



BAY VENUES REPORT

Prepared for
Tauranga City Council

Q3 FY25 (Jan - Mar 2025)





Executive Summary

FY25 YTD OPERATING REVENUE



\$22.44m

(↓ \$728k or 3% behind budget | ↑ \$2.57m or 13% ahead of prior year)*

FY25 YTD EBITDA



\$313k

(↑ \$129k or 70% ahead of budget | ↑ \$2.27m or 116% ahead of prior year)*

FY25 YTD NPBT (NON-FUNDED): \$202K

FY25 YTD VISITS**



1,575,594

(↓ on target, and 3.77% behind prior year)

FY25 YTD CUSTOMER SATISFACTION



86%

(↑ 1% ahead of target, same as prior year)

Welcome to the Bay Venues Q3 report for FY25.

Bay Venues demonstrated resilience and adaptability in Q3 FY25, achieving stable financial results despite ongoing and pro-longed challenging economic conditions, thanks to robust cost savings initiatives. We are pleased that these savings haven't materially impacted on levels of service and customer satisfaction results, which remain high.

Bay Venues reported a total revenue of \$22.44 million for FY25 year-to-date (YTD), which is 3% behind budget but 13% ahead year on year. FY25 EBITDA year to date was \$313k, \$129k ahead of budget. FY25 year-to-date Net Profit Before Tax (non-funded) was \$202k. These results reflect significant cost saving initiatives and re-structuring that took place proactively early in response to challenging economic conditions. The organisation is on track to achieve budget by year-end.

AQUATICS

Aquatics had a busy quarter with 216,000 visits; nearly 86,000 users visited in January alone (7,000 more than the previous year). BaySwim participation increased, and customer satisfaction was 83%, with significant community engagement through events like the Mount Hot Pools Soak 'n Sounds and Pooch in the Pool at Memorial Pool.

SPORTS & FITNESS

Sports and fitness facilities experienced a 5% decline in visitation year-on-year, primarily due to the timing of a significant annual basketball tournament. The Adams Centre for High Performance remained in high demand and overall customer satisfaction for sports & fitness was high at 90%.

COMMUNITY CENTRES & HALLS

Community Centres and Halls saw a decline in visitation, with efforts well advanced to secure new hirers to increase facility usage in Q4. Customer satisfaction was high, with positive feedback on recently refurbished facilities; four of our over 40-year-old community halls underwent much-needed refurbishment in early 2025.

EVENTS

The quarter featured a variety of successful events, including performances by The Wiggles and British comedian Sarah Millican. Mercury Baypark continues to be a key event venue for the city with the team securing several multi-year bookings in Q3. Bay Catering and Bay Audio Visual also had successful quarters, contributing positively to the overall EBITDA.

Q4

In Q4, we opened the University of Waikato Haumaru Sport & Recreation Centre in May, the first community sport and recreation facility opened in Tauranga in over a decade!

In Q4, we have also finalised our second restructure in response to Council's 8.5% reduction in our operating subsidy for FY26. Though we will be operating with less resource, we remain focused on community engagement, operational efficiency, and strategic initiatives to ensure long-term success.

Chad Hooker, CEO

Simon Clarke, Board Chair

*Tauranga City Council (our shareholder) has facilitated the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan. This operating revenue excludes Tauranga City Council renewal and interest funding.

**Numbers are at the time of reporting and are subject to minor changes over time.

Community Outcomes

VISITS*	Q3 FY24 YTD	Q3 FY25 YTD	Variance (%)
Aquatics	623,191	636,304	2%
Community Centres & Halls	265,686	229,133	-14%
Sports & Fitness	588,655	557,246	-5%
Events	157,431	152,911	-3%
Total	1,634,963	1,575,594	-4%

FY25 YTD REVENUE

\$22.44m TOTAL OPERATING REVENUE (3% BEHIND BUDGET AND 13% AHEAD OF PRIOR YEAR)**	\$5.68m TCC COMMUNITY** OPERATING GRANT	\$5.11m AQUATICS	\$3.76m SPORTS & FITNESS
	\$0.56m COMMUNITY CENTRES & HALLS	\$7.11m EVENTS & ASSOCIATED ACTIVITIES	\$0.22m BUSINESS SUPPORT

NON-OPERATING REVENUE

\$12.44m TCC RENEWALS FUNDING	\$0.82m TCC DEBT SERVICING
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Aquatic Facilities

Our five aquatic venues had a busy start to the quarter with nearly 86,000 users in January alone (7,000 more than last year). Overall Aquatics finished with 216,000 visits in Q3, worth \$1.3m. Year to date, aquatic visitors are 2% ahead year-on-year.

