

WELLINGTON REGIONAL STADIUM TRUST

WELLINGTON REGIONAL COUNCIL

MONITORING COMMITTEE REPORT

QUARTERLY REPORT TO 30 JUNE 2000

Reporting Dates

The Funding Deed with the Wellington City Council and Wellington Regional Council requires the Stadium to make half yearly reports once the Stadium is open. This report will cover the quarter from 1 April to 30 June 2000 for the sake of consistency and future reports will be made for the six months ending 31 December and 30 June each year.

Events

Since the last report there has been:

- One Super 12 match between the Hurricanes and the Crusaders which had a capacity crowd.
- An international home show held in April attracted 130 exhibitors, which resulted in the full utilisation of the concourse for the exhibition and was attended by 45,000 people over the three days.
- Three nights of club rugby which were free entry events. The club semi-finals and finals were also held at the Stadium in July, with crowds of 7,000 and 9,000 in attendance.

A public perception that the lack events for this period indicated a problem for the Stadium is not correct. The Super 12 matches allocated to the Stadium were held early in the Super 12 draw which was to the advantage of the Stadium. The scheduling of the Bledisloe Cup match meant that the test matches often played in June and July were not played until 5 August. In order to present an international quality ground for the Bledisloe Cup it was also necessary to limit the amount of activity on the playing surfaces during this period to allow the grass to recover from damage caused during the Edinburgh Military Tattoo. We therefore avoided scheduling events in the period immediately after the Tattoo.

Food and Beverage on the Concourse

Since our last report we have:

- Established additional food and beverage outlets on the concourse
- Built a supplementary production kitchen to increase the delivery of hot food to the concourse outlets.
- Changed the queuing arrangements.
- Reduced the size of the menu to allow production to focus on the items that were in demand and causing delays.

These changes have resolved the issues we had on the concourse and we are now getting very few complaints about catering in this area.

We now monitor queuing times at each major event and by the time of the Bledisloe Cup we had reduced the maximum queuing times at the two busiest outlets to 12 minutes and the queuing times at other outlets were down to 6 minutes or less.

Membership Sales

A marketing campaign was held to sell the remaining 175 memberships prior to the Bledisloe Cup. This offer was spread payment of the memberships in 3 equal instalments of \$3,375 over three years plus an initial deposit of \$3,375. These memberships sold out in the two weeks prior to the Bledisloe Cup Test.

Corporate Boxes

Since the last report the Trust has entered into an arrangement to buy back the corporate boxes purchased by Fletcher Construction Ltd under the underwrite agreement. This buy back has generated a profit for the Trust which has been reflected in the accounts to 30 June 2000.

Tenancies

Otago University was a successful partner in the bid to establish a High Performance Centre in Wellington, based at the Stadium. As a consequence we have now signed the Heads of Agreement with Otago University to establish a school of sports medicine at the Stadium and they will take approximately 1,200 square metres of ground floor space for this facility. We expect construction of this facility to start in October and the facility to operate from the second term of next year.

The five lane indoor cricket training centre for Cricket Wellington was also opened during this period. It operates seven days a week and is a unique facility for the Wellington region.

Tax Status

The Wellington City and Regional Councils are still endeavouring to obtain an amendment to the Wellington Regional Council (Stadium Empowering) Act 1996 to confirm that Stadium is not a LATE and can therefore reinstate its tax exempt status.

Basin Reserve

Club rugby has been played at the Basin Reserve during the winter months.

Future Events

The match schedules for cricket and rugby still have not been finalised. The AFL have confirmed their game for the current year and we expect to host three Football Kingz games. Discussions continue positively with New Zealand Rugby League around the allocation of the rugby league test with Australia. The scheduling of Warriors games in Wellington are affected by the current uncertainty over the ownership of the Warriors. Discussions are being held with promoters and event management companies to acquire major concerts. While some concert tours are planned, firm bookings have not yet been made.

Financial Reports

A copy of the annual financial statements are attached. We are in the process of obtaining a second Trustee signature on these statements, after which Audit New Zealand will provide the Audit report. Audit New Zealand have provided verbal clearance on the accounts. We will send you a copy of the Audit report and signed accounts in due course.

Summary of Financial Results

	\$m
Total Revenue	9.7
Operating Expenses	<u>8.0</u>
Net operating Surplus	\$1.7

Comments on Key Performance Indicators

Operating performance

The event revenue for the quarter is less than budget because the actual timing of events differed from budget. The original budget anticipated Super 12 games in the April to June quarter, whereas two were held in the previous quarter.

Net surplus is higher than budgeted and includes full amortisation of the surplus achieved in the final buy back of the corporate box underwrite. Set up costs and initial overheads were in excess of budget as outlined in our March reports.

