

Statement of Intent

2022-2025



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1 Introduction

In July 2020, Whangarei District Council (WDC) endorsed the creation of a new full trust for the future governance and management of the Semenoff Stadium.

On 1 December 2021 Te Pae Taurima o Te Tai Tokerau Northland Events Centre (2021) Trust (NECT2021) was formed as a new Council Controlled Organisation (CCO) of WDC. This followed the original Northland Events Centre Trust (NECT) being wound up on 30 November 2021 with all assets and liabilities being transferred to NECT2021.

Four Trustees were appointed by WDC to NECT2021 and commenced on 1 October 2021. WDC will appoint the fifth Trustee from local hapu recommended by the Te Kārearea Standing Committee.

While NECT was responsible for governing Semenoff Stadium, NECT2021 has a wider remit. It is responsible for both governing and managing Semenoff Stadium in accordance with the Trust Deed and WDC's expectations adopted on 16 December 2021.

2 Purpose of the Statement of Intent

This statement of intent is prepared in accordance with section 64 of the Local Government Act 2002. It outlines the activities and intentions of NECT2021 for the next three financial years, and the objectives to which those activities will contribute. It provides a basis for accountability to Council and the public for the performance of the organisation.



3 Nature and Scope of Activities

NECT2021 is responsible for:

- Operating a multipurpose, community facility for the benefit of Northland Te Tai Tokerau
- Delivering large events which raise the profile and contribute to the vibrancy of the District/Region
- Ensuring the venue is managed on a commercial basis according to industry best practice
- Being financially successful based on contribution to the economic impact on local businesses, rather than by profit generated
- Playing a key role alongside other organisations to deliver the outcomes of the Whangarei District Council Events Strategy – building local confidence, local capability and local connection
- Acting as a hub to support sporting codes in a post-COVID-19 environment
- Attracting external funding to support facility development and event delivery
- Ensuring best practice governance of NECT2021.

WDC's outcomes for NECT2021 are to:

- Achieve the best outcome for Community/Facility
- Have a standalone/successful Trust with clear and transparent governance and funding arrangements
- Look after our people.

WDC's guiding principles for NECT2021 are to:

- Establish a new Trust based on business as usual activity, with ability to build capacity in the future
- Ensure NECT2021 and its staff will be responsible for events in accordance with WDC's expectations and the event allocation, asset management/ownership and collaboration model
- WDC is responsible for events in accordance with the event allocation, asset management/ownership and collaboration model
- Be funded through a WDC grant and existing external commercial revenue streams, and explore additional external commercial revenue streams where possible
- Ensure collaboration in areas where the responsibilities of each entity intersect.



4 Approach to Governance

The governance of NECT2021 is the responsibility of the Trust board of five Trustees appointed by WDC. Four Trustees have been appointed to date, based on their wealth of experience in diverse sectors:

- Nigel Brereton (Chairman)
- Paula Kearns (Deputy Chair)
- Hetty Van Hale
- Steve Armitage

WDC will appoint the fifth Trustee from local hapu recommended by the Te Kārearea Standing Committee.

In addition, the following committees have been established by the Trust to ensure best practice:

- People and Performance Committee
- Audit and Risk Committee

NECT2021's actions and direction are determined by the Trust Deed. This details the objectives of the Trust which includes the governance and management of Semenoff Stadium, the Governance Charter and NECT21's policy framework.




NORTHLAND
EVENTS CENTRE TRUST
TE PAE TAURIMA
O TE TAI TOKERAU
SEMENOFF
STADIUM

5 Vision, Mission and Strategic Pillars

Vision

To be the heart of events in Northland Te Tai Tokerau, enhancing the wellbeing of our community.

Mission

We proudly and professionally host events that embody the heart, spirit and potential of Northland Te Tai Tokerau.

NECT2021 has developed three strategic pillars for the next 3 to 5 years to support the Trust's overall Strategic Vision and Mission (refer to Appendix 3):

- Events
- Te Ao
- Venue

6 Objectives

The following objectives focus on the long-term goals of NECT2021:

1. Events
 - 1.1 Deliver large events for the benefit of Northland Te Tai Tokerau
 - 1.2 Develop event management service to contract to other event organisers
2. Te Ao
 - 2.1 Develop closer relationships with Tangata Whenua
 - 2.2 Develop a unique sense of identity for the venue
 - 2.3 Commence our bi-cultural partnership journey
3. Venue
 - 3.1 Increase commercial revenue
 - 3.2 Improve the visitor experience
 - 3.3 Implement sustainable and environmental measures



7 Performance Targets and Measures

OBJECTIVE		PERFORMANCE MEASURE		
		YR 1 2022/2023	YR 2 2023/2024	YR 3 2024/2025
1. EVENTS	1.1 Deliver large events for the benefit of Northland Te Tai Tokerau	No. of large events that achieve two or more of the WDC Events Strategy local experience categories (reported in the half-yearly report and annual report). Delivery of one Major Event ie. RWC 2021 (reported in the annual report).	No. of large events that achieve two or more of the WDC Events Strategy local experience categories (reported in the half-yearly report and annual report). Nil	No. of large events that achieve two or more of the WDC Events Strategy local experience categories (reported in the half-yearly report and annual report). Nil
	1.2 Develop event management service to contract to other event organisers	No. of event management contracts (reported in annual report).	No. of event management contracts (reported in annual report).	No. of event management contracts (reported in annual report).

