



Wellington Regional Stadium Trust Statement of Trustees Intent For the year ending 30 June 2017

Registered Office: Westpac Stadium
Waterloo Quay
Wellington

Chair: John Shewan

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996 and its settlors are the Wellington City Council and the Greater Wellington Regional Council.

The Trust recognises the interest that the ratepayers of Wellington City Council and the Greater Wellington Regional Council have in the Trust and its activities and have agreed to be subject to the reporting requirements of both Councils and their monitoring procedures. The Trust is not a Council Controlled Organisation.

May 2016



1. INTRODUCTION

The 2017 financial year will be a significant year for the Stadium as it embarks on a number of capital projects while at the same time hosting another full calendar of events, culminating with the British and Irish Lions Tour at the end of the year.

The year will feature the following opportunities;

- A strong events calendar building on the successful return of concerts in 2015;
- Preparation and planning for the return of the British and Irish Lions in 2017;
- Major capital investment in improving the internal concourse, technology and turf replacement;

In 2014 the Trust developed its long term strategic plan that identified seven key strategic pillars;

1. Future Regional Venues Strategy
2. Attracting Domestic & International Events
3. Marketing and Branding
4. Improving Customer Experience
5. Building relationships with our Hirers
6. Maximising Revenue
7. Facility Management

Each of these pillars remains relevant and associated activities for 2016 and 2017 are addressed in the Statement of Intent (SOI).

In the 2017 financial year, Westpac Stadium will remain New Zealand's most utilised stadium. While attracting crowds remains a challenge for all events and stadiums across New Zealand, attendances at the Stadium have remained consistent over the years with our unrivalled diversity of events providing some mitigation against declining crowds within any one category. Annual attendances have averaged around 500,000 for the 15 years.

The Trust continues to derive diverse revenue streams. There will be a stronger focus on attracting new sponsors in 2016/17. In addition the British and Irish Lions tour provides additional impetus for the sale of memberships and corporate boxes.

At the time of writing, the renewal of the Sevens contract after 2016 has not been finalised, however New Zealand Rugby has provisionally confirmed Wellington as host location for three more years pending the finalisation of these agreements.

Over the next twelve months the Trust will invest in three major capital projects at the Stadium. There is an ongoing challenge to maintain and enhance our facility in order to meet public expectations. These include enhancing the concourse, investment in technology with a view to becoming a fully connected venue and turf replacement.

The Trust's role in increasing attendance is to improve the live experience by improving the environment for customers and the level of service. In addition, the Trust continues to take a more collaborative and proactive approach with its hirers in developing strategies that attract crowds.

The Trust continues to enjoy a collaborative and supportive relationship with both the Greater Wellington Regional Council and Wellington City Council.

2. STRATEGIC DIRECTION

a) CORE PURPOSE

The objectives of the Wellington Regional Stadium 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.

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 better than breakeven after depreciation expense.

The Trust meets all the general objectives of the Councils noting that the overriding requirement of the Trust Deed means that the Trust must generate sufficient profit to repay loans and finance capital expenditure.

Alignment with Councils Policies and Strategies

In 2011 the Wellington City Council (WCC) developed a 2040 Strategy setting out its vision for the city. The Trust fully supports these policies and strategies and contributes directly to these priority areas.

The Economic Development Strategy

The WCCs' Economic Development Strategy sets out the city's plans for ensuring long term economic development of the city that improves the citizens' quality of life and community prosperity.

Every five years the Trust has conducted an economic impact and community contribution study of the benefits that the Stadium has brought to the region. In 2015 WRST completed a 15-year study showing that almost 7.8 million visits have been made by people attending events at the Stadium. Of these visits, around 1.8 million have been from people outside the Wellington region spending an additional \$889 million in the region's economy, more than two and half times original estimates.

The Stadium has continued to provide an exceptional return on the original investment to the Wellington Region.



The Event Policy

The 2040 strategy records that the Westpac Stadium is a significant amenity and provider of key international events.

The Stadium has played a critical role in recent years in hosting major events including Rugby, Cricket and FIFA U20 World Cups.

The Stadium's diverse sporting events calendar is unrivalled in New Zealand.

Wellington's challenge in attracting outdoor concerts has been well documented. It was particularly pleasing that the Stadium therefore hosted a bumper summer of stadium-filling, non-sporting events in with the Elton John and AC/DC concerts, and the four nights of the Edinburgh Military Tattoo.

The Stadium continues to support the Basin Reserve through providing turf services.

The Accessible Wellington Action Plan

The Accessible Wellington Action Plan aims to enhance Wellington's reputation as an inclusive and socially responsible city and one that is accessible, safe and easy to get around. The Plan seeks to improve access for people with disabilities, parents with prams, older people with age related decrease in mobility and sensory abilities.

The location of the Stadium and its design were in large part driven by the power of its accessibility. The Stadium is ranked as the No.1 accessible stadium in New Zealand according to strategy and communications consultancy, the Gemba Group.

Its position in the transport hub and an easy walk from the CBD and entertainment precinct ensures the city, its residents and its visitors all benefit from the Stadium's events.

