

Public Excluded

Report PE-99.242

12 May 1999

CFO/27/12/2

Report to the Policy and Finance Committee
From Greg Schollum, Chief Financial Officer

Stadium Trust : 1999/00 Business Plan

1. Purpose

To receive the 1999/00 Business Plan from the Stadium Trust (refer Attachment 1) attached as a separate document.

2. Exclusion of the Public

Grounds for the exclusion of the public under Section 48(i) of the Local Government Official Information Act 1987 are:

That the public conduct of the whole or relevant part of the meeting would be likely to result in the disclosure of information for which good reasons for withholding exists, i.e., to carry on commercial activities.

3. Background

The funding deed signed by the Wellington Regional Council, Wellington City Council and the Wellington Regional Stadium Trust requires the Stadium Trust each year to produce:

- A Business Plan (including projections for the following two years).
- A Statement of Intent (including projections for the following two years).
- A Strategic Plan (including projections for the following five years).

The requirements included in the funding deed reflect the “belts and braces” approach taken to risk management at the time the funding deed was prepared.

The Stadium Trust has sensibly decided that the settlors' needs for information can be met by one document instead of three. The attached Business Plan incorporates the requirements of all three documents and includes financial projections for the next five years.

The Wellington City Council has considered the draft Business Plan and their suggestions for change have been passed on to the Stadium Trust. It is now an opportunity for Councillors to provide input into the Stadium Trust's Business Plan.

4. Issues of Note

4.1 Financial Projections

The financial projections included within the Business Plan indicate that the Trust is expecting to generate a net surplus in each of the five years covered by the plan. No taxation charge has been calculated as the Trust believes it will not meet the definition of a LATE for tax purposes.

The projected cashflow position includes positive cashflows from operations and the commencement of repayments on the bank loan. There are no repayments to settlors projected within the five year period (as expected).

4.2 Key Performance Indicators

The Stadium Trust has included a number of key performance indicators within the plan. While it is likely that these indicators will evolve over time, they represent a reasonable starting point for the first Business Plan produced by the Trust. The focus of the initial indicators is on financial and quantity based measures. The Trust is keen to increase the quality measures in future.

4.3 New Governance Arrangements

The Business Plan briefly outlines the new Committee structure in operation at the Stadium Trust. (Refer to Report PE-99.236.)

5. Recommendations

- (1) That the report be received and the contents noted.*
- (2) That the Chief Financial Officer advise the Stadium Trust of any amendments to the 1999/00 Business Plan as requested by Councillors.*

GREG SCHOLLUM
Chief Financial Officer