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Report to the Policy, Finance and Strategy Committee
from Greg Schollum, Chief Financial Officer

Stadium Trust – Draft Business Plan 2002/03

1. **Purpose**

To receive the draft business plan from the Stadium Trust for the 2002/03 year (refer **Attachment 1**).

2. **Background**

The Funding Deed signed by the Wellington Regional Council, Wellington City Council and the Wellington Regional Stadium Trust requires the Stadium Trust each year to produce:

- A Business Plan (including projections for the following two years)
- A Statement of Intent (including projections for the following two years)
- A Strategic Plan (including projections for the following five years)

The requirements included within the Funding Deed reflect the “belts and braces” approach taken to risk management at the time the Funding Deed was prepared.

The Stadium Trust has sensibly decided that the settlers’ needs for information can be met by one document instead of three. (This approach was also adopted in previous years.)

The draft business plan was circulated to Councillors via the bulletin on 13 May 2002 and a briefing was held on 17 May where the Stadium Trust Chief Executive, David Gray, provided Councillors with a presentation.

3. **Comments on the Draft Business Plan**

The draft business plan reflects a continuation of the very positive start made by the Stadium since it was officially opened in January 2000.

Key aspects of the draft business plan include:

- A consistent pattern of events planned for the 2002/03 year.
- Projected operating surpluses and positive cashflows in each of the next three years, in stark contrast to many other stadia around the world.
- Improving financial position with planned reductions in external debt in each of the next three years.
- A list of modest capital expenditure projects designed to further enhance the quality of the stadium as a venue.

The key assumptions underpinning the business plan are noted on pages 13 and 14 of **Attachment 1**.

4. **Monitoring of Performance against the Business Plan**

The Stadium Trust will continue to produce reports each six months against the approved Business Plan, supplemented by briefings as required.

5. **Settlor input into draft Business Plan**

Although the Business Plan is an accountability document of the Stadium Trust and one which is approved by the Trust, the process of approval is much like the SCI with Council's companies (including CentrePort). As such it is quite appropriate for the two settlors (WRC/WCC) to provide comment to the Stadium Trust on the contents of the Business Plan. This is now the opportunity for any such comments to be captured.

6. **Communications**

It is expected that the Stadium Trust draft Business Plan will be well reported by the media.

7. **Recommendations**

That the Committee recommend that Council:

- (1) *receive the report and note its contents.*
- (2) *endorse the Stadium Trust draft business plan 2002/03*

- (3) *instruct the Chief Financial Officer to advise the Stadium Trust of any comments on, or suggested amendments to, the draft Business Plan 2002/03 as requested by the Council, to enable the Stadium Trust Business Plan to be finalised.*

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: Draft Business Plan 2002/03