



**Wellington Regional Stadium Trust
Statement of Trustees Intent
For the year ending 30 June 2023**

Registered Office: Sky Stadium
105 Waterloo Quay
Wellington

Chair: Rachel Taulelei

Chief Executive: Shane Harmon

The Wellington Regional Stadium Trust (the Trust) was established by the Wellington Regional Council (Stadium Empowering) Act 1996. The Settlers of the Trust 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, for the purposes of the Local Government Act 2002.

May 2022



1. INTRODUCTION

The Trust approaches the 2023 financial year with optimism. The Stadium has endured considerable restrictions over three financial years because of the pandemic. Closure of borders and restrictions on mass gatherings saw a substantial drop in events held and attendances. All of this had an impact on most of the Stadium's revenue lines. The reopening of borders and the lifting of restrictions on gatherings will hopefully enable the Trust to return to some degree of normality in the year ahead.

Although some of the financial impacts of Covid-19 will still be around for the coming year, the Trust remains optimistic of a vibrant event calendar. The Trust has already secured a Rugby Test match, international cricket and three concerts for the period. Two rescheduled shows; SIX60 and Guns 'N Roses along with the major global artist; Ed Sheeran will ensure a record year for concerts. The return of the Wellington Phoenix for hopefully an uninterrupted season for the first time in four seasons, along with the exciting addition of two new women's home teams, the Wellington Phoenix Women and the Hurricanes Poua will ensure a vibrant events calendar.

On top of these events the Stadium has been selected as a Women's FIFA World Cup 2023 venue, a globally significant event for which the venue team is preparing for. This event will take place in the FY2024 year.

Throughout the pandemic the Trust committed to keeping the Stadium in event ready mode and is in a good position as events return. However, Covid-19 will remain an ongoing risk to the business. Although borders will reopen and crowd restrictions relaxed, subsequent waves or emergence of new variants could impact our forecasts. Reluctance among some of the public to attend events coupled with cost-of-living increase may also have an effect. The Trust also expects to deal with the same staffing challenges that the hospitality industry is experiencing.

Despite these challenges the Trust has continued work on major infrastructure projects to enhance the Stadium facility and experience, and to improve the resilience of the facility. In 2022/23 the Trust intends to continue to invest in the facility. Seismic strengthening work continues the Fran Wilde walk and the Trust is finalising its plans to provide additional resilience to the Stadium building, a project for which the settlers have allocated \$4.66m in total from their respective Long-Term Plans (LTPs).

For the next five years the Trust has identified capital work requirements for at least \$36 million. These works are necessary to keep the Stadium operating as a safe and efficiently operating facility. The requirement may be higher as costs are firmed up for seismic improvements. Commitment to this level of capex is beyond the means of the Stadium, and the Trust welcomes ongoing dialogue with settlers to discuss the longer-term operating model for the Trust, including a consideration of a longer-term investment plan to fund future capital works

The Trust continues to enjoy a collaborative and supportive relationship with the Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) as well as WellingtonNZ. We remain very grateful for the support received from our settlers over three very difficult years. Wellington is in a good position to emerge as a revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this.

Matters raised in Letters of Expectation from both WCC and GWRC are addressed in this Statement of Intent.



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's assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset.

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

- Adopt a partnership approach in dealing with the Councils and their associated 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 strives to meet 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. This has not been possible over the past three due to the challenges created by the pandemic.

