

WELLINGTON REGIONAL STADIUM TRUST

Statement of Trustees Intent 2010/11

Business Plan 2010/11 Strategic Plan 2010/15

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EXECUTIVE SUMMARY

The three key objectives of the Trust are unchanged and remain the focus of the business plan, namely:

- Providing a full and balanced event calendar;
- Maintaining and enhancing the facility; and
- Sustaining the level of profitability.

The challenges facing the Stadium Trust in completing budgets and cash flows for the three years ending 30 June 2013 are the same issues the Trust has successfully dealt with since the Stadium first opened in 2000. These have now become accepted as the normal business risk that we manage on a day to day basis.

However a number of unique circumstances make projecting how many events and the financial outcomes of those events over the next three years more of a challenge than usual.

During this period the Sevens will be put out to tender and the Rugby World Cup 2011 will take place and disrupt normal rugby and football competitions at a time when both the Super 15 and the national provincial championship are operating under a new unproven format. For the next five years, rugby tests will be allocated between venues but the first and third rated test matches will go to Eden Park. There are further challenges associated with the scheduling of cricket, football and concerts. The Trust must also manage the building issues relating to the leaking roof and deteriorating cladding through the court process.

When the stadium was being built, corporate boxes and stadium memberships were sold on a 15-year term which expires in December 2014. Accordingly towards the end of this planning period the Trust needs to start the process of planning for the renewal of the boxes and memberships. Any decision made in terms of the pricing and structuring of those arrangements will have a material effect on the finances and cash flows. The decision will be made after the Rugby World Cup and after further research amongst members and box holders, when we have a better understanding of the affect of that event on future rugby attendances.

We have taken a positive approach and budgeted to host between 44 and 50 events per annum, including community events over the next three years.

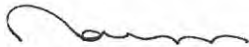
The Trust is in a very strong financial position having already reduced its commercial loan from \$33.65 million shortly after the Stadium opened to its current balance of \$13.5 million, and we have projected to further reduce this loan to \$12.5 million by June 2013. Over the same period cash is projected to increase from \$1.2m to \$3.5m.

Forecast surpluses are between \$1.28 million to \$3.31 million for the next three years but the achievement of that level of surplus is dependent on the renewal of the Sevens and being able to maintain the events calendar at a similar level as in the past. As a consequence a substantial portion of our budgeted net surplus for the next three years will come from events not yet confirmed.

Our budgets include sufficient allowances for the Trust to meet all costs to remedy the issues associated with the roof leaks and the deterioration of the exterior cladding.

A major undertaking over the next two to three years is developing a stadium master plan to create design concepts for future enhancements that will keep the Stadium up to international standard, recognising that we must do that to retain the number of events at current levels and provide the stadium experience the patrons require to keep attending those events.

The Trust is confident that it can meet all these challenges and continue to maintain the Westpac Stadium as the best in the country as measured by the number of events, attendances and patron satisfaction.



Paul Collins
Chairman
Wellington Regional Stadium Trust
25 May 2010

Statement of Trustees Intent For the year ending 30 June 2011

INTRODUCTION

The Trustees are proud to be making this Statement of Intent following 10 years of operation of the Westpac Stadium at a time when the Stadium contribution to the Wellington Region is recognised as being very high and the recent Nielsen / Brand Advantage Survey named the Stadium as the best sport venue in New Zealand. The 10 year contribution to the region is way beyond any expectation that existed when the Stadium was built.

OBJECTIVES AND NATURE OF ACTIVITIES TO BE UNDERTAKEN

The objectives of the Wellington Regional Stadium Trust (the Trust) as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils ('the Councils') are as follows:

- To own, operate and maintain the Stadium as a high quality multi-purpose sporting and cultural venue.
- To 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.
- And to administer the Trust assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

These objectives and the outcomes required to achieve them are set out in more detail in the Five-year Strategic Plan which can be found on page 32.

The Councils also have general objectives for the Trust. These are that it should:

- Have a partnership approach with the Councils and their entities;
- Have a regional focus where this is appropriate;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery;
- Operate at breakeven after depreciation expense.

The Councils' objective for the Trust to operate at breakeven is superseded by the Trust Deed requirement for the Trust to be financially autonomous. The Trust must make significant surpluses to ensure it can meet loan repayments on its commercial banking facilities and provide for the capital expenditure required to maintain the Stadium to world's best standards.

To meet its responsibilities under the Trust Deed and the general objectives of the Councils, the Trust has a number of initiatives, procedures and strategies that ensure these obligations are met.

The three key objectives of the Trust remain unchanged:

- Continue to have a full and balanced event calendar
- Maintaining and enhancing the facility
- Achieving a level of profitability that provides for continuing capital expenditure and meets debt reduction obligations

The various issues raised by the Councils for consideration in the SOI can be considered as elements of these three main objectives, and these are discussed further below.

EVENTS

Providing a full and balanced event calendar that attracts both residents of the region, and visitors from further afield is the *raison d'être* for the Stadium's existence.

This links well with the Wellington City Council's vision for Wellington as Creative Wellington – Innovation Capital. The strategic goal of the Council in achieving that vision that directly relates to the business of the Stadium is

“attracting sport events, concerts, cultural festivals and other major events”

The continuing focus of the Trust is on securing a long term schedule of regular sporting, non-sporting and community events that complements the programmes provided by the anchor codes of rugby, cricket and football.

The Stadium has a full and comprehensive sporting events calendar and we work closely with rugby, cricket and football to ensure that we can accommodate their full seasons. This gets particularly difficult in the summer when the football and cricket requirements clash with our principal concert booking period. To date we have been successful in accommodating all parties and expect to be able to continue to do so. We have clearly defined booking periods and priority rights for the key sports codes.

Sevens Renewal

The current contract to host the Sevens expires after the February 2011 event. The Trust together with the Wellington City Council, Wellington Rugby Union and Positively Wellington Tourism have been working on the renewal of the Sevens contract for some months. The New Zealand Rugby Union has now announced that the event will be tendered. The Wellington group will be well prepared to submit a compelling bid for this Tournament.

Rugby

Rugby has put considerable planning and energy into promoting its new Super 14 season and resolving both its on-field and patron support issues. We expect from 2011 there will be a significant interest in the Super 15 competition as the Rugby World Cup 2011 draws near, and particularly with the increase of local derbies. There will be more Hurricanes home games than in Super 14, but we expect some home games will be spread to other unions within the franchise. This is good for the Stadium as it will increase support for the Hurricanes from the constituent unions.

Football

Following the outstanding success of the All Whites at the Stadium, the Phoenix making the play-offs in the 2009-10 season and on the back of the 2007 Beckham game, there is a very high profile of football in the capital, which the Trust needs to capitalise on. Football has become a major sporting code for us and for the city. The key is the Phoenix and the very strong support they have developed locally. We expect that, following the Football World Cup in South Africa and the development of some new heroes for the local football fans, attendance should increase in 2010/11.

Rugby League

Rugby League remains an important target for us. We target one or two league games per year, and we have already booked the England v New Zealand Rugby League Test for November 2010 and we will continue to work on opportunities to bring games from the NRL competition to Wellington.

Cricket

Cricket is increasing in popularity, and Twenty/20 is clearly the game of the future and we are well positioned to take advantage of the popularity of the game. The uncertainty for Cricket is the lack of an international tour programme beyond next year, but the support of the domestic Twenty/20 competitions is encouraging. New Zealand Cricket will be putting considerable energy into capitalising on that popularity and securing international teams for New Zealand.

Attendance

It is the role of the hirer of the Stadium to promote attendance at events. The Trust's contribution is to provide a world class facility and an outstanding patron experience. We constantly try to improve the quality of the facility and the quality of the service, and it is pleasing to note that in a major survey of attendants at sport events, the Westpac Stadium is rated Number 1 across all the key sporting and non-sporting venues in the country.

