

DRAFT

WELLINGTON REGIONAL STADIUM TRUST

**Statement of Trustees Intent
Business Plan 2007/08
Strategic Plan 2007/12**

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EXECUTIVE SUMMARY

To be included in the final version.

Wellington Regional Stadium Trust Statement of Trustees Intent For the year ending 30 June 2008

Objectives and Nature of Activities to be Undertaken

The objectives of the Wellington Regional Stadium Trust (the Trust) as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils are as follows:

- To own, operate and maintain the Stadium as a high quality multi-purpose sporting and cultural venue.
- To 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.
- And to administer the Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

These objectives and the outcomes required to achieve them are set out in more detail in the Five-year Strategic Plan which is attached to this document in Appendix 1.

The Councils also have general objectives for the Trust. These are that it should:

- Have a partnership approach with the Councils and Council entities;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery;
- Provide a range of events with broad community appeal.

To meet its responsibilities under the Trust Deed and the general objectives of the Councils the Trust has a number of initiatives, procedures and strategies that ensure these obligations are met.

The continuing focus is on securing a long-term schedule of regular sporting, non-sporting and community events that complements the programmes provided by rugby and cricket. Management will continue to promote the Stadium to concert promoters as a preferred New Zealand venue for major touring artists. Competition from other New Zealand venues, particularly Vector Arena in Auckland, will impact activities when it comes to securing major events. The assistance provided through the Wellington City Council event fund is a critical element to the success of these initiatives.

The Trust will also be looking to assist in the development of new events that can become regular and unique events on the Wellington region's event calendar. We work closely with WCC event team to target known events or develop new events.

The Trust also accommodates a number of community events where these do not clash with the regular event programme and where they fit in with the priority booking rights of our

principal tenants. With the addition of up to 10 games for the new Wellington Phoenix soccer franchise home games, this will impact on our ability to provide the venue for community events.

The Trust has a long term preventative and reactive maintenance programme that maintains the facility to a high standard and continues a programme of enhancement to meet world's best practice. This programme is regularly reviewed by independent experts and updated according to their findings. Maintenance programmes and related costs at the Stadium are impacted by its location between a fundraising port and railway yards.

The Trust's objective of meeting world's best practice is an essential commitment of the Trust and it is a contractual obligation to our major tenants. It is also important to ensure we are able to present world class facilities for the Rugby World Cup matches in 2011 and Cricket World Cup in 2015. Work has already begun on projects to achieve this.

Management will also maximise event and non event day revenues, maintain strict control over costs and focus on improving services to major hirers and patrons to maintain the high level of satisfaction and enjoyment that patrons get from Stadium events.

Over the last year the Trust has engaged in a formal risk management review process to ensure strategic and operational risks are identified, and managed appropriately.

Rugby World Cup 2011 and Cricket World Cup 2015

New Zealand has secured these two events and the Stadium is expecting to play a major role in hosting events in both Cups. These events present a major opportunity for the region to share in the economic benefits delivered by these top quality international events. The Trust and all local bodies in the region will need to work closely to ensure we maximise that benefit.

There will be many issues for the Stadium and region to address to ensure that our hosting of these events provide the visitors with an outstanding experience and represent the Wellington region appropriately through the international media.

We will also need work with the City and other local agencies to secure the best possible fixtures for the Stadium. This will be a highly competitive process and will require all parties to work closely together.

Creative Wellington – Innovation Capital

The Wellington City Council's long term strategic vision is to promote Wellington's reputation as New Zealand's centre of creativity and innovation in order to attract and retain smart innovative people and creative forward looking enterprises.

The strategic goal of the Council in achieving that vision that directly relates to the business of the Stadium is:

“attracting sport events, concerts, cultural festivals and other major events”.

The Trust has attracted many major events to the city and those achievements are well detailed in various reports to the City and Regional Council. The economic impact report

updated by BERL in October 2004 confirms that the economic benefits of events at the Stadium, is more than double the initial projections. This result clearly reflects the economic contribution the Trust makes to the Wellington Region, which more than justifies the investment of both the city and the region in the Stadium; as well as contributing to the reputation of Wellington as a creative and vibrant city.