Westpac Stadium has a well-developed access plan to enable easy access to the Stadium for all patrons. It provides people movers operating up and down the Fran Wilde Walk, special drop off areas, mobility parks and assisting people with wheelchairs directly to their seats. In 2014 Be.Accessible reviewed the Stadium and issued us with a Gold rating. The Stadium achieved excellent levels of accessibility across all areas measured. The Trust will continue to provide easy access for its patrons.

The Stadium mobilised its largest ever accessibility programme for the recent Royal Edinburgh Military Tattoo. An estimated 50% of the audience was over 65 and 10-15% with some sort of accessibility requirements. While there was some media coverage regarding accessibility after the first show, overall we received very positive feedback from patrons requiring accessible access.

The Digital Strategy

The Digital Strategy aims to achieve global recognition as a creative, digital city.

The Stadium is currently scoping the cost and capability for Westpac Stadium to become a fully connected venue offering free wifi and venue specific content to mobile devices.

In addition the Stadium partnered with local companies to re-launch its website and to develop a Customer Relationship Management platform.



Wellington Regional Economic Development Agency (WREDA)

We commit to a strong partnership approach with WREDA with a view to enhancing Wellington's standing as a major event host. Management and Trustees have engaged with WREDA Chair and Chief Executive and are supportive of WREDA's goal of driving innovation and economic activity, and enhancing the region's reputation as a centre of world-class film, IT, education, arts, food and tourism. We see the Stadium playing an important role here.

Wellington City Council's Long Term Plan

The Trust is fully supportive of the city and region's long term plans in particular those plans which will offer opportunities for collaboration and mutual benefit. In particular the Trust identifies the following plans that provide strong synergies with the Stadium's plans:

1. A longer airport runway: bringing in more international visitors, and enhancing business and education connections.

The Stadium will be a beneficiary of a longer runway through increased visitation for major events. In addition a longer runway removes one of the impediments for major artists visiting Wellington, as staging and equipment has often had to be transported via road from Auckland.

2. Screen and tech industries: supporting smart and sustainable economic growth.

The Stadium is exploring the possibility of becoming a fully connected venue delivering unrivalled digital technology to fans and hirers. The Trust will be actively seeking local partners as part of that strategy.

3. New and improved venues for music, sport, and conventions

The Trust is very supportive of the proposed investment in sports and events infrastructure.

A new indoor arena and the Wellington Convention Centre will complement the Stadium's current offerings. The convention centre will complement the Stadium's already busy functions business. The Trust is also supportive of the investment in the Basin Reserve.

It is important that both venues continue to complement each other and that the investment ensures a growth in the number of events and overall attendances for Wellington as opposed to displacement of existing events within the region.

The Trust is very grateful that the Stadium has been included in the Long Term Plan. This is covered later in the SOI.

4. Reigniting our sense of place through events and public space improvements

The Trust applauds the commitment to increase funding for major events. A partnership driven approach to attracting and securing the right events for Wellington is vital. The Trust commits to being an active partner in this strategy.

Greater Wellington Regional Council's Long Term Plan

The Trust supports Greater Wellington Regional Council's Long Term Plan in particular those plans which cover public transport infrastructure and getting more people on public transport

The Trust supports further investment in public transport and encourages patrons to utilise public transport while attending events at the Stadium. The Trust encourages cycling through the recent installation of more bike racks at the Stadium.

b) OPERATING ENVIRONMENT UPDATE

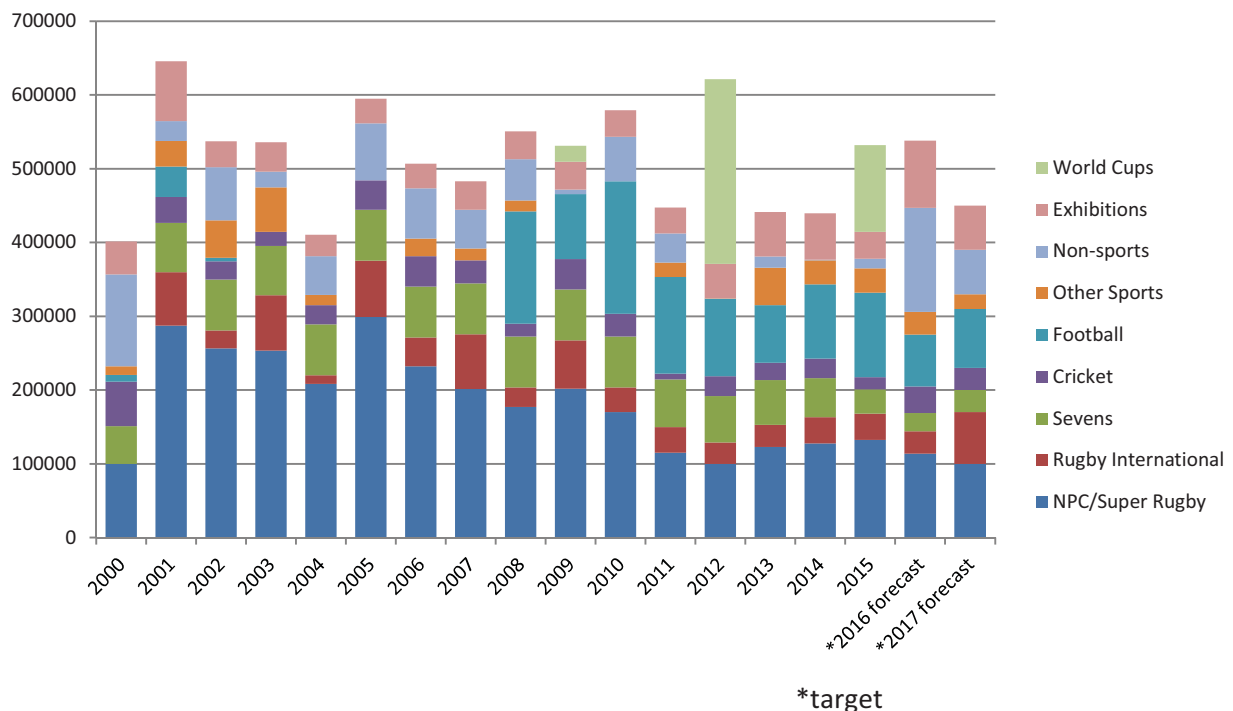
The 2015/2016 event calendar was unique in that we hosted two concerts and four nights of the Edinburgh Military Tattoo.

