



Report **03.597**
Date 9 October 2003
File CFO/27/12/2

Committee **Policy, Finance and Strategy**
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Stadium Trust - 2003/04 Business Plan

1. Purpose

To receive the final 2003/04 Business Plan from the Stadium Trust (refer **Attachment 1**).

2. Background

The draft 2003/04 Business Plan from the Stadium Trust was considered by the Committee on 16 June 2003.

Key features of the draft Business Plan which were noted on 16 June included:

- A consistent pattern of events planned for the 2003/04 year.
- Projected operating surpluses and positive cashflows in each of the next three years (albeit a small surplus in 2003/04 due to timing of the major rugby test).
- An improving financial position with planned reductions in external debt in each of the next three years.
- A list of modest capital expenditure projects designed to further enhance the quality of the Stadium as a venue.
- Concern over ongoing uncertainty over the legal status of the Trust which is now proceeding to the High Court, where the Stadium Trust and the two settlors (GWRC and WCC) are seeking a declaratory judgement.

The Stadium Trust has since finalised the 2003/04 Business Plan which retains the above key features. The final Business Plan now becomes the primary accountability tool by which the two settlors can hold the Stadium Trustees accountable.

3. Comment

The Business Plan represents a strong commitment by the Trustees to continue to run a highly successful Stadium that is financial autonomous, despite having to face some unplanned cost increases.

The Plan includes a reasonable proportion of confirmed events for 2003/04 (41%) and the subsequent confirmation that the Stadium has been retained as the location for the highly successful Rugby 7's for the next three years is very positive news.

However, the projected net surplus for 2003/04 is only \$0.24 million which is lower than the level achieved in 2002/03, primarily due to there being no major rugby test scheduled in the 2003/04 year (it is scheduled for July 2004).

External debt is projected to reduce to \$23.7 million over the next five years, a reduction of approximately \$7 million from the 30 June 2003 level. As expected, there are no planned repayments against Council's \$25 million advance over the next five years and no realistic prospect of repayment starting within the timeframe of the Council's current Long-term Council Community Plan.

We are continuing to work with the Stadium Trust and with officers from WCC to assemble a robust case to present to the High Court that the Wellington Regional Council (Stadium Empowering) Act 1996 takes precedence over the Local Government Act 2002, and even if this is found to be not the case, the Stadium Trust is not a Council Controlled Trading Organisation. No date has yet been set for the High Court hearing.

4. Communications

The Stadium Trust has recently publicised its 2002/03 results and the Business Plan is signalling a continuation of the success story which the Stadium Trust is largely responsible for communicating to the public of the region.

5. Recommendation

That the Committee recommend to Council that it receive the report and note its contents.

Report prepared by:

Greg Schollum
Chief Financial Officer

Attachment 1: Stadium Trust – 2003/04 Business Plan