

LAKES LEISURE LIMITED

SIX MONTHS REPORT 31 DECEMBER 2010

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Appendix 1

Service Level Agreement Performance Measures – Reporting on Progress to 31 December 2010

Appendix 2

Financial Reports

Six months in review

Welcome to the Lakes Leisure Ltd half yearly report. The following pages provide a financial commentary that will assist your clear understanding of the accompanying unaudited six monthly financial reports and a summary of departmental activity for the period 1 July 2010 to 31 December 2010.

A positive result has been achieved with participation numbers reaching 268,926 for the six month period which is 26% up on last year's figures. We trust you will appreciate the breadth of activity Lakes Leisure's management portfolio encompasses and the progress made in this half of the current financial year towards the achievement of objectives outlined in the Statement of Intent QLDC community outcomes.

The QLDC Residents and Ratepayers Satisfaction Survey conducted in August 2010 reported a very positive result for Lakes Leisure with community halls, swimming pools, sports grounds and Lakes Leisure itself all showing good improvements in overall user satisfaction.

Lakes Leisure is focused on providing good value sport and leisure facilities to the widest community and the new initiatives and progress made to reach the whole community is evident in the departmental reports that follow.

For further information regarding venue management, community programmes, the health and fitness centre or aquatics and turf management functions, full details are available in our latest June 2010 annual report.

The Period in Summary

- TRENZ 2011 is confirmed for the Queenstown Event Centre.
- Melbourne AFL team the Western Bull Dogs brought 70 players out to train at the Queenstown Event Centre for a week helping to establish the QEC as a serious training venue.
- Rugby world cup site visits from England and Ireland.
- Increased participation and visitor numbers in most areas of operation.
- Purchase of district wide events infrastructure equipment and implementation of a hire process as part of the Annual Plan LTCCP process that aims to improve the ease and cost of event management in the district.
- Ongoing plans to further increase community participation in leisure and recreation to further community health and lifestyle goals. Community programmes currently running include those for teenagers, the elderly and overweight.
- Implementation of the QLDC Community Facility Funding Policy in October 2010.
- Have held operating costs and the cost to the community constant despite growth and increasing demands around industry standards.
- Have improved the quality and frequency of communication with the community.
- The Queenstown Events Centre café, The Baby Goose was opened and has been a great addition to the welcoming community atmosphere, enjoying great support from the public.

Looking Forward

- Working with widest community to deliver the highest possible participation rates and to position Lakes Leisure as the provider of community leisure and recreation.
- Master Facility planning is underway. After consultation with sports user groups we are working with Council to plan for future facility developments to meet the demands of community and sports growth identified during consultation.

- Focus on growing teenage participation in leisure and recreation, contributing to QLDC's achievement of community outcomes detailed in the LTCCP 2009-19. Plans include taking the very popular Zumba exercise class direct to the students at the Wakatipu High School during lunch hour.
- Continue to work with QLDC and the community to drive events, wellness and leisure.



Chairman Mike Saunders



CEO Fiona McKissock

The Financials

Lakes Leisure is a not for profit organisation and is registered under the Charities Act 2005. The Statement of Comprehensive Income is required to be reported in compliance with Companies Act 1993 and Financial Reporting Act 1993. It should be noted that any Operating Surplus reported will be ploughed back into the core objectives of the organisation and applied for charitable and other not for profit purposes.

Operating Surplus

We are pleased to report an Operating Surplus for the half year to 31 December 2010 of \$149,113.

Lakes Leisure may, at times, generate surplus funds which are primarily required to finance associated capital, loan and other liabilities. After meeting these obligations any surplus funds are available to be applied in line with the objectives of the organisation.

Other Income

Net Other Income of \$183,953 merely represents a timing difference between the funding and payment for Fixed Assets and the accounting depreciation of these assets.

During the half year Lakes Leisure received and spent \$286,956 of capital funding specifically to be applied to Fixed Assets e.g. refurbishment of the stadium floor. Over the same period only \$103,003 of depreciation could be reported due to the accounting treatment of spreading the cost of Fixed Assets over many years.

Revenue

Total revenue for the six months to 31 December 2010 was \$2,731,602 which is an increase of \$587,413 over the comparable six month period to 31 December 2009.

- Aquatics Facilities revenue has increased by \$437,613 compared to the same period in the previous year. The Health & Fitness Centre opened in late October 2009 and this year's result includes a full six months of revenue. Wanaka Pool was closed for a major overhaul over the 2010 winter period which caused an associated loss in revenue of \$20,889.
- Other Facilities & Turf revenue at \$312,323 is slightly down on the comparable prior year period due to the QEC Stadium being closed during November 2010 for the major floor refurbishment.
- Participation revenue at \$176,933 has increased by \$51,748 on the comparable prior year period. This reflects the great work of the Events department in attracting commercial revenue generating events to our facilities in order to reduce reliance on rate payer funding.