The events outlook for 2016/17 is positive and the Trust looks forward to building on the return of major non-sporting events and the return of the British and Irish Lions. The Trust's focus lies particularly on those events that will fill the stadium and generate economic return for the region.

Interest in memberships and boxes is expected to pick up in the lead into the British and Irish Lions tour. Our diverse revenue streams and improved event outlook mean that the Trust will continue to operate with positive cash flows enabling the Trust to continue to invest in the facility.

While crowds at some events have been trending down in recent years, the Stadium continues to attract similar annual attendances as it has since opening in 2000.

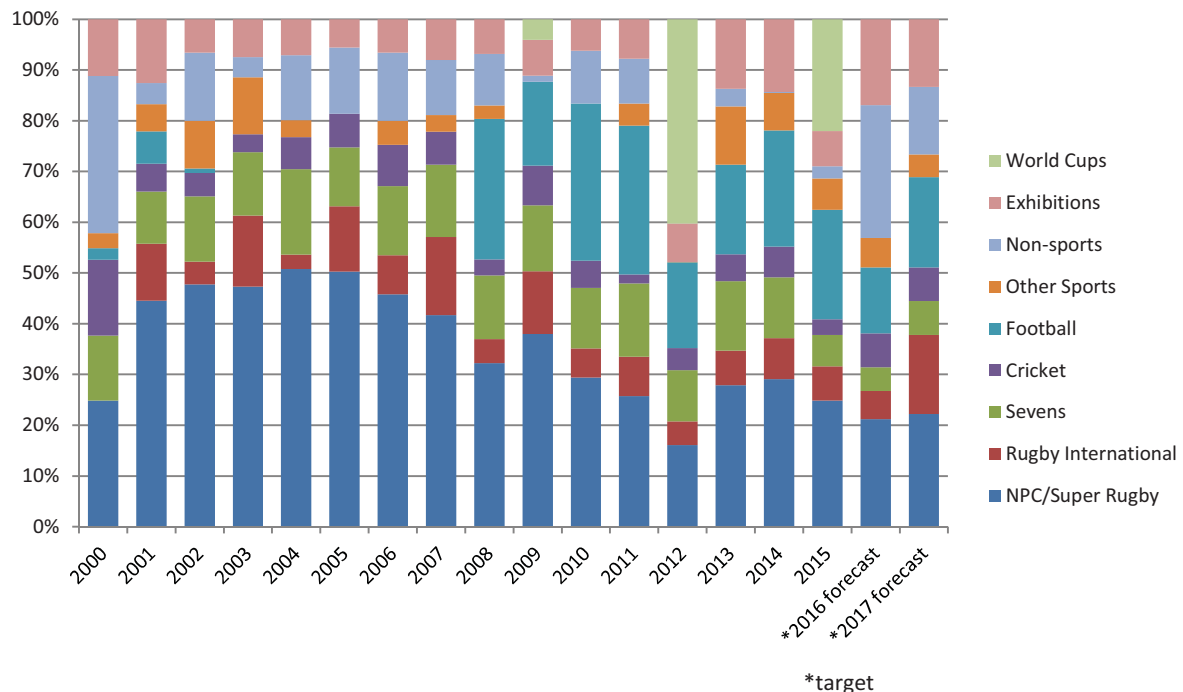
The following table highlights aggregate crowds by event type since the stadium opened. This current financial year over 500,000 fans will attend events at the stadium which is consistent with our long term average.





The mix of events has changed significantly over that period, and the Stadium is no longer reliant on any one code or event for its attendances.

