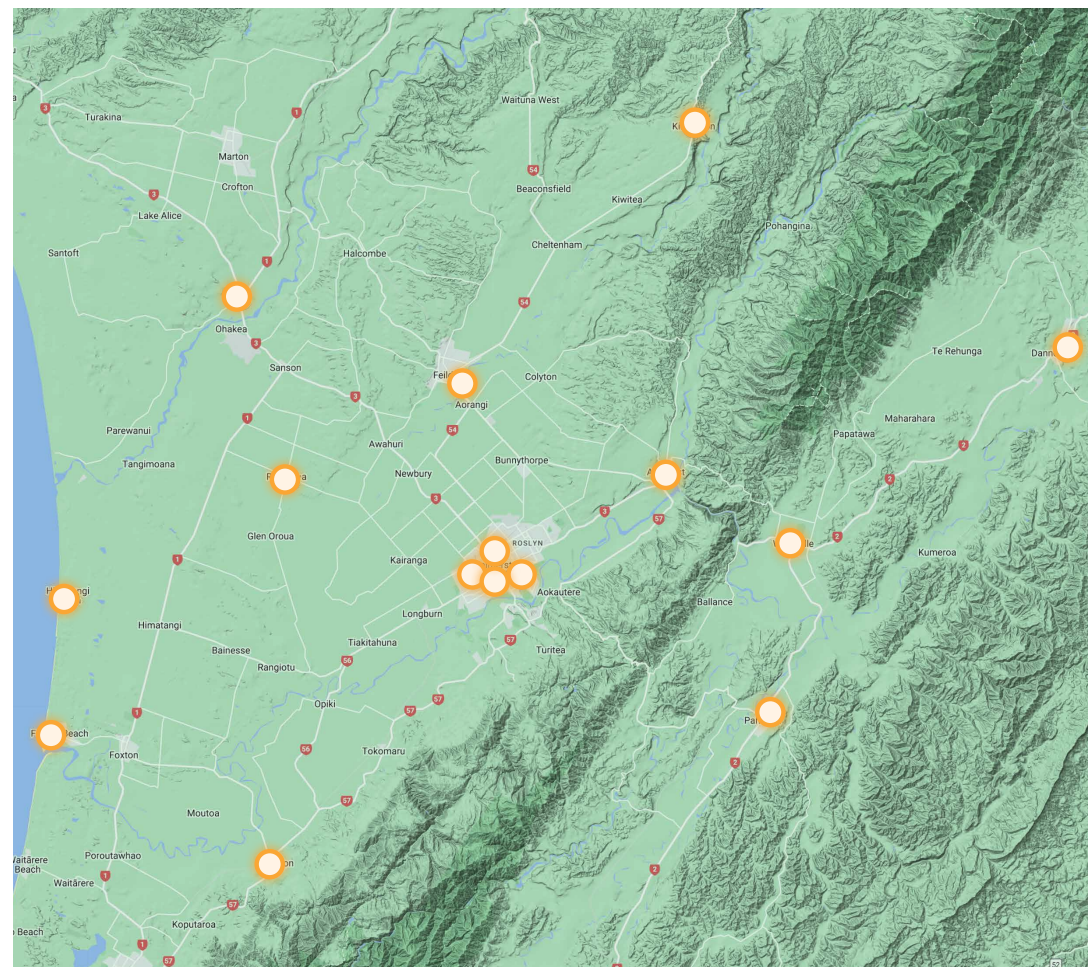
5 Artificial turf currently damaged and awaiting replacement

6 Artificial turf currently being installed

7 An affiliated club with no greens or clubrooms

8 Artificial turf currently damaged and awaiting replacement

Figure One – Bowling Clubs within the Centre District



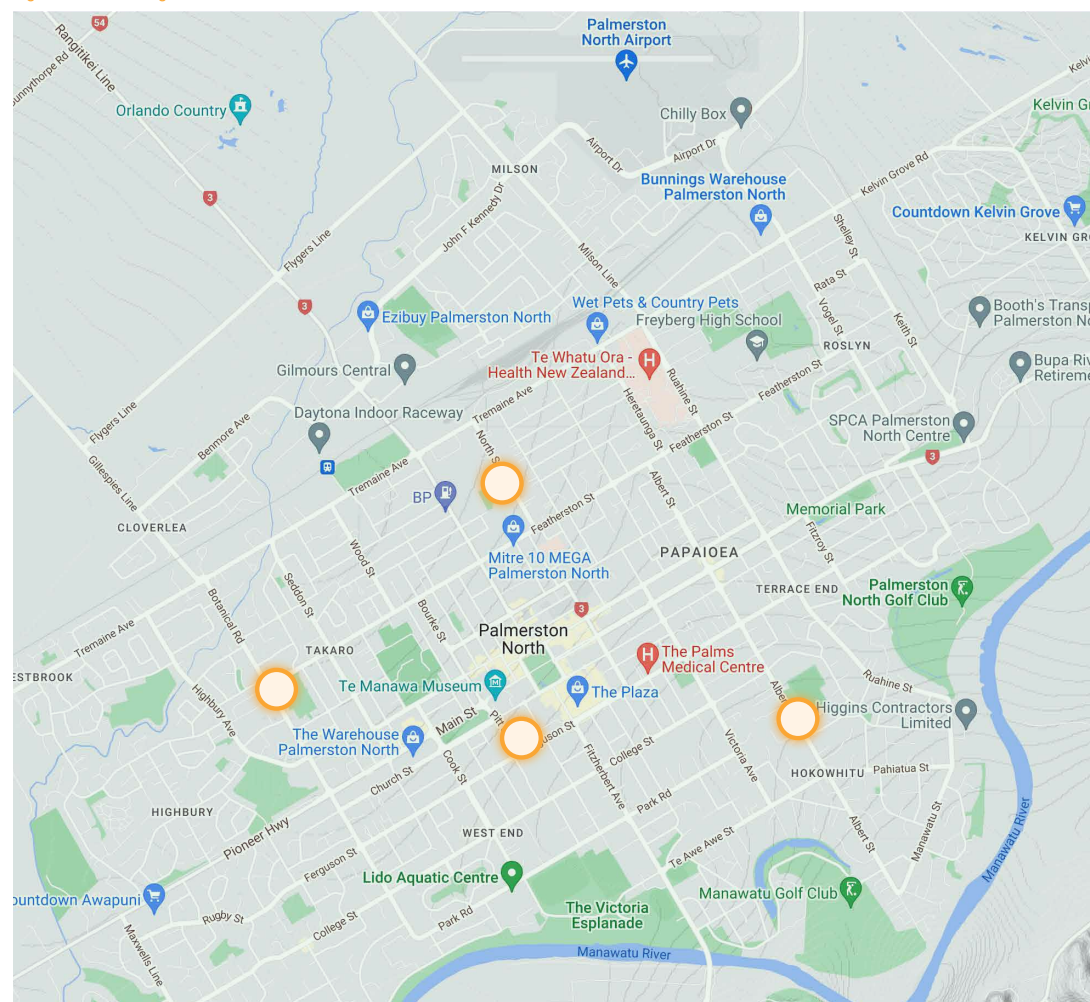


#### 4. CURRENT STATE

78. A new artificial surface is currently being installed at North End Bowling Club and for the purposes of this report has been included in the artificial green count. The Te Kawau Bowling Club is an associated club, however do not have any greens or clubrooms.
79. The greens range in condition from brand new artificial to natural greens that have been in place for 20 plus years.
80. Greens are assessed using the BNZ standard evaluation form<sup>9</sup>. The evaluation assesses key components of the green and a score against each item is applied. The scores are then accumulated to determine the grading of the green ie International, National, Centre and Club.
81. We have been unable to obtain information on the current grading of greens within the Centre. Anecdotally we understand that clubs currently do their own assessment using the BNZ evaluation process and it has been several years since a full assessment of all greens within the Centre has been conducted. Allowing clubs to do their own assessment of a green makes consistency difficult. Technically easy to ensure greens comply, however subjective when considering green condition eg bare areas, weed content.
82. Assessment of greens is generally driven by the hosting of national level tournaments. The Bowls NZ Greenkeepers Association provides the training and pathways for greenkeeping personnel. They are supported by BNZ and expertise from NZ Sports Turf Institute. Locally the Greenkeepers Association is not utilised by all centre clubs with some choosing to use private greenkeepers who are remunerated accordingly for their expertise.
83. The maintenance of natural greens and the shortage of greenkeepers to maintain them is an ongoing challenge. Engagement of greenkeepers varies from those remunerated for their skill and expertise to a significant number of volunteers who commit hours to the role. Many clubs reported their greenkeepers were member volunteers.
84. The combined centre membership of playing and non-playing members is 943. Taking the total number of greens within the Centre and applying the BNZ ratio of 1:100 green/member shows the Centre is oversupplied. Applying the same model to city only clubs with a membership of 304 shows the city is also oversupplied.

<sup>9</sup> New Zealand Bowling Greens Evaluation Form

Figure Two – Bowling Clubs within Palmerston North







#### 4. CURRENT STATE

### National Membership

85. The national census of membership and participation numbers for the year to 31 December 2021 records a decrease in membership across the country by approximately 6%<sup>10</sup>. Table Three shows the full data record of national membership. Covid lockdowns particularly in Auckland, are recorded as having significant impact on the membership, BNZ estimate around 2-3% of membership were unable to access facilities in 2021 due to government mandates.
86. Assessment of the national data between 2016 to 2021 shows the trend for playing members is level which may suggest that the loss of members could plateau in the near future. Figure Three shows the projected trends of national membership.
87. Further evidence of the impact of COVID-19 is the drop in casual participation numbers, with the corporate market in Auckland being especially impacted with its extended lockdown periods compared to other parts of the country.

### Centre Membership

88. Centre membership data reflects a similar picture to national trends, with an 11% decline in playing membership since 2020. All membership types recorded a decline in numbers most likely attributed to Covid mandates. See Table Four.
89. During engagement centre clubs' commented on the difficulty of attracting new members but reported social membership as being more attractive to new members. The ongoing challenge for the clubs is to convert these members from social to playing members.
90. Over the last three years casual membership of all centre clubs has increased by 58%. This was driven by lower fees for casual members and increasing the hosting of corporate and social functions.
91. First year membership is declining rapidly resulting in fewer new members continuing on in the sport. A focus for all clubs should be in converting the casual member to a playing member. During consultation with clubs there was little evidence of strategies clubs were using to achieve this.

Table Three – National Membership Data

YEAR	Total Playing members	Total Non-Playing members	Total Casual Participants	First Year Membership
2012	30,213	11,181	44,612	1,489
2013	28,612	11,518	53,538	1,239
2014	27,609	11,801	57,948	1,440
2015	26,327	13,031	64,620	1,191
2016	25,474	12,878	82,386	1,250
2017	24,393	13,931	83,161	1,170
2018	24,154	14,849	99,578	1,450
2019	25,182	13,321	113,326	1,618
2020	26,946	9,742	101,279	1,663
2021	25,286	9,932	75,860	1,461

Figure Three – All Bowling NZ Clubs Playing Member Trends

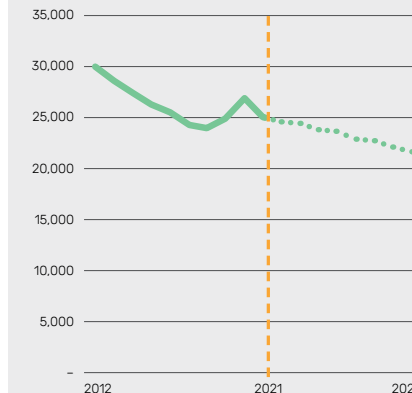
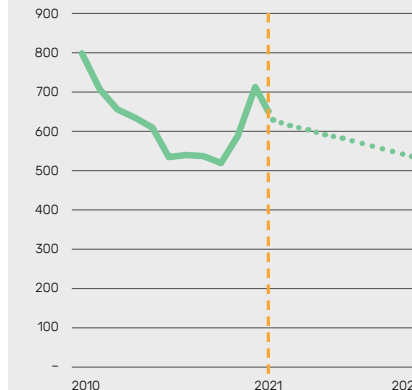


Table Four – BM membership data

YEAR	Total Playing members	Total Non-Playing members	Total Casual Participants	First Year Membership
2012	660	309	1076	33
2013	633	202	391	31
2014	607	299	608	27
2015	535	318	949	24
2016	538	425	481	36
2017	532	689	516	27
2018	525	366	585	0
2019	588	430	891	44
2020	713	362	1607	35
2021	628	315	1408	23

Table Four – Projected Trend of Membership for The Centre





#### 4. CURRENT STATE

92. Membership fees vary across clubs, ranging from \$200 – \$230 per person. Each Club is required to pay annual affiliation fees to BNZ. This is a fixed fee based on 31 December 2018 club census data. The fee is \$33.18 +GST per playing member. In addition, clubs pay BM an affiliation fee of \$27.50 +GST per playing member. Fees for new members vary across clubs, most clubs apply a reduced fee approach for the first year of membership.
93. As part of our engagement we interviewed neighbouring Centre's. Of particular interest was the discussion with the Kāpiti Coast Centre. There are 10 clubs in the Kāpiti Coast centre, four of which have artificial turfs that are recorded as being very popular in the winter months.
94. The Kāpiti Coast Centre is not considering the development of a cover. The board are currently reviewing their purpose to determine the Centres future direction. One option is to disband which could result in a split of the 10 affiliated clubs, who could then associate with the Manawātū and Wellington Centres depending on their location. A logical split is five to Wellington and five to Manawātū. This could increase BM membership by approximately 300 members.

#### Population and Demographic Profile

95. A high-level review of population and demographic features was undertaken. It concentrated on PN City and its immediate wider catchment area. The review focused on projected populations, and the more descriptive characteristics of population, age and ethnicity. The key points highlighted from this review are:
- > Population growth between 2006–2018 was distributed unevenly across the city's area units<sup>11</sup>
  - > Low growth areas are predominantly located in the city centre (1– 5% population growth)
  - > Negative growth was noted in six area units Cloverlea, Takaro North, Palmerston North Central, Park West, Ruahine, Linton, and Turitea<sup>12</sup>

<sup>11</sup> Areas units are a statistical group used by StatsNZ when collecting information about populations and households. Palmerston North is divided into a total of 41 area units. We have used a mapping technique that illustrates each area unit as a similar-sized hexagon, enabling us to present key information in a diagrammatic map in order to compare across area units.

<sup>12</sup> Negative growth may be due to a combination of factors including lower numbers of students in flats, lack of opportunity for infill development, new opportunity provided in urban growth areas, and change of residence on census night for soldiers usually based at Linton Army Camp.

- > Higher growth of 21–100% occurred in the outer suburbs of areas including Royal Oak, Kelvin Grove North, Whakarongo, Ashhurst, Aokautere, Aokautere Rural and Poutoa
- > Infometrics population projections suggest Palmerston North's population will grow by 23,400 between 2018 – 2043 (medium growth projection) with the population expected to reach 110,700 by 2043. High growth projections for the city suggests its population could reach 121,300 by 2043, while its low growth scenario suggests a population of 98,900 in 2043.
- > The average age of the city's population will continue to increase with the highest rate growth in the number of people aged 65 and over.
- > While the fastest rate of growth will be in the 65 years and over population, there is still expected to be growth in other age groups, as shown in Table Five below:

Table Five – Expected population growth by age groups

Year	0–14 years	15–39 years	40 – 64 years	65 years and over	Total
2018	17,170	32,930	24,700	12,520	87,320
2043	19,663	43,621	26,484	20,908	110,676
2018 – 2043 change	15%	32%	7%	67%	27%

- > Statistics New Zealand projections suggest Palmerston North will become significantly more ethnically diverse in the future. The Pacific Island community is projected to have the fastest rate of growth, increasing its share of the city's population from 5.2 percent in 2018 to 7.8 percent in 2038
- > By 2038, Māori are expected to make up 25.6 percent of the population, increasing from 18.2 percent in 2018.
- > The Asian population is also projected to grow strongly, increasing from 12.8 percent of the population in 2018 to 17.5 percent in 2043



## 4. CURRENT STATE

### Weather trends

97. There is abundant evidence that New Zealand's climate is changing, although the impacts vary from place to place. Changing rainfall, wind, temperature, storm and other climatic patterns all influence building design. We have assessed as part of the DFA the current and future weather trends for the region.

### Current and Historical Weather

98. Despite Manawātū having a reputation for being a reasonably rainy region, this is not applicable to Palmerston North itself.
99. According to NIWA's report on the climate and weather of Manawātū-Whanganui (2015):
- > "A triangle including the area roughly from Whanganui to Palmerston North to Levin receives less than 900 mm of rainfall per year, as does the area around Taihape."<sup>13</sup>
  - > Additionally, the occurrence of wet weather is relatively consistent:
  - > "The variability of seasonal and annual rainfall over Manawātū-Whanganui is generally quite low and is markedly less than other NI east coast districts."<sup>14</sup>
100. Normal operation of bowls is from October to April annually, and the driest weather is generally inside of this period:
101. "Rain days are less frequent from January to March (coinciding with the driest time of the year), and occur most often between June and September. In most places there are only a few more rain days in winter than in spring."<sup>15</sup>
102. A table combining the volume of rain per month and the frequency of rain can be constructed from the available data.<sup>16</sup> See Table Six.
103. It should be noted that on average December has the highest volume of rain (96mm) but is not one of the months with the highest number of rainy days. Additionally, February is one of the months with the least number of rainy days yet sits in the middle of the pack as far as rain volume. At an average of 8.7mm and 10.1mm of rain (respectively) per day >1mm day, indicates that when it rains in these months, it is more likely to be heavier than in other months.

Table Six – Monthly rainfall normals, Palmerston North 1981-2010

	Regular Bowls Season									Regular Bowls Season			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
mm	55	71	55	60	74	92	85	69	85	84	75	96	900
%	6	8	6	7	8	10	9	8	9	9	8	11	100
Days >0.1mm	10	10	11	12	15	17	18	18	16	16	14	15	171
Days >1mm	7	7	8	8	10	12	12	13	12	12	10	11	122
mm per >1mm day	7.9	10.1	6.9	7.5	7.4	7.7	7.1	5.3	7.1	7.0	7.5	8.7	7.4
Club operation													

<sup>13</sup> Chappell, P.R. 2015, p15.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid, p18.

<sup>16</sup> Ibid, Table 6 (p15-16) and Table 8 (p18-19), except for mm per >1mm day, which is newly calculated.



## 4. CURRENT STATE

### Weather Projections

104. NIWA has various projections on climate change. These cover various year ranges (e.g., 1995–2055) and Representative Concentration Pathway values to simulate various climate change scenarios, based on data collated from six different climate science organisations<sup>17</sup>. The data from these climate change scenarios are freely available from the NIWA *Our Future Climate New Zealand* website.
105. Climate change map data was collated and is shown in Table Seven below.

Table Seven – Climate change map data were collated into the following table.

	1995-2030				1995-2055			
RCP value	2.6	4.5	6.0	8.5	2.6	4.5	6.0	8.5
Wet days	+ 0-5	+ 0-5	- 0-5	+ 0-5	+ 0-5	+ 0-5	- 0-5	+ 0-5
Days >25mm	+ 0-2	+ 0-2	+ 0-2	+ 0-2	+ 0-2	+ 0-2	+ 0-2	+ 0-2
Mean rainfall	+ 5-10%	+ 5-10%	+ 5-10%	+ 5-10%	+ 5-10%	+ 5-10%	+ 5-10%	+ 5-10%
Mean temp (oC)	+ 0.5-1.0	+ 0.0-0.5	+ 0.0-0.5	+ 0.0-0.5	+ 0.5-1.0	+ 0.5-1.0	+ 0.5-1.0	+ 1.0-1.5

106. The scenarios indicate that in all cases, though Palmerston North has a reasonably stable weather biome compared to its neighbours, the amount of rainfall will increase in the short to long term in all scenarios, with a slight increase in temperature.
107. Given the likely increase in wet weather due to climate change, and the likelihood of intermittent heavy rain in even the warmer months, some sort of shelter over a bowling green would be beneficial.
108. This would also be beneficial for protection from hot sun on sunny days, especially given that there will likely be a small increase in mean temperatures under all scenarios. The provision of a shelter supports PNCC Sun Protection policy, adopted in 2010.

### Event scan

109. As mentioned earlier in the report BNZ do not have a formalized structure of facility hosting requirements. There are regulations that set out the ownership, management and conditions of entry relating to the running of national events. We also established that if aspiring to host international events or some national level events the optimum green size is a 40x40m and a cover in some cases is also essential.
110. Although these requirements are in place for international events, BNZ have indicated that for some national events it is more lenient in its approach to allocation eg smaller sized greens, cover or no cover. Currently there is no club within the Centre that has a 40x40m green.
111. To consider what event opportunities exist, we have assumed that the events can be run on a 36x36m green and that a cover exists with supporting infrastructure. Working on this basis our scan of national events has identified the following opportunities:
- > National Champion of Champion Singles, Pairs, Triples, Fours
  - > National Intercentre Playoffs and Finals
  - > National Interclub Sevens
  - > Bowls3Five Interclub Finals
  - > Rangatahi U20's Singles Championship
  - > National Secondary Schools Bowls3Five Championship
  - > North vs South Challenge
112. Our engagement with BNZ confirmed their ambition for every centre to have a covered green still remains. Working on that basis, if a cover was established, the city would be in a better position to attract key events as shown above.
113. For over 20 years the City played host to the National Interclub finals however this event is now played at other venues around the country that have a covered facility. Due to Covid requirements the city also recently lost hosting rights of the National Intercentre playoff Finals. The event was moved to the Hawke's Bay to a covered facility allowing BNZ to better manage controlled access to the event and site.
114. An assessment of the 2022/23 BM event programme shows approximately 66 centre events are run for participation by centre clubs from October to April (7 months). This does not include events run specifically by clubs for their members. We have identified three peak months where event activity is higher than other months. These are October, November and April.

<sup>17</sup> Climate change scenarios for New Zealand. NIWA. (2020, September 23). Retrieved October 28, 2022, from <https://niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios>





## 5. ASSESSMENT

### Change in scope

115. In our opinion, the original proposal to consider a regional bowls centre was reliant on BM being in a strong strategic position with a clear direction of how they were contributing to the growth of the game. We ascertained during the course of the project that BM were underprepared in this regard.
116. Engagement with BM identified there was no Strategic Plan or Operational Plan in place. Recruitment of BM Board members was challenging and the relationship between BM and the Clubs needed to be better understood. All points are intrinsically linked to BM's readiness.
117. A desktop review of deputations and presentations, by the bowls community, to Council identified a number of club merger options have been presented. These included an option to reduce the number of sites to two and more recently the intended merger of three clubs to be located at the North Street site. These options have not transpired as anticipated.
118. It was determined in conjunction with members of the PWG that an amended approach to the scope was appropriate and to move to a club-based approach to determine if a cover was viable. This approach also supports the findings of the pre-feasibility study and allows BM time to further develop its Strategy.

Figure Five – Change in Scope



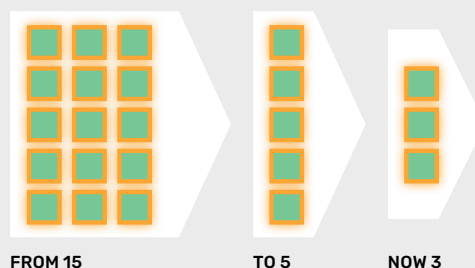
### Site Options

119. The scope for the DFA required consideration of site options that might achieve a similar outcome eg large commercial buildings or vacant land suitable for development, to that of covering an existing bowls facility. Given the change in approach and the advanced nature of the clubs investigations, consideration was not given to options outside of covering an existing green.
120. The options considered included:
- > A cover over an existing artificial green; and
  - > A cover over a new artificial green

### Site Selection

121. A set of assessment criteria was established (refer Appendix A) and presented to the PWG for consideration and refinement. The assessment criteria were designed to guide the site shortlisting process and can be categorized as follows:
- > Fit for Centre
  - > Regulatory and Strategic
  - > Site suitability
  - > Partnership and Collaboration
  - > Other – Funding, Costings, Timelines

Figure Six – Shortlisting Approach



122. Following agreement on the criteria and best approach method, an assessment of the 15 Centre clubs was conducted based on information gathered through interviews and desktop research. Against each heading a ranking was given providing the basis for inclusion or exclusion from the process. Figure Six shows the shortlisting approach.
123. The findings of this high-level review were presented to the PWG for discussion and agreement on the initial shortlist. The assessment process resulted in 5 clubs being shortlisted with additional information requested on two of the shortlisted clubs.
124. A summary of the key considerations that excluded 10 clubs from the shortlist when assessed against the criteria were:
- > Fit for Centre
    - The number and quality of greens available at the club
    - Capacity to host large tournaments and supporting infrastructure
    - The size and layout of the clubrooms to host multiple activities
  - > Regulatory & Strategic
    - Site limitations that would likely present consenting challenges
    - Limited fit with strategic documents that are guiding future developments
  - > Site suitability
    - Significance of travel time for users
    - The level of support facilities within close proximity to the club
    - How feasible it would be to integrate a cover and offices on to the site considering potential layout and usability
    - Current level of utilisation and impact of centre of requirements
  - > Partnership and Collaboration
    - Minimal experience in working with others
    - How the Centre could be engaged in the management or operation of the regional centre and the willingness of the club to consider this option





## 5. ASSESSMENT

- > Other
  - Willingness and ability of clubs to financially contribute to the development
  - Consideration of the potential costs to develop each site including consenting and build costs

### Now we are down to 5

125. A more detailed analysis of the five remaining clubs was completed considering in greater detail items such as consenting requirements, site functionality, development costs and club readiness.
126. Based on these findings the PWG agreed to exclude two additional sites, Hokowhitu Bowling Club and Johnston Park Bowling Club. The key factors in their exclusions were:
- > The likelihood of obtaining consent to install a cover
  - > Current membership levels and consideration of club sustainability
  - > Potential costs to develop the site

### Now we are down to 3

127. This then confirmed the final shortlist to be Takaro Sports Club, Palmerston North Bowling Club and North End Bowling Club.
128. Notification to all clubs was circulated in August to advise clubs if they had been shortlisted or not. The shortlisted clubs were re-engaged to undertake additional steps as part of the assessment process.
129. We invited the shortlisted clubs to undertake a self-assessment against the site criteria, this was to gauge the accuracy of our initial assessment based on information obtained from them in previous interviews. Understandably, a challenge for the clubs in undertaking this assessment was their lack of ability to understand the strategic direction of BM given the plan had not been presented at the AGM. It was difficult for them to assess how they would contribute to it. Given our involvement in the development of the draft Strategy we were able to provide some context of the content to allow for a high-level fit assessment. Table Nine shows the results of the PWG assessment and the clubs self assessment.

Table Nine – Assessment results from PWG and Clubs self assessment

Criteria	PWG assessment results			Club Self assessment results		
	1 Takaro	2 Palmerston North	3 North End	1 Takaro	2 Palmerston North	3 North End
<b>Fit for Centre</b>						
Number and type of greens						
Tournament hosting						
Suitable clubrooms						
Suitable offices						
<b>Regulatory &amp; strategic</b>						
Consenting						
Alignment to PNCC/Horizons plans						
Fit with Centre Strategy						
<b>Site suitability</b>						
Accessibility/Centrality						
Proximity to support facilities						
Buildability						
Utilisation						
Parking						
<b>Partnership and Collaboration</b>						
Experience working with others						
Control						
<b>Other</b>						
Funding						
Indicative cost						
Timeline						

See Appendix A for assessment criteria.



## 5. ASSESSMENT

130. Following the clubs self-assessment we compared their assessment with that of the PWG to identify any significant variations.
131. Our assessment is based on the clubs view being more positive or less positive than our initial assessment. Table 10 records the variation and commentary.

### Summary

132. What this analysis tells us is that there is little variance between each site when comparing all assessment components. It indicated that each site is a feasible option for erecting a cover over a green. The self assessment by the clubs reflects, in our opinion, where each clubs views its current position. Again, the variations between the club assessment and the PWGs assessment is minimal.

Table 10. Variations in assessment

	1	2	3	
	Takaro	Palmerston North	North End	
<b>Criteria</b>				
<b>Fit for Centre</b>				
Number and type of greens				Our assessment based on the need to repair artificial green vs club assessment that green will be replaced
Tournament hosting				
Suitable clubrooms				Our assessment based on available space within clubrooms to accommodate vs club assessment reflects alteration required
Suitable offices				Our assessment reflects office space either provided but will need expansion to accommodate need of centre vs clubs assessment acceptable space currently
<b>Regulatory &amp; strategic</b>				
Consenting				
Alignment to PNCC/Horizons plans				
Fit with Centre Strategy				Difficult to assess for club as strategy not known to them
<b>Site suitability</b>				
Accessibility/Centrality				
Proximity to support facilities				
Buildability				
Utilisation				Club assessed room to improve but want to remain bowls focussed
Parking				Our assessment parking challenges at peak times vs club assessed no issues with current use
<b>Partnership and Collaboration</b>				
Experience working with others				
Control				
<b>Other</b>				
Funding				Club assessed based on readiness to raise necessary funding
Indicative cost				Club assessed based on knowledge of costs to undertake the development
Timeline				

less positive assessment  
more positive assessment





## 5. ASSESSMENT

### Utilisation

133. A detailed assessment of utilisation for the three shortlisted clubs was undertaken to determine the impact on clubs with the introduction of centre activity. To understand the current utilisation of each club a utilisation profile was developed for clubs to complete.
134. BM was requested to complete the profile based on their current usage and future use projections when considering their strategic goals and how they may impact utilisation.
135. To assess the impact on each site we have assumed the facility (both greens and clubrooms) are useable for 98 hours per week (Seven days per week from 8am – 10pm).

### Impact of Centre use on each club

#### BM

136. BM additions to the annual schedule can be divided into three groups:
  - > Competitions that utilise at least one bowling green and a proportion of clubroom facilities,
  - > Training sessions that usually only utilise clubrooms, and
  - > Management meetings.
137. Competition additions will have the largest impact, depending on how many greens a club has. The North End club will have three greens in operation by year end (two grass, one artificial) so has plenty of options for concurrent bowling activities, but Palmerston North Bowling Club and Takaro Sports Club currently only have two. It should be noted that Palmerston North will have three greens available once it has repaired its water-damaged artificial green.
138. Where there is a Midweek Competition scheduled by BM at around the same time as a club's existing Midweek Competition, one should assume they are one and the same and do not represent a clash of resources. The same should be assumed of Winter Competitions.
139. The training additions include Officials Training, Rep Training, and Open Coaching, with seven scheduled occurrences in total, weekly. Four of these occurrences are fairly low impact, with four-hour long sessions, but two of them, namely the Friday and Sunday rep sessions, are all-day activities. Nevertheless, these sessions will not include large numbers and will likely have limited utilisation of any greens, so are unlikely to have a large impact on capacity.

All the clubs appear to have enough venue capacity to run these alongside any other clubroom events, and at the very least should be able to separate off an area (e.g., with folding screens) for these sessions to be run.

140. Management meeting additions are solely in the form of monthly "Centre Functions", which are meetings that can be easily held in an office room or small apportioned-off area in a larger room. These occur during Monday evenings and will have negligible impact on the clubs' Monday night hosting capabilities.
141. After considering the above, potential scheduling or capacity issues that still exist are discussed in the next section.

### Impact on shortlisted Clubs

#### North End

142. The North End club has two grass greens and one artificial green currently being installed.

#### Scheduled Regular Events

143. Housie is an all-year-round activity that occurs on Tuesday mornings and Friday evenings, at the same time as two of BM's proposed times for Open Coaching (Tuesday, July – August) and the new Night League (Friday, all year). Housie has its own area, so these activities won't clash.
144. The Night League could conceivably clash with the club's proposed Business House Bowls 3/5 on Tuesday evening, but this is dependent on the number of greens each wishes to utilise. It is unlikely they would need more than 3 in total, so they should be able to coexist.
145. On Thursday evenings, the RSA and College Old Boys will be approximately 50-70 people total, so could coincide with Officials Training (Mar-Nov) with no issues. The currently scheduled Bowls Triples only uses one green, leaving plenty of room for the newly proposed Schools Events.
146. The venue has its highest scheduled capacity on Saturday afternoons with Football and Rugby Club patrons. Even with the 330-380 people that are likely to be in attendance, there is enough capacity in the venue facilities to service the Winter Interclub attendees.
147. Overall, there does not seem to be any issues in enhancing the club's schedule with BM's scheduled events.

### Functions and Hireage

148. The venue is usually hired out for the following functions each year:
  - > Around six Christmas Functions during the November to December period.
  - > Casual hire:
    - DOC training sessions (usually two).
    - A function per resident sporting group (e.g., Norths' Football Club, College Old Boys Rugby Club).
149. More often than not, functions will occur on a Friday or Saturday. Functions already coexist with the October to April Saturday competitions, so there seems to be no reason why they cannot also coexist with the proposed all-year Friday Night League. If there does seem to be an issue here, there is always the option of truncating the social aspect of competitions to 6pm or 7pm.
150. Aside from this, there is plenty of space within the weekday schedule. Officials training (March to November) is low impact, so every Thursday should be available (8 evenings in the Christmas period). Sunday, Monday, and Wednesdays have a competition event that should coexist easily with any Christmas period function.
151. Casual hire is low impact, and one would assume even higher availability outside of the Christmas period.

### Palmerston North

152. The Palmerston North club has two grass greens and one artificial green that is currently subject to repair due to water damage.

#### Scheduled Regular Events

153. Wednesday has Club Roll-up which utilises two greens, which may clash with the proposed Midweek Competition and Night League. Additionally, the proposed Midweek Competition on Friday may clash with the Casual/Social Bowls, which occupies two greens. While the artificial green is out of operation, there is no extra capacity for these to co-exist in their current form, but they should be able to coexist once the artificial third green has been repaired.
154. On Thursdays a proposed Schools Events (Term 1 and 4, may expand to Terms 2 and 3) may clash with the Triples Competition, which uses two greens. Once again, they should be able to coexist once the artificial third green has been repaired.





## 5. ASSESSMENT

155. Thursdays also have RSA, Mates in Bowls, and Pool club with peak of 125 users at 6-7pm on Thursdays. RSA has its own space, and the proposed Officials Training would not put any pressure on venue capacity.

### Functions and Hireage

156. The venue usually hosts up to 30 Christmas functions between October and December with an average attendance of 30 people. These functions occur mostly on Friday or Saturday.
157. Functions will currently have to coincide with Casual Bowls on a Friday evening, and the addition of Night League should not be too large an impact on the clubroom facilities.
158. Taking into account the possibility of multiple groups per evening in the dining areas (at ~30 people per group), there appears to be ample capacity for the usual number of functions.

### Takaro Sports Club

159. The Takaro Sports Club has one grass green and one artificial green.

### Scheduled Regular Events

160. Housie has its own area, so will not clash with any proposed events. Likewise, Chess on Tuesdays (20 people) can go into its own area, so can coexist with the proposed Night League.
161. Assuming Jack Attack only uses one green, it should also be able to coexist with the Night League.
162. Gateball occurs all year round but has its own area. Likewise with Beach Volleyball, though there may be some minor usage of shared facilities.

### Functions and Hireage

163. The Takaro Sports Club hosts a large array of functions:
- > Section/affiliate functions (10-15 per annum), including their prizegiving's and fundraisers.
  - > Section/affiliate committee and annual general meetings.
  - > Private functions (10-15 per annum) with 50-200 attendees.
164. Many committee meetings will be able to be held in a meeting room, so will have small impact the venue.
165. From April to September, functions should be able to be held in the evening on Saturdays and Sundays, with the only impediment being Takaro Football and Netball, which finishes at 7pm and 6pm, respectively during the winter months.

166. From October to March, functions will either need to coexist with club competitions (there seems to be ample room for both), or the social part of the competitions could be truncated to 6 or 7pm. There are other options for scheduling functions as well, such as Monday nights, which only has Table Tennis scheduled.

167. Overall, there should be enough capacity to fit the usual quota of functions, assuming the flexibility to shorten the social side of club competitions and considering that the venue has enough space/capacity for event and function overlaps.

## Summary

168. What this analysis tells us is that all three facilities have the capacity to host BM activity based on the information provided to us by the clubs and BM. It also indicates that the location of BM shouldn't be determined by placement of the cover. BM could be located at any club as their use of the cover won't impact significantly on the utilisation. BM would hire the space and utilize the cover for tournaments and training purposes.

## Club developments and additional demands

169. Through engagement with the shortlisted clubs we were able to determine what developments each club were considering and to understand what, if any additional demands were being experienced in the facility.
170. Takaro Sports Club have future plans to seal the carpark at the eastern end of the facility, to establish a competition beach volleyball area, make improvements to their clubrooms including new mens and ladies bathrooms, and to upgrade the kitchen facilities. Repurposing of some outbuildings are also being considered. The only additional demand noted on their facility had been in relation to hosting social functions.
171. North End has future plans to make alterations to their clubrooms to improve access for people with disabilities and to create an improved indoor/outdoor flow. They are also considering adding in additional seating on the two front greens. Already mentioned is the installation of a new artificial turf which is underway. Similar to Takaro Sports Club the increased demand at their facility is social functions.

172. Palmerston North Bowling Club have future plans to progress a covered green and are well progressed through the planning stages. There are some minor clubroom improvements planned eg painting of interior walls. They are currently focused on the replacement of the water damaged artificial turf. They are experiencing increased demand to host social functions and have received interest from several nearby schools to utilize the facility.
173. Each club has demonstrated their commitment to ongoing improvements of their facility this is supported by the build up of cash reserves, the establishment of specific committees to focus solely on raising funds and by establishing long term budget forecasts.
174. An opportunity for each club, on the basis that all noted the increase in social functions, is to increase the promotion of their facility to this market. Exposing people to their facilities and the game through social interaction provides the opportunity for the club to increase their membership.





## 5. ASSESSMENT

### Preliminary Concept Design

175. Through the initial engagement meetings with centre clubs, it was identified that three city clubs have advanced investigations to covering a green at their respective sites. The proposed concepts by each club are of a similar design in each case. These three clubs are also the three shortlisted clubs who irrespective of the outcome of this DFA have indicated they may continue to pursue a cover over a green which could result in multiple covered greens within the city.
176. A number of cover options were investigated both nationally and internationally with the support of BNZ providing information on already constructed covers and new innovations coming to the market.
177. Design and cost estimates have been provided to the shortlisted clubs by two companies, Shade Systems and Pacific Membranes with the most recent estimates received in May and June 2022, these designs and cost estimates have been used to inform the feasibility report.
178. The cover concepts provide for a PVC roof over an existing green with variation to the type of side walls that can be used eg Permanent or roll up sides. The design includes options on frame construction including a simple galvanized steel or galvanized steel with an epoxy paint system for additional protection. Consideration has been given to additional requirements including lighting, power, sound equipment and consenting costs.
179. BNZ have established a preferred supplier relationship with Field Turf New Zealand and are supporting clubs through this relationship to replace or install new artificial surfaces. Whilst seen as two separate components, the cover and the green, placing a cover of a natural green is not recommended and therefore any club considering a cover also needs to consider the cost of replacing a natural green.
180. Concept designs for each shortlisted club are shown on this page.





## 5. ASSESSMENT

### Capital costs

181. In the last eighteen months three clubs have independently sought costings from cover providers to cover a green at their respective locations. We also contacted these providers separately to verify their estimates and obtain any price changes.
182. It was difficult to engage with cover providers and obtain pricing. In one instance we visited an North Island provider in person having not received the return calls promised. It became clear the difficulty contacting the cover providers was attributable to them being very busy with large clients projects such as the Ministry of Education. Providing cost information to small bowls clubs as part of feasibility work (with uncertain chance of turning into a confirmed job) was not seen as a priority.
183. In our view, the cost indications we obtained from the providers, should have a significant contingency applied for multiple reasons including:
- > The level of care providers took in providing their cost estimates
  - > While the costing indications we updated after the Covid- lockdowns, both building and general inflation continue to be strong in the period since the costings were obtained.
  - > The volume of work available compared to the number of cover providers means it might be difficult to obtain a competitive price in the future – clubs may well be price-takers.
  - > The volume of available work could also mean it might take providers some time to install any ordered cover, adding cost escalation due to inflation and any other cost increases.
184. There are five main capital cost components. Only one of these is essential (the cover), with the other three being optional. The five components are:
- > Cover (37.5m x 37.5m, galvanised and painted).
  - > Artificial green.
  - > Sides for the cover.
  - > Lighting and sound equipment for the cover.
  - > Alterations to existing clubrooms to maximise use of any cover.

### Cover and artificial green

185. The indicative cost to install a cover is \$795,000 (excluding GST). The breakdown of this estimate is shown in Table 11 below and includes stormwater connections, resource consents and building consents. The providers arrange for delivery and installation of the cover.
186. The indicative cost for a new artificial green is \$280,000 (excluding GST). Our understanding is there is no material saving from undertaking both a cover and a green at the same time. For ease of construction the recommended approach is the artificial green be installed first followed by the cover.

Table 11 – Indicative costings

Item Description	Cover existing artificial green	Cover and new artificial green
Barrel Roll Style Frame Construction 37.5m x 37.5m. Hot dipped galvanized and epoxy paint system <sup>18</sup>	795,000	795,000
PVC fabric roofing		
Custom design 250mm half round galvanized steel spouting		
Storm water connection		
Resource and Building consents		
Add new artificial green		\$280,000
<b>Indicative Cost</b>	<b>\$795,000</b>	<b>\$1,075,000</b>
<i>Plus 20% contingency</i>	<i>\$159,000</i>	<i>\$215,000</i>
<b>Total indicative cost</b>	<b>\$954,000</b>	<b>\$1,290,000</b>

Excluding GST

<sup>18</sup> Painting the galvanised frames of the cover structure costs approximately \$80,000 (so 10% of the cover cost), but reduces the level of maintenance required and also extends the life of the structure due to further rust resistance. The structure also looks a lot better when coated with epoxy paint system. Nearly all other cover installed adopt the paint system.

### Optional items

187. Optional items that can be added to the cover include sides, power, lighting and sound equipment, as shown in Table 12 below. Cover providers have given estimates of these costs, but these will vary based on the specific requirements of each club.
188. Depending on preferences sides can either be added around all sides of the cover, or applied to one or more sides of the cover. When used in conjunction with an artificial green, sides are primarily about player comfort and providing protection from the elements. Removable sides provide the greatest flexibility (including flexibility for usage for non-bowls purposes) but do cost three times as much as permanent sides.
189. Lighting is generally required if play is planned to extend late into the evening in the main summer playing season, or early evening play if a winter playing season was introduced. There are also minimum lighting requirements if tournaments are to be televised (which an increasing proportion of national and international tournaments are). Detailed design of the lighting needs to take into account these competition and television requirements.

Table 12 – Additional option items

Optional item description	\$\$
Sides	
> Permanent	\$2500 per bay
> Zip down/pull up	\$7500 per bay
LED lighting (estimated 24 required, lux levels not provided)	\$32,000
Sound equipment	\$7,000
Outdoor power points (estimated 10 required)	\$10,000

Excluding GST





## 5. ASSESSMENT

190. Our assessment is that any cover will need at least three sides closed in (with the fourth side left open sheltered by and allowing viewing from the clubhouse). Sides play an important part in ensuring player comfort during late autumn, throughout winter, and early spring – to not include sides would lower the potential utilisation growth during the colder months (when bowls play currently does not take place due to the weather). While a mixture of permanent and zip-down/pull up sides can be used, we have been conservative and assumed that all bays will have a zip down/pull up sides installed (5 bays per outer run, across 3 outer runs, so 15 sides in total, costing \$112,500 at \$7,500 per side). As shown in Table 13 below, the inclusion of lighting, sound equipment and outdoor power points adds a further \$49,000 bringing indicative costings to between \$956,500 – \$1,236,500 (excluding GST, and before applying a 20% contingency).

Table 13 – Indicative costings including additional items

Item Description	Cover existing artificial green	Cover and new artificial green
Cover	795,000	795,000
Artificial green		\$280,000
Zip down/pull up sides	\$112,500	\$112,500
Lighting and sound (including power points)	\$49,000	\$49,000
<b>Indicative Cost</b>	<b>\$956,500</b>	<b>\$1,236,500</b>
<i>Plus 20% contingency</i>	<i>\$191,300</i>	<i>\$247,300</i>
<b>Total indicative cost</b>	<b>\$1,147,800</b>	<b>\$1,483,800</b>

Excluding GST

191. Clubs also discussed with us the potential for altering or retrofitting clubroom facilities to bridge with the cover. While these changes would improve indoor/outdoor flow between the clubrooms and a cover, and improve overall player experience, we do not view this additional investment as critical to the successful operation of a cover at this time. Not making these changes would mean that players might have to walk further to access a covered green, but in our view this was not a significant issue. Our assessment is that all the shortlisted clubs could accommodate the BM offices within their existing footprint (though some low-cost renovation would be needed).

### Funding of capital costs

#### Summary

192. Table 14 sets out what we consider a feasible approach to funding the capital costs of the proposed cover. This approach has been developed to factor in the following key context points:
- > a preference by grant funders to see the commitment by the applicant to the project, the planned sources of funds the impact of any grant provided in terms of the overall project budget and the project is well organised
  - > an expectation by the bowls community that their interests be maintained through a transparent and well managed process
  - > limited grants from large funders having been applied for or received by the bowls community in recent years (emphasising the potential to make a strong application to these funders)
  - > a need for BM and clubs to ensure they have enough funding to cover operational costs (rather than putting everything they have into the capital needs).

Table 14 – Potential approach to funding capital costs

Club and Centre subtotal		\$275,000	24%
Centre contribution	\$90,000		
Club or Centre debt/debenture	\$60,000		
Fundraising	\$125,000		
<b>Local authorities</b>		<b>\$300,000</b>	<b>26%</b>
Capital contributions	\$270,000		
Neighbouring authorities	\$30,000		
<b>Grants bodies (indicative only)</b>		<b>\$575,000</b>	<b>50%</b>
Lottery Community Facilities	\$260,000		
ECCT	\$160,000		
CET	\$45,000		
Other Trusts	\$110,000		
<b>Total funding</b>		<b>\$1,150,000</b>	<b>100%</b>

Excluding GST

193. A key consideration when approaching funders for the proposed cover will be clarity around who is applying and with support from whom. Our view is that it should be the home club applying to grant bodies, with support clearly demonstrated from BM, PNCC and SM. Being consistent with this approach will ensure a professional and well-organised impression is presented to funders (which is especially important for the larger grant funders).





## 5. ASSESSMENT

### Centre contribution

194. BM do have some reserve funds that could be contributed to fund the cover. As at the end of June 2022 there is the potential to contribute \$90,000 from their reserve funds. This amount would still leave sufficient working capital for BM and would not require the use of funds kept in the welfare account.
195. There is also the option of BM raising a loan that can be paid for from increased membership fees. This would mean part of the capital costs are spread across all members of BM (i.e. every member of every club affiliated). As at 30 June 2022 there were 680 members who paid an annual fee of \$27.50. Table 15 below shows the amounts that could be raised with a 15 year loan at interest rates of 5% and 7% if membership fees were increased by 10% and 20%.

Table 15 – Loan interest rates

Item Description	5%	7%
\$2.75 increase (10% increase)	\$19,410	\$17,032
\$5.50 increase (20% increase)	\$38,820	\$34,064

Excluding GST

196. We do not view this loan approach as a viable option for three main reasons:
- > BM does not have any assets against which the lending could be secured against, which will not be attractive to funders
  - > there will be a need for BM to contribute to operating costs of the cover, which will most likely also need to be funded through increased fees (i.e. additional increases beyond the 10% or 20% indicated above)
  - > there is limited evidence around BM's ability to generate other forms of income to cover the loan if membership numbers were to decline.

### Club contribution

197. Our analysis of financial statements of the three shortlisted clubs shows that none of them have significant cash reserves that could account for a large proportion of capital costs of the cover. However, all three of these clubs are well organised and have networks that they can leverage to raise modest contribution.
198. There is a strong argument that all clubs affiliated to BM should contribute to the cost of the cover in some way as members of all the clubs will have access to and an ability to benefit from the cover. There is also an argument that the club where the cover is sited should contribute the greatest amount of all clubs, as it is their members that are likely to benefit the most on a day-to-day basis.
199. Our view is that the funding responsibility should be split as shown in Table 16 below:

Table 16 – Funding responsibility

	Capital	Operating
<b>Club with cover</b>	Responsible for fundraising club contribution. Will draw on other clubs where appropriate (fundraising, debentures).	Contributes to operating costs by paying share of maintenance and depreciation according to use.
<b>Other clubs</b>	Support the fundraising efforts by making their members aware and connecting to relevant volunteer and supporter networks.	Primarily contribute via fees for Centre-run events, or through direct hireage of the cover for their own club use.