BaySwim hosted 2,871 participants in Q3, (reaching 7,556 YTD). BaySwim catered to 2,100 members at Baywave and 733 members at Greerton, plus delivered water safety lessons to a further 700 primary school students. This totals more than 3,500 local people learning important swimming and water safety skills this quarter.



Lifeguards training and upskilling on the job

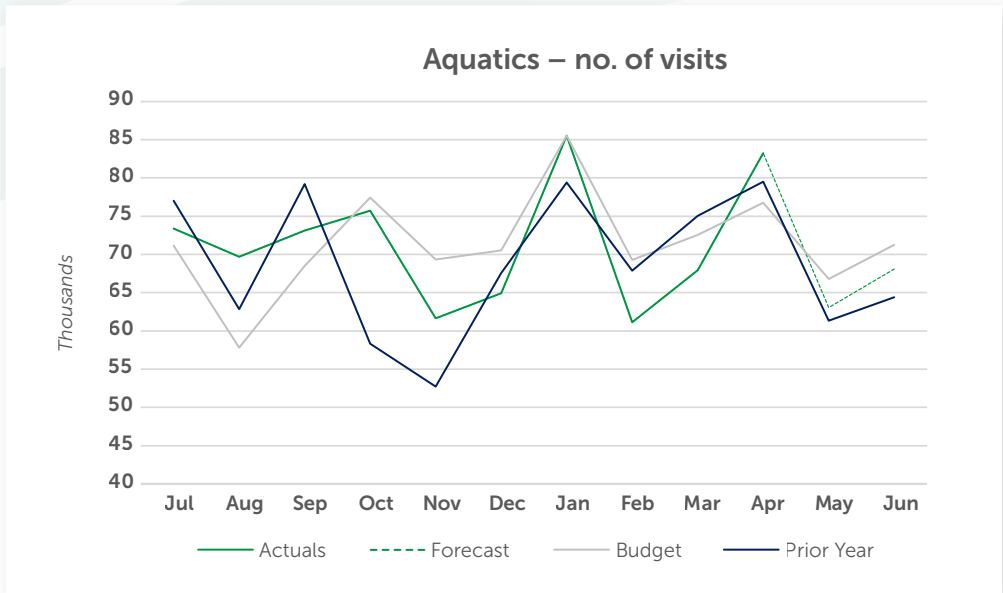
In the first three months of the year, 15 lifeguards at our aquatic venues across the city completed their NZ Certificate in Aquatics (Pool Lifeguard) Level 3. To gain this qualification, the lifeguards demonstrated their proficiency poolside and answered assessments on key learning areas including aquatic supervision techniques, aquatic rescue techniques, supervising customers, being professional in the workplace, customer service, identifying and managing hazards and risks, and leading emergency responses.

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Q3 Highlights:

- Greerton BaySwim exceeded forecast by 49% following a 'refer a friend' campaign.
- Our community pools supported Tauranga City Libraries Kia Kaha te Pānui Summer Reading Challenge, redeeming nearly 500 free swim vouchers for participating tamariki.
- The Mount Hot Pools Soak 'n Sounds live music event attracted 3,500 people in Q3, generating approximately \$22,000 in additional revenue.
- A new operating model has been adopted across the aquatic network, starting with a major safety improvement project that is already seeing great results.



2,090
TAMARIKI ATTENDING WATER
SAFETY LESSONS YTD

2,924
DISABILITY AQUATIC
MEMBERSHIPS

7,556
BAYSWIM TERM
ENROLMENTS YTD



Busy summer at Memorial Pool

Good weather, an increase in school swimming sports bookings, and two large events made for a busy summer season at Memorial Pool. On average, the number of visits increased by about 100 a month (vs. last season). The Waitangi Day pool party saw 220 people attend and Pooch in the Pool (back for the first time since before the Covid-19 pandemic) was also hugely successful with 157 dogs and their human companions making the most of the last day of the season before the pool was drained for winter. Memorial Pool partnered with Tauranga City Council's Animal Services for Pooch in the Pool and fundraised for a not-for-profit animal rescue.