The following table highlights the diverse mix of attendances over the years represented as a percentage of the overall attendance in any given year.



c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and our stakeholders as a valued and essential asset.
2. To operate the best venue in New Zealand measured by:
 - Satisfaction of hirers
 - Patron satisfaction
 - Event calendar and diversity
 - Calibre of international events held
 - Environmental impact
 - Relationship with our neighbours
 - Adherence to world's best practice
3. To remain financially autonomous
4. To provide a full and balanced event calendar to patrons
5. To maintain and enhance the facility to the standard of international best practice
6. To be a good employer and provide personal development opportunities to employees in a safe working environment.



The board hosts a strategic planning day in March of each year to reassess priorities and strategic direction

3. NATURE AND SCOPE OF ACTIVITIES

The nature and scope of the Trust's activities are dictated in the first instance by the Trust Deed, settled with both Councils.

To meet its obligations under its Trust Deed, the Trust identifies the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt reduction obligations.

The Board and management have taken a longer term view of the Stadium's business. In 2014, the Trust identified what we believe are going to be the key issues and opportunities over the next 10-15 years and how we can position ourselves optimally.

In line with the obligations listed above under its Trust Deed; the Trust has developed a number of themes that form the basis of its long term planning;

1. Future Regional Venues Strategy;
2. Attracting Domestic & International Events;
3. Marketing and Branding;
4. Improving Customer Experience;
5. Building relationships with our Hirers;
6. Maximising Revenue;
7. Facility Management.

For the 2016/17 year the Trust's focus on each is outlined as follows:

1. Future regional venues strategy

In the 2014/15 SOI, the Trust flagged its support for a regional strategy for sports and other entertainment venues addressing the region's needs for the next 30 to 50 years, and is actively engaged with stakeholders on a spatial venues plan for the region.

As an example of this support, the Trust varied its agreements with New Zealand Cricket in order to permit a Black Caps ODI to be played at the Basin. The Trust is supportive of a right event-right venue approach to events in the region.

The Trust is also supportive of the investment in the Basin Reserve. It is important that both venues continue to complement each other and that the investment ensures a growth in the number of events and overall attendances for events in Wellington as opposed to replacement of existing events within the region.

The Trust remains very supportive of Wellington City Council's focus on new and improved venues contained in its Long Term Plan.



A new indoor arena and the Wellington Convention Centre will complement the Stadium's current offerings. The Trust has previously argued that an indoor arena would generate a bigger increase in events and therefore economic return for the region than a roof on the Stadium.

The convention centre will complement the Stadium's already busy functions business. The Trust feels that the convention centre will attract new business in a segment that Wellington is unable to compete in currently.

The Trust is keen to work with the Councils and venues to ensure best practice governance across sports and entertainment venues. Stadium management will ably assist in a cooperative manner as required.

The Trust is very grateful that WCC has considered the Stadium in its Long Term Plan to assist the Trust conduct a significant upgrade of the public concourse with a view towards:

- (i) Improving the overall fan experience for sporting events at the Stadium;
- (ii) Making Westpac Stadium a more desirable host for large scale exhibitions that drive out-of-region visitation and grow the local economy. This is consistent with our settlers' desires for more non-sporting events to be held at the Stadium.

The proposed upgrades would cover the following elements:

- (i) Removal of some of the steel cladding around the major thoroughfares to bring natural light and the city's wonderful vista into the stadium;
- (ii) The enhancement and renovation of food and beverage outlets;
- (iii) Refurbishment of parts of the concourse floor;
- (iv) Cladding of some of the current grey concrete walls and pillars;
- (v) Develop consistent look and feel and way finding around the concourse;
- (vi) Making the space more suitable for exhibition clients;
- (vii) Improved lighting.

Specific plans are currently being developed.

This timing of the development is to be confirmed pending the finalisation of the 2016/17 events calendar. It is hoped that some of the works will be completed in advance of the British and Irish Lions visit in 2017.

2. Attracting domestic and international events

Westpac Stadium remains the busiest stadium in New Zealand, hosting over 50 event days each year in addition to community event days. Furthermore the Stadium hosts up to 1,000 non-event day functions, conference and meetings each year.

Large scale international events are crucial to the viability of the Stadium. Events such as the recent concerts and the Royal Edinburgh Military Tattoo are significant drivers of revenue. Securing major events is a major focus of the Trust ongoing.

The events schedule through to 2017, while still being finalised, will remain very healthy. The Trust has made submissions for a number of non-sporting events for the summer of 2016/17. Ideally we would like to see an average of one major concert being held at the stadium in each year.



Challenges remain with existing hirers and finding free weekends for major events.

The likely calendar for 2016 though to mid-2017 can be seen in the following tables. Some of these are placeholders in advance of schedules being confirmed.

Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Phoenix	Cricket	Phoenix	Phoenix	Expo	Expo
Cricket	Phoenix	Phoenix	Hurricanes	Hurricanes	Test
Sevens (2 Days)	Tattoo (4 days)	Hurricanes	Phoenix	Expo	
	Phoenix		NRL	Hurricanes	
			Hurricanes		

Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Hurricanes	Super Rugby Final	ITM Cup	ITM Cup	Phoenix	TBA event
Super Rugby Finals	Expo	ITM Cup	ITM Cup	Phoenix	Phoenix
	Test	ITM Cup	Phoenix	Expo	
			ITM Cup Finals		

Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Phoenix	TBA event	Hurricanes	Hurricanes	Hurricanes	Expo
Phoenix	Phoenix	Phoenix	Phoenix	Hurricanes	Test
Sevens (2 Days)	Phoenix	Hurricanes	Hurricanes	Expo	
	Cricket	Cricket	Phoenix	Expo	
		Cricket	A-League Finals		

The Trust plays the role of active partner with its hirers, maintaining a close relationship with each across event marketing and operations in the lead into each event.

Exhibitions continue to occupy a large number of events days. In the 2015/16 year a record 23 days have been occupied by exhibitions. A record 90,000 attendees are expected to attend exhibitions by the end of the current year.

3. Marketing and branding

Media and PR

The Trust adopts a proactive public relations approach with key media outlets, being on the front foot as issues have arisen. The main objective is to achieve a balanced and fact-based debate rather than an emotional, inaccurate or misleading one. By and large the Trust is pleased with what it views to be more balanced reporting of its activities.

We recognise we are a large public facility where there are lots of views. We welcome this and ensure that every piece of feedback directed to the stadium is responded to in a timely manner and if appropriate acted upon.

Digital Strategy

With more fans consuming their news and information online than ever before it is important that the Stadium is connecting with fans across multiple platforms. A Fan Development and Digital Manager was hired in 2014 to lead the work in this area.

Website: A refresh of the Stadium's website was completed in 2015. The rebuild has incorporated a more dynamic design update, with a focus on user engagement, multi-media content and social media integration. The site was redeveloped to be fully mobile optimised, with clearer navigation, simple design and engaging and dynamic content. The end result is now less corporate and more event focused.

Social Media: The Stadium is very active on social media having established a presence on YouTube, LinkedIn, Instagram, Facebook and Twitter. Each of these channels offers different ways to publish relevant information and connect with fans in the environments in which they are operating daily.

A daily content calendar is now in place, providing a combination of news, images, video and event updates. These channels provide us with a valuable opportunity to engage with sports fans from around the region, promote our events and support our hirers in their communications activities.

Twitter and Facebook in particular have become crucial for managing issues on game day. We are far more likely to receive real-time feedback on these two platforms than any others including the traditional text message service. The staff member managing our social media is based in the stadium's control room on event day. This ensures direct access to all service providers on event day including caterers, cleaners and security.

E-newsletters: The Trust recently launched its Fanzone Newsletter, a general monthly newsletter targeted at attendees and wider Wellington. With this new publication, the Stadium will be able to better connect with fans on a regular basis, sending information directly to their inboxes.

4. Improving customer experience

Alongside our hirers we aim to continuously improve the fan experience. The Stadium facilitates the sharing of issues and ideas, develops proactive solutions and works towards best practice across all our events.

Fan Research: In 2015 the Trust implemented a three-year fan research programme. This programme which began in late 2015, tracks our monthly performance against a range of measures.



These performance measures cover the full breadth of the game day experience including those managed by the hirer and the stadium. The results are shared with hirers with a view towards working together to improve the experience.

Fan and Advisory Group: The Trust is currently recruiting a panel of fans representing a range of demographics to form a regular fan advisory group. This will act as a focus group and provide an opportunity to get qualitative feedback and to test concepts with.

Customer Relationship Management: The Trust is now using Salesforce CRM to ensure better management and communication with our customers.

Food and beverages: The Stadium continues to vary its range of food items and acknowledges that there is a high level of expectations with the Wellington market in regards to food range and quality.

The Trust was very pleased to be the first stadium in Australasia to introduce local craft beer in 2015. While this is only for Phoenix games at the moment, the Trust will work with other hirers in an attempt to increase the offerings. The introduction of craft beer has been extremely well received by fans and generated positive PR on both sides of the Tasman.

Accessibility: As discussed earlier the Trust has a well-developed plan to enable easy access to the Stadium for all patrons. Additional resources were put into this area for the recent Royal Edinburgh Tattoo recognising the special requirements of that audience. The Trust will continue to provide easy access for all its patrons.

5. Building relationships with our hirers

Ultimately our key customer is our hirer. We have worked hard to develop strong relationships with our key hirers over the last twelve months.

This year we commenced a hirer's forum which provided an opportunity to gather all our main hirers and partners together to discuss topical issues that face the whole industry, share information and ideas.

The Trust is funding a number of research projects around fan experience and memberships that are equally applicable for our hirers.

The Trust is also mindful of its community responsibilities and hosts a number of community events at no cost each year such as Sports Wellington's School Day and the Wellington marathon in addition to providing a training venue for groups from the police and defence forces.

6. Maximising revenue

The Trust has diverse revenue streams. The mix of events and hirers provides some degree of risk mitigation to a downturn in any one sport or event.

However, maintaining and growing revenue is critical to our business.

The Trust's mix of revenue streams compare favourably to other major stadiums around the world and in many cases better in terms of diversity.