200. Our estimate is that the club where the cover is to be sited should contribute approximately 16% of the capital funding required for the cover (a total of \$185,000), which when added to a contribution by BM would give a total clubs contribution of nearly 25% (\$275,000). There are a number of options to achieve this:
- > holding a series of fundraising events (including tournaments) with the proceeds going toward the costs of the cover
  - > leveraging their networks in the business community to gain sponsorship contributions (in return for signage or similar recognition)
  - > increasing club membership fees a modest amount to cover the costs of raising a loan from a bank (which is more feasible as the clubs have some fixed assets that could be used as a security for a loan)
  - > offering debentures to members on a low-to-no interest basis, and increasing club membership fees a modest amount to cover repayment of these debentures<sup>19</sup>
  - > seek donations directly from members.

<sup>19</sup> It may be necessary to work with BM to offer the debentures to its members to ensure the offering complies with the Financial Markets Conduct Act 2013. The Act allows Incorporated Societies to offer debentures to their members without needing to comply with the usual information disclosures that are required of other groups. Offering debentures to members of other bowls clubs is likely to be outside of these rules, but BM is an option since all clubs are members of it.







## 5. ASSESSMENT

### Community and charitable Trusts

201. There are a number of community and charitable trusts that the preferred club will be able to seek funding from for the cover. Two of the larger local community Trusts are Central Energy Trust (CET) and Eastern and Central Community Trust (ECCT).
202. CET provides grants to community, sporting, educational, cultural and health organisations within the Manawātū/Tararua regions for projects which are energy-related and which will benefit the consumer's of the former CentralPower/ElectroPower energy companies. Most grants are for energy equipment that form part of wider projects. The lighting and sound equipment components and associated electrical works of the proposed cover would fit CET's grant criteria.
203. CET also has the ability to provide loans to organisations on an 'impact investment' basis. We have not factored a CET loan into our funding approach, instead recommending that a grant be sought for the electrical components. This will ensure that any operating funding is kept available to cover maintenance and operating costs, or to raise an additional loan to contribute to the capital cost of the cover.
204. ECCT has recently reviewed its' funding strategy and funding options to strengthen the role it plays alongside its' communities. There are three main ECCT funds currently operating: the Grassroots Fund which includes support for education initiatives (up to \$50,000), the Community Assets and Facilities Fund (up to \$250,000), and the Strategic Initiative Fund (focussed on rangatahi). The proposed cover fits best with the Community Assets and Facilities Fund (CAFF).
205. The Community Assets & Facilities Fund (CAFF) is for capital developments and is designed to help communities create and maintain community assets and facilities needed to meaningfully participate in community life. EECT's stated focus is on assets that encourage and enable community participation, and supports access to services and/or connection with the community. Participation and utilisation are important considerations, as well as ensuring the asset is:
  - > located where the community needs it
  - > has a demonstrated need
  - > has the right management processes in place.

206. In the last two funding years (2021 and 2022) a total of 9 bowls clubs or associations have received funding from ECCT, with almost all receiving \$5,000. No bowls clubs in Palmerston North or BM received funding from ECCT over these two years. While ECCT has experienced declining numbers of applications overall (including distributing less than budgeted in 2022), the Manawātū region has received a declining proportion of total ECCT funding over the last three years (11% in 2022, 15% in 2021, and 23% in 2020). In 2021 there were 6 grants of more than \$100,000 (averaging \$156,000), and in 2022 there were 7 grants over this amount (averaging \$181,000). These are all indications that a strong application is more likely to be considered favourably.
207. Other potential grants bodies and trusts include gaming trusts Pub Charity, Lion Foundation, Mainland Foundation and New Zealand Community Trust. These Trusts were heavily impacted by COVID-19 lockdowns in 2020 and 2021, reducing the amounts they were able to distribute. Over the last 12 months they have mostly recovered and funding is getting back to pre-COVID levels.

### Lottery Community Facilities Committee

208. The New Zealand Lottery Grants Board distributes proceeds from the New Zealand Lotteries Commission (Lotto, Keno, etc) via a number of grants. The cover is most likely to fit within the criteria of the Lottery Community Facilities Grant which aims to get more people involved in community and social activities, and to strengthen communities and bring people together by helping to develop their community facilities.
209. The Lottery Community Facilities Grant is for projects with a total cost over \$50,000. Over two funding rounds in 2021/22 a total of \$21,992,846 was distributed across 144 projects (an average of \$153,000 per project, ranging from a minimum of \$9,590 to a maximum of \$750,000). We were only able to identify one grant to a group located in Palmerston North City across these two rounds. There were a further three grants to groups in the wider area covered by BM (all three grants were to Councils).

210. Given the focus is on community facilities the cover must demonstrate that the community (not just a specific group) will benefit from the project. The Lottery Community Facilities Committee prefers to fund community facilities that can demonstrate they will be used for more than one purpose and/or shared with other groups. Single purpose facilities can be funded but must demonstrate that the project is the highest priority for the community – a cover is unlikely to meet this criteria. Applications must also demonstrate that the community is able to develop, run and look after the facility without needing additional grants.
211. The Lottery Community Facilities Committee is more likely to fund requests that show the project:
  - > has strong governance and financial management
  - > involves tradespeople who are qualified or experienced to do the work
  - > meets all of the regulations and requirements for building, health and safety
  - > provides access for disabled people
  - > provides essential services, such as plumbing, waste water and sewerage systems, and electricity and fire protection
  - > has support from the community (including people ready to work as volunteers).

### Local authority contribution

212. The level of wider cultural and economic benefits that are expected to be generated by this project provide an argument for the bowls community to seek a grant contribution from local authorities. This grant could be provided by waiver of compliance fees or service connections, as well as via a capital grant or contribution.
213. PNCC currently has no funding allocated in the 2021-24 Long Term Plan for the installation of a cover or new artificial turf. Provision would either need to be made as part of the upcoming 2023-24 Annual Plan or in the 2024-2027 Long Term Plan.





## 5. ASSESSMENT

214. With the amalgamation of the Terrace End and North End clubs, there is a level of expectation by those clubs that PNCC will contribute funding towards a development at the North Street site following the successful merger. The clubs have been made aware through engagement that there is no funding currently allocated in the 2021-24 Long Term Plan for any such development.
215. BM also covers clubs in Manawatu District Council, Tararua District Council, Rangitikei District Council and Horowhenua District Council areas. While the cover is unlikely to be located in these areas, players from clubs in those Council areas will benefit from having a cover in the region. If BM is successful in attracting more national tournaments to the region (with games played at various clubs, and the cover providing 'back-up' in case of poor weather) there is also the potential for economic benefits to accrue to these neighbouring local authorities.
216. Palmerston North City-based clubs make up just under 50% of total BM membership. If we assume that the Palmerston North City-based members should attract 90% of the benefit (and therefore contribution via their local authority), then there is an option to approach the four neighbouring local authorities and Horizons Regional Council for a contribution to cover the remaining 10% of benefits that accrue regionally.
217. Generally funding is based on local authorities providing approximately a third of the capital required for a development. Our assessment of grant bodies and the fundraising capability of the clubs is that the local authority contribution could be lowered to approximately 25% for the cover, or around \$300,000. Using the 90%/10% split noted above means PNCC would be approached for \$270,000, and the other four local authorities and HRC for approximately \$6,000 each.

### Operating costs

218. There are two main operating costs for the proposed cover:
- > depreciation
  - > investing in a facility manager to ensure utilisation of the cover is maximised.
219. The cover will be the largest asset of any of the three shortlisted clubs. Existing fixed assets of the clubs include artificial greens and the clubhouses, and the current practice for the clubs is that depreciation of those assets is treated 'above the line' in their account (i.e. it is factored as an expense when calculating net profit). None of the shortlisted clubs or BM currently generate sufficient operating surpluses to fund the depreciation of the cover in addition to their existing fixed assets. This means that new revenue will need to be generated.
220. Our review of the financial statements of the shortlisted clubs is that they all apply a standard straight line approach to depreciation of their fixed assets. Based on information from the cover providers, we have allowed for a 35 year depreciation period (3.33% a year straight line). We have also assumed that the lighting and sound equipment will depreciate quicker than the cover, and have applied a 20 year depreciation period for this (5% a year straight line). This brings depreciation to a total of \$39,130.
221. We agree with the clubs and BM that investment in a facility management resource is very important for achieving the utilisation rates needed to justify investment in a cover. As noted earlier, there should be two roles – one for the club who is tasked with generating additional activities (not just bowls) that use the cover and wider club facilities, and one for BM who is tasked with organising additional cross-club tournaments as well as sourcing new regional and national opportunities. Our view is that this is currently not a strength of BM, so these resources are critical to the success of the cover. We have allowed for a 0.5FTE resource (0.25 for the club, 0.25 for BM) and a small level of expenses to assist in generating new activities (marketing, travel etc).

222. Maintenance is not a significant cost over the lifetime of the cover. Apart from regular washing and touching up any paint on the cover structure there are no expensive maintenance requirements. We have therefore assumed no maintenance cost for the main cover (washing and touch-ups done by volunteers). However, some funds should be set aside to cover damage to and maintenance of the cover sides, lighting and sound equipment. Again, all of the shortlisted clubs are effective at leveraging volunteers and fundraising, so rather than apply the standard annual 4% of capital cost for maintenance, we have allowed for half of this (2%, with the other half from volunteers etc).
223. Our estimates of annual operating costs for the cover are shown in Table 17 below:

Table 17. Estimated annual operating costs

Depreciation	
Full cost of cover and sides, straight line over 35yrs (2.86%)	\$33,960
Full cost of additional, straight line over 20yrs (5%)	
Maintenance	
2% of cost of sides and additional equipment (half of total maintenance, remainder covered by volunteers and fundraising)	\$3,230
Facility management	
0.5 FTE resource	\$22,500
Expenses	\$2,500
<b>Total annual operating costs</b>	<b>\$62,190</b>

Excluding GST





## 5. ASSESSMENT

### Funding of operating costs

224. We have assessed four main ways that the annual operating costs of the cover could be covered by the club and Centre:
- > increased bar charges
  - > increased membership fees
  - > revenue from additional bowls activities
  - > additional sponsorship and fundraising.
225. To keep it simple, our assessment does not distinguish between whether it is the club or BM receiving the revenue. As described in the Governance and Management section of this report there will need to be arrangements between the club and BM about how to treat revenue to ensure the club receives the bulk of the additional revenue (since it will own the cover and bear the bulk of the operating cost).
226. Bar takings account for the majority of club income, and offer the greatest opportunity to raise the revenue needed to cover the annual operating costs. In the 2022 year all 3 shortlisted clubs had bar sales in excess of \$115,000, with an average gross profit margin of 57% and net profit margin of 53%. If the club where the cover is sited was to increase its gross profit margin by 5% (requiring a \$3 bottle of beer to increase to approximately \$3.15), and our mid-scenario for increased patrons due to cover was to occur (resulting in a 50% increase in bar turnover), then an additional \$41,000 of bar net profit would be generated annually.
227. As shown in Table 18, increasing membership fees at club and Centre level will only generate a modest proportion of the annual operating cost. This is consistent with membership fees generating relatively low income compared to bar revenue and sponsorship. Full and partial playing members at all clubs would contribute through an increase in the Centre levy, and members of the club that the cover is located at would contribute through an increase in their club fees as well as through the increased Centre levy. For our assessment purposes we have assumed total Centre membership of 680 (the same as 2022) and a club membership of 90.<sup>20</sup> We have assumed a current \$200 a year club membership fee and \$27.50 Centre affiliation fee. Our view is that a 20% increase to both is needed.

Table 18 – Membership fee increase options

	Increase over current		
	5%	10%	20%
Club fee increase	+\$10	+\$20	+\$40
Club members	90	90	90
<b>Total additional revenue raised from club memberships</b>	<b>\$900</b>	<b>\$1,800</b>	<b>\$3,600</b>
Centre fee increase	+\$1.40	+\$2.75	+\$5.50
Centre members	680	680	680
<b>Total additional revenue raised from Centre memberships</b>	<b>\$952</b>	<b>\$1,870</b>	<b>\$3,740</b>
<b>Total additional revenue from club and Centre</b>	<b>\$1,852</b>	<b>\$3,670</b>	<b>\$7,340</b>

Excluding GST

<sup>20</sup> The three shortlisted clubs have current playing and limited membership totals of 90, 86, and 92.



## 5. ASSESSMENT

228. While a cover will increase participation and utilisation, most of the income generated from these activities is derived from bar and hospitality takings rather than activity fees directly. BM provided us with a list of new bowls activities that it intends to run if a cover is installed, and the estimated number of participants. Open events have fees of \$20 per person for the duration of the event, and competition events start at \$75 per person, as shown in Table 19. These activities have the potential to generate close to \$12,000 of revenue, of which approximately half will be profit<sup>21</sup>. We have been conservative and not included revenue from the training and coaching activities, and due to difficulty in identifying demand from non-bowls users we have not included any revenue for those either.

229. The remaining operating costs will need to be covered through additional fundraising and sponsorship. All 3 shortlisted clubs received over \$10,000 of sponsorship and advertising in 2022 (two of them over \$15,000), and BM recorded \$65,000 in the same period (over 2/3rds of this related to tournament sponsorship). Given the significant additional user weeks from just BM's proposed activities above, and the fact that most of these user weeks occur in winter (so are not overlapping existing sponsor time), our assessment is that it is feasible that these levels of sponsorship and advertising can be sustained and potentially grown. Even if BM maintained its current level of tournament sponsorship it will continue to make sufficient surpluses to contribute at least \$7,500 a year to operating costs of the cover. If this is matched by an increase of \$2,500 of club sponsorship, then the required \$10,000 of revenue from additional fundraising and sponsorship will be met.

230. Table 20 provides a summary of estimated additional revenue streams to support the estimated operating costs of a cover.

Table 19 – Estimated revenue from additional bowls activity

Event	Frequency	Weeks	Users	Potential activity revenue
Rep training	Oct – April twice week	30	50	
Open Rep training	Oct – April 1 x week	30	20	
Open Coaching	July-Aug 2 x week	8	40	
Night League	All year round 3 x week	52	64	\$1,280
Winter Interclub	June – Sept Sat only	17	64	\$4,800
Winter Competition	May – July Sun only	14	64	\$4,800
Midweek comp	All year round 2 x week	52	48	\$960
<b>Total potential activity revenue</b>		<b>10,228 user weeks</b>		<b>\$11,840</b>

Excluding GST

Table 20 – Estimated total additional revenue

Bar	\$41,000
Fee increases	\$7,340
Activity revenue	\$6,000
Cover sponsorship & grants	\$10,000
<b>Total potential additional revenue</b>	<b>\$64,340</b>
Estimated operating costs	\$62,190

Excluding GST

<sup>21</sup> Note that part of the cost of running these events is paying the host club \$50 a day for use of the green. We have not 'double counted' this amount as additional revenue, as it is already factored into the cost of running the events.



## 5. ASSESSMENT

### Land and Building Ownership

231. An assessment of the current ownership of each short-listed site has been undertaken.

232. **Palmerston North Bowling Club** owns both land and buildings on their Linton Street site including two large carparks with some leased to the adjoining Cossie Club. The land is zoned recreation under the District Plan and is flanked on all boundaries by the Outer Business Zone.



233. **North End Bowling Club** occupies part of Wahikoa Park on North Street, the club owns the clubrooms and the land is owned by Council. It is zoned recreation under the District Plan.



234. **Takaro Sports Club** occupies part of Takaro Park, physically separated by the Kawau Stream from the wider park. The club owns the clubrooms and the land is owned by Council. The land is zoned recreation under the District Plan.



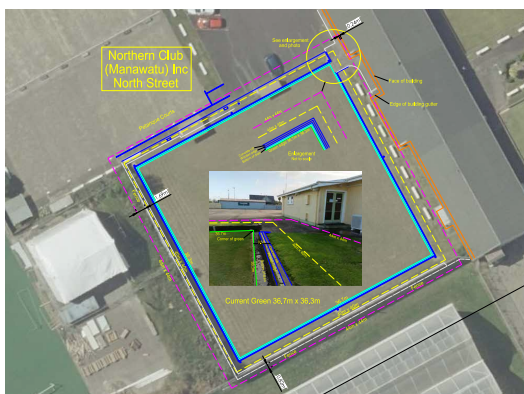




## 5. ASSESSMENT

### Site surveys

235. To support the DFA, PNCC commissioned surveys of each short-listed site to assist with informing the site assessment. The survey considers the proposed green to be covered at each short-listed site as well as recording the effect of increasing the footprint to assess the impact of an international sized green.
236. The survey picks up the four corners of the existing green proposed to be covered, and any infrastructure immediately adjacent that could affect the potential to install a cover structure eg edge of building, footpath, vehicle accessways or fences that are boundaries. An aerial image of each site (shown below and in Appendix C) shows:
- > The existing green outline
  - > An overlay of a 40x40 m square, to represent an international sized green; and
  - > An overlay of a 44 x 44 m square, to represent the assumption of a 2m overhang on each side of a 40 x 40m green.



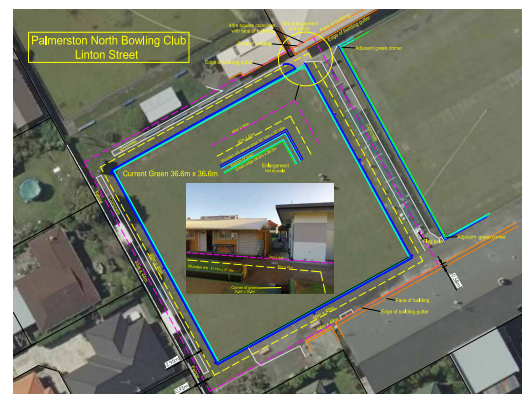
237. Each site currently have greens that are approximately 36.6 x 36.6 in size. This is the footprint for the green only. The surveys considers both size options to assist in determining the impact of increasing the green to the larger international size green. The surveys indicate that all sites have constraints outside of the existing green footprint. This DFA stays within that area and is shown by the dark blue boundary in each of the surveys.

### Consenting

238. There are consent/approval processes that would be required for the Covered Green to proceed on all shortlisted sites. Discussion has been had with Council officers to determine the requirements for each site and in all cases approval would be required.

### Resource Consent

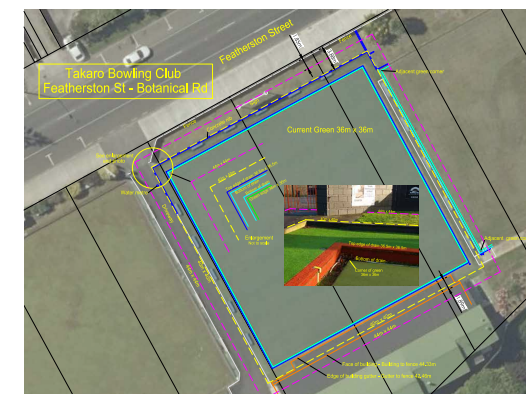
239. The PNCC is responsible for administering the Palmerston North City District Plan which sets out the standards for permitted land uses using a land use zoning approach.



240. A Resource Consent will be required to establish an ancillary building in each case. It should be noted that Palmerston North Bowling Club were granted a Resource Consent to establish a covered canopy structure on 27 July 2021. The Consent is subject to meeting several conditions including conforming to the plans submitted and the submission and implementation of a contaminated site management plan. The land use consent must be given effect to within 5 years of the granting of the consent.

### Building Consent

241. The cover project would require a building consent in all cases. As the project is at concept stage the necessary designs and full detailed plans have not been established.





## 6. GOVERNANCE AND MANAGEMENT

### Arrangements between BM Incorporated and associated clubs

242. Bowls Manawātū Incorporated (Bowls Manawātū) is the name of the Centre or Centre which operates under a constitution that sets out the structure and describes the responsibilities to administer, promote and develop the game of bowls in the region. The BM board comprises:
- the President, Vice-President, and five other Board members
  - one other person appointed by the Board at its sole discretion within one month of the Annual General Meeting for a term expiring at the end of the next AGM, provided however that any such appointee may be reappointed by the Board for a further term.
243. Being an Incorporated Society, all clubs who pay fees to the BM are members of BM. As members of the BM, each club can nominate and vote for BM officers, and can put forward motions at the AGM. Under the BM constitution each club gets for one vote for up to its first 40 members and an additional vote for each additional 40 members thereafter. For example, if a member club has 200 members, it has 5 votes at the BM AGM.
244. An affiliated club does not get representation on the BM Board as of right. As members of BM each club has the right to nominate people, willing to serve on the Board, to take part in the appointment process. Not all clubs exercise this right. The failure to do so results in inconsistent representation across affiliated clubs. The consequence of this manifests across the membership in a number of ways including
- > The sense of ownership across clubs towards BM varies
  - > Engagement with BM strategy is inconsistent, and in our view
  - > An emphasised perception of 'capture' by the host club where BM is located
245. All appointments to the BM Board, excluding the President and Vice-President serve on the Board for a two year term that concludes at the AGM two years after appointment. There is no limit to the number of times a person may be elected or appointed to the Board. The Chairperson is appointed or elected annually by the Board at the AGM. The Chair holds office for a one-year term up to the conclusion of the next AGM unless removed in advance.

246. All positions on the Board are voluntary. As outlined earlier in the report, filling roles on the board has been difficult highlighting the challenges faced to recruit people into voluntary roles. This trend has been noticeable for several years.
247. The structure of each shortlisted club reflects a common sports club structure with a President, Vice President, Treasurer and Secretary role's appointed with additional committee members engaged to support the running of the club. Each of the clubs is an Incorporated Society, meaning that it is owned by its fee paying members. In most cases this is limited to bowls members, although the Takaro Sports Club has members from other sporting codes as well.
248. These relationships between clubs and between the clubs and their regional sports organisation are not unusual. However, the lack of clear strategic direction provided by BM to clubs has implications for the governance and management of any cover. For example, if a BM run cover is to be located at one club, there needs to be confidence across all other clubs that they will benefit equally or in proportion to the investment. This is especially the case if the other clubs are expected to invest in the cover or are levied to cover its operating costs.

### Operating model options

249. Potential operating model options for the proposed cover were presented to the short-listed clubs and BM for feedback and comment.
250. The options were developed to demonstrate the different ownership models available to the shortlisted clubs and BM to assist all parties understand their role and necessary commitment to the project if it is to progress.
251. We considered five main aspects for the governance and operational management of the cover:
- > Who would own the cover (primarily in terms of whose balance sheet the cover would sit on as an asset). For option purposes we were flexible around the owner of the cover being different to the owner of the land that the cover was located on.
  - > Who would be responsible for operating the cover, primarily in terms of managing its usage (including hireage, scheduling, and maintenance).
  - > Who would be the main party hiring or renting the space – this tends to be the opposite of who owns the cover (for example, if BM owned the cover, then the club upon who's green the cover located would need to hire it for their use, even if the hireage fee was a nominal amount).
  - > Who would derive income from the use of the cover. In all options this matched the owner of the cover.
  - > Who would be responsible for the initial capital investment. Again, in all options this matched the owner of the cover.
252. Initially five operating model options were presented with an additional option added following engagement with the clubs. Table 21 shows all options, and each is described briefly below.
253. **Option 1 – Collective** – was based on collective ownership of the cover by all or a group of clubs who come under the Manawātū Centre. Each of these individual clubs would provide a portion of the capital required, with grants making up the remaining investment needed. The cover would be owned proportionately by the contributing clubs, operated by the club that the cover was located at, and this club would receive the income generated from the cover. The Centre would rent space
254. **Option 2 – Club owned, Centre operated** – would require one of the clubs to invest in and own the cover, and would receive the income generated by the cover. The Centre would have responsibility for operating the cover and would hire both the cover and office space from the club.
255. **Option 3 – Centre owned/Club operated** – is the opposite of Option 2. The Centre would invest in and own the cover (even though the Centre will not own the land the cover is on), and the Club would operate the cover on behalf of the Centre. If the club requires use of the cover for its own purposes, it will hire it from the Centre (and would also hire it out to other users).
256. **Option 4 – Jointly owned and operated** – would see the Centre and a club establish some type of joint venture vehicle that would invest in, own, and run the cover. Our assumption was that both would contribute equal amounts of capital, share operating costs and share the income evenly. There would be no need for rental or hiring agreements due to the joint ownership.



## 6. GOVERNANCE AND MANAGEMENT

257. **Option 5 – Centre owned/operated** – was based on the Centre contributing the capital required, owning the cover, and operating it. The club where the cover is located would hire the cover from the Centre when they need to use it.
258. **Option 6 – Club asset, club operated** – is a variation on Option 2 with the difference being that the club would be responsible for operating the cover. The Centre would rent space from the club, and would book use of the cover and green(s) for Centre events. Under Option 6 the clubs would put a facility manager in place to oversee development of the cover, drive up use of the cover, and to manage the booking and other processes associated with the wider facility.
259. The Centre's original starting point was that they would own the cover. Their preference was to operate it themselves and make it available to other users (including clubs) on a for hire basis. This links with Option 5 in the table and as described above. There were three main complications with this Option (and any of the Options involving Centre ownership and investment):
- > The Centre does not have sufficient capital to invest in a cover (even if we assume grants and other fundraising would generate 2/3rds of the necessary capital). This situation is unlikely to change in the short to medium-term.
  - > None of the shortlisted clubs were willing to relinquish ownership or control of the green under the cover or the office facilities needed for the Centre to operate from. There is also a reluctance to transfer management of facilities to the Centre. While there are ways that the land and facilities could be leased, the overwhelming feedback was to keep things simple.
  - > Income derived from entry fees for Centre-run events can be clearly defined and collected by the Centre, income from club activities associated with these events would be more difficult to identify and account for (especially bar and food takings).

260. The collective ownership approach of Option 1 and its necessary structure was considered too complicated to put in place. Any initial motivation to establish a collective arrangement is eroded by the requirement to maintain consistent and sustained commitments from all clubs involved. This was viewed too difficult to guarantee over the medium to long-term.
261. Our engagement with the Centre and clubs identified Options 2 and 6 were the only viable governance and management approaches. Our assessment based on feedback is that Option 6 is likely to be the most successful of the two.
- > Option 2 is complicated by the Centre having operational responsibility for the cover and the associated green. While this would give the greatest operational control to the Centre, the practicalities of treating the cover and associated green as a space separate from the wider club facility were not seen as straightforward. For example, the Centre would have a booking system for the cover and associated green that would need to connect seamlessly with the booking system run by the club for its other greens and facilities.
  - > Option 6 is the closest to how the Centre currently interacts with and familiar to the clubs. If the Centre needs to use a green at the club it is or has been located at, then it is required to book that time with the club. This is well understood and proven, and does not require any complex change in approach.
  - > All clubs identified the need to engage a facility manager if the cover was to proceed, due to the additional work to manage both club facilities and the cover. Under Option 2 the facility manager would need to be hired by the Centre, and an arrangement made with the club to cover management of club facilities. Option 6 is cleaner, with no arrangement needed as the club would hire the facility manager and the cover be treated as part of the wider club facility.
262. It is envisaged the club facility manager role is likely to be part-time, and the existing Centre manager role is also part-time. There is the potential for the same person to combine both roles. Our view is that this is feasible as long as there is sufficient role clarity and the two roles are kept separate (i.e. the person has two reporting lines and responsibility to both the club and the Centre), rather than merging the roles into one (which would complicate accountability).

Table 21 – Draft Operating Model Options

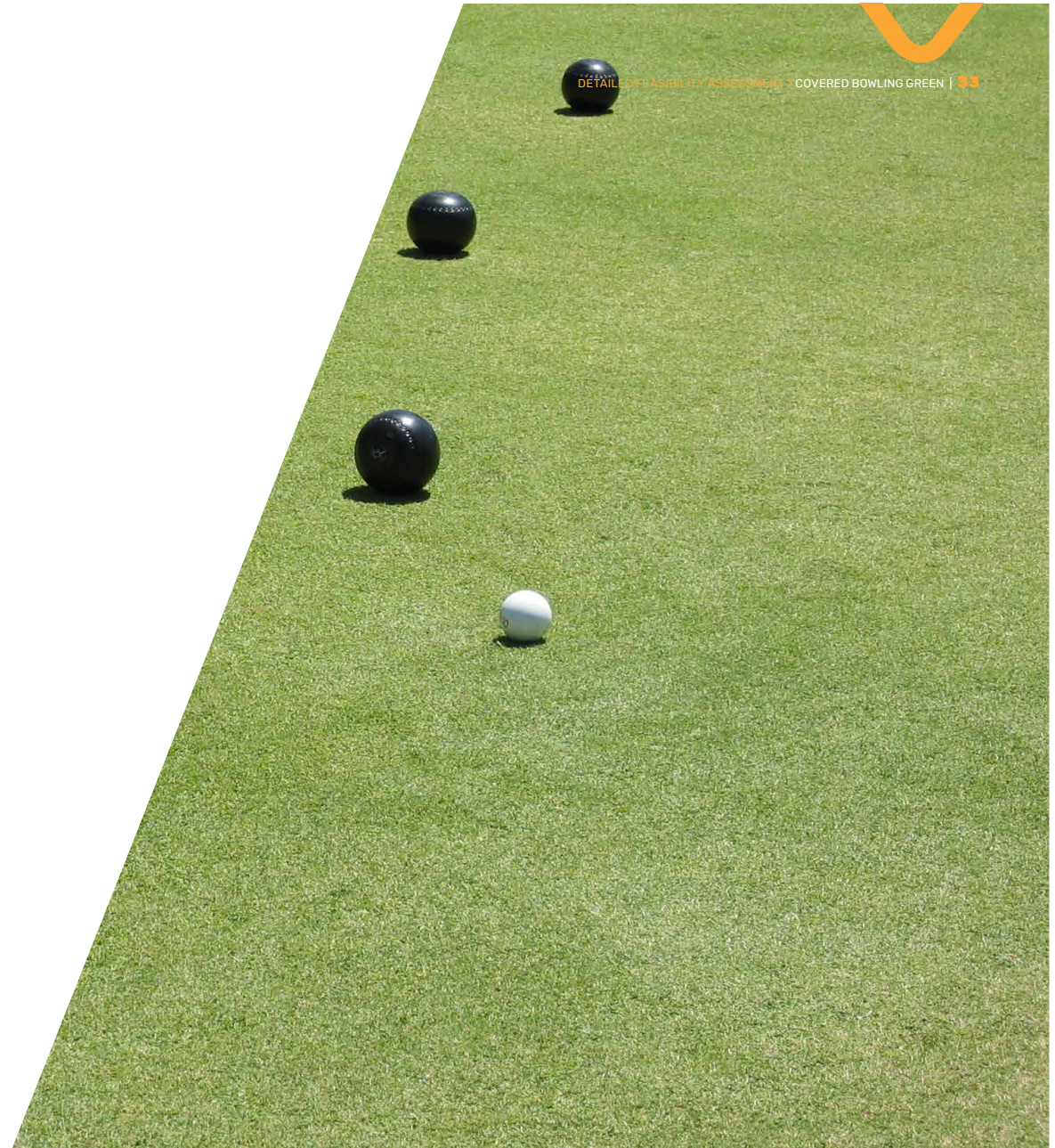
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
<b>Own</b>	Club all	Club	Centre	Joint	Centre	Club
<b>Operate</b>	Club	Centre	Club	Joint	Centre	Joint
<b>Hire</b>	Centre Rents Space	Centre	Club Hires Space		Club Hires Space	Centre Rents Space
<b>Income</b>	Club	Club	Centre	Joint	Centre	Club
	NB: excluding entry fees for Centre Events					
<b>Capital Investment</b>	Club	Club	Centre	Both Contribute	Centre	Club

NB: considers full facility – cover, green, offices



## 6. GOVERNANCE AND MANAGEMENT

263. The relationship between the Club and Centre under Option 6 could be agreed and managed through a Memorandum of Understanding (MoU) to ensure access to the facility for the Centre as they ready themselves to implement new programmes to grow the player base and to introduce new training initiatives. This MoU should:
- > Set out the terms of the agreement
  - > Set out the agreed usage rights that the Centre has over the covered green and associated facilities
  - > Establish the operating processes that need to be followed to exercise those rights (i.e. how joint planning of calendars will occur, what booking approach will be taken, how priorities will be determined)
  - > Provide a schedule of fees and charges and a methodology for how these charges will be calculated (e.g. use of the cover, use of wider facilities, arrangements relating to food and beverage sales)
  - > Provide a process for reviewing and updating these charges, and the length of notice necessary prior to any change taking effect
  - > Include Dispute processes.
264. There might be a need to put a formal lease or sub-lease agreement in place for the Centre's use of office space from a club. This would give certainty of tenure to the Centre, clarify any liability issues, and in some cases evidence of a lease agreement is needed in order to seek funding from grant bodies to cover occupancy costs.





## 7. RISK ASSESSMENT

265. A detailed risk assessment has been undertaken with risks identified and likelihood of occurrence and impact assessed to provide identification of the risk level of each. The implications and possible mitigating actions have also been identified. A summary of the risk register is shown in Table 22 and the detailed risk register in Appendix B.

266. The highest risks relate to:

- > the raising of the necessary funds to complete the development and unforeseen items eventuating and being required to be added to the overall project timeline and cost.
- > Key relationships between the Centre and the clubs break down
- > Individual clubs pursuing a covered facility on their own accord

Table 22 – Summary of Risk Register

Risk Description	Risk Level	Implications	Mitigating Actions
Insufficient capital funding raised	Very High	Project not able to proceed as proposed Sources of additional funds will need to be found	Reconfigure project or staging to match available funds
Key people/clubs lose interest or withdraw	High	Project loses momentum and stalls Financial and resource implications	Maintain energy by sharing workload Maintain effective and timely communication
Costs escalate further before project commences	Medium	Budgets exceeded, need to raise additional funds	Keep momentum Keep to the plan
Costs escalate during construction	Medium	Budgets exceeded, need to raise additional funds	Fixed price contracts and good project management to limit variations. Defer non-essential items
Sufficient funding is raised but committed capital funding does not match the project construction timeline	Medium	Project not able to proceed as proposed	Reconfigure project or staging to match available funds
Continued decline in membership	Medium	Reduced income to support operating costs	Continually review and create new membership initiatives
Loss of Political support due to project readiness	High	Capital and operating support not provided	Ensure alternative options are factored into project timeline
Relationship between Centre and Clubs breaks down	Very High	Financial and resource implications Impacts on both Centre and Club credibility with external stakeholders and agencies	Develop and share common goals and objectives Act at all times in the interests of the wider good
Unable to reach consensus on detail of MOU	Medium	Lack of alignment and failure to understand roles and responsibilities Project fails to benefit all clubs	Develop and share common goals and objectives Act at all times in the interests of the wider good
Required income not realised and operating costs exceed budget		Covered facility becomes a debt burden Creates friction within stakeholder base	Sound budgeting and financial controls
Multiple clubs continue to pursue a cover for their facility		Confuses agencies and funders Dilutes funding opportunities Reduces the viability of a single regional centre	Formalise agreement between the key stakeholders Develop and share common goals and objectives Act at all times in the interests of the wider good





# 8. CONCLUSIONS

267. The DFA has concluded that:

- > Opportunities are already being explored by city clubs to cover a green. The engagement process identified some clubs were well advanced in their planning.
- > There is a strong desire to have a regional facility within the city being driven by clubs.
- > Irrespective of the outcome of this DFA, it is likely clubs will continue to pursue a cover for their facility.
- > Without strong strategic direction for bowls in the city and wider Manawātū region, the development of a covered facility to function as a regional centre is not viable.
- > The intention for clubs to merge as previously proposed to Council and recommended in the pre-feasibility assessment has not transpired.
- > Nationally, bowls membership is continuing to decline along with the volunteer network to support the running of clubs. BM membership is consistent with this trend but projected to stabilise.
- > Demographic projections suggest that changes in the city will occur due to an aging population with rapid change in the ethnic composition of the city's population expected.
- > NIWA projections indicate weather in the Manawātū region will get wetter and temperatures will get warmer.
- > A covered green improves player experience and increases both the number of days and the time within a day available for play.
- > National and international bowls events are awarded to centres with covered greens
- > The preferred option for a covered facility is to locate it at an existing club site.
- > A high-level estimate of development costs determined an indicative price range between:

Scenario	Cost (Incl 20% Contingency)
Install a cover over an existing artificial green	\$1,147,800
Install a new artificial green and cover	\$1,483,800
Install an artificial green only	\$336,000

Excluding GST

> The breakdown of proposed sources of funding include:

Source	Contribution Amount	Percentage of total project cost
Clubs and the Centre	\$275,000	24%
Local authorities	\$300,000	26%
Grants bodies	\$575,000	50%
<b>Total funding</b>	<b>\$1,150,000</b>	<b>100%</b>

Excluding GST

- > Clubs will need to generate additional revenue over and above current income to pay for the operational costs of a cover.

Estimated Additional Revenue	\$64,340
Total operating costs	\$62,190
<b>Difference</b>	<b>\$2,150</b>

Excluding GST

- > The three shortlisted club sites are all feasible options for erecting a cover over a green. There are cost differences for each site i.e. some require a new or replacement artificial green before moving forward with a cover concept.
- > An alternative approach is to break the project into stages and focus on installation of artificial greens only as a first step to mitigate predicted weather trends, increasing costs to maintain natural greens and declining volunteer numbers.

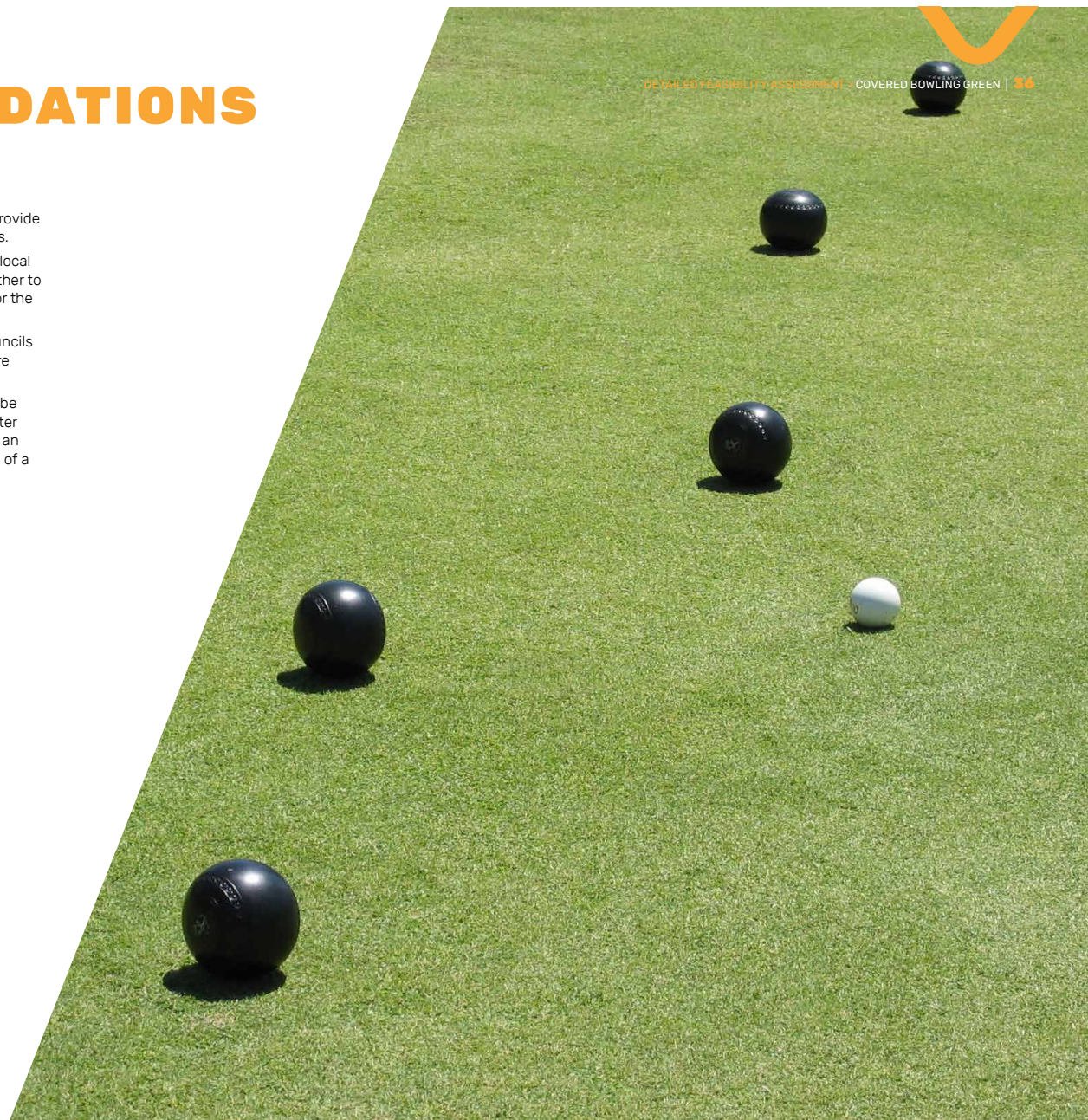




## 9. RECOMMENDATIONS

268. It is recommended that:

- > BM confirm and implement its strategic plan, that includes a commitment to facility development, to provide leadership, certainty and confidence for stakeholders.
- > Discussions with the identified key parties including local and regional authorities and funders be pursued further to better understand the appetite these parties have for the proposed level of investment in the facility.
- > Funding be requested in the 2024 - 2034 LTP of councils to allow clubs time to ready themselves for any future development.
- > The proposed revenue streams and operating costs be tested further with the three shortlisted clubs to better understand their willingness for and commitment to an ongoing obligation. This will assist in the preparation of a robust business case.





# APPENDIX .A

Table 23 - Site criteria

Fit for Centre			Green	Orange	Red
1	Number and type of greens	Really to make sure it is big enough to cater for the type of activities the Centre proposes and considers the type of green to potentially be covered.	Artificial green in place with long life (i.e. not needing replacement in next 3-5 years). Must be 8 rinks.	Demonstrated ability to be able to put artificial green in place. Up to 8 rinks.	No ability to put in artificial green and/or limited to no ability to fund one. Not able to
2	Tournament hosting	Does the site have suitable facilities for hosting tournaments including accessibility, parking, changing room (links to clubrooms & offices), including ability to be televised and spectator viewing.	Able to meet national tournament hosting requirements	Able to accommodate regional level tournaments only	Not suitable for tournament hosting
3	Suitable clubrooms	Sizeable enough to host tournaments and for spectators etc, also for Centre events. Important to consider layout for hospitality etc	Able to accommodate all but the largest of tournaments (and largest ones can 'make work'), with only minor costs to meet (less than \$20k)	Can accommodate most tournaments with only minor costs, or almost all with moderate alterations (\$100-200k).	Unable to host any decent number of tournaments without moderate or significant alterations (\$250k+)
4	Suitable offices	Either existing offices or able to be converted/fitted-out to accommodate Centre.	Minor costs (less than \$20k) to alter and refurbish existing spaces to accommodate Centre.	Have room for Centre offices but would require moderate alterations (\$100-200k) to make it workable.	No room available for Centre offices, would need expansion or significant alterations (\$250k+)
Regulatory & strategic			Green	Orange	Red
5	Consenting	Assessment of whether the site is likely to present any resource or building consent issues.	Minimal risk with consenting requirements. Limited or no notification required.	Medium risk with consenting requirements. May need neighbour approval or similar limited notification.	High risk and cost with consenting full notification or similar.
6	Alignment to PNCC/ Horizons plans	Similar to above, but also takes into account wider Council strategies (and potentially SM, SNZ and Bowls NZ), include alignment to RSFP principles and fit with PNCC's community occupancy/leasing policy	High level of alignment with plans	Medium level of alignment with plans	Minimal alignment
7	Fit with Centre Strategy	Will the site allow for the Centre to achieve its Strategy (where applicable)	Able to house BM within existing facility considering current building layout and green usage	Could accommodate BM with minor alterations to the facilities and slight adjustment to green access	Unable to accommodate BM without significant alteration to facilities and access
Site suitability			Green	Orange	Red
8	Accessibility/centrality	Will consider distance to travel for majority of likely users.	Majority of Centre members are able to access site with similar travel times.	Some Centre members have further to travel than others, but not a major difference compared to other sites.	Significant distance to travel to site for majority of Centre members.
9	Proximity to support facilities	Proximity to support facilities e.g. accommodation, hospitality, medical facilities, supermarkets, petrol stations, PWD accessibility and bowls membership.	Well positioned with all support facilities close by (no more than 15min travel)	Most support facilities close by, with only minor ones more than 15min away)	Limited access minimal support facilities





## APPENDIX .A

DETAILED FEASIBILITY ASSESSMENT > COVERED BOWLING GREEN | 38

Site suitability			Green	Orange	Red
10	Buildability	Separate from consenting, this is more about whether the placement of a cover and any offices etc is feasible or workable from a layout/design/usability perspective.	Significant room for development, current layout supports expansion	Limited scope for development, would require modification to develop	Minimal scope for development, building design and layout would require significant alteration
11	Utilisation	Will the addition of the Centre mean the facility is at peak utilisation? Are there any risks that over-utilisation may occur resulting in poor experience?	Able to accommodate Centre activities and bring close to full utilisation (or over utilised but manageable).	Able to accommodate Centre activities but will be stretched (but manageable), or lifts utilisation above the 50% mark but still needs to build significant other activity to achieve 75%+ utilisation.	Either already over utilised so unable to accommodate Centre activities, or addition of Centre would not increase utilisation significantly (e.g. would still be less than 50% utilised)
12	Parking	Especially for large tournaments and events – can the site accommodate appropriate numbers of vehicles/bus drop-offs etc. May include access to nearby on-street parking in walking distance etc.	Sufficient to cater for increased utilisation, minimal or no additional work needed	Site has some parking but will require some additional parking to support growth (less than \$200k of work)	Site has minimal carparking and will require development involving significant cost (\$200k+)
Partnership and Collaboration			Green	Orange	Red
13	Experience working with others	Maintaining successful high utilisation rates requires being able to manage complex multi-party arrangements at both governance and operational levels.	Demonstrated current experience handling complex governance and operational arrangements to achieve goal of high utilisation/activity at site.	Some experience working with others at a governance and operational level to achieve high utilisation/activity on site, but limited multi-party arrangements.	Limited to no experience of complex governance arrangements – deals with others transactionally rather than including in governance.
14	Control	Some sites may present more complicated ownership and governance relationships than others, depending on current ownership. Will consider ownership of land and buildings including lease agreement terms and conditions.	Club prepared to give some/full control of site to Centre	Club prepared to enter into management agreement with club	Club not prepared to relinquish lease or ownership of site
Other			Green	Orange	Red
15	Funding	Do some sites offer the potential for more funding collaboration/ partnerships than others? Are clubs prepared to financially support the development?	High willingness and track record of working with others and to financially contribute to the development of the regional centre	Some willingness to work with others and contribute to the development but limited or no track record.	Not willing to collaborate and restricted ability to contribute to development.
16	Indicative cost	Given consenting, buildability etc, what is the likely cost for a particular site (high/med/low at this stage).	Low to moderate cost in comparison to other sites, indicating achievability.	Moderate to high cost in comparison to other sites, indicating it is possible but will take a lot more effort.	High to very high cost in comparison to other sites, indicating unlikely to be achievable.
17	Timeline	Are there particular issues that mean some sites may not be occupiable by the Centre for some time?	2 – 3 years	3 – 5 years	5 – 10 years



# APPENDIX .B

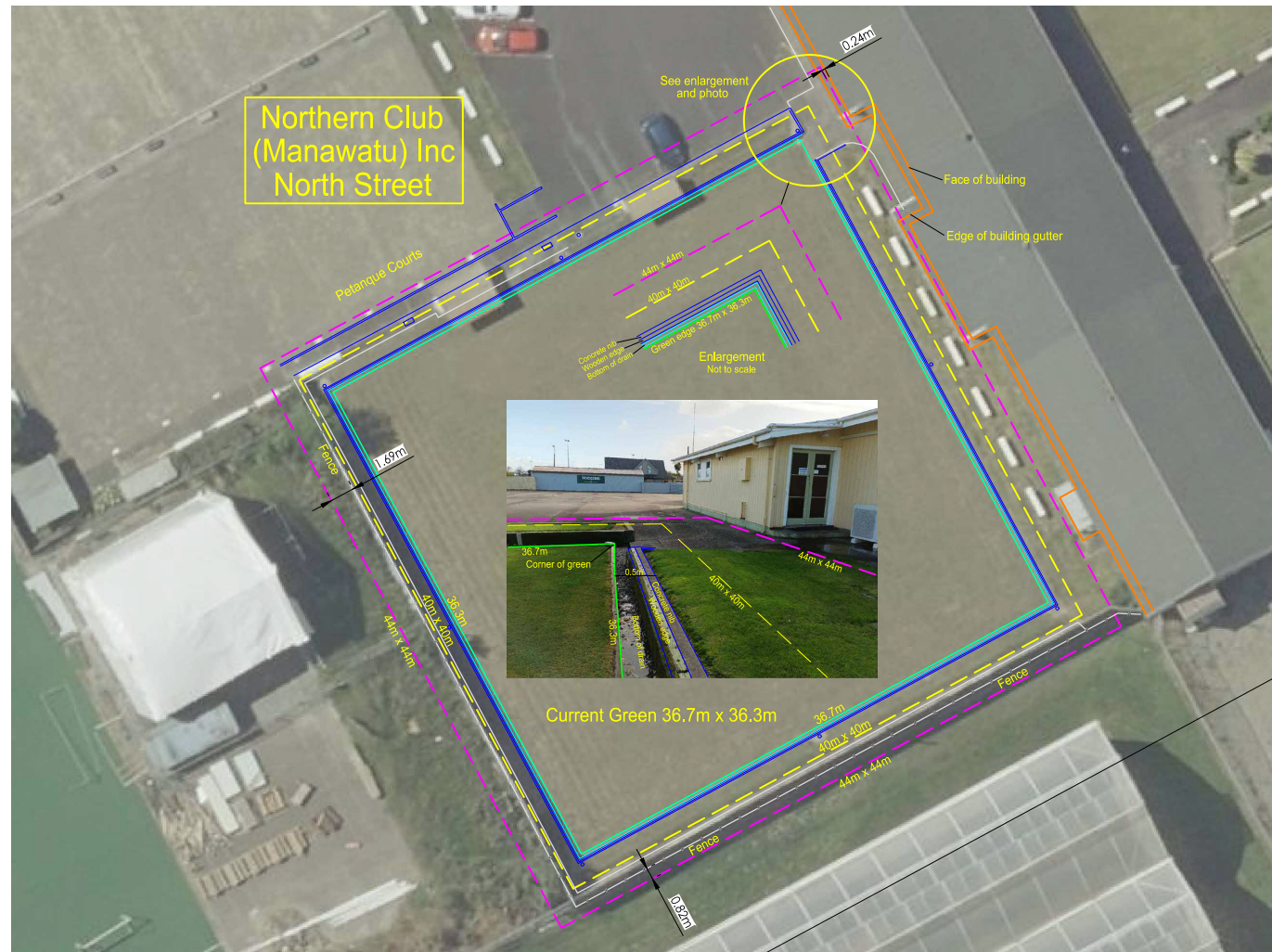
Table 24 – Risks Register

Risks	Category	Likelihood	Impact	Risk Level	Implications	Mitigating Actions
Insufficient capital funding raised	Financial	Possible	Severe	Very High	"Project not able to proceed as proposed Sources of additional funds will need to be found"	Reconfigure project or staging to match available funds
Key people/clubs lose interest or withdraw	Resource	Possible	Severe	High	"Project loses momentum and stalls Financial and resource implications"	"Maintain energy by sharing workload Maintain effective and timely communication"
Costs escalate further before project commences	Financial	Possible	Moderate	Medium	Budgets exceeded, need to raise additional funds	"Keep momentum Keep to the plan"
Costs escalate during construction	Financial	Possible	Moderate	Medium	Budgets exceeded, need to raise additional funds	"Fixed price contracts and good project management to limit variations. Defer non-essential items"
Sufficient funding is raised but committed capital funding does not match the project construction timeline	Financial	Possible	Moderate	Medium	Project not able to proceed as proposed	Reconfigure project or staging to match available funds
Continued decline in membership	Financial	Possible	Moderate	Medium	Reduced income to support operating costs	Continually review and create new membership initiatives
Loss of Political support due to project readiness	Political	Possible	Severe	High	Capital and operating support not provided	Ensure alternative options are factored into project timeline
Relationship between Centre and Clubs breaks down	Resource	Possible	Severe	Very High	"Financial and resource implications Impacts on both Centre and Club credibility with external stakeholders and agencies"	"Develop and share common goals and objectives Act at all times in the interests of the wider good"
Unable to reach consensus on detail of MOU	Governance	Possible	Moderate	Medium	"Lack of alignment and failure to understand roles and responsibilities Project fails to benefit all clubs"	"Develop and share common goals and objectives Act at all times in the interests of the wider good"
Required income not realised and operating costs exceed budget	Operating	Possible	Moderate	Medium	"Covered facility becomes a debt burden Creates friction within stakeholder base"	"Sound budgeting and financial controls"
Multiple clubs continue to pursue a cover for their facility	Political	Possible	Severe	Very High	"Confuses agencies and funders Dilutes funding opportunities Reduces the viability of a single regional centre"	"Formalise agreement between the key stakeholders Develop and share common goals and objectives Act at all times in the interests of the wider good"





## APPENDIX .C









## MANAWATŪ-WHANGANUI REGIONAL SPORTS FACILITY PLAN STEERING GROUP – ASSESSMENT OF COVERED BOWLING GREEN DETAILED FEASIBILITY ASSESSMENT



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### Introduction

The Palmerston North City Council (PNCC) commissioned a Detailed Feasibility Assessment (DFA) for a Covered Bowling Green prepared by Third Bearing Ltd (TBL) in 2022. The DFA was funded through LTP programme 1891. A Bowls Working Group (comprising Takaro, North End and Terrace End Clubs & Bowls Manawātū representatives) have been the proponent group/advocates for a covered artificial green to potentially operate as a proposed regional level bowling facility. This concept arose out of merger discussions when Terrace End sought to vacate the Summerhays site and was seen as an incentive for the City's lawn bowling clubs to co-locate or amalgamate at one existing site. It is in line with the planning approach in the Manawātū-Whanganui Regional Sport Facilities Plan (2018) to optimise existing assets and adopt a more partnership-oriented facility use model to facilitate efficient use of resources including rationalising venues.