Aquatics (including Baywave cafe)

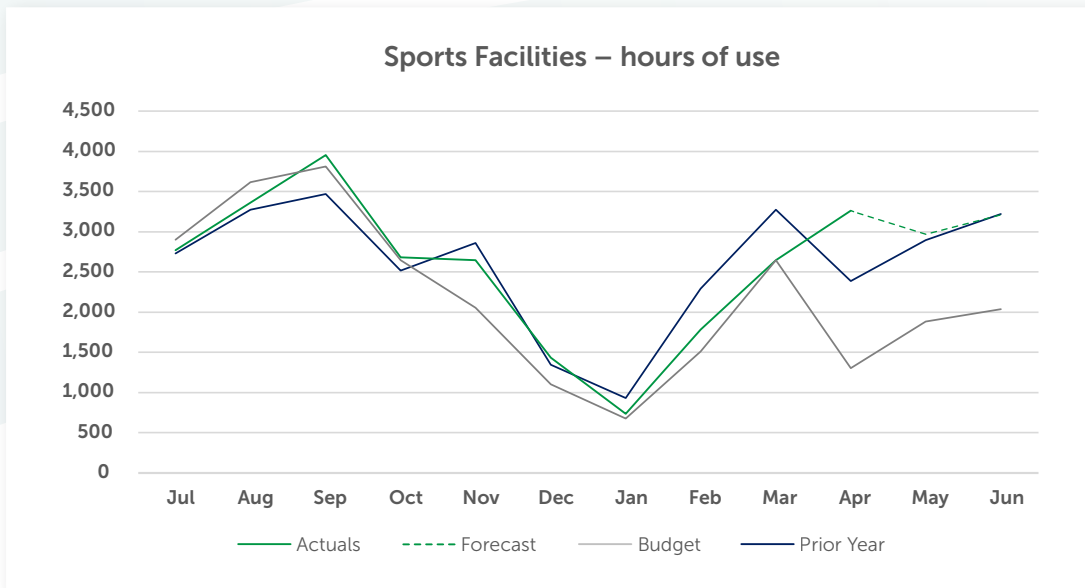
“It was a great birthday party option for my son, and I was very grateful for the support of the lifeguards. The kids all had a great time.”

– Baywave Birthday Party Customer, March 2025

83%
Overall Customer Satisfaction

59,814
Website Visitors

325,920
Social Media Reach



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

Indoor sport usage followed typical seasonal patterns in Q3, dipping in January before rebounding mid-February. Overall, we experienced a 12% decline in hours of use and a 5% decline in visitation year on year, largely due to the timing of a significant annual Easter basketball tournament.



Clubfit crew competes at Hyrox

Nine members and two personal trainers from Clubfit teamed up to compete in the very first Hyrox event to be held in New Zealand. The fitness race has exploded in popularity worldwide and the team from Clubfit prepared for months in advance, training 4-6 days a week, to compete alongside more than 6,000 people in Auckland.

Q3 Highlights:

- The Adams Centre for High Performance continues to be in high demand, hosting the Waikato BOP Magic, Tauranga Whai Basketball, Silver Ferns, Blacks Caps, White Ferns and Australian Women’s cricket teams, as well as tenants and Adams Academy members (135 aspiring and established athletes across 35 different sporting codes)
- Successful collaboration with regular community sports users for the opening of the upcoming University of Waikato Haumaru Sport & Recreation Centre, and maximising court use between this facility and the Queen Elizabeth Youth Centre.
- Centre-run community play initiative increased 30% year on year, including the introduction of a new inclusive programme at Greerton Hall, delivered in partnership with ConneXu.
- We also welcomed Tauranga City Basketball to Mercury Baypark as a tenant, leasing out unused office space.

Sports & Fitness

“Always very friendly staff. I really enjoy coming to this venue and find everyone very obliging.”