Employee Benefits

Employee benefits of \$1,308,158 for the six months to 31 December 2010 are an increase of \$223,366 over the comparable period to 31 December 2009.

- The Health & Fitness Centre staff costs are \$102,082 higher than the comparable prior year period. The centre opened in late October 2009 and costs reflect six months in 2010 against only two months in 2009.
- Other increases are in line with budget and SOI based on the volume driven operational requirements as participation and the number of events increase.

Finance Expenses

The increase of \$14,911 reflects higher interest payments on the Health & Fitness Centre loan due to a full six months of charges in this half year. The loan was drawn down in increments throughout the half year to December 2009.

Other Expenses

Other expenses have increased by \$151,127 reflecting a full six months of costs for the Health & Fitness Centre. This compares to just over two months of costs for the prior year period as the centre only opened in late October 2009.

Balance Sheet

We are pleased to report an increase in Net Assets of \$333,066 during the six months to 31 December 2010.

- Current Assets have increased by \$326,140 with surplus funds currently being held as cash balances before being applied.
- Non Current Assets have increased due to capital expenditure made in line with the 2010/11 agreed capital plan.
- Current Liabilities have increased by \$162,547 representing an increase in funds received in advance. During the half year loan repayments of \$22,123 have been made on our finance leases and the Health & Fitness Centre loan (BNZ).
- Non Current Liabilities have not changed since 30 June 2010.

Facility Participation Numbers

Total Lakes Leisure visitor numbers

| Participation Numbers Total per Department | Quarter 1 2010/11 | Quarter 2 2010/11 | YTD Dec 2010/11 | YTD Dec 2009/10 | Variance |
|---|----------------------|----------------------|--------------------|--------------------|---------------|
| Queenstown Events Centre | 20,381 | 9,843 | 30,224 | 35,263 | (5,039) |
| Alpine Health and Fitness | 35,851 | 34,268 | 70,119 | 6,636 | 63,483 |
| Aquatics | 39,586 | 49,625 | 89,211 | 80,748 | 8,463 |
| Venues | 18,857 | 20,059 | 38,916 | 47,796 | (8,880) |
| Sports Fields | 14,677 | 24,879 | 40,456 | 43,477 | (3,021) |
| TOTAL | 129,352 | 138,674 | 268,926 | 213,920 | 55,006 |

- The Queenstown Events Centre was closed during November 2010 for a major refurbishment of the floor. Whilst this was scheduled to coincide with a quieter period there was an unavoidable loss of participation over this period.
- During the first half of the year several major events have been hosted which include the Remarkables Christmas Spectacular, Ukulele Orchestra and Rhythm & Vines. These and other events have offered a leisure opportunity to all age groups of the community.
- Alpine Health & Fitness has gone from strength to strength since opening in October 2009. Membership was 1,150 on 31 December 2010 and reflects the appeal of the gym to a wide range of the community.
- Sports field participation is down compared to the same period for the previous year mainly due to the timing of sports events.

Aquatics Detail

| Participation numbers for swimming pools note including spectators | Quarter 1 2010/11 | Quarter 2 2010/11 | YTD Dec 2010/11 | YTD Dec 2009/10 | Variance |
|--|-------------------|-------------------|-----------------|-----------------|--------------|
| Alpine Aqualand | 38,272 | 36,711 | 74,983 | 66,389 | 8,594 |
| Wanaka Community Pool | 1,314 | 12,076 | 13,390 | 13,519 | (129) |
| Arrowtown Pool | N/A | 838 | 838 | 840 | (2) |
| TOTAL | 39,586 | 49,625 | 89,211 | 80,748 | 8,463 |

- Alpine Aqualand attendance has continued strongly through the first half of 2010 with a significant increase in comparison to the 2009 figures. The Christmas and New Year holiday period was extremely successful with the start of the school holiday programme and huge numbers of locals and holidaymakers coming to enjoy the facilities.
- Wanaka Community Pool has had an excellent summer so far with visitor numbers off the charts, particularly during November! The Christmas & New Year holiday period remained strong so we are confident that participation will continue to grow throughout 2011. Note that the pool was closed for eleven weeks during July, August and September 2010 for a major refurbishment.
- Arrowtown Pool opened for the season in December and will continue to operate through the summer until the end of February 2011.