As the proposal is for a regional level covered green it is required to be assessed through the Regional Sports Facility Plan investment decision-making process which Council endorsed to guide decision-making for proposed sport and recreation facilities.<sup>1</sup>

The DFA has been submitted by the Council to the Regional Sports Facility Plan (RSFP) Steering Group<sup>2</sup>. The DFA is the third major process step/work stage in the RSFP investment decision-making process (the process) within the RSFP.

### Background

The Bowling Clubs submitted a facility concept /proposal in June 2019 to the Sport and Recreation Committee following the preparation of a *Pre-Feasibility Assessment (PFA) of Possible Partnership merger of Bowling Clubs in Palmerston North (Dec 2019)*. The proposed merger model involved three of the City's bowling clubs (Terrace End, Northern and Takaro) to co-locate to the Northern Club facilities on Wahikoa Park on North Street. The co-location proposal included facility upgrades, including a covered artificial green, which would be the only facility of its type in the region.

Terrace End relocated to the Northern site in 2021, while the Takaro Bowling club decided to remain at its Featherston St site to pursue a cover for its artificial green.

### Challenges

A key challenge for the sport is how it positions itself to be fit for purpose, relevant, and sustainable in the future. Notable changes to community participation include:

- We've become time poor as a society which is having a strong influence on what we do for enjoyment,
- Growing inequalities for communities limit their ability to access services and participation opportunities,
- Increasing living costs and social factors are negatively impacting on participation, and
- Providers are having to be adjust and respond to changing participation preferences which requires time, innovative thinking, and resourcing.

The Bowls community needs to be adaptive to these changes, all of which will have an influence on current and future membership. The Centre along with Bowling clubs will need to shift away from historical mindsets to

<sup>1</sup> [Agenda of Sport and Recreation Committee - 13 August 2018 \(infocouncil.biz\)](#)

<sup>2</sup> The RSFP Steering Group is made up of officers in the seven territorial authorities in the region, Regional Sports Trust staff representing Sport Manawātū and Sport Whanganui, and an Ihi Aotearoa Sport NZ Spaces and Place representative. The Steering Group is chaired and co-ordinated by the General Manager Partnerships at Sport Manawātū.

transformative changes which focus on different ways of growing the game.



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#### Key findings from the DFA

- Without strong strategic direction for bowls in the city and wider Manawātū region, the development of a covered facility to function as a regional centre is not viable at this point in time.
- The preferred option for a covered facility is to locate it at an existing club site; the three shortlisted club sites being Takaro Sports Club, Palmerston North Bowling Club, and North End Bowling Club. These sites have each been assessed and are all feasible options for erecting a cover over a green.
- A high-level cost to install a cover over an existing green is \$1,150,000.

#### Covered Bowling Green Detailed Feasibility Assessment – by Third Bearing Ltd.

The DFA is attached as Appendix 1. Key findings from the DFA are:

- Opportunities are already being explored by some city clubs to cover a green. The engagement process identified some clubs were well advanced in their planning.
- Irrespective of the outcome of this assessment, it is likely clubs will continue to pursue a cover for their facility.
- Without strong strategic direction for bowls in the city and wider Manawātū region, the development of a covered facility to function as a regional centre is not viable.
- Nationally bowls membership is continuing to decline along with the volunteer network to support the running of clubs. Bowls Manawātū (BM) membership is consistent with this trend but projected to stabilise.
- The preferred option for a covered facility is to locate it at an existing club site.
- A high-level estimate of development costs for different scenarios determined an indicative price range between:

Scenario	Cost (incl 20% contingency) Excl GST
Install a cover over an existing green	\$1,147,800
Install a new artificial green and cover	\$1,483,800
Install an artificial green only	\$336,000

- The breakdown of proposed sources of funding include:

Source	Contribution amount	Percentage of the total project cost Excl GST
➤ Clubs and the Centre	➤ \$275,000	➤ 24%



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Source	Contribution amount	Percentage of the total project cost Excl GST
➤ Local authorities	➤ \$300,000	➤ 26%
➤ Grants bodies	➤ \$575,000	➤ 50%
➤ Total funding	➤ \$1,150,000	➤ 100%

- Clubs will need to generate additional revenue over and above current income to pay for the operational costs of a covered asset.
- The three shortlisted club sites being Takaro Sports Club, Palmerston North Bowling Club, and North End Bowling Club, are all feasible options for erecting a cover over a green.

The recommendations in the DFA are:

1. *Bowls Manawātū confirms and implements its strategic plan that includes a commitment to facility development, to provide leadership, certainty, and confidence for stakeholders.*
2. *Discussions with the identified key parties including local and regional authorities and funders be pursued further to better understand the appetite these parties have for the proposed level of investment in the facility.*
3. *Funding be requested in the 2024-2034 LTP of Councils to allow clubs time to ready themselves for any future development.*
4. *The proposed revenue streams and operating costs be tested further with the three shortlisted clubs to better understand their willingness and commitment to an ongoing obligation. This will assist in the preparation of a robust business case.*

#### Assessment of the DFA against RSFP criteria

Check against RSFP Principles:

Key:

Green	Proposal has strong degree of alignment with RSFP principle
Orange	Proposal has moderate degree of alignment with RSFP principle
Red	Proposal has low degree of alignment with RSFP principle

RSFP Principle	Comment	
<b>Sustainability</b> Our network of facilities and the individual facilities themselves need to be sustainable in order to maximise benefits for residents.	Further rationalisation is needed to address the oversupply issue in the region and district (based on the NSO Facility Strategy there is an estimated oversupply of 17 greens across the region calculated by member numbers). However, casual participation opportunities should be explored, as to other benefits which are outlined on page 7 of the report.	Red
<b>Multi Use</b> Where appropriate facilities should be designed to enable multiple uses.	A diverse range of sport, recreation and social activities already operate out of Bowling Club sites; a covered facility has the potential to expand the uses as long as they are compatible with the surface.	Green





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RSFP Principle	Comment	
<b>Accessibility</b>  Our facilities should be accessible to all residents regardless of income, ages and physical ability.	Facility access will be important to consider given the demographic of bowls membership.	
<b>Partnerships / Collaboration</b>  Working together with partners to plan, develop and operate sport and recreation facilities will become increasingly important in order to optimise our network and maintain its sustainability.	Any facility development will require a partnered approach both in terms of meeting capital costs and on-going operational costs.  Recommendations #2 and #3 above indicate the importance of identifying funding partners.	
<b>Adaptability / Functionality</b>  It is important that our facilities be as adaptable and functional as possible as sport and recreation demands will likely change in the future.	A covered facility could potentially be used for other sport and recreation activities; the cover may be able to be relocated.	
<b>Community Return on Investment</b>  It is important that any capital investment delivers a justifiable community return (measured both socially and economically) to residents.	It is likely that a covered facility will return both social and economic benefits (such as through event hosting). These returns are unquantified at this stage.	
<b>Avoid Overprovision / Duplication</b>  Over provision or unnecessary duplication of facilities should be avoided.	Duplication of covered facilities may result unless there is a stronger direction about how to best cater for the needs of bowls in the future.	
<b>Appropriate Maintenance</b>  Our existing and planned sport and recreation facilities need to be appropriately maintained throughout their projected lifespan to ensure they deliver benefit to the community.	A covered facility will place more maintenance costs on the Club/Centre that will need to be funded for 35 years and beyond. It is recommended that more work is done to establish the maintenance costs in line with the Feasibility Assessment's recommendation (#4).	

### Analysis of Alignment with RSFP Principles - Conclusions

The two areas highlighted in red indicate gaps and require further investigation to strengthen the feasibility of developing a covered facility in the City:

- Although the proposal demonstrates a high level of alignment with national sports organisation strategies, and local planning documents, the absence of a Strategic Plan (or a Bowls Network Plan as recommended in the PFA) is not providing an ideal environment for this facility proposal to support a strategic regional decision.
- The strategy should include a plan to rationalise facilities and amalgamate/co-locate clubs (including more resilient governance and operating models) along with identification of potential partnerships to help the sport to thrive (this aligns with Bowls New Zealand's aspirations of facilities as community hubs i.e. RSA, croquet, retirement villages etc) to optimise utilisation.
- While the concept of a covered facility is supported at BNZ level, the Centre is not currently in a position to provide strategic direction for a facility project. As identified in the DFA, the consequence of BM not finalising the strategic plan is that it does not enable the clubs to develop an operation plan to support its implementation. This needs to be strengthened.
- There are some 'readiness' issues identified in terms of translation of BNZ strategic direction to the Centre and how that impacts on project delivery, that aside the two Clubs in the city that have engaged in the merger conversations are well-advanced in their planning for a covered facility.
- Evidence suggests that social membership drives are attractive to new members however there is uncertainty how each of the clubs are converting social participants to playing members without there being a formalised strategy in place and understanding how actions are being implemented.



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### Assessment against RSFP Evaluation Criteria

#### LEVEL ONE CRITERIA

The initial gateway (Level 1) criteria the Steering Group has used to assess the DFA are:

1. Degree of alignment the facility proposal has with national, regional, and local plans and strategies (including the Regional Sports Facility Plan).
2. Degree to which projected needs are met.
3. Track record of the proponent organisation ("Bowls Working Group").

The purpose of applying these criteria is to ensure all sports facility proposals in the region are evaluated in a structured and consistent way. The process also assists with future decision-making on the level and nature of support that may be required from funders such as the Councils in the region, or external funding agencies.

#### 1. DFA alignment with key planning and strategy documents

##### National level planning

The Bowls NZ (BNZ) Facilities Plan 2022 identifies BNZ's intent to support the future of those small bowling clubs that adopt a plan to become a local facility that delivers a diverse range of activities (including lawn bowls) into its community. This is a shift from the previous BNZ Facilities Plan where the intent was to focus on rationalization of bowling clubs based on population.<sup>3</sup>

##### Regional level planning

<sup>3</sup> Refer page 8 of the DFA.





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**Manawatu-Whanganui Regional Sport Facilities Plan 2018** - the key finding for bowls from the RSFP was “as demand warrants it, assess facility rationalisation/optimising opportunities (including assessment of Bowls Centre option)”.

The PN sections of the RSFP were updated recently and a report was presented to Council in November 2022. The recommendation and priority for specialist indoor venues facility development was to:

- Implement the recommendations for the Bowls covered venue feasibility (being a medium priority)<sup>4</sup>

#### **Bowls Manawātū – draft Strategic Plan**

As noted in the DFA, BM’s strategic direction is underdeveloped. A draft plan was enabled through additional support outside of this project provided by TBL and Sport Manawātū. This was to be presented to members at the Centre’s 2022 AGM, however, this has not eventuated.

***It is noted that a key success factor identified in the Pre-Feasibility Assessment of Possible Partnership of Bowling Clubs in Palmerston North (Dec 2019) was the need for a clear strategic direction for bowls in the city and region and was recommended before a covered facility was to be considered.***

***In addition, a Bowls Network Plan was suggested in the PFA but did not get developed. This would be a role for Bowls NZ to help facilitate in partnership with the Centre, and clubs.***

#### Local level planning

The Active Communities plan identifies that Council will contribute to prefeasibility or needs assessment work (as required by Council’s commitment to the RSFP). An action in the plan is to carry out a DFA for a covered artificial green for bowls as a result of inclusion of a programme in the LTP 2021-31.

PNCC currently supports all bowling clubs, except for Palmerston North that is privately-owned, by leasing reserve land under the Support and Funding Policy and the Reserves Act 1977.

### **2. Degree the facility will meet projected needs**

The Preliminary Feasibility Assessment gave the following reasons for the need for a covered bowling green:

- As a way to address declining membership.
- Increasing the sport’s offering / optimising the opportunity (as per the RSFP).
- Meeting Bowls NZ Strategy that has a goal to have covered artificial green in every centre.
- Providing more certainty for use/revenue, especially in adverse weather.
- Adding amenity value for the club/City.

The PFA recommended that ‘further work needs to be done to determine whether Northern is the best location for a single covered green in the City’. The DFA was an extension to the work carried out in the PFA.

#### Needs identified in the DFA

- Reinforcement of BNZ’s ambition for every Centre to have a covered green; better position to attract key events (outlined in para 111 in the DFA).
- Shelter and shade requirements due to the likely increase in wet weather due to climate change, and the likelihood of intermittent heavy rain in warmer months, and protection from the sun.
- Hosting BM activities such as competitions, training and management meetings.

### **3. Membership and participation**

Membership trends are outlined on pages 12-13 of the DFA.

<sup>4</sup> [Agenda of Council - Wednesday, 30 November 2022 \(infocouncil.biz\)](#)

- Nationally – playing membership is relatively stable but predicted to decline due to an ageing population. In 2021 there are three times as many casual participants compared to playing members.
- Regionally / Centre– regional affiliated membership reflects similar trends with casual membership increasing by 58% (2012-21).



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#### 4. Track record of the proponent organisations

##### **Bowls Manawātū (the Centre)**

The Centre (under its current constitution) is an Inc society. The board is governed by a president with support from a vice president, secretary/manager and four committee members. Centre objects and powers are contained on pages 9 – 12 of the link here:

[https://www.bowlsmanawatu.co.nz/files/ugd/391a31\\_e71339f6ddff4fe6bef19cd92d598ad8.pdf](https://www.bowlsmanawatu.co.nz/files/ugd/391a31_e71339f6ddff4fe6bef19cd92d598ad8.pdf)

Centre membership at the time of writing was 384 (male) and 180 (female) full playing members. The board are responsible for delivering Centre events and competitions. Its latest strategy has a focus on facility provision however this is yet to be discussed with members nor implemented.

The centre does hold reserve funds captured in (para 194) of the DFA totalling \$90k however a funding model would need to be developed alongside its new strategy with how it would raise the necessary capital and ongoing operational expenses.

The Terrace End and Northern Bowling Clubs (merging to form North End) have demonstrated an ability and willingness to develop meaningful inter-bowling relationships and address necessary changes to improve the strength and sustainability of their club and secure the future of the sport. However, It's unclear whether they have separate club strategies or agreed to align collective efforts now they operate under the one roof. The club has a full playing membership of 81 and established a facility committee who have progressed efforts to instal an artificial green (due for completion Oct 22). The club have been visible in their efforts to partner and develop new game formats. Partner clubs co-located at the site include Housie, Indoor Bowls, Petanque, Football, and Old Boys Rugby.

The Palmerston North Bowling Club have a full playing membership base of 88. The club is the only freehold club in Palmerston North. The committee received funding for an artificial green two years ago, the first surface of its type in Palmerston North. While the club have made efforts to increase utilisation of the asset, it does not serve as a usable asset for Centre based competitions and activities. Other partner clubs include the RSA and pool club.

The Takaro Bowling Club had up until recently been the only Palmerston North based club with an all-weather turf. The club have savings which it will commit to the all-weather surface which is due for replacement in the next 3- 5 years. The Takaro club have a full playing membership base of 88. The site is a base for a number of other sporting groups including pool, table tennis, football, beach volleyball, croquet, and indoor bowls. In addition to membership figures, bowls participation numbers appear high across the clubs (1,148 compared with 640 in 2019) however these aren't always captured with regularity. As highlighted in para 197 of the DFA, the three shortlisted clubs don't appear to have significant cash reserves but could leverage fundraising efforts through existing networks. Evidence of this work would need to be presented as a funding proposal through the business case.

#### **LEVEL TWO CRITERIA:**

##### **5. Partnerships - the potential for operational and/or capital partnerships between multiple stakeholders.**

The proposal potentially involves multiple stakeholders as it would require funding from a range of sources: Council as the landowner, Bowls Manawātū as the regional sports organisation, potential

operator and key beneficiary) and the Club/s potential funding parties. Contributions from external funding partners (e.g. Trusts, sponsors) will also be required to complete the project.



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**6. The degree to which a facility or proposed facility compliments (avoids duplication) / optimises the existing or proposed facility network, and builds on the Manawatu-Whanganui region's strengths.**

A covered facility does not exist in the City or region and would serve as a new asset. The cover being assessed would need to be erected over an existing site to eliminate duplication and optimise use of an existing asset. Additionally, development of a cover at an existing site will reduce capital investment requirements and potentially contribute to on-going club mergers. The facility must serve the needs of all Centre members and Palmerston North city provides a centralised locality within a 60 mins drive time of all Bowls Centre clubs (which reflects an acceptable drive time for a regional asset).

**7. The degree to which demand exceeds supply (once all existing facilities are being run at an optimal operational level) and the facility or proposed facility is capable of meeting the identified gap.**

The current supply of greens across the Bowls Manawātū Centre exceeds current demand; but there is no covered green facility in the region.

The key facility demand is a higher level of service that would allow year-round play during winter or wet conditions. There is no other covered green facility in the City or within the Centre's boundaries.

**8. The degree to which the existing or proposed facility is operationally sustainable (taking a whole of lifecycle approach which looks at operational and maintenance costs throughout the facility's life).**

This aspect has been covered in the feasibility study in section 5 but requires further analysis as part of further discussion or in the Business Case stage should the proposal progress.

**9. The return on investment (measured in terms of community benefit) that the facility, or proposed facility, can generate.**

The wider community benefits need to be further explored with the stakeholders. The key benefit at this stage is in terms of meeting several needs as previously outlined.

**10. The ability of the facility, or proposed facility, to reflect international and national best practice in its location, design and subsequent operation.**

BNZ do not have a formalised structure of facility hosting requirements and there are elements that are non-negotiable depending on the level of event e.g. International or National level events that specify the need for a Cover, require 40x40 greens of a high quality and are accessible to supporting infrastructure. The DFA process tested the need for a 40mx40m covered facility however some site limitations were identified when combining both a 40mx40m green extension and cover. Further options were explored as a result with Bowls NZ indicating through the DFA process that it is lenient in its approach to allocating national events to Centres with smaller 36mx36m greens which favoured existing sites. A list of events that can be conducted on 36mx36m greens are listed in the DFA (para11).

**11. The ability of the facility, or proposed facility, to progress the competitive sporting objectives of the Manawatu-Whanganui region and wider New Zealand society**

Enhanced facilities can contribute to competitive results as it enables all-weather conditions for training

and play. The Manawatu region has a proud history of bowling success.



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## RSFP Steering Group Conclusions and Recommendations

### Steering Group recommendations

The Steering group have reviewed the DFA from PNCC and has identified gaps that, if filled, would improve the proposal/concept.

It supports that the DFA's recommendations are taken forward in order for the proposal to be further explored in order to strengthen the case for a covered bowling green.

The DFA for a covered facility provides a degree of alignment with the RSFP principles (pages 4-5 of this report) including:

- Key strengths indicated that each of the clubs have each demonstrated an ability to partner with other sporting and community groups.
- While membership numbers are declining, there is growth in casual participation at both national and regional level.
- A willingness from the Clubs to pursue funding which supports the development of a Covered Facility in the City.

In addition, the Steering Group noted challenges with identifying the preferred site, and to "optimise the proposal" (i.e. for the proposal to be improved) the following work needs to be explored:

- There are several needs that have been identified in both the PFA and the DFA. This included but is not limited to ensuring there is enough funding available to fund the operational costs of a covered asset, not just the capital investment needed for the asset.
- Membership is predicted to stabilise, and we need to understand in more detail the Centre and the club's membership retention/attraction strategies in relation to predicted stabilisation of membership due to the ageing population.
- A need to clarify participant catchment areas to show the location that would best serve the majority of users (noting the user profile of members, participants, and factors such as transport and access impact on participation) exploring futuristic growth across the city.
- Club aspirations must be captured in a strategy or operations plan.
- A Formalised Centre and Club partnership agreement should be pursued to strengthen the case for a covered facility.
- Bowls New Zealand to work collaboratively with clubs and Bowls Manawātū to activate the existing facilities, new programme types or participant groups might open the door for new facility needs.
- Provide certainty of covering (rather than enclosing) facilities which can create some unexpected issues like wind tunnels and unexpected operating and maintenance requirements these need to be well

understood and factored into planning (for example covered surfaces with no sides need to be regularly cleaned as there is no rain to do this).

- Engineering assessments are required to understand which venue could most easily house a covered structure (i.e. wind, flooding, ground condition).
- Further research into other like facilities of a similar scale should be undertaken to understand their design, capital funding model, actual facility income and expenditure, utilisation, maintenance programme, models for ownership, governance, and operation, partnerships, learnings which would assist with informing the business case.



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The recommendations have been made based on these factors:

- While the assessment highlights a level of alignment to the decision-making criteria, evidence of the Centre and club's operating collaboratively and in partnership for the betterment of the sport in the region and would give better direction on the proposed covered facility site.
- The Future of Bowls NZ report provides insights into how bowls might best position itself in the future. The report provide ways the sport can address challenges including declining interest in the sport, climate change, the economy, volunteerism and explores opportunities that grow new membership with diverse groups including Māori, Pasifika and Multicultural peoples, leveraging of bowls and establishing community hubs, and diversifying product offerings. The report can be viewed by clicking on the link here: [https://sportnz.org.nz/media/4gxbu4ju/bowls-report-0\\_2.pdf](https://sportnz.org.nz/media/4gxbu4ju/bowls-report-0_2.pdf)
- The covered facility concept was initially driven by a project working group with representatives from three of the Palmerston North based clubs. While the code isn't in a current position of readiness, it should continue to pursue areas that will strengthen its case for a covered facility. It should seek assistance where necessary from BNZ to help with governance, growing and maintaining partnerships of strategic importance, and implementing a strategy that is supported by the clubs.
- A review of the progress in relation to proposed amalgamation plans previously expressed to the PNCC would also confirm the need for the facility in the current environment. This is particularly relevant as there is an oversupply of greens in the region and district and amalgamation or co-location opportunities should be resumed.
- While the covered facility has been driven by the clubs, opportunities should be explored around the concept of establishing a trust (comprising Centre and Club reps) which is solely focused on the facility proposal that is separate to the club committee (but with appropriate representation alongside appointed skills sets).
- Crucially, the RSFP Steering Group believe that BNZ and the Centre will need to provide endorsement on the where the covered facility should be sited. This should reflect the club's state of readiness and alignment to both BNZ and Centre strategies ensuring alignment to gateway criteria one (outlined on pages 6-7).

Brad Cassidy – GM Partnerships

**On behalf of the RSFP Steering Group**

**HISTORY OF EVENTS AND COUNCIL DECISIONS (2018 – 2023) ON BOWLING CLUB MERGER AND FACILITY  
PROPOSAL FOR A COVERED BOWLING GREEN/BOWLS CENTRE**

<b>2018</b>	<p>Council received an approach from five of the bowling clubs of Palmerston North regarding merger proposals due to declining memberships at its 17 December 2018 meeting. At that time four of the five Clubs occupied Council land through leases. The Club's expected outcome from the restructuring proposal was a 'multi-sport complex with a covered green' to cater for 2000+ members.</p> <p>Council requested (resolution 56-18) the Bowling Clubs <i>"prepare their merger proposal addressing code administration arrangements and future facility requirements and report back to the Council in June 2019."</i></p>
<b>2019</b>	<p>The Bowling Clubs duly submitted a proposal to the June 2019 Sport and Recreation Committee. The proposed merger model was for three clubs (Terrace End, Northern and Takaro) to co-locate to the Northern Club facilities on Wahikoa Park on North Street. Their proposal included facility upgrades, including a covered artificial green (the only facility of its type in the region) and for the City to eventually have two main bowling clubs: at Palmerston North and Northern.</p> <p>Council instructed (resolution 35-19) <i>"That Council instruct the Chief Executive to use the Sports Facility Investment Process to complete the preliminary feasibility assessment for the proposed bowling club merger and report back to the appropriate Committee in November 2019"</i>.</p>
<b>2020</b>	<p>A preliminary feasibility assessment was reported to the Play, Recreation and Sport Committee ('Bowling Club Merger – Pre-feasibility report') on 18 March 2020. The Council resolution 4-20 was:</p> <p><i>(3) That the Council refer the provision of a grant of \$300,000 to the draft 2021/31 Ten Year Plan process representing a proposed contribution to assist the merging clubs with construction of an artificial bowling green on the Wahikoa Park at North Street.</i></p> <p><i>(4) That the Council, when finalising its 2020/21 Annual Budget, consider incorporating provision of \$50,000 to engage external consultants to carry out investigations and reporting for the Regional Sports Facilities Investment Decision Making Process, including assessment of the best location for a covered bowling green.</i></p> <p>Terrace End Bowling Club vacated the Summerhays Street site in mid-2020, co-locating with The Northern Bowling Club on Wahikoa Park, North Street. The Bowling Clubs Working Group (Northern, Takaro and Terrace End Clubs) presented to the 16 December 2020 meeting of the Play, Sport and Recreation Committee asking Council to consider funding a feasibility study for a covered artificial green. Bowls NZ and Bowls Manawātū supported this proposal.</p>
<b>2021</b>	<p>Programmes for \$300,000 for a Council-contribution to an artificial bowling green, and \$50,000 for a detailed feasibility study were considered but not included in the draft 2021-31 LTP that went out for consultation in April 2021. Twenty-nine submissions were made on these bowls-related programmes. After considering the submissions, Committee of Council approved programme 1891, to carry out a detailed feasibility assessment on a covered bowling green in the 2021/22 year. This was to 'allow the assessment of a potential site and provide clarity as to whether progress to the next stages of the project'.<sup>1</sup></p> <p>In 2021 Council consulted on, and then resolved to pursue, a housing development on the former Terrace End Bowling Club site. In 2021 Terrace End and Northern Bowling Clubs formally amalgamated (now the 'North End Bowling Club'). Takaro Bowling Club have not merged with any other club and continue under the banner of the Takaro Sports Club (Inc) on part of Takaro Park.</p>
<b>2022</b>	<p>Northern Bowling Club was granted community occupancy (a land lease for 5+5 year term) by Council for part of Wahikoa Park in December 2022 (resolution 177-22).</p>
<b>2023</b>	<p>Takaro Sports Club has recently applied to Council for community occupancy of part of Takaro Park with the notice of intention to grant a lease to be advertised shortly. This includes the bowling greens.</p>

<sup>1</sup> Note: A decision on a covered bowling green's feasibility, including the most appropriate location, therefore set aside an assumption made in 2020 that the location would be at the earlier identified Northern Bowling Club that assumed the proposed mergers of the Terrace End, Takaro and Northern Bowling Clubs.





## MEMORANDUM

**TO:** Culture & Sport Committee

**MEETING DATE:** 19 April 2023

**TITLE:** The Globe Theatre Trust: Six-Month Report 1 July - 31 December 2022 and Draft Statement of Intent 2023-26

**PRESENTED BY:** Sarah Claridge, Democracy & Governance Advisor

**APPROVED BY:** Donna Baker, Acting Chief Executive Unit Manager

### RECOMMENDATIONS TO CULTURE & SPORT COMMITTEE

1. That the Committee receive the Six-Month Performance Report 1 July - 31 December 2022 (Attachment 1) submitted by the Globe Theatre Trust.
2. That the Committee receive the draft Statement of Intent 2023-26 (Attachment 3) submitted by the Globe Theatre Trust.
3. That the Committee agree that the recommended comments on the draft Statement of Intent 2023–26 outlined in Table 3 be advised to the Globe Theatre Trust Board.
4. That the Committee refer the Globe Theatre Trust's request for an increase of \$50,000 to their Council grant to the Annual Budget deliberations.
5. That the Committee note that the Statement of Expectation objectives 'Investigating Priava', and 'Reviewing ticketing arrangements' (listed in Table 3) are complete.

### 1. ISSUE

- 1.1 The Globe Theatre Trust (the Globe) has delivered its six-month report 1 July - 31 December 2022 and draft Statement of Intent (SOI) 2023-2026. This report includes analysis of both documents, which are appended to this memorandum.
- 1.2 The purpose of this report is to provide an opportunity for the Committee to give feedback to the Globe on their draft SOI.
- 1.3 The Culture & Sport Committee has the delegation to receive the performance report and agree the Statement of Intent for the Globe Theatre on Council's behalf.
- 1.4 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council.

## 2. BACKGROUND

- 2.1 The Globe is a CCO, which was set up to independently manage and promote the Globe Theatre as a venue for hire. A CCO is an organisation in which Council has the right to appoint at least 50% of the trustees and must work towards Council's objectives on its behalf.
- 2.2 The Council is required by the LGA to regularly undertake performance monitoring of its CCOs. Council is required to evaluate:
  - the contribution of each CCO to the Council's objectives for the CCO;
  - the desired results set out in the SOI; and
  - the overall aims and outcomes of the Council based on the six-month report.
- 2.3 Following the pandemic, the Globe adjusted their performance targets to reflect the uncertainty following the detrimental effect COVID had on the arts sector and to make goals achievable and relevant to work towards.

## 3. COUNCIL OBJECTIVES FOR THE GLOBE THEATRE

- 3.1 It is good practice for a shareholder (ie. Council) of a CCO to outline what it expects of its CCO, and to clarify the roles and responsibilities of the CCO Board and Council in a Statement of Expectations (SOE).
- 3.2 In October 2022, Council extended its Statement of Expectations (SOE) 2022/23 for the Globe until June 2024. In doing so it recognised that Council's objectives<sup>1</sup> for the Globe Theatre remain the same in the short term. The extension means the next SOE will align with Council's Long Term Plan process and adoption of the Council's strategic direction.
- 3.3 Council's priorities under Goal 2: A creative and exciting city to which the Globe contributes are:
  - Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages;
  - Be a creative city that nurtures and celebrates the arts;
  - Develop a national reputation as an exciting city with plenty to do at night and on weekends.
- 3.4 The Globe has incorporated these priorities into their key performance indicators which are grouped as:
  - Ensure that there are more and more visible arts and activities at the Globe that contribute to the Council's aspiration for Palmerston North to be a creative and exciting city;

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<sup>1</sup> See column 1 of Table 3.

- Support the local performing arts community to showcase their diverse talents at the Globe and working to ensure our users represent the diversity of the Palmerston North community;
- Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.

#### **4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2022**

- 4.1 Six-month performance reports allow Council to track the Globe's progress against their SOI and the Council's objectives listed in the SOE. This six-month report covers the first six months of the SOI 2022-2025.
- 4.2 Highlights from the Globe's Six-Month report (Attachment 1) include the following:
- Manawatū Youth Theatre performed Disney's Peter Pan Jr in July – 13 performances with over 2,500 audience members.
  - Hosted the Powerlifting Nationals in August – 300 competitors utilised the whole venue for 5 days.
  - First ever New Zealand Blues, Roots & Groove Festival in September in conjunction with Rodger Fox – 700 audience members, 80 performers over 4 days.
  - Celebrated 15 years of Ian Harman and the Boom Boom Room Burlesque. Nearly 400 people filled Globe 1 on 2 nights to celebrate the milestone.
  - The Globe celebrated its own 40<sup>th</sup> birthday in November which coincided with Manawatū Theatre Society's production of 'You're A Good Man Charlie Brown'.
  - The Globe was Highly Commended in the 2022 Manawatu Business Awards Not for Profit category.
  - Shortlisted to the top 3 for the Small Venue of the Year 2022 Awards.
- 4.3 Most of the Globe's performance measures are on track to achieving their target (see Attachment 2). The theatre has recovered and is achieving results similar to pre-COVID times (2019).
- 4.4 Officers see no merit in comparing 2022 with the COVID years of 2020 and 2021, instead Table 1 compares 2022 results with pre-COVID years 2018 and 2019.

**Table 1: Comparing the first six months of the financial years 2018, 2019 and 2022 (COVID-free years)**

Measure		YTD 31 Dec 2018	YTD 31 Dec 2019	YTD 31 Dec 2022	3 Year trend
Number of usages	Actual <b>Target*</b>	326 <b>257</b>	383 <b>275</b>	314 <b>338</b>	↓
Number of performances	Actual <b>Target*</b>	123 <b>88</b>	190 <b>93</b>	178 <b>120</b>	↑
Number of national and international visiting productions performing at the Globe	Actual <b>Target *</b>	Not recorded	11 <b>5</b>	16 <b>9</b>	↑
Number of discrete participants	Actual <b>Target*</b>	878 <b>N/A<sup>2</sup></b>	1,156 <b>700</b>	1,885 <b>925</b>	↑
Number of visitors / audience members	Actual <b>Target*</b>	10,860 <b>N/A</b>	12,635 <b>11,000</b>	14,693 <b>13,500</b>	↑

\*Target is for the six-month mark

4.5 Although there have been fewer performances in 2022 than 2019, more people attended or participated in performances this reporting period than in 2018 and 2019. The number of discrete participants in this reporting period, is also significantly higher than in 2019 and 2018.

4.6 The 'number of national and international visiting productions' has also increased, reflecting the ability of the Globe to attract high calibre shows to Palmerston North.

### Financial Performance for the six-month period

4.7 The Trust reported a small surplus of \$18K for the six-months' end.

4.8 The Trust's current assets (mainly cash) are double its current liabilities which indicate the Trust's ability to satisfy its current obligations.

4.9 The operation has generated \$22K of cash, \$109K has been spent on asset renewal. Therefore, the net cash flow was -\$87K.

<sup>2</sup> Although data collected, no target was set, likewise for no. of visitors/audience members.

**Table 2: Financial Information for Six Month Report**

	July 2022 - December 2022		July 2021 - December 2021	
Summary Financials (\$000)	Actual	Budget (full year)	Actual	Variation
<b>Financial Performance</b>				
PNCC Grants	61	119	59	2
Total Revenue	193	302	169	24
Total Expenses	175	279	140	35
Net Surplus (Deficit)	18	22	29	(11)
<b>Financial Position</b>				
Current Assets	138	165	191	(53)
Total Assets	486	459	489	(3)
Current Liabilities	64	18	34	30
Total Liabilities	68	18	40	28
Equity	418	441	449	(31)
<b>Cash Flows</b>				
Total Net Cash Flows	(87)	35	5	(92)
Opening Cash	206	112	186	20
Closing Cash	119	147	191	(72)

## 5. DRAFT STATEMENT OF INTENT 2023-2026

- 5.1 The Board has presented a draft SOI that aligns with Council's strategic direction and addresses most of the SOE, as outlined in Table 3 below.
- 5.2 Despite its strong performance this year, the Globe has taken a conservative approach to forecasting performance measures and has not increased targets for future years.
- 5.3 Due to the SOE being extended, there are two objectives: 'Investigating Priava', and 'Reviewing ticketing arrangements', that were considered by the

Globe in 2022. Officers recommend that the Committee consider these two objectives complete as explained in Table 3 below.

**Table 3: Comparison of The Globe's draft SOI with Council's Statement of Expectation**

Objectives from Council's Statement of Expectation	Globe Draft SOI 2023-25	Comments + Recommendations for Final SOI 2023-25
Develop contributions to the actions in the Arts & Heritage and Events & Festivals chapters of the Creative and Liveable City Strategy of the 2021-31 10 Year Plan.	The Board demonstrates a clear link between its strategic objectives, Purpose of Trust Deed and Council's strategic direction.	No comment.
<p>Activities to include in Performance Measures:</p> <ul style="list-style-type: none"> <li>support for inclusive and diverse community events;</li> <li>support for whānau, hapū and iwi to create and deliver arts experiences</li> <li>support for Rangitānenuiarawa</li> </ul> <p>(all from the Arts Chapter of 2021-2031 Art and Heritage Plan).</p>	<p>The Globe states under the Nature and Scope of Activities Objective 2 that it will undertake community outreach and work with community hirers to support them to showcase their events.</p> <p>The Globe has a performance measure:</p> <ul style="list-style-type: none"> <li>support for Rangitānenuiarawa, whānau, hapū and iwi to create and deliver arts experiences</li> </ul> <p>which it aims to develop a vision, and actions for, in 2022/23; and then implement those actions over the next three years.</p>	Officers are encouraged by the Globe's awareness of the need to showcase more Māori culture and performance at the Globe and await outcomes from the development of visions and actions to support this measure.
Outline approach to: good governance practices – consider intention to reflect the diversity of Palmerston North in the membership of the Board.	<p>The Globe has outlined its governance practices in the How we Operate section.</p> <p>It specifically mentions reflecting the diversity of Palmerston North.</p>	In accordance with the Trust Deed, The Globe Trust Board has the ability to co-opt two trustees annually should they wish to increase their diversity.

Objectives from Council's Statement of Expectation	Globe Draft SOI 2023-25	Comments + Recommendations for Final SOI 2023-25
Develop performance measures of contribution to environmental sustainability.	<p>The Globe has an environmental sustainability target to upgrade all the lighting in the Globe to LEDs in the following years.</p> <p>Environmental sustainability efforts, particularly partnering with PN City Council to incorporate low carbon choices in the building, are discussed in Objective 3: Nature and Scope of Activities. The Globe also aims to work towards zero waste in operations as mentioned in the How we Operate section.</p>	Environmental Sustainability practices has been included throughout the document.
Complete evaluation of Council Priava booking system.	Not mentioned.	<p>The Priava booking system was explored by the Globe in 2022 and was found not to meet the needs of the Globe.</p> <p>Discussions on Priava has initiated closer collaboration between the Globe and Regent Theatre managers who are meeting regularly.</p> <p>Officers recommend that the Committee consider this objective complete.</p>
Review ticketing arrangements with a view to collaborating with the other CCOs before renewing any contracting agreements.	Not mentioned.	<p>A collaborated ticketing system was discussed with the Globe in 2022. The Globe decided a combined ticketing system would not provide them any advantage over their current in-house system.</p> <p>The Globe credits the importance of having control of its own in-house ticketing</p>



Objectives from Council's Statement of Expectation	Globe Draft SOI 2023-25	Comments + Recommendations for Final SOI 2023-25
		<p>arrangements to its success at being able to swiftly reimburse and communicate quickly with its customers and hirers throughout the pandemic.</p> <p>Officers recommend that the Committee consider this objective complete.</p>
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	The Globe has included a target for the number of regional/ national tours.	<p>The target (17) for 2023-2026 is a little low, since the Globe has already achieved 16 in the first six months of 2022/23.</p> <p>Officers to work with the Globe to explore a stretch target for events for next year.</p> <p><b>Recommendation</b> Globe to revise the annual target.</p>
SOI should include the Economic Impact reporting model.	Not mentioned.	<p>Work with Council Officers to progress through the CCO Chairs and Managers steering group.</p> <p><b>Recommendation</b> Add an objective to collate data on the economic/ social impact of the Globe.</p>

### Financial Commentary for the draft SOI 2023-25

- 5.4 The Trust anticipates sales revenue to remain consistent for the next three years. The fundraising budget reflects the Globe's strategy to seek substantial funds for a large project every two years, rather than annually.
- 5.5 The Globe has included an extra \$50,000 request to Council in their SOI. This is to recognise the rising costs of living due to inflation and the need to remunerate their staff accordingly.
- 5.6 Cash position is projected to remain strong for the next three years - sitting above \$300K.

**Table 4: The Globe's SOI Summary Financials**

	Forecast	SOI		
Summary Financials	22/23	23/24	24/25	25/26
<b>Financial Performance</b>				
PNCC Grant	119,257	170,450	172,154	173,876
Total Revenue	452,599	389,050	390,754	392,476
Total Expenses	334,877	377,216	380,902	384,211
Net Surplus (Deficit)	117,722	11,424	9,852	8,264
<b>Financial Position</b>				
Current Assets	338,232	388,107	441,411	499,408
Total Assets	578,470	588,345	591,649	599,646
Current Liabilities	56,914	56,914	51,914	51,914
Total Liabilities	60,277	58,729	52,181	51,914
Equity	518,193	529,616	539,468	547,732
<b>Cash Flows</b>				
Total Net Cash Flows	127,688	49,876	53,304	57,997
Opening Cash	206,544	334,232	384,107	437,411
Closing Cash	334,232	384,107	437,411	495,408
<b>Financial Indicators</b>				
Current Ratio	5.94	6.82	8.50	9.62
Working Capital	281,318	331,193	389,497	447,494




## 6. NEXT STEPS

- 6.1 Any Committee comments on the draft SOI will be communicated in writing to the Globe Trust Board.
- 6.2 The Globe will deliver their final SOI to Committee on 28 June 2023.
- 6.3 If Recommendation 4 is agreed by the Committee, it will be included as part of the 2023/24 Annual Budget deliberations.

## 7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in Arts and Heritage Plan	
The action is: Carry out regular performance monitoring and reporting of the Globe Theatre Trust.	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	<p>Receiving the six-month report allows the Committee to have oversight against the previously agreed SOI.</p> <p>Providing comments on the draft Statement of Intent is a mechanism for Committee to provide guidance and direction to The Globe Theatre Trust Board.</p>

## ATTACHMENTS

1. Globe Theatre Trust Board - Six Month Report 2022 [↓](#) 
2. Performance Monitoring Table [↓](#) 
3. The Globe Theatre Trust - Draft Statement of Intent 2023-2026 [↓](#) 

# Six Month Report to Palmerston North City Council

THE GLOBE THEATRE TRUST BOARD  
DECEMBER 2022



address: PO Box 132, 132 Main Street  
Palmerston North  
website: [www.globetheatre.co.nz](http://www.globetheatre.co.nz)  
email: [info@globetheatre.co.nz](mailto:info@globetheatre.co.nz)  
phone: 06 351 4409

## Six Month Report to Palmerston North City Council from the Globe Theatre Trust Board December 2022

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Trust Details as at 31 Dec 2022	
Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams (Chairperson) R Harris C Wilson N Cross R Sheppard
Treasurer	N Cross
Secretary	C Wilson
Address	312 Main Street PO Box 132 Palmerston North  Telephone: (06) 351 4409
Bankers	Bank of New Zealand
Accountants	AboutTime Accounting Services Ltd
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Inland Revenue Number	43-006-495

Based on the comic strip "Peanuts" by Charles M. Schulz

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CHARLIE BROWN**

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Child (Under 18 yrs): **\$15**  
Senior/Student (with ID): **\$20**

Group 5+: **\$22 each**  
Family (2 adults & 2 Children): **\$65**  
MTS Members: **\$20**

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**globe**  
theatre



## CHAIRPERSON'S REPORT

The highlights of the last six months for the theatre include sold out shows again for Manawatu Youth Theatre (MYTH) Peter Pan Jr in July, the Powerlifting Nationals in August and the first ever New Zealand Blues, Roots & Groove Festival in September in conjunction with Rodger Fox. These highlights alone illustrate just how versatile the theatre is.