– Clubfit customer, March 2025

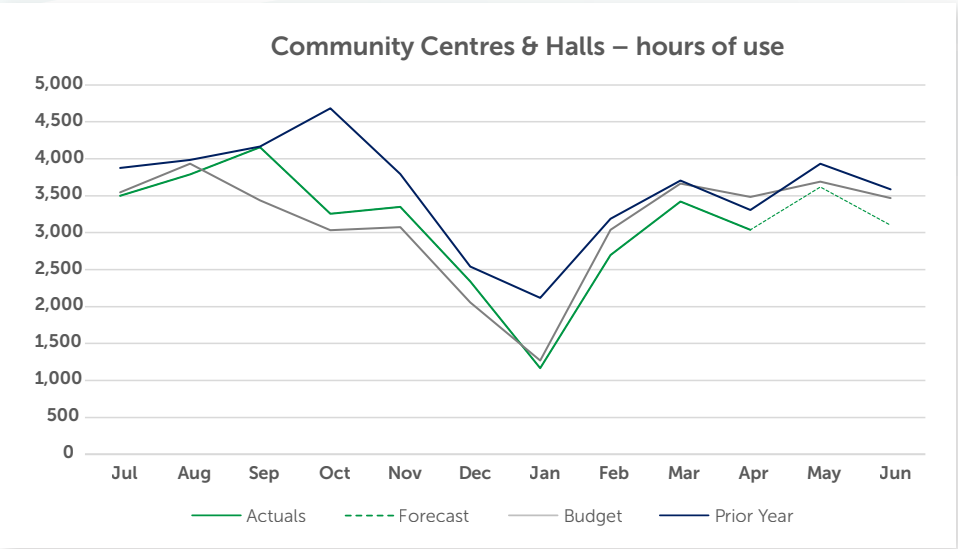
90%
Overall Customer Satisfaction

19,513
Website Visitors

113,827
Social Media Reach

Community Centres and Halls

Community Centres and Halls visitation in Q3 declined 14% year on year. This was largely due to much needed refurbishment work taking place across many of the facilities in January (planned for the quietest month of year) and the cancellation of several regular users. To increase facility usage we are seeking new hirers, with a particular emphasis on securing an anchor client to replace those lost at Pāpāmoa Sports & Recreation Centre (PSRC) and Arataki Community Centre.



Q3 Highlights:

PSRC had a busy quarter, highlights include the Papamoa Fire Brigade's Gold Star Award Night (recognising Fire Chief Aaron King's 25 years of service with a Gold Star), the Land SAR multi-agency training, and Bay Civil's "Mates in Construction" event to help prevent suicide in the industry.

PSRC and Arataki Community Centre started the winter sports season, including junior rugby registrations.

Notable events across our seven community halls included the annual Militaria Show with 900 attendees at Greerton Hall and a western-style Hoe-Down event for Zumba Tauranga participants at Bethlehem Hall.



Refurbishment projects at Community Centres and Halls

Four of our over 40-year-old community halls underwent a much-needed refurbishment over the summer holiday period (a quieter time of year for these facilities). This project, which was funded through our capital programme, was delivered on time and on budget. Feedback from the community was overwhelmingly positive. The hirer from the Bay of Plenty Remote Control Stockcar Club said the refurbishment was an amazing transformation and "a real wow moment" when they started back in 2025.



Community Centres & Halls

“Great venue and location. Staff are easy to communicate with. Love having our services there.”

– Pāpāmoa Community Centre Customer, February 2025

100%
Overall Customer Satisfaction

22,941
Website Visitors

22,688
Social Media Reach

Events

Mercury Baypark had something for everyone this summer, from The Wiggles, speedway and comedy to business awards, boxing and Whai games. In terms of visitation, Q3 finished 3% down year on year, due to last-minute concert cancellations.

Q3 Highlights:

- The Wiggles hosted their System Dance Party at Mercury Baypark to the delight of thousands of local children
- British comedian, Sarah Millican, performed to a sold-out crowd of 2,933
- Support of the Farmer Auto Village Business Awards enabled its return after a 3-year hiatus
- Multi-year bookings secured for five Q3 events, as well as further bookings secured for the 2025/26 summer season
- As part of our security improvements programme, we replaced the main entrance gates and fences and installed licence plate recognition cameras to provide better security outside of operating hours.

