



Hanmer Springs Thermal Pools & Spa

Statement of Intent For the three-year period ending 30 June 2015

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Approved by the Hurunui District Council on 29 November 2012

1. Introduction

- 1.1. The Statement of Intent provides an opportunity for the Hurunui District Council (the Council) and the Hanmer Springs Thermal Pools and Spa (HSTP&S) Management Committee (the Committee) to define the objectives, nature and scope of activities, performance targets and relationships with third parties for the next three years.
- 1.2. The process of negotiation and determination of an acceptable Statement of Intent is an expression of the accountability relationship between the Committee and Council. It is prepared annually by the Committee, negotiated with Council and covers a three year future period.
(For the purposes of this document “pools and spa” means the thermal pools business as a whole.)

2. Objectives

- 2.1 To maximise cash returns to the Council.
- 2.2 To operate a profitable, successful, cost efficient, sustainable business.
- 2.3. To achieve this, the Committee intends to:
 - 2.3.1. Produce sufficient earnings to enhance the business.
 - 2.3.2. Maintain and enhance the visitor experience to the pools and spa.
 - 2.3.3. Maintain and enhance the business infrastructure of the pools & spa.
 - 2.3.4. Protect the Council’s access to water and the delivery system to the pools facility.
 - 2.3.5. Promote environmental sustainability and adoption of efficiency benefits.
 - 2.3.6. Act as a good corporate citizen in its relationship with the wider community and Tangata Whenua.
 - 2.3.7. Act as a good employer.
 - 2.3.8. Follow best practice in governance and legislative compliance.
 - 2.3.9. Retain and protect the integrity of Council and the interests of residents and ratepayers.
 - 2.3.10. Maintain a prudent and conservative attitude to debt and adverse event recovery, subject to Council policy.
 - 2.3.11. Deal appropriately with third parties.

3. Governance

- 3.1. The Council is primarily responsible to the residents and ratepayers of the Hurunui District.
- 3.2. The interests of the residents and ratepayers are to ensure a sustainable business that provides income and associated benefits to the district.
- 3.3. Principal functions include:
 - 3.3.1. Review and approval of strategies, the annual planning and budgeting cycle of Council and financial plans.

- 3.3.2. Monitoring organisational performance and achievement of the Committee's strategic goals and objectives, in particular as outlined in the Statement of Intent.
- 3.3.3. Monitoring financial performance and ensuring rigorous audit processes.
- 3.3.4. Identification of risks and ensuring that appropriate avoidance and mitigation measures are in place.
- 3.3.5. Enhancing and protecting the integrity and reputation of the Committee and Council.
- 3.3.6. Full and timely reporting to Council.
- 3.3.7. Implementing appropriate policies for the operation of the business including safety, environmental and quality issues.

3.4. The Committee

- 3.4.1. The Committee shall be determined and appointed by Council.
- 3.4.2. The Chairperson will be appointed by the Council and will be an independent director.

3.5. Operations

- 3.5.1. The Committee has delegated responsibility for the affairs and activities of the pools and spa.
- 3.5.2. The Committee may establish sub-committees to assist in the execution of its duties.
- 3.5.3. The Committee shall meet at least six times a year with other special meetings as required.
- 3.5.4. The Committee has the right to seek independent professional advice.

4. Nature and scope of activities

- 4.1. The primary activity of the Committee is to operate a business, utilising water from bores, within the Hanmer Springs Thermal Reserve.
- 4.2. The Committee may from time to time consider alliances, partnerships and relationships if they enhance the interests of the residents and ratepayers of the Hurunui District.
- 4.3. At all times and in every instance the Committee must give first priority to protect the financial interests of the Council, including keeping Council adequately informed.

5. Reporting lines

In accordance with the law, elected members only have one Council employee, the Chief Executive Officer (CEO). The CEO is responsible for the Council's management structure and is the employer of all other Council staff. The CEO is the employer of the General Manager Hanmer Springs Thermal Pools and Spa, and the employer of all other staff at the pools and spa.

With the CEO's agreement, the management responsibility for the pools and spa is delegated to the Committee. Because of this delegation, the reporting line from the General Manager to the CEO is secondary. The General Manager's primary reporting relationship is with the independent Chairperson of the Committee. The Committee is responsible for ensuring the General Manager discharges his or her specific responsibilities. These responsibilities include (but are not limited to) ensuring the pools and spa employees have a spirit of service to the community; promoting efficiency; being a responsible manager; maintaining appropriate standards of integrity and conduct among employees; ensuring the pools and spa is a good employer; and promoting equal employment opportunities. These responsibilities include running the business in a profitable manner attaining and exceeding agreed budgets. The Pools and Spa has a strong emphasis on excellent customer service.