Venues Detail

| Participation numbers Venues | Quarter 1 2010/11 | Quarter 2 2010/11 | YTD Dec 2010/11 | YTD Dec 2009/10 | Variance |
|------------------------------|-------------------|-------------------|-----------------|-----------------|----------------|
| Queenstown Memorial Hall | 5,909 | 4,208 | 10,117 | 13,317 | (3,200) |
| Lake Hayes Pavilion | 1,432 | 2,113 | 3,545 | 3,440 | 105 |
| Arrowtown Athenaeum Hall | 2,286 | 5,265 | 7,551 | 7,668 | (117) |
| Lake Wanaka Centre | 9,230 | 8,473 | 17,703 | 23,371 | (5,668) |
| TOTAL | 18,857 | 20,059 | 38,916 | 47,796 | (8,880) |

- Queenstown Memorial Hall visitor numbers have decreased but actual hours of use are in line with the previous six month period at approximately 1,300 hours. A review of this venue is planned to commence in the second half of the year involving user groups to help determine the way forward.
- Lake Hayes Pavilion visitor numbers are in line with last year to date.
- Lake Wanaka Centre now has a part time dedicated facility coordinator who is tasked with increasing usage of the centre going forward.

Sports Fields Detail

| Participation numbers Sports Fields | Quarter 1 2010/11 | Quarter 2 2010/11 | YTD Dec 2010/11 | YTD Dec 2009/10 | Variance |
|-------------------------------------|-------------------|-------------------|-----------------|-----------------|----------------|
| Queenstown Events Centre x7 | 6,377 | 16,211 | 22,588 | 25,176 | (2,588) |
| Wakatipu Fields x7 | 5,300 | 3,378 | 9,578 | 10,061 | (483) |
| Wanaka Fields x6 | 3,000 | 5,290 | 8,290 | 8,240 | 50 |
| TOTAL | 14,677 | 24,879 | 40,456 | 43,477 | (3,021) |

- Queenstown Events Centre fields are down on last year as two major events fell in November 2009 (NZ Golden Oldies Netball and Pakistan vs. NZ 'A' Cricket) but the One Day International (NZ vs. Pakistan) is on 26th January 2011.
- Wakatipu Fields are slightly down year on year which is partly due to the timing of the 2009 Rugby season pushing an additional match into August.
- Wanaka field's usage is in line with the previous six month period.

Departments

Communications and Marketing

Community Communications

- Catch All newsletter was distributed to a database of 119 sports users four times.
- At Your Leisure was distributed to a database of 3620 seven times.
- The newsletter database has increased by 639 recipients in the reported period.
- Lakes Leisure website is updated daily with events, community and health and fitness programmes, news, and sports.
- Alpine Health & Fitness blog is updated fortnightly to ensure ongoing contact with gym users to encourage participation.
- Content for Scuttlebutt is supplied for every issue and well read by the community's ratepayers.

Media Communications

- 26 Media Releases went out in the six month period (averaging one per week) which provides a good balance of information reaching the market without over saturation. Good pickup was achieved with Lakes Leisure frequently gaining positive profile in The Queenstown Times, Lakes Weekly Bulletin, ODT and Southland Times.
- One special edition of At Your Leisure was distributed to media and user databases clarifying the financial statements in the 2010 annual report.

Community Consultation

- Five focus groups were run to measure current satisfaction with Lakes Leisure services and facilities that included commercial users of venues and events services, Alpine Aqualand, Aqualand Swim School, the sports grounds and Alpine Health & Fitness. Feedback was generally positive with areas for further development identified and actively addressed in ongoing planning.
- Gym users were surveyed to gauge satisfaction with the gym and to ascertain the demographic of user Alpine Health & Fitness was attracting.
- Gym users were surveyed to ensure noise levels were compliant at an acceptable level for gym users.
- Sports Users were surveyed to ascertain ensure Lakes Leisure understood the current and future needs of its users and that these were recognised within Master Facilities Planning for QEC.

Community Feedback

- 105 feedback forms collected at QEC reception were logged and responded to within 3 working days of their receipt. A policy of prompt and personal responses made by the relevant departmental manager is always well received and essential to maintaining a high level of customer service.

- Swim School parents were surveyed twice, at the end of each term of lessons, with good feedback received including areas for improvement the schools coordinator is currently working on.
- School Holiday Programme parents were surveyed through Survey Monkey at the end of July with positive feedback received and areas for adjustment around administration and registration implemented.
- Lakes Leisure was surveyed within the QLDC annual survey with positive feedback received and improvements on the previous year's results for user satisfaction achieved.

Reaching the Wider Market - Familiarisations

- Several groups have been targeted as part of Lakes Leisure's strategy to reach a broad community market and familiarisation sessions where people are hosted by the management team and have a personal experience of the facilities, are a fantastic way to reach the wider market.
- 'Famils' have included; The Inner Wheel, Probus, Lions Ladies and accommodation and information centre front line staff who will promote our facilities to the tourist market.