43

Sporting & Aquatic
Tournaments YTD

53

Significant Events
(over 500 pax) YTD

27

Cultural Activities &
Events YTD

23

Diversity & Inclusion
Initiatives YTD

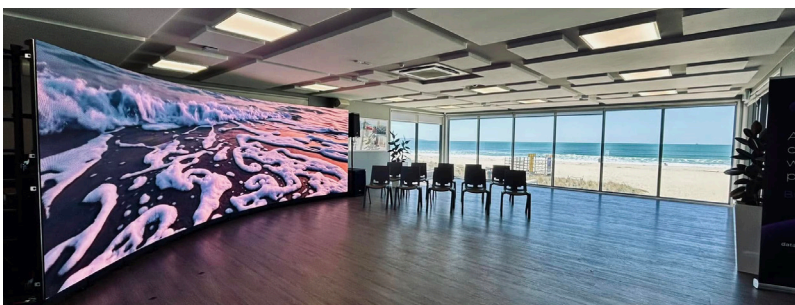


Home of the Whai

It's game day at Mercury Baypark Arena, the first of a new season. Carter Hopoi eases into the Arena's grandstand seating, wedging his size-16 feet and 2.06m frame in place. Nothing much fazes the 18-year-old. He grins, ignoring good-natured banter wafting into the stands from his Tauranga Whai teammates. He's right at home here. The lit-up court in front of him is as close to tūrangawaewae as he can get. "This is our house and we don't want other teams coming to our home and beating us," he explains. "You can see the guys firing up. There's a lot of adrenaline and when it gets loud in here, it really lifts the whole team." It promises to be a big year for the dunking, blocking, rebounding whizz-kid, whose towering athleticism on court is capturing plenty of attention. United States college scholarships are beckoning in Hopoi's first year out of Mount Maunganui College. He's already made his debut with the Tall Blacks, and now the Whai men's team are looking to build on their 2024 entry into the Sal's NBL with Hopoi a regular starter. Mercury Baypark Arena will host 8 regular season NBL home games for the Whai in 2025.

Bay Audio Visual

Bay Audio Visual had a successful Q3 finishing with a \$181k EBITDA. We deployed our 60m2 of LED panels on numerous occasions including at the LGCOG conference at Mount Surf Club and the Farmer Auto Village Tauranga Business Awards. Bay Audio Visual also assisted with the Community Centres & Halls refurbishment by upgrading the AV systems at multiple facilities to the delight of our customers.



Events (including Catering and Audio Visual)

“The booking process was easy, and Erin was fantastic. My Event Planner Katie was extremely helpful in the lead up and on the day and we appreciated her flexibility with our last-minute room set up changes.”

– Mercury Baypark Event Client, March 2025

88%

Overall Customer Satisfaction

15,020

Website Visitors

343,350

Social Media Reach

Catering

Bay Catering

Despite starting the year slowly (due to concert cancellations), catering had a busy Q3 largely due to events at Mercury Baypark and the return of students to the University of Waikato Tauranga campus, where we operate the 101 cafe and provide event catering. Bay Catering finished Q3 with an EBITDA of \$388k.

Healthy School Kai

163,017 LUNCHES **11 schools**

Healthy School Kai (HSK) began 2025 catering a Lifesaving Competition in Mount Maunganui and Pāpāmoa. During Week 4 of the school term, representatives from HSK and the Ministry of Education visited schools to gauge their satisfaction. HSK received a 100% positive feedback result.

HSK launched a composting program with Welcome Bay School, collecting 300kg of food scraps and compostable packaging over eight weeks, resulting in 120kg of compost, which was donated to the school at term's end.

HSK had a strong financial performance in Q3, finishing \$31k EBITDA ahead of budget.



Management Update

Finance

Q3 revenue was \$7.15m, \$466k (6%) below budget. This was largely due to lower event volumes at Mercury Baypark and a reduction in Community Centres and Halls bookings.

