



Report 11.157
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Committee Council
Author Mike Timmer, Treasurer

Westpac Stadium 2011/12 Draft Statement of Intent

1. Purpose

To receive the draft Statement of Intent (SOI) for the year ending 30 June 2012 incorporating the Strategic Plan from the Wellington Regional 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

The SOI is the responsibility of the Trustees of the Stadium Trust.

The Stadium Trust is required to produce a draft SOI to Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC), as Settlers of the Trust, for comment. They must then advise the Stadium Trust if there is anything they wish to have amended or added, in respect of the SOI.

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

Consistent with previous years, the Business Plan, incorporating the financial information, is included in the draft SOI.

The draft SOI, incorporating a five year Strategic Plan for the Stadium Trust, is attached (refer **Attachment 1**).

4. Statement of Trustees' Intent

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. This includes sponsors, event and fixture organisers and promoters, so as to attract high quality and popular events to the Stadium 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.

5. Letter of Expectations, 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 2**). We have also included WCC's comments on the SOI (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.

6. Comments

The SOI and Strategic Plan are largely unchanged from the previous year. The major events/issues facing the Stadium over the next five years are:

- Rugby World Cup this year
- Cricket World Cup in 2015
- Corporate box and membership renewals – expire in 2014 – Plans underway to understand what members want
- Competition from new stadiums and recognition to take some risks to secure events
- Maintaining and enhancing the facility – A 15 year capital development plan is in development with some progress noted this year
- Achieving a sustained level of profitability.

Other items of note which were not in last year's SOI:

- Basin Reserve - The Trust provides turf management services to the Basin reserve (page 6 of the SOI).
- A section incorporating Wellington City Council's 10 years aspirations was incorporated last year, this has remained with some minor changes.
- An expansion on the Risk Management section on page 12 identifying the Stadium's five key risks.
- Some minor changes to the Five Year Strategic Plan arising from the above mentioned issues.

From a GWRC's officer's perspective we noted last year that clear risk management strategy was not apparent in relation to the risks the stadium faces namely renewal of corporate box licences and memberships, plus competition from new and enhanced facilities in New Zealand.

This year's SOI has more emphasis on the corporate box licence renewal and the Stadium Master Plan.

There is no clearly articulated plan to address the Stadium Trust's five key risk areas as noted by them. This has been informally raised with the Stadium Trust staff and Council may wish to have it formalised.

7. Financials

The financial information is not available until May, along with the Business Plan.

8. Communications

No communications are necessary.

9. Recommendation

That the Council:

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

Report prepared by:

Report approved by:

Mike Timmer
Treasurer

Bruce Simpson
Chief Financial Officer

Attachment 1: Stadium Trust – Statement of Trustees Intent

Attachment 2: Wellington City Council's letter of expectations to the Trustee SOI.

Attachment 3: Wellington City Council's comments on the SOI