The Trust has strengthened its business development capability as it enters a new period where long term revenue streams are not ensured.

Specifically in 2016/17 the Trust will target:

- New memberships and corporate box sales off the back of the British and Irish Lions tour;
- An increase in casual hospitality revenue reflecting the market's needs;
- New signage and sponsorship opportunities;
- A new technology partner.

7. Facility management

Continued investment in the Stadium is vital in order that we remain competitive.

The stadium environment is increasingly competitive. There has been significant investment in stadiums in both Australia and New Zealand in recent years. Regional, state and federal governments recognise the value of modern stadiums in attracting events, generating economic activity and promoting sport.

The Trust has spent \$7.6m to date in completing the following key master plan projects:

- Addition of new changing rooms and upgrade of existing ones (predominantly for Sevens Tournaments and World Cup use)
- New media facility
- Upgrade of Stadium Members Lounge (in advance of membership renewals)
- Construction of the East Mezzanine Bar/Lounge (enhancement of public facilities)

Over the next three years, the Trust has will invest \$14.33 m in the facility. This will be supported by a further \$5.0m from the WCC long term plan.

Two of these projects are primarily aimed at improving the fan experience:

- Technology

Westpac Stadium has engaged an international consultancy firm with expertise in development and implementation of connected solution technology projects, to undertake a process to determine the optimal technology enhancements and a business model for the Stadium.

The aim is to deploy new technology throughout the Stadium to enhance the fan, venue hirer and commercial partner experience.

A business requirements document that covers both the functional and non-functional requirements of the project has been developed and a business case is currently being assessed.

The business case will be delivered to the WRST Board in June 2016 with a view to a 2016/17 rollout.

- Concourse Upgrade

Westpac Stadium has engaged global stadium architect, Populous to develop a series of upgrade concepts.



The primary aim of the concourse upgrade is to deliver a warmer, more welcoming environment for fans. In addition the upgrade seeks to make the space more amenable to exhibitions.

Specifically the upgrade will seek to deliver a consistent look and feel for the concourse that better reflects Wellington, the local community and sporting achievements. This will include more natural lighting, improved food and beverage facilities and upgraded flooring.

WRST will engage with key stakeholders on this project before the end of the current financial year, with a view to roll out in 2016/17.

The other key project will be the replacement of the turf for the first time since the Stadium opened. This is scheduled to take place in December 2016 and will take four weeks. The surface will be ready to play upon completion.

Planned capital expenditure is summarised below.

	2016/17 \$m	2017/18 \$m	2018/19 \$m
Concourse upgrade – WRST funded	0.85	1.0	0.50
Concourse upgrade – WCC funded	1.67	3.33	
Technology upgrade	0.73	0.75	
Turf replacement	1.31		
Other master plan projects			1.0
Replay screen			4.0
Other capital expenditure	2.20	1.15	0.84
Total	6.76	6.23	6.34

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This means the Trust must generate sufficient profits to meet loan repayments and provide funds to complete capital replacement and development programmes to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

The major difference the Stadium can make to attendance at events is to improve the experience of the patrons across all areas of the facility. The Stadium Master Plan was developed to do that, but it can only be completed if we can continue to satisfactorily fund these projects.

The financial projections are outlined on the following pages. WCC have granted the Trust \$5m to go towards capital expenditure, particularly in the concourse area. This is required to be shown in the year of receipt, and we have shown it as a separate line item. This has the effect of increasing the projected surplus, and operating cash flows in the first two years. The offsetting capital expenditure is included in the same year.

Excluding this grant income, the Trust projects a healthy operating surplus of between \$3.15m and \$5.09m and operating cash flows of between \$2.72m and \$5.04m. The British & Irish Lions Test match to be hosted by the Stadium will fall into the 17/18 financial year.



Depreciation increases over the three year period from \$3.72m to \$4.24m as a result of the ongoing capital expenditure programme, which has spending of \$19.33m.

PROJECTED EVENTS SCHEDULE
12 months ending 30 June

CONFIRMED	2017	2018	2019
Rugby Union	16	14	14
Cricket	1	1	1
Football	10	10	10
Exhibition Days	4		
Total Confirmed	31	25	25
UNCONFIRMED			
Cricket		1	1
Other Sporting Events	1	5	1
Concerts/Other Events	1	1	1
Exhibition Days	11	14	14
Total Unconfirmed	13	21	17
Community Events	5	5	5
Total Events	49	51	47

Days reserved for semi's & finals	11	11	11
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SENSITIVITY OF NET SURPLUS TO UNCONFIRMED EVENTS

	2017	2018	2019
Net Revenues from Events	\$m	\$m	\$m
Confirmed	2.23	2.86	1.61
Unconfirmed	0.47	1.16	0.65
Total	2.70	4.02	2.26



