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Report 01.117

26 February 2001

File: CFO/27/12/2

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

Stadium Trust: Half Year Report

1. **Purpose**

To receive the Stadium Trust half year report for the period 1 July 2000 to 31 December 2000 (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 trust to report to the two settlors (WRC/WCC) each six months. In conjunction with the receipt of the report each six months, the Stadium Trust also provides a briefing to give Councillors the opportunity to ask any questions relating to the Stadium. Such a briefing was held on 23 February 2001.

3. **Comment on the half year report to 31 December 2000**

The attached report reflects the fact that the Stadium Trust is clearly now in full operational mode with a wide variety of events held at the Stadium during the six month period.

The financial result is a good one, better than budget by \$88,000 with the likelihood of a strong second half year on the back of the Sevens and Super 12 rugby competitions.

It is pleasing to see that the well publicised catering problems appear to have been resolved.

Attendances and patronage satisfaction have both been high which reflects what is now a commonly held view in the Region the Stadium is indeed a superb Regional facility.

Risks going forward primarily centre around the upcoming events programme although the recent announcement of a soccer test in June, continues to add to the variety of entertainment available at the Stadium.

4. Communications

The Stadium Trust's positive results continue to be well reported.

5. Recommendations

That the Committee recommends that the Council receives the report and notes its contents.

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: Stadium Trust: Half Year Report

WELLINGTON REGIONAL STADIUM TRUST
WELLINGTON REGIONAL COUNCIL - HALF YEARLY REPORT
FOR SIX MONTHS ENDED 31 DECEMBER 2000

*Part only
attached*

Introduction

The Wellington Regional Stadium Trust is pleased to report a successful period of operation to 31 December 2000. The Trust has achieved budget for the period and has been successful in securing an excellent calendar of sporting events.

The Trustees are satisfied with the result for the period noting that Colonial Stadium in Melbourne reported a \$35m loss for its first six months of operation and its Chief Executive has expressed concern about its future if it does not attract more events.

Events

The period includes the Bledisloe Cup, four NPC games, two major exhibitions – Wheels and Home & Garden, two one day cricket matches and the Celebrate Jesus concert.

The rugby test was fully sold out, the NPC experienced record crowds averaging 30,000 and the Celebrate Jesus concert attracted 24,000 people to an afternoon of religious celebration and singing.

The exhibition crowds of 15,000 for Wheels and 35,000 for the Home & Garden Show have encouraged promoters to rebook these events.

This has also been a busy period for private functions with 260 functions hosting 20,705 people.

New events confirmed for the next 12 months include:

- 2 Football Kingz games
- 1 Soccer Test v Australia
- 1 NRL game – Bulldogs v Warriors with the Bulldogs committing to one game a year for five years

We are still to finalise arrangements for the Rugby League Test scheduled for July.

Discussions are continuing with concert promoters. As is normal in the industry various artists are considering tours to this part of the world, however none has confirmed at this time. The cancellation of the Australian section of the Elton John tour was disappointing after completion of negotiations with the promoter. The weak Australian and New Zealand dollars are affecting concert tours to this part of the world. The Trust now has in place an agreement with Leisure Management International, a large US-based venue management group. This agreement links us with some major Australian venues for purpose of sourcing major concerts.

Food and Beverage

On the concourse the queuing times have been reduced to an average of 4-6 minutes at peak times and at many outlets, times are even less. The patrons are slowly learning that moving to the next outlet will reduce waiting time as the longest queues are always nearest the entrance to the Stadium. At the recently completed International Sevens Tournament, queuing times on Saturday when we had our highest ever turnover of food and beverage, were a maximum of 6 minutes. Most queues were less than 3 minutes.

There has been continuous improvement in quality and service of catering around the facility as Panda Catering have made a significant effort to improve the quality of food and staff in all areas.

Corporate Boxes

Fifteen boxes were unsold as at 1 July 2000. The Trust has marketed these boxes in a variety of ways offering outright sales, one and three year leases and event day hire. In addition four of the boxes have been converted into a hospitality lounge for 110 people and individual box licences are being sold for this box. This offer is proving very popular and we expect to sell all 110 licenses by the end of March. Two boxes have been leased on one and three year leases.

We now have only nine boxes left and these sell very quickly for major events.

Tenancies

Otago University have commenced construction of the School of Medicine, which will accommodate the High Performance Centre. It is expected to be completed by March 2001.

Tax Status

Since the last report the Wellington City Council, Wellington Regional Council and Wellington Regional Stadium Trust have made an application to the High Court for a declaratory judgement to confirm the tax status of the Trust. The advice of our lawyer Phillip Fox is still in conflict with the position taken by the IRD and this process will clarify the tax status. Once clarified the Wellington City Council, Wellington Regional Council and the Trust can decide their next move.

Finances

Operation has been in accordance with budget for the period with the deficit being \$88,000 less than budget.