We are tracking very nicely with our targets as our Performance Measures show (2022/2023 target in brackets)  
 Usage – 314 (675)  
 Performances – 178 (240)  
 Audience – 14,841 (27,000)  
 Participants – 1,885 (1,850)  
 Hours Of Use – 1,673 (2,800)

We held our AGM in September and farewelled long-serving board member and theatre advocate Margaret May. Thanks for all your input over the years Margaret.

We celebrated the theatre's 40<sup>th</sup> birthday in November and it was wonderful that this coincided with the Manawatu Theatre Society's production of "You're A Good Man Charlie Brown". Wonderful to have MTS back.

Other highlights of the period have been the grant from Central Energy Trust of almost \$100,000 to upgrade our sound and lighting equipment. It is essential for us to keep up to date with technology if we are to continue to attract performers and provide a great experience for our audiences.

We are also working with Emma Brown Design on our foyer and bar upgrade project.

The Globe was Highly Commended in the 2022 Manawatu Business Awards Not For Profit category  
 And made it to the top 3 again for the Events Association of New Zealand (EVANZ) Small Venue of the Year award

Thank you to our MOU groups for their continued support and welcome to the Six To Sixty Choir who now use the theatre every Monday evening. Wonderful to have such a vibrant community group seeing the theatre as their home.

Looking ahead to 2023, our bookings are good, but we are aware of the work required to make audience members feel safe. It is evident that performers are getting back on stage, and we welcome them to our theatre. But we are mindful that some audience members are still a bit reluctant to come out to shows. Over the year we will work to make them feel that the theatre is a safe venue to visit.

Many thanks to our Manager Gerry Keating and his hard-working staff, our Front of House volunteers and my fellow board members for their input and enthusiasm.

John Adams  
 Chairperson  
 January 2023



## MANAGER'S REPORT

We faced many challenges over the previous year. COVID lockdowns and restrictions and the reduced number of shows available on stage meant we came in to the new financial year with some trepidation. As we entered July, the question on everyone's lips was "Are we free from COVID?" In keeping with the theatre's ethos and positivity, we refused to think about it, too much, and pushed on with our desire to provide quality entertainment to the people of Palmerston North, Manawatu and further afield.

The first six months of the year were joyous. Everyone wanted to be on stage and performances that had been postponed and cancelled previously were now being reorganised and there was a wonderful feeling of confidence & excitement.

There are certain statistics worth collecting. Theatre usage & performances are vital as a snapshot of how the theatre is operating. Figures 1 and 2 show the July to December measures for the past 6 years and it makes for very pleasant reading.

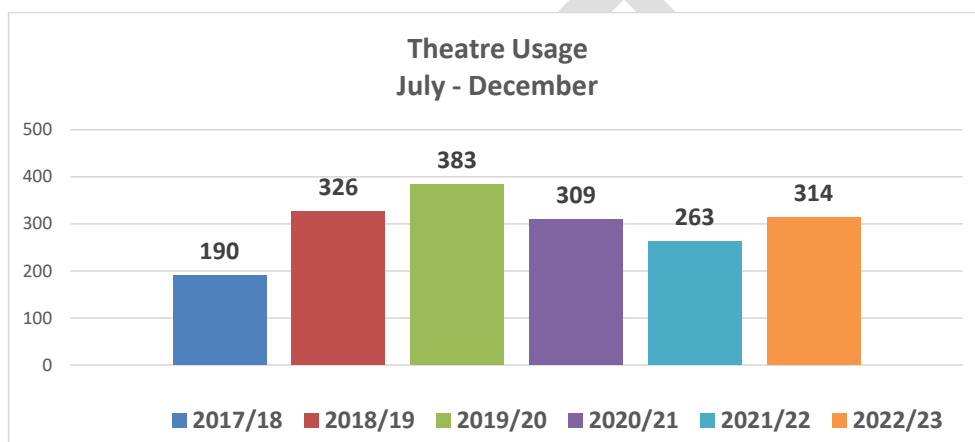


Figure 1

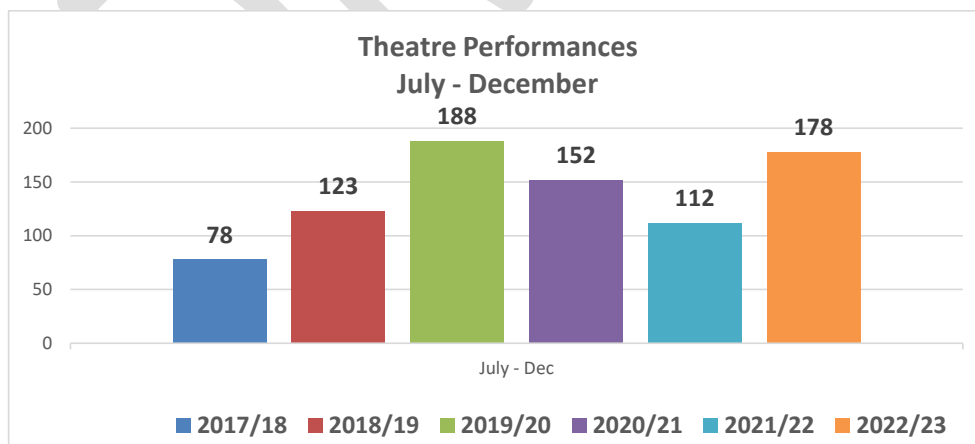


Figure 2

As has been mentioned in previous 6 Month Reports, starting the year with the Manawatu Youth Theatre on stage is always a joy. And 2022 was no exception. Peter Pan Jr had 13 performances with over 2,500 audience members and more than 60 stage/back stage/technical participants. This set the theatre up for what was to be a very successful first 6 months of the year.

In August the theatre played host to the Powerlifting Nationals which utilised the whole venue for 5 days. We have always said we are more than just a theatre with a stage and this event showed how versatile we can be. Over 300 competitors came to Palmerston North for the event, and we learned that our Globe 1 stage might not be as structurally strong enough to hold the weight of the lifting equipment as we thought. It was all hands on deck and thankfully, our theatre staff, Matt & Brayden, along with members of the powerlifting community, came together to repair the damage.

September saw the first ever New Zealand Blues, Roots & Groove Festival take place. The festival is a joint project between the Globe Theatre and Rodger Fox. 9 shows over 4 days plus extra performances in the theatre foyer late at night created a wonderful environment for all. With over 700 audience members and over 80 performers, it laid the groundwork for what we expect will become a new addition to the Manawatu music calendar. We also had the pleasure of hosting numerous mayoral and candidate debates for the local elections. A perfect time to hold a trial building evacuation.

In October, we celebrated 15 years of Ian Harman and the Boom Boom Room Burlesque. Nearly 400 people filled Globe 1 on 2 nights to celebrate this wonderful milestone. We were also treated to the fantastic voice of Kiwi music legend Mel Parsons and the release of her new album 'Slow Burn'.

November was a magical month as we welcomed back to the stage, the Manawatu Theatre Society. The COVID disruptions over the past 2 years was not very forgiving to the theatre society but they came back with a vengeance with You're A Good Man Charlie Brown. And we were very honoured to include the show as part of our 40<sup>th</sup> birthday celebrations. It was wonderful to catch up with so many people who over the past 40 years or so have played a part in our Community Theatre.

You'd expect December to be a quiet month as people get ready for the holidays, but this was not the case. 17 performances in the first 2½ weeks kept the theatre busy as we looked forward to a welcome break over the Christmas and New Year period.

#### **HIGHLIGHTS**

As shown in Figures 1 & 2 on the previous page, the increase in theatre usage and performances was a very welcoming outcome considering the previous 2 years. Theatre usage increased by 19% while performances increased by 59%. This trajectory gets the theatre back to how things were pre COVID.

Figures 3, 4 & 5 below, give another snapshot of how the theatre is performing. Audience and participant numbers have greatly increased as have the number of hours the theatre is in use.

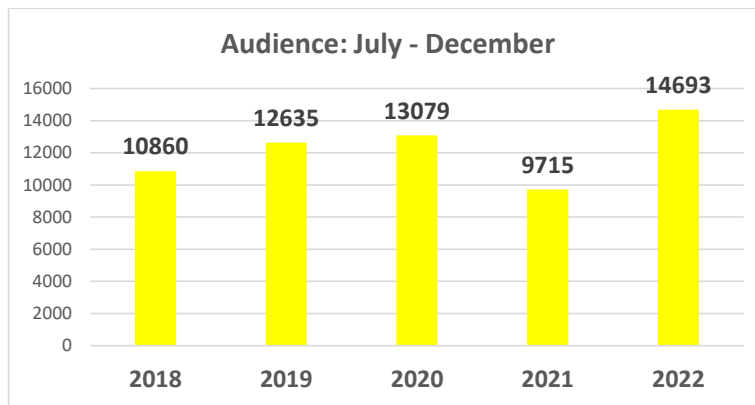


Figure 3

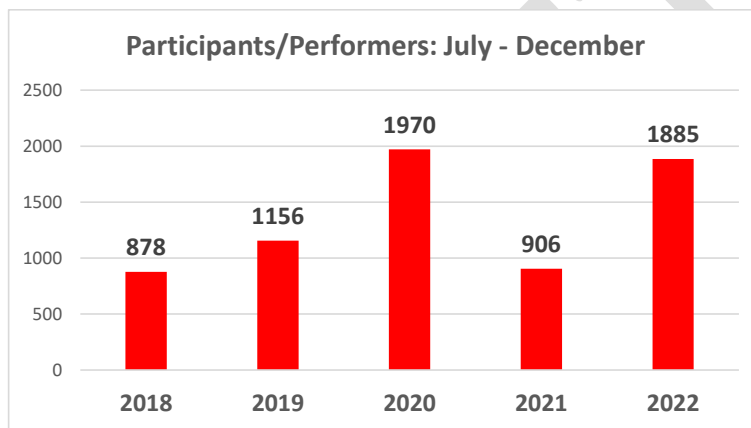


Figure 4

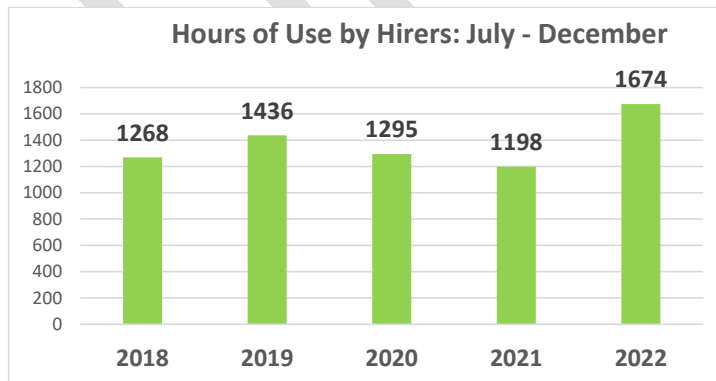


Figure 5

In November 2022 I attended the EVANZ Conference in Wellington. An opportunity to converse and discuss issues affecting the arts industry in NZ. I attended the conference in the company of David Walsh (Regent Theatre). While at the conference, it was pleasing to note how well the Globe Theatre is operating in the current uncertain climate. The conference also gave me the opportunity to meet with similar sized venues and discuss issues that are similar to us.

David & I meet every month to discuss various issues and keep up to date with each other's venue. I am very grateful to David for his knowledge of the industry and appreciate that he is only just a phone call away.

The theatre was, once again, nominated for the Small Venue of the Year at the EVANZ (Events Association of New Zealand) 2022 Awards. We were shortlisted along with Clarence Street Theatre (Hamilton) and Haere-Roa (University of Canterbury). Unfortunately, we didn't come away with the prize losing out to Haere-Roa.

We also put the theatre forward for the Manawatu Business Awards – Not For Profit category coming away with a High Commended award. It was very encouraging to sit in a room with so many local businesses who are out there helping to make Manawatu a wonderful place to live.

As part of our project to increase awareness of the theatre to the general public, we enlisted local photographer/videographer Rob Edwards, to create a 90 second video montage about what happens at the theatre and how versatile the theatre is. This will be used as a promotional tool for the theatre.

We applied to the Central Energy Trust for sound and lighting equipment funding and were very pleased when they awarded us \$98,925. We are very aware of the need to keep our technical equipment up to date and meeting the needs of our hirers. Having excellent sound and lighting equipment also makes the audience experience that much better.

At the beginning of the year, we officially launched the Palmy Companion Card scheme. This scheme, funded by the Palmerston North City Council, promotes equality of access for people with impairments to fair ticketing. This is a very welcome and wonderful scheme to be a part of.

While not a performance measure, we continue to survey our hirers to see if we are meeting their needs. From July to December, we received 17 completed surveys. Our surveys are short as we know how busy people are and we want to make it easy for them to complete.

Q1. Overall, how would you rate your experience of hiring the Globe Theatre? (Excellent, Good, Fair, Poor)

Excellent x 16

Good x 1

Q2. How likely would you be to recommend the Globe Theatre as a venue for hire? (Very Likely, Likely, Unlikely, Very Unlikely)

Very Likely x 16

Likely x 1

Q3. Please indicate the factors that have influenced your assessment of your experience hiring the Globe Theatre

Booking/confirming your hire x 14

Support to promote your event in advance x 10

Technical support x 15

Equipment available to you x 14

Front of house/Box office x 13

Completing your hire/pack out x 6

Completing the paperwork for your hire x 10

The survey also allows for feedback from the hirer. I would require another couple of pages to include all the positive feedback we have received about the venue and staff. As we move in to the second half of the year, I am confident that we are on the right track and meeting the needs of our hirers.

As we enter 2023, theatre bookings are looking good. We are pleased to announce that we are bringing back our Summer Sounds Festival which will feature 12 acts over January, February & March. With the New Zealand borders now open, 7 of the acts are from overseas. Australia, England, Canada and the United States.

Gerry Keating  
Manager  
January 2023



**NEW ZEALAND  
Blues, Roots  
& Groove  
FESTIVAL**

**THURS 1 SEPT – SUN 4 SEPT**  
Tickets: \$20-\$28

Festival Pass (8 Concerts): \$160 (usual price \$224)  
Afternoon/Night Passes: \$40 (usual price \$56)

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## Performance Measures - 6 Months to 31 Dec 2022

### DEFINITIONS

#### USER GROUPS

**MOU** – has an MOU arrangement with the Globe Theatre, may be a community group or professional group

**Community** – the hirer is a community organisation, may or may not be performance based

**Professional** – the hirer is a professional performing arts practitioner, a private individual or a commercial company, may or may not be performance based

#### USAGE AND PERFORMANCE

**Usage** – A space in the theatre is set aside for a specific event, activity, or exclusive use by a hirer.

**Performance** – The “usage” involves an audience of any description

**Note:** The Theatre has two auditoria, the foyer and a rehearsal room which are all available for hire. Thus, there may be multiple uses, both across hireable spaces and of single hire spaces – for example morning and evening use in the same space - in any one day

#### PERFORMANCE BASED USAGE:

**Theatre Performance** – a dramatic performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Music Performance** – a musical performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Comedy Performance** – a comedy performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Dance Performance** – a dance performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Film Performance** – a film shown to an audience, open to the public, may be ticketed or not

#### NON-PERFORMANCE BASED USAGE:

**Conference** – a presentation on stage to an audience, may be open to the public or may be pre-registered delegates, may be ticketed or not

**Celebration** – a ceremony, party, or other festive event, may be open to the public or not, may involve a “performance” to an audience, may be ticketed or not

**Other** – a committee meeting, get-together, catch-all for small events that don’t fit the above criteria

## Strategic priorities and performance monitoring for 2022/23

STRATEGIC PRIORITY 1: ENSURE THAT THERE ARE MORE, AND MORE VISIBLE, ARTS AND ACTIVITIES AT THE GLOBE THAT CONTRIBUTE TO THE COUNCIL'S ASPIRATIONS AS AN ARTS POWERHOUSE.		
Outcomes	Outputs (KPIs)	
	Target 2022 SOI	Result at December 2022 (6 months)
Number of usages	675	On track: 314 usages
Number of performances	240	On track: 178 performances
Hours of use by hirers	2,800	On track: 1,674 hours of use
No. discreet participants	1,850	Achieved: 1,885 participants involved in a show as organiser/performer/speaker/back stage
No of audience members	27,000	On Track: 14,693 audience members
Number of national and international visiting productions performing at the Globe	17	On Track: 16 events classed as national or international performed at the Globe Theatre. <b>National:</b> Powerlifting Nationals Drop Dead Gorgeous Anita Wigl'it Chris Parker Niko Ne Zna NZ Blues, Roots & Groove Festival Aroha String Quartet Aotearoa Country Music Awards The Paul Paul Comedy Show Mel Parsons Rodger Fox Big Band Michael Houstoun <b>International:</b> Chamber Music NZ Bloom – Adele & Amy Songbook (Aus) Lauren Ellis Quartet (US) Daniel Champagne (Aus)
Number of collaborated performances (box office splits)	15	Achieved: 15 performances as box office splits Adam McGrath Chris Parker Hammers & Horsehair Jez & Jace Niko Ne Zna Aroha String Quartet The Paul Paul Comedy Show The Flow Collective Corps de Burlesque Pantoloons Lauren Ellis Quartet Rennie Pearson Jonathan Falconer Blowout Comedy Manawatu Highland Dancing

STRATEGIC PRIORITY 1: ENSURE THAT THERE ARE MORE, AND MORE VISIBLE, ARTS AND ACTIVITIES AT THE GLOBE THAT CONTRIBUTE TO THE COUNCIL'S ASPIRATIONS AS AN ARTS POWERHOUSE.		
Outcomes	Outputs (KPIs)	
	Target 2022 SOI	Result at December 2022 (6 months)
STRATEGIC PRIORITY 2: SUPPORT THE LOCAL PERFORMING ARTS COMMUNITY TO SHOWCASE THEIR DIVERSE TALENTS AT THE GLOBE, AND WORKING TO ENSURE OUR USERS REPRESENT THE DIVERSITY OF THE PALMERSTON NORTH COMMUNITY		
Outcomes	Outputs (KPIs)	
	Target 2022 SOI	Result at December 2022 (6 months)
% of total theatre usage attributed to MOU groups	35%	On track: 48% of theatre usage attributed to MOU groups
% of total theatre usage attributed to community groups	45%	On track: 40% of theatre usage attributed to community groups
Support for Rangitānenuiarawa, whānau, hapu & iwi to create and deliver arts experiences	Develop a vision and actions steps for implementation	Ongoing

STRATEGIC PRIORITY 3: MAINTAIN AND DEVELOP FACILITIES THAT ENABLE OUR COMMUNITIES TO PRODUCE AND ENJOY THE VERY BEST PERFORMING ARTS THAT CAN BE OFFERED, ENSURING THAT THE GLOBE REMAINS A CUTTING EDGE, VISIBLE AND RESILIENT CULTURAL INSTITUTION/FACILITY.		
Outcomes	Outputs (KPIs)	
	Target 2022 SOI	Result at December 2022 (6 months)
Carry out capital development programme	Investigate digital signage options	Ongoing
Contribution to environmental sustainability	All Globe stage lighting to be LED	Ongoing
Support and encourage Rangitane to incorporate art at the theatre	Develop a vision and action steps for implementation	Ongoing

**NIKO NE ZNA**

**Sat 27 Aug,**  
**8pm**  
**\$30**



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**Michael Houstoun**  
**Concert & CD Launch**

**THURS 20 OCT,**  
**7.30PM**

**Tickets: \$25**  
**Student (with ID): \$10**



Tickets available at the Box Office or online at [www.globetheatre.co.nz](http://www.globetheatre.co.nz) **globe** theatre

## THE GLOBE THEATRE TRUST FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DEC 2022

### Statement of Responsibility

We are responsible for the preparation of the Globe Theatre Trust's financial statements and statement of performance, and for the judgements made in them. We are responsible for any end-of-year performance information provided by the Globe Theatre Trust under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Globe Theatre Trust for the 6 months ended 31 December 2020.

Signed on behalf of the Board:

### Entity Information For 6 Months To 31 December 2022

#### LEGAL NAME, TYPE OF ENTITY AND LEGAL BASIS

The Globe Theatre Trust (the Trust) is a trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council (PNCC) and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002, by the Council's right to appoint the Board of Trustees.

#### THE TRUST'S PURPOSE OR MISSION

The primary objective of the Trust is to promote the arts within Palmerston North by catering for a variety of local and touring arts and cultural events such as drama, comedy, musical theatre, dance and musical recitals, public artistic competitions, conferences and seminars, rather than making a financial return.

#### STRUCTURE OF THE TRUST'S OPERATIONS, INCLUDING GOVERNANCE ARRANGEMENTS

The Globe Theatre is a Council-owned venue that is managed by a Trust Board comprising 5 Council-appointed trustees and up to 2 trustees co-opted by these appointees.

#### MAIN SOURCES OF THE TRUST'S CASH AND RESOURCES

The Trust Board manages the theatre complex as multi-purpose venues for hire. Principally, the venues are for the performing arts with two theatres: one a 194 tiered-seat theatre and one a flat-floor performance space with an option of up to 105 tiered-seat layouts. The Trust Board also hires the foyer/cafe-bar area separately as a meeting space. The Trust Board maintains an asset register of equipment.

The Globe Theatre complex primarily serves the performing arts community in Palmerston North with an operating subsidy from the City Council which ensures that the complex is affordable for amateur and community groups. Particularly, the Theatre was developed in 1982 as a partnership project between the City Council and the Manawatu Theatre Society and this relationship remains enshrined on the Board's Trust Deed.

The theatre provides a quality experience that is also available to professional organisations for hire.

Finally, the Trust Board raises funds to maintain its equipment and asset register to ensure that it can continue to offer that quality experience to all its clients. As part of this, the Trust Board also promotes shows to raise funds for this purpose.

Fri 14 &  
Sat 15 Oct

8pm

\$42

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14th & 15th

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theatre

**COMEDY HUB'S  
BIG MONTHLY  
STAND-UP SHOW**

HEADLINE ACT:  
**BRENDHAN  
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## Statement of Financial Performance for The Six Months To 31 Dec 2022

	Note	Unaudited December 2022	SOI Budget December 2022	Unaudited December 2021
<b>Revenue</b>				
Donations, fundraising and other similar income	2	2,713	50,000	5,266
COVID-19 Wage Subsidy		0	0	23,431
Council funding	3	60,563	59,628	59,038
Investment income		1,821	175	163
Sales of Goods and Services	4	127,612	41,000	80,886
<b>Total Revenue</b>		<b>192,708</b>	<b>150,803</b>	<b>168,783</b>
<b>Expenditure</b>				
Costs related to providing goods and services	5	27,748	18,371	18,189
Administration and Overhead Costs	6	20,362	14,377	14,267
Employee, Trustee and Contractor Costs	7	77,585	70,523	65,997
Other Expenses	8	18,396	10,839	12,821
Asset Write offs		0	0	0
Depreciation		30,934	25,000	28,994
<b>Total Expenditure</b>		<b>175,025</b>	<b>139,110</b>	<b>140,268</b>
<b>Net surplus/(Deficit)</b>		<b>17,683</b>	<b>11,693</b>	<b>28,516</b>

## Statement of Financial Position as at 31 Dec 2022

	Note	Unaudited December 2022	SOI Budget December 2022	Unaudited December 2021
<b>Current Assets</b>				
Bank accounts and cash	9	119,759	265,962	191,386
Debtors and prepayments	10	18,588	4,000	0
<b>Total Current Assets</b>		<b>138,347</b>	<b>269,962</b>	<b>191,386</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	11	347,584	259,204	297,406
<b>Total Non-Current Assets</b>		<b>347,584</b>	<b>259,204</b>	<b>297,406</b>
<b>Total Assets</b>		<b>485,931</b>	<b>529,166</b>	<b>488,791</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and Accrued Expenses	12	48,646	40,758	19,151
Employee Costs Payable	13	13,725	14,064	14,939
Unused Grants and Donations with Conditions	14	1,272	0	0
<b>Total Current Liabilities</b>		<b>63,643</b>	<b>54,822</b>	<b>34,090</b>
<b>Non-Current Liabilities</b>				
Non-Current Liabilities		4,136	0	5,687
<b>Total Non-Current Liabilities</b>		<b>4,136</b>	<b>0</b>	<b>5,687</b>
<b>Total Liabilities</b>		<b>67,779</b>	<b>54,882</b>	<b>39,777</b>
<b>Net Assets</b>		<b>418,152</b>	<b>474,344</b>	<b>449,014</b>
<b>Trust Equity</b>				
Contributed Capital		100	100	100
Retained Surpluses	15	418,052	474,244	448,914
<b>Total Retained Equity</b>		<b>418,152</b>	<b>474,344</b>	<b>449,014</b>

## Statement of Changes in Accumulated Funds for The Six Months To 31 Dec 2022

	Note	Unaudited December 2022	SOI Budget December 2022	Unaudited December 2021
Opening balance as at 1 July		400,469	462,651	420,499
Current Period Surplus /(Deficit)		17,683	11,693	28,516
<b>Balance at 31 December</b>		<b>418,152</b>	<b>474,344</b>	<b>449,014</b>

## Statement of Cash Flows for the 6 Months To 31 Dec 2022

	Note	Unaudited December 2022	SOI Budget December 2023	Unaudited December 2021
<b>Cash Flows from Operating Activities</b>				
Donations and Fundraising		1,124	50,000	6,449
Receipts from Council grants		90,844	59,628	59,038
Receipts from sale of goods and services		259,404	41,000	163,808
COVID-19 Wage Subsidy		0	0	23,431
Interest Received		1,821	175	163
Payments to Suppliers & staff		-315,571	-114,110	-222,401
Goods and Services Tax (net)		-15,352	0	-7,262
<b>Net Cash Flows from Operating Activities</b>		<b>22,269</b>	<b>36,693</b>	<b>23,224</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets/Renewals		-109,055	-10,000	-17,883
Sales of Fixed Assets		0	0	0
<b>Net Cash Flow from Investing Activities</b>		<b>-109,055</b>	<b>-10,000</b>	<b>-17,883</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>-86,786</b>	<b>26,693</b>	<b>5,342</b>
Cash and Cash Equivalents at the start of the Year		206,149	239,269	186,044
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>119,364</b>	<b>265,962</b>	<b>191,386</b>

## Notes to The Financial Statements

### 1 Statement of Accounting Policies

#### **REPORTING ENTITY**

The financial statements for the Trust are for six months ended 31 December 2022 and were approved by the Board of Trustees on 27<sup>th</sup> February 2023.

#### **BASIS OF PREPARATION**

The Trust has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that it does not have public accountability as defined and has total annual expenses of equal to or less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

#### **Statement of compliance**

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

#### **Measurement base**

The financial statements have been prepared on a historical cost basis.

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Changes in Accounting Policies**

There have been no changes to accounting policies this year.

##### **GST**

The Trust is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

##### **Sale of goods**

Revenue from the sale of goods is recognised when the goods are sold to the customer.

##### **Sale of services**

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

##### **Theatre Hire**

Charges for Theatre Hire are recognised when the Theatre is hired to the customer.

##### **Interest Revenue**

Interest revenue is recorded as it is earned during the year.

##### **Grants**

Grants received from the Palmerston North City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed.

Council, government, and non-government grants are recognised as revenue when they are received unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### *Fundraising and Donations*

Fundraising and donations are recognised as revenue when cash is received unless the donations have a “use or return” condition attached. If there is such a condition, then the donation is initially recorded as a liability on receipt and recognised as revenue when conditions of the donation are met.

### *Donated assets revenue*

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

### *Advertising, marketing, administration, overhead and fundraising costs*

These are expensed when the related service has been received.

### *Bank Accounts and Cash*

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

### *Debtors and other receivables*

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

### *Investments*

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered; it is written down to the expected recoverable amount.

### *Property, plant, and equipment*

Property, plant, and equipment is recorded at cost, less accumulated depreciation, and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

### *Depreciation*

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows

- Theatre Equipment 10 years (10%)
- Computer Equipment 5 years (20%)
- Furniture & Fittings 10 years (10%)

### *Creditors and other payables*

Creditors and accrued expenses are measured at the amount owed.

### *Employee and contractor costs*

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements. Independent contractor costs are also included where at the discretion of management these services could equally have been delivered by an employee.

Performance payments are recorded when the employee has been notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

#### *Employee Costs Payable*

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

#### *Provisions*

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### *Income Tax*

The Trust has been granted Charitable Status by the Inland Revenue Department and therefore is exempt from income tax.

#### *Accumulated Funds*

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

#### *Budget figures*

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

#### *Tier 2 PBE Accounting Standards applied*

The Trust has applied the following Tier 2 Accounting Standards in preparing its financial statements.

#### *Grant expenditure*

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Globe Theatre Trust has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Grants Approval Committee and the approval has been communicated to the applicant. The Globe Theatre Trust's grants awarded have no substantive conditions attached.



## 2 Donations &amp; Fundraising Income

	Unaudited December 2022	Unaudited December 2021
Donations and Fundraising	213	266
Other	2,500	5,000
<b>Total Donations and Fundraising Revenue</b>	<b>2,713</b>	<b>5,266</b>

## 3 Council Funding

	Unaudited December 2022	Unaudited December 2021
PNCC Grant	60,563	59,038
<b>Total Donations and Fundraising Revenue</b>	<b>60,563</b>	<b>59,038</b>

## 4 Sales of Goods and Services

	Unaudited December 2022	Unaudited December 2021
Cafe Sales	41,395	23,459
Donations for Venue Hire	985	1,183
Theatre Hire	59,217	37,901
Recoverable Income	2,995	1,754
Ticket Sales (commission and shows)	23,020	16,590
<b>Total Donations and Fundraising Revenue</b>	<b>127,612</b>	<b>80,886</b>

## 5 Costs relating to providing goods and services

	Unaudited December 2022	Unaudited December 2021
Café Expenses	18,853	11,207
Recoverable Expenses	785	1,916
Show Expenses	8,110	5,065
<b>Total Costs of Goods Sold</b>	<b>27,748</b>	<b>18,189</b>

## 6 Administration &amp; Overheads Costs

	Unaudited December 2022	Unaudited December 2021
Cleaning	3,278	1,762
Hire of Plant and equipment	790	90
Light, Heating and Power	8,094	6,742
Marketing	4,129	2,591
Office Costs	2,122	1,126
Postage, Printing and Stationery	525	561
Telephone and Internet	1,423	1,395
<b>Total Administration and Overhead Costs</b>	<b>20,362</b>	<b>14,267</b>

## 7 Employee, Technician &amp; Trustee Remuneration Costs

	Unaudited December 2022	Unaudited December 2021
Salaries, Wages and Employment Related Costs	72,582	55,632
Contractor Costs	785	6,021
Trustee Remuneration	2,210	2,635
KiwiSaver Employer Contributions	2,008	1,709
<b>Total Employee Related Costs</b>	<b>77,585</b>	<b>65,997</b>

## 8 Other Expenses

	Unaudited December 2022	Unaudited December 2021
Audit Fees	0	0
Bad Debts	0	333
Bank Charges	359	252
Consulting and Accountancy	2,476	782
Functions & Events	1,280	0
General Expenses	1,257	393
Insurance	3,114	2,895
Professional Development	1,357	0
Repairs and Maintenance	4,200	5,937
Security	246	377
Subscriptions and Compliance Costs	2,185	1,057
Waste Disposal	1,023	795
<b>Total Other Expenses</b>	<b>18,396</b>	<b>12,821</b>

## 9 Bank Accounts and Cash

	Unaudited December 2022	Unaudited December 2021
Cash on Hand	395	395
Non-Profit Current	60,966	14,372
Rapid Save (donations)	58,398	176,618
<b>Total Cash and Cash Equivalents</b>	<b>119,759</b>	<b>191,386</b>

## 10 Debtors and Prepayments

	Unaudited December 2022	Unaudited December 2021
Accounts receivable	0	0
GST Receivable	18,588	0
<b>Total Creditors &amp; Other Payables</b>	<b>18,588</b>	<b>0</b>

## 11 Property, Plant and Equipment

	Unaudited December 2022	Audited December 2021
Computer Equipment	4,812	0
Furniture & Fittings	18,493	25,063
Theatre Equipment	299,810	272,342
WIP Capital Projects – Lighting & Sound	24,468	0
<b>Total Property, Plant &amp; Equipment</b>	<b>347,584</b>	<b>297,406</b>

There are no restrictions over the title of the Trust's property, plant, and equipment; nor is any pledged as security for liabilities.

## 12 Creditors and Accrued Expenses

	Unaudited December 2022	Unaudited December 2022
Accrued Expenses	9,500	9,034
Creditors	5,098	5,156
GST Payable	0	83
Income in Advance	34,048	4,878
<b>Total Creditors &amp; Other Payables</b>	<b>48,646</b>	<b>19,151</b>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

## 13 Employee and Contractor Related Costs Payable

	Unaudited December 2022	Unaudited December 2021
PAYE Payable	4,903	3,349
Holiday Pay Liability	7,590	10,056
Wages Accrual	1,232	1,535
<b>Total Employee &amp; Contractor Costs Payable</b>	<b>13,725</b>	<b>14,939</b>

## 14 Unused Donations and Grants with Conditions

	Unaudited December 2022	Unaudited December 2021
PNCC – Companion Card Account	1,272	0
<b>Total Unused Grants and Grants with Conditions</b>	<b>1,272</b>	<b>0</b>

Grants received in advance relate to funding received for the provision of specific development where conditions of the grant have not yet been satisfied, and conditions include a “use or return” clause.

## 15 Accumulated Surpluses

	Unaudited December 2022	Unaudited December 2021
Balance at 1 July	400,469	420,499
Current Period Surplus/(Deficit)	17,683	28,516
<b>Balance at 30 June</b>	<b>418,152</b>	<b>449,014</b>

## 16 Capital Commitments and Operating Leases

The Trust has no capital commitments and no operating lease commitments (2021 \$nil).

## 17 Contingencies

## CONTINGENT LIABILITY

The Trust has no contingent liabilities (2021 nil).

## CONTINGENT ASSETS

The Trust has no contingent assets (2021 \$nil).

## 18 Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets.

The Trust deed requires the Board of Trustees to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Trust's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing the Trust's equity is to ensure that the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

## 19 Explanation of major variances against budget

At this stage in the year, generally income and expenditure should be at about 50% of annual budget. There are the following exceptions/variances:

### REVENUE

1. Donations, fundraising and other similar income – Funding from Central Energy Trust paid in January 2023
2. Sales of Goods and Services – Excellent sales for shows during the first 6 months of the year

### EXPENDITURE

Operating expenses are 9% over budget

1. Costs related to providing goods and services – Above budgeted sales incurs extra costs

### BALANCE SHEET

The Bank accounts and cash balance are higher than budgeted primarily because of the increased use of the theatre and café operations.

## 20 Events after Balance Date

There were no events after balance date that require disclosure.

## 21 Ability to continue operating

The Trust intends to continue operating in future periods.

The Globe Theatre Trust - Six Month Performance		Annual Target 2022-23	6- month performance as at 31/12/22	% of annual target at six month mark	Officer's comment
Objective 1: Ensure that there are more arts and activities at The Globe that contribute to the Council's aspirations for Palmerston North to be a creative and exciting city.					
Number of usages	675	314	47%	On track	
Number of Performances	240	178	74%	On track	
Hours of use by hirers	2,800	1,674	60%	On track	
Number of participants	1,850	1,885	102%	Achieved	
Number of audience	27,000	14,693	54%	On track	
Number of national and international visiting productions performing at the Globe theatre.	17	16	94%	On track	
Number of collaborated performances (box office split)	15	15	100%	Achieved	
Objective 2: Support the local performing arts community to showcase their diverse talents at the Globe, and working to ensure our users represent the diversity of the Palmerston North community					
% of total theatre usage attributed to MOU groups	35%	48%		On track	
% of total theatre usage attributed to community groups	45%	40%	89%	On track	
Support for Rangitānenuiawā, whānau, hapu & iwi to create and deliver arts experiences	Develop a vision and actions for implementation	N/A		Ongoing - report at end of financial year	
Objective 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.					
Carry out Capital Development Programme -	Investigate digital signage options	N/A	N/A	Ongoing - report at end of financial year	
Contribution to environmental Sustainability	All Globe stage lighting to be LED	N/A	N/A	Ongoing - report at end of financial year	
Support and encourage Rangitāne to incorporate art at the theatre	Develop a vision and actions for implementation	N/A	N/A	Ongoing - report at end of financial year	
				On track/achieved.	







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phone: 06 351 4409

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## Globe Theatre Trust Statement of Intent For the three years to 30 June 2026

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*Version:* V7

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*Date:* 13/04/2023

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*Prepared by:* Globe Theatre Trust Board

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## Trust Details as at 30 June 2023

Nature of Business	Theatre
Establishment Date	15 April 2002
Trustees	J Adams (Chairperson) R Harris C Wilson N Cross R Sheppard
Treasurer	N Cross
Secretary	C Wilson
Theatre Manager	G Keating
Address	312 Main Street PO Box 132 Palmerston North
Telephone	(06) 351 4409
Website	<a href="http://www.globetheatre.co.nz">www.globetheatre.co.nz</a>
Email	<a href="mailto:info@globetheatre.co.nz">info@globetheatre.co.nz</a>
Bankers	Bank of New Zealand
Accountants	AboutTime Accounting Services Ltd
Solicitors	Cooper Rapley
Registered Office	C/ Palmerston North City Council Civic Administration Building The Square Palmerston North
Incorporation Number	1206039
Charity Registration Number	CC28111
Inland Revenue Number	43-006-495

## Foreword

The Globe Theatre Trust Board is pleased to present its Statement of Intent for the three-year period from July 2023 to June 2026. The “COVID Years” are hopefully behind us and we can look forward with great anticipation and excitement as we welcome the large number of shows and events looking to get back on stage.

We acknowledge the devastating impact COVID had on the arts community from 2020 to 2022. But we also acknowledge the immense work of the theatre during this time. The fact that the theatre was able to operate, under the various restrictions, bears testament to the board and staff.

	Theatre Usage	Theatre Performances	Audience	Participants/Performers	Hours of Use
2021/22	478	207	14,657	1,785	1,966
2020/21	534	285	23,225	3,351	2,207
2019/20	533	221	15,393	2,801	1,988
2018/19	680	253	21,409	1,843	2,544

As a Community Theatre, the board and management continue to focus on ‘core business’.

1. Memorandum Of Understanding Groups – 12 local organisations/performing groups view the Globe Theatre as their home. With regular shows & events taking place, these groups form the backbone of the theatre and provided 30% of theatre usage and 48% of theatre performances during the 2021/22 year.
2. Community Groups – Other local and national community groups use the theatre on a regular basis or when they require a Palmerston North/Manawatu venue. During the 2021/22 year, Community Groups provided 37% of theatre usage and 28% of theatre performances
3. Professional Groups – Management continues to maintain and enhance the theatre’s current network of professional groups. Our state of the art theatre gives professional groups confidence that their shows and events will be well catered for. Professional groups provided 31% of theatre usage and 24% of theatre performances during the 2021/22 year.

The Globe Theatre Trust Board met in January 2023 to review the current 10 Year Strategic Plan. While some small changes were made to the strategic plan, the board is content that the theatre is operating in accordance with the Theatre Trust Deed and is meeting the Board’s vision for the theatre.

***Strategic Statement – To be the centre for the performing arts community in Palmerston North***

The Globe Theatre's Strategic Statement contributes to the Palmerston North City Council's Arts Plan and the council's vision of "Small City Benefits, Big City Ambition".

The theatre currently has Memorandum Of Understanding (MOU) agreements with 12 local community groups that use the theatre on a regular basis. These MOU agreements contribute to the Arts Plan Priorities 1, 3, 4 & 5. As these relationships continue to flourish, the Globe Theatre will continue to support the increase in arts participation and attendance rates of Palmerston North city residents. As our usages and performances continue to grow, this will support the council's desire to increase patronage of council-owned cultural facilities. This increase will enable residents to see the value in our cultural facilities.

The theatre also plays host to many national and international performers and through the dedicated work of the past 7 years, is now recognised as a "welcome theatre to perform in" for many performing and promotional businesses and organisations. The ability to provide a first rate, high class, performing facility fits nicely with the council's goal of a Creative and Exciting City.

In January 2023, the Globe Theatre signalled to council they would seek an increase in funding of \$50,000 per year. The theatre's current Operational Grant is \$121,125 plus GST. The request for additional funding was to support additional staff hours due to the current demand and enable an operating model that sustains further growth.

1. As the theatre usage continues to grow, there is a need to provide additional staffing to allow for this growth.
2. From July 1<sup>st</sup> to December 31<sup>st</sup>, 2022, the Theatre Manager worked an additional 178 hours over this time. This equates to more than 4 weeks additional work in 6 months.
3. From July 1<sup>st</sup> to December 31<sup>st</sup>, 2022, the Assistant Manager worked an extra 83.75 hours over this time. This equates to approx. 3 weeks additional work in 6 months.
4. The extra hours for both the Theatre Manager and the Assistant Manager show how busy the Globe Theatre is and to this end the Board will be looking to employ an additional staff member for approx. 40 hours per fortnight.
5. As the theatre continues to be busy, there is a need to have the facility cleaned on a more regular basis.
6. There is also a greater need for repairs and maintenance.
7. The additional funding will allow the Trust Board to implement initiatives to make the theatre an attractive place of employment and to give the staff the recognition they deserve.

The Globe Theatre Trust Board is aware of the necessity to provide a safe and enjoyable working environment for all its staff. The theatre currently employs 2 full-time staff (Manager and Assistant Manager) and 3 part time staff (Technician, Cleaner & Box Office/Publicist). As outlined above, the extra demands put on the Manager and the Assistant Manager are not sustainable.

Failure to receive additional funding places the Globe Theatre at risk of losing its experienced staff. This will impact the ability of the theatre to deliver the welcoming environment and maintain the excellent reputation that the Globe Theatre staff and board have worked so hard to achieve.

The theatre currently applies to several Gaming/Community Trusts to provide funds for theatre equipment upgrades. This is a very successful method for the theatre to continue to upgrade its equipment without the need to come to council for assistance. However, increased demand for funding from these trusts has made for a very competitive environment for applicants. As the need to upgrade equipment is continual, this is the priority for the Globe Theatre's funding applications to these trusts.

Globe Theatre Trust Board  
April 2023

## Purpose of the Statement of Intent

This Statement of Intent is presented by The Globe Theatre Trust in accordance with the requirements of s 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intention of The Globe Theatre Trust for the next three years, and the objectives to which those activities will contribute.

This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

## About the Globe Theatre Trust

### GOVERNANCE STATEMENTS

The Globe Theatre Trust is established and governed by the Globe Theatre Trust Deed, available on request from the contact officer.

#### Objectives of Globe Theatre Trust Deed

The objectives of the Trust Deed provide the framework for the Trust to control, develop, promote, enhance, and maintain the Globe Theatre so that it may be used and enjoyed by the inhabitants of the Manawatu area including:

- (i) Securing the future of the Globe Theatre.
- (ii) Preparing, in consultation with the Council, a Strategic Plan and an Annual Plan for attaining these objectives.
- (iii) Acknowledging the Globe Theatre as the home of the Manawatu Theatre Society.
- (iv) Ensuring the Globe Theatre remains accessible to the community (both physically and financially).
- (v) Fostering a sense of community by encouraging youth, assisting amateurs, and promoting participation.

The primary objective of the Trust is to promote the performing arts within Palmerston North by catering for a variety of local and touring arts and cultural events such as drama, comedy, musical theatre, dance and musical recitals, public artistic competitions, conferences, and seminars, rather than making a financial return.

#### Structure and governance

The Board of up to seven Trustees (five appointed by Palmerston North City Council and up to two co-opted Trustees) is responsible for the strategic direction and control of The Globe Theatre Trust's activities. The Board guides and monitors the business and affairs of the Trust, in accordance with the Trustee Act 1956, the Local Government Act 2002, the Trust Deed and this Statement of Intent. The Board's approach to governance is to adopt "good practice" with respect to:

- (i) the operation and performance of the Board, including being a good employer.
- (ii) managing the relationship with the Theatre Manager.
- (iii) being accountable to the community and reporting to the Palmerston North City Council.
- (iv) reflecting the diversity of Palmerston North.

The Theatre Manager is responsible for the day-to-day operations of the Globe Theatre, engaging and oversight of staff/volunteers and reporting to the Trustees on performance against The Trust's objectives.

## STRATEGIC STATEMENT

“To be the centre for the performing arts community in Palmerston North.”

## VALUES

Integrity

Excellence

Respect

Teamwork

Collaboration

## Contribution to Small City Benefits, Big City Ambition

Palmerston North is the heart of the Manawātū region within central New Zealand - a small city with a lot to offer, and ambitious about where it is going. The City Council vision is Palmerston North: Small city benefits, big city ambition.

Council has identified five strategic goals for achieving this vision and the Globe Theatre Trust contributes primarily to Goal 2: A creative and exciting city. Council has developed five priorities for Goal 2: A creative and exciting city. The Globe Theatre Trust contributes primarily to Priority 3: Be a creative city that nurtures and celebrates the arts, and to a lesser but still significant extent, Priority 4: Develop a national reputation as an exciting city with plenty to do at night and on weekends.

The Globe Theatre Trust also has a part to play in Goal 4: An eco-city, particularly in Priority 2 to work with Council to reduce carbon emissions.

The Globe Theatre Trust believes that its contribution to the Council’s vision, strategic goals and underpinning strategies can be realized as it works towards its vision to deliver a dynamic, bustling, vibrant centre for the performing arts community in Palmerston North.

## The Globe Theatre Trust’s Strategic Objectives

The Trust Board has identified three strategic objectives which describe the change that it will endeavour to bring about to support the Council in developing Palmerston North as a creative and exciting city with a national reputation for creativity and the arts.

Firstly, it will ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council’s aspirations as a creative and exciting city.

Secondly, it will support the local performing arts community to showcase their diverse talents at the Globe.

Thirdly, it will maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility. In addition, the Board will encourage and support Council, as asset manager, to ensure that these developments incorporate incremental sustainability and environmental improvements to contribute to the reduction in CO<sup>2</sup> emissions.



## Nature and scope of activities of the Trust Board – what we do

To achieve its objectives, the Trust Board aims to:

1. Increase the number of events that take place at the Globe Theatre and the number of people who are involved in these events (actively organising or participating in a performance or performing art).

This will entail:

- Providing a seamless, customer-focused hire service that is responsive to the needs of hirers and is enabling and supportive.
- Ensuring that there are friendly, helpful, and knowledgeable staff/volunteers who can support our hirers in delivering a successful event, whether it is negotiating an appropriate contract, advising on promotion, securing front of house/ushering volunteers, or providing technical support.
- Encouraging national and international visiting productions and artists to perform at the venue.

2. Maximize the use of the venues by local community performing arts groups and events and to represent the diversity of the Palmerston North community.

This will entail:

- Undertaking community outreach and collaborating with other agencies and organisations to demonstrate how the Globe may contribute to their aspirations to showcase and develop their cultural heritage.
- Working particularly with community hirers to support them to showcase their cultural and performing arts heritage, ensuring that the venues are available and accessible for them and encouraging them to become regular users of the theatres.

3. Maintain the fixtures, fittings, and theatre equipment to ensure it continues to offer a professional experience to all its clients/customers/users.

This will entail:

- Working with the local performing arts community to identify future needs and advancing technologies to support developing performing arts practice.
- Working closely with PNCC as the building owner, local suppliers with theatre specialisms and local philanthropic organisations which contribute necessary funding.
- Encouraging and supporting PNCC as the building owner, working closely with local suppliers with theatre specialisms and local philanthropic organisations, to incorporate low carbon choices.