Participation Focused Marketing

- Brochures for pool and gym facilities were updated, reprinted and widely distributed to maximise exposure.
- Community programmes were promoted and advertised to maximise participation using print and radio mediums. Programmes included; Kids Tennis, The Leisurelys (targeting the older market), Get Rocked kids climbing, teen summer activities competition, School Holiday Programmes, All Sorts Sports and Super Sports.
- Sports leagues were promoted to encourage full community participation including volleyball, six-a-side cricket, touch rugby, basketball and netball.
- Alpine Health & Fitness programmes were promoted using print and radio mediums and included; Big Bods Health and Fitness Overhaul (a fully sponsored programme targeting the overweight), Spartan Training and Boxing Boot Camps (stimulating membership growth) Zumba month (targeting a diverse market of non-typical gym users) Fit in Five (creating variety and driving membership retention) indoor triathlons (incentivising members to get the most from their membership and encouraging renewal) kids Zumba (reaching our communities children who are too young to enjoy the health and fitness centre facilities).
- Community focused events were promoted including the FIFA World Cup Final, Pub Charity Sevens, Shotover Jet Remarkables Christmas Spectacular, Winter Festival Pool Party and the South Island Under 16 Rugby Tournament.
- Aquatics programmes geared towards encouraging wider community participation and keeping people active were promoted including the Tri Squad, Swim School, Challenge Canada, Aquafit for the over 60's and kids pool parties.
- Advertising space was secured in Jason's brochure racks which cover Queenstown and Wanaka, giving Lakes Leisure presence in almost all tourist accommodation in the area.
- A 30 second DVD was created for use at the Adventure Film Festival, Reading Cinema, Queenstown Airport, Backpacker TV and Channel 5 promoting QEC facilities to the tourist market.
- Venue marketing material was created to assist the marketing of Lakes Leisure venues both locally and domestically.

Looking Forwards – the next six months

- Newsletters will continue to be distributed at the same rate with the possibility of adding a Health & Fitness newsletter.
- Feedback loops will be actively developed and standards set around fast and personal responses maintained and improved on wherever possible.

- Social media avenues will be explored with a social media strategy under development that will assist us to reach an even wider market and grow our newsletter database that allows us to minimise marketing expenditure.
- The Lakes Leisure website will continue to be updated daily, with a structural and visual refresh being explored subject to budget.
- The media will continue to be distributed news releases that will assist us to reach our community and contribute to the development of a positive public profile for Lakes Leisure.
- A broad range of Lakes Leisure users will be directly surveyed to ascertain a satisfaction level benchmark against which an annual survey can be compared in the future.
- Holiday programme users will be surveyed at the programmes close in February.
- Health & Fitness members will be resurveyed to ascertain satisfaction levels and membership demographics to assist us to identify gaps and work to achieve the broadest community usage.
- Health & Fitness programme participants e.g. Big Bods, Spartan, Boxing will be surveyed to measure each programmes success, user satisfaction and areas for improvement to ensure an excellent service level standard is maintained.
- Event managers will be surveyed to ascertain the quality of service level and acquire valuable venue feedback.
- Pool Check, a benchmarking aquatics survey, will be explored as a means to ascertain aquatics service delivery levels and identify any areas for concern that impact on the community's enjoyment and use of the facility.
- Aquatics participation in both the pools and swim schools will be prioritised with emphasis placed on marketing new aquatics initiatives that will reach the wider community and grow participation.
- Focus groups for the disabled will be conducted to explore opportunities to offer people in the community better and easier access to Lakes Leisure facilities.
- Local doctors will be regularly updated with information that will assist them to get their patients active and involved in positive community activities.
- Funding and grant opportunities will be explored for both Lakes Leisure and individual programmes that will assist us to develop and grow the number and breadth of community focused programmes, services and facilities on offer.
- Sponsorship opportunities will be explored with partners that complement our community goals around participation and wellbeing while contributing to a positive public profile for Lakes Leisure.
- A mystery shopper programme will be introduced to ensure customer service levels are being met and any areas for improvement are identified.
- Rugby World Cup planning will be prioritised to ensure maximum community engagement is achieved in our area.
- A Community Sports Directory will be developed for distribution to all community groups assisting them to grow their membership bases encouraging greater community participation in sport and leisure.

Aquatics

Water Safety

- The Aqualand Swim School Learn to Swim Programme has a new coordinator with passion to drive the programme forward. Numbers are increasing and more emphasis is being placed on efficiency, child progression, safety and development. There is a great deal of determination in the team to help improve the Water Safety NZ statistics that report 50% of New Zealand 10 year olds can't swim 25metres and 25% cannot keep themselves afloat.