Council's General Objectives for Council Controlled Organisations

Wellington City Council has general objectives for Council Controlled Organisations. The Trust meets these objectives in the following ways:

Partnership Approach

The Trust works in partnership with the Wellington City Council and other CCOs including a close working relationship with Council officers responsible for promoting and facilitating major events, traffic management and Resource and Building Consents. Positively Wellington Tourism assists with promotion of events and we communicate with local hotel groups to ensure they have a high level of understanding of what is happening at the Stadium.

Contribution of Councils

The Trust will ensure that the contribution of Councils in supporting the operation of the Stadium and in securing major events is properly recognised in public announcement promotions and marketing. It is also very important that the Councils willingness and ability to provide support to events is promoted internationally. The Trust is in regular communication with event promoters to ensure they understand the assistance that is available to bring events to Wellington.

Maximise effectiveness and efficiency of service delivery

The Trust regularly conduct performance reviews with its customers to improve service to patrons. Rugby and cricket events are given rigorous reviews particularly after international events. We are acknowledged as providing a high level of services by our two major hirers. We contribute positively to assisting all hirers in the delivery of events.

Provide range of events with broad community appeal

The Trust has always targeted events outside of the regular sporting events and exhibitions. Rugby league and soccer are recognised as sports that need to be in the Stadium. The youth market and motor sports are targets which are actively pursued. We meet all requests to have community events that can be accommodated in the events schedule.

Regional Focus

The Trust is very conscious of its responsibilities to the Region and acknowledges the support it gets from outside Greater Wellington. Events such as concerts and the wrestling attract 50% or more attendance from outside the Wellington region. Our major support base is the lower half of the North Island.

Trustees approach to governance of the Trust

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall

control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance & Risk Committee, the Audit Committee and the Non Sporting Events Committee. The Board is also represented on the Catering Performance Committee, whose membership includes management from the Trust and the holder of the catering license. It is chaired by an independent chairperson. The Board is also represented on the Deloitte Club Members Committee.

Both the Board and the Finance Committee generally meet on a monthly basis. The Audit Committee meets at least annually, and the Non Sporting Events Committee meets twice a year. The Catering Performance Committee and the Members Committee meet half yearly.

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2008	19%
30 June 2009	21%
30 June 2010	24%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2008	124%
30 June 2009	127%
30 June 2010	131%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Accounting Policies

General accounting policies of the Trust are set out in Appendix 2. These are consistent with the policies applied in the previous year apart from minor changes required as a result of implementing International Financial Reporting Standards.

Performance Measures

The key performance indicators agreed with the Wellington City Council and Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)

- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Interest cover (on an annual basis)
- Capital expenditure
- Events held and attendance numbers
- Patron and hirer satisfaction

These indicators are reported on by the Trustees in their Quarterly Report.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Quarterly Reporting

The Trustees will present a Quarterly Report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlers investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.

Current Trustees

Name	Appointed until
Paul Collins (Chairman)	30 June 2009
Peter Biggs	30 June 2007
David Bale	30 June 2007
Christopher Laidlaw	formal declaration of results of GWRC 2007 elections
Robert Armstrong	formal declaration of results of WCC 2007 elections
Liz Dawson	30 June 2008
Michael Egan	30 June 2008
Sir John Anderson	30 June 2009

Conclusion

The Trust will:

- Work with the two Councils to meet the needs of the Region.
- Develop a capital expenditure and ongoing maintenance programmes that ensure the Stadium meets "world best practice" for Rugby World Cup 2011 and Cricket World Cup 2015.
- Work with Wellington City Council, Positively Wellington Tourism and Wellington Rugby Union so we get the maximum possible allocation of Rugby World Cup games.
- Secure the existing events schedule.
- Secure additional events that complement the existing events schedule.
- Maintain net surpluses so that the Trust remains financially autonomous.
- Reduce debt to a manageable level.

Achievement of these objectives and those set out in the Strategic Plan will ensure that the Trust remains financially autonomous thus meeting all its principal objectives.

For the Trustees
Paul Collins
Chairman
3 April 2007