



Report 07.196
Date 3 May 2007
File CFO/27/12/2

Committee Policy, Finance and Strategy
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Wellington Regional Stadium Trust – Draft 2007/08 Business Plan and Draft Statement of Trustees’ Intent (STI)

1. Purpose

To receive the draft 2007/08 Business Plan and the draft Statement of Trustees’ Intent (STI) from the Wellington Regional Stadium Trust (Stadium Trust).

2. Significance of Decision

The matters in this report do not trigger the Significance Policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

Both the Business Plan and the STI are the responsibility of the Trustees of the Stadium Trust. The Settlers of the Stadium Trust (Greater Wellington Regional Council and Wellington City Council) provide comments on the draft documents.

Once any comments have been received from the Settlers, the Business Plan and STI will be finalised by the Trustees. It is expected that the final documents will be received by the end of May.

4. Statement of Trustees’ Intent

The draft STI for the Stadium Trust is attached. (refer **Attachment 1**)

The key responsibilities of the Trustees as specified in the Stadium Trust’s Deed are clearly articulated, namely:

- own, operate and maintain the Stadium as a high quality multi purpose sporting and cultural venue
- provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region
- administer the Stadium Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

The STI is similar in content to the previous year.

5. Business Plan

The Business Plan is attached (refer **Attachment 2**)

The key features of the Business Plan are:

- continued surplus with a forecast of \$1.19 million in 2007/08, \$1.92 million in 2008/09 and \$2.16 million in 2009/10. The lower profits in 2007/08 is due to the timing of test matches
- continued sound financial position and reducing debt as planned, debt is forecast at \$20.30 million by 2009/10
- high utilisation over the period in question.

The major issues facing the Stadium over the next three years are:

- continued high utilisation
- increased competition from other stadiums
- ongoing maintenance and upgrades including reviewing requirements for additional enhancements to the Stadium for the Rugby World Cup 2011 and the Cricket World Cup in 2015
- achieving sufficient net surpluses to meet financial obligations.

6. Financial Results

\$ million			
	2007/08	2008/09	2009/10
Revenue*	12.83	14.39	15.25
Expenses	6.69	7.59	8.19
Depreciation	3.11	3.12	3.15
Interest	1.84	1.84	1.75
Net surplus	1.19	1.84	2.16
Debt	22.30	21.30	20.30
Surplus Cash	1.34	1.92	1.72

* Included in each of the three years are revenues from unconfirmed events.

7. Comments

The STI (on page 5) notes Wellington City Council's objectives for Council Controlled Organisations (CCO). It would be appropriate that the STI states that the Stadium Trust is not a CCO as confirmed by the Court of Appeal.

8. Letter of Expectations, Wellington City Council

Wellington City Council (WCC) has as in previous years written to the Stadium Trust outlining their expectations. A copy of this letter is attached (refer **Attachment 3**).

The comments we have made to WCC as in the past are:

- a) The staging of additional community events should not put at risk the meeting of the Stadium Trust's financial obligations.
- b) The objectives of the Stadium Trust cannot be compromised.

9. Communications

No communications are necessary.

10. Recommendation

That the Committee recommend to Council that it:

- (1) **Receives** the report
- (2) **Notes** its contents.
- (3) **Requests** that any comments arising from the Committee are sent to the Stadium Trust.

Report prepared by:

Report approved by:

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Chief Executive

Attachment 1: Stadium Trust – Statement of Trustees Intent

Attachment 2: Stadium Trust – 2007/08 Business Plan

Attachment 3: Wellington City Council letter of expectations