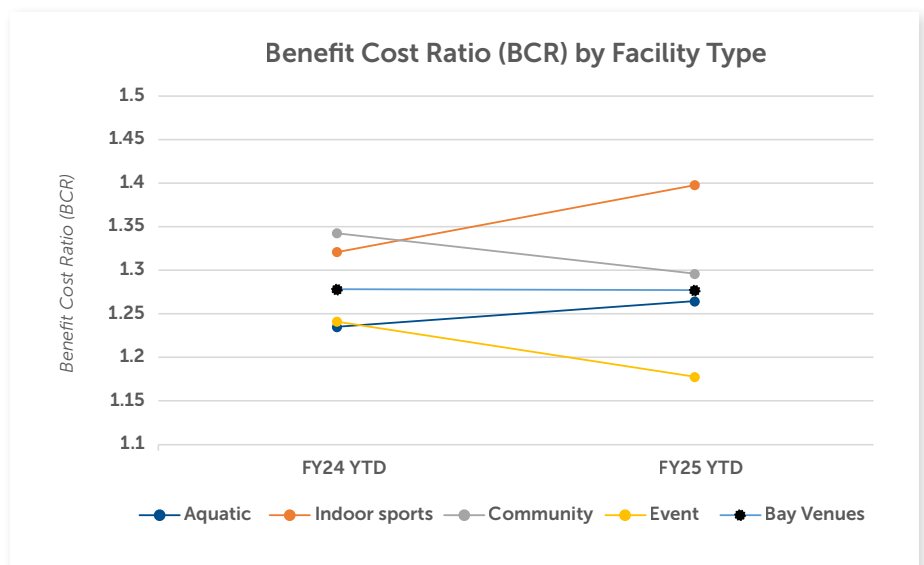
Overall operating costs for Q3 were \$6.95m, \$644k (8%) under budget. Direct costs have reduced in line with the drop in revenue. We continue to see the results from our targeted cost saving initiatives largely through reduction in employee costs.

EBITDA for Q3 was \$202k, \$180k ahead of budget, which takes FY25 YTD EBITDA to \$313k, \$129k ahead of budget. We are on track to achieve budgeted full year EBITDA of \$398k. FY25 YTD Net Profit Before Tax (non-funded) was \$202k.

Looking forward to FY26, we expect the full year of embedding cost initiatives to offset the reduction in operating subsidy resulting in a budgeted net surplus.

Cost Benefit Analysis

Bay Venues YTD Benefit-Cost Ratio (BCR) has remained the same year on year at 1.28, continuing to reflect a positive financial benefit from our facilities. Sports and fitness has significantly increased, driven by spend per head combined with cost savings in operating the facilities. Aquatics has also seen an increase year on year, largely due to the Mount Hot Pools closure in FY24. Community Centres and Halls and Events (including Associated Activities) BCR declined on prior year, both driven by a decline in volume. All segments delivered a positive BCR in YTD FY25, ranging from 1.18 to 1.40.