b) OPERATING ENVIRONMENT INCLUDING COVID-19 ENVIRONMENT

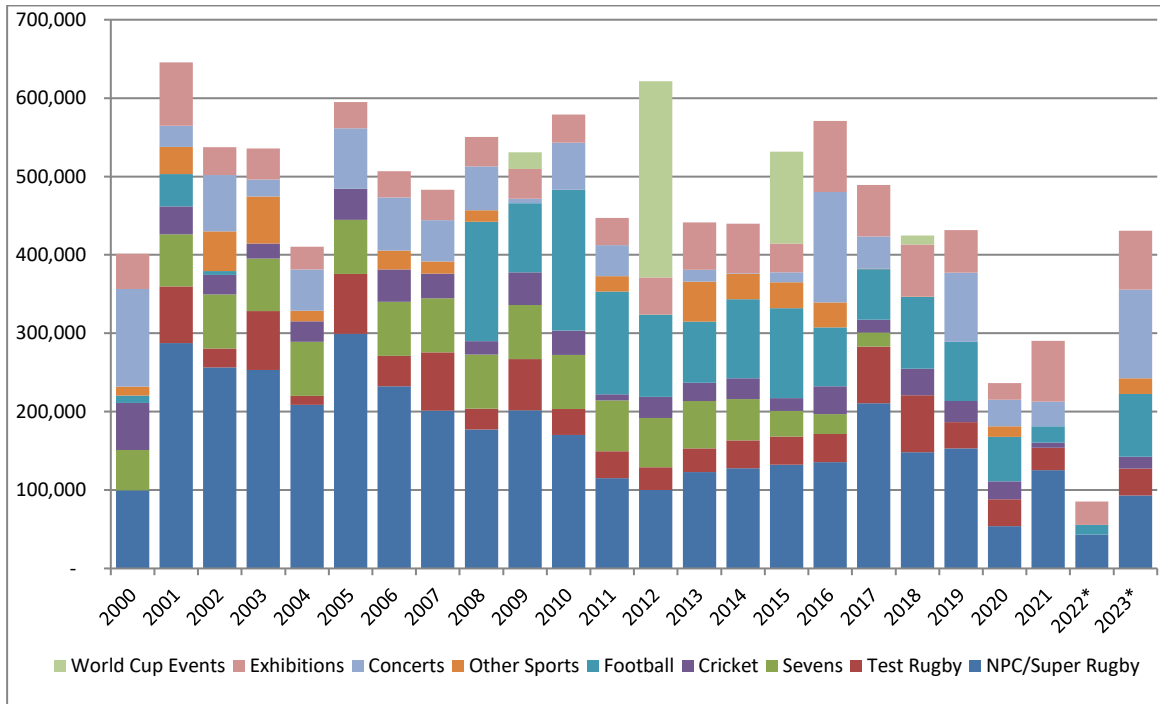
The Trust expects an improved operating environment following an extremely challenging three years. Attendances and event days for the 2020, 2021 and 2022 financial years are a fraction of the long-term average.

The events outlook for the year ahead is very positive post-pandemic. The success of concerts such as Eminem and Queen + Adam Lambert pre-pandemic had reaffirmed Wellington as one of the premium major concert cities in New Zealand. Promoter interest in hosting major events remains strong. The Trust works in close partnership with WellingtonNZ to secure events.

The Trust intends to continue scheduled capital expenditure including seismic upgrades, replacement of the tower lights and upgrades of changerooms to include gender neutral amenities.

