

Report 14.150
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Committee Council
Author Mike Timmer, Treasurer

Draft Stadium Trustees Statement of Trustees' Intent

1. Purpose

To receive the draft Statement of Trustees' Intent (STI) for the year ending 30 June 2014 and to invite comments if any, for feedback to the Wellington Regional Stadium Trust (WRST).

2. Background

The Statement of Trustees' Intent is the responsibility of the Trustees of the Stadium Trust.

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

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

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

3. WRC Holdings Limited Board review of the STI

The Board of WRC Holdings received a verbal presentation from the WRST Chief Executive Shane Harmon on the draft STI, issues facing the Stadium and an update on the current initiatives to respond to changing market conditions.

The STI has been reviewed by the Board of WRC Holdings Limited (WRCHL) and they had two comments.

They requested that the WRST consider providing financials with their draft STI, consistent with Council Trading Organisations which provide them as required by the Local Government Act. The Directors of WRC Holdings acknowledged that the WRST is not a CCO, but indicated to the Chief Executive that providing financials would be a useful addition to the draft STI.

The Directors noted the STI was WCC centric with respect to their 2040 Strategic plan and lacked any wider Regional focus and possible comment from the Wellington Regional Strategy (WRS). The Directors discussed how this might fit and discussion ensued around the WRS and possible linkage to the regional sports programme.

It was reiterated that the Board of WRC Holdings would continue to meet with the Stadium Trust twice a year (March/December), with the purpose of receiving the draft STI and an update on how the Stadium was performing against its STI in March, and providing input into STI in December.

Furthermore it was confirmed that the Stadium Trust would meet once a year with the whole Council which is currently scheduled for June/July depending on when the final STI is received.

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. Comment

The Wellington Regional Stadium Trust (WRST) provided GWRC with their draft STI on 10 March 2014 for comment. The draft, as in previous years, did not include the Business Plan and financials which they will provide by the end of May.

The above practice of not providing financials at the draft STI stage has become an established practice. This is at variance to how Council Controlled Organisations (CCOs) operate with Councils (note the Stadium is not a CCO but we treat it like one).

Given their financials will become more critical than they have been in the past the Directors asked that the WRST consider providing them.

Their main areas that are impacting their business are summarised and are the same as in last year's final STI with the addition of the last bullet point:

- The renewal of the Deloitte Club and Corporate box licences from 2015
- The Cricket and FIFA under 20 Football World cups in 2015
- Implementation of the Stadium Master Plan
- Renewal of the Sevens contract from 2016

There is a large section on "Alignment with Councils Policies and Strategies", similar to last year and focus on the needs in the above document. These are extracted from Wellington City's 2040 Strategy which sets out Wellington City Councils vision for the future of the City. See pages 4-6

The STI is attached as *Attachment 1*

The STI makes a number of comments; some of the more important ones are listed below:

- WRST believe the Stadium is the best used stadium in New Zealand
- They want to remain financially autonomous (mentioned a number of times) and this is also in the founding documents. The accounting impacts of old box revenues ceasing is discussed on page 14 & page 15
- Experiencing attendance trends which favour major standalone events and lower attendances at less important sports events.
- The soon to be opened Mezzanine Lounge is the most significant investment since the Stadium was opened
- Formulation of long term strategic plan underway, pages 9-15 deal with this.
- The performance measures on page 16 are the same as last year
- The section on Earthquakes and Insurance on pages 20 & 21 respectively has been expanded
- The Ratios on page 23 are the same as last year's numbers with an additional year added on.

Like GWRC, Wellington City Council (WCC) monitors the Stadium and to this end we have attached as *Attachment 2* their detailed commentary on the Stadium Trust to their Council, much of which is WCC centric.

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7. Communications

Once the Council has received this paper, any comments made if any, including those from the WRC Holdings Directors will be incorporated into a letter to the Wellington Regional Stadium Trust for their consideration and potential incorporation into their final STI.

8. Recommendations

That the Council

1. *Receives the report.*
2. *Notes the content of the report*
3. *Provides any comments on the Statement of Trustees' Intent which will be conveyed to the Wellington Regional Stadium Trust.*

Report prepared by:

Report approved by:

Mike Timmer
Treasurer

Warren Tocker
Chief Financial Officer

Attachment 1 – Wellington Regional Stadium Trust (Draft) 30 June 2015

Attachment 2 – Extract from Wellingtons City Council Stadium Trust Draft SOI
Commentary