## Performance Measures

### DEFINITIONS

#### USER GROUPS

**MOU Group** – has an MOU arrangement with the Globe Theatre. May or may not be performance based

**Community Group** – the hirer is a community organisation. May or may not be performance based

**Professional Group** – the hirer is a professional performing arts practitioner, a private individual or a commercial company. May or may not be performance based

#### USAGE AND PERFORMANCE

**Usage** – A space in the theatre is set aside for a specific event, activity, or exclusive use by a hirer

**Performance** – The “usage” involves an audience of any description

#### USEAGE DEFINITIONS:

**Theatre** – a dramatic performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Dance** – a dance performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Music** – a musical performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Comedy** – a comedy performance on stage to an audience, open to the public, may be ticketed or not, or a rehearsal towards a performance in front of an audience

**Film** – a film shown to an audience, open to the public, may be ticketed or not

**Conference** – a workshop, presentation, etc. to an audience, may be private or open to the public, may be ticketed or not

**Other** – none of the above. May include weddings, birthdays, meetings, etc.

#### HOURS OF USE BY HIRERS

Approximate length of each usage from pack in to pack out (does not include box office or café opening hours)

#### NO. OF DISCREET PARTICIPANTS

People taking part in multiple “usages” for a single event are counted only once. For example, a play that is rehearsed at the Globe and shown at the Globe with ten participants is only counted as ten participants although each rehearsal and performance is a separate hire or “usage”

#### NO. OF VISITORS/AUDIENCE MEMBERS

People participating at the Globe as an audience member/attending an event but not as an organiser or performer. For example, someone who has been to multiple events at the Globe as an audience member would be counted for each event they attend. It does not include people visiting the box office or café.

## Strategic priorities and performance monitoring for 2023/24, 2024/25, 2025/26

Strategic Priority 1: Ensure that there are more, and more visible, arts and activities at the Globe that contribute to the Council's aspirations for Palmerston North to be a creative and exciting city.					
Performance Measures	Actual		Target		
	2021/22	at 31 December 2022	2023/24	2024/25	2025/26
Number of usages	478	314	675	675	675
Number of performances	207	178	240	240	240
Hours of Use by Hirers	1,966	1,674	2,800	2,800	2,800
No. of discreet participants	1,785	1,885	1,850	1,850	1,850
No. of audience members	14,657	14,693	27,000	27,000	27,000
Number of national/international visiting productions performing at the theatre	21	16	17	17	17
Number of collaborated performances (box office splits)	??	15	15	15	15

Strategic Priority 2: Support the local performing arts community to showcase their diverse talents at the Globe and working to ensure our users represent the diversity of the Palmerston North community.					
Performance Measures	Actual		Target		
	2021/22	at 31 December 2022	2023/24	2024/25	2025/26
% of total theatre usage attributed to MOU group	31%	48%	35%	35%	35%
% of total theatre usage attributed to Community group	44%	40%	45%	45%	45%
Support for Rangitānenuiawara, whānau, hapu & iwi to create and deliver arts experiences	New measure for 2022/23	Develop a vision and actions steps for implementation	Implement agreed action steps from 2022/23	Implement agreed action steps from 2022/23	Implement agreed action steps from 2022/23

Strategic Priority 3: Maintain and develop facilities that enable our communities to produce and enjoy the very best performing arts that can be offered, ensuring that the Globe remains a cutting edge, visible and resilient cultural institution/facility.					
Performance measure	Actual		Target		
	2021/22	2022/23	2023/24	2024/25	2025/26
Carry out capital development programme	Globe 1: New backstage roller door	Investigate digital signage options	Upgrade sound systems in Globe 1 and Globe 2	Upgrade Rehearsal Room	Upgrade seating in Globe 2
Contribution to environmental sustainability	New measure for 2022/23	All Globe stage lighting to be LED	All theatre lighting to be LED	Investigate solar panels on theatre roof	Investigate efficient heating and cooling of theatre spaces
Support and encourage Rangitane to incorporate art at the theatre	New measure for 2022/23	Develop a vision and actions steps for implementation	Implement agreed action steps from 2022/23	Implement agreed action steps from 2022/23	Implement agreed action steps from 2022/23

## How we operate

The team at the Globe Theatre are a passionate group of people driven to grow and develop the performing arts in the city and wider region. We recognise, and take responsibility for, our role in contributing to the common vision to develop the city into a creative and exciting city with a national reputation for arts and creativity. We will work to:

- Increase the culture of supporting performing arts events from the local community (residents and businesses) to grow the sector.
- Collaborate with all cultural organisations to support each other's contribution towards the common vision.
- Liaise effectively with a City Council committed to and contributing to the common vision.
- Participate in decision-making – governance and operational – that is co-creational building trust and capacity within and between each collaboration partner.

In keeping with best management practice, the Globe Theatre Trust aims to operate efficiently and effectively, reducing any adverse impacts on the natural and built environment. The Theatre management will work towards zero waste in its operations and in developing technologies and processes which reduce the carbon footprint of the theatre's day-to-day operations.

As a future-focused organisation, we aim to promote the social and cultural well-being of our communities through participation in the arts. The Trust regularly reviews its internal processes, seeking continuous improvement to deliver value for money to the shareholders and the ratepayer. As a Council Controlled Organisation (CCO), the Trust is also aware that much of its funding is derived from public monies and therefore all expenditure should be subject to a standard of probity and financial prudence that is to be expected of a CCO and be able to withstand public scrutiny. The Trust recognises the principles of the Treaty of Waitangi and acknowledges the importance of partnering with local Iwi and recognition of Tāngata Whenua in the region.

The Trust is committed to the health and safety of all workers, volunteers, visitors, and the public across its premises by undertaking all measures reasonably practicable to provide a safe working environment. The Trust believes that creating and maintaining a healthy work environment is a shared, co-operative venture, where employees, volunteers and employers have roles and responsibilities, including the maintenance of a balance between work and non-work activities. As such, the Trust will ensure it meets its obligations with respect to New Zealand laws and regulations and will undertake annual reviews based on established best practice guidelines.

## Working together

### HALF-YEARLY REPORT

By the end of February each year, The Globe Theatre Trust will provide the Council with a half-yearly report complying with s66 of the Local Government Act 2002. The report will include the following information:

- Theatre Manager's commentary on operations for the relevant six-month period.
- Comparison of The Globe Theatre Trust's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cashflows.

### ANNUAL REPORT

By 30 September each year, The Globe Theatre Trust will provide the Council with an annual report complying with ss 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be provided in early August to ensure timely availability of PNCC's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of The Globe Theatre Trust, and will include the following information:

- Commentary on operations for the year.
- Comparison of The Globe Theatre Trust's performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.
- Any other information that the Trustees consider appropriate.

This Draft Statement of Intent was approved by the Globe Theatre Trust Board on 27<sup>th</sup> February 2023.

Signed:

John Adams, Chairperson, Globe Theatre Trust Board

## Forecast financial statements

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEARS ENDED 30 JUNE 2024, 2025 & 2026

	Actual 2022	Forecast 2023	Indicative 2024	Indicative 2025	Indicative 2026
<b>Revenue</b>					
Donations, fundraising and other similar income	5,367	100,000	15,000	15,000	15,000
COVID-19 Wage Subsidy	28,301	0	0	0	0
Council funding	118,075	119,257	170,450	172,154	173,876
Investment income	764	3,642	3,600	3,600	3,600
Sales of Goods and Services	114,309	229,700	200,000	200,000	200,000
<b>Total Revenue</b>	<b>266,816</b>	<b>452,599</b>	<b>389,050</b>	<b>390,754</b>	<b>392,476</b>
<b>Expenditure</b>					
Costs related to providing goods and services	33,888	49,946	50,446	50,950	51,460
Administration and Overhead Costs	27,416	36,650	37,016	37,386	37,760
Employee, Trustee and Contractor Costs	132,480	155,170	206,722	208,789	210,877
Other Expenses	34,488	33,111	33,442	33,777	34,114
Asset Write offs	0	0	0	0	0
Depreciation	58,572	60,000	50,000	50,000	50,000
<b>Total Expenditure</b>	<b>286,844</b>	<b>334,877</b>	<b>377,626</b>	<b>380,902</b>	<b>384,211</b>
<b>Net surplus/(Deficit)</b>	<b>-20,028</b>	<b>117,722</b>	<b>11,424</b>	<b>9,852</b>	<b>8,264</b>

Note 1: Funding for capital additions and renewals is recorded as income whilst the corresponding expenditure is recorded as an increase in assets. Large capital programmes are reflected in the Net surplus in those years and consequently (through increased depreciation) as a net deficit in the 2023, 2024 and 2025 financial years. The Globe Theatre Trust has traditionally not funded depreciation but is moving towards partially funding depreciation through this SOI period.

### STATEMENT OF FINANCIAL POSITION FOR THE YEARS ENDED 30 JUNE 2024, 2025 & 2026

	Actual 2022	Forecast 2023	Indicative 2024	Indicative 2025	Indicative 2026
<b>Assets</b>					
<b>Bank</b>					
Cash and Cash Equivalents	206,544	334,232	384,107	437,411	495,408
<b>Total Bank</b>	<b>206,544</b>	<b>334,232</b>	<b>384,107</b>	<b>437,411</b>	<b>495,408</b>
<b>Current Assets</b>					
Accounts Receivable	4,569	4,000	4,000	4,000	4,000
Provision for impairment	0	0	0	0	0
Accrued Revenue	0	0	0	0	0
GST Receivable	0	0	0	0	0
Prepayments	0	0	0	0	0
Sundry debtor accruals	0	0	0	0	0



<b>Total Current Assets</b>	<b>211,113</b>	<b>338,232</b>	<b>388,107</b>	<b>441,411</b>	<b>499,408</b>
<b>Fixed Assets</b>					
<b>Property, Plant and Equipment</b>					
Value of equipment purchased	728,518	728,518	758,518	768,518	768,518
Less accumulated depreciation	-458,280	-518,280	-568,280	-618,280	-668,280
New Capital purchase		30,000	10,000	0	0
<b>Total Property Plant and Equipment</b>	<b>270,238</b>	<b>240,238</b>	<b>200,238</b>	<b>150,238</b>	<b>100,238</b>
<b>Total Fixed Assets</b>	<b>270,238</b>	<b>240,238</b>	<b>200,238</b>	<b>150,238</b>	<b>100,238</b>
<b>Total Assets</b>	<b>481,351</b>	<b>578,470</b>	<b>588,345</b>	<b>591,649</b>	<b>599,646</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	8,781	7,360	7,360	7,360	7,360
Income in advance	39,478	20,000	20,000	15,000	15,000
Grants in advance	0	0	0	0	0
Accrued Expenses	9,500	9,500	9,500	9,500	9,500
PAYE Payable	4,479	4,500	4,500	4,500	4,500
Unpaid Expense Claim	0	0	0	0	0
GST	702	2,525	2,525	2,525	2,525
<b>Total Creditors &amp; Other Payables</b>	<b>62,940</b>	<b>43,885</b>	<b>43,885</b>	<b>38,885</b>	<b>38,885</b>
<b>Employee Costs Payable</b>					
Holiday pay liability	9,594	9,594	9,594	9,594	9,594
Wages accrual	1,935	1,935	1,935	1,935	1,935
<b>Total Employee Costs Payable</b>	<b>11,529</b>	<b>11,529</b>	<b>11,529</b>	<b>11,529</b>	<b>11,529</b>
<b>Unused Grants/Donations with conditions</b>					
COVID-19 Wage Subsidy Extension	0	0	0	0	0
Grants/Donations	1,500	1,500	1,500	1,500	1,500
<b>Total Unused Grants/Donations with conditions</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Total Current Liabilities</b>	<b>75,969</b>	<b>56,914</b>	<b>56,914</b>	<b>51,914</b>	<b>51,914</b>
<b>Non-Current Liabilities</b>					
Non-Current Liabilities	4,911	3,363	1,815	267	0
<b>Total Non-Current Liabilities</b>	<b>4,911</b>	<b>3,363</b>	<b>1,815</b>	<b>267</b>	<b>0</b>
<b>Total Liabilities</b>	<b>80,880</b>	<b>60,277</b>	<b>58,729</b>	<b>52,181</b>	<b>51,914</b>
<b>Net Assets</b>	<b>400,471</b>	<b>518,193</b>	<b>529,616</b>	<b>539,468</b>	<b>547,732</b>

## STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEARS ENDED 30 JUNE 2024, 2025 &amp; 2026

	Actual 2022	Forecast 2023	Indicative 2024	Indicative 2025	Indicative 2026
Opening balance as at 1 July	420,499	400,471	518,193	529,616	539,468
Surplus/(Deficit)	-20,028	117,722	11,424	9,852	8,264
<b>Balance at 30 June</b>	<b>400,471</b>	<b>518,193</b>	<b>529,616</b>	<b>539,468</b>	<b>547,732</b>

## STATEMENT OF CASHFLOW FOR THE YEARS ENDED 30 JUNE 2024, 2025 &amp; 2026

	Actual 2022	Forecast 2023	Indicative 2024	Indicative 2025	Indicative 2026
<b>Cash Flows from Operating Activities</b>					
Donations and Fundraising	7,310	100,000	15,000	15,000	15,000
Receipts from Council grants	118,075	119,257	170,450	172,154	173,876
Receipts from sale of goods and services	260,653	210,791	200,000	195,000	200,000
COVID-19 Wage Subsidy	28,301	0	0	0	0
Interest Received	764	3,642	3,600	3,600	3,600
Payments to Suppliers & staff	-372,303	-276,277	-327,626	-330,902	-334,211
Goods and Services Tax (net)	-592	1,823	0	0	0
<b>Net Cash Flows from Operating Activities</b>	<b>42,208</b>	<b>159,236</b>	<b>61,424</b>	<b>54,852</b>	<b>58,264</b>
<b>Cash Flows from Investing Activities</b>					
Purchase of Fixed Assets	-21,708	-30,000	-10,000	0	0
Repayment of Non-Current Liabilities	0	-1,548	-1,548	-1,548	-267
<b>Net Cash Flow from Investing Activities</b>	<b>-21,708</b>	<b>-31,548</b>	<b>-11,548</b>	<b>-1,548</b>	<b>-267</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>20,500</b>	<b>127,688</b>	<b>49,876</b>	<b>53,304</b>	<b>57,997</b>
Cash and Cash Equivalents at the start of the Year	186,044	206,544	334,232	384,107	437,411
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>206,544</b>	<b>334,232</b>	<b>384,107</b>	<b>437,411</b>	<b>495,408</b>

## Summary of significant accounting policies

### ***Changes in Accounting Policies***

There have been no changes to accounting policies this year.

### ***GST***

The Trust is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

### ***Sale of Goods***

Revenue from the sale of goods is recognised when the goods are sold to the customer.

### ***Sale of Services***

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

### ***Theatre Hire***

Charges for Theatre Hire are recognised when the Theatre is hired to the customer.

### ***Interest Revenue***

Interest revenue is recorded as it is earned during the year.

### ***Grants***

Grants received from the Palmerston North City Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed. Council, government, and non-government grants are recognised as revenue when they are received unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### ***Fundraising and Donations***

Fundraising and donations are recognised as revenue when cash is received unless the donations have a "use or return" condition attached. If there is such a condition, then the donation is initially recorded as a liability on receipt and recognised as revenue when conditions of the donation are met.

### ***Donated Assets Revenue***

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

### ***Advertising, Marketing, Administration, Overhead and Fundraising Costs***

These are expensed when the related service has been received.

### ***Bank Accounts and Cash***

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks. Bank overdrafts are presented as a current liability in the statement of financial position.

### ***Debtors and Other Receivables***

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

### ***Investments***

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered; it is written down to the expected recoverable amount.

### ***Property, Plant, and Equipment***

Property, plant, and equipment is recorded at cost, less accumulated depreciation, and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

#### **Depreciation**

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Theatre Equipment 10 years (10%)
- Computer Equipment 5 years (20%)
- Furniture & Fittings 10 years (10%)

#### **Creditors and Other Payables**

Creditors and accrued expenses are measured at the amount owed.

#### **Employee and Contractor Costs**

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements. Independent contractor costs are also included where at the discretion of management these services could equally have been delivered by an employee.

Performance payments are recorded when the employee has been notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

#### **Employee Costs Payable**

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

#### **Provisions**

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **Income Tax**

The Trust has been granted Charitable Status by the Inland Revenue Department and therefore is exempt from income tax.

#### **Accumulated Funds**

Accumulated Funds are measured through the following components:

- Retained Earnings
- Contributed Capital

#### **Budget Figures**

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

#### **Tier 2 PBE Accounting Standards applied**

The Trust has applied the following Tier 2 Accounting Standards in preparing its financial statements.

***Grant Expenditure***

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Globe Theatre Trust has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Grants Approval Committee and the approval has been communicated to the applicant. The Globe Theatre Trust's grants awarded have no substantive conditions attached.

DRAFT



## **MEMORANDUM**

**TO:** Culture & Sport Committee

**MEETING DATE:** 19 April 2023

**TITLE:** Te Manawa Museums Trust: Six-Month Report 1 July - 31 December 2022 and Draft Statement of Intent 2023-26

**PRESENTED BY:** Sarah Claridge, Democracy & Governance Advisor

**APPROVED BY:** Donna Baker, Acting Chief Executive Unit Manager

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### **RECOMMENDATIONS TO CULTURE & SPORT COMMITTEE**

1. That the Committee receive the six-month Performance Report 1 July - 31 December 2022 (Attachment 1) submitted by Te Manawa Museums Trust.
  2. That the Committee receive the draft Statement of Intent 2023-26 (Attachment 2) submitted by Te Manawa Museums Trust.
  3. That the Committee agree that the recommended comments on the draft Statement of Intent 2023-26 outlined in Table 3 be advised to Te Manawa Museums Trust.
  4. That the Committee refer Te Manawa Museums Trust's request for an additional \$250,000 (for the 2023/24 year) to the Annual Budget deliberations (Attachment 3).
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### **1. ISSUE**

- 1.1 Te Manawa Museums Trust (Te Manawa) has delivered its six-month report 1 July - 31 December 2022 and draft Statement of Intent 2023-26 (SOI). This report includes analysis of both documents, which are appended to this memorandum.
- 1.2 The purpose of this report is to provide an opportunity for the Committee to give feedback to Te Manawa on their draft SOI.
- 1.3 The Culture & Sport Committee has the delegation to receive the performance report and agree the Statement of Intent for Te Manawa on Council's behalf.
- 1.4 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council.

## 2. BACKGROUND

- 2.1 Te Manawa is a CCO, which was set up to manage the Te Manawa Museum. A CCO is an organisation in which Council has the right to appoint at least 50% of the trustees and must work towards Council's objectives on its behalf.
- 2.2 The Council is required by the LGA to regularly undertake performance monitoring of its CCOs. Council is required to evaluate:
  - the contribution of each CCO to the Council's objectives for the CCO,
  - the desired results set out in the SOI; and
  - the overall aims and outcomes of the Council based on the six-month reports.
- 2.3 Six-month performance reports allow Council to track a CCO's progress against their SOI and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2022-2025.
- 2.4 Following the pandemic, Te Manawa adjusted their performance targets to reflect the uncertainty of the time following the detrimental effect COVID-19 had on the arts sector and to make goals achievable and relevant to work towards.

## 3. COUNCIL OBJECTIVES FOR TE MANAWA

- 3.1 It is good practice for a shareholder (eg. Council) of a CCO to outline what it expects of its CCO, and to clarify the roles and responsibilities of the CCO Board and Council in a Statement of Expectations (SOE).
- 3.2 In October 2022, Council extended its Statement of Expectations (SOE) 2022/23 for Te Manawa until June 2024, to recognise that Council's objectives<sup>3</sup> for Te Manawa remain the same in the short term. The extension means the next SOE will align with Council's Long Term Plan process and the adoption of a new strategic direction.
- 3.3 Council's priorities under Goal 2: A creative and exciting city to which Te Manawa contributes to are:
  - Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages;
  - Be a creative city that nurtures and celebrates the arts;
  - Develop a national reputation as an exciting city with plenty to do at night and on weekends.

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<sup>3</sup> See column 1 of Table 3.



3.4 Te Manawa has incorporated these objectives into their key performance indicators which are grouped as:

- A collaborative and future focused organisation;
- Innovative experiences that attract visitors;
- Enhanced learning and engagement.

#### **4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2022**

4.1 Six-month performance reports allow Council to track Te Manawa's progress against their SOI and the Council's objectives listed in the SOE. This six-month report covers the first six months of the SOI 2022-2025.

4.2 Highlights from Te Manawa's Six-Month Report (Attachment 1) include the following:

- The Art Gallery hosted several high-quality exhibitions including the *Iny People of Central Brazil*; *Ngā Hau Ngākau, Edith & George*, *WAI 10<sup>th</sup> Anniversary* and *Douglas MacDiarmid*; provided online learning for Auckland primary schools during the lockdown.
- Mātauranga Rangitāne o Manawatū learning resources were developed and staff undertook professional development to support these resources.
- Learning Outside the Classroom funding received (\$60,000 per year) for the next three years.
- Ten percent of the collection (approximately 4,000 items) are now available to be viewed online through the Vernon catalogue. This includes the art, Pasifika and childhood toys and games collections.
- Mirror Magic has been revamped for summer with a view to it returning to our roster of touring experiences to other venues.
- Santa's Cave was open for an extended period, into January, and attracted high numbers of visitors. The pop-up shop has proved a successful addition to the exhibition.

4.3 Table 1 shows Te Manawa's six-month performance against its annual target. Te Manawa is tracking well with the performance measures: visitor numbers, online engagement, and audience satisfaction.

**Table 1: Performance Monitoring 2022-2023**

Te Manawa - Six Month Performance 2022	Annual Target 2022-23	6- month performance as at 31/12/22	% of annual target at 6 month mark	Comments
Visitor Numbers	130,000	69,303	53%	On track
Te Manawa Experiences offsite	25,000	5,455	22%	Not on track but likely to achieve. High rates of staff absences due to covid, has meant outreach staff time has been required to manage other activities. On-going covid restrictions in elder-care facilities has also limited Te Manawa's ability to tour these sites. Despite this, Te Manawa is hopeful that progress made to its touring offer will help to meet the target.
Online Engagement	100,000	84,777	85%	On track
External Revenue Target	\$947,180	\$197,940	21%	Not on track - unlikely to achieve. Funding for redevelopment of galleries will now not be sought. Due to change in priorities following the arrival of the new Chief Executive.
Audience Satisfaction	95%	98%	N/A	On track

- 4.4 The result for 'Te Manawa Experiences offsite' is well below target and has dropped significantly since 2018 (see Table 1). The 2022 result of 5,455 is only 548 visits more than the 2021 6-month result (4,907) – a result that was severely affected by COVID restrictions and lockdowns.
- 4.5 Officers queried this result with Te Manawa, who said that ongoing staff illnesses and absences due to COVID had meant that outreach staff have been diverted to assist with other activities. In addition, the 'Museum in a Box' exhibition to elder-care homes had been significantly impacted by the ongoing COVID restrictions in place at these facilities. Te Manawa acknowledged that *'Longer-term the best way to achieve offsite experience numbers is through the restoration of touring products. This is something we [Te Manawa] are working towards but will take time and resources.'*
- 4.6 While Te Manawa's response might explain the result for the reported six months, the trend of decreasing offsite experiences is also due to Te Manawa's decision in 2020 to move to a three yearly cycle to develop new touring exhibitions.
- 4.7 Table 2 compares Te Manawa's 2022 results with last year's COVID restricted results and the pre-COVID years of 2018 and 2019.

**Table 2: Comparing the First Six Months of the Financial Years 2018, 2019 and 2022 (Covid-free Years)**

		Covid Free Years		Covid restricted year	Post Covid Year	
Measure		YTD 31 Dec 2018	YTD 31 Dec 2019	YTD 31 Dec 2021	YTD 31 Dec 2022	3 Year Trend
Visits to Te Manawa	Actual <b>Target*</b>	73,443 <b>89,000</b>	71,050 <b>85,000</b>	45,683 <b>75,000</b>	69,303 <b>65,000</b>	↓
Visits to TM exhibitions at other venues	Actual <b>Target</b>	78,123 <b>50,000</b>	11,640 <b>25,000</b>	4,907 <b>12,500</b>	5,455 <b>12,500</b>	↓
External revenue	Actual <b>Target</b>	311,000 <b>405,000</b>	238,545 <b>325,500</b>	196,615 <b>327,821</b>	197,940 <b>473,590</b>	↓
Visitor satisfaction (TM surveys)	Actual <b>Target</b>	99% <b>95%</b>	99% <b>&gt;96%</b>	100% <b>&gt;96%</b>	98% <b>95%</b>	→

\*Target is for the six-month mark

- 4.8 In 2022, Te Manawa set a very high external revenue funding target of \$947,180 for 2022/23, as it planned to apply for substantial funding to refresh the Te Awa and Te Rangi galleries. At the time, Te Manawa stated that the Te Awa project would be worked on in stages and would not proceed further if any funding application was declined. In hindsight it was short-sighted of the Trust to increase its external revenue target so much given that the project would stall if funds were not secured. The new CEO has re-prioritised this project, and funding is no longer being sought this year.
- 4.9 In 2022, The Trust also proposed to increase external funding through a project to seek business sponsorship on a regular basis. Actively seeking business sponsorship has been included as an ongoing activity in the SOI 2023-26.

### Financial Performance for the six-month period

- 4.10 The Trust reported a deficit of \$7K as opposed to a budgeted surplus of \$1K.
- 4.11 The Trust's cash balance has reduced by \$108K mainly due to operating activities.
- 4.12 The Trust's current assets are 1.8 times its current liabilities; this indicates the ability to satisfy its current obligations.

**Table 3: Financial Information for Six-Month Report**

	July 2022 - December 2022			July 2021 - December 2021	
Summary Financials (\$000)	Actual	Budget	Variation	Actual	Variation*
<b>Financial Performance</b>					
PNCC Grants	1,676	1,665	(11)	1,632	44
Total Revenue	1,904	1,987	(83)	1,829	75
Total Expenses	1,911	1,986	75	1,815	(96)
Net Surplus (Deficit)	(7)	1	(8)	14	(21)
<b>Financial Position</b>					
Current Assets	1,134	819	315	1,181	(47)
Total Assets	19,043	18,961	82	19,102	(59)
Current Liabilities	605	768	163	565	40
Total Liabilities	609	771	162	568	41
Equity	18,434	18,189	245	18,533	(99)
<b>Cash Flows</b>					
Total Net Cash Flows	(108)	(120)	12	(159)	51
Opening Cash	454	660	(206)	576	(122)
Closing Cash	346	540	(194)	417	(71)

\*when compared to the same period 12 months ago

## 5. DRAFT STATEMENT OF INTENT 2023-2026

- 5.1 The Board has presented a draft SOI (Attachment 2) that aligns with Council's strategic direction and addresses the Statement of Expectation, as outlined in Table 4 below.

**Table 4: Comparison of Te Manawa's SOI with Council's Statement of Expectation**

Objectives from Council's Statement of Expectation	Te Manawa's Draft SOI 2023-26	Comments + Recommendations for Final SOI 2023-26
Develop contributions to the actions in the Arts & Heritage and Events & Festivals chapters of the Creative and Liveable City Strategy of the 2021-31 LTP.	The Board demonstrates a clear link between its strategic objectives and Council's strategic direction.	No comment.
Focus on engaging local communities in relevant and meaningful learning experiences.	Highlighted in Objective 2: Enhanced learning and Development. Actions include aligning learning programmes to the Aotearoa NZ Histories Curriculum. Providing free education programmes to schools and encouraging participation in learning and outreach programmes (both ELC and other).	No comment.
Focus on developing and growing use of and access to collections.	Outlined in Objective 1; actions include creating an annual calendar of activities, working with Rangitāne and other museums to create exhibitions, and digital outreach to promote collections.	No comment.
Focus on attracting visitation and external funding.	<p>Actions to <b>attract visitation</b> is outlined in Objective 1.</p> <p>This includes delivering a programme of balanced, exciting, and frequently changing exhibitions; develop a 'Visitor Experience Strategy' and trial an electronic visitor monitoring system to better understand visitor interaction in the museum.</p> <p>Actions to attract <b>external funding</b> include growing philanthropic and sponsorship contributions and implementing</p>	No comment.

Objectives from Council's Statement of Expectation	Te Manawa's Draft SOI 2023-26	Comments + Recommendations for Final SOI 2023-26
	a fundraising programme. 'Visitor Numbers' and External Revenue are also performance measures.	
Develop a thorough and evolving understanding of the community.	All three objectives include actions to collaborate with different groups, for example, schools, tertiary institutions, Rangitāne, non-school providers and other museums.  There are also the new actions to: deliver a programme of balanced, exciting, and frequently changing exhibitions; develop a 'Visitor Experience Strategy' and trial an electronic visitor monitoring system to better understand visitor interaction in the museum.	Market research is currently being carried out in 2022/23 (see six-month report), which will inform the approach taken.
Continue to work on stakeholder engagement. Activities should include: <ul style="list-style-type: none"> <li>Applying the Strategic Relationship Strategy</li> </ul>	Listed as actions under Objective 3: A collaborative and future-focussed organisation.  Te Manawa has listed several actions which involve working with different bodies to progress different projects, these include: Rangitāne, founding societies, Council, emerging artists, museum professionals and tertiary partners.	The Relationship Strategy is currently being reviewed by the new CEO.
<ul style="list-style-type: none"> <li>Maintaining a strong relationship with Rangitāne – through activity-based approaches</li> </ul>	Te Manawa plans to continue to maintain a strong relationship with Rangitāne at governance levels and through activities (Objective 3).	No comment.
<ul style="list-style-type: none"> <li>Strengthening the partnership with the New Zealand Rugby Museum</li> </ul>	The New Zealand Rugby Museum is listed as a partner under the Working with our Partners section.	No action(s) for how Te Manawa will strengthen this partnership is mentioned.

Objectives from Council's Statement of Expectation	Te Manawa's Draft SOI 2023-26	Comments + Recommendations for Final SOI 2023-26
		<b>Recommendation</b> Include action to strengthen the partnership with New Zealand Rugby Museum.
<ul style="list-style-type: none"> <li>Working with Te Manawa's founding trusts to address shared objectives.</li> </ul>	Te Manawa to collaborate with founding societies on two new initiatives to grow support and general donations.	
<p>Activities to include in Performance Measures:</p> <ul style="list-style-type: none"> <li>support for inclusive and diverse community events.</li> <li>support for whānau, hapū and iwi to create and deliver arts experiences</li> <li>support for Rangitānenui arawa</li> </ul> <p>(all from the Arts Chapter of 2021-2031 Art and Heritage Plan).</p>	<p>Te Manawa has not created a performance measure to support Māori to deliver art experience.</p> <p>Instead Te Manawa has developed several specific actions to achieve, for each year of the SOI. These include:</p> <ul style="list-style-type: none"> <li>Working with Rangitāne to develop exhibitions, learning resources and programmes (from Objective 1)</li> <li>Implementing three Mātauranga Māori Learning programmes (from Objective 2)</li> <li>Maintain a strong Governance relationship with Rangitāne (from Objective 3)</li> </ul>	Te Manawa's three actions identified on the left reflect the expected outcomes of Council's SOE.
Outline approach to: good governance practices – consider intention to reflect the diversity of Palmerston North in the membership of the Board.	<p>Te Manawa has outlined its governance practices in the Statement of the Board's approach to governance section.</p> <p>The Board has listed in its approach to governance: to 'encouraging and maintaining diversity in all elements of its organisation'</p>	The Te Manawa Trust Board already has two permanent representatives from Rangitāne o Manawatū. The Board also can co-opt two trustees annually.
Develop performance	Te Manawa states under	While actions are

Objectives from Council's Statement of Expectation	Te Manawa's Draft SOI 2023-26	Comments + Recommendations for Final SOI 2023-26
measures of contribution to environmental sustainability.	<p>Objective 3 that it will work with PNCC towards achieving sustainability objectives listed in the Eco City Strategy.</p> <p>Te Manawa has an action under Objective 3 to implement two sustainability actions –</p> <ul style="list-style-type: none"> <li>to work towards a fully digital office; and</li> <li>to continue to change to LED lighting.</li> </ul>	<p>identified for each year of the SOI, there is no performance measure linked to environmental sustainability, despite having a base carbon level to measure against from previous work.</p> <p><b>Recommendation</b> Consider adding a performance measure that contributes to environmental sustainability.</p>
<p>Identify ongoing environmental control issues preventing the Art Gallery from hosting touring exhibitions.</p> <p>Developing a proposal including budget and timeline to resolve these issues.</p>	<p>Not specifically mentioned.</p> <p>Te Manawa does state they will work with PN City Council to develop a new purpose-built building.</p>	<p>Te Manawa's six-month report states that this work is ongoing.</p> <p>Any major investment in the building has been delayed until Council decides on the Civic and Cultural Precinct.</p>

### Financial Commentary

- 5.2 The budgeted financial performance is very close to break-even for the next 3 years.
- 5.3 The PNCC operational grant remains the main source of revenue for the Trust. Council has adjusted the grant by 5% in 2023/24 to reflect inflationary pressures.
- 5.4 Total expenses in 2023/24 is less than other years due to the recent staffing restructure, which created several vacant positions, also some planned expenditure did not proceed.



- 5.5 Net cash flow reflects the Trust's commitment to investing in activities including purchase of exhibitions, plant, and equipment, and converting cash into short term deposit.

**Table 5: Te Manawa's SOI Summary Financials**

	Budget	SOI		
Summary Financials	22/23	23/24	24/25	25/26
<b>Financial Performance</b>				
PNCC Grant	3,329,511	3,513,200	3,683,464	3,747,920
Total Revenue	4,276,691	4,020,690	4,359,408	4,457,746
Total Expenses	4,291,488	4,033,732	4,360,419	4,466,458
Net Collection Movements	15,000	15,000	15,000	15,000
Net Surplus (Deficit)	203	1,958	13,989	6,288
<b>Financial Position</b>				
Current Assets	819,232	768,483	777,205	774,445
Total Assets	18,960,567	18,917,692	19,068,492	19,104,195
Current Liabilities	768,171	757,379	751,444	780,944
Total Liabilities	771,438	760,689	754,710	784,464
Equity	18,189,129	18,157,003	18,313,782	18,319,731
<b>Cash Flows</b>				
Total Net Cash Flows	(1,023,982)	(697,501)	85,240	(106,163)
Opening Cash	1,308,407	1,064,963	367,462	452,702
Closing Cash	284,425	367,462	452,702	346,539
<b>Financial Indicators</b>				
Current Ratio	1.07	1.01	1.03	0.99
Working Capital	51,061	11,104	25,761	(6,499)

## 6. ADDITIONAL GRANT FUNDING REQUEST FOR THE 2023/24 YEAR

- 6.1 Te Manawa has requested a one-off \$250,000 increase to their Council grant for the 2023/24 financial year. Attachment 3 outlines Te Manawa's request and proposed use for the funding.




## 7. NEXT STEPS

- 7.1 Any Committee comments on the draft SOI will be communicated in writing to Te Manawa.
- 7.2 Te Manawa will deliver their final SOI to the Committee on 28 June 2023.
- 7.3 If Recommendation 4 is agreed by the Committee, it will be included as part of the 2023/24 Annual Budget deliberations.

## 8. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in the Arts and Heritage	
The action is: to support CCOs to achieve the objectives of the Arts and Heritage Plan.	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	Receiving the six-month report allows the Council to have oversight against the previously agreed SOI.  Providing comments on the draft Statement of Intent is a mechanism for Council to provide guidance and direction to Te Manawa Museums Trust Board.

## ATTACHMENTS

1. Te Manawa Museums Trust - Six Month Report 2022 [↓](#) 
2. Te Manawa Museums Trust - Draft Statement of Intent 2023-2026 [↓](#) 
3. Te Manawa Museums Trust - Additional Grant Request - Annual Budget 2023/24 [↓](#) 

# He Pūrongo Pae Wehe

Six Month Report Against  
the Statement of Intent

1 July 2022 – 31 December 2022  
TE MANAWA MUSEUMS TRUST

## **Strategic Objectives:**

1. A collaborative and future focused organisation
2. Audience-focused experiences that attract and engage visitors
3. Curiosity focused learning and engagement experiences

1. A collaborative and future focused organisation		
Performance Measures	Status	Comments
Continue to maintain strong relationships with Rangitāne at governance levels and through activity-based approaches, such as Te Rangi Whenua redevelopment.	On track	Rangitāne is represented at governance level and Te Manawa is currently working with Rangitāne on selecting taonga for display in the Te Rangi Whenua gallery. The display will also support Mātauranga Rangitāne learning resources being developed.
Develop and implement a partner-based exhibition designed to tour nationally	On track & ongoing	Te Manawa is working in partnership with the NZ Portrait Gallery on developing a significant touring exhibition ( <i>Robyn Kahukiwa</i> ) that will tour nationally from 2024/25.  We have also begun building relationships and collaboration opportunities for touring exhibitions with other museums, galleries and science centres.
Develop short and long-term fundraising projects to realise the goal of sustainable external funding for programmes and experiences (2022- 24).	On hold	As Te Manawa currently has no dedicated fundraiser, there is a team-based decision-making approach which coordinates fundraising, sponsorship, and grant applications.  Projects under development include the “We Museum” awareness campaign for potential sponsors and donors, and a Kids’ club membership programme for families.  Publication of the inaugural Te Manawa Museum magazine, which is available for purchase, will underpin a renewed push for awareness of, and fundraising for the Museum, with a particular focus on the collection.
Trial and review one environmentally focused project by end of 2022/23. [project foci: solar or wind power; biodiversity garden]	On track & ongoing	The biodiversity garden has become a valuable learning programme resource with a focus on sustainability and environmental education.  We are looking at all areas of sustainability, such as technology, communications, consumables and energy use.

Develop a business continuity plan that responds to public health crises and the effects of climate change, and identifies their impacts on Te Manawa strategic objectives	In progress	Covid-19 response provided a template for Public Health Crisis planning, while the effects of climate change and their impacts on strategic objectives are being assessed, with particular focus on the security and structural integrity of collection stores and galleries
Mirror the PNCC carbon reduction target of 30% reduction in greenhouse gases by 2031	On track	Te Manawa continues to look at all areas of sustainability, but is limited by constraints of the current building complex and its configurations.
Undertake visitor and market research (VMR) so observed patterns of visitation on site, via digital channels, and off-site can inform audience focussed experience development, scheduling, and marketing approaches. [FY2022-25]	On track	Te Manawa monitors our digital channels through platform analytics, runs visitor surveys, takes part in the annual Museums Aotearoa National Visitor Survey and surveys teachers after school. This research informs our approaches across multiple activities.
Care for, add to, and make accessible Te Manawa collections enhancing our reputation as trustworthy, and ensuring our collections development responds to societal changes in Manawatū. (FY23-24 oral history project, FY24-25 childhood in museums project & outputs) - SG 2	On track	<p>The launch of collections online in November enables the community to digitally access several thousand (10%) objects from the collection.</p> <p>Exhibitions, learning resources and events are being planned and developed based on items in our collection.</p> <p>Two pop-up displays of collection items were exhibited in Q1 and Q2 2022, including a collection of items featured in a Te Manawa calendar, and memorabilia relating to Her Majesty, The Queen.</p>
Implement the Relationship Strategy	Under review	With a change in CEO and Management Team, Te Manawa is assessing the current state of relationships and will develop an appropriate strategy to meet the business and cultural needs of the organisation going forward.
<b>2. Audience focused experiences that attract &amp; engage visitors</b>		
Performance Measures	Result	Comments
Commence redevelopment of Te Awa long-term exhibition (June 2023)	Under review	The project has been revised with the aim to incorporate the Te Awa experience into

		the planned development of a new and dedicated centre for Science.
Implement high profile international exhibition that drives local and national visitation and results in economic benefit to Manawatū (2023-24)	On track	Australian exhibition <i>Codebreakers</i> is scheduled for April-July 2023, creating opportunities for collaboration with UCOL and ManawaTech.
Commence development of new Te Manawa-developed touring experience (2023-24)	On track	Te Manawa is exploring and developing opportunities to create shared touring experiences in partnership with other museums, galleries and science centres.
Implement collections online (2022-25)	Complete	Collections online is now live with 10% of the Te Manawa collection accessible. 100% of the Art Collection is online.
Develop a five-year plan of enhancements to collections online.	On track	<p>Collections online is now live. A long-term enhancement plan is being drafted.</p> <p>The Te Manawa collection consists of approximately 45,000 items. The collection has been divided into logical groupings. We expect to upload approximately 1500-3000 per year.</p> <p>The enhancement plan will also include additions to the information that will be accessible through collections online. Examples of this would be provenance (history) and person associations for Social History and artist biographies for Art.</p>
Evaluate success of Exhibitions Strategy and application of 'Culture segments' or similar audience development programme	Under review	With a change in leadership, a new business plan has been completed to better meet the expectations and priorities agreed to by PNCC and the Trust Board. As a result, the Exhibitions Strategy is under review to reflect the vision, priorities and capabilities of the organisation going forward.
Develop two new digital creative projects (by end of 2022/23) and two more by end of 2023/24	On track	<p>The Te Urungi Project was cancelled. It relied on receiving a substantial grant from the Ministry for Culture and Heritage. This application was not successful.</p> <p>To enhance creative storytelling in the digital sphere a multimedia programme has been developed with two key projects being delivered or developed:</p> <p>A series of vlogs and artist interviews as part of a 'Te Manawa Studio' umbrella to grow interest in the collection, and;</p> <p>A Te Manawa podcast - being developed to grow storytelling, extend our collection beyond the region, highlight expertise and</p>

		potentially grow revenue through sponsorship.
Develop one innovative experience that will enhance either visitor numbers or community wellbeing	Complete & ongoing	Te Manawa offered some new visitor experiences including Sunday Science Squad monthly learning programmes for children and families, and Halloween events including a treat-trail for families that saw more than 500 people explore the Museum from a different perspective.
Continue discussions with PNCC to address previously identified risks and problems to ensure the art gallery building is brought up to minimum international standards for climate control, display infrastructure, storage, and security by 24/25	On track & ongoing	Te Manawa will work with PNCC towards a new, purpose-built, accessible and sustainable Te Manawa complex.
<b>3. Curiosity focused learning and engagement experiences</b>		
<b>Performance Measures</b>	<b>Result</b>	<b>Comments</b>
Increase the impact of learning programmes and activities in formal and informal environments through Te Rangahau Curiosity Centre (2022-24).	On track	Te Manawa has developed Mātauranga Rangitāne resources to assist local schools in the delivery of the new Aotearoa New Zealand Histories Curriculum.
Implement a communications and marketing plan for learning activities (2022-23)	In progress	A comprehensive Marketing Strategy has been developed which will form a foundation for the promotion and communication of learning activities.
Deliver two creative Te Rangahau Curiosity Centre linked events (by end of 2022/23)	On track	The learning team are collaborating with Sport NZ to celebrate Active Transport in March 2023.  Te Manawa is also offering a professional development session for teachers around the new Mātauranga Rangitāne resources being created.
Trial a curiosity-based outreach learning offer in a formal education setting.	On track	Heirloom boxes is a more recent outreach initiative that has been used as part of the summer holiday activities. It is also being adapted to be trialled as a 'Ko Wai Au – Who Am I?' school programme with a school in March.
Evaluate our learning response to regional and national priorities including NZ Histories and Matariki	On track	Staff have attended regional hui with other museum educators related to the new Aotearoa New Zealand Curriculum and will continue to pursue professional development in this area while focusing



		on the unique heritage items in our collection that tell our local stories.
Support implementation of phase 1 of Rangimārie project, a dual venue cultural tourism project undertaken by Rongomau Productions Ltd (by end of 2022/23). - Phase 1 includes training for Front of House staff to confidently engage with visitors, and cocreation of activities linked to Te Rangi Whenua.	On track	<p>This project relied on receiving a substantial grant from the Ministry for Culture and Heritage. This application was not successful. As a result, this project will need to be re-evaluated.</p> <p>Te Manawa is working with Rangitāne to revitalise the Te Rangi Whenua gallery using the collection, and to support the delivery of Mātauranga Māori learning programmes.</p>

Targets	22/23 Target	Status	Comment
Visitor Numbers	130,000	On track	69,303 (106% of 6-month target of 65,000)
Te Manawa Experiences offsite	25,000	Not on track	5,455 (43% of 6-month target of 12,500)
Online Engagement	90,000	On track	84,777 (188% of 6-month target) Web impressions and social media participation)
External Revenue Target	\$947,180	Not on track	<p>External Revenue to date \$197,940 (20.89% of target)</p> <p>(2021/22 achieved \$324,722 full year)</p> <p>The target of \$947,180 was set to redevelop Te Awa and Te Rangi Whenua galleries. It was envisaged that sponsorship and grant funding would be sought to assist with these upgrades.</p> <p>The focus has changed since the arrival of the new CEO so those projects and the accompanying funding applications will not proceed in this financial year.</p>
KPI's – Audience Satisfaction	95%	On track	98% 218 surveys completed

#### COVID-19 Statement

The six-month period from 1 July 2022 – 31 December 2022, while impacted by COVID to a lesser degree than previous reporting periods, was affected none-the-less.

Key issues encountered were working at Orange Traffic Light level until September, meaning that visitors were required to wear masks, event numbers were limited by the requirements of the Covid framework, and overall well-being of staff, particularly front of house staff, was affected by the ongoing restrictions and the response of some visitors to these restrictions.

During the November/December period another wave of COVID in the community affected education numbers, with several large groups cancelling due to sickness, and several Te Manawa staff contracting the illness.

## Summary

Te Manawa is undergoing a period of change and rebuilding as we renew our focus on engaging our communities with inclusive and exciting experiences with art, science and heritage through an increased emphasis on the collection, and the development of professional museum and art gallery practice.

Our new CEO, Susanna Shadbolt commenced the role on 25 July 2022. The Business Plan was completed and approved by the Trust Board on 29 September 2022 and a new organisational structure was implemented on 21 November to lead the development and delivery of activities supporting this.

Some of those activities include the publication of our first collections-based annual magazine to re-energise storytelling and donations, and a review of our learning programmes following the successful application for ELC Funding (formerly LEOTC) from the Ministry of Education of \$60,000 per year for a period of three years.

A successful funding application allowed for the contracting of 'THEN Histories of Pāmutana' and Dr Viv Aitken to develop Mātauranga Rangitāne learning resources and undertake professional development work with staff to support these resources. This will grow our cultural capacity.

Three gallery spaces/exhibitions have undergone a refresh: The removal of the boat in Manawatū Journeys creates a more open and inviting space to accommodate rotating displays, the addition of educational interactives and plant labels to the Conservatory has made a more engaging learning space to visit, and Mirror Magic has been revamped for summer with a view to it returning to our roster of touring experiences to other venues.

The Art Gallery hosted several high-quality exhibitions including the *Iny People of Central Brazil*; *Ngā Hau Ngākau, Edith & George*, *WAI 10<sup>th</sup> Anniversary* and *Douglas MacDiarmid* while our ongoing partnership with UCOL/Te Pūkenga and Massey University again saw the installation of the dynamic *Matatau* and *Armosphere* (BCM) exhibitions.

Santa's Cave was open for an extended period, into January, and attracted high numbers of visitors. The pop-up shop has proved a successful addition to the exhibition.

Ten per cent of our collection (approx. 4000 items) are now available to be viewed online through the Vernon catalogue. This includes the art, Pasefika and childhood toys and games collections. This has been a mammoth undertaking and the work here continues as we seek to unlock new ways to explore, search and engage with our unique and extensive collection.

22/23



## Financial Report

For the six months ended 31 December 2022

**Contents**

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**Financial Reports for Te Manawa Museums Trust Board**

**Statement of Financial Performance**

Two versions of the Statement of Financial Performance have been presented to provide different views of the same data. The Activity Report is based on internal Management Reports and provides summary income and expenditure information for each reporting activity.

The Income/Expenditure Category Report adopts a more traditional view detailing income and expenditure by category, which follows on to the Statement of Financial Position and Cash flows, providing information on the sources of income and expenditure relating specifically to the type of revenue or cost.

**Statement of Financial Position**

The Statement of Financial Position provides information about the assets, liabilities and equity of the Trust for the current reporting period and current year end forecast and the relationship of these elements to each other at a point in time.

**Statement of Cash flows**

The Statement of Cash Flows reflects the Trust's cash receipts and cash payments during the period and provides useful information about the Trust's activities in generating cash from operations, investing and financing activities.