Ultimately, the biggest impact on attendance is team performance, especially by securing home semis and finals. The development of new local heroes will also attract crowds.

It is a fact of life that from time to time attendance will fluctuate. By providing a wide variety of events we have a natural hedge against a fall in attendance by any one sport.

Concerts

We will continue to seek out concerts which will attract large stadium crowds. This year we sold more tickets to the two AC/DC concerts we hosted than any other concert at the Stadium and more than Auckland, which will enhance further our reputation in the international concert market.

The Wellington City Council assistance through the event fund is absolutely critical in securing these concerts and the Councils' contribution goes well beyond the financial assistance.

Wellington is seen by promoters as a city which continually provides full support to events by delivering both the city resources and the Stadium experience. International promoters recognise that we "punch above our weight" in terms of attendance and ticket sales.

AFL

AFL games are also on our radar. We are the only major venue in New Zealand that can host a full AFL match, and we believe that with the AFL's desire to expand, they could have an interest in playing games in New Zealand. We will pursue these opportunities on a continuing basis.

Members and Corporate Boxes

We noted in last years Statement of Intent that Corporate Boxes licences and memberships are coming up for renewal in 2014.

The Trust is still considering its strategies for renewals and the offering to be made for both parties and this will be finally decided after the Rugby World Cup 2011. We will need to research both groups to understand their attitudes prior to renewal so we can meet the requirements of the market.

During 2009/2010 we have given a gift to both members and box holders to recognise their support for the Stadium and their support for the Rugby World Cup 2011. Both parties have been given buying privileges for tickets and hospitality at Rugby World Cup. We will continue to improve the service to members and box holders.

Community Events

The Trust will continue to host community events where these can be fitted into our regular events programme and do not clash with the priority booking rights of our principal tenants. We host community events ranging from school sports days, recycling of electronic equipment, through to training days for Police and Armed Forces. The Trust is also keen to provide annual support to a recurring community event should this opportunity arise.

Rugby World Cup 2011

The Trust is very conscious of the need to present a world class facility and outstanding events for both the Rugby World Cup in 2011 and the Cricket World cup in 2015. These events present a major opportunity for the region to share in the economic benefits delivered by these top quality international events.

The Trust has played a full and active role in planning for the Wellington Region, including bidding for Quarter Finals and Pool games and supporting Rugby New Zealand 2011 in operational matters and the local councils in logistical matters.

We are a member of the Wellington Regional Coordination Group and meet regularly with that group. We are regular participants in groups established by Rugby New Zealand 2011 to sort out the operational aspects of the Tournament.

Because of our location, and the fact that until now, we have been the only completed and operational venue, we have received many visits from groups, international and local.

We participate in the group coordinating national activities to deal with environmental issues.

We are used as a venue to help train other venues on operational matters.

We are working with the security manager of Rugby New Zealand 2011 to assist development of the security plans for the Tournament.

The Stadium has been ready to host the Tournament since the bid was made in 2005. We have no major capital projects to undertake prior to the Tournament. All projects we are undertaking are in relation to operational matters, including increasing temporary seating, back-up power supply and installation of tournament information systems. A range of other projects will occur to ensure a high standard of presentation, including re-carpeting large areas of the Stadium at an estimated cost of \$600,000.

Competition in the stadia market

After the Rugby World Cup 2011:

- Eden Park will have a capacity of 55,000,
- AMI Stadium have built a new stand, and will have a capacity of 36,000; and
- Dunedin will have built a new stadium, with a roof, with a capacity of 30,500.

Each of these venues will be under considerable pressure from their local authority and local community to secure major events to justify the significant investment by the ratepayers in the new developments.

This will result in a lot of competition for available events post 2011 and in the view of the Trust, it will mean that some venue deals will be done which will prove to be uneconomic and risks taken that will prove more unsound. However, the new stadia will be under equal pressure to ensure that the ratepayers do not have to make further contributions to operating costs because unprofitable events are held. We would hope that the memory of the Auckland Regional Council's experience with the David Beckham game will still be in the memories of stadium operators. The Trust recognises the high risk nature of some events and we have a very successful track record in managing these risks.

The Trust will still need to compete aggressively and market its own advantages as the best stadium, in the best city. Our record of success with concerts will enable us to secure our share of that business.

Eden Park and Forsyth Barr Stadium (Dunedin) will secure events as promoters try out the new venues and for any event where capacity is the key driver, we will not be able to compete with Eden Park.

We expect to do some events at reduced margins and we must be prepared to meet the market conditions. However, we will be competitive, and in the past 10 years other venues have offered cheaper rentals, but we have been able to still secure major acts because of the quality of the venue and the response of the Wellington region in support of big events.

MAINTAINING AND ENHANCING THE FACILITY

To ensure that both patrons and hirers enjoy coming back to events at the Stadium, we must continually maintain and enhance the facility. Maintenance programmes and related costs at the Stadium are impacted by the harsh environment created by its location between the sea, a commercial port and railway yards.

The main tool for managing assets and maintenance is the asset management plan which is reviewed annually by management and every three to four years by Opus International Consultants. The Trust also seeks specialised external advice where necessary to ensure that any maintenance issues are dealt with appropriately.

The Trust carries out preventative and reactive maintenance programmes, and staff meet regularly to manage facility related issues.

Stadium Master Plan

The Stadium is developing a long term capital development plan to ensure that we maintain a stadium in accordance with worlds' best practice, and continue to provide an outstanding patron experience for the patrons.

Turf

The Stadium has a fully natural turf without reinforcement which is managed to ensure that we present a quality playing surface for all our hirers. We must present an international standard playing surface for each event while accommodating concerts in a busy schedule. The present focus is on meeting the turf standard required for RWC 2011, which we currently exceed.

The Stadium was closed for five weeks for a major turf renovation in 2009 and there will be a similar turf renovation period in 2010. This will ensure we present the best possible surface for the RWC 2011.

The turf farm contractor at Palmerston North is an important part of the turf management plan, ensuring we have 5000 m² of replacement turf available on a continuing basis.

The Trust will also continue to monitor developments in reinforced turf technology and evaluate whether these are a suitable solution for the Stadium.

SUSTAINED LEVEL OF PROFITABILITY

The Trust must achieve a continued level of profitability that allows for capital expenditure and the repayment of debt. While results in recent years have been strong, it must be noted that the Trust's surplus is event-dependent and the occurrence or otherwise of one or two one-off type events can have a major impact. Budgets are always prepared on the basis of known and anticipated events at the time of preparation, and the final outcome can be quite different.

Current economic conditions provide an additional challenge in this area, but the Trust is currently well placed having already diversified its revenue streams where possible and with success. Functions and car parking revenues have increased significantly providing recurring non-event revenues, which reduce the reliance on event income alone.

The Trust is also well ahead of bank requirements for its debt repayment. This funding remains available for drawdown if necessary.

Management will continue to keep a strong control on costs and seek to maximise event and non event day revenues.

The effect of the recession has been felt in the fall in attendance, reduced food and beverage spend, and with some signage contracts not being renewed.

Our budgeting and business planning includes a thorough review of all our costs.

WELLINGTON CITY COUNCIL – 10 YEAR ASPIRATIONS

The Wellington City Council has developed outcomes that are their overall 10-year aspirations for the city. The first six outcomes are characterised as seeking a high quality of life with the remaining seven characterised as seeking sound city foundations.