Consolidated Statement of Performance – Q3 FY25

	Aquatic Facilities			Community Hubs			Sports Facilities			Events Facilities			Associated Activities			Business Support			Grand Total		
	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year
Revenue																					
User Fees	5,049	5,355	4,643	560	535	495	3,738	3,821	3,532	1,422	1,647	1,687	5,490	5,593	5,279	138	110	9	16,397	17,061	15,645
TCC Operating Subsidy	1,830	1,830	1,980	1,137	1,137	417	805	805	1,479	1,904	1,904	0	0	0	0	26	26	0	5,702	5,702	3,875
Other Income	58	59	109	2	0	1	21	79	24	182	173	171	22	18	31	54	73	10	338	401	345
COVID-19 Subsidies	0	0	2	0	0	0	0	0	1	0	0	0	0	0	0	0	0	3	0	0	6
Total Revenue	6,937	7,244	6,734	1,699	1,673	912	4,563	4,705	5,035	3,508	3,723	1,858	5,511	5,610	5,311	218	209	21	22,436	23,165	19,871
Expenditure																					
Cost of Goods Sold	0	0	0	5	2	6	7	10	17	0	0	0	1,846	2,022	1,940	0	0	0	1,858	2,033	1,963
Employee Expense	3,370	3,723	3,396	393	413	395	1,807	2,030	1,961	569	634	508	2,460	2,366	2,459	4,745	4,914	4,402	13,345	14,080	13,120
Administrative Expense	93	110	115	15	20	22	82	86	74	25	39	25	92	73	81	943	1,007	912	1,249	1,336	1,230
Advertising and Marketing	73	68	57	7	3	3	48	51	56	47	64	53	12	11	7	75	79	82	261	276	257
Consultancy	13	5	19	2	0	0	11	1	0	0	0	20	3	0	7	653	591	526	681	597	573
Operating Expense	1,103	1,001	976	194	201	196	470	495	444	423	413	520	265	175	224	1,573	1,573	1,413	4,030	3,858	3,773
Repairs & Maintenance	269	305	376	39	28	41	83	83	85	0	0	0	93	70	84	216	316	322	700	802	907
Total Expenditure	4,922	5,212	4,938	655	666	662	2,508	2,757	2,637	1,064	1,150	1,126	4,771	4,716	4,802	8,205	8,480	7,658	22,124	22,981	21,823
EBITDA Profit/(Loss) pre-allocations	2,016	2,032	1,795	1,044	1,006	250	2,055	1,949	2,398	2,444	2,573	732	741	894	509	(7,987)	(8,271)	(7,636)	313	183	(1,953)
Business Support Allocations	2,425	2,511	2,319	923	956	882	1,699	1,760	1,625	2,144	2,220	2,050	795	824	761	(7,987)	(8,271)	(7,636)	0	0	0
% total allocations	30%			12%			21%			27%			10%								
EBITDA Profit/(Loss) post-allocations	(409)	(479)	(523)	121	51	(632)	356	189	773	300	353	(1,319)	(55)	70	(252)	0	0	0	313	183	(1,953)
Non-Funded Depreciation	3	4	4	0	0	0	44	58	47	0	0	1	27	28	28	21	67	29	96	158	108
Non-Funded Debt Servicing costs	2	4	1	0	0	0	6	11	4	0	0	0	6	13	4	1	3	1	15	31	10
Surplus/(Deficit) after BVL capital costs	(414)	(487)	(528)	121	51	(632)	305	120	722	300	352	(1,319)	(88)	29	(284)	(22)	(70)	(30)	202	(5)	(2,071)
Business Support Allocations																					
Renewal Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,440	13,957	6,041	12,440	13,957	6,041
Interest Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	824	824	987	824	824	987
Less:																					
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	(0)	0	0	748	790	924	747	790	924
Depreciation	2,016	2,008	1,570	288	463	258	986	1,289	1,069	666	554	556	426	390	301	2,150	2,858	1,791	6,531	7,562	5,545
Profit/Loss on Disposal	0	0	0	0	0	0	(0)	0	0	0	0	0	(50)	0	0	(13)	0	0	(64)	0	0
Net Surplus/(deficit)	(2,430)	(2,494)	(2,098)	(167)	(413)	(891)	(681)	(1,169)	(347)	(366)	(202)	(1,875)	(463)	(361)	(584)	10,357	11,062	4,283	6,251	6,423	(1,513)

Health, Safety, Wellbeing & Security

Lead Indicators	FY25	Q3 FY24	Q3 FY25
Near misses reported	83	29	28
Health & Safety conversations completed	24	15	0
Lag Indicators			
Total incidents recorded	476	189	146
Actual catastrophic consequence incidents under Bay Venues control	0	0	0
Actual major consequence incidents under Bay Venues control	2	1	1

The major consequence incident reported this quarter was an environmental incident at Baywave. While the incident breached resource consent conditions, no environmental harm occurred. The incident was classified as major due to being notifiable to the Bay of Plenty Regional Council. All regulatory obligations were met, and the response was effectively managed.

Q3 Highlights:

- We extended our agreement with ecoPortal for a further three years and have a pipeline of improvements scheduled to support our health, safety and wellbeing efforts
- This quarter, we continued progressing our physical security infrastructure upgrades, including the installation of an automatic gate and additional cameras at Mercury Baypark, as well as new magnetic door locks at Baywave

HR

In Q3 we introduced a new executive structure, reducing the number of executives from five to four, in response to Council's reduction of our operating subsidy in FY26. This progressed to a broader organisational restructure to support the new executive roles and position the organisation to deliver on future strategic priorities.

We supported learning and development through initiatives such as a "Building Personal Productivity" session for staff and relevant online learning for our Executive and Leadership teams. We completed key annual cycle activities, including the development of organisational and divisional game plans to align with FY26 priorities.

Technology

Improving our customer experience with the use of smart technology is a strategic priority for Bay Venues. In Q3 the technology team tested a new self-service kiosk at the Mount Hot Pools and introduced several new online booking services. The team integrated our workforce management and payroll applications to provide automated business processing, improved data quality, and reduce business risk. They also rolled out a successful trial of AI tool Microsoft CoPilot with training and support provided.