- The National Pool Lifeguard Award (NPLA), the recognised standard for the New Zealand Pools Industry, have increased their expectations around water safety with new emphasis on up to date training and essential qualifications in water treatment. Lakes Leisure is working hard to ensure standards are being met or surpassed to ensure the provision of a safe and fun environment for the community to enjoy.
- We continue to work with Sponsors such as Kawarau Jet, NZSki and the Wakatipu and Wanaka New Worlds to provide training and education to the community on water safety.
- The Aquatics Education Programme giving children practical water safety skills to use in and around our waterways was delivered to 2,718 children in the six month reporting period.

Community Participation

- For the 1st half of the 2010/11 year we have achieved 4% growth on the previous 6 months (Jan – June 2010) and approx 5% growth on the comparative period last year (July – Dec 2009)
- We have achieved a monthly average for the first six months of 12,375.
- The Tri Squad training recognises the growing community interest in triathlons and distance swimming. Re-introduction of the Tri Squad in 2011 with a new national qualified coach and the intention to increase number of weekly sessions and make it a year round activity will be sure to boost its popularity. Numbers increased from 10 to 30 in the past six months and we are confident that this will continue to grow.
- We are currently running Aquafit classes for the over 60's and will continue to offer options and incentives that help to keep this demographic active.
- Training will be invested in to up skill instructors to ensure we can increase capacity and opportunity for those with physical disabilities.
- Alternative membership options will be explored that are tailored to different lifestyles to provide greater membership incentive for swimmers.
- Swim School Surveys and focus groups have been conducted to capture constructive and documented feedback which assists us to improve/update the service we provide for the community.
- Ideas and opportunities are being explored to attract the teen market into the pool.
- We are actively working with the Swim Club to find solutions for peak time usage that will achieve mutual benefits.
- Aqualand Swim School has grown from 250 students in 2008 to 350 in 2009 and 579 in December 2010. Term 1 of 2011 will start with close to 700 enrolments.

Wanaka Participation

- Wanaka pool saw 13,390 visitors through its doors since the refurbishment in September with a November high of 5,082. This is a fantastic result over the 3 months showing strong support and indicating growing demand for this aquatic facility. Prior to refurbishment the Wanaka Pool typically only attracted an average of 2,500 visitors per month.
- Wanaka Learn To Swim programme has grown significantly over the past two years, with approximately 200 children registered at the beginning of 2011 to participate in the programme.
- There has been strong participation over the past six months in the Aquatic Education Schools Programme with 991 children attending from Makarora, Holy Family, Wanaka Primary and Mount Aspiring Schools.
- Wanaka pool achieved budgeted revenue despite the extended closure period during the ventilation installation.
- Challenge Wanaka proved to be a strong catalyst for energising interest in the Wanaka Pool.
- There has been an increase in pool memberships and there is strong evidence of full community support for the pool.
- The increasing demand for pool space and a conflict between lap swimming and learn to swim indicates a need for a warm, shallower learn to swim pool. The need for this has been communicated to Council and will be discussed in the Annual Plan process.

Arrowtown Participation

- The facility received a freshen up this season.
- Numbers are consistent with last summer with support from both lane swimmers and families enjoying the outdoors.

Yardstick Pool & Leisure Centre Report 2010 – National Benchmarks

Yardstick and New Zealand Recreation Association produces a survey benchmarking aquatic facilities in New Zealand. The results in the Yard Stick Pools and Leisure Centres report 2010 are very good news for the community:

1. Facility net cost per admittance

- This is the net shortfall of cost versus revenue and therefore the cost subsidy by the rate payer.
- Alpine Aqualand's net cost per admittance was \$1.96 which is the 5th lowest against other 31 equivalent NZ pool facilities.
- Other facilities' results of the ranged from \$13.30 down to 52c and averaged \$3.57 per user. Alpine Aqualand's result is extremely positive but Lakes Leisure will continue to work at reducing this reliance on rate payer funding in the future.
- Wanaka Community Pool's net cost per admittance was \$6.86. This is expected to reduce as usage increases and cost efficiencies are achieved following the refurbishment in September 2010.

2. Operation cost per m3 of water volume

- Alpine Aqualand was \$721/m3.
- This was the 4th lowest of 31 other NZ pools proving our Queenstown facility to be extremely efficient. The major costs of any aquatic facility are staffing and heating energy which Lakes Leisure works hard to minimise.
- Wanaka Community Pool was \$688/m3 one of the lowest costs by volume of water.