The Stadium makes a major contribution to the Wellington City Council’s aspirations for the city as noted below:

More liveable	The Stadium hosts a high number of quality events, well attended by people of Wellington thereby enhancing the quality of life of its citizens.
Stronger sense of place	Since opening the Stadium has become a well loved and unique part of Wellington that its residents are proud of.
More compact	The Stadium’s location next to the transport hub, and close to the central city, and the Courtenay Place entertainment area ensures that events connect directly to the city and add to the vibrancy of the city centre.
More eventful	The Stadium has a very full and comprehensive events calendar including some of Wellington’s signature events – such as the Sevens, concerts, major sporting events, which differentiates the city from Auckland and Christchurch.
More inclusive	The variety of events, community events, and social functions see the Stadium offer something for all Wellingtonians.
More actively engaged	The range of events at the Stadium brings the community together, and it hosts some of the best attended events in New Zealand. Events provide fundraising opportunities for community groups, and school children have opportunities with supporting roles at events.
Better connected	Use of public transport is actively encouraged for patrons attending events. On non-event days the car park is a valuable cheap parking facility on the edge of the city centre, encouraging people to come to town, but not take their cars into the city centre.
More sustainable	The Stadium is a long term asset of the city, and is maintained in accordance with world’s best practice. The Stadium has a programme of energy conservation, waste recycling and encourages the use of biodegradable or recyclable packaging to minimise the impact on the environment.
Safer	The Stadium contributes to the safety of the city by maintaining family friendly policies for event management, ensuring liquor

	<p>licence requirements are met in close liaison with local authorities and the police. Security levels at events are maintained to internationally recognised standards to ensure patron safety.</p>
Healthier	<p>The opportunity to see top level sports people in action at Stadium events inspires junior players to keep participating. The Stadium provides the venue for events such as the Sport Wellington school sports day and marathon events.</p>
More prosperous	<p>The Stadiums' contribution to the economy of the region is well documented in various economic impact reports. Major events attract a significant number of visitors to Wellington. The development of the Stadium has also encouraged commercial development in the immediate vicinity improving values in the Stadium precinct.</p>
More competitive	<p>The Stadium significantly enhances Wellington's reputation as a good place to live by attracting events that are unique to the city.</p>
More entrepreneurial and innovative	<p>The Stadium works with the City Council, Positively Wellington Tourism and promoters to bring special events to Wellington that enhances its reputation as the Events Capital of New Zealand.</p>

WELLINGTON CITY COUNCIL – GENERAL OBJECTIVES FOR THE TRUST

Wellington City Council has general objectives for Council Controlled Organisations. The Trust meets these objectives in the following ways:

Partnership Approach

The Trust works in partnership with the Wellington City Council and other CCOs including a close working relationship with Council officers responsible for promoting and facilitating major events, traffic management and resource and building consents. Positively Wellington Tourism assists with promotion of events and we communicate with local hotel groups to ensure they have a high level of understanding of what is happening at the Stadium.

Regional Focus

The Trust is very conscious of its responsibilities to the Region and acknowledges the support it gets from outside greater Wellington. Events such as Sevens, concerts and Rugby Tests attract 50% or more attendance from outside the Wellington region. Our major support base is the lower half of the North Island.

Contribution of Councils

The Trust will ensure that the contribution of Councils in supporting the operation of the Stadium and in securing major events is properly recognised in public announcements, promotions and marketing. It is also very important that the Councils' willingness and ability to provide support to events is promoted internationally. The Trust is in regular communication with event promoters to ensure they understand the assistance that is available to bring events to Wellington.

Maximise effectiveness and efficiency of service delivery

The Trust regularly conducts performance reviews with its customers to improve service to patrons. Rugby, football and cricket events are given rigorous reviews particularly after international events. We are acknowledged as providing a high level of services by our major hirers. We contribute positively to assisting all hirers in the delivery of events.

PERFORMANCE REPORTING

Performance Measures

The key performance indicators agreed with the Wellington City Council and Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Interest cover (on an annual basis)
- Capital expenditure
- Events held and attendance numbers
- Patron and hirer satisfaction

These indicators are reported on by the Trustees in their six monthly report.

Reporting

The Trustees will present a six monthly report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period. The Trust will provide a formal briefing to both Councils, twice a year, on activities to date and review the outlook.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Accounting Policies

General accounting policies of the Trust are set out in Appendix 3. These policies are consistent with the policies applied in the previous year.

OTHER POINTS RAISED BY COUNCILS

Environmental Initiatives

The Letter of Expectation asks the Trust to report on its initiatives to reduce resource use and asks what we are achieving by way of waste minimisation and through recycling.

For some years the Stadium has had processes in place to minimise the use of resources:

- We closely monitor power usage, and where possible try to spread the load to avoid peak periods, or to reduce power usage;
- We have recently commissioned a detailed energy audit to ensure we minimise power usage and maximise efficiencies;
- We have investigated opportunities such as alternative power sources and storage of rain water, but because of the need to retro-fit, the cost of those projects is prohibitive at this stage of the Stadium's life cycle.

In respect of waste disposal, we require all our contractors to use biodegradable products and recycle wherever possible and we monitor our recycling achievements. With the Wellington Regional Council, we have instituted a series of 'green' branded recycling bins on the public concourse to assist and improve our recycling percentages. Our procedures and process with the bins are being reviewed by Rugby New Zealand 2011 as an option for all venues of the Rugby World Cup 2011. We have recently become involved with Coca-Cola in a joint Rugby World Cup trial to encourage patrons to recycle.

The Trust is well aware of its responsibility to manage resources and reduce recycling waste. The Trust will continue to monitor performance and ensure we achieve our goals.

Litigation

To protect the Trusts' rights under the Building Act 1992, the Trustees had no alternative but to file a claimant proceeding against the contractors for weather-tightness and in respect of the deterioration of the external cladding.

Risk Management

Following our successful risk management exercise in 2007 the Trust completed a further full risk management assessment in 2009, facilitated by our insurance brokers, Marsh Limited. This assessment identified some areas where we needed to review our processes and adopt procedures to manage risks.

On completion of those processes Marsh Limited have confirmed the Stadium will rank in the top percentile of the 741 firms who have undertaken this formal risk management assessment using the Marsh methodology.

Communication and Access To Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the board of Trustees. The Trustees confirm they intend to continue to operate on a "no surprises" basis with communication of any significant event likely to impact on either party made as soon as possible.

Governance

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division responsibility, sound risk management and the careful selection and training of qualified personnel.

The Board has two Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance & Risk Committee and the Audit Committee. The Board is also represented on the Catering Performance Committee, whose membership includes management from the Trust and the holder of the catering license. It is chaired by an independent chairperson. The Board is also represented on the Deloitte Club Members Committee, also chaired by an independent.

Both the Board and the Finance Committee generally meet on a monthly basis. The Audit Committee meets at least annually. The Catering Performance Committee and the Members Committee meet half yearly.

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an extensive induction program to familiarise the new appointee with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary.

At the first meeting of the new financial year, the Chairman of the Audit Committee will conduct a review of the Chairman's performance.


Other Compliance Matters

Appendix 2 lists a number of other items that are required to be included in the Statement of Intent.

CONCLUSION

The intent of the Trustees is to continue to operate the Stadium so that it provides a full and balanced event calendar for the public of the Wellington region, in a well-maintained facility, and the Trust achieves a level of profitability that provides for continuing capital expenditure and meets its debt reduction obligations.

While there are challenges ahead, the Trust is confident that it is well placed to meet these and to continue to provide a facility that is well used and enjoyed by many.