Events Spend levels

The original budget assumed additional hospitality profits from major events that did not eventuate. The major concert event, the Edinburgh Military Tattoo, was sold out four months before the Stadium opened allowing no opportunity for sale of corporate hospitality packages. With more major event planned this year and longer lead times, we can grow this area of business.

If this revenue is removed from the calculations, the comparable spends (including GST) are \$11.37 actual and \$11.86 budget.

Capital Commitments

Fitout of new food and beverage outlets:	\$350,000
Southern end scoreboard	<u>\$ 6,200</u>
	<u>\$416,200</u>

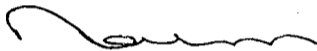
Business Plan

A draft business plan was submitted to the Wellington City and Regional Councils at the end of May 2000.

The draft plan has now been amended following completion of our annual accounts and adjustment of some of the financial information to reflect the actual position at 30 June 2000. The most significant change in the business plan arose from the timing of the corporate box buy back from Fletchers. This transaction took place prior to 30 June 2000, whereas the first draft business plan assumed it would take place in the 30 June 2001 financial year.

Issues, risks and contingent liabilities

The continuing management issue for the Trust is the need to secure events which are targeted but not committed at the time of preparing the business plan. This will always be a feature of Stadium business. In particular the stadium is affected in the concert area because major concert stars are no longer touring as frequently as they used to.



Paul Collins
Chair

9 October 2000

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

KPI REPORT

Quarter 30-Jun-00			Year to date 30-Jun-00			Year end	Year end
Actual \$000	Budget \$000	Variance %	Actual \$000	Budget \$000	Variance %	Projection \$000	Variance %

1. OPERATING PERFORMANCE

Revenue:							
Advertising/sponsorship	279	217	29%	535	384	39%	
Event revenue	868	1,059	(18%)	3,356	2,570	31%	
Grants received				1,000			
Total revenue	4,253	2,846	49%	9,700	6,201	56%	
Total Expenses	1,426	2,240	(36%)	7,997	5,719	40%	
Net surplus/(deficit)	2,827	606	367%	1,703	482	253%	

2. CASHFLOW PERFORMANCE

Cash flow from operations				2,660	1,726	54%	
Increase/(decrease) in cash available				694	(1,344)	(152%)	

3. BALANCE SHEET MANAGEMENT

Current asset/liability ratio	0.24:1			0.24:1			
Sank Debt	28,000	25,000	12%	28,000	25,000	12%	

4. CAPITAL EXPENDITURE

Planned Projects							
On time (yes/no)							

5. EVENTS (number of)

Rugby/Cricket Events	4	3	33%	12	8	50%	
Other sports events	0	1	(100%)	2	2	0%	
Concerts	0	0	0%	4	3	33%	
Exhibitions/other	1	1	0%	2	3	(33%)	

6. EVENTS (seats sold)

Average capacity seats sold	95%	70%	36%	76%	64%	36%	
-----------------------------	-----	-----	-----	-----	-----	-----	--

7. EVENTS (spend level)

Total avg spend per head (\$) -incl GST	12.48	16.77	(26%)	11.94	15.08	-26%	
Total avg spend per head (\$) -excl GST	11.09	14.91	(26%)	10.64	13.40	-26%	

8. SATISFACTION

Wgtn residents satisfaction	N/A						
User satisfaction							
Turnover of memberships							
Turnover of corporate boxes							

9. RISKS (reporting by exception only)

Contingent liabilities and assets	Refer discussion in written report
Deferred maintenance	
Potential legal actions	
Significant asset loss	
Main policy changes	
Credit risk	
Foreign exchange	

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

KPI REPORT

Quarter 30-Jun-00			Year to date 30-Jun-00			Year end	Year end
Actual \$000	Budget \$000	Variance %	Actual \$000	Budget \$000	Variance %	Projection \$000	Variance %

BASIN RESERVE ONLY

Grants	45	(100%)	180	180	0%		
Other Revenue	15	480%	121	34	256%		
Events - number of days used	7		48				

EXPLANATORY NOTES TO KPI'S

The Statement of Financial Performance includes a \$1,000,000 grant received from the Community Trust in July 1999. This cash was projected to be received in October 1999 and was treated as Other Equity in the Business Plan (ie not taken into the Statement of Financial Performance).

Cashflow Performance

The Statement of Cash Flows has been prepared on a year to date basis only

Number of Events

The International Sevens Tournament has been included as two events as it ran over two days
The Edinburgh Military Tattoo has been included as four concerts.

Capital Expenditure

Refer comments in written report.

Events (seats sold & spend level)

Free events (Womens Cricket and Club Rugby) excluded from calculation

Exhibitions & Open Day attendances also excluded from calculation as difficult to determine total capacity

User Satisfaction

This KPI will be reported on from the start of the 2000/2001 financial year as agreed previously.