The Chairperson is responsible for conducting the General Manager's performance and remuneration review each year and for agreeing on the objectives and development plan with the General Manager for the next financial year. The Chairperson will keep the CEO informed about this process.

While the pools and spa is closely aligned to a Council Controlled Organisation model, it is not an actual CCO. The pools and spa is a 'business unit' of Council and as such it (inclusive of the Committee) must comply with all local government legislation i.e. official information and meeting requirements. Council policy and general organisational policy also apply to the pools and spa i.e. the Council's fraud and detection policy and the organisation's code of conduct policy. The CEO, Chairperson and General Manager will work together to ensure legislative and policy requirements are met. In the case of organisational policy, this is to be adopted in a pragmatic way that recognises the uniqueness of the pools and spa, so as not to stifle the operation.

6. Objectives and performance targets

	Objective	Desired Outcomes	Performance Measure	Performance Target
6.1	Council Interests	Operate a profitable sustainable business as set out in the business plan.	Annual profit results.	Deliver the business plan.
6.2	Sustainable Environment	Be a responsible corporate citizen.	Operate within all consents, environmental and regulatory parameters.	No breaches of consents or regulatory parameters.
6.3	Corporate Excellence	Be a responsible corporate citizen.	Operate within all legislative parameters.	No breaches of legislative parameters.
6.4	Service Quality	Deliver an excellent visitor experience.	Exceed customer expectations for quality experience.	Exceed 9/10 from customer surveys.
6.5	Good Employer	Well managed, well resourced, well motivated and well trained staff.	Satisfied, happy staff.	8/10 from staff surveys.

	Objective	Desired Outcomes	Performance Measure	Performance Target
6.6	Health & Safety	A healthy and safe environment for customers and employees.	A combination of effective and proven health and safety practices are employed within the work environment throughout the year.	No deaths or serious injuries.
6.7	Third Parties	Construct robust and reliable communication and negotiation arrangements to ensure sound relationships with third parties.	Good service for third parties.	Retention of third party relationships.
6.8	Financial Performance	To meet or exceed the financial performance targets set out.	Profitable long term business.	Exceed profit budgets.

7. Assets

The assets and infrastructure of the pool and spa are owned by the Council and the Committee is the steward of these. The Committee must ensure the assets are comprehensively insured. The Committee must ensure there is a program of repairs and maintenance for the assets coupled with an asset replacement strategy.

8. Accounting policies

The Hurunui District Council has adopted accounting practices that are consistent with New Zealand International Financial Reporting Standards and generally accepted accounting practice.

9. Dividend Policy

All surpluses are required to be paid to the Council.

10. Information Provided to Residents & Ratepayers

Annual review – provide a plain English report to residents and ratepayers on the various activities and performance of the Committee in the preceding year.

11. Information provided to Council

11.1. Annual Statement of Intent - No later than the 1 March each year the Committee will provide a draft Statement of Intent. Council will provide comments and will confirm the Statement of Intent by the 30 June.

- 11.2. Annual accounts – Within three months after the end of each financial year the Committee will deliver an annual report to Council which will include:
- 11.2.1. A report on Committee operations.
 - 11.2.2. Financial statements.
 - 11.2.3. Comparison of the performance of the Committee with the Statement of Intent together with any explanations of material variations.
 - 11.2.4. Auditor's report on the above financial statements and the performance targets and other measures by which the performance of the Committee has been judged.
- 11.3 The Committee will report twice yearly to the Council's Strategy and Policy Committee and twice a year to the Audit and Risk Committee. The timing of these reports to be agreed with the Chairs of the respective committees.

12. Relationships with third parties

The continued success of Hanmer Springs Thermal Reserve & Spa depends on access to water, delivering an excellent visitor experience that ensures a sustainable and profitable business while meeting various regulatory standards.

There are several relationships with third parties that provide opportunities and threats for the business.

The Committee is required to ensure compliance with various standards, meet the challenge of changing circumstances, identify possible relationships and explore and develop new opportunities.

These relationships, threats and opportunities will be discussed and explained to Council, prior to being implemented, with the appropriate recommendations for action. The core business is to operate the thermal pools, spa, I-site, café and associated services and any expansion outside the core business will be subject to Council approval.