For the Trustees
Paul Collins, Chairman

Business Plan 2010/11

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REVIEW OF 2009/10 BUSINESS PLAN

2009/10 Key Targets	Outcomes
Full & Balanced Event Calendar	
Budgeted Events	
<ul style="list-style-type: none"> • Rugby 15 • Club Rugby 1 • Cricket 2 • Football 10 • Exhibition Days 6 • Concert 1 • Community <u>5</u> <li style="text-align: right;"><u>40</u> 	<ul style="list-style-type: none"> • Includes semi final Air New Zealand Cup 17 • Club Rugby 1 • One ODI, one Twenty/20 2 • Includes All Whites v Bahrain, two A-League play-offs 14 • Exhibition Days 7 • Two nights AC/DC 2 • Community 8 <li style="text-align: right;"><u>51</u>
Sustaining Level of Profitability	
<ul style="list-style-type: none"> • Budgeted surplus \$1.58m • Surplus cash (year end) \$2.13m • Bank Loan (year end) \$18.30m • Renewal of Naming Rights Agreement • Functions continue to grow • Manage interest rate exposure 	<ul style="list-style-type: none"> • Net surplus* \$3.7m • Cash on hand at year end* \$1.8m • Balance 30 June 2010 * \$13.5m • Agreement completed with Westpac and renewed for 10 years • Functions have decreased due to very busy event calendar, and impact of economic conditions • Interest cost projected to be close to budget * estimates
Maintain Facility and Enhancing Patron Experience	
<ul style="list-style-type: none"> • Exterior cladding and roof leaks – resolve issues with contractor • Long term capital expenditure plan 	<ul style="list-style-type: none"> • Unable to resolve issues with Contractors in time to avoid filing proceedings - discussion continuing • Process commenced to appoint

<ul style="list-style-type: none"> • Wet Pour – continue to assess feasibility of wet pour beer dispensing systems • Portable wicket transporter – purchase wheel system 	<p>architects to develop a long term capital plan</p> <ul style="list-style-type: none"> • Not required by RWC2011 but will remain under consideration. • This project is still being progressed and is expected to be finalised in 2010/11. Not required till after RWC2011
<p>General</p> <ul style="list-style-type: none"> • Rugby World Cup <ul style="list-style-type: none"> ○ Work with RNZ 2011 and Regional Councils • Staffing <ul style="list-style-type: none"> ○ Retain staff and provide appropriate training and development opportunities • Basin Reserve <ul style="list-style-type: none"> ○ Maintain to International Standard • Customer Satisfaction <ul style="list-style-type: none"> ○ Survey Members & Box Holders ○ Monitor queuing times for food and beverage and ticket sales • Risk Management <ul style="list-style-type: none"> ○ Undertake risk analysis using independent contractor 	<ul style="list-style-type: none"> ○ Active involvement with all parties involved in delivering the Wellington part of the Tournament ○ Key staff retained and training and development opportunities provided ○ All reports confirm wicket and playing surface up to International Standard • Stadium rated best in the country by The Nielson Company / Brand Advantage survey <ul style="list-style-type: none"> ○ Member and Box Holder surveys show increasing level of satisfaction ○ Queuing times generally meeting KPI's ○ Completed risk assessment undertaken by Marsh Limited with a satisfactory outcome and Business Continuity Plan rewritten

BUSINESS PLAN 2010/11

INTRODUCTION

The three year period covered by this Business Plan follows the best year the Stadium has had since opening, in terms the number and quality of events, and the financial result.

BERL have just completed an Economic Impact Report on our first 10 years of business, updating the reports they did in 2005 and 1996. The commercial benefit of the Stadium to the Region has increased to \$52.4 million per annum over the past five years compared to \$19.9 million when the original study was done to support the initial Stadium Business Plan. The Stadium now provides 673 full time equivalent jobs compared to 270 projected in 1996. This is particularly pleasing especially when comparing the level of Council investment in Westpac Stadium to the current contributions by other councils in New Zealand to their developments for Rugby World Cup 2011. However, given the very high level of events already held in the Stadium, it is unlikely that the economic benefit to the city can increase much beyond what is currently being achieved.

However, as good as this year has been, when we contemplate the next three years and try to assess the number of events and their likely profitability we are faced with a number of uncertainties which are commented on below.

This three year period includes hosting Rugby World Cup 2011, substantial changes to the main rugby competitions, renewal of the Sevens contract, a changing cricket world, an expanding and changing A-League competition, and the continuing costs and time involved in resolving the problems with the leaking roof and the deterioration of the exterior cladding.

Our financial position is strong but some of our three key tenants, rugby, cricket and football, are facing periods of uncertainty around their competitions and the level of public support for their events.

These are just the challenges of operating and managing business in the professional sports environment in a market place where there is much competition for the entertainment dollar and when the economy is still recovering from a major recession.

Rugby is restructuring its main competitions, Super 15 and the National Provincial Championship – the ITM Cup - and ensuring the rules of the game are administered properly to increase its appeal to the public. There is an opportunity for Rugby to capitalise on the hosting of Rugby World Cup 2011 in New Zealand, if the All Blacks do well in that competition, benefiting from increased support following the competition.

The Sevens contract will go out to tender in the next few months, and we expect that to be a very competitive tender.

Cricket is going through changes as Twenty/20 emerges as the spectators' preferred option which is impacting on support for One Day Internationals. The huge impact of the Indian IPL competition will affect the number and quality of tours to New Zealand and therefore the

amount of international Twenty/20 competition that will be available. In addition, the Cricket World Cup will be held in India in 2011 and this will mean only one team touring New Zealand next year.

Football and the Phoenix are on a major high in Wellington with the past year featuring the outstanding All Whites v Bahrain game, and the hosting of two A-League play-off games which were very well supported by the public. The Football World Cup will be in South Africa this year, and with a number of Phoenix players playing for the All Whites, we can expect interest to remain high. Australia is looking to secure the Football World Cup in 2018 or 2022, and if that can be achieved we would expect there will be further interest in the A-League, and further growth in player numbers and spectators. The Football Federation of Australia is increasing the A-League to a twelve team competition over the next few years. We believe the Phoenix can expect increasing support next year and further growth if the team continues with its success, particularly at home.

The Stadium is very fortunate to have three anchor codes and their successes compliment each other.

The success of 2009/2010 is almost totally due to securing a number of unexpected and popular events.

We can not expect a repeat of the 2009/2010 financial results nor do we expect to increase the large number of very popular events that we were fortunate to host. Hosting in that year two AC/DC concerts was an outstanding achievement and hard to replace, and the three exceptional football games we had will be difficult to repeat.

We have three major operating costs:

- Maintenance, which we monitor closely and we have provided fully for the problems with the leaking roof and deteriorating cladding in our budgets;
- Interest, which reduces as we continue to reduce the level of our commercial loan;
- Personnel costs which remain steady, as our staff numbers have increased only slightly since we opened, even though we are doing 50% more events.

FULL AND BALANCED EVENTS CALENDAR

Our three major tenants provide us with regular bookings for 34 events. By comparison the total number of events for the three year prior to the Phoenix playing at the Stadium were:

- 2005 30 events
- 2006 28 events
- 2007 34 events

This is a very solid base from which to build our event calendar to between 45 to 50 events a year. This is about the maximum number of events we can reasonably expect to hold when we are reliant on selling tickets into a relatively small market and with a static population.

Rugby Tests

Following the Rugby World Cup 2011 there will be a limited number of Test matches available for allocation between a larger group of new and redeveloped stadia. From now on, we can only budget for one Test match a year.

Sevens

The Sevens will be put out to tender in 2010 (for the 2012 and subsequent tournaments). We are well prepared with our partners Wellington City Council, Positively Wellington Tourism and Wellington Rugby to put in a compelling offer to the New Zealand Rugby Union.

Super 14/15

Next year, the Super rugby competition will be played in conferences with New Zealand teams playing each other home and away, plus four extra games against other conference teams. In total there will be eight home games. We would expect some Hurricanes games to be allocated to other venues in the region, New Plymouth, Napier and Palmerston North. We believe the Hurricanes will benefit from taking games to these areas and we hope to get some benefit as patrons from outside the region may be encouraged to travel to Wellington for games. We have budgeted on six games per year at the Stadium.