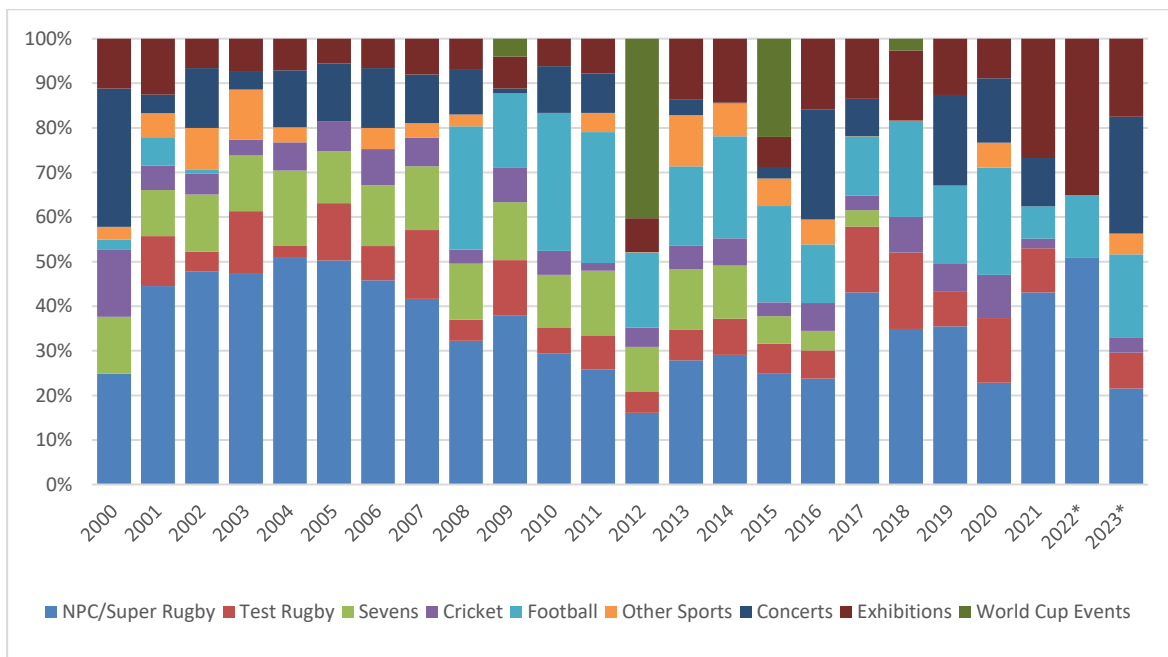
The following table highlights annual crowds by event type since the Stadium opened. The chart shows the stark reality of the impact of Covid-19 on the 2020, 2021 and 2022 financial years.

sky STADIUM



**2022/23 estimate*

The mix of events has changed significantly since the Stadium opened, and it 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.



**2022/23 estimate*



c) STRATEGIC FRAMEWORK

The Trust's objectives are:

1. To be viewed by the residents of the region and other 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.
7. To provide and maintain a safe and healthy working environment for employees, visitors and all persons using the premises as a place of work.

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

2. 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 line with the obligations listed above under its Trust Deed, in 2018 the Trust has refreshed its strategic priorities centred on the following areas:



1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

The Trust will be revisiting these priorities in the near future.

Matters raised in the joint Letter of Expectations and the Trust's plans to address them are set out below.

1. Enduring Expectations

The Trust reaffirms its support and commitment to the enduring expectations listed in the letter of expectations:

- No surprises – the Trust will keep settlers fully in the loop in relation to items of public interest or matters of significance.
- Legislative and Compliance – the Trust will maintain a high degree of awareness of legislation that is applicable to its activities and in particular on relevant Health and Safety legislation.
- Governance – the Trust will meet best practice governance standards. It commits to undertaking a performance review of the overall board, individual board members and the board chair as well as maintaining a skills matrix.
- Risk Management - the Trust has a robust risk management framework in place that is regularly reviewed by the Board.
- Covid-19 – the Trust has kept settlers abreast of the challenges created by the pandemic and will continue to do so.

2. Councils' explicit expectations of the Wellington Regional Stadium Trust

The Trust addresses the Councils' explicit expectations of the Wellington Regional Stadium Trust in relation to its Statement of Trustee Intent.

The Council is committed to supporting the FIFA Women's World Cup Australia & New Zealand 2023 when it comes to the Southern Hemisphere for the first time. In collaboration with WellingtonNZ and the Council, the Trust is expected to ensure that the stadium and the city is well prepared to deliver a world class experience for fans and teams for this event.

The Trust is delighted that the Stadium will have a major role in the tournament. Wellington has secured nine matches including seven pool games, a round of 16 fixture and a quarter final clash.

Planning for the tournament is well advanced, with meetings with organisers taking place on regular basis.



The Trust is making good progress on compliance matters and funding around matters such as lighting and gender neutral changerooms. Upgrades in these areas will provide a significant legacy for the Stadium and its hirers.

The Trust is working closely with WellingtonNZ and Wellington City Council on delivering this event and commits to keeping councils regularly updated on planning.

The Trust will finalise the design, budget and programme for the seismic strengthening works planned for the stadium that will be partially funded by both settlor councils through the 2021-31 LTP.