OBJECTIVE		PERFORMANCE MEASURE		
		YR 1 2022/2023	YR 2 2023/2024	YR 3 2024/2025
2. TE AO	2.1 Develop closer relationships with Tangata Whenua	Develop an agreed baseline and measures with Tangata Whenua	Implement agreed baseline and measures	Implement agreed baseline and measures
	2.2 Develop a unique sense of identity for the venue			
	2.3 Commence our bi-cultural partnership journey			

OBJECTIVE		PERFORMANCE MEASURE		
		YR 1 2022/2023	YR 2 2023/2024	YR 3 2024/2025
3. VENUE	3.1 Increase commercial revenue	Actual spend ≤ budget (reported in the half-yearly report and annual report).	Actual spend ≤ budget (reported in the half-yearly report and annual report).	Actual spend ≤ budget (reported in the half-yearly report and annual report).
	3.2 Improve the visitor experience	Develop a Visitor Experience Plan and measures that support accessibility, inclusive of all genders, cultures and ethnicities.	Implement Year 1 Visitor Experience Plan and measures.	Implement Year 2 Visitor Experience Plan and measures.
	3.3 Implement sustainable and environmental measures	Delivery of 1 or more events that are sustainable and support zero waste.	Delivery of 2 or more events that are sustainable and support zero waste.	Delivery of 3 or more events that are sustainable and support zero waste.

OBJECTIVE		PERFORMANCE MEASURE		
		YR 1 2022/2023	YR 2 2023/2024	YR 3 2024/2025
4. FINANCIAL	NECT2021 will operate within agreed financial budgets	Actual spend ≤ budget (reported in the half-yearly report and annual report).	Actual spend ≤ budget (reported in the half-yearly report and annual report).	Actual spend ≤ budget (reported in the half-yearly report and annual report).

OBJECTIVE		PERFORMANCE MEASURE		
		YR 1 2022/2023	YR 2 2023/2024	YR 3 2024/2025
5. REPORTING	NECT2021 will report on its achievement against the strategic objectives as outlined in the Statement of Intent	Strategic objectives (reported in the half yearly and annual report).	Strategic objectives (reported in the half yearly and annual report).	Strategic objectives (reported in the half yearly and annual report).

8 Information to be Provided Throughout the Financial Year

A half-yearly report will be provided to WDC by 28 February each year. This will include a comparison of performance against the performance targets and measures set out in this Statement of Intent, and unaudited financial statements.

An annual report will be provided to WDC by 30 September each year. This will include a comparison of performance against the performance targets and measures set out in this statement of intent, an explanation of any material variances from the statement of intent, audited financial statements, and an independent auditors report on the financial statements and the performance targets and measures.

To ensure there is timely notification of any major issues, NECT2021 commits to a no surprises approach beyond the formal reporting requirements. This means that NECT2021 will inform WDC as soon as possible of any major issues that arise in the course of operations. NECT2021 will proactively inform WDC when their operations could: create a major issue for NECT2021 or WDC; trigger public interest; have political implications; or gain significant media attention.



Appendix 1: Accounting Policies

1 Statement of accounting policies for the year ended 30 June 2023

1.1 Reporting entity

NECT2021 is incorporated as a trust under the Charitable Trusts Act 1957, is domiciled in New Zealand and registered under the Charities Act 2005, registration number CC59521. NECT2021 is a Council Controlled Organisation as defined under Section 6 of the Local Government Act 2002.

2 Summary of significant accounting policies

2.1 Basis of preparation

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that NECT does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are prepared on the assumption that NECT2021 will continue to operate in the foreseeable future.

The financial statements have been prepared on a going concern basis. NECT2021 is reliant on WDC's annual operating grant and continued support of its operations. WDC has included ongoing funding for NECT2021 in its 2018-2028 Long – Term Plan.

2.2 Goods and services tax

NECT2021 is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

2.3 Functional and presentation currency

The financial statements are presented in New Zealand dollars.

2.4 Revenue and expenses

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

(i) **Grants:** Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grant is initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

(ii) **Interest income:** Interest revenue is recorded as it is earned during the year.

(iii) **Sale of goods:** Revenue from the sale of goods is recognised when the goods are sold to the customer.

(iv) **Volunteer services:** Volunteer services received are not recognised as revenue or expenditure as NECT2021 is unable to measure the fair value of the services received.