Cricket

The 2011 Cricket World Cup is in India in March which means that there will probably be only one team touring New Zealand, early in the summer.

Football

The A-league is expected to expand to 11 teams next season with the introduction of the Melbourne Heart. This will produce 15 home games. We expect to host 13 at the Stadium and expect the Phoenix to take games to Christchurch and other centres, which we encourage.

Rugby League

We have secured a Rugby League Test between the Kiwis and England in October 2010. We will be endeavouring to attract other Rugby League games to the Stadium.

Concerts & Non Sporting Events

Non Sporting Events

We have already booked Nitro Circus Live, which is a motorcycle event similar to Crusty Demons. This event will be held on a Wednesday in February. This works well for us because it does not take up a valuable weekend in our busiest summer period.

Concerts

We are recognised as a major international concert venue, but we continue to be dependent on securing concerts of major bands who are touring Australia in the first instance. We will monitor potential upcoming tours and target those concerts that we think will do well at the Stadium. We have budgeted for one concert per year.

Exhibitions

Exhibitions are an important part of the event mix at the Stadium. We are pleased to add the one day Italian Festival and the Beer Festival to our exhibition calendar.

Community Events

We still have a very balanced schedule of community events which fit well with the event days planned.

MAINTAINING AND ENHANCING THE FACILITY AND THE PATRON EXPERIENCE

Roof Leaks and Exterior Cladding

The Trust filed court proceedings in December 2009 to protect its rights under the Building Act. We continue to try and negotiate with contractors but to date have been unsuccessful and have no expectation of a quick settlement.

If settlement is not reached in the next few months, we will need to undertake some of the remedial work ourselves, particularly fixing the leaking roof. This will have to be done prior to Rugby World Cup 2011.

We have anticipated replacing the exterior cladding in 2012/2013 and have already written off of the existing cladding. The cost of the new cladding will be capitalised when it is replaced. Any repair costs for the roof will be met from operating budgets.

The Stadium has the financial resources to carry out all the work, if this proves to be necessary.

Stadium Master Plan

The Trust is developing a long term capital plan aimed at maintaining the facility to international standards and enhancing the patron experience, particularly on the public concourse. An architect will be employed to develop concepts with a view to us undertaking this capital development work in the next 10 to 15 years.

The Trust believes it is critical not only to maintain the assets, but to improve the facility and to maintain our position as New Zealand's leading stadium.

Wet Pour

This project has been on the agenda for the last two years. The decision to serve beer in cans at the Rugby World Cup 2011 means that there is no longer a benefit to the Stadium to change its beer dispensing system prior to the Rugby World Cup. However it is still a consideration for the Stadium as we believe we can improve service and provide a better experience for the patron by serving fresh, ice-cold beers on demand.

Wheel System - Portable Wicket Transporter

This project has also been on the agenda for the past two years, although it is not necessary to make this investment at this stage as we are still able to hire the wheel systems from Eden Park. We believe that after the Rugby World Cup 2011 it is possible that there may be conflict between our and Eden Parks' operations so we need to be independent of them within the next 12 to 18 months.

Asset Management Plan

We continue to improve the facilities around the Stadium and closely monitor reactive and preventative maintenance.

We will re-carpet the Stadium prior to the Rugby World Cup 2011 and upgrade the lounges at the same time.

We are in the process of upgrading television sets throughout the Stadium. The Corporate Box TVs have been replaced with flat screen LEDs to improve picture quality. We will continue this programme of changing televisions throughout the Stadium. It is a critical part of the patron experience that they are able to maintain visual contact with events on the playing surface while circulating within the Stadium, particularly on the public concourse.

Capital Expenditure

In the next 12 months we propose to:

- Upgrade the CCTV monitoring system
- Improve services in the Outside Broadcasting area by providing additional toilet facilities
- Upgrade the replay screen production equipment
- Develop additional food and beverage services on the concourse to improve service
- Purchase the telescopic boom lift to enable us to maintain exterior cladding and the underslung roof and to reduce the very high cost of hiring specialist equipment

SUSTAINING THE LEVEL OF PROFITABILITY

Again we have recorded an exceptional financial result in the 2009/10 year and the highest net surplus achieved by the Trust. This is achieved because of the combination of very successful events, including two nights of the AC/DC concert, the All Whites v Bahrain match, and two exceptional Phoenix play-off games, that were not scheduled at the time we did the budget. We can not expect this to continue.

We are also very lucky to have very good non-event revenues underpinned by strong cash flow from non-event day carparking.

All costs are very tightly controlled and our continued reduction of the commercial loan has kept our interest costs relatively low. Our legal and professional fees have increased as we engage lawyers and building consultants to help us resolve the building problems.

The financial projections for the next three years are:

	2010/11	2011/12	2012/13
	\$m	\$m	\$m
Revenue	14.65	15.96	14.86
Less Operating Costs	8.79	7.93	7.68
Operating Surplus	5.86	8.03	7.18
Less Interest and Depreciation	4.58	4.72	4.81
Net Surplus	1.28	3.31	2.37

Included in Net Surplus is Net Revenues from Unconfirmed Events	0.47	1.30	1.35
	2010/11	2011/12	2012/13
	\$m	\$m	\$m
Surplus cash at the end of each year after meeting loan repayments	1.20	4.56	3.52
Bank Loan at year end	13.50	13.50	12.50
Net debt (Loan less cash)	12.30	8.94	8.98

In preparing our budgets for three years ended 30 June 2013, we face a number of uncertainties with respect to events, revenues and future attendance. These are the normal business issues we face in doing long term budgets, and our assumptions are made assuming a level of success in scheduling one-off events. The net revenues from unconfirmed events are highlighted above.

The renewal of the stadium and membership naming rights contracts have been completed with new 10 and five year contracts respectively, providing certainty with this revenue stream. We are pleased that we have been able to do this on favourable terms in the middle of a major economic recession.

Attendance is the big unknown for the next three years. Attendance has a major impact on all our revenues, including food and beverage returns. The national provincial rugby championship (now the ITM Cup) showed a small improvement last year but a poor Hurricanes season may dampen the enthusiasm for rugby. Super 15 next year will run from February to August, with eight home games. It is clear that February / March rugby is not popular with patrons and we will expect some games to go to Napier, New Plymouth and Palmerston North, and we would support that policy.

The Phoenix have been granted a further five year licence. We have big expectations for the Phoenix next season. The successes of the previous year should attract increased attendance. However there are a number of A-League clubs struggling and crowds here reduced across the competition

We do not budget for rugby or football to achieve success in their competitions and secure home play-off games, but these events are very important, particularly in satisfying the loyal fans who support their codes on a regular basis.

OTHER MATTERS

Rugby World Cup 2011

We have few capital expenditure requirements prior to the Rugby World Cup 2011 and these have all been identified in the previous section under Capital Expenditure.

Our primary responsibility now is working with Rugby New Zealand 2011 and the Wellington Regional Coordination Group to ensure that Wellington delivers the best

tournament possible working with all agencies involved in the World Cup and assisting with coordinating the Wellington arrangements.

Staffing

We have a stable, professional, competent staff of 17. We continue to offer training and development opportunities for all staff to ensure they continue to improve their knowledge and management of skills in the venue management industry.

Allied Nationwide Basin Reserve

We manage the turf and the cricket wickets at the Basin Reserve. Our turf team do an excellent job of producing high quality match and practice wickets and the Basin is very highly rated by cricket in New Zealand. We will continue to maintain this standard over the next three years.

Events at the Basin Reserve over the past three years have been:

	2009/10	2008/09	2007/08
Cricket Match Days	41	36	41
Winter Sports	9	18	12
Concerts	1	3	1
Cricket Practice Days	72	50	70
Total	123	107	124

Customer Satisfaction

The Trust continues to monitor the quality of its service delivery by conducting surveys of customers and stadium users to get an understanding of their perception of our services.