3. Facility usage ratio for primary catchment area

- This measures number of swims per annum on a relative population basis.
- Alpine Aqualand measured 9 swims per annum for each member of the population. This placed Queenstown 15th out of 31 comparable facilities.
- Other facilities results ranged from 15 down to 1.
- Alpine Aqualand's results whilst around the median, still indicate we need to encourage our local population to swim more and benefit from this fantastic facility.

Customer Service

- There is a renewed drive to constantly improve and sustain a high level of customer service through listening and responding positively to customer feedback. This will be achieved with a dedication to operating at a highly efficient and professional level.

Summary

- Preserving and maintaining our community's assets to provide a safe, good value, enjoyable environment for our rate payers is key. Emphasis is on growing participation to the wider community while always seeking opportunities to improve efficiency, sustainability and excellent customer service.
- The closed fast hydro slide continues to disappoint the community. We look forward to working with Council, as the asset owner, to resolve this.

Events

Highlights

- Total event participation for the period (public events at Lakes Leisure venues) reached 11,692 from a total of 25 events. These events were managed by external parties using Lakes Leisure venues and infrastructure.
- 4,672 event tickets were purchased through Ticket Direct Southern Lakes.
- Rugby world cup site visits from England and Ireland.
- Romania announced as RWC play off winner.
- Rhythm & Vines Sound Check Music Concert.
- TRENZ 2011 confirmed for the Queenstown Event Centre in May.
- Melbourne AFL teams the Western Bull Dogs attended a 7 day training camp with 70 players using the QEC, Alpine Aqualand and Alpine Health & Fitness and Grounds.

Key Events Included

- Rhythms of Ireland
- The Eagles Experience
- Adventure Film festival
- Society of Local Government managers conference
- South Island Under 16 Rugby tournament
- Katrina Gordon trade show
- Smith City home Show
- ASB Jazz Festival
- Jimeoin
- Ukulele Orchestra of Great Brittan
- Shotover Jet Remarkable Christmas
- 20/Twenty Domestic Cricket
- Eleven days of Domestic cricket

Challenges

- Maintaining the balance between community use and maximising revenue generating opportunities.
- Investing in event equipment to enhance the venues appeal to promoters and reduce the cost of staging events.
- Increasing usage of the venues in a tight economic environment.

Looking forward

- Working to increase commercial revenue while reducing costs which contributes to running the lower revenue community events.
- Increasing local and national awareness of Lakes Leisure venues and services.
- Actively promote the QEC as the largest venue in the Southern Lakes.
- Delivering world class experience and training facilities for the RWC hosted teams.
- Continue to work with the RWC2011 Spin it Wide campaign.
- Targeting international sporting teams and work to become the number one training venue in NZ.

Confirmed events include

- Queenstown Home Show
- Queenstown Auto Extravaganza
- Southern Steel Pre season Tournament
- NZ Heart Foundation Children's Variety Show

- Royal NZ Ballet “Tutu’s on Tour”
- Party Girls Cabaret
- NZCPA Cricket
- NZ Association Dairy Awards
- TRENZ 2011
- The Gruffalo
- American Express Queenstown Winter Festival
- 2011 Pure NZ Winter Games
- RWC 2011 Hosting
- 42BELOW Cocktail World Cup

Facilities and Operations

Highlights

- Completion of the first auditorium sports floor refurbishment since the centre was built, allowing for higher quality and safer play, attracting more tournament events and protecting the asset for future users.
- Upgrade of the QEC fire alarm system.
- Increased venue infrastructure to attract more events.
- Implementation of the QLDC Community Facility Funding Policy aligning and simplifying user charges for both sports fields and venues.
- Delivering Alpine Health and Fitness classes in alternative Lakes Leisure venues to maximize participation opportunities.
- Streamlined venue booking/payment/hire agreement systems in LINKS to improve customer service and internal efficiencies.

Challenges

- Maintaining high level of customer service levels and satisfaction in a busy environment.
- Maintaining venues maintenance programmes to protect the community’s assets and maximise participation.

Looking forward

- Reducing venue costs and increase efficiencies to ensure the future affordability of hire to the public.
- Recommending any necessary changes to the Council’s pricing policy.
- Increasing participation and maximise use of all Lakes Leisure venues.
- Completion of capital projects within 2011/12 Annual Plan including:
 1. Delivering the 107 space car park extension to budget prior to TRENZ and RWC 2011.
 2. Installation of the QEC welcome road sign.
 3. Completion of sport field 1B flood lighting.
 4. Completion of fields 2 and 3 toilet/change block.
 5. Increasing event power facilities to 5 mile side of the Davies Oval.
 6. Delivering TRENZ 2011 to a high quality standard.

