

Report 05.152
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Committee Policy, Finance and Strategy Committee
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Stadium Trust 2005/06 Draft Statement of Intent and Six Month Financial Statement to 31 December 2004

1. Purpose

To receive the 2005/06 draft Statement of Intent from the Wellington Regional Stadium Trust (refer **Attachment 1**) and the six month financial statement.

2. Background

Each year the Stadium Trust provides the two settlers (Wellington City Council and Greater Wellington Regional Council) with the opportunity to comment on its draft Statement of Intent.

The Business Plan is expected to be finalised by the end of May and is expected to incorporate the attached Statement of Intent, Strategic Plan and financial projections.

The Stadium Trust is also required to formally report to Council six monthly (refer **Attachment 3**),

3. Comments on the 2005/06 draft Statement of Intent

There are no surprises in the 2005/06 draft Statement of Intent. The key responsibilities of the Trustees as specified in the Trusts Deed, are clearly articulated, including to:

- 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 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.
- Administer the Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

4. Settlor input into draft Statement of Intent

Although the Statement of Intent is an accountability document of the Stadium Trust and one which is approved by the Trust, the process of approval is much like the Statement of Intent for council's companies (including CentrePort). As such, it is quite appropriate for the two settlers (GWRC/WCC) to provide comment to the Stadium Trust on the contents of the draft Statement of Intent, prior to its incorporation into the Trust's draft Business Plan.

5. Letter of Expectations, Wellington City Council (WCC)

WCC have written to the Trust outlining their expectations of the Trust. A copy of this letter is attached (refer **Attachment 2**).

The comments we have made to WCC are:

- a) The staging of additional community events should not put at risk the meeting of the Trust's financial obligations.
- b) The Council agrees with quarterly reporting for the Trust.
- c) The objectives of the Stadium Trust cannot be compromised.

6. Six Month Results to 31 December 2004

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	Actual 2004	Budget 2004	Actual 2003
Revenue	6,211	5,422	4,820
Operating Expenses	<u>3,306</u>	<u>3,160</u>	<u>2,340</u>
Earnings before Depreciation and Interest	2,905	2,262	2,480
Depreciation	1,496	1,513	1,524
Interest	<u>1,170</u>	<u>1,223</u>	<u>1,208</u>
Net Surplus (Deficit)	<u>239</u>	<u>(474)</u>	<u>(252)</u>

The Stadium has had an excellent six months, when compared with the budget and the previous year.

Part of the increased revenue is due to the timing of test matches, coupled with the hosting of semi and finals of the NPC in 2004.

This favourable variance is expected to continue for the year to 30 June.

7. Communications

Communication of the draft Statement of Intent is a matter for the Stadium Trust.

8. Recommendations

That the Committee recommend that Council:

- (1) receive the report and note its contents.*
- (2) endorse the Stadium draft Statement of Intent for 2005/06.*
- (3) instruct the Chief Financial Officer to advise the Stadium Trust of any comments on, or suggested amendments to, the draft Statement of Intent 2005/06 as requested by Council, to enable the Stadium Trust to present a draft Business Plan in due course.*

Report prepared by:

Barry Turfrey
Chief Financial Officer

Attachment 1: Draft Statement of Intent 2005/06

Attachment 2: Letter of Expectation

Attachment 3: Six Monthly Reports