These include:

- Members’ surveys
- Box holders’ event day and annual surveys
- Measuring queuing times at food and beverage units on the concourse at each event to ensure we meet our key KPIs
- Event debriefs including discussions with promoters upon completion of events, or at the end of each season

We also monitor the performance of security, catering, and cleaning contractors against KPIs through regular review meetings and by conducting internal audits to ensure contractors perform as required.

From the information gained from these sources and from public feedback, we continually review and upgrade our operating procedures.

Risk Management

In 2010 we completed a full analysis of our business facilitated by the Risk Management division of Marsh Limited, our insurance brokers. As a result of that analysis we have identified some areas which required change and alterations to procedures which have now been made.

The major recommendation was a full review of our Business Continuity Plan which has now been completed.

PROJECTED EVENTS SCHEDULE **12 months ending 30 June**

CONFIRMED	2011	2012	2013
Rugby Union	17	20	13
Cricket	1	1	1
Football	13	13	13
Rugby League	1	-	-
Exhibition Days	4	-	-
Total Confirmed	36	34	27
UNCONFIRMED			
Rugby Union	-	2	2
Cricket	-	1	1
Other Sporting Events	1	1	1
Other Stadium Events / Concerts	2	1	2
Exhibition Days	3	6	6
Total Unconfirmed	6	11	12
Community Events	5	5	5
Total Events	47	50	44

SENSITIVITY OF NET SURPLUS TO UNCONFIRMED EVENTS

	2011	2012	2013
Net Revenues from Events	\$m	\$m	\$m
Confirmed	1.65	1.67	0.78
Unconfirmed	0.47	1.30	1.35
Total	2.12	2.97	2.13

**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE THREE YEARS ENDING 30 JUNE 2013**

	2010/11 \$m	2011/12 \$m	2012/13 \$m
Revenue			
Events	5.12	5.69	4.85
Annual Licence Fees	3.81	3.85	4.17
Amortisation of Capital Fundraising	2.76	2.76	2.76
Signage and Sponsorships	1.40	1.37	1.40
Other	1.56	2.29	1.68
Total Revenue	14.65	15.96	14.86
<i>Less:</i>			
Event Operating Costs	3.00	2.72	2.72
Other Operating Costs	5.79	5.21	4.96
Total Operating Expenses	8.79	7.93	7.68
Operating Surplus before interest & depreciation	5.86	8.03	7.18
<i>Less:</i>			
Interest	1.16	1.25	1.28
Depreciation	3.42	3.47	3.53
Net Surplus	1.28	3.31	2.37

**SUMMARY STATEMENT OF CASHFLOWS
FOR THE THREE YEARS ENDING 30 JUNE 2013**

	2010/11 \$m	2011/12 \$m	2012/13 \$m
Cashflows provided from operating activities	11.56	13.54	12.01
Cashflows applied to operating activities	(9.81)	(9.01)	(8.76)
Net cashflows from operating activities	1.75	4.53	3.25
Cashflows applied to investing activities	(2.36)	(1.27)	(3.44)
Net cashflows from investing activities	(2.36)	(1.27)	(3.44)
Cashflows applied to financing activities			(1.00)
Net cashflows from financing activities	0.00	0.00	(1.00)
Net increase (decrease) in cash	(0.61)	3.26	(1.19)
Interest Revenue	0.04	0.10	0.15
Opening balance brought forward	1.77	1.20	4.56
Cash at year end	1.20	4.56	3.52

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

	30-Jun 2011 \$m	30-Jun 2012 \$m	30-Jun 2013 \$m	30-Jun 2014 \$m	30-Jun 2015 \$m
Equity					
Retained Surpluses	69.49	72.80	75.17	77.72	79.33
Represented by:					
Current Assets	1.65	5.01	3.98	3.00	4.99
Less Current Liabilities	1.42	1.42	1.42	1.42	1.42
Working Capital	0.23	3.59	2.56	1.58	3.57
Less Current Portion of Income in Advance	1.94	2.31	2.33	2.33	2.83
Fixed Assets	95.91	93.71	93.62	93.68	91.76
<i>Less Non-current Liabilities</i>					
Bank Term Loans	13.50	13.50	12.50	11.50	10.50
Corporate Box, Membership and Signage in Advance and Other Sundry Liabilities	10.33	7.64	4.93	2.21	0.88
Unsecured Limited Recourse Loans	0.88	1.05	1.25	1.50	1.79
Net Assets	69.49	72.80	75.17	77.72	79.33

KEY ASSUMPTIONS

Events

Events are assumed to take place as set out in the event schedule on page 26.

The unconfirmed events are included in the Business Plan and the net revenues from confirmed and unconfirmed events are set on page 26.

Food and Beverage Spends

The food and beverage spends are based on actual spends achieved in prior years.

Annual License Fees

Licence fee received on all 55 boxes that are leased. An annual members license fee of \$258 exclusive of GST per membership is charged.

Hire of casual boxes generates between \$155,000 and \$174,000 per annum depending on the event schedule.

Signage & Sponsorship

Revenue from renewals and the sale of new signage and sponsorship has been budgeted at:

Year One	\$1,426,000
Year Two	\$1,445,000
Year Three	\$1,446,000

Functions

Budgeted annual revenue for 2010/11 of \$271,000.

Operating Expenses

Based on previous year costs with adjustments made for known increases or reductions.

Depreciation

Consistent with previous years.

Financing

An interest rate of 7.5% is assumed for year one, and 8% thereafter. At the time of preparing the business plan, 75% of the loan is on a fixed rate averaging 7.96%.

Due to existing temporary repayments, no repayments budgeted until June 2013 year. The facility is due for renewal at June 2013.

Stadium Enhancements

Year One	\$2,361,000
Year Two	\$1,269,000
Year Three	\$3,438,000

All enhancements are subject to funds being available at the time. A detailed schedule of the proposed plan for 2010/11 is on page 31.

Taxation

As the tax exempt status of the Trust has been confirmed, no provision has been made for taxation.

Inflation

No adjustment is made for inflation.

Limited Recourse Loans

As a result of changes required by the adoption of International Financial Reporting Standards, the limited recourse loans are shown at a discounted net present value which is significantly less than the face value of \$40,394,893 shown in earlier years. A discount rate of 18% has been used, and repayments are not expected to begin until June 2025.

STADIUM ENHANCEMENTS

Budgeted Enhancements 2010/11

	\$
Interior Fitout	500,000
Concourse improvements	400,000
Boom Lift	330,000
Replay screen equipment	300,000
Transporter wheels	300,000
Turf & Turf Equipment	166,000
Outside Broadcast Area improvements	150,000
MATV & Security System	120,000
Sundry	<u>95,000</u>
 Total	 <u>2,361,000</u>

FIVE YEAR STRATEGIC PLAN TO JUNE 2015

Objectives	Outcomes	Level of Risk	Mitigation
<p>1. To be viewed by residents of the greater Wellington region as a valued and essential city and regional asset.</p>	<ul style="list-style-type: none"> • Positive outcome to surveys of Wellington region residents by the Wellington City Council • Ratepayers recognise that their contribution to the funding of the Stadium produces significant economic benefits to the region. • Event schedule includes events that bring economic benefit to the region. • Stadium supports city initiatives to secure events that enhances the city's reputation as an events city. 	<p>Low</p>	<ul style="list-style-type: none"> • Balanced event calendar. • Positive patron experience.
<p>2. To operate the best venue in New Zealand as measured by:</p> <ul style="list-style-type: none"> • Patron Satisfaction • Match Allocation • Attraction of special events • Return to hirers • World best practice. 	<ul style="list-style-type: none"> • Regular attendance and consistently higher patronage than other NZ venues. • Positive outcome for regular surveys conducted of key stakeholders. • Events are profitable to users to encourage bookings. 	<p>Low</p>	<ul style="list-style-type: none"> • Facility the correct size for its market.