The Trust has completed designs for this work and is in the process of developing budgets and works programme. This is a significant project aimed specifically at strengthening the Stadium's floor on all levels as well as the building's diaphragm. Early indications from quantity surveyors are that costs will be above initial estimates due to changes to recommended design and construction cost increases.

Work will commence in FY2024 after the FIFA Women's World Cup.

The Trust will keep settlers abreast of this project and address funding as part of the longer-term capital requirements

In the context of a post-lockdown environment with relatively free domestic travel and international borders opening, the stadium will continue to deliver a strong programme of stadium-filling events that return economic benefit to the city and region.

Stadium-filling major events that deliver benefits to the city and region are a priority for the Trust.

The enquiry pipeline is very active. Securing major artists such as SIX60, Guns 'N Roses, and Ed Sheeran, the return of international rugby and cricket and hosting nine matches of the Women's FIFA World Cup 2023 at the start of the following financial year will meet this expectation.

The Trust is pursuing further enquiries on events not yet announced through to 2024.

Council is mindful of the financial burden that insurance places on the stadium's viability. The Trust should work collaboratively with its settlor councils to determine an optimal insurance structure for the stadium, which may consider alternative arrangements.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limit of \$200m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m and significantly less than a more modern roofed stadium of similar capacity. The Trust is required to cover the first \$25 million of any earthquake claim.

The Trust commits to exploring further options with settlers well in advance of the next renewal as the current arrangements represent poor value for the Trust and provides cover for only a small part of a modern stadium rebuild.



The Trust will work closely with Council to support the zero-carbon and zero-waste aspirations of the city as the implementation of Te Atakura: First to Zero gathers momentum. The Trust will continue to contribute to the region meeting its carbon neutrality goals.

The Trust is committed to developing ways to reduce, recover, recycle, or re-use waste in all aspects of our business, including considering and integrating environmental factors in our decision-making process.

This has been a big focus for the Trust in recent times. The Trust has recently completed a Carbon Footprint assessment for the 2021 financial year. The Trust commits to working with both councils with the aim of becoming a carbon neutral venue.

The Trust is pleased to become eligible for Greater Wellington Regional Council's Low Carbon Acceleration Fund and will consider initiatives over the year that could be eligible for this funding.

The Trust will continue its work to further reduce waste. The Trust is part of a Wellington Reusable Hub working group which aims to develop a collective solution for single uses plastic.

The settlors are looking to the Trust to lead a conversation around the longer-term future for the trust, in terms of future planning, potential longer term stadium options and the need to examine funding mechanisms at a regional level.

Continued investment in the Stadium is vital to ensure events are not lost to new facilities.

The Trust has reviewed and updated its five-year capex plan which shows capital work requirements of at least \$36m. These works are necessary to keep the Stadium operating as a safe and efficiently operating facility. There may be further increases to these costs as the seismic work requirements are further refined and due to the impacts of supply chain issues and construction cost inflation. This commitment to this level of capex is beyond the means of the Trust.

The Trust will lead a conversation and engage with settlors on funding options to support an appropriate programme of works in coming years.

The Trust will continue to work with GWRC over opportunities to improve connectivity with the public transport network, as well as GWRC's efforts to strengthen the public transport network for events at the Stadium

The Stadium enjoys high levels of patronage from customers who use public transport. Public transport is vital for the smooth running of events.

The Trust supports enhanced public transport measures and programmes to further encourage adoption and committed to being an active and engaged partner with settlors on this matter.

3. Alignment with the councils' strategic direction

The Trust commits to maintaining an ongoing alignment to the Councils' strategic direction.

Specific areas not already addressed in Councils' explicit expectations of the Trust are covered below.



Wellington City Council 2021-31 Long-term Plan (LTP) four wellbeing outcomes

- **Environmental:** A sustainable, climate friendly eco capital
A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations.

The Trust supports this outcome by its efforts to reduce waste and its carbon footprint.

- **Social:** A people friendly, compact, safe and accessible capital city
An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy.