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

	2016/17 \$m	2017/18 \$m	2018/19 \$m
Revenue			
Events	5.37	7.17	4.68
Members Boxes & Sponsorship	4.62	4.69	4.82
Other	2.66	2.69	2.69
Total Revenue	12.65	14.55	12.19
<i>Less:</i>			
Event Operating Costs	2.67	3.15	2.42
Other Operating Costs	6.16	5.98	6.21
Interest	0.39	0.33	0.41
Total Operating Expenses	9.22	9.46	9.04
Operating Surplus before depreciation	3.43	5.09	3.15
<i>Less:</i>			
Depreciation	3.72	4.03	4.24
Net Surplus	(0.29)	1.06	(1.09)
<i>Plus:</i>			
Grant income (for capital expenditure)	1.67	3.33	
Total Surplus	1.38	4.39	(1.09)

Net operating cash flows	4.46	8.37	2.72
Surplus cash at the end of each year after meeting loan repayments	0.95	1.09	0.97
Bank Loan at year end	6.50	4.50	8.00
Net debt (Loan less cash)	5.55	3.41	7.03



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

	2016/17 \$m	2017/18 \$m	2018/19 \$m
Cashflows provided from operating activities	12.04	14.50	11.79
Cashflows from grants (to be used for capital expenditure)*	1.67	3.33	
Cashflows applied to operating activities	(9.25)	(9.46)	(9.07)
Net cashflows from operating activities	4.46	8.37	2.72
Cashflows applied to investing activities	(6.76)	(6.23)	(6.34)
Net cashflows from investing activities	(6.76)	(6.23)	(6.34)
Cashflows provided from financing activities	2.00		3.50
Cashflows applied to financing activities	(0.50)	(2.00)	
Net cashflows from financing activities	1.50	(2.00)	3.50
Net increase (decrease) in cash	(0.80)	0.14	(0.12)
Opening balance brought forward	1.75	0.95	1.09
Cash at year end	0.95	1.09	0.97



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

	30-Jun 2017 \$m	30-Jun 2018 \$m	30-Jun 2019 \$m	30-Jun 2020 \$m	30-Jun 2021 \$m
Trust Funds					
Retained Surpluses	47.00	51.39	50.30	49.07	47.45
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	87.39	91.78	90.69	89.46	87.84
Non Current liabilities					
Revenue in Advance	0.77	0.57	0.14	1.54	1.41
Bank Loan	6.50	4.50	8.00	7.00	7.80
	7.27	5.07	8.14	8.54	9.21
Current Liabilities					
Revenue in Advance	2.92	3.07	3.10	3.14	2.96
Payables	1.23	1.23	1.23	1.23	1.23
	4.15	4.30	4.33	4.37	4.19
Total Funding	98.81	101.15	103.16	102.37	101.24
Represented by:					
Property Plant & Equipment	97.24	99.45	101.54	100.62	99.49
Current Assets	1.57	1.70	1.62	1.75	1.75
Total Assets	98.81	101.15	103.16	102.37	101.24

4. PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Renewal of the Sevens contract 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the Sevens operation Improved attendances for 2017
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2016 and 2017 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation Sell-out crowds for test matches 40% out of region visitors
<ul style="list-style-type: none"> Deliver more large scale non-sporting events 	<ul style="list-style-type: none"> Secure at least one concert per year Secure at least three other events outside the traditional rugby and football regular season calendar per year
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> Stadium technology RFP completed Turf replacement strategy completed and agreed A concourse upgrade plan developed to the satisfaction of key stakeholders
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Excludes community events).
<ul style="list-style-type: none"> Host unique events that deliver economic benefit to the region 	<ul style="list-style-type: none"> Maintaining economic benefit to the Region at an average of \$40 million per year Working with promoters to deliver special events to Wellington
<ul style="list-style-type: none"> Continue to enhance food and beverage offering 	<ul style="list-style-type: none"> Greater range and quality of offerings Higher customer satisfaction in research
<ul style="list-style-type: none"> Improved fan experience and hirer satisfaction 	<ul style="list-style-type: none"> Achieve year on year improved research results from patrons and hirers.

Financial Performance Measures

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

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets
- Capital expenditure

We have reviewed these indicators and believe these are appropriate to the purpose of the Council's monitoring the Trust performance. They are reported on by the Trustees in their six monthly reports.



5. BOARD APPROACH TO GOVERNANCE

Role of the Board

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 of responsibility, sound risk management and the careful selection and training of qualified personnel.

Board Operation

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance Committee, the Audit Committee and Health & Safety Board Sub-Committee.

The Board meets regularly, generally eight times per year. The Finance Committee meets when required. The Audit Committee meets at least annually. The Health & Safety Committee meets quarterly.

Board Performance

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 induction program to familiarise themselves 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. If there are any Board performance issues, the Chair will bring them to the attention of the Mayor of WCC and the Chair of GWRC.

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

A full Board performance review has recently been conducted and no significant issues identified.

Board Membership

The Trust Deed states that there shall be not less than five, nor more than eight Trustees.

The Trustees are appointed jointly by the Settlers (Wellington City Council and Greater Wellington Regional Council).

The Wellington City Council and the Greater Wellington Regional Council can each independently appoint one of their elected Councillors as a Trustee.