**Statement of Cash flows, Cash Balances, and Reserves**

**Other Information**

Other reports have been provided with commentary to supplement the financial information. These include:

- Note 1 - Payroll costs
- Note 2 - Details of Cash and Cash Equivalents
- Note 3 - Short Term Deposits
- Note 4 - Specific Reserves
- Note 5 - Endowment Funds

**Te Manawa Museum Trust**  
**Entity (by Activity)**

**Statement of Financial Performance**  
**for the Month Ended 31 December 2022**

	Dec-22			Year to Date			Year End		
	Actual	Budget	Var to Bud fav/(unfav)	Actual	Budget	Var to Bud fav/(unfav)	Forecast	Budget	Var to Bud fav/(unfav)
<b>Revenue</b>									
Collection Management	3,733	1,500	2,233	33,749	6,000	27,749	64,353	15,000	49,353
Corporate Services	2,990	1,284	1,706	19,872	7,700	12,172	27,572	15,400	12,172
Learning	5,906	8,520	(2,614)	62,605	56,970	5,635	106,930	111,340	(4,410)
Concepts & Engagement	12,150	1,300	10,850	25,532	1,300	24,232	40,682	100,050	(59,368)
Executive	279,363	277,459	1,904	1,696,181	1,684,757	11,424	3,372,360	3,349,511	22,849
Marketing	-	-	-	-	-	-	-	-	-
Public Programmes & Events	484	1,333	(849)	11,872	7,998	3,874	16,872	16,000	872
Sponsorship	-	43,775	(43,775)	1,012	175,100	(174,088)	6,012	597,050	(591,038)
Customer Services	17,630	10,650	6,980	54,721	46,990	7,731	93,210	87,340	5,870
Volunteers	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>322,257</b>	<b>345,821</b>	<b>(23,564)</b>	<b>1,905,544</b>	<b>1,986,815</b>	<b>(81,271)</b>	<b>3,727,991</b>	<b>4,291,691</b>	<b>(563,700)</b>
<b>Operating</b>									
Collection Management	26,557	30,413	3,856	126,288	138,254	11,966	344,765	271,740	(73,025)
Corporate Services & Facilities	47,438	60,456	13,018	330,033	346,125	16,092	738,164	748,376	10,212
Learning	21,139	18,108	(3,031)	133,375	121,564	(11,811)	266,998	245,328	(21,670)
Concepts & Engagement	53,216	92,490	39,274	334,778	375,051	40,273	569,241	976,503	407,262
Kaihautū	9,167	9,167	(0)	55,000	54,999	(1)	110,001	110,000	(1)
Executive	73,164	53,240	(19,924)	311,956	311,002	(954)	580,736	653,292	72,556
Marketing	35,294	27,476	(7,818)	167,798	159,826	(7,972)	340,698	331,672	(9,026)
Public Programmes & Events	7,411	14,836	7,425	76,024	87,347	11,323	157,708	171,400	13,692
Sponsorship	(1,316)	1,000	2,316	3,050	6,000	2,950	3,050	12,000	8,950
Customer Services	40,143	39,475	(668)	225,134	234,453	9,319	437,622	468,087	30,465
Volunteers	-	45	45	50	270	220	320	540	220
Depreciation	25,038	25,280	242	148,273	150,870	2,597	299,953	302,550	2,597
Net loss/(gain) on disposal of fixed assets	-	-	-	(433)	-	433	(433)	-	433
Custodial Assets Returned	-	-	-	800	-	(800)	800	-	(800)
Collection Assets Deaccessioned	-	-	-	286	-	(286)	286	-	(286)
<b>Total</b>	<b>337,252</b>	<b>371,986</b>	<b>34,734</b>	<b>1,912,412</b>	<b>1,985,761</b>	<b>73,349</b>	<b>3,849,910</b>	<b>4,291,488</b>	<b>441,578</b>
<b>Surplus/(Deficit) Pre Unusual Items</b>	<b>(14,996)</b>	<b>(26,165)</b>	<b>11,169</b>	<b>-6,867</b>	<b>1,054</b>	<b>(7,921)</b>	<b>(121,919)</b>	<b>203</b>	<b>(122,122)</b>

**Te Manawa Museum Trust**  
**Entity (by Category)**

**Statement of Financial Performance**  
**for the Month Ended 31 December 2022**

	Dec-22			Year to Date			Year End		
	Var to			Var to			Var to		
	Actual	Budget	Bud	Actual	Budget	Bud	Forecast	Budget	Bud
	fav/(unfav)			fav/(unfav)			fav/(unfav)		
<b>Revenue</b>									
PNCC Operating Grant	279,363	277,459	1,904	1,676,181	1,664,757	11,424	3,352,360	3,329,511	22,849
PNCC Waitangi Day Grant	-	-	-	-	-	-	-	-	-
MDC Grant	-	-	-	20,000	20,000	-	20,000	20,000	-
Interest Received	2,407	700	1,707	10,451	4,200	6,251	14,651	8,400	6,251
Other Income	40,177	66,162	(25,985)	168,588	291,858	(123,270)	304,656	918,780	(614,124)
									-
<b>Total</b>	<b>321,948</b>	<b>344,321</b>	<b>(22,373)</b>	<b>1,875,219</b>	<b>1,980,815</b>	<b>(105,596)</b>	<b>3,691,666</b>	<b>4,276,691</b>	<b>(585,025)</b>
<b>Operating</b>									
Payroll	216,629	213,358	(3,271)	1,076,228	1,104,253	28,025	2,188,342	2,403,587	215,245
Operating	88,774	126,535	37,761	646,388	689,770	43,382	1,279,222	1,503,613	224,391
Interest	-	-	-	-	-	-	-	-	-
PNCC Leases & SLA's	6,811	6,813	1	40,869	40,868	(1)	81,740	81,738	(2)
Depreciation	25,038	25,280	242	148,273	150,870	2,597	299,953	302,550	2,597
Net loss on FOREX	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposals	-	-	-	(433)	-	433	(433)	-	433
									-
<b>Total</b>	<b>337,252</b>	<b>371,986</b>	<b>34,733</b>	<b>1,911,326</b>	<b>1,985,761</b>	<b>74,435</b>	<b>3,848,824</b>	<b>4,291,488</b>	<b>442,664</b>
<b>Surplus/(Deficit) Pre Colln Mvmts</b>	<b>(15,305)</b>	<b>(27,665)</b>	<b>12,359</b>	<b>(36,106)</b>	<b>(4,946)</b>	<b>(31,160)</b>	<b>(157,158)</b>	<b>(14,797)</b>	<b>(142,361)</b>
<b>Unbudgeted Colln Mvmt Income</b>									
Custodial Assets Received	-	-	-	-	-	-	-	-	-
Donated Assets	309	1,500	(1,191)	30,325	6,000	24,325	36,325	15,000	21,325
<b>Unbudgeted Colln Mvmt Expense</b>									
Custodial Assets Returned	-	-	-	800	-	(800)	800	-	(800)
Collection Assets Deaccessioned	-	-	-	286	-	286	286	-	(286)
<b>Net Collection Movements</b>	<b>309</b>	<b>1,500</b>	<b>(1,191)</b>	<b>29,239</b>	<b>6,000</b>	<b>23,239</b>	<b>35,239</b>	<b>15,000</b>	<b>20,239</b>
<b>Surplus/(Deficit) Incl Colln Mvmts</b>	<b>(14,996)</b>	<b>(26,165)</b>	<b>11,168</b>	<b>-6,867</b>	<b>1,054</b>	<b>(7,922)</b>	<b>(121,919)</b>	<b>203</b>	<b>(122,122)</b>



**Te Manawa Museums Trust**  
**Statement of Financial Position**  
**As at 31 December 2022**

		Actual	Actual	Budget
		30/06/2022	\$	\$
<b>Assets</b>				
Current Assets				
Cash and Cash Equivalents	2	454,000	345,669	401,874
Stock of Merchandise		33,508	27,793	32,000
Debtors and Sundry Receivables		1,071	54,800	18,000
Interest Receivable		2,968	5,144	2,000
Prepayments		77,211	91,451	25,000
Short Term Deposits	3	671,317	609,328	340,358
<b>Total Current Assets</b>		<b>1,240,075</b>	<b>1,134,186</b>	<b>819,232</b>
<b>Non-Current Assets</b>				
Intangible Assets		8,148	9,943	6,029
Property Plant & Equipment:	6			
<i>Computer Hardware</i>		45,494	54,699	43,708
<i>Exhibitions</i>		248,809	209,461	490,814
<i>Furniture &amp; Fittings</i>		73,908	64,460	70,097
<i>Leasehold Improvements</i>		38,877	33,793	46,555
<i>Plant &amp; Equipment</i>		442,565	414,363	452,144
<i>Work in Progress</i>		42,100	6,578	12,105
Collection Assets - Owned		8,021,370	8,072,279	7,975,767
Collection Assets - Custodial		9,044,115	9,043,314	9,044,114
<b>Total Non-Current Assets</b>		<b>17,965,386</b>	<b>17,908,889</b>	<b>18,141,333</b>
<b>Total Assets</b>		<b>19,205,461</b>	<b>19,043,075</b>	<b>18,960,565</b>

<b>Te Manawa Museums Trust</b>				
<b>Statement of Financial Position</b>				
<b>As at 31 December 2022</b>				
		Actual	Actual	Budget
		30/06/2022	\$	\$
<b>Current Liabilities</b>				
Creditors, Provisions & Payables		329,979	201,419	419,552
Employee Liabilities		246,817	218,160	260,619
Provisions		-	-	-
GST Payable (Receivable)		36,617	54,475	58,000
Income received in advance		147,454	131,293	30,000
<b>Total Current Liabilities</b>		760,867	<b>605,347</b>	<b>768,171</b>
<b>Non-Current Liabilities</b>				
Employee Benefit Liabilities		3,292	3,295	3,266
<b>Total Non-Current Liabilities</b>		3,292	<b>3,295</b>	<b>3,266</b>
<b>Total Liabilities</b>		<b>764,159</b>	<b>608,642</b>	<b>771,437</b>
<b>Equity</b>				
Trust Equity		10,776,532	10,701,480	10,722,221
Retained Surplus Current Year		(75,052)	(6,867)	2,203
Asset Revaluation Reserve		7,327,447	7,327,447	7,073,190
Specific Reserves	4	401,501	401,499	380,640
Endowment Funds	5	10,874	10,874	10,874
<b>Total Equity</b>		<b>18,441,302</b>	<b>18,434,433</b>	<b>18,189,128</b>
<b>Total Equity &amp; Liabilities</b>		<b>19,205,461</b>	<b>19,043,075</b>	<b>18,960,565</b>

<b>Te Manawa Museums Trust</b>				
<b>Statement of Cash flows</b>				
<b>For the 6 Months Ended 31 December 2022</b>				
Description		Actual 30 June 2022	Actual Year-to-Date \$	Budget Year-to-Date \$
<b>Cash Flows from Operating Activities</b>				
Cash was provided from:				
PNCC Grants		3,264,227	1,676,181	1,664,757
Other Revenue		316,361	188,588	311,858
Interest		8,192	10,451	4,200
		3,588,780	1,875,219	1,980,815
Cash was disbursed to:				
Payroll		1,963,631	1,104,885	1,104,253
Suppliers		1,439,707	829,652	730,638
Interest		-	-	-
Net GST Outflow (Inflow)		(82,928)	17,878	3,000
		3,320,410	1,952,416	1,837,891
<b>Net Cash Flows from Operating Activities</b>		268,370	(77,196)	142,924
<b>Cash Flows from Investing Activities</b>				
Cash was provided from:				
Withdrawal from deposits		5,589	61,989	-
Cash was disbursed to				
Purchase of Intangible Assets - Software		-	4,200	-
Purchase of Property Plant & Equipment		333,638	37,730	213,300
Purchase of Collection Assets		62,003	51,194	50,000
Net reduction of short term deposit				-
Total		395,641	93,124	263,300
<b>Net Cash Flows from Investing Activities</b>		(390,052)	(31,135)	(263,300)
<b>Cash Flows from Financing Activities</b>				
Cash was provided from:				
PNCC Long-Term Exhibition Development Grant			-	-
Capital Introduced			-	-
Proceeds of Term Loans/Finance Leases			-	-
Cash was disbursed to:			-	-
<b>Net Cash Flows from Financing Activities</b>		-	-	-
Net Increase/(Decrease) in Cash Held		(121,682)	(108,331)	(120,376)
Foreign Exchange movements			-	-
Opening Cash Balances		575,682	454,000	660,130
<b>Closing Total Cash Balances</b>	4	454,000	345,669	539,754

## Analysis of 3rd Party Revenue as at 31 December 2022

3rd Party Revenue	Actual Month	Budget Month	Actual YTD	Annual Budget	Last Year	Comments
Grants Distributions - Heritage	-	-	3,424	-	42,500	
Enriched Learning Curriculum Contract	5,010	7,500	30,057	90,000	60,114	MoE has advised that Te Manawa has been awarded a contract of \$60,000 per annum. The income shown for August covers both July & August as the July grant had not been received at the time of July reporting.
Other Education programmes	4,320	1,020	32,548	21,340	38,564	The sum for 2021/2022 included the Poutama grant of \$30,000. The sum for this month includes a proportion of the grant from DIA which goes covers the salary of the Fixed Term employee who delivers this project. Also, this month is some UCOL funding towards the Vitruvian tunnel.
Public programmes & Events	484	1,333	11,872	16,000	4,538	
Public programmes - Education Led	-	-	-	-		
Touring Revenue	-	-	9,693	88,750	3,466	The 2021/2022 year income arose from donations from visitors to Curious Contraptions
Air BnB	-	-	-	10,000	189	
Donations	12,150	1,300	15,840	1,300	6,744	Most of these derive from visits to Santa's Cave and are more in line with pre-covid levels of donations.
Fundraising (Grants- no restriction No GST)	-	-	-	537,050	5,000	The sum in 2021/2022 year was Sponsorship from YORB. This agreement has been renewed and the funds will be received during the second half of the financial year. Redevelopment projects such as Te Awa and Te RangiWhenua for which fundraising was to be sought, will not proceed.
Grants	-	43,775	1,012	60,000	34,310	Funds from Lotteries for Science lives here.
Front of House Revenue, including Shop Sales and Venue Hire (Not including front of house donations)	17,268	10,130	51,814	81,100	54,741	Front of House revenue is highly dependent on shop sales and venue hire. Shop sales for December returned to pre Covid levels.
Inhouse donation received	362	520	2,906	6,240	3,244	
Interest Revenue	2,407	700	10,451	8,400	8,192	These are starting to return to return to precovid levels.
Sundry Income	583	584	9,422	7,000	42,951	Monthly rent from Darkroom (\$583) and Covid leave support scheme)
Grant MDC	-	-	20,000	20,000	20,000	Grant for 2022-2023 year
<b>Total Third Party Revenue (excluding Collection Donations)</b>	<b>42,584</b>	<b>66,862</b>	<b>199,039</b>	<b>947,180</b>	<b>324,553</b>	

## 1. Payroll Costs

Te Manawa Museums Trust  
Payroll Analysis  
As at 31 December 2022

Payroll Analysis	Actual 31 December 2022	Budget 31 December 2022	Variance Actual from Budget	Forecast 30 June 2023	Budget 30 June 2023	Variance Annual Forecast from Annual Budget	Comments	Actual FTEs	2022/23 Budget FTEs	Variance Actual from Budget
Finance, Facilities and Health & Safety	83,365	84,745	1,380	181,217	182,597	1,380		2.45	3.35	(0.90)
Collection & Curatorial	79,673	69,130	(10,543)	250,856	142,200	(108,656)	This variance arises from the revised structure. Curators are now part of collections staff not exhibitions.	4.00	3.59	0.41
Learning and Public Programmes	117,189	104,109	(13,080)	235,838	213,318	(22,520)	This reflects the fixed term salary for Science Lives Here. This is a funded position so is offset by revenue included in the education section.	3.68	3.00	0.68
Events	57,311	66,700	9,389	122,053	133,400	11,347	Until the departure of The Curiosity Coordinator some of her salary was allocated to Events.	1.65	1.50	0.15
Visitors' Engagement	193,417	203,519	10,102	374,989	407,042	32,053	At the time the budget was prepared some of the salary of the curiosity coordinator was allocated to Customer Services as she had oversight of this team.	7.29	6.28	1.01
Communications	97,458	87,412	(10,046)	211,108	186,422	(24,686)		2.69	1.69	1.00
Concepts & Engagement	159,905	209,531	49,626	279,258	530,673	251,415	This variance is the result of both vacant positions, and the shift of curator costs to exhibitions.	2.00	8.90	(6.90)
Executive	259,920	242,162	(17,758)	462,655	529,612	66,957		3.00	5.60	(2.60)
Plus Annual Leave movement in provision and KiwiSaver Employer's contribution	27,990	36,945	8,955	70,368	78,323	7,955				-
<b>Total Operational Payroll</b>	<b>1,076,228</b>	<b>1,104,253</b>	<b>28,025</b>	<b>2,188,342</b>	<b>2,403,587</b>	<b>215,245</b>		<b>26.76</b>	<b>33.91</b>	<b>(7.15)</b>

## 2. Cash and Cash Equivalents

### Te Manawa Museums Trust Details of Short Term Deposits As at 31 December 2022

Short Term Deposits		Interest Rate	31 December 2022
<b>Term Investments</b>	<b>Maturity date</b>		
Term Investment - BNZ0001 CCE	13/03/2023	2.25%	\$137,729
Term Investment - WP0025	30/07/2023	4.00%	\$185,852
Term Investment - Westpac 0023 CCE	3/02/2023	2.65%	\$158,619
Term Investment - Westpac 0024 CCE	3/02/2023	2.85%	\$127,128
			<b>\$609,328</b>

## 3. Short Term Investments

Cash & Cash Equivalents		Interest Rate	31 December 2022
	<b>Maturity date</b>		
Short Term Deposits - Westpac 0022		-	\$0
Westpac Cheque Account			\$34,289
Westpac Online Saver Account			\$103,943
BNZ Cheque Account			\$11
Petty Cash / Cash Floats			\$1,903
	17/02/2023	2.30%	\$205,523
			<b>\$345,669</b>

#### 4. Specific Reserves

Specific Reserves

	Balance at 01/07/22	Transfers from Retained Earnings	Disbursements / Release of Funds	Balance as at 31 December 2022	Forecast transfers in/(out)	Year-End Forecast Balance	Comments
<b>Specific Reserves</b>							
Collection Development Fund - General	14,021	-		14,021	-	14,021	These are funds tagged for art and/or heritage collection items purchases.
Historical Building Maintenance	22,082		-	22,082	-	22,082	
Exhibition Revitalisation/Development Fund	365,398		-	365,398		365,398	
<b>Total Specific Reserves</b>	<b>401,501</b>	<b>-</b>	<b>-</b>	<b>401,501</b>	<b>-</b>	<b>401,501</b>	

#### 5. Endowment Funds

Te Manawa Museums Trust

	Balance at 01/07/22	Additional Endowments	Disbursements / Release of Funds	Balance as at 31 December 2022	Forecast transfers in/(out)	Year-End Forecast Balance
<b>Endowment Fund</b>						
*Clevely Fund	10,874	-	-	10,874	-	10,874
<b>Total Endowment Funds</b>	<b>10,874</b>	<b>-</b>	<b>-</b>	<b>10,874</b>	<b>-</b>	<b>10,874</b>

## 6. Fixed Assets

Fixed Asset Additions - At 31 December 2022						
Asset Description	Closing Book Value 30 JUNE 2022 / Opening Book Value 01 July 2022	Additions to 31 December 2022	Disposals	Depreciation / Amortisation	Disposals + Impairment disposal	Closing Book Value 31 December 2022
Information Technology	46,279	24,870	(2,680)	(16,188)	2,418	54,699
Exhibitions	248,809	3,161	(16,890)	(42,508)	16,890	209,461
Furniture & Fittings	73,906	0	-	(9,446)	-	64,460
Leasehold Improvements	38,878	-	-	(5,084)	-	33,793
Plant & Equipment	441,783	45,221	-	(72,640)	-	414,363
Work in Progress	42,100	6,578	(42,100)	-	-	6,578
<b>Total Property, Plant &amp; Equipment Assets</b>	<b>891,754</b>	<b>79,830</b>	<b>(61,670)</b>	<b>(145,868)</b>	<b>19,308</b>	<b>783,353</b>
Collections						
- Collection Assets - Owned	8,021,371	51,194	(286)	-	-	8,072,279
- Collection Assets - Custodial	9,044,114	-	(800)	-	-	9,043,314
<b>Total Collection Assets</b>	<b>17,065,485</b>	<b>51,194</b>	<b>(1,086)</b>	<b>-</b>	<b>-</b>	<b>17,115,593</b>
Intangibles	8,148	4,200	-	(2,406)	-	9,943
Work in Progress	-	-	-	-	-	-
<b>Total Intangible Assets</b>	<b>8,148</b>	<b>4,200</b>	<b>-</b>	<b>(2,406)</b>	<b>-</b>	<b>9,943</b>
<b>Total Fixed Assets</b>	<b>17,965,387</b>	<b>135,224</b>	<b>(62,756)</b>	<b>(148,273)</b>	<b>19,308</b>	<b>17,908,889</b>



## 1 Statement of Accounting Policies

### REPORTING ENTITY

Te Manawa Museums Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint more than 50% of the Board of Trustees.

The Trust was incorporated on 20 August 1999. From that date, the Trust assumed responsibility for art works and heritage assets transferred to its care but held on behalf of others. From 1 July 2000 the Trust commenced leasing the premises and managing the institution under agreements entered into with the Palmerston North City Council. The principal place of business is 326-336 Main Street, Palmerston North.

The primary objective of the Trust is to provide interactive experience in art, science and history through acquiring, conserving, researching, developing, communicating and exhibiting material evidence of people and their environment, rather than making a commercial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purposes of Public Benefit Entity Accounting Standards (PBE Standards), in accordance with the Financial Reporting Act (2013).

The financial statements of the Trust are for the six months ended 31 December 2022 and were approved by the Board of Trustees on 23 February 2023.

### BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of Compliance

The financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 public sector public benefit entities, for which all reduced disclosure regime exemptions, have been adopted. The Trust qualifies as a Tier 2 Public Sector PBE reporting entity as it is not publicly accountable and as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

#### ***Rendering of services***

Revenue from the rendering of services is recognised when the transaction occurs to the extent that a liability is not also recognised. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

All revenues from rendering of services are non-exchange, with the exception of revenue from Venue Hire which is classified as exchange transaction.

#### ***Vested or donated physical assets***

Where a physical asset is gifted to or vested in the Trust for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such income is recognised when control over the asset is obtained, unless there is a use or return condition attached to the asset.

The fair value of vested or donated physical assets is determined by reference to the market value of comparable assets available.

#### ***'In Kind' Sponsorship***

The Trust receives sponsorship 'in kind' by way of goods and services provided at discounted or nil charge. Where the fair value of these goods and services can be reliably measured, the income (and expense) is recognised as 'sponsorship - in kind' in the period in which the goods or services are received or there is a binding arrangement to receive the goods.

#### ***Volunteer Services***

Volunteer services received are not recognised as revenue or expenditure as the Trust is unable to reliably measure the fair value of the services received.

#### **Revenue from Exchange transactions**

##### ***Sales of goods***

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust.

##### ***Interest Income***

Interest income is recognised using the effective interest method.

##### **Advertising Costs**

Advertising costs are expensed when the related service has been rendered.

### **Borrowing Costs**

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

### **Depreciation and amortisation**

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

### **Leases**

#### *Finance Leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented within borrowings as a current liability in the statement of financial position.

### **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of a receivable is established when there is objective evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of an impaired receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

#### **Financial Assets**

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

#### **a) Financial Assets at Fair Value through Surplus or Deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

#### **b) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

**c) Held to Maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

**d) Financial Assets at Fair Value through Other Comprehensive Revenue and Expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

**Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

*Loans and receivables, and held-to-maturity investments*

Impairment is established when there is evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits are recognised directly against the instrument's carrying amount.

*Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

### **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

### **Property, Plant and Equipment**

Items of property, plant and equipment are stated at historical or deemed cost, less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

#### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

#### *Work in Progress*

All assets constructed by the Trust are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

*Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

**(a) Furniture, Equipment and Exhibits**

Furniture, equipment and exhibits (excluding art and heritage collections) are valued at cost less accumulated depreciation and impairment losses.

*Depreciation*

Assets are depreciated on a straight-line basis at rates that will write off their cost less any estimated residual value over the expected useful life of the asset. The useful lives of major classes of assets have been estimated as follows:

Computer Hardware	1 to 5 years
Exhibitions	2 to 10 years
Furniture & Fittings	4 to 10 years
Leasehold Improvements	4 to 10 years
Office Equipment	4 to 10 years
Plant	4 to 20 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

**(b) Collection Assets**

As the Heritage Collection and Art Collection assets are intended to have an indefinite life, they are held in trust in perpetuity for the benefit of the public.

The Heritage Collection and Art Collection have not been depreciated, as it is the Trust’s policy to maintain the collections in their current state, in accordance with the Trust’s Collection Policies.

All additions to the Heritage and Art Collection are recorded at cost. These additions will be revalued in accordance with the Trust’s Valuation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable.

Custodial Collection Assets are objects within the Heritage and Art Collections not formally owned by the Trust, where the Trust has assumed all the rights and obligations of ownership. Within the Heritage Collection this is limited to items on loan for an indefinite period, excluding works on loan from other Museums and Cultural organisations. In relation to the Art Collection, the nature of artworks and anecdotal evidence suggests that there is a high likelihood

of request for return of loaned assets, irrespective of the loan period, therefore only items on loan from the Te Manawa Art Society Inc. are recognised as custodial assets. These assets are held and maintained by the Trust by agreement with the owners.

#### *Revaluation*

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland as at March 2021. Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Ashley and Associates*, Auckland as at May 2020. Trust's policy is to revalue the Heritage Collection assets every five years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

#### *Accounting for Revaluations*

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is charged to the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in a previous year surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

### **Intangible Assets**

#### *Recognition and measurement*

Intangible assets are initially measured at cost, except for Intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-Exchange transactions) less accumulated amortisation and impairment, except for the items which are not amortised and instead tested for impairment such as Intangible assets with indefinite useful lives, or not yet available for use. The Trust has no intangible assets with indefinite useful lives.

#### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Trust's website are recognised as an expense when incurred.



#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

#### *Amortisation*

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The estimated useful lives are as follows:

Software	1 to 7 years
Website	3 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **Impairment of property, plant and equipment and intangible assets**

For the purpose of impairment of Property, plant and equipment and intangible assets, which are carried at cost less accumulated depreciation and impairment losses, the Trust classifies its items of property plant and equipment and intangibles as non-cash generating assets, as these are not held with the primary objective of generating a commercial return, but rather for service delivery purposes and to deliver to Trust's public benefit objectives. Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### *Value in use for non-cash-generating assets*

For Trust's non-cash generating assets, value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. The Trust does not currently hold property plant and equipment and intangible assets in this category.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

#### **Creditors and Other Payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Borrowings are initially recognised at their fair value plus transaction costs, if any. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are not expected to be settled within 12 months of balance date.

**Employee Entitlements***Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

*Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

**Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in "finance costs".

**Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for trade receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Income Tax**

The Trust is exempt from Income Tax by virtue of its charitable status.

#### **Equity**

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Trust's contributed capital;
- Retained earnings;
- Restricted reserves;
- Collections revaluation reserve;

#### *Restricted reserves*

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust.

Restricted reserves include those that are subject to specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Trust's decision. The Trust may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Trust.

#### **Budget figures**

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board of Trustees in preparing these financial statements.

### **Critical Accounting Estimates and Assumptions**

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Property, Plant and Equipment Useful Lives and Residual Values*

The Trust reviews the useful lives and residual values of its property, plant and equipment annually. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors including the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

### **Critical Judgements in applying the Trust's accounting policies**

There have been no specific areas requiring management or Trustees to exercise critical judgement in applying the Trust's accounting policies for the period ended 31 December 2022.

# Te Ara Hihiri

## Statement of Intent

2023/24 – 2025/26  
TE MANAWA MUSEUMS TRUST

TE MANAWA MUSEUMS TRUST  
PRIVATE BAG 11055 PALMERSTON NORTH 4442 | TEMANAWA.NZ



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## Contact details

<b>Address</b>	Te Manawa Museums Trust Private Bag 11055 Palmerston North	<b>Legal Status</b>	Te Manawa Museums Trust is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and operates as a charitable trust under the Trusts Act 2019. It is a not-for-profit CCO.
<b>Website</b>	www.temanawa.co.nz		
<b>Phone</b>	(06) 355-5000		
<b>Email</b>	enquiries@temanawa.co.nz		
<b>Main Contact</b>	Susanna Shadbolt	<b>Charities Registration number</b>	CC38836
<b>Role in CCO</b>	Chief Executive	<b>Trustees</b>	Caroline Tate - Chair Adrian van Dyk – Deputy Chair Geoffrey Jameson Nuwyne Te Awe Awe-Mohi Evan Greensides Terry Hapi Alison Rudzki
<b>Phone</b>	06 351-4492		
<b>Email</b>	susanna.shadbolt@temanawa.co.nz		

## Foreword

Te Manawa's role is to serve local communities by providing access to exhibits and events that showcase art, science, and history. We are excited to enter this next phase of its journey, continuing to tell stories, particularly local stories.

With the appointment of our new CEO, Susanna Shadbolt, existing relationships with the arts and science sector have been strengthened. Te Manawa hosted several science-related activities and events in the latter half of 2022, for example the "Mad Scientist" event and the Sunday Science Sessions. The Art Gallery ended the year with the opening of multiple exhibitions – "Matatau 22" (Massey University Bachelor of Māori Visual Arts graduates), "Artmosphere" (UCOL Creative Media graduates' exhibition), "Standing in My Own Light" (an exhibition of works from the Women's Art Initiative) and "Visual Rhythms" an exhibition of the works of Douglas MacDiarmid. Each exhibition has its own unique characteristics and offers visitors an immersive and varied gallery experience.

This Statement of Intent covers a continuation of the refresh of some areas of the museum, working in partnership with key stakeholders to design new semi-permanent science exhibitions and cultural exhibitions. Given the digital nature of our world, Te Manawa continues to digitise its physical collection for the benefit of remote visitors. At the same time Te Manawa is mindful that digital interactives could form part of future exhibitions or to refresh existing spaces.

In addition, Te Manawa will exercise a leadership role in the development of young people by offering new learning programmes to schools that will align with the Aotearoa New Zealand Histories Curriculum and providing internship opportunities in partnership with Massey University.

We would like to thank our main sponsor, Palmerston North City Council for making what we do possible. Our thanks also to local iwi, arts, science and historical societies and the public, for continuing to engage with us, and most importantly, for visiting!



Caroline Tate  
Chair, Te Manawa Museums Trust  
23 February 2023

## Purpose of the Statement of Intent

This Statement of Intent is presented by Te Manawa Museums Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002.

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intention of Te Manawa Museums Trust for the next three years, and the objectives to which those activities will contribute.

The final Statement of Intent will take shareholder comments into consideration and include performance measures and targets as the basis of organisational accountability.



## About Te Manawa Museums Trust

### Purpose

The International Council of Museums (ICOM) defines a museum as “a not-for-profit, permanent institution in the service of society that researches, collects, conserves, interprets and exhibits tangible and intangible heritage. Open to the public, accessible and inclusive, museums foster diversity and sustainability. They operate and communicate ethically, professionally and with the participation of communities, offering varied experiences for education, enjoyment, reflection and knowledge sharing.”

Guided by the ICOM definition, the main goal of Te Manawa Museums Trust is to provide the people of Manawatū and beyond with experiences in art, science and heritage and to forge everlasting connections – fulfilling its stakeholder obligations and exceeding the expectations of its visitors.

### Vision

*“Te Manawa is the cultural heart of our region. It is a place that values openness and is led with the spirit of Manaakitanga, Freedom and Creativity.”*

People should feel passionate and excited about, and attached to Te Manawa, the collections we care for, and the experiences we shape with them. Those experiences touch us emotionally, inspire us creatively and give life and mana to our collective heritage.

### Mission

Te Manawa is committed to improving the wellbeing of the communities it serves through enabling access to experiences with art, culture, science, and heritage.

Te Manawa works with Palmerston North City and its peer organisations to challenge, inspire and educate its visitors, as well as bring forward and illuminate local, national and international matters.

### Values

Through the vision, we will embrace a spirit of openness to enhance the wellbeing of the communities we serve:

- **Manaakitanga** - our underlying principle of care and hospitality
- **Freedom** - the courage to try new things and have fun
- **Creativity** - expressing ourselves, thinking differently and finding solutions.

## Service

In accordance with its key strategic objectives, Te Manawa will continue to provide a range of exhibitions, events and learning activities that contribute to Palmerston North's vision, goals and strategies – in particular, adding value to its goal of being a “creative and exciting city - He tāone whakaihiihi, tapatapahi ana”.

These services include:

- Contributing towards actions in the city's Arts Plan
- Engaging local communities in relevant and meaningful experiences in art, science, and heritage
- Caring for and developing, and improving access to collections
- Attracting visitation and external investment

## Objectives of the Te Manawa Museums Trust Deed

- To provide governance of an organisation which is a regional museum complex, advancing interest in art, heritage and science (including interactive science)
- To provide study, educational and enjoyment opportunities through acquiring, conserving, researching, communicating and exhibiting material evidence of people and their environment
- To develop, promote, enhance and maintain collections to make them relevant to the peoples of the Manawatū and New Zealand
- To recognise and act in accordance with the principles of the Treaty of Waitangi and to involve and give special attention to the history of the Tangata Whenua in the region
- To ensure that the facility functions as a valued professional education resource and community asset for the citizens of Palmerston North and the Manawatū region
- To encourage and support the kindred Societies in accordance with the objects of this Trust Deed
- To recognise the organisation's location in the Manawatū and to be aware of the regional focus

## Statement of the Board's approach to governance

Te Manawa Museums Trust Board is established and governed in accordance with the Te Manawa Trust Deed; available on request from the Executive Assistant at Te Manawa.

The Board of up to nine trustees, is responsible for the strategic direction and control of Te Manawa's activities.

The Board guides and monitors the business and affairs of Te Manawa, in accordance with the Charitable Trusts Act 1957, the Local Government Act 2002, the Trust Deed and this Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to the community and regularly reporting to the Culture and Sport Committee of Palmerston North City Council
- enhancing Te Manawa's environmental sustainability
- encouraging and maintaining diversity in all elements of its organisation

The Chief Executive is responsible for the day-to-day operations of Te Manawa, engaging and oversight of staff and reporting to the Trustees on performance against Te Manawa's performance objectives.

The Board encourages engagement on our strategic direction by stakeholders through three main avenues: the development and presentation of this Statement of Intent, a public Annual General Meeting held each year, and through presentations at Council's Culture and Sport Committee meetings to report and outline new initiatives.

## Contribution to ‘Small city benefits, big city ambition’

Palmerston North City Council’s vision for the city is *Small city benefits, big city ambition*.

Council has identified five strategic goals for achieving this vision: Goal 1: An innovative and growing city; Goal 2: A creative and exciting city; Goal 3: A connected and safe community; Goal 4: An eco-city; and Goal 5: A driven and enabling Council.

Te Manawa contributes to all goals, but primarily to these priorities under Goal 2:

- Celebrate the city’s history and diversity, and build on the strength of being a city of many cultures and languages; and
- Be a creative city that nurtures and celebrates the arts
- Develop a national reputation as an exciting city with plenty to do at night and at weekends

Te Manawa received a Statement of Expectation stating Council’s objectives relating to Te Manawa. The Board has worked through the Statement of Expectation and has responded to these through this Statement of Intent.

## Strategic Objectives

The Te Manawa Museums Trust Board has developed the following broad strategic areas of focus to enable Te Manawa to be responsive to its communities.

### Objective 1: Innovative Experiences that Engage Visitors

Te Manawa presents multi-layered experiences that champion the uniqueness of our region. It will focus on developing and hosting vibrant exhibitions that attract visitors, contributing to the city's livability and sense of place. It will carry out creative marketing to build visitation, third-party investment, and the Te Manawa profile.

Through its exhibitions and programmes, Te Manawa builds a national reputation. Digital engagement will help attract physical visitors but also provide for collections and activities to be enjoyed and interacted with by those in the community who cannot visit its physical facilities.

By caring for its collections, Te Manawa provides access to the region's diverse cultural heritage. Existing collections are brought to life so residents and visitors can engage with the history of the Manawatū and Aotearoa New Zealand.

### Objective 2: Enhanced Learning and Development

Te Manawa, through its links to education, research institutes and local technology industries, develops programmes aligned with the curriculum and its exhibitions of local and national interest. Access to education programmes will be free of charge for local schools within the PNCC and MDC boundaries.

- Te Manawa learning activities will focus on engaging local communities in relevant and meaningful learning experiences
- Learning at Te Manawa will look for opportunities to contribute to the wider organisation's goals for financial sustainability
- The Museum will play a key role in supporting schools in implementing the new Aotearoa New Zealand Histories Curriculum.

### Objective 3: A collaborative and future-focused organisation

Te Manawa will build its reputation as a creative and vibrant organisation.

Maintaining and enhancing its strategic relationships is key to Te Manawa's success. The organisation's relationship with Rangitāne, as mana whenua, will evolve in line with their aspirations.

Te Manawa, in partnership with Rangitāne, protects its taonga, tells its stories and moves forward guided by the articles of Te Tiriti o Waitangi.

Te Manawa will build its environmental and financial sustainability, ensuring it is well-placed to challenge boundaries and respond proactively to change. It will work strategically to accelerate revenue generation and embed a business development mindset within the organisation.

Te Manawa supports the sustainability aspirations of its strategic partners, including:

- Rangitāne, as mana whenua, local kaitiaki and holders of mātauranga Māori relating to present-day, historic, and traditional knowledge in Manawatū.
- Palmerston North City Council's Eco City Strategy.
- Partner with local businesses and organisations along with museums and galleries nationwide.

## Performance Measures

	2023-24	2024-25	2025-26
Visitation Baseline <sup>1</sup> (Physical visits to the Te Manawa complex)	130,000	131,000	132,600
Outreach <sup>2</sup> (TM experiences offsite)	30,000	32,000	40,000
Online engagement <sup>3</sup>	90,000	97,200	104,900

1: Visitation baseline is the approximate physical visitor count to the Te Manawa complex. It does not differentiate unique visitors, but rather the visits in person be they first-time or repeat. Yearly increase is determined by the medium 25-year projection of 1.0 percent average annual population growth for Palmerston North (PNCC long-term projections 2020). It is important not to over-inflate these targets during the next three years while a focus is placed on redevelopment of long-term exhibitions (Te Rangi Whenua, Science Centre and Art Gallery) and a review of the facility's earthquake safety, capacity and feasibility in hosting large-scale international shows – the latter of which are increasingly unaffordable due to the current economic challenges of inflation, Covid-19 and reduced global shipping capacity leading to significantly higher freight costs. In order to build greater ambition into long-term planning, it is important to focus on, and build solutions for these challenges during the next three year period and ensure that issues negatively impacting the buildings' "fit-for-purpose" can be addressed – both through, and prior to, the development and fruition of the Arts and Cultural Precinct.

2: Outreach is defined as live interactions between Te Manawa staff and experiences with public offsite (outside of the Te Manawa complex) and includes events, expos, learning delivery in schools, live interactive experiences delivered online and touring exhibitions (attendance of Te Manawa exhibitions at other venues). Annual increase is based on the development of touring experiences with partner organisations and the development of interactive experiences via online platforms.

3: Online engagement includes e-visits through the Te Manawa website (visit impressions minus bounce) and audience interactions via social media (likes, comments, shares and video views). Annual increase is based upon a yearly estimated audience growth of 8 per cent (22/23 estimate as at Dec 2022). It does not consider user trends in digital media which are too changeable to rely on for a three-year forecast.

	2023-24	2024-25	2025-26
External Revenue Target	\$507,490	\$675,944	\$709,827
Visitor Satisfaction	95%	95%	95%



## Strategic Objective 1: Innovative Experiences that Engage Visitors

2023-24	2024-25	2025-26
Work in partnership with Rangitāne in the development of exhibitions, learning resources and programmes within the Museum with a focus on embedding bi culturalism in everything we do.	Ongoing partnership with Rangitāne. Review all semi-permanent exhibitions with a bi-cultural and holistic storytelling focus. Implement planning for a refresh based on this.	Ongoing partnership with Rangitāne.  Deliver refresh of relevant galleries based on 2024-25 review.
Investigate and plan development of a Pūtaiao Science Space with designs and concepts finalised to initiate budget, fundraising and sponsorship. Investigate and develop partnership and collaboration opportunities.	Develop Pūtaiao Science Space in line with funding. Continue to develop partnership and collaboration opportunities.	Complete Pūtaiao Science Space in line with funding. Continue to develop ongoing partnership and collaboration opportunities.
Begin discussions with other museums/venues to collaborate on the development of new, shared touring interactives in Science and Heritage.	Develop one prototype touring module as part of the collaboration.	Further develop concepts and products as part of the collaboration.
Develop and begin to implement an annual calendar of activity to activate additional engagement through events and outreach with a focus on partnership with other organisations.	Implement annual calendar of activities.  Continue to build relationships throughout community sectors with one new collaboration.	Implement annual calendar of activities.  Continue to build relationships throughout community sectors with one new collaboration.
Provide access to our collections through exhibitions, offsite displays, Collections Online and other digital projects and public programmes, this will include a cycle of exhibitions of new acquisitions.	Develop and implement at least two public programmes related to our collection.  Continue to promote and add 1500 items to Collections Online.	Include 30% more collections items in the refresh of semi-permanent galleries.  Continue to promote and add 1500 items to Collections Online.
Deliver a programme of balanced, exciting and frequently changing exhibitions.	Deliver balanced, exciting and frequently changing programme of exhibitions.	Deliver balanced, exciting and frequently changing programme of exhibitions.

Investigate and trial an electronic visitor monitoring system to understand visitor interactions with Te Manawa.	Fully implement electronic visitor monitoring system.	Review effectiveness of visitor monitoring system.
Develop a "Delivery of Excellence" Visitor Experience Strategy that incorporates physical spaces.	Implement the "Delivery of Excellence" Visitor Experience Strategy	Review the "Delivery of Excellence" Visitor Experience Strategy

### Strategic Objective 2: Enhanced Learning and Development

2023-24	2024-25	2025-26
Implement three new Mātauranga Māori learning programmes aligned with the Aotearoa New Zealand Histories Curriculum.	Implement two secondary school level programmes relevant to the Social Sciences Year 9 & 10 curriculum level.	Respond to curriculum refreshes being undertaken in order to support local schools through the programmes we offer.
Provide free education programmes to schools within the Palmerston North and Manawatu District Council boundaries.  Seek external funding to assist in costs of education programmes.	Provide free education programmes to schools within the Palmerston North and Manawatu District Council boundaries.  Seek external funding to assist in costs of education programmes.	Provide free education programmes to schools within the Palmerston North and Manawatu District Council boundaries.  Seek external funding to assist in costs of education programmes.
4000 students will participate in ELC Learning programmes.  20,000 individuals will participate in other learning and outreach programmes	4000 students will participate in ELC Learning programmes.  20,000 individuals will participate in other learning and outreach programmes	4000 students will participate in ELC Learning programmes.  20,000 individuals will participate in other learning and outreach programmes
Develop a sector leadership role by providing opportunities for interns partnering with Massey University Museum Studies.	Build on the leadership role and partner with Museum Studies where possible.	Continue leading the sector by partnering with Massey University Museum Studies and other education providers.

Implement staffed public programmes for visitors during weekends and peak visitor periods.  Deliver at least 20 staffed public programmes.	Review public programmes and amend based on results of review.  Deliver at least 20 staffed public programmes.	Ongoing review and amendment.  Deliver at least 20 staffed public programmes.
Develop networks with other non-school education programme providers.	Develop at least one collaborative programme with another non-school educational programme provider.	Develop at least one collaborative programme with another non-school educational programme provider.

### Strategic Objective 3: A collaborative and future-focused organisation

2023-24	2024-25	2025-26
Continue to maintain strong relationships with Rangitāne at governance levels and through activity- based approaches.	Continue to maintain strong relationships with Rangitāne at governance levels and through activity- based approaches.	Continue to maintain strong relationships with Rangitāne at governance levels and through activity- based approaches.
Collaborate with founding societies on two new initiatives to grow support for Te Manawa and generate donations.	Collaborate with founding societies on one new initiative to grow support for Te Manawa and generate donations.	Collaborate with founding societies on one new initiative to grow support for Te Manawa and generate donations.
Grow philanthropic and sponsorship contributions to grow external revenue against strategic targets.	Continue to grow philanthropic and sponsorship contributions against strategic targets.	Continue to grow philanthropic and sponsorship contributions against strategic targets.
Implement a fundraising programme that communicates the vitality of Museums and Galleries as essential to community identity and wellbeing.	Continue fundraising programme implemented in 2023-24.	Review and revamp fundraising programme based on success of previous years.
Identify and nurture emerging artists and museum professionals to invest in the future of art and cultural expression and	Implement an initiative that nurtures emerging artists and museums professionals.	Grow the initiative that nurtures emerging artists and museums professionals.

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provide links to professional practice and advice.		
Implementation of two sustainability initiatives; a system review with the aim to become digitized and a move to more collaborative office spaces; ongoing change out of lighting to LED	Implementation of digital systems to fully replace paper-based systems. Moving towards a collaborative work environment. Research into other ways to become more sustainable.	Sustainability underpins everything we do.
Work with PNCC towards a new, purpose-built, energy efficient and sustainable Te Manawa complex.	Work with PNCC towards a new, purpose-built, energy efficient and sustainable Te Manawa complex.	Work with PNCC towards a new, purpose-built, energy efficient and sustainable Te Manawa complex.
Ongoing collaboration with tertiary partners.	Ongoing collaboration with tertiary partners in terms of opportunities identified through the annual calendar of activities.	Ongoing collaboration with tertiary partners in terms of opportunities identified through the annual calendar of activities.
Maintain a Gold Qualmark standard through Tourism NZ (Hospitality and sustainability).	Maintain a Gold Qualmark standard through Tourism NZ (Hospitality and sustainability).	Maintain a Gold Qualmark standard through Tourism NZ (Hospitality and sustainability).

## How we operate

We partner with communities and provide access to and engagement with arts and culture, with a focus on art, science, and heritage. These platforms and the professional activity attached to them brings social cohesion and wellbeing, civic pride and vibrancy, and national reputation.

We are committed to staff development and provide training, performance reviews and development plans.

Our staff are qualified and experienced, and we adhere to rigorous and inclusive processes to ensure the best experience of, by and for the public.

## Working with our partners

Te Manawa has relationships with several groups and organisations that work alongside us supporting us in the achievement of our goals.

### **Rangitāne**

We will continue to work closely with Rangitāne, as mana whenua, in telling of pūrākau and the appropriate Kaitiakitanga of taonga including appropriate tikanga.

### **The Founding Societies**

These societies are the 'founding societies' whose operations were devolved into Te Manawa on its formation. The societies continue to support and guide our operations in their specialist areas.

#### Te Manawa Arts Society

Te Manawa Arts Society (TMAS), was responsible for the collection of what regarded by many as the highest quality collection of New Zealand contemporary art from the mid twentieth Century. This collection, owned by Te Manawa Art Society Holding Trust, forms the foundation of the collection held at Te Manawa. TMAS continues to participate in acquisition decisions and often supports those financially. The relationship with TMAS is governed by an MOU allied to a custody agreement. Regular dialogue takes place between the two organisations.

#### The Science Centre Inc

The Science Centre Inc and the Science Centre Trust are the organisations that promote science at Te Manawa. Work is currently underway to strengthen this relationship as we move out of a COVID enforced closedown. In the past a number of exhibitions have been developed and promoted together, *Sunlight: Ihi Kōmaru* being our last large science-based exhibition. This was both financially supported by, and validated by, members of the Science Centre Inc.

The relationship is again governed by an MOU. Work is currently underway to further strengthen this relationship and develop a Science Space Pūtaiao at Te Manawa.

#### The Museum Society

This society again supports the work of Te Manawa, once again governed by an MOU. Joint activities are undertaken around events of historical significance and shared interests.

#### The New Zealand Rugby Museum

This museum within a museum, holds a collection of historical and cultural significance. It was incorporated into Te Manawa under an MOU signed in 2012. Under the MOU, Te Manawa provides a sub-lease for the premises and storage, utilities and education free of charge. Front of house support is also provided.

## Working with Palmerston North City Council

### Half-Yearly Report

By the end of February each year, Te Manawa Museums Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

- Chief Executive's commentary on operations for the relevant six-month period.
- Comparison of Te Manawa Museums Trust's performance with the objectives, planned activities and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly financial statements incorporating a Statement of Financial Performance, a Statement of Financial Position, a Statement of Changes in Equity and a Statement of Cashflows.