The Stadium is accessible and inclusive. As events return the Trust is updating its “house rules” in an effort to promote diversity and inclusivity. In particular, the Trust will consider specific rainbow inclusivity initiatives in the coming year engaging with members of the rainbow communities from our staff, contractors and hirers alongside Takatāpuhi Rainbow Advisory Group.

The Trust fully supports the Accessible Wellington action plan. The Stadium has a Gold rating for accessibility as awarded by Be.Lab (formerly known as Be.Accessible). We intend to conduct community stakeholder consultation in the next year, working alongside Be.Lab with the aim of applying for Platinum status. Community consultations were supposed to take place this year but were unable to occur due to Covid-19.

- **Cultural:** An innovative, inclusive and creative city
Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage.

The Trust supports Aho Tini 2030 – Arts, Culture and Creativity Strategy by providing a wide range of events that appeal to many Wellingtonians, working closely with WellingtonNZ and council partners.

- **Economic:** A dynamic and sustainable economy
The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.

Wellington is in a good position to emerge as a revitalised events capital of New Zealand and the Trust is very keen to play a strong role in this. The Trust’s continued focus lies particularly on those events that will fill the Stadium and generate economic return for the region. The event calendar is strong, and this will provide an economic boost as well as making Wellington an attractive city and region to live in.

Wellington Regional Council’s 2021-31 LTP has four overarching strategic priorities

- **Improving outcomes for mana whenua and Māori (also addressing WCC’s Kia eke panuku Māori Strategic Direction).** *We are strengthening our commitment to working closely with mana whenua to achieve the best outcomes for Māori and the region, across everything we do.*



With the rebrand to Sky Stadium in 2020, the Trust took the opportunity to replace all wayfinding and introduce bilingual signage in English and Te Reo Māori throughout the venue. We also have public loudspeaker messaging on entry in both Te Reo and English. The initiative was a collaboration between WellingtonNZ, Sky Stadium and Te Taura Whiri, the Māori Language Commission.

The next stage of this project will see many of the internal spaces renamed. Where appropriate, these will be bilingual. The Stadium will engage with mana whenua to further enrich its te reo naming and signage activity.

The Trust is early in this journey and in the year ahead commits to work with councils and mana whenua toward a stronger cultural engagement and wider engagement strategy.

- **Responding to the climate emergency.** *Urgent action is needed now, and we have a big, bold target to be carbon neutral by 2030 and climate positive by 2035.*
- **Aligning with Government direction.** *The Government is setting some big environmental goals. Some are still evolving, and several align with what we are doing already. We plan to be in the best position to respond well.*

The Trust's responses are covered earlier in the statement. The Trust is very grateful that it can now be considered as an applicant to GWRC's Low Carbon Acceleration Fund.

- **Adapting and responding to the impacts of Covid-19.** *We plan to lead the way in supporting our region through the Covid-19 recovery, transitioning along the way to a sustainable, low carbon economy.*

With the support of both councils, the Stadium is in a good position to emerge strongly from the impacts of the pandemic.

Long term strategic asset management

The Trust maintains a robust asset management programme that prioritises maintenance based on a 5-year asset condition report compiled by WSP on behalf of the Trust.

Maintaining a safe and healthy working environment

The Trust is committed to providing and maintaining a safe and healthy working environment for its employees, visitors, and all persons using the premises as a place of work as well as event attendees.

To ensure a safe and healthy work environment, the Trust maintains a Health and Safety Management System. In addition, the Trust has an established Health and Safety Committee which comprises three Trustees that meets on a regular basis to review and measure crucial areas of health and safety.



The Trust has developed a detailed list of KPI measures which are reported to the Board Health and Safety Committee on a quarterly basis. In our six-monthly reporting to you we will report on injury rates and contractor compliance in the relevant six-month period

Operating Profitability

The Trust Deed requires the Trust to be financially autonomous. This requires the generation of sufficient profits to meet loan repayments and provide funds for the capital replacement and development programmes that are necessary to enable the Trust to meet its obligation to maintain the building to the standard of international best practice.

Financial autonomy is no longer achievable for the Trust given the Stadium is now an ageing facility, the additional seismic requirements, the significant increase in insurance premiums, and the impact of the Covid-19 pandemic over the last two years.