The current Trustees are:

Name	Appointed until:
John Shewan (Chair)	30 June 2018
Steven Fyfe	30 June 2016
Susan Elliott	30 June 2017
Mark McGuinness	30 June 2017
Rachel Taulelei	30 June 2017
Therese Walsh	30 June 2018
Nigel Wilson	formal declaration of results of GWRC 2016 elections
Simon Marsh	formal declaration of results of WCC 2016 elections

6. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

The Trust is across the changes to Health and Safety legislation and takes these changes into account in its ongoing planning and monitoring of Stadium activities.

The Trust has well developed health & safety policies which were reviewed by an external consultant and are regularly updated.

Health and Safety documentation includes the following:

- Document Control Register
- Responsibilities Matrix
- Management Review Process
- H&S Action Plan
- Management H&S Report
- New Hazard ID Form
- Hazard Register
- Personal Protective Equipment (PPE) Register
- Health Monitoring Register
- Health Monitoring Matrix
- Hazardous Substance Register
- Emergency Contacts
- Emergency Response & Evacuation Procedures (EREP)
- Emergency Preparedness Docs for various Stadium modes
- First Aid Kit Contents Checklist
- Employee Induction Checklist
- Employee H&S Handbook
- Training Register
- Approved Trainers List
- Near Miss/Injury Investigation Report
- Near Miss/Injury Register
- Contractor H&S Agreement
- Contractor Induction Checklist
- Contractor Monitoring Checklist
- Evaluation of Contractors
- Contractor Safety Plan Content Checklist
- Approved Contractor List
- Physical Conditions Checklist: Office and Grounds staff
- Activations & Temp. Structures at Westpac Stadium
- Site Risk Assessment Form
- WRST Safe Work Method Template
- Roof Access Permit

Staff who have influence over Health and Safety matters are required to acquire and keep up to date with Health and Safety matters including attendance at relevant course and conferences.

All staff receive regular training in respect of health & safety procedures.



A Health & Safety booklet has been produced which includes Stadium policies, the roles for staff and contractors, incidents and accident investigation, general site safety, emergency procedures and induction.

There are three Committees with a health and safety focus:

- Emergency Control Organisation/Emergency Planning Committee (meets ahead of each major event);
- Health and Safety Committee which includes key WRST staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets quarterly).

All contractors coming on-site are required to:

- Complete a health & safety agreement
- Complete a health & safety induction plan
- Provide a contractors safety plan
- Operate safely and report any hazards, near misses and injuries

RISK MANAGEMENT

Earthquakes

Prior to construction (July 1995), the Trust commissioned a full geo-technical report on the site. The ground was improved with vibro-replacement producing gravel columns at spacing of two to three metres to mitigate the effect of earthquakes.

The Trust has used the learnings from the recent earthquakes to strengthen its crowd control and evacuation procedures.

The Trust has conducted a study to enable the Stadium to better understand its current percentage of New Building Standard (% NBS), the interaction between the reclaimed land and the building structure, the differential lateral spread expected and as well as a building seismic assessment. While no significant issues emerged, we will be implementing some remedial actions that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh Ltd. The Trust operates a maximum first loss policy that provides cover for the maximum credible loss for fire, earthquake and other perils. The current maximum cover insured is \$160m for material damage and \$28.5m for business interruption.

The building reinstatement value was assessed in September 2015 at \$237.5m. The Trust has used the maximum first loss policy since 2003 based on modelling work undertaken with Marsh which has supported \$160m as being appropriate cover in this context.

The Stadium is required to cover the first \$7.0 million of any earthquake claim. There have been no material changes to the cover or the deductibles from the previous year.

Business Continuity Plan

The Trust has a Business Continuity Plan. The Trust has ongoing interactive training sessions with all staff to reinforce the content and requirements of the plan.



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. This has worked well in the past.

7. ADDITIONAL INFORMATION

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.

Major Transactions

There are no major transactions likely to occur in the planning period that are not identified in the Business Plan.

Any particularly contentious transactions will be brought to attention of the Council at the earliest opportunity.

Accounting Policies

General accounting policies of the Trust are set out in the Statement of Significant Accounting Policies. These policies are consistent with the policies applied in the previous year, apart from the presentation change relating to the limited recourse loans.



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 2017	48%
30 June 2018	51%
30 June 2019	49%

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

30 June 2017	191%
30 June 2018	203%
30 June 2019	195%

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.



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.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements will be prepared in accordance with Tier 2 PBE reporting standards. The Trust qualifies for Tier 2 Reporting Standards because it does not have public accountability as, and it is not large.

The financial statements are prepared on the historical cost basis except for interest rate swaps.

The financial statements are presented in New Zealand dollars.

The financial statements are prepared on a going concern basis, and the accounting policies have been applied consistently to all periods presented in these financial statements

Revenue

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

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.

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 Statement of Comprehensive Income 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 Statement of Comprehensive Income. 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 Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease payment.

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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income 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	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 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.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Trust, and expected disposal proceeds from the future sale of the asset

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, a planned preventative maintenance and asset replacement programme.

**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.

John Shewan**Chair****FOR THE TRUSTEES****WELLINGTON REGIONAL STADIUM TRUST**