Sports Turf Management

Participation

- Turf facilities are being increasingly utilised as sports clubs expand and play seasons lengthen placing greater demand on the sports fields.
- The QEC grounds are in use every day of the week and are coming under increasing pressure to accommodate all those wanting to participate in sport.
- The Queenstown Recreation Ground has become hugely popular with the casual play football community and Sundays and Wednesdays have taken off with up to 150 people playing in six aside competitions.
- Other areas to experience a significant increase in usage are Jacks Point for both football training and use by a private football academy, Millbrook corner with extra cricket fixtures such as Twenty/20 and Lake Hayes is continually busy with the new car park development already appearing to be too small to cope with the use the pavilion enjoys.

Challenges

- Issues have been encountered trying to close the fields in order to prepare the grounds for events such as the national rugby sevens. This is a general problem around accommodating people while maintaining the turf in a largely public and uncontrollable environment.
- The overlap of winter and summer play is becoming an increasing problem for both turf maintenance and renovation but also in accommodating all sports users wishing to use the grounds. This has been managed to date by juggling areas of use but there is concern that the time will come when in order to adequately maintain turf quality users will need to be stopped from using the grounds all together for set periods of time.

Rugby World Cup 2011 Preparations

- The renovation of the main oval outfield has been completed and continual work will be carried out to ensure we meet RWC2011 expectations for turf standards.

Alpine Health and Fitness

Objectives

- To improve the health and wellbeing of the community.
- To cater to a wide range of community users.
- To grow the local health and fitness market, introducing first time users to the gym environment.
- To complement and complete the Aquatics project.
- To deliver the community an affordable, accessible and welcoming fitness environment.
- To develop and enhance Lakes Leisure services in order to:
 1. Attract world class events
 2. Establish a 'centre for sports excellence'
 3. Provide for educational opportunities
 4. Develop community programmes
 5. Attract international training teams

Growth

- Alpine Health & Fitness has a membership base of over 1,100 members.
- In a recent 2010 survey 52.9% of members were either first time gym goers or had not attended a gym in the last 3yrs.
- The group fitness timetable delivers over 50 classes per week to the community.

- There are on average 8,500 visits from members and casual users through the doors each month.
- National and international sports teams have trained at the facility and provided extremely positive feedback.
- Large scale community Zumba classes are held weekly in the Queenstown Memorial Hall.
- Several group training programs have been run which stimulate membership growth and retention. These include Spartan and Boxing Boot Camps, Fit in Five and an Indoor Triathlon.

Community Initiatives

- Big Bods is an eight week fully subsidised health and fitness overhaul designed to get overweight people moving and paying attention to their nutrition, with a view to their meeting and maintaining their long term health and fitness goals. The criterion for application was that people have at least 20kgs of extra weight to lose and many were received indicating a strong need for the programme in the community. Ten participants were selected with others on a waiting list to attend the next programme scheduled for May.
- The Southern Institute of Technology has recently completed a very successful first year utilising the gym and other Lakes Leisure venues to complete practical sessions for students studying for a Certificate in Personal Training.
- Falls Prevention participants enjoy a variety of guest speakers and participate in a range of exercises throughout the facility that focus on stability and balance. This is an initiative developed in conjunction with the Southland District Health Board.
- The Leisurelys is a membership package that includes a variety of specialised classes targeted primarily at the elderly in our local community. Classes include: Cardiac Club, Circuit, Aqua Aerobics 60+, Falls Prevention and Bodyvive.
- Bid For Your Bike was a breast cancer fundraiser with three classes dedicated to the cause. A corporate RPM ride and Pink Zumba were also run. These raised in excess of \$5000 for the charity.
- School programmes are continuing to run for 5 - 8 weeks. These include a range of our group fitness classes, water safety activities, aqua aerobics and games in the stadium.
- An outdoor running track has been established around the QEC grounds and is accessible free of charge to the community.
- Zumbatomic - this is a Zumba class specifically targeted at kids. It is held once per week at QEC.
- Latin Step - another class created by Alpine Health & Fitness to reach the wider community. This class appeals to Queenstown's growing Brazilian population.

New Initiatives

- Back on the Wagon – a six week 'pick me up' for those wanting a kick start back into their health and fitness in the new year.
- Pre/post natal classes – there has been a need identified in the local community and we will be co-coordinating with a local Physio to put a program together.
- Corporate challenges – that allow corporate teams to complete while raising money for charity.
- Community sponsorship - sponsorship of a teenager with SIT to become a Personal Trainer.
- Over weight and inactive classes – the development of specific classes that doctors are able to refer overweight and inactive patients to.
- Corporate wellness packages – working with local businesses to create fitness programs for their staff.