### Annual Report


By 30 September each year, Te Manawa Museums Trust will provide the Council with an annual report complying with s 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be provided in early August to ensure timely availability of Council's annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of Te Manawa Museums Trust, and will include the following information:

- Chief Executive's commentary on operations for the relevant year.
- Comparison of Te Manawa Museums Trust's performance to the objectives, planned activities and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cashflows, statement of accounting policies and notes to the accounts.
- Auditor's report on the financial statements and the performance targets.
- Any other information that the Trustees consider appropriate.

## Board Approval

This Statement of Intent was approved by the Te Manawa Museums Trust Board on 23 February 2023

Signed  \_\_\_\_\_

Date 24/02/2023

Caroline Tate, Chair, Te Manawa Museums Trust Board

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# Budget Assumptions and Comments:

## Revenue

### 1. Palmerston North City Council (PNCC) Funding:

#### PNCC Operating Grant

2023/24: \$3,513,200 (2022/23 plus 5.0%)

2024/25: \$3,683,464 (2023/24 plus 4.8%)

2025/26: \$3,747,920 (2025/26 plus 2.0%)

### 2. Interest Revenue:

Interest Income has been based on average bank balances remaining between \$519k and \$742k (the approximate required level to preserve Te Manawa tagged reserves) with weighted average bank interest rates forecast at 0.6%.

### 3. Other Operating Revenue:

Other Operating Revenue is expected to increase from the 2022/23 forecast, with increased targets from commercial activities such as retail sales and venue hire, as well as increased targets for fundraising applications as museum activities return to business as usual after the "Covid" years.

### 4. Net Collection Movements

The forecast level of donated collection assets is maintained level from prior years. (\$15,000).

The prospective financial statements do not provide for a forecast net movement in the market value of collection, due to data not being readily available for assumptions regarding the future market value of collections assets. Revaluation of collection assets is a non-cash item. The next revaluation of the Art Collection will take place during the final quarter of the 2023/24 financial year, and the next Heritage Collection revaluation is to take place during the 2024/25 financial year. The revaluation of the art collection conducted during the 2020/21 year resulted in an increase in the value of the art collection of \$1,526,862

## Expenditure

### 5. Payroll:

The Payroll budget for all years incorporates requirements of the remuneration system adopted by Te Manawa.

### 6. Operating Expenditure:

Operating costs have been budgeted for the next three years based on current contractual commitments, as well as anticipated maintenance costs (i.e. cleaning, repairs and maintenance, security and administrative costs).

### 7. Occupancy Costs:

Te Manawa has received notice of some suppliers' intention to increase costs. An inflation adjustment of 5.00% has been applied across most expense categories.

### 8. PNCC Leases and Service Level Agreements:

It has been assumed that there will be no increase in charges from PNCC in relation to service level agreements - IT, vehicles and phones.



**9. Depreciation:**

The forecast depreciation for the next financial years is based on the planned plant and equipment additions and the upgrade of the semi-permanent exhibition.

**10. Operating Surplus/(Deficit) after Collection Movements:**

A net surplus has been budgeted for each of the three years covered by the financial statements 2023/24 (\$1.9k) 2024/25 (\$13.9k) and 2025/26(\$6.3k)

Prudent management of operating expenditure will be required to achieve the budgeted results. Revenue generation opportunities will be sought to ensure that operating cash surpluses are produced going forward.

**STATEMENT OF FINANCIAL POSITION:****11. Cash & Short-Term deposits:**

Cash & Cash Equivalents (including term deposits with a maturity of up to 3 months) are budgeted to remain relatively consistent at between \$691k and \$708k. This is enough to meet the Trust's current budgeted obligations and commitments.

**12. STATEMENT OF CASHFLOWS:**

Forecast net cash flows from operating activities are enough to cover the planned capital expenditure for the three financial years.

**13. STATEMENT OF CASH BALANCES & RESERVES:**

Careful managing of resources will be required to maintain positive untagged reserves over next years, in order to both meet our operational costs and gradually increase our semi-permanent and touring exhibition capabilities. There is also an increased reliance on third party revenue to meet the forecast level of operating costs and allow for the strategic reserves to be built up.

The tables below indicate the way Te Manawa intends to gradually build up its strategic reserves within the constraint of maintaining positive untagged reserves.

**Te Manawa Museums Trust  
Endowment Fund Forecast**

Endowment Fund	Balance 1/7/21	Actual at 30/06/22	Budget transfers in/(out)	2021/22 Budget	Budget transfers in/(out)	Budget transfers in/(out)	2022/23 Budget
Clevely Fund	10,874	10,874	-	10,874	-	-	10,874
<b>Total Endowment Funds</b>	<b>10,874</b>	<b>10,874</b>	<b>-</b>	<b>10,874</b>	<b>-</b>	<b>-</b>	<b>10,874</b>

The Semi-permanent exhibition reserve is designed for the purpose of securing funding for future semi-permanent exhibition refresh and/or internally developed and built Te Manawa touring shows.

Specific Reserves	Balance 1/7/21	Actual at 30/06/22	2021/22 Budget	Budget transfers in/(out)	Budget transfers in/(out)	2022/23 Budget
Collection Development	26,023	14,021	14,021	-	-	14,021
Historical Building Maintenance	22,082	22,082	22,082	-	-	22,082
Semi-Permanent Exhibition Development Reserve	332,535	365,398	365,398	90,000		455,398
<b>Total Specific Reserves</b>	<b>380,640</b>	<b>401,501</b>	<b>401,501</b>	90,000	-	491,501

**Te Manawa Museums Trust****Prospective Statement of Revenue and Expenses**

For the Three Years Ended 30 June 2024, 2025 &amp; 2026

	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>					
PNCC Operational Grant	3,264,227	3,329,511	3,513,200	3,683,464	3,747,920
MDC Grant	20,000	20,000	20,000	20,000	20,000
Interest Received	8,192	8,400	18,000	16,000	16,000
Fundraising & Sponsorship	106,810	537,050	186,000	250,000	250,000
Other Revenue	189,551	381,730	283,490	389,944	423,827
<b>Total Revenue</b>	<b>3,588,780</b>	<b>4,276,691</b>	<b>4,020,690</b>	<b>4,359,408</b>	<b>4,457,746</b>
<b>Expenditure</b>					
Personnel Costs	2,053,668	2,422,554	2,310,806	2,378,004	2,443,164
Museum Activities	1,034,497	1,205,478	1,042,493	1,315,221	1,338,793
Occupancy Costs	230,003	279,168	279,339	286,669	299,426
PNCC Leases & SLA's	81,738	81,738	81,738	81,738	81,738
Depreciation/Amortisation	279,984	302,550	319,356	298,788	303,336
Assets Written Off	903	-	-	-	-
<b>Total Operating Expenditure</b>	<b>3,680,793</b>	<b>4,291,488</b>	<b>4,033,732</b>	<b>4,360,419</b>	<b>4,466,458</b>
<b>Operating Surplus/(Deficit) Before Collection Movements</b>	<b>(92,013)</b>	<b>(14,797)</b>	<b>(13,042)</b>	<b>(1,011)</b>	<b>(8,711)</b>
<b>Collection Movement Income</b>					
Custodial Assets	-	-	-	-	-
Donated Assets	16,971	15,000	15,000	15,000	15,000
<b>Collection Movement Expense</b>					
Custodial Assets Returned	-	-	-	-	-
Collection Assets Deaccessioned	(10)	-	-	-	-
<b>Net Collection Movements</b>	<b>16,961</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Net Surplus/(Deficit) Before revaluation</b>	<b>(75,052)</b>	<b>203</b>	<b>1,958</b>	<b>13,989</b>	<b>6,289</b>
<b>Other Comprehensive Revenue and Expenses</b>		-	-	-	-
<b>Total Comprehensive Revenue and Expense</b>	<b>(75,052)</b>	<b>203</b>	<b>1,958</b>	<b>13,989</b>	<b>6,289</b>

The accompanying notes and accounting policies form part of the prospective financial statements

## Te Manawa Museums Trust

## Prospective Statement of Financial Position

As at 30 June 2023, 2024 &amp; 2025

Notes	Actual	Budget	Budget	Budget	Budget
	2021/22	2022/23	2023/2024	2024/25	2025/26
	\$	\$	\$	\$	\$
<b>Assets</b>					
<i>Current Assets</i>					
Cash & Cash Equivalents 11	454,000	401,874	367,462	279,031	80,309
Short Term Deposits	671,317	340,358	324,020	255,003	358,306
Stock of Merchandise	33,508	32,000	28,000	32,000	32,000
Receivables	1,071	18,000	15,000	20,000	20,000
Interest Receivable	2,968	2,000	4,000	2,500	2,600
Prepayments	77,211	25,000	30,000	15,000	15,000
<b>Total Current Assets</b>	<b>1,240,075</b>	<b>819,232</b>	<b>768,482</b>	<b>603,534</b>	<b>508,215</b>
<i>Fixed Assets</i>					
Information Technology	45,494	43,708	75,708	80,516	76,722
Property Plant & Equipment					-
Exhibitions	248,809	490,814	322,354	304,080	383,000
Furniture & Fittings	73,908	70,097	79,806	85,832	86,300
Leasehold Improvements	38,877	46,555	42,608	46,555	47,021
Plant & Equipment	442,565	452,144	485,070	545,341	567,496
Collection Assets (Owned)	8,021,370	7,975,767	8,095,767	8,150,385	8,215,385
Collection Assets (Custodial)	9,044,115	9,044,114	9,044,114	9,044,114	9,044,114
Work in Progress	42,100	12,105	-	15,000	15,000
<b>Total Fixed Assets</b>	<b>17,957,238</b>	<b>18,135,304</b>	<b>18,145,427</b>	<b>18,271,823</b>	<b>18,435,037</b>
<i>Other Non-Current Assets</i>					
Intangible Assets - Software	8,148	6,031	3,781	19,464	1,149
<b>Total Non-Current Assets</b>	<b>17,965,386</b>	<b>18,141,335</b>	<b>18,149,208</b>	<b>18,291,287</b>	<b>18,436,186</b>
<b>Total Assets</b>	<b>19,205,461</b>	<b>18,960,567</b>	<b>18,917,691</b>	<b>18,894,821</b>	<b>18,944,402</b>
<i>Current Liabilities</i>					
Payables Under Exchange Transactions	329,979	419,552	336,579	339,944	343,344
Income Received in Advance)	147,454	30,000	70,000	30,000	30,000
Provisions	-	-	-	-	-
Employee Benefits	246,817	260,619	295,800	295,619	325,850
Interest Payable	-	-	-	-	-
GST Payable (Receivable)	36,617	58,000	55,000	55,000	55,000
Current Portion of Term Liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>760,867</b>	<b>768,171</b>	<b>757,379</b>	<b>720,563</b>	<b>754,194</b>
<i>Non-Current Liabilities</i>					
Employee Benefits	3,293	3,267	3,310	3,266	3,266
<b>Total Non-Current Liabilities</b>	<b>3,293</b>	<b>3,267</b>	<b>3,310</b>	<b>3,266</b>	<b>3,266</b>
<b>Total Liabilities</b>	<b>764,160</b>	<b>771,438</b>	<b>760,689</b>	<b>723,829</b>	<b>757,460</b>
<b>Equity</b>					
Trust Equity	10,776,531	10,722,223	10,579,479	10,581,437	10,595,426
Retained Surplus Current Year	(75,052)	2,203	1,958	13,989	6,289
Asset Revaluation Reserve	7,327,447	7,073,190	7,073,190	7,073,190	7,073,190
Specific Reserves 13	401,501	380,639	491,501	491,501	501,162
Endowment Funds 13	10,874	10,874	10,874	10,874	10,874
<b>Total Trust Funds</b>	<b>18,441,301</b>	<b>18,189,129</b>	<b>18,157,002</b>	<b>18,170,991</b>	<b>18,186,942</b>
<b>Total Liabilities and Trust Funds</b>	<b>19,205,461</b>	<b>18,960,567</b>	<b>18,917,691</b>	<b>18,894,821</b>	<b>18,944,402</b>

## Te Manawa Museums Trust

## Prospective Statement of Cash Flows

For the Three Years Ended 30 June 2023, 2024 &amp; 2025

Notes	Actual	Budget	Budget	Budget	Budget
	2020/21	2022/23	2023/2024	2024/25	2025/26
	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>					
Cash was provided from:					
PNCC Grants	3,231,908	3,264,227	3,513,200	3,683,464	3,747,920
Fundraising Activities	32,977	320,000	186,000	250,000	250,000
Other Revenue	720,174	279,454	283,490	389,944	423,826
MDC Grants	20,000		20,000	20,000	20,000
Interest	7,088	5,400	18,000	16,000	16,000
	4,012,147	3,869,081	4,020,690	4,359,408	4,457,746
Cash was disbursed to:					
Payroll	1,439,707	2,373,074	2,310,806	2,363,004	2,443,164
Suppliers	1,963,631	1,270,809	1,403,570	1,683,628	1,719,957
Interest	-	-	-	-	-
GST	-69,217	-	58,000	60,000	65,000
Net Change in working Capital	-	-	-	-	-
	3,334,121	3,643,883	3,772,376	4,106,632	4,228,121
<b>Net Cash Flows from Operating Activities*</b>	<b>678,026</b>	<b>225,198</b>	<b>248,314</b>	<b>252,777</b>	<b>229,625</b>
<b>Cash Flows from Investing Activities</b>					
Cash was provided from:					
Sale of Assets	-	-	-	-	-
Cash was disbursed to					
Change in short Term Investments	51,483	600,000	500,000	-	103,303
Purchase of Intangible Assets - Software	0	120,000	-	15,000	25,000
Purchase of Leasehold Improvements	2,431	30,000	5,000	5,000	5,000
Purchase of Information Technology	35,525	56,770	40,000	34,600	27,000
Purchase of Exhibitions	430,055	185,000	201,000	100,000	100,000
Purchase of Furniture & Fittings	25,915	10,000	10,000	35,558	20,950
Purchase of Plant & Equipment	122,386	168,910	129,815	91,050	87,094
Purchase of Collection Assets	100,735	78,500	60,000	60,000	60,000
Work in Progress		-	-	-	-
	768,530	1,249,180	945,815	341,208	428,347
<b>Net Cash Flows from Investing Activities</b>	<b>(768,530)</b>	<b>(1,249,180)</b>	<b>(945,815)</b>	<b>(341,208)</b>	<b>(428,347)</b>
Net Increase/(Decrease) in Cash Held	(90,504)	(1,023,982)	(697,501)	(88,431)	(198,722)
Opening Cash Balances	694,163	1,308,407	1,064,963	367,462	279,031
<b>Closing Total Cash Balances</b>	<b>603,659</b>	<b>284,425</b>	<b>367,462</b>	<b>279,031</b>	<b>80,309</b>

# Notes to the Prospective Financial Statements

## Statement of Accounting Policies

### REPORTING ENTITY

Te Manawa Museums Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by Palmerston North City Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint more than 50% of the Board of Trustees.

The Trust was incorporated on 20 August 1999, from that date, the Trust assumed responsibility for art works and heritage assets transferred to its care but held on behalf of others. From 1 July 2000 the Trust commenced leasing the premises and managing the institution under agreements entered into with the Palmerston North City Council. The principal place of business is 326-336 Main Street, Palmerston North.

The primary objective of the Trust is to provide interactive experience in art, science and history through acquiring, conserving, researching, developing, communicating and exhibiting material evidence of people and their environment, rather than making a commercial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purposes of Public Benefit Entity Accounting Standards (PBE Standards).

### BASIS OF PREPARATION

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the periods.

## Statement of Compliance

The prospective financial statements of the Trust have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 public sector public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Trust qualifies as a Tier 2 Public Sector PBE reporting entity as it is not publicly accountable and as for the two most recent reporting periods it has had between \$2m and \$30m operating expenditure.

The reporting period for these prospective financial statements are the years ending 30 June 2024, 30 June 2025 and 30 June 2026. The prospective financial statements are presented in New Zealand dollars, unless otherwise stated.

### Measurement Base

The measurement basis applied is historical cost, modified by the revaluation of collection assets as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

### Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

There are no standards, amendments, and interpretations, issued but not yet effective that have not been early adopted, and which are relevant to the Trust.

## Significant Accounting Policies

### Revenue

Revenue is measured at fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

### Revenue from Non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. In non-exchange transactions, the Trust either receives value from or gives value to another party without directly giving or receiving approximately equal value in exchange.

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller. Many of the services that the Trust provides for a fee are charged at below market value as they are subsidised by Palmerston North City Council operational grant, sponsorship, government/non-government grants. Other services operate on a cost recovery or breakeven basis and are not considered to reflect a market return. Most of the Trust's revenue is therefore categorized as non-exchange.

This includes PNCC grants, transfers from government/non-government entities, donations, donated/vested and custodial collection items, sponsorship, in kind sponsorship, revenue from services supplied at subsidised price.

Specific accounting policies for major categories of revenue from non-exchange transactions are outlined below:

### Grants

Grants received from PNCC are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust's trust deed.

Revenues from non-exchange transactions with Council/other government/non-government entities are measured at fair value and recognised when the event occurs and the asset recognition criteria are met, if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Trust and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount if conditions of the grant are not met, deferred income is recognised instead of revenue, and recognised as revenue when conditions of the grant are satisfied.

**Rendering of services**

Revenue from the rendering of services is recognised when the transaction occurs to the extent that a liability is not also recognised. For these transactions the revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

All revenues from rendering of services are non-exchange, except for revenue from Venue Hire which is classified as exchange transaction.

**Vested or donated physical assets**

Where a physical asset is gifted to or vested in the Trust for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Such income is recognised when control over the asset is obtained, unless there is a use or return condition attached to the asset.

The fair value of vested or donated physical assets is determined by reference to the market value of comparable assets available.

**'In Kind' Sponsorship**

The Trust receives sponsorship 'in kind' by way of goods and services provided at discounted or nil charge. Where the fair value of these goods and services can be reliably measured, the income (and expense) is recognised as 'sponsorship - in kind' in the period in which the goods or services are received or there is a binding arrangement to receive the goods.

**Volunteer Services**

Volunteer services received are not recognised as revenue or expenditure as the Trust is unable to reliably measure the fair value of the services received.

**Revenue from Exchange transactions****Sales of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Trust.

**Interest Income**

Interest income is recognised using the effective interest method.

**Advertising Costs**

Advertising costs are expensed when the related service has been rendered.

**Borrowing Costs**

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

**Depreciation and amortisation**

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.



## Leases

### **Finance Leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Operating Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented within borrowings as a current liability in the statement of financial position.

### **Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of a receivable is established when there is objective evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of an impaired receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

### **Financial Assets**

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

*a) Financial Assets at Fair Value through Surplus or Deficit*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

*b) Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

*c) Held to Maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

*d) Financial Assets at Fair Value through Other Comprehensive Revenue and Expense*

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into this category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Currently, the Trust does not hold any financial assets in this category.

**Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

*Loans and receivables, and held-to-maturity investments*

Impairment is established when there is evidence that the Trust will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits are recognised directly against the instrument's carrying amount.

#### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

#### **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

#### **Property, Plant and Equipment**

Items of property, plant and equipment are stated at historical or deemed cost, less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

#### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are presented net in the surplus or deficit.

#### *Work in Progress*

All assets constructed by Trust are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised as an expense as they are incurred.

#### (a) Furniture, Equipment and Exhibits

Furniture, equipment and exhibits (excluding art and heritage collections) are valued at cost less accumulated depreciation and impairment losses.

#### *Depreciation*

Assets are depreciated on a straight-line basis at rates that will write off their cost less any estimated residual value over the expected useful life of the asset. The useful lives of major classes of assets have been estimated as follows:

Computer Hardware	1 to 5 years
Exhibitions	2 to 10 years
Furniture & Fittings	4 to 10 years
Leasehold Improvements	4 to 10 years
Office Equipment	4 to 10 years
Plant	4 to 20 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

#### (b) Collection Assets

As the Heritage Collection and Art Collection assets are intended to have an indefinite life, they are held in trust in perpetuity for the benefit of the public.

The Heritage Collection and Art Collection have not been depreciated, as it is the Trust's policy to maintain the collections in their current state, in accordance with the Trust's Collection Policies.

All additions to the Heritage and Art Collection are recorded at cost. These additions will be revalued in accordance with the Trust's Valuation Policy. Donated objects are recorded at fair value, or depreciated replacement cost, or nil value if considered unrealisable or irreplaceable.

Custodial Collection Assets are objects within the Heritage and Art Collections not formally owned by the Trust, where the Trust has assumed all the rights and obligations of ownership. Within the Heritage Collection this is limited to items on loan for an indefinite period, excluding works on loan from other Museums and Cultural organisations. In relation to the Art Collection, the nature of artworks and anecdotal evidence suggests that there is a high likelihood of request for return of loaned assets, irrespective of the loan period, therefore only items on loan from the Te Manawa Art Society Inc. are recognised as custodial assets. These assets are held and maintained by the Trust by agreement with the owners.

### *Revaluation*

The Art Collection assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by *Art + Object* Auckland during January 2018. Trust's policy is to revalue the Art Collection assets every three years.

The Heritage Collections assets are revalued to fair value as determined from market-based evidence by an independent valuer. Trust's policy is to revalue the Heritage Collection assets every four years to ensure that their carrying amount does not differ materially from fair value.

All other asset classes are carried at depreciated historical cost.

### *Accounting for Revaluations*

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is charged to the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in a previous year surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

## **Intangible Assets**

### *Recognition and measurement*

Intangible assets are initially measured at cost, except for Intangible assets acquired through non-exchange transactions (measured at fair value).

All of the Trust's intangible assets are subsequently measured in accordance with the cost model, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment, except for the items which are not amortised and instead tested for impairment such as Intangible assets with indefinite useful lives, or not yet available for use. The Trust has no intangible assets with indefinite useful lives.

### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Trust's website are recognised as an expense when incurred.

### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

### *Amortisation*

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The estimated useful lives are as follows:

Software: 1 to 7 years, Website: 3 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **Impairment of property, plant and equipment and intangible assets**

For the purpose of impairment of Property, plant and equipment and intangible assets, which are carried at cost less accumulated depreciation and impairment losses, the Trust classifies its items of property plant and equipment and intangibles as non-cash generating assets, as these are not held with the primary objective of generating a commercial return, but rather for service delivery purposes and to deliver to Trust's public benefit objectives. Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### *Value in use for non-cash-generating assets*

For Trust's non-cash generating assets, value in use is determined based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### *Value in use for cash-generating assets*

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows. The Trust does not currently hold property plant and equipment and intangible assets in this category.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

### **Creditors and Other Payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Borrowings are initially recognised at their fair value plus transaction costs, if any. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are not expected to be settled within 12 months of balance date.

### **Employee Entitlements**

#### *Short-term employee entitlements*

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

#### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

#### **Provisions**

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in 'finance costs.

#### **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for trade receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Income Tax**

The Trust is exempt from Income Tax by virtue of its charitable status.

#### **Equity**

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Trust's contributed capital;
- Retained earnings;
- Restricted reserves;
- Collections revaluation reserve;

#### *Restricted reserves*

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Trust.

Restricted reserves include those which have specific conditions accepted as binding by the Trust and which may not be revised by the Trust without reference to the Courts or a third party (i.e. endowment funds). Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Trust's decision. The Trust may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Trust.

### Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Property, Plant and Equipment Useful Lives and Residual Values*

The Trust reviews the useful lives and residual values of its property, plant and equipment annually. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors including the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values.

## Public Benefit Entity Prospective Financial Statements (PBE FRS 42)

The Trust has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

#### *(i) Description of the nature of the entity's current operation and its principal activities*

The Trust is a Council Controlled Organisation, as defined in the Local Government Act 2002. The Trust's principal activities are outlined within this Statement of Intent.

#### *(ii) Purpose for which the prospective financial statements are prepared*

It is a requirement of the Local Government Act 2002 to present prospective financial statements that cover 3 years and include them within the Statement of Intent. The purpose of the Statement of Intent is to state publicly the activities and intentions of Te Manawa for the year and the objectives to which these activities will contribute. Prospective financial statements are revised annually to reflect updated assumptions and costs.

#### *(iii) Bases for assumptions, risks and uncertainties*

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Trust expects to take place. The Trust has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Statement of Intent.



*(iv) Cautionary Note*

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

*(iv) Other Disclosures*

The draft prospective financial statements have been authorised by the Board for delivery to the Palmerston North City Council on 23 February 2023. The Trust is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Statement of Intent is prospective and as such contains no actual operating results.





6 December 2022

Request for additional grant funding	
<b>Amount requested</b>	<ul style="list-style-type: none"> <li>\$250,000.00</li> <li>In addition, Te Manawa would like PNCC to undertake a feasibility study of its premises with support/input from TM staff</li> </ul>
<b>What will it be used for?</b>	Operational grant
<b>Why is it needed?</b>	<p>During the financial year 2021-2022, Te Manawa recorded a total deficit \$75,052. There was a significant shortfall in external revenue of \$349,427.</p> <p>This financial year, we are heading towards a deficit of approx. \$150,000.</p> <p>There are a number of factors contributing to the anticipated loss:</p> <ul style="list-style-type: none"> <li>Difficulty to raise third party revenue in the current economic climate</li> <li>Inability to apply for much-needed exhibition funding in the post-Covid environment as funds have changed their purpose to regeneration projects</li> <li>Increase in freight cost, especially international freight cost, of recently up to 300%. As well as the weakness of the NZD and low returns in investment</li> <li>Significant increase in insurance, energy cost, supplies and suppliers etc.</li> <li>The art gallery does not meet sector standards with regards to environmental controls, lack of air lock etc., jeopardising our ability to secure national and international loans and exhibitions and potentially the ability to display our own collection.</li> <li>A touring gallery on the second floor of the museum building provides major logistical and health and safety issues as installs rely on good weather and calm conditions. This has significant financial impact as a minimum of 5 days contingency must be scheduled in to hoist crates up via a gantry onto the second floor. Furthermore, the touring space is not big enough to house most international touring exhibitions.</li> <li>Redevelopment of long-term museum exhibitions on ground floor</li> <li>Salary effects due to changed roles in new structure (ca. \$90,000)</li> <li>The need/desire to offer an education programme free of charge to our local tamariki (ca. 15,000)</li> </ul>
<b>How will the funding contribute to achieving the actions outlined in the Council's Arts Plan?</b>	<ul style="list-style-type: none"> <li>A museum more sufficiently resourced to provide diverse arts experiences</li> <li>Working towards a fit-for-purpose cultural facility</li> <li>Working with PNCC towards delivering the Civic and Cultural Master Plan</li> <li>Removing barriers of participation by offering education programmes and experiences free of charge for our tamariki; incl. access to collections and collections online</li> <li>Providing a venue to realise and develop creative opportunities for particularly young artists through exhibitions for students from our local secondary and tertiary institutions</li> <li>Working in partnership with mana whenua to tell their stories and care for their taonga</li> <li>Supporting and delivering art experiences of value to whānau, hapū and iwi</li> <li>Providing a great community understanding and appreciation of Māori arts and culture</li> </ul>



- Expressing mana whenua history and aspirations
- A collection representing our diverse communities
- Working with heritage (art and science) related interest groups
- Providing diverse and inclusive art education experiences
- Delivering heritage themed experiences and stories that are kept relevant and for future generations
- Providing safe, affordable, and welcoming spaces
- Contributing to the sustainability of the creative sector
- Fulfilling our mandate as the cultural heart of Palmerston North, enabling a creative and exciting city
- Collaborating with (heritage) communities, connecting communities, activating them
- Providing opportunities for the wider public to engage
- Be innovative and contribute to the economic development of our city

#### What are the implications of not receiving any extra support?

- We cannot operate effectively and efficiently without sufficient resourcing
- Significant impact on number and frequency of exhibitions and increased gap between shows
- Significant impact on quality of exhibitions and programmes
- Inability to secure international and national tourers and blockbuster shows due to inefficient facilities and increase in freight cost. We have missed out in the past and will increasingly miss out in future.
- Inability to secure art loans and exhibitions from other galleries such as Te Papa
- Inability to provide physical access to the art gallery collection due to the risk of displaying it in a building not meeting sector standards
- Ongoing staff vacancies, adding ongoing pressure to the team

#### Are there other avenues of support Te Manawa has tried?

It is difficult to obtain funds for exhibitions in the Covid environment as funding is focused on solely regeneration projects.

During 2020-21, Te Manawa had undertaken steps to improve external revenue by employing a fundraiser. However, in the Covid environment, expected funds did not eventuate and the appointee has since left the position.

In the interim, we are starting to contact local businesses to secure them as exhibition sponsors. In 2023, we are also implementing a fundraising programme as well as trying to secure sponsorship for openings; eg. wine and beer sponsors.

We are also working with Motat, Waikato and Otago Museum to develop a science partnership project that is likely to attract MBIE funding and support from local scientists and interest groups.

If you have any queries regarding Te Manawa's request for additional funding, please do not hesitate to contact me. Thank you for your consideration.

Nāku noa, nā

Susanna Shadbolt  
Chief Executive

## MEMORANDUM

**TO:** Culture & Sport Committee

**MEETING DATE:** 19 April 2023

**TITLE:** The Regent Theatre Trust: Six-Month Report 1 July - 31 December 2022 and Draft Statement of Intent 2023-26

**PRESENTED BY:** Sarah Claridge, Democracy & Governance Advisor

**APPROVED BY:** Donna Baker, Acting Chief Executive Unit Manager

### RECOMMENDATIONS TO CULTURE & SPORT COMMITTEE

1. That Council receive the six-month Performance Report 1 July - 31 December 2022 (Attachment 1) submitted by the Regent Theatre Trust.
2. That Council receive the draft Statement of Intent 2023-26 (Attachment 3) submitted by the Regent Theatre Trust.
3. That Council agree that the recommended comments on the draft Statement of Intent 2023-26 outlined in Table 3 be advised to the Regent Theatre Trust Board.
4. That the Committee note that the Statement of Expectation objectives 'Investigating Priava', and 'Reviewing ticketing arrangements' (listed in Table 3) are complete.

### 1. ISSUE

- 1.1 The Regent Theatre Trust (the Regent) has delivered its six-month report (1 July – 31 December 2022) and draft Statement of Intent (SOI) 2023-26. This report includes analysis of both documents, which are appended to this memorandum.
- 1.2 The purpose of this report is to provide an opportunity for the Committee to give feedback to the Regent on their draft SOI.
- 1.3 The Culture & Sport Committee has the delegation to receive the performance report and agree the Statement of Intent for the Regent Theatre on Council's behalf.
- 1.4 Under the Local Government Act 2002 (LGA), when preparing the final SOI, a Council Controlled Organisation (CCO) must consider any comments made on the draft by the Council, prior to delivering a final SOI by 30 June 2023.

### 2. BACKGROUND

- 2.1 The Regent was set up as a CCO to independently manage and promote the Regent Theatre as the preferred local venue of choice for international,

national, and local performing arts experiences catering to culturally diverse people of all ages.

- 2.2 A CCO is an organisation in which Council has the right to appoint at least 50% of the trustees and must work towards Council's objectives on its behalf.
- 2.3 The Council is required by the LGA to regularly undertake performance monitoring of its CCOs. Council is required to evaluate:
  - the contribution of each CCO to the Council's objectives for the CCO,
  - the desired results set out in the SOI; and
  - the overall aims and outcomes of the Council based on the six-month reports.
- 2.4 Six-month performance reports allow Council to track a CCO's progress against their SOI and the Council's objectives for the CCO. This six-month report covers the first six months of the SOI 2022-2025.
- 2.5 Following the pandemic, the Regent adjusted their performance targets to reflect the uncertainty following the detrimental effect COVID-19 had on the arts sector and to make goals achievable and relevant to work towards.

### 3. COUNCIL OBJECTIVES FOR THE REGENT THEATRE

- 3.1 It is good practice for a shareholder (eg. Council) of a CCO to outline what it expects of its CCO, and to clarify the roles and responsibilities of the CCO Board and Council in a Statement of Expectations (SOE).
- 3.2 In October 2022, Council extended its Statement of Expectations (SOE) 2022/23 for the Regent until June 2024. In doing so it recognised that Council's objectives<sup>4</sup> for the Regent Theatre remain the same in the short term. The extension means the next SOE will align with Council's Long Term Plan process and adoption of the Council's strategic direction.
- 3.3 Council's priorities under Goal 2: A creative and exciting city to which the Regent could contribute are:
  - Celebrate the city's history and diversity and build on the strength of being a city of many cultures and languages;
  - Be a creative city that nurtures and celebrates the arts;
  - Develop a national reputation as an exciting city with plenty to do at night and on weekends.

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<sup>4</sup> See column 1 of Table 3.

3.4 The Regent has incorporated these objectives into their key performance indicators which are grouped as:

- To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local tangata whenua and heritage status of the building.
- To engage in effective collaboration with our stakeholders and clients, enabling the best customer experiences.
- To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

#### 4. PERFORMANCE FOR THE SIX MONTHS JULY TO DECEMBER 2022

4.1 Six-month reports allow Council to track the Regent's progress against their SOI and the Council's objectives listed in the SOE. This six-month report covers the first six months of the SOI 2022-2025.

4.2 The Regent has had a busy six months. Highlights from the Regent's Six-Month Report (Attachment 1) include the following:

- Act 3 Productions had a successful season of Jersey Boys, with 4888 people attending.
- Hosted Performing Arts Competitions Association of New Zealand (PACANZ) for their six-day mega event during October. This was very successful for the theatre and had a large economic impact for the city.
- National Touring shows in the venue included Celtic Christmas, Kevin Bloody Wilson, World of Musicals.
- Competitions included: Highland Dance, Kapa Haka, Pasifika Fusion, Te Pae Tamariki, and the Barbershop Convention.

4.3 Most of the Regent's performance measures are on track to achieving their target (see Attachment 2). There are two targets 'number of school concerts' and 'school prize-givings' that are unlikely to be achieved because they measure events that generally happen at the end of the year.

4.4 The target 'total audience attendance split to all events Community 70% / Commercial 30%' measures the split of community/commercial events; this measure recognises the need of the theatre to balance being a venue that is accessible to the community with the need to generate revenue by hosting commercial events. Increasing the ratio of commercial events strengthens the financial viability of the theatre.

4.5 Officers see no merit in comparing 2022 with the COVID years of 2020 and 2021; instead Table 1 compares 2022 results with pre-COVID years 2018 and 2019.

**Table 1: Comparing the first six months of the financial years 2018, 2019 and 2022 (Covid-free years)**

Measure		YTD 31 Dec 2018	YTD 31 Dec 2019	YTD 31 Dec 2022	3 Year Trend
<b>Live nights</b> – performances in the auditorium	Actual <b>Target*</b>	94 <b>80</b>	96 <b>90</b>	144 N/A <sup>5</sup>	↑
<b>Patronage</b> – total attendance	Actual <b>Target*</b>	58,361 <b>46,400</b>	57,725 <b>49,300</b>	64,654 <b>37,500</b>	↑
<b>Summary of events</b> - total use of the theatre	Actual <b>Target*</b>	212 N/A	223 N/A	256 <b>140</b>	↑

\*Target is for the six-month mark

- 4.6 Both 'patronage' and the 'total use of the theatre' have increased from 2018 and 2019 figures, which is a good indication of the support of the arts in the community. Like the Globe Theatre, there has been a general surge of support for live shows following two years of restrictions. It is pleasing to see that the theatre has recovered from the years of COVID restrictions.
- 4.7 There has been a significant increase in community use with 240 events held over this reporting period, compared to 82 in 2019. Professional events remain comparative to 2019 with 16 and 14 respectively.

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<sup>5</sup> No target set



**Table 2: Financial Information for Six-Month Report**

	July 2022 - December 2022			July 2021 - December 2021	
Summary Financials (\$000)	Actual	Budget	Variation	Actual	Variation
<b>Financial Performance</b>					
PNCC Grant	123	122	2	120	3
Total revenue	512	420	93	338	174
Total Expenses	433	382	-51	374	-59
Net Surplus (Deficit)	80	37	42	-36	115
<b>Financial Position</b>					
Current Assets	544	309	234	404	139
Total Assets	1,131	759	372	971	160
Current Liabilities	136	124	(12)	101	35
Total Liabilities	136	124	(12)	101	35
Equity	995	635	360	870	125
<b>Cash Flows</b>					
Total Net Cash Flows	24	(4)	28	17	7
Opening Cash	341	116	226	185	156
Closing Cash	365	112	254	202	163

\* when compared to the same period 12 months ago

### Financial Commentary

- 4.8 The Trust reported a surplus of \$80K after depreciation which is a \$115K improvement over the same period last year due to revenue tripling in Theatre use.
- 4.9 The Trust's current assets (mainly cash) is almost four times its current liabilities which indicate the Trust's ability to satisfy its current obligations.
- 4.10 The Trust's operating activity resulted in a small cash surplus at 6 months-end.

### 5. DRAFT STATEMENT OF INTENT 2023-2026

- 5.1 The Board's focus for this SOI is to build on their success and, where possible, endeavor to increase the use of the venue to help make the city's vision a reality.
- 5.2 The Board has presented a draft SOI that aligns with Council's strategic direction and addresses the SOE, as outlined in Table 3 below.

**Table 3: Comparison of The Regent SOI with Council's Statement of Expectation**

Statement of Expectation	The Regent's Draft SOI 2023-26	Comments + Recommendations for Final SOI 2023-26
Develop contributions to the actions in the Arts & Heritage and Events & Festivals chapters of the Creative and Liveable City Strategy of the 2021-31 10 Year Plan.	The Regent lists activities which contribute to Goal 2 - Creative and Exciting City's Arts and Heritage Plan.	No comment.
<p>Activities to include in Performance Measures:</p> <ul style="list-style-type: none"> <li>• support for inclusive and diverse community events</li> <li>• support for whānau, hapū and iwi to create and deliver arts experiences</li> <li>• support for Rangitānenuiarawa</li> </ul> <p>(all from the Arts Chapter of 2021-2031 Arts and Heritage Plan).</p>	<p>The Regent has listed as an activity under Objective 1 'to support both inclusive and diverse community events, and that we create and deliver arts experiences for whānau, hapū, and iwi with the support for Rangitānenuiarawa'.</p> <p>There is no specific performance measure noted for Māori performing arts or for Māori participation in the arts.</p>	<p>This objective was also in last year's SOI but there has been no additional commentary (in the SOI or the six-month report) to explain how this activity will progress.</p> <p>The Regent is a venue for hire; it does not create art experiences.</p> <p><b>Recommendation</b></p> <p>Include more commentary into how the Regent will progress this activity in the forthcoming years.</p> <p>Include a performance measure – with a meaningful target to show how this activity will be progressed.</p>
<p>Outline approach to:</p> <p>good governance practices</p> <ul style="list-style-type: none"> <li>• consider intention to reflect the diversity of Palmerston North in the membership of the Board.</li> </ul>	The Regent has outlined in the governance section an 'aim to reflect the diversity of the city and surrounding district'.	In accordance with the trust deed, The Regent Trust Board can co-opt two trustees annually, should they wish to increase diversity.
Develop performance measures of contribution to environmental sustainability.	The Regent has a performance measure for 2022/23 to produce a professional report to outline how it can improve its environmental footprint.	<p>The Regent Board has now received this report (according to the 6-month report – attachment 1).</p> <p><b>Recommendation</b></p> <p>Develop and include an environmental sustainability measure in the performance</p>

Statement of Expectation	The Regent's Draft SOI 2023-26	Comments + Recommendations for Final SOI 2023-26
		measures for this SOI 2023-26.
Complete evaluation of Council Priava booking system.	Not mentioned.	Through the CCO Managers Group, the Priava booking system was explored in 2022, but did not meet the needs of the Regent.  Discussions on Priava has initiated closer collaboration between the Globe and Regent Theatre managers, who support each other with booking groups and marketing of shows.  Officers recommend that the Committee consider this objective complete.
Review ticketing arrangements with a view to collaborating with the other CCOs before renewing any contracting agreements.	Mentioned as the first activity under Objective 2.	Through the CCO Managers Group, a collaborated ticketing system was discussed in 2022. However, it was not considered suitable for the Regent at this time, as they have a current contract agreement.  Collaboration amongst the Boards and Managers of the Cultural CCOs has increased over the last year, resulting in increased support for each other and the sharing of ideas.  Officers recommend that the Committee consider this objective complete.
Identify your regionally/nationally significant events based on current delivery and explore a stretch target.	The Regent has included a target for the number of national/ international tours. The target increases annually from 30, 33, 38.	Officers to work with the Regent to explore a stretch target for events for next year.
SOI should include the Economic Impact reporting model.	Mentioned as the first activity under Objective 2.	Work with Council officers to progress through the CCO Managers Steering Group.

## Financial Commentary

5.3 The Trust Board is signalling a net deficit over the next three years.

5.4 The Trust Board has projected slightly higher current assets over its current liabilities.

5.5 The Trust Board has projected deficit net cash flow for the next 3 years.

**Table 4: Regent SOI Summary Financials**

	Budget	SOI		
Summary Financials	22/23	23/24	24/25	25/26
<b>Financial Performance</b>				
PNCC Grant	243,079	243,079	245,509	247,965
Total Revenue	871,129	906,809	924,945	943,444
Total Expenses	863,404	926,377	943,925	961,963
Net Surplus (Deficit)	7,725	(19,568)	(18,980)	(18,519)
<b>Financial Position</b>				
Current Assets	387,238	341,595	330,141	318,293
Total Assets	1,183,685	1,140,051	1,132,024	1,124,913
Current Liabilities	284,046	259,980	270,933	282,340
Total Liabilities	284,046	259,980	270,933	282,340
Equity	899,639	880,071	861,091	842,573
<b>Cash Flows</b>				
Total Net Cash Flows	22,155	(45,642)	(11,454)	(11,848)
Opening Cash	341,456	363,611	317,969	306,515
Closing Cash	363,611	317,969	306,515	294,667
<b>Financial Indicators</b>				
Current Ratio	1.36	1.31	1.22	1.13
Working Capital	103,192	81,615	59,208	35,953

## 6. NEXT STEPS

6.1 Any Committee comments on the draft SOI will be communicated in writing to the Regent.

- 6.2 The Regent will deliver their final SOI to the Culture & Sport Committee on 28 June 2023.

## 7. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do, they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 2: A Creative and Exciting City	
The recommendations contribute to the achievement of action/actions in the Arts and Heritage Plan	
The action is: Carry out regular performance monitoring and reporting of the Regent Theatre Trust	
Contribution to strategic direction and to social, economic, environmental, and cultural well-being	Receiving the six-month report allows the Council to have oversight against the previously agreed SOI.  Providing comments on the draft Statement of Intent is a mechanism for the Council to provide guidance and direction to The Regent Theatre Trust Board.

## ATTACHMENTS

1. The Regent Theatre Trust Six-Month Report - July to December 2022 [!\[\]\(9a53fe79a03d38d8322f7a2c5a875b36\_img.jpg\)](#) [!\[\]\(01f19d40f03100aa8a158c4891453b0d\_img.jpg\)](#)
2. Regent Theatre Performance Measures [!\[\]\(e08cd99387e13601e6c12f535030ab90\_img.jpg\)](#) [!\[\]\(e3c5fe615c12e7c56b62fb195faeae4a\_img.jpg\)](#)
3. The Regent Theatre Trust Draft Statement of Intent 2023-2026 [!\[\]\(6aec4d00b96dc4cf314c28b4f6a2f794\_img.jpg\)](#) [!\[\]\(db4fca45ba492d982942ae181ae25056\_img.jpg\)](#)





**Regent Theatre Trust Board**

**REPORT FOR THE HALF YEAR**

**ended 31 December 2022**

## Directory

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## Executive Summary

What a change from the previous 12 months when we were going through such challenging times just trying to survive with the future looking bleak with very few advanced bookings due to COVID. We are happy to now report that the past six months has felt like the “good old days” with a variety of events being held at the theatre. Shows that had been “waiting in the wings” returned very quickly once the Government’s restrictions were eased. The public has returned in greater numbers than what we had anticipated. We are still very mindful that we must keep our patrons, volunteers and staff safe, so we still have signs throughout the building, masks available to anyone who wants one, and hand sanitisers spread throughout the building.

Highlights during this past six months included Act 3 production of Jersey Boys finally being able to have an uninterrupted season. Also, hosting PACANZ for their six-day Mega event during October was not only successful for the theatre but had a huge economic impact for the city. An economic impact report has been commissioned for this event with the outcome of this report being available early 2023.

It is pleasing not having to report on lost days of use during this period as has occurred over the previous two years as we have had an exciting/busy time with some amazing events being held. Tribute Shows returned: (Abba, Bruce Springsteen, Johnny Cash); National Touring shows returned: (Celtic Christmas, Kevin Bloody Wilson, World of Musicals). Local schools returned for their end of year awards ceremonies, schools returned with their school productions, Competitions returned: (Highland Dance, Kapa Haka, Pasifika Fusion, Tae Pae Tamariki), and the Barbershop Convention re just a selection of our highlights of the events held over the past six months.

We continue to attend and participate in the CCOs quarterly meetings facilitated by the PNCC. We also meet monthly with the Globe theatre as their business is similar to ours in which is beneficial to both parties by working closely together.



## Working with our Friends

Contributions continue to be made by the Friends of the Regent which allows us to refresh and upgrade our equipment and improve our patrons' experiences attending the venue. During these past six months the Friends of the Regent have contributed towards the replacement of new stage drapes to the value of \$16,000.

As we continually strive to improve our service to our patrons, we have strategized ways of improving the delivery and service of our Bars to our customers. During our busy periods we now install extra "satellite bars" throughout the venue plus we have now added additional eftpos/paywave machines at each outlet. This has sped up our service immensely and has reduced the waiting times for our customers during the limited time that we have to maximise our sales.

We are indebted to the Friends of the Regent for their valuable support, not just financially, but for their time and enthusiasm. The Friends are an integral part of day-to-day theatre operations, not only providing bar service but warm welcoming ushering and front of house services. We are working together with the Friends especially during these ever-changing times to not only look at how we can further improve guests' experiences but also to continue to keep both themselves and our customers safe within the venue.

## Co-operation with Community Events

The Board's commitment to ensure that the theatre remains accessible to our community hirers continues. This is achieved primarily through the theatre's supportive community pricing rates, which is assisted by Council funding. Community use has been especially important during this period given the restrictions and inability to hire the Theatre during COVID. It is very pleasing to have schools, plus local dance groups enthusiastically return to the Regent for their events.

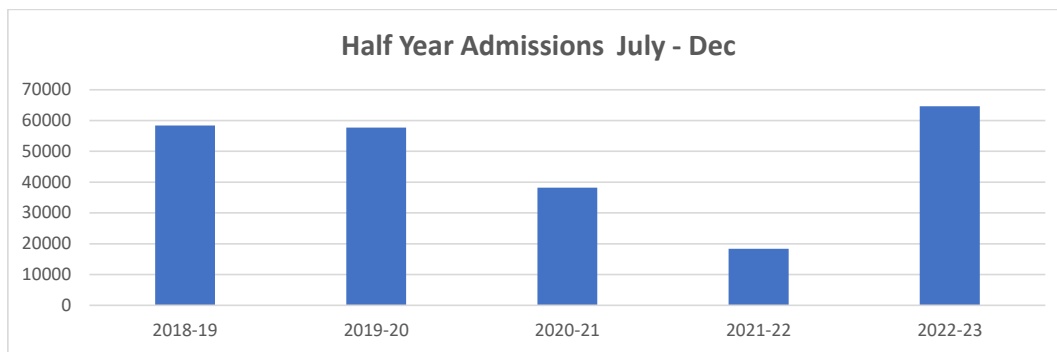
The Regent on Broadway Management and Trust Board sees this support from the PNCC as a key investment in the development and the future of the performing arts in our city.

## Patronage and Theatre Usage

**Summary of Patronage** (monitors number of people coming to the Theatre):

Half Year to 31 December 2022	64,654
Half year to 31 December 2021	18,348
Half year to 31 December 2020	38,190
Half year to 31 December 2019	57,725
Half year to 31 December 2018	58,361

The effects of COVID could be clearly seen as the attendance figures below show the rapid decline in attendances following December 2019 when the pandemic first started to have an impact within the country. This impact continued in various forms through to May 2022. We have struggled for the past two and half years with the on again off again ability in holding events. The "bounce back" since May 2022 when the restrictions were finally lifted has indeed surpassed our expectations with a six-month highest number of attendances being recorded over the past 10 years.



It was great to see the return of a variety of events during these past six months: -

#### THEATRE USAGE

	<b>Six Month Usage July - Dec</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Auditorium use	127	83	55	124
Auditorium Live nights	58	36	29	144
Rehearsal Room Hire	83	77	70	96
Regency Room Hire	25	20	2	37

A brief glance at the list below indicates some of the events that were held during this current six-month period.