Objectives	Outcomes	Level of Risk	Mitigation
3. To remain financially autonomous.	<ul style="list-style-type: none"> • Profitable Stadium able to meet annual loan repayments and banking covenants and able to invest in Stadium enhancements. 	Low	<ul style="list-style-type: none"> • Strong financial position. • Secure event and non-event revenue.
4. To sustain event programmes by hosting regular quality events so that the Stadium continues to be a significant part of the region's entertainment scene and meet the requirements of the promoters.	<ul style="list-style-type: none"> • Develop and sustain a programme of regular annual events which meet the needs of the promoters and satisfies the demands of the local market. • Renew the Sevens contract from 2012. • Identify the competition from new and redeveloped stadia post Rugby World Cup 2011 and meet competition by maintaining a comprehensive event schedule. 	Medium	<ul style="list-style-type: none"> • Current codes Rugby, Cricket and Football provide balance. • Committed offer to renew Sevens. • History of doing successful, well attended events.
5. To deliver an outstanding Rugby World Cup experience for those matches hosted at this venue.	<ul style="list-style-type: none"> • Requirements of Rugby NZ 2011 are met and all stakeholders are satisfied with venue experience. • Work cooperatively with the region to maximise the benefits and legacy from RWC 2011. 	Low	<ul style="list-style-type: none"> • Plans well advanced. • Good Wellington programme.

Objectives	Outcomes	Level of Risk	Mitigation
<p>6. To maintain and enhance the facility.</p>	<ul style="list-style-type: none"> • Develop a Stadium Master Plan to ensure that the facility continues to meet standards of world’s best practice and competition from new and redeveloped stadia post 2011. • Comprehensive Asset Management Plan in place to ensure maximum economic value obtained out of the assets and the facility remains the premier New Zealand Stadium. • Continuing enhancements to meet to provide patrons with a stadium experience that meets their expectations. • Resolve issues with exterior cladding and leaking roof. 	<p>Low</p>	<ul style="list-style-type: none"> • Long term plan for significant investment in the facility.
<p>7. To maintain playing surfaces at Westpac Stadium and the Basin Reserve to international standard.</p>	<ul style="list-style-type: none"> • Best possible playing surface achieved at Westpac Stadium recognising its multi-use status. • Playing surface at both venues meets sporting code requirements 	<p>Low</p>	<ul style="list-style-type: none"> • Well developed plans for managing turf and additional turf at turf farm.

Objectives	Outcomes	Level of Risk	Mitigation
8. To manage the environmental impact of Stadium operations.	<ul style="list-style-type: none"> The environmental impacts of Stadium operations are minimised. 	Low	<ul style="list-style-type: none"> Working with Greater Wellington Regional Council to manage environmental impacts.
9. To develop and grow the Function Centre business.	<ul style="list-style-type: none"> Function centre becomes one of the leading venues in Wellington for private functions. 	Low	<ul style="list-style-type: none"> Well established business offering lower cost options.
10. To grow non event revenues.	<ul style="list-style-type: none"> Create independent revenue streams to reduce dependence on events. 	Low	<ul style="list-style-type: none"> Substantial car parking income to limits allowed by Councils restrictions.
11. To be a good employer and provide personal development opportunities to employees.	<ul style="list-style-type: none"> Satisfied staff achieving their full potential and enjoying their work. 	Low	<ul style="list-style-type: none"> Very low staff turnover.
12. To be recognised as a good neighbour by Thorndon and Highland Park residents.	<ul style="list-style-type: none"> Positive support for our activities and no justified complaints from residents about management of noise and lights. 	Low	<ul style="list-style-type: none"> Good relationship with community liaison group.
13. Meet realistic requests to host Community events. Continue to support and encourage existing events.	<ul style="list-style-type: none"> Community use encouraged for non-profit events that do not conflict with Stadium operations. Stadium contractors provide support for selected community events. 	Low	<ul style="list-style-type: none"> We accommodate most requests.

Objectives	Outcomes	Level of Risk	Mitigation
14. To meet the Trust's public accountability requirements.	<ul style="list-style-type: none"> • Fulfil all reporting requirements and keep public of the region informed of objectives and outcomes of operation. 	Low	<ul style="list-style-type: none"> • Current reporting exceeds requirements.

NATURE AND SCOPE OF ACTIVITIES

Objectives	Outcomes
<p>Essential City & Regional Asset</p> <ul style="list-style-type: none"> Valued and essential city and regional asset. 	<ul style="list-style-type: none"> Wellingtonians understand the benefits the Stadium brings to the region both economic and enhancing the city as a place to live. Wellingtonians appreciate that the Stadium provides a variety of events and activities for their enjoyment. Economic benefits are delivered to the region.
<p>Best Venue</p> <ul style="list-style-type: none"> Ensure that the quality and friendly management and administration of events, provide efficient booking, arrival, attendance and departure processes for patrons using the stadium and providing an outstanding stadium experience to the patron. 	<ul style="list-style-type: none"> Provide quality, user friendly public booking systems with easy access for the patrons. Access control systems in accordance with world's best practice Good transport plans with publicity that advises patrons on the most effective use of cars, buses, trains and ferries Queuing times at entrance gates meet KPI's set for stadium ticketer.
<ul style="list-style-type: none"> Efficient delivery of high quality food and beverage service in all catering areas 	<ul style="list-style-type: none"> Adequate supply of quality food, beverages and merchandise with queuing times that meet KPIs set for the caterer

Objectives	Outcomes
<ul style="list-style-type: none"> • Deliver positive patron experience 	<ul style="list-style-type: none"> • High standard of service provided to corporate boxes and members • Good crowd control and behaviour standards • Prompt response to incidents and unsocial behaviour • Effective alcohol management plans that ensure that all patrons enjoy Stadium hospitality and the Stadium meets its host responsibility requirements under its liquor license
<ul style="list-style-type: none"> • Ensure that the venue is profitable to hirers to encourage return bookings. 	<ul style="list-style-type: none"> • Hirer profitability will come from higher attendances and public satisfaction with Stadium experience
<ul style="list-style-type: none"> • Provision of regular event programmes and quality fixtures that attract regular attendances from region. 	<ul style="list-style-type: none"> • The event programme contributes to meeting the region’s entertainment needs.
<ul style="list-style-type: none"> • Ensure Wellington gets share of “superstars”. 	<ul style="list-style-type: none"> • Our reputation as an international concert venue is enhanced by the promoters and artists who use the Stadium
<p>Budget</p> <ul style="list-style-type: none"> • Maximise revenue. • Manage costs. • Manage facility on a commercially prudent basis. 	<ul style="list-style-type: none"> • Revenue earning opportunities of the Stadium are maximised and non event revenues reduce reliance on events. • Operate accounting and financial management systems to control costs and produce timely and accurate reports. • Stadium is a successful financially autonomous community asset able to service its commercial loans.

Objectives	Outcomes
<p>Events Programme</p> <ul style="list-style-type: none"> • Establish regular events programme. • Work with principal users to attract additional major events. • Attract other international sporting events. • Work with concert promoters to ensure high quality events at Stadium. 	<ul style="list-style-type: none"> • Create full programme within the constraints of competing and seasonal events. • Communicate with Rugby, Cricket, and Football and review requirements and minimise clashes. • Seek opportunities to host international events for Rugby League. • Secure concerts and non sporting events that can be successfully accommodated in the Wellington market. • Undertake professional marketing of venue to promoters in NZ and overseas. • Work with WCC Events staff and Positively Wellington Tourism to identify events that can be developed and held at the Stadium.