Excluding insurance and capex, the Trust still expects to generate positive operating cash flows once the event calendar returns to a more normal level. It can cover most insurance and regular maintenance but not substantial capex items, such as seismic resilience requirements.

Therefore, continuing to fully invest in the Stadium so that that it operates to best practice as an operationally efficient, safe, and welcoming venue for patrons and hirers, is beyond the means of the Trust alone.

The Trust appreciates the financial support it has received from the settlors, and as noted elsewhere in this document will engage with the settlors on the future operating model of the Trust including funding options for ongoing capex

These projections have been prepared on a business-as-usual basis, with 40 plus event days assumed per year. But even with a regular event calendar assumed, operating surpluses are insufficient to meet capex requirements.

Over the five-year period, the key inflows and outflows are as follows:

- Net operating cashflows \$12.5m (positive, before insurance)
- Cumulative insurance premia absorb \$9.0m
- Capex of \$35.5m
- Confirmed Settlor contribution to seismic capex \$4.6m
- Other confirmed capex funding of \$3.1m

The additional funding required to meet the planned capex is at least \$22.4m. For the purposes of the projections the funding gap have been shown as unconfirmed grants. If an alternative approach to insurance could be found that removed that cost from the Trust, this would allow more of the operating surplus to be reinvested into the capex programme.

Borrowing consists of the \$4.2m settlor loans (provided in 2020 after the first Covid-19 lockdown) and \$2.5m of commercial borrowing. For any subsequent increase in commercial borrowing the Trust would need to satisfy itself on its ability to service and repay such debt which would be assessed at the time of any such drawdown.



These projections have total capex of \$36m across 5 years. This is an increase of \$10.6m from last year. The area that has increased the most significantly is the allowance for the seismic works which has gone from \$7m to \$15m following the preparation of a construction cost estimate by a quantity surveyor. This estimate will require further review once co-ordinated design documentation is complete.

The included capex is what is necessary to keep the Stadium operating as a safe and effective venue. There is little in there that can be considered to significantly enhance the patron experience. A lack of such enhancements could make the Stadium a less attractive venue in the future, affecting its ability to attract event bookings.

With the Stadium approaching 25 years of age, much of the plant equipment and fixtures are from the original build and replacement is required due to age of equipment and obsolescence of parts for repairs. Many Stadiums in Australia and New Zealand built around the same time have received or are earmarked for substantial upgrades or in some cases replacement.

In addition to the \$4.6 million of grant funding confirmed from the settlors towards the seismic works, other external funding totalling \$3.1 million has been confirmed as contributions towards the conversion of the tower lights to LED light fittings, and the conversion of some of the changing rooms to a gender-neutral fitout. Both of these projects will be completed in time for the FIFA Women's World Cup.

PROJECTED EVENTS SCHEDULE

12 Months ending 30 June

CONFIRMED	2023	2024	2025
Rugby Union	12		
Cricket	1		
Football		9	
Concerts/Other Events	4		
Exhibition Days	15		
Total Confirmed	32	9	0
UNCONFIRMED			
Rugby		11	12
Cricket		2	2
Football	10	10	10
Other Sporting Events	1	1	1
Concerts/Other Events	0	2	2
Exhibition Days		13	13
Total Unconfirmed	11	39	40
Community Events	3	3	3
Total Events	46	51	43
Days reserved for semi's & finals	11	11	11



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

	2023	2024	2025
	\$m	\$m	\$m
Revenue			
Events	5.14	5.94	4.56
Members Boxes & Sponsorship	3.87	3.86	3.93
Other	4.50	2.78	3.00
Total Revenue	13.51	12.58	11.49
<i>Less:</i>			
Event Operating Costs	3.17	2.27	2.67
Other Operating Costs	9.67	8.84	7.85
Interest	0.25	0.34	0.34
Total Operating Expenses	13.09	11.45	10.86
Operating Surplus before depreciation	0.42	1.13	0.63
<i>Less:</i>			
Depreciation	3.62	3.94	4.31
Net Surplus/(Deficit)	(3.20)	(2.81)	(3.68)
<i>Plus:</i>			
<i>Funding for capital expenditure programme</i>			
Confirmed grants	3.10	1.66	1.50
Funding to be secured (assumed as grants)	5.66	7.23	7.35
Total Surplus/(Deficit)	5.56	6.08	5.17