#### JULY

#### Admissions

Unity Singers: Community Event	242
Te Pae Tamariki: School Competition	1710
Pasifika Fusion: Competition	2860
NZ Highland Dance Competition	3166
Glow Show	278

#### AUGUST

Jersey Boys Act Three Productions	4888
Wiggles	2539

#### SEPTEMBER

Hokowhitu School	992
Dance NZ Made	645
The Boss Tribute Show	458
Atamira Dance Company	144
Palmy Drag Fest	1289

Carncot School	476
Kairanga School	508
Barbershop Conference/Competitions	4043
Winchester School	833
Riverdale School	1072
Kevin Bloody Wilson	813
PNDA	1659

#### OCTOBER

Tina Simply the Best	242
Tutus on tour	742
PACANZ	9787
Sport Manawatu Awards	360
NZIFF Body Building Competitions	270

#### NOVEMBER

Manakura School	512
PN Girls High	817
Awatapu College	651
Urzila Carlson	736
Leaving Jackson	397
Rebel	135
Royal Czech Ballet	407
Werk it	155
Crows Feet	58
Regional Cultural Festival	837
Pax Assandi	141
Abba Tribute	679
Massey Graduation	7911
Anomally Dance	420

#### DECEMBER

World of Musicals	677
Red Star Dance	313
Carncot School Prizegiving	312
Freyberg College Prizegiving	1060
St Peter's College Prizegiving	1231
Celtic Christmas	813
Whakaronga School Prizegiving	807
St Mary's School Prizegiving	565
PN Intermediate Normal	1412
Danceworks	1522

#### Auditorium Occupancy - by total days

Statistical data below is based upon 365 operational days per year. This report includes events that are held over all spaces in the theatre. This includes main auditorium/Rehearsal Room/Regency Room

<b>2022– 2023 Auditorium Year Statistics</b>						
<b>Half year totals – THIS REPORTING YEAR (From July 2022 to Dec 2022)</b>						
Total days the Auditorium was used: 124			Total days the Auditorium was available: 184			
Professional events	16	4.3%	0.61	Events/week	2.66	Events/month
Community events	240	34,8%	9.23	Events/week	20	Events/month
Remaining days the Auditorium is available	60	60.9%			22.66	Total events per month
<b>Forecast year totals – THIS REPORTING YEAR (From Jan 2023 to June 2023) – PROJECTED</b>						
Total advance bookings for Auditorium: 81			Total days the Auditorium is available: 181			
Professional events	22	9.4%	0.65	Events/week	2.83	Events/month
Community events	42	24.3%	2.43	Events/week	10.5	Events/month
Remaining days the Auditorium is available	102	66,6%			13.33	Total events per month

### 2021 – 2022 Year Statistics

<b>Half year totals – THIS REPORTING YEAR (From July 2021 to Dec 2021)</b>						
Total days the Auditorium was used: 103			Total days the Auditorium was available: 184			
Professional events	8	4.3%	0.31	Events/week	1.33	Events/month
Community events	64	34.8%	2.46	Events/week	10,66	Events/month
Remaining days the Auditorium is available	112				11.99	Total events per month
<b>Full year totals – THIS REPORTING YEAR (From Jan 2022 to June 2022) - PROJECTED</b>						
Total days the Auditorium was used: 81			Total days the Auditorium was available: 181			
Professional events	17	9.4%	0.65	Events/week	2.83	Events/month
Community events	44	24.3%	2.43	Events/week	10.5	Events/month
Remaining days the Auditorium is available	120	66.6%			13.33	Total events per month

## Financial Position

The financial performance for this half year period has been a complete turnaround from the past few years. With the return of events the theatre has been busy, which in turn has resulted in a positive financial result. Our budget and forecasting were completed during our “dark days” when we were unaware of what the future held. Although we were trying to be optimistic it was an unknown what the 2022-23 year would bring us. With the Government finally lifting restrictions on capacities that indoor venues could hold, this was the trigger for the return of events. Shows which had been put off and delayed could now finally take place. Our forecast for total room hire within the facility for this six month period was \$78,800 with actual revenue received being \$142,620.

Ticketing revenue is currently on track to achieving our target (Received \$33,486/budget \$34,950)

Total Revenue is 22.1% above budget (\$512,305/budget \$419,582)

Our total operating expenses are slightly higher than budget (4.6%) which is to be expected by the increase in events which in turn generates more revenue but naturally incurs more costs. Actual \$399,804/Budget \$382,226.

We normally anticipate reduced income for January and February as this is traditionally due to the festive and holiday season shut down period, however with a major international act in January revenues received will offset this normally quiet period.

With the current level of business that we have experienced and the advanced bookings that we currently have it is estimated that we will meet our financial targets for the year.

The following table summarises our financial position for this half year period:

	<b>2022-23 Half year Budget</b>	<b>2022-23 Half year Actual</b>	<b>2021-22 Half year Actual</b>
Income from hire and cost recoveries	298,046	<b>388,844</b>	<b>135,901</b>
Wages Subsidy/Resurgence Payment		<b>1,800</b>	<b>82,156</b>
Expenses	382,226	<b>399,804</b>	<b>304,769</b>
Surplus (Deficit) before Council grant	(84,180)	<b>(9,160)</b>	<b>(86,712)</b>
Operating Grant from Council	121,536	<b>123,461</b>	<b>120,335</b>
<b>Surplus/(deficit) after Council Grant</b>	<b>37,356</b>	<b>114,301</b>	<b>33,623</b>

The above summary is exclusive of depreciation which for this half year was \$42,513

## Future Resourcing

The purpose of the Trust as set out in the Trust Deed is to control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu.

Maintenance of the building and ensuring that any repair work required for this heritage building is consistently monitored and being maintained. We have a close working relationship with the Palmerston North City Council on all building maintenance issues.

The Flying System replacement which was delayed due to COVID is finally scheduled to commence early January 2023. Our current ropes and wires have been in place since the theatre reopened 24 years ago, and due to wear and tear did not now comply with Health and Safety Standards.

New sets of Stage Drapes (\$32,000) were purchased and installed during November.

## Looking Forward

Forward bookings for the remainder of this year are positive with already 64 days booked (32%) for the balance of the year. Touring Shows are still enquiring for dates, and local community groups are also continuing to enquire about booking the theatre.

Covid/Omicron had a huge impact on the Arts sector over the past two and a half years and we have learned a lot during that time about being adaptable, resilient, patient and flexible. We now look forward to a more uninterrupted year and will continue to progress the Regent to ensure it remains New Zealand's leading provincial theatre.

## Performance Outcomes

The Regent Theatre Trust Board is seeking to achieve the following outcomes.

### Performance against strategic priorities for the 2022-23 half year

Summary of Key Performance Outcomes.

	Key objective for 2021/22	Outcome for this half year reporting period
1. To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatu region including recognising the role of local Tangata Whenua and the Heritage status of the building	Total number of main auditorium hires annually (days the auditorium is used), to be not less than 100 (Usage of the Auditorium includes both Performance, Packin and Packout days, rehearsals and dark days eg Days that are booked but not used (but charged for) during long run seasons)	<b>Achieved</b>
		Total auditorium hires in this half year were 124 days. With our targets being set during the Covid restrictions we set targets based on the current situation not knowing at that stage of what the future held.
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than 15.	<b>Achieved</b>
		20 National/international venue hirers in this half year. Promoters were very keen to tour once the restrictions eased.
	Total number of events overall that are held over all spaces in the theatre 280	<b>On Track</b>
		Total number of events held over all spaces in the theatre in this half years was 256. Main usage being the Rehearsal/Regency room Hire with 198 events
2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.	Further develop tours offered by the Regent for Schools and Community (to be not less than one)	<b>On Track</b>
		This will be reported at the end of the financial year with tours planned for March 2023
2. To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.	Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, (includes Royal NZ Ballet, NZSO, National and International events) not less than 12.	<b>Achieved</b>
		This half year period contained 17 variety type shows.

	Total number of tertiary graduation ceremonies held, (eg Massey Ucol et) not less than 10	<b>Achieved</b> Massey: 10 graduation ceremonies held in November.
	Total number of local school concerts held, not less than 10	<b>Unlikely to Achieve</b> 6 school productions were held during this half year. One school is booked for next 6 month period.
	Total number of school prize-giving held, not less than 15.	<b>Unlikely to Achieve</b> With the school year complete 8 schools held their prize-giving at the Theatre.
	Total number of ethnically diverse concerts and productions, both community and professionally produced, including Kapa Haka competitions World on Stage, Cultural events not less than 7.	<b>On Track</b> 4 ethnically diverse events were held during this half year.
	Assess the capability to improve the environmental footprint of the theatre by producing a professional report to PNCC (Similar to other CCOs)	<b>On Track</b> Report currently produced and presented to Regent Trust Board.
3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.	Total attendances including Ticketed and non-ticketed events held, not less than 75,000.	<b>On Track</b> Due to the unexpected number of events following the lifting of the Covid Restrictions, attendances have been amazing with 65,102 attending the theatre during this half year
	Total Audience attendance split to all events Community 70%/Commercial 30%	<b>On Track</b> Currently Community 80 Commercial 20%
	Number of seats sold per PNCC companion card not less than 10	<b>On Track</b> Currently 9 seats sold per PNCC Companion card.
	Commitment to bi-culturalism and cultural diversity by supporting Whanau, Hapu and Iwi to create and deliver arts experience. Target 1 visit.	<b>Achieved</b> The Staff, Trust Board members and Friends of the Regent visited Te Rangimarie to learn more how to approach cultural events.

### Financial Performance Against Forecast Budget for 2022-23 Financial Year

Report for half year performance to 31 December 2022	Actual Outcome for half year to 31 December 2022	Forecast Budget for Half year to 31 December 2022	Actual Outcome for half year to 31 December 2021
<b>Income: Theatre Operations</b>			
Commissions (merch)	2,131	2,100	
Advertising recoveries	87	2,100	2,506
Interest	2,516	996	383
Other room hire	14,895	4,300	5,220
Other recoveries and hireage	206,194	118,946	70,096
Theatre hireage	127,726	74,500	37,940
Ticketing Centre	33,487	34,950	20,012
PNCC operating grant	123,469	121,536	120,335
Wage Subsidy	1,800		68,852
Resurgent Payments			13,304
Bequest – Pat Snoxell	50,000		
<b>TOTAL INCOME</b>	<b>562,305</b>	<b>419,582</b>	<b>338,648</b>
<b>Expenditure: Theatre Operations</b>			
Audit	(5,000)		
Accounting	12,833	10,750	13,365
Insurance			
General operating costs	89,977	80,201	49,632
Recoverables	102,139	84,125	43,578
Marketing	3,680	5,150	5,581
Office expenses	867	2,000	748
Personnel costs incl Front of House casuals	163,420	181,120	142,845
<b>Ticket Centre</b>			
Operating costs	2,487		4,902
Marketing		320	320
Personnel (wages)	18,364	18,560	23,111
Retail/Admin premises lease and rates	216		
<b>Conference Attendance</b>	1,306		
<b>TOTAL EXPENDITURE</b>	<b>390,289</b>	<b>382,226</b>	<b>284,082</b>
<b>Operations Surplus (Deficit)</b>	<b>172,016</b>	<b>37,356</b>	<b>54,565</b>
Depreciation (principally donated assets)	42,513		41,746
<b>Surplus (Deficit) after Depreciation for Theatre Operations</b>	<b>129,503</b>	<b>37,356</b>	<b>12,819</b>
<b>Other Income/Expense (Not included in annual budget)</b>			
Transfer to Pat Snoxell Reserve	50,000		
<b>TOTAL Surplus (Deficit) Regent Theatre Trust</b>	<b>79,503</b>	<b>37,356</b>	<b>12,819</b>



## Financial Position for the Half Year to 31 December 2022

	Financial position to 31 December 2022	Budget 31 December 2022	Financial position to 31 December 2021
<b>ASSETS</b>			
Current Assets			
Chequing/Savings	365,423	111,696	202,461
Total Chequing/Savings	365,423	111,696	202,461
Accounts Receivable			
Accounts Receivable	(67,009)	8,958	8,886
Total Accounts Receivable	(67,009)	8,958	8,886
Other Current Assets			
Settlement Funds for performance cancellation	3,664		
Accrued Interest	772		
Prepayments	5,939	3,400	6,801
Term Deposits	184,658	185,296	186,070
Term Deposits – Pat Snoxell	50,080		
Total Other Current Assets	245,113	188,696	192,871
<b>Total Current Assets</b>	<b>543,527</b>	<b>309,350</b>	<b>404,219</b>
<b>Total Fixed Assets</b>	<b>587,364</b>	<b>449,270</b>	<b>567,118</b>
<b>TOTAL ASSETS</b>	<b>1,130,891</b>	<b>758,620</b>	<b>971,336</b>
<b>LIABILITY AND EQUITY</b>			
Current Liabilities			
Accounts payable	48,425	49,481	43,264
Total Accounts Payable	48,425	49,481	43,264
Other Current Liabilities			
Audit and Accounting Accrual	36,500	10,519	32,321
Holiday Pay Accrual	21,904	27,110	
GST Tax Payable	3,197	5,496	(7,770)
Income in Advance	12,350	17,615	22,200
PAYE Payable	9,501	9,000	9,722
Ticketek funds	2,475	4,870	1,119
Income in Advance - Palmy Companion Card (Grant)	1,520		
Total Other Current Liabilities	87,447	74,610	57,592
Total Current Liabilities	135,872	124,091	100,856
<b>TOTAL LIABILITIES</b>	<b>135,872</b>	<b>124,091</b>	<b>100,856</b>
<b>EQUITY</b>			
Maintenance Reserve	150,000	150,000	150,000
Piano Fund Equity	41,449	41,449	41,449
Pat Snoxell Legacy Reserve (Bequest)	50,000		
Regent on Broadway Promotions	74,338	74,338	74,338
Retained Earnings	599,729	331,386	591,874
Net Income	79,503	37,356	12,819
<b>Total Equity</b>	<b>995,019</b>	<b>634,529</b>	<b>870,480</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,130,891</b>	<b>758,620</b>	<b>971,336</b>

## Financial of Cashflow for the Half Year to 31 December 2022

	Actual 31 December 2022 \$	Budget 31 December 2022 \$	Actual 31 December 2021 \$
Cash flows from operating activities			
Cash was provided from:			
Receipts of Council funding	123,469	121,540	119,143
Interest receipts	2,516	1,000	2,121
Donations and Grants	480		2,844
Receipts from operations	341,135	320,824	293,332
Covid-19 Wages Subsidy	1,800		17,782
	469,400	443,364	435,222
Cash was applied to:			
Payment to suppliers and employees	439,137	414,474	443,187
GST (net)	9,342	32,885	(25,076)
	448,479	447,359	418,111
Net cash flows from operating activities	20,921	(3,995)	17,111
Cash flows from investing and financing activities			
Cash was provided from:			
Receipts from sale of investments	50,434		
	50,434		
Cash was applied to:			
Payments to acquire investment			
Payments to acquire property, plant and equipment	47,388		
	47,388		
Net cash flows from investing and financing activities	3,046	(3,995)	
Net increase (decrease) in cash for the year	23,967	(3,995)	17,111
Add opening bank account and cash	341,456	115,691	185,351
Closing bank accounts and cash	365,423	111,696	202,461

Regent Theatre - Six Month Performance 2022-23	Annual Target 2022-23	6- month performance as at 31/12/22	% of annual target at 6 month mark	Officer's comment
<b>1. To be a venue for exciting community and performing arts experiences</b>				
Total number of main auditorium hires annually	100	124	124%	Achieved
Total number of main auditorium national/international venue hirers annually	15	20	133%	Achieved
Total number of events overall that held over all spaces in the theatre	280	256	91%	On track
Further develop tours offered by the Regent for Schools and Community	1	N/A		Ongoing report at end of financial year.
<b>2. To engage in effective collaboration with out stakeholders and clients, enabling the best customer experiences.</b>				
Total number of variety type shows such as tribute concerts and professional performers from the commerical sector	12	17	142%	Achieved
Total number of tertiary graduations ceremonies held	10	10	100%	Achieved
Total number of local school concerts	10	6	60%	Unlikely to achieve - only one school concert booked in the next 6 month
Total number of school prize-givings	15	8	53%	Unlikely to achieve - school year finished.
Total number of ethnically diverse concerts and productions (both community and professional)	7	4	57%	On track
Assess the capability to improve the environmental footprint of the theatre by producing a professional report to PNCC (Similar to other CCOs)	Produce a professional report to PNCC	In progress	N/A	On track - Report produce and presented to Regent Board
<b>3. To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.</b>				
Total attendance to all events held.	75,000	65,102	87%	On track
Total Audience attendance split to all events Community 70%/Commercial 30%	70/30	80/20		On track
Number of seats sold per PNCC companion card not less than 10	10	9	90%	On track
Commitment to bi-culturalism and cultural diversity by supporting Whanau, Hāpu and Iwi to create and deliver arts experience.	1	1		Achieved

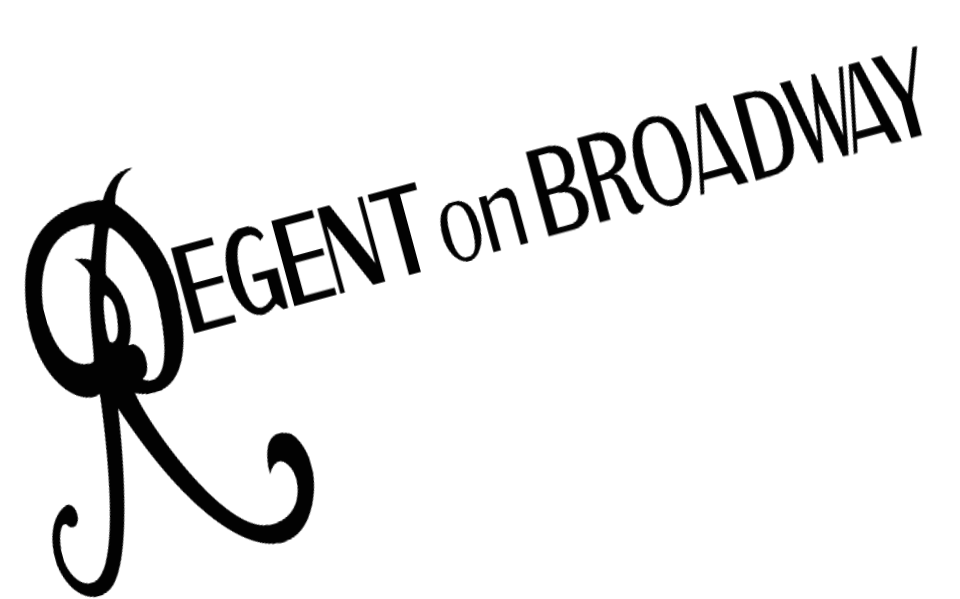
 Not achieved  
 On track/achieved



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## STATEMENT OF INTENT

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2023 - 2026

THE REGENT THEATRE TRUST

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## OUR DIRECTORY

Come and see us at:	53 Broadway Palmerston North New Zealand
Mail, Phone us at:	PO Box 1723 Palmerston North Phone (06) 3502100
Email and web addresses are:	<a href="mailto:manager@regent.co.nz">manager@regent.co.nz</a> <a href="http://www.regent.co.nz">www.regent.co.nz</a>
Registered office of the Trust:	c/- Palmerston North City Council Civic Administration Building The Square PO Box 11-034 Palmerston North
Accountants	BDO Central (NI) Limited
Legal Advisers	Fitzherbert Rowe Lawyers
Bankers	ANZ Bank New Zealand Limited
Auditors	Audit New Zealand on behalf of the office of the Auditor General
General Manager	David Walsh
Trust Board	David Lea (Chairperson) Phil Payton (Deputy Chairperson) Kane Parsons Mark Mabbett Neil Ulrich Tania Kopytko Tessa Lothead

### Legal Status

The Regent Theatre Trust is a Council Controlled Organisation (CCO) for the purpose of the Local Government Act 2002 and operates as a Charitable Trust under the Charitable Trust Act 1957, Reg No CC41202. The theatre trades as the "Regent on Broadway" and is a not-for-profit CCO.

## Chairperson's Introduction

Since reopening in May 1998, the Regent on Broadway has established itself as one of the most active, prestigious, provincial venues for hire for live theatre in New Zealand. The focus of this Statement of Intent will be to consolidate and enhance this position. The plan for the three years ending June 2026 is to build on this success and, where possible, endeavor to increase the use of the venue to help make the city's vision a reality.

The Regent on Broadway is by New Zealand and international standards, a large, splendid, historic, traditional proscenium arch theatre which provides grandeur and performance possibilities for large audiences and a professionally high level of staging and technical capability. We provide the city with the jewel in the crown within performing arts facilities.

The financial implications of Covid-19 and its variants has made the past couple of years challenging times. It is difficult to forecast the continuing future effects that this pandemic will have on our industry but, we remain committed to the financial sustainability and aspirations of this SOI

### Purpose of this Statement of Intent

The Regent Theatre Trust is governed by its Trust Deed, which describes the purpose of the Trust as follows: *"To control, develop, promote, enhance and maintain the Regent Theatre so that it may be utilised and enjoyed by the inhabitants of the Manawatu area"*.

This Statement of Intent is presented by Regent Theatre Trust in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this annual Statement of Intent publicly states the activities and intentions of Regent Theatre Trust for the three-year period ending June 2026, and the objectives to which those activities will contribute.

This Statement of Intent takes the Palmerston North City Council Vision Statement into consideration and includes performance measures and targets as the basis of organisational accountability.

## About the Regent Theatre Trust

### Vision statement:

*To provide the most vibrant theatre going experience in an unforgettable venue of classical grandeur.*

### Mission statement:

The Regent on Broadway will be the preferred local venue of choice for international, national and local performing arts experiences that cater to culturally diverse people of all ages.

The Regent on Broadway will be maintained and preserved as a valuable historic venue.



## Purpose Statement

To manage, develop, promote, enhance and maintain the Regent on Broadway as a historic building and theatre so that it may be used and enjoyed by the people of the Manawatu region and wider.

The Regent on Broadway will be maintained and preserved as a valuable historic venue. The Regent on Broadway will be the preferred local venue of choice for international, national, and local performing arts experiences that cater to diverse people of all ages.

## Values:

- **Stewardship** - a commitment to quality care and oversight of the historic venue and its contents, heritage value and uniqueness and significance to the region.
- **Accountability** - through transparency, effective legal and financial management.
- **Integrity** - in maintaining high standards in a consistent way in accordance with ethically sound Principles, policies and actions.
- **Innovation** - continuous improvement through responding to change in an agile and responsive Manner.
- **Customer focused service** - ensuring that our contact with clients and patrons is always welcoming and hospitable, signifying a genuine commitment to providing a quality experience.

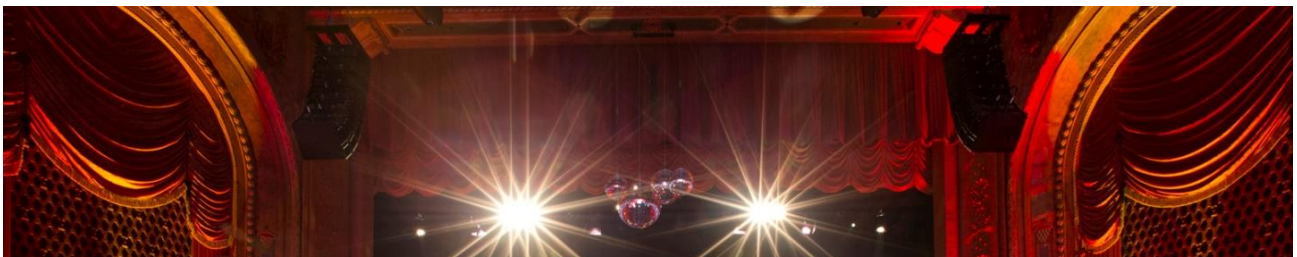
## Governance:

The Regent on Broadway is governed by the Regent Theatre Trust Incorporated. The Trust is governed by a Board of Trustees. The Board of nine trustees is responsible for the strategic direction and control of Regent Theatre Trust activities. The Board guides and monitors the business and affairs of Regent Theatre Trust in accordance with the Regent Theatre Trust Deed and this Statement of Intent. The Board also aims to reflect the diversity of the city and surrounding district.

The Board's approach to governance is to adopt "best practice" with respect to:

- The operation and performance of Trustees
- Providing ongoing support for the General Manager
- Being accountable to all stakeholders and reporting to the Palmerston North City Council

The General Manager is responsible to the Regent Theatre Trust Board for the day-to-day operations of the Regent on Broadway.



## City vision statement

Palmerston North is the heart of the Manawatū region within central New Zealand. We are a Provincial city with a lot to offer, and we're ambitious about where we're going. The city's vision is Palmerston North: Small city benefits, big city ambition.

Palmerston North City Council has identified five strategic goals for achieving this vision:

**Goal 1:** An innovative and growing city.

**Goal 2:** A creative and exciting city.

**Goal 3:** A connected and safe community.

**Goal 4:** An eco-city.

**Goal 5:** A driven and enabling Council.

The Regent on Broadway plays a critical part in contributing to the City vision of 'Small city benefits, big city ambition', particularly Goal 2. This Goal supports a creative and exciting city – A city that draws inspiration from the diversity within its culture and creates a vibrant urban environment that attracts creative and clever people, and nurtures creative talent.

The activities of the Regent help to build Palmerston North's national and international reputation as a creative and exciting place to live, work, study, and play. The Regent on Broadway and the Palmerston North City Council work collaboratively to ensure decisions and activities reflect the ambitions of the city and its residents.

We do this by supporting vibrant and healthy communities; the development of sustainable practice within our local performing arts; the development of connected and safe communities so that all sections of our community may enjoy the wonder of theatre and performance; environmental sustainability; and securing the future of the venue.

## Strategic objectives

The Theatre's three strategic objectives have been developed to enable the Regent on Broadway to achieve its vision.

**Objective 1.** To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua and heritage status of the building.

**Objective 2.** To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.

**Objective 3.** To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

## Activities

The Regent on Broadway works to provide a mix of diverse performance, talent, and entertainment. This builds on the reputation that Palmerston North is a vibrant, creative, and exciting city and aligns with the theatre's operational strategy to explore new ways of attracting high quality performances and increasing diverse community use.

To achieve its Strategic Objectives, the Board will undertake a range of activities during the next three years.

**Objective 1.** To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawātū region including recognising the role of local Tangata Whenua and the Heritage status of the building.

The Regent on Broadway will support this objective by:

- Programming regional, national and international performance.
- Enabling diversity of peoples to come together for performing arts, cultural events, and community celebrations – such as commercial and community shows, graduations, arts, cultural and educational events.
- Ensuring that we support both inclusive and diverse community events, and that we create and deliver arts experiences for whanau, hapu and iwi with the support for Rangitanenuiaraawa.
- To continually enhance and expand the project for the Regent on Broadway, pre-European to present day with collaboration with Rangitane and local Historians.
- Encouraging local primary, intermediate and secondary schools, dance schools, music schools, also theatre educators and theatrical groups to take advantage of the theatre's significant capabilities and resources as a performance and learning space in respect to all aspects of the performing arts.
- Providing a well-resourced and well-equipped amenity to attract a wide range of performances and events to the city
- Ensuring that we continue to progressively improve and add to our current resources seeking funding from both the Friends of the Regent and/or other funding sources.
- Providing a specialised performance venue, which provides professional technical and Marketing advice and support.

**Objective 2.** To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.

The Regent on Broadway will support this objective by:

- Actively contributing to the CCO Managers steering group and with Council Officers to explore activities such as a one-stop front of House booking operation and collaborating with other CCOs and PNCC Venues before renewing any contractually agreements with ticketing services and develop an Economic Impact report for regional/nationally significant events.
- Consolidating and nurturing relationships with national and international promoters and national cultural icons (such as the Royal New Zealand Ballet, the New Zealand Symphony Orchestra and Creative New Zealand) so that the Regent on Broadway is a principal venue of choice when considering their programming each year.
- Ensuring continued communication with diverse audiences
- Establishing and nurturing strong relationships with all local and regional theatre, dance, and entertainment groups in the view to supporting productions of significance and to maintaining and

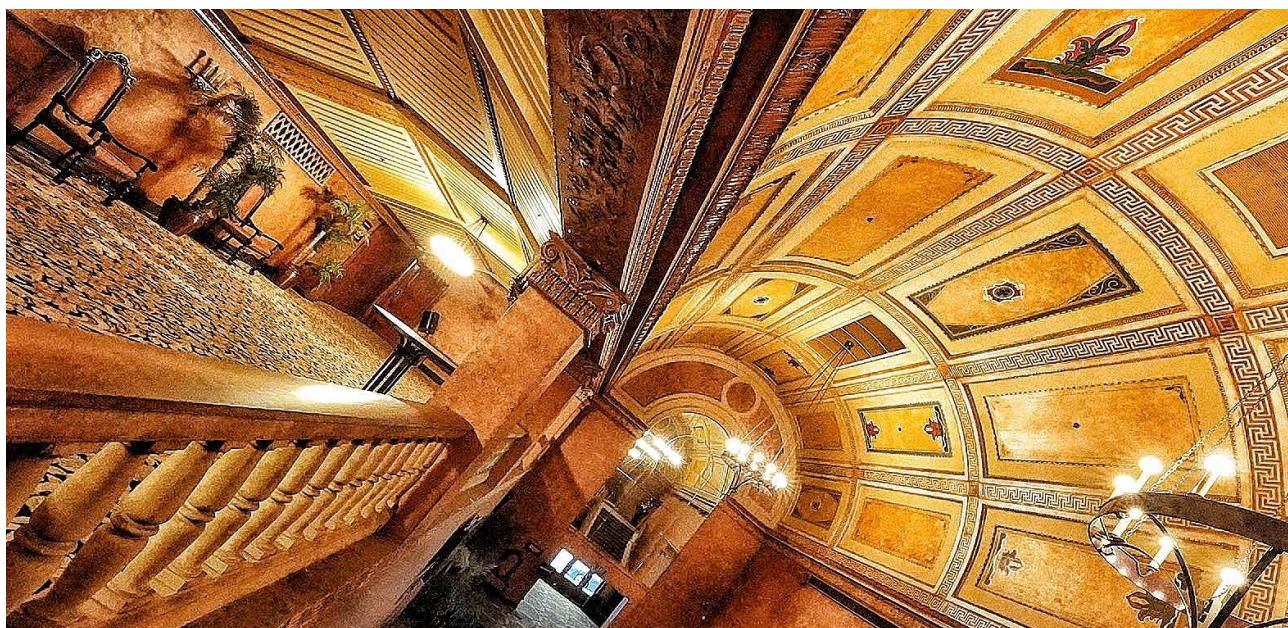
operating an entrepreneurial fund to procure these and other events (by production participation) that would not otherwise come to the Regent on Broadway.

- Review the customer service survey platform and act on findings.
- Reducing employees cost liabilities by management of all leave procedures.
- To report on the recommendations in the Regent on Broadways 2022 Greenhouse Gas Emissions Inventory Report to comply with the Palmerston North City Councils Strategy target of a 30% reduction in CO2 emissions by 2031.
- Work with Council Officers to develop new performance measures.

**Objective 3.** To engage with diverse audiences via a marketing and promotion strategy that is continually developing and responding to regional demographics and artistic/cultural trends.

The Regent on Broadway will support this objective by:

- Supporting events by establishing professional marketing strategies, resources, tools and e platforms – such as Facebook, Instagram and a well-appointed web site.
- Developing and aligning promotional and marketing strategies to the vision, goals and principles of PNCC, *especially Goal 2: A creative and exciting city.*
- Identifying key client audiences, and prioritising and scheduling targeted material and effective communication. This includes:
  - Advertising, e-newsletters and Facebook
  - Developing a calendar of media opportunity and identifying key staff and Board Members as media spokespeople.
  - Obtaining or providing e-media and promotional training and policies and guidelines as required.
  - Updating media release contacts and templates as required
  - Updating process for media enquiries as required.
- Maintaining the website ensuring that it continues to stimulate interest.
- Undertaking relevant statistical and audience demographic data analysis to determine future trends and target audiences.



## Performance measures

Objective	Performance Measure	Actual	Target			
		2021/22	2022/23	2023/24	2024/25	2025/26
To be a venue for exciting community and performing arts experiences for the people of Palmerston North and the wider Manawatū region including recognising the role of local Tangata Whenua and the Heritage status of the building.	Total number of main auditorium hires annually (days that the auditorium is used), to be not less than. – (usage of the Auditorium includes both Performance, Pack-in and Pack-out days, Rehearsals and Dark Days e.g. days that are booked but not used (but charged for) during long run seasons)	95	100	180	190	210
	Total number of main auditorium national/international venue hirers (actual live performances), to be not less than.- includes all touring shows from both Overseas and NZ Artists.	9	15	30	33	38
	Total number of events overall that are held over all spaces in the theatre. This includes Main Auditorium/Rehearsal Room/Regency Room.	257	280	350	370	400
	Further develop tours offered by the Regent, for schools, and community (to be not less than)	1	6	8	10	10
To engage in effective collaboration with our stakeholders and clients, enabling the best customer experience.	Total number of variety type shows such as tribute concerts and professional performers from the commercial sector, (Includes Royal New Zealand Ballet, NZSO, National & International events) not less than.	8	12	16	18	20
	Total number of tertiary graduation ceremonies held, not less than e.g. Massey University, Ucol, etc	nil	10	14	15	16
	Total number of local school concerts held, not less than	3	10	12	13	13
	Total number of school prize-giving held, not less than.	5	15	10	12	14



## How we operate

The Regent Theatre Trust is committed to ensuring sound Governance and guidance in financial, legal, compliance, operational, management, and most of all, Health and Safety systems, and to ensure procedures are in place and reported against on a regular basis. The Trust ensures key policies and documentation are reviewed in accordance with the Trust's annual schedule, including:

- Insurance policies
- Venue and Employment Contracts
- Memorandums of understanding
- Operational Policies
- Health and Safety Policies, procedures, and documentation
- Staff reviews

The review of personnel resourcing is being undertaken to ensure the Regent on Broadway is meeting the needs of new marketing initiatives and progressive methodology in theatre operations, within the current restraints. The Trust continues to work towards sustainable environmental practice such as recycling, replacing disposable with reusable and energy reduction.

Staff training occurs in all areas of theatre operations and is reviewed on a regular basis:

- ETNZ guidelines in theatre technical operations and safe working practices.
- New Zealand Certificate in Entertainment and Event Operations
- Marketing with a specific focus to supporting social media requirements.
- Health and Safety in all areas of theatre operations.

The Regent Trust Board undertakes a review and implementation of a 3 yearly Strategic Plan

## Recognising volunteer input and support

The Trust recognises its volunteers by:

- Liaising with the Friends of the Regent and encouraging the Friends in their activities of theatre assistance, event hosting, ushering and fund-raising. The Trust works to support and nurture the input by the Friends and all volunteers and to recognise the value of the contribution to venue operational requirements.
- Maintaining the excellent communications and the goodwill that has been established between the Friends' elected volunteer supervisory/management team that works alongside venue operations with the objective of continuing to maintain and improve venue hospitality, ushering and catering.
- Attracting and nurturing volunteers that possess the knowledge and skills required to deliver the high level of experienced guidance needed for good and successful governance.





## Working together

The preparation and approval of annual budgets that observe clear financial objectives and to prepare 3-year income and expenditure forecasts to meet statutory obligations and thereby informing our stakeholders of potential future financial outcomes.

The Regent will work in a collaborative manner with Council to ensure that the Regents policies and decisions represent the best interest of the Council and ultimately the ratepayers. The Regent will work with other Council Officer's in progressing through the CCO Managers Steering Group the following: to explore ways of working closer together in a more combined and efficient manner. This includes Marketing, Booking systems, ticketing contracts and economic reporting models.

We will continue with ongoing engagement with the Council, both at a governance and operational level, to ensure that all parties are well-informed of each other's mandate and priorities. This may include engagement between Elected Members and the Trust and between senior managers in both organizations,



The Board will advise Council regularly of its performance, implications for future performance, and risks and opportunities faced by the organization (including Covid-19 related risks).

Adhering to a “no surprises” approach to communications ensuring that Council will be fully informed on all matters that are likely to attract significant public interest, or which may require a Councils response.

### Half-yearly report

By the end of February each year the Regent Theatre Trust will provide the Council with a half-yearly report complying with s 66 of the Local Government Act 2002. The report will include the following information:

- Manager’s commentary on operations for the relevant six-month period.
- Comparison of the Regent on Broadway’s performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Unaudited half-yearly financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity and statement of cash flows.

### Annual report

By 30th September, each year the Regent Theatre Trust will provide the Council with an annual report complying with ss 67–69 of the Local Government Act 2002. Financial statements and audit clearance will be undertaken in early August to ensure timely availability of PNCC’s annual report.

The annual report will contain the information necessary to enable an informed assessment of the operations of the Regent on Broadway and will include the following information:

- Commentary on operations for the year.
- Comparison of the Regent on Broadway’s performance to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Financial statements incorporating a statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows, statement of accounting policies and notes to the accounts.
- Auditor’s report on the financial statements and the performance targets.

### The Regent Theatre Trust

The Regent Theatre Trust is established and governed by The Regent Theatre Trust Deed, available on request.

#### SIGNATURES

This Statement of Intent was approved by The Regent Theatre Trust on:

Date:

Signed:

David Lea  
Chairman  
The Regent Theatre Trust

BACKED BY BDO

[www.bdo.nz](http://www.bdo.nz)



**REGENT ON BROADWAY**

**CASHFLOW FORECAST REPORTS**

For the year ended 2023 to 2026





## Regent Theatre Trust Board

### Accountants' Statement - Disclaimer of Liability

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#### Scope

We have compiled the financial projections of Regent Theatre Trust Board for the periods ending 30 June 2023 -30 June 2026 on the basis of information provided to us by the Board in accordance with Service Engagement Standard No 2: Compilation of Financial Information issued by the New Zealand Institute of Chartered Accountants.

These are special purpose financial projections. They have been prepared on a basis considered appropriate for management planning purposes only and they may not necessarily follow Financial Reporting Standard No. 29 issued by the New Zealand Institute of Chartered Accountants. Accordingly the financial projections may not be appropriate for any other purpose.

Achievement of the financial projections is dependent upon future events of which the outcomes are uncertain. The actual results may therefore vary significantly from the attached financial projections and no warranty of accuracy or reliability can be given.

We have no responsibility to update this report for events and circumstances which happen after the date of this report.

#### Responsibilities

The Board is solely responsible for the information contained in the financial projections and has determined that the assumptions adopted and financial reporting framework used are appropriate to meet their needs and the purpose that the financial projections were prepared.

The financial projections were prepared exclusively for the Boards benefit and we do not accept responsibility to any other person for the contents in them.

#### No audit or review engagement undertaken

Our procedures use accounting expertise to undertake the compilation of the financial projections from information provided to us by the Board. They do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

#### Disclaimer of liability

The financial projections have been compiled for the purposes of the client only, at their request, and neither we nor any of our employees accept any responsibility of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.



BDO Manawatu Limited  
Chartered Accountants and Advisers  
32 Amesbury Street  
Palmerston North 4410  
20 February 2023

RegentTheatre Trust Board  
Statement of Financial Performance  
For the year ended 30 June 2023 to 30 June 2026

	<u>Actual '2021-22</u>	<u>Budget '2022-23</u>	<u>Projected '2023-24</u>	<u>Projected '2024-25</u>	<u>Projected '2025-26</u>
<u>TRADING ACCOUNT</u>					
Theatre Operations and Recoveries	179,005	389,800	412,980	421,240	429,664
Regent on Broadway Promotions	-	85,000	85,000	86,700	88,434
Event Ticketing Centre	26,029	65,000	66,300	67,626	68,979
Palmerston North City Council Funding	401,712	243,079	245,509	250,419	255,428
Donations and grants received for capital expenditure	27,172	86,250	90,000	91,800	93,636
Donations from Friends of the Regent	-	-	-	-	-
Government subsidy	69,452	-	-	-	-
Total Trading Income	703,370	869,129	899,789	917,785	936,140
Gross Income	703,370	869,129	899,789	917,785	936,140
<u>Add Other Income</u>					
Interest Received	1,768	2,000	7,020	7,160	7,304
Total Other Income	1,768	2,000	7,020	7,160	7,304
	705,138	871,129	906,809	924,945	943,444
<u>LESS EXPENSES</u>					
Theatre Operations	189,949	218,425	237,885	242,643	247,496
Employee related expenses	415,075	509,240	535,500	546,210	557,134
Regent on Broadway promotions	-	57,570	75,000	76,500	78,030
Event Ticketing Centre	8,163	10,401	10,000	10,200	10,404
	613,187	795,636	858,385	875,553	893,064
Surplus/(deficit) before depreciation	91,951	75,493	48,424	49,392	50,380
Less Depreciation	84,447	67,768	67,992	68,372	68,899
Surplus/(deficit) from trading	7,504	7,725	(19,568)	(18,980)	(18,518)
Taxation	-	-	-	-	-
Net Surplus/(deficit) after tax	7,504	7,725	(19,568)	(18,980)	(18,518)

ACCOUNTANTS REPORT

This Statement has been prepared by us for the above client from records, information and instructions furnished by our client.  
As our instructions did not include an Audit, we have not audited the statement and therefore neither we nor any of our employees accept any responsibility for the accuracy of the material supplied from which the accounts have been prepared.  
Further, the Statement has been prepared at the request of and for the purpose of our client and neither we nor any of our employees accept any responsibility on any ground whatever to any person.

RegentTheatre Trust Board  
Statement of Forecast Cashflows  
For the year ended 30 June 2023 to 30 June 2026

	<u>Actual '2021-22</u>	<u>Budget '2022-23</u>	<u>Projected '2023-24</u>	<u>Projected '2024-25</u>	<u>Projected '2025-26</u>
<u>OPERATING CASHFLOWS</u>					
<u>CASH INFLOWS</u>					
Income Banked	835,091	999,498	1,034,757	1,055,452	1,076,562
Interest Received	1,385	2,000	7,020	7,160	7,304
Total Cashflow Inflows	836,476	1,001,498	1,041,777	1,062,613	1,083,865
<u>CASH OUTFLOWS</u>					
Theatre Operations	226,338	251,189	273,568	279,039	284,620
Employee related expenses	415,074	509,240	535,500	535,500	546,210
Regent on Broadway promotions	-	66,206	86,250	87,975	89,735
Event Ticketing Centre	8,163	11,961	11,500	11,730	11,730
Total Cash Outflows	649,575	838,595	906,818	914,244	932,294
Total Operating Cashflows	186,902	162,903	134,960	148,369	151,571
=====					
<u>NON OPERATING CASHFLOW</u>					
Asset Purchases	87,016	76,188	80,500	82,570	84,681
GST Paid IRD	(56,219)	64,560	100,102	77,253	78,738
Total Non Operating Cashflows	30,797	140,748	180,602	159,823	163,419
=====					
<u>CHEQUE BANK ACCOUNT</u>					
Opening Balance	185,351	341,456	363,611	317,968	306,514
Savings and Investments Income	-	-	-	-	-
Add Operating surplus / (deficit)	186,902	162,903	134,960	148,369	151,571
Add Non-operating surplus / (deficit)	(30,797)	(140,748)	(180,602)	(159,823)	(163,419)
Closing Balance	341,456	363,611	317,968	306,514	294,666
=====					

ACCOUNTANTS REPORT

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RegentTheatre Trust Board  
Statement of Financial Position  
For the year ended 30 June 2023 to 30 June 2026

	Actual '2021-22	Budget '2022-23	Projected '2023-24	Projected '2024-25	Projected '2025-26
CURRENT ASSETS					
Bank Trading Accounts	341,456	363,611	317,968	306,514	294,666
Accounts receivable	17,688	17,688	17,688	17,688	17,688
Prepayments	5,939	5,939	5,939	5,939	5,939
	365,083	387,238	341,595	330,141	318,293
INVESTMENTS	186,532	186,532	186,532	186,532	186,532
FIXED ASSETS	611,433	609,915	611,924	615,351	620,088
TOTAL ASSETS	1,163,048	1,183,685	1,140,051	1,132,024	1,124,913
CURRENT LIABILITIES					
GST balance	23,827	36,739	12,673	12,916	13,164
Accounts payable	96,585	96,585	96,585	107,295	118,454
Deposits in advance	150,722	150,722	150,722	150,722	150,722
	271,134	284,046	259,980	270,933	282,340
TOTAL LIABILITIES	271,134	284,046	259,980	270,933	282,340
NET ASSETS	891,914	899,639	880,071	861,091	842,573
Equity					
Opening balance	884,410	891,914	899,639	880,071	861,091
Income for the year	7,504	7,725	(19,568)	(18,980)	(18,518)
TOTAL SHAREHOLDER FUNDS	891,914	899,639	880,071	861,091	842,573

ACCOUNTANTS REPORT

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## COMMITTEE WORK SCHEDULE

TO: Culture & Sport Committee

MEETING DATE: 19 April 2023

TITLE: Committee Work Schedule

### RECOMMENDATION TO CULTURE & SPORT COMMITTEE

1. That the Culture & Sport Committee receive its Work Schedule dated April 2023.

COMMITTEE WORK SCHEDULE – APRIL 2023					
Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Clause number
1.	April 2023	Update on the Artist in Residence Scheme accommodation	Chief Customer Officer	Progress ongoing. If necessary will be brought to Annual Budget deliberations	10 August 2022 Clause 19
2.	April 2023	Covered Bowling Green feasibility study—update for Programme 1891	Chief Planning Officer/Chief Infrastructure Officer		17 August 2022 Clause 23-22
3.	April 2023	Six Month Performance Report—Te Manawa, The Globe and The Regent	Assistant Chief Executive		Terms of Reference
4.	April 2023	Draft Statement of Intent 2023-2026—Te Manawa, The Globe and The	Assistant Chief Executive		Terms of Reference

		<del>Regent</del>			
5.	April 2023	Consideration of Council land options for an artificial football turf	Chief Customer Officer	Considered at Council meeting on 5 April 2023	8 March 2023 Clause 8.2
6.	June 2023	Annual report from PN Public Sculpture Trust	Assistance Chief Executive		Council 29 April 2019 Clause 36.4
7.	June 2023	Final Statement of Intent 2023-26 - Te Manawa, The Globe and The Regent	Assistant Chief Executive		Terms of Reference
8.	June 2023	Feasibility of siting a Chinese Garden within the Victoria Esplanade	Chief Infrastructure Officer		Committee of Council 9 June 2021 Clause 28.29-21
9.	June 2023	Annual progress report on the development of heritage themes, including military heritage, across Council programmes	Chief Planning Officer		10 August 2022 Clause 17.2
10.	June 2023	Report to identify and assess ongoing funding arrangement options for PN Public Sculpture Trust, and options for public input to inform the Trust's planning of type and location of future installations	Chief Customer Officer		10 August 2022 Clause 14.2

11.	June 2023	Investigate options to change the City's coat of arms to better reflect its bicultural heritage	Assistant Chief Executive		8 March 2023 Clause 3
12.	September 2023	Annual report on Maintenance and Renewal Plans and Budgets for Cultural Facilities	Chief Infrastructure Officer		25 June 2018 Clause 19.2
13.	September 2023	Play Policy Annual Implementation Monitoring Report	Chief Customer Officer		14 April 2021 Clause 12-21
14.	November 2023	Annual Report: Sport Manawātū 2022/2023 to Palmerston North City Council	Chief Planning Officer		Terms of Reference
15.	November 2023	Aquatic Facilities – Feasibility Study	Chief Planning Officer		17 August 2022 Clause 23-22
16.	November 2023	Annual Report 2022-2023 - Te Manawa, The Globe and The Regent	Assistant Chief Executive		Terms of Reference
17.	June 2024	Development of conservation plan for Caccia Birch House and property, costed and included in the CBH Masterplan programme of work for 2023/24	Chief Infrastructure Officer		Council 2 June 2021 Clause 50.5-21

18.	June 2025	Review of in-house service delivery of Caccia Birch House	Chief Customer Officer		Council 2 June 2021 Clause 50.7-21
19.		Vegetation Framework to include a Tree Policy focused on Council administered streets and public spaces	Chief Planning Officer	Moved to Strategy & Finance work schedule	Committee of Council 9 June 2021 Clause 31.8

## ATTACHMENTS

NIL