Objectives	Outcomes
<p>Rugby World Cup 2011</p> <ul style="list-style-type: none"> • Provide a facility and match day operation that meets requirements of Rugby World Cup organisers. 	<ul style="list-style-type: none"> • Work closely with Regional coordination groups to assist in maximising the benefit of RWC to the region. • Complete identified enhancements prior to RWC 2011. • Successful operation of venue for Rugby World Cup matches. • Each match meets the standard required by RNZ 2011.
<p>Maintenance and enhancements</p> <ul style="list-style-type: none"> • Regular planned preventative and reactive maintenance to ensure Stadium is maintained to a standard that meets world's best practice. • Continuous enhancement of the facility to ensure the Stadium is at cutting edge of world best practice. 	<ul style="list-style-type: none"> • Annual internal review of Asset management plan. • External review of asset management plan at least every five years. • Independent specialist appraisal of any significant issues identified, and rectification as soon as practicable with focus on exterior cladding and roof. • Develop a Stadium Master Plan so that the Stadium continues to meet World's Best Practice.
<p>Turf management</p> <ul style="list-style-type: none"> • Maintain quality of playing surface and wickets to international standards. 	<ul style="list-style-type: none"> • Turf management plan developed for Stadium that provides a surface suitable for multi-use nature of venue. • Playing surface meets requirements of sporting codes. • Playing surface and wicket enhances quality of cricket for international and domestic games. • For the Basin Reserve, develop a long term ground maintenance programme with Wellington City Council, Basin Reserve Trust, Cricket Wellington and New Zealand Cricket.

Objectives	Outcomes
<p>Environment</p> <ul style="list-style-type: none"> • Work with Greater Wellington Regional Council, Wellington City Council and contractors to implement and maintain systems to manage environmental issues and improve practice. 	<ul style="list-style-type: none"> • Efficient management of energy, recycling, minimisation of waste and reduction of environmental impacts through sourcing of products and patron education.
<p>Function Centre</p> <ul style="list-style-type: none"> • Grow Functions and out catering. • Improve quality of service and functions. • Enhance facilities to meet needs of a function centre. 	<ul style="list-style-type: none"> • Increase recurring revenues for Trust. • Satisfied customers come back for more events. • Facilities continue to meet needs of function organisers and function guests.
<p>Non Event Revenues</p> <ul style="list-style-type: none"> • Develop commuter car parking. • Secure existing signage contracts and create new signage product. • Maintaining and developing non event day revenue streams. 	<ul style="list-style-type: none"> • Increased and regular use of car park. • Secure independent revenue stream. • Continue to maximise non event day revenue.
<p>Good Employer</p> <ul style="list-style-type: none"> • Provide staff training and development programme. • Ensure job satisfaction for staff. 	<ul style="list-style-type: none"> • On the job and structured training provided to meet requirements of job. • Happy staff achieving the job satisfaction they want.
<p>Good Neighbour</p> <ul style="list-style-type: none"> • Manage crowd noise, parking and traffic in accordance with resource consent requirements. • Encourage responsible behaviour by patrons arriving and leaving the venue. • Be a pro-active participant in Community Liaison Group. 	<ul style="list-style-type: none"> • Comply with all requirements of District Plan and resource consent. • Minimal effect on neighbours from noise, parking and lights. • Residents and businesses operating in close proximity to Stadium are satisfied with Stadium management. • Neighbours understand what is happening and are consulted on all relevant matters.

Objectives	Outcomes
<p>Community Events</p> <ul style="list-style-type: none"> • Host community events and activities that realistically fit into events calendar. 	<ul style="list-style-type: none"> • Stadium accommodates a programme of community events and activities to the benefit of the region. • Stadium contractors provide support for selected community events.
<p>Public Accountability</p> <ul style="list-style-type: none"> • Fulfil all reporting requirements of the Funding and Trust Deeds. • Fulfil all statutory responsibilities, and obtain unqualified audit report. • Ensure timely reporting to WCC and GWRC. • Support WCC and GWRC initiatives that are consistent with the policies and objectives of the Trust. 	<ul style="list-style-type: none"> • Ensure that the processes are observed in such a way that WCC, GWRC and the Wellington region public are aware of the Stadium’s broad objectives and the outcome of its operations. • Ensure WCC and GWRC are fully informed about Stadium operational and financial performance. <p>Current initiatives that are supported by the Trust are:</p> <p>Wellington City Council 10 Year Aspirations</p> <ul style="list-style-type: none"> • we contribute to all 13 aspirations identified by Wellington City Council. <p>Creative Wellington Innovative Capital</p> <ul style="list-style-type: none"> • as host of arts/culture events where they can be accommodated. <p>Events Capital</p> <ul style="list-style-type: none"> • using events fund to bring major acts to Wellington that promote visitor numbers and economic benefit to the region. <p>Positively Wellington Tourism</p> <ul style="list-style-type: none"> • assisting to maximise visitor numbers to Wellington and promotion of events.

APPENDIX 1:
CURRENT TRUSTEES OF WELLINGTON REGIONAL STADIUM TRUST

Name	Appointed until:
Paul Collins (Chair)	30 June 2012
David Bale	30 June 2010
Christopher Laidlaw	formal declaration of results of GWRC 2010 elections
John Morrison	formal declaration of results of WCC 2010 elections
Susan Elliot	30 June 2011
Elizabeth Dawson	30 June 2011
Sir John Anderson	30 June 2012
Christopher Moller	30 June 2012

APPENDIX 2:
OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT

Ratios

The ratio of Trust Funds to Total Assets is expected to be:

30 June 2011	71%
30 June 2012	74%
30 June 2013	77%

The ratio of total Trust Assets to Trust Liabilities is expected to be:

30 June 2011	348%
30 June 2012	381%
30 June 2013	435%

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlor's investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.

APPENDIX 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The financial statements are prepared in accordance with the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

For the purposes of financial reporting the Trust is a public benefit entity.

Statement of Compliance and Basis of Preparation

The financial statements will be prepared in accordance with New Zealand generally accepted accounting practice, applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Trust qualifies for Differential Reporting exemptions as it has no public accountability and it does not qualify as large under the criteria set out in the Framework for Differential Reporting.

The financial statements are presented in New Zealand dollars. The functional currency of the Trust is New Zealand dollars. The financial statements are prepared on the historical cost basis except for interest rate swaps and the limited recourse loans.

Revenue

Revenue is recognised when billed or earned on an accrual basis.

License Fees and Sponsorship Revenues

Corporate box holders and stadium members are required to pay an annual license fee. These items are recorded as revenue in advance, and amortised on a straight line basis over the period covered by the license fee. Signage properties are also sold on an annual basis, with the revenue being recognised on a straight line basis over the term of the contract.

Amortisation of Membership, Corporate Box and Sponsorship Funding

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and sponsorship properties. The term of the memberships and corporate box licenses is 15 years. The terms of the sponsorship agreements range from one year to ten years. Payment for these items has been received and recorded as revenue in

advance. This funding is amortised as revenue on a straight-line basis over the term of the agreement.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Taxation

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

Financial Instruments

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non Derivative Financial Instruments

Non derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Income Statement as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Income Statement. Fair value is determined based on quoted market prices.

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

Other Liabilities & Provisions

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Income Statement in the period in which they are incurred. Payments made under operating leases are recognised in the income statement on a straight-line basis over the

term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payment.

Finance leases transfer to the Trust as lessee substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are depreciated over the period in which the Trust expects to receive benefits from their use.

Property, Plant and Equipment

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Income Statement.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch category and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	15 years to indefinite
Buildings	10 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years

Fittings	5 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust; record the cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the funding structure of the Trust.