(v) **Rental revenue:** Rental revenue is measured at the fair value of consideration received or receivable. Rental revenue is received one month in advance and is recognised for the month it relates to.

(vi) **Advertising, marketing, administration, overhead and fundraising costs:** These are expensed when the related service has been received.

2.5 Bank accounts and cash

Bank accounts and cash 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.

2.6 Debtors

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.

2.7 Property, plant and equipment

Property, plant, and equipment (excluding donated assets) are recorded at cost, less accumulated depreciation and impairment losses. NECT2021 does not revalue its property, plant and equipment. NECT2021 undertakes periodic impairment assessments of its property, plant and equipment.

(i) **Donated assets:** 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.

(ii) **Asset sales:** For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

(iii) **Use of assets:** 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.

(iv) **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:

Class of PP&E Leasehold	Estimated useful life	Depreciation rates
Improvements	10-100 years	1%-10%
Office equipment	2-10 years	10%-50%
Plant and equipment	6-60 years	1.6%-20%
Computer equipment	2-5 years	20%-50%

2.8 Investments

Investments comprise investments in term deposits with banks, listed bonds, and listed shares. 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.

2.9 Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

2.10 Lease expenses

Lease payments are recognised as an expense on a straight-line basis over the lease term.

2.11 Tier 2 PBE Accounting Standards applied

NECT2021 has not applied any Tier 2 Accounting Standards in preparing its financial statements.

Appendix 2: Forecast Financial Information

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME			
	Budget 30 June 2023	Budget 30 June 2024	Budget 30 June 2025
Income			
Revenue	\$1,303,055	\$949,607	\$973,347
Grants	\$662,786	\$679,355	\$696,339
Interest	\$0	\$0	\$0
Total Income	\$1,965,841	\$1,628,961	\$1,669,686
Less Expenses			
Expenses	\$1,580,076	\$1,521,742	\$1,559,786
Total Expenses before depreciation	\$1,580,076	\$1,521,742	\$1,559,786
Net Surplus (Loss) before depreciation	\$385,765	\$107,219	\$109,900
Depreciation	\$69,252	\$69,252	\$69,252
Net Surplus (Loss) before tax	\$316,513	\$37,967	\$40,648
Net Surplus/(Profit)	\$316,513	\$37,967	\$40,648
Capital Expenditure	\$20,000	\$20,000	\$20,500
Total Capital Expenditure	\$20,000	\$20,000	\$20,500

PROSPECTIVE STATEMENT OF MOVEMENTS IN EQUITY

	Budget 30 June 2023	Budget 30 June 2024	Budget 30 June 2025
Opening Equity as at 1 July	\$721,752	\$1,038,265	\$1,076,232
Plus Profit (Loss) for the year	\$316,513	\$37,967	\$40,648
Total increase/(decrease) in equity	\$316,513	\$37,967	\$40,648
Closing Equity as at 30 June	\$1,038,265	\$1,076,232	\$1,116,880

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	Budget 30 June 2023	Budget 30 June 2024	Budget 30 June 2025
Equity	\$1,038,265	\$1,076,232	\$1,116,880
Total Equity	\$1,038,265	\$1,076,232	\$1,116,880
Current Assets			
Cash and Cash equivalents	\$960,396	\$1,002,472	\$1,091,872
Stock on Hand			
Trade and other receivables	\$40,227	\$85,039	\$85,039
Current Liabilities			
Trade and other payables and accruals	\$90,753	\$90,422	\$90,422
Working Capital	\$909,870	\$997,089	\$1,086,489
Non Current Assets			
Property plant and equipment	\$128,395	\$79,143	\$30,391
Long Term Liability			
Deferred income tax liability			
Total Net Assets	\$1,038,265	\$1,076,232	\$1,116,880

Appendix 3: Strategic Plan



Te Mahere Rautaki STRATEGIC PLAN

Matawhānui Kia mahia te ngākau o ētahi kaupapa, whakangāhau, hākinakina, hui me ērā atu mea, kia whakanikoniko te painga o te hapori o Te Tai Tokerau.

Vision To be the heart of events in Northland Te Tai Tokerau to enhance the wellbeing of our community.

Whakatakanga Ka whakamanuhiri whakahī, mātanga hoki, mātou, i ētahi kaupapa maha hei whakatinana te ngākau, te wairua me te torohū o Te Tai Tokerau.

Mission We proudly and professionally host events that embody the heart, spirit and potential of Northland Te Tai Tokerau.



Uara Values	Manaakitanga	Mana, hospitality, extend love & compassion to others
	Kotahitanga	Unity, together, collaboration, solidarity
	Rangatiratanga	Leadership
	Whakatupanga	Excellence
	Tapatahi	Integrity
	Kaitiakitanga	Guardianship of the land
	Whakaaro Pai	Positivity



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