Affordability

- Membership prices are highly competitive and affordable to users with additional discounts to Community Services Cardholders, Super Gold Cardholders and high school pupils available.
- Free access for the public to our outdoor running track.

Future challenges

- Alpine Health & Fitness faces a growing membership base and space limitations that will impact on our ability to continue to serve the wider community.
- The proposed addition of a new dedicated RPM studio will allow for membership growth.
- The potential introduction of an 'off peak' membership will allow us to fill the down times during the day without affecting our peak time membership usage.

General commentary

- Year to date budgeted targets have been exceeded and the centre is expected to return a surplus in its first year of operation that will be used to repay the centre's \$780k loan that was taken to fit out the space and purchase equipment.
- The goal to reach the wider community has been achieved and the support of the local community has been incredible.

Programmes

Participation

- The programmes department works hard to provide for the wider community by delivering sport and recreation opportunities to all community members including the elderly, teens/youth, children, competitive sports players, woman's only, adventure sportspeople and members who are simply there to socialise in a healthy positive environment.
- Statistics for the six month period show a steady increase in community recreation participation numbers reflecting an increase in the number and diversity of programmes being offered.
- Climbing classes are consistently full (12) with waiting lists for the following terms.
- Kids tennis has consistently drawn solid numbers (25) even over the winter months.
- The 6 aside cricket league is at its maximum capacity of 30 teams with a 6 team waiting list.
- Alpine Aqualand and Alpine Health & Fitness contribute to the steady rise in programme participants by the synergy they create in the centre that exposes different types of people to the programmes on offer encouraging people to try new things.
- Participation numbers took a hit in November due to the stadium floor refurbishment, preventing the running of summer volleyball and basketball plus adults and kids climbing classes. This was however still the most appropriate time for the refurbishment, traditionally being the quietest.

New Initiatives reaching the wider community

- The Leisurelys programme kicked off in September, targeted at 60 plus adults it aims to get people moving and involved in community activities in order to improve people's quality of life. Currently offering a 5 class timetable, as the programme gains momentum and the membership base grows, the timetable will in consultation with its users, be extended to ensure we are meeting their needs.
- Super Sports Holiday Boredom Busters delivers recreational sport targeted towards children's fundamental physical, mental, social and emotional development. Geared to children aged 4 - 12 years they experience a variety of sports and get the opportunity to participate in new sports in a safe and encouraging atmosphere where targeted coaching helps build confidence. There is potential to expand the programme into more comprehensive sessions for the younger teen market.
- Bored Silly With Summer was a competition to encourage the local youth of our community to talk to Lakes Leisure about what they would like to do or see happening at Lakes Leisure. Recreation assists in overall youth development helping to develop decision-making skills, cooperative skills, positive relationships and empowerment. However we are aware this is a market that we can make no assumptions about the best ways to get them involved in sport

and recreation. The winning idea should result in an actual programme or event being developed by a group of youths, for the youth of our community.

- Tube Polo was a programme developed for teens during the school holidays, but received insufficient interest to be run. Our intention is to push this idea forward with the help of the Wakatipu High School.
- Zumba for high school students will be run at the high school at lunchtime. A great way to get teens active and involved.

Our Programmes

- Kids Tennis (year round)
- Get Rocked Kids Climbing
- She Rocks Women's Climbing
- 6 Aside Cricket
- Summer Volleyball
- Summer Basketball
- Winter Volleyball
- Summer Volleyball
- All Sorts Sports

Holiday Programme Survey

- 100% of respondents use the programme due to work commitments. This programme provides a vital service to the working families of the community.
- Of the families that were surveyed 55.6% used the programme 3- 4 days a week.
- 77% of families who responded believed the programme cost was 'about right' for the quality of services provided. This is feedback essential to ensuring the programmes are accessible to all in their affordability.

Holiday Programme Funding

- Ministry of Social Development Funding was been secured to the value of \$27,000 for the delivery of the School Holiday Programme in 2010 with another \$27,000 secured for 2011. This greatly assists to ensure the programme is delivered affordably to the community.

Challenges for 2011

- The ever increasing popularity of the stadium to be used for events is putting pressure on the quality of community programmes being delivered. The interruption to sports leagues, the climbing wall and children's programmes is increasing. Without alternative venues to use in the area this is a concern for the Programmes department.

Key Performance Measures

Performance during the six month period against these measures is attached as Appendix 1.

Financial Reports

Financial reports for six months ended 31 December 2010 are attached as Appendix 2.

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Disclaimer: Please note that the Financial Accounts for six months ended 31 December 2010 are not audited accounts