Net operating cash flows	(0.32)	0.85	0.48
Surplus cash at the end of each year	1.00	1.00	1.00
Loans at year end	6.70	6.70	6.70
Net debt (Loan less cash)	5.70	5.70	5.70



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

	2023	2024	2025
	\$m	\$m	\$m
Cashflows provided from operating activities	12.85	12.31	11.34
Cashflows applied to operating activities	(13.17)	(11.45)	(10.86)
Net cashflows from operating activities	(0.32)	0.85	0.48
Funding for capital expenditure programme			
Confirmed grants	3.10	1.66	1.50
To be secured	5.66	7.23	7.35
Cashflows applied to investing activities	(10.30)	(9.75)	(9.33)
Net cashflows from investing activities	(1.54)	(0.86)	(0.48)
Cashflows provided from financing activities	2.00		
Net cashflows from financing activities	2.00	0.00	0.00
Net increase (decrease) in cash	0.15	(0.00)	(0.00)
Opening balance brought forward	0.85	1.00	1.00
Cash at year end	1.00	1.00	1.00



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

	2023	2024	2025	2026	2027
	\$m	\$m	\$m	\$m	\$m
Trust Funds					
Retained Surpluses	50.36	56.44	61.61	62.39	59.14
Limited Recourse Loans	40.39	40.39	40.39	40.39	40.39
	90.75	96.83	102.00	102.78	99.53
Non Current liabilities					
Loan - bank	2.50	2.50	2.50	2.50	2.50
Loan - Councils	4.20	4.20	4.20	4.20	4.20
	6.70	6.70	6.70	6.70	6.70
Current Liabilities					
Revenue in Advance	1.93	1.65	1.50	1.44	1.44
Payables	0.53	0.53	0.53	0.53	0.53
	2.46	2.18	2.02	1.97	1.97
Total Funding	99.91	105.71	110.72	111.45	108.20
Represented by:					
Property Plant & Equipment	97.42	103.22	108.24	108.94	105.72
Current Assets	1.49	1.49	1.49	1.49	1.49
Cash	1.00	1.00	1.00	1.03	1.00
Total Assets	99.91	105.71	110.73	111.46	108.20

PERFORMANCE MEASURES

Non-Financial Performance Measures

Measure	How Measured
<ul style="list-style-type: none"> Deliver a strong Rugby international test programme for 2022 	<ul style="list-style-type: none"> Key stakeholders are satisfied with management of the test operation 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 three concerts in 2022/23 40% out of region visitors
<ul style="list-style-type: none"> Continued investment in stadium infrastructure 	<ul style="list-style-type: none"> FIFA upgrades for lights and change rooms completed Resilience plans finalised and shared with council partners.
<ul style="list-style-type: none"> Deliver a full event calendar 	<ul style="list-style-type: none"> Securing 45-50 event days per year. (Depending on Covid-19 restrictions).
<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"> Sustainability 	<ul style="list-style-type: none"> Reduce single use plastic Develop plan to achieve carbon neutral status
<ul style="list-style-type: none"> Mana whenua 	<ul style="list-style-type: none"> Develop a cultural engagement and wider engagement strategy
<ul style="list-style-type: none"> Health and Safety Reported Injury rates <p>Contractors and hirers</p>	<ul style="list-style-type: none"> Trust Worker reported injury rate of 2 or less per year. Contractor Worker Lost Time Injury rate of 2 or less in a year. Hirer (And Hirer Contractor) Worker Lost Time Injury rate of 2 or less in a year. A reported patron injury rate of less than 0.01% of the total number of patrons attending the venue (events and functions). 100% of contractors working at the Stadium have 'approved' status before any work is commenced, and upon each annual review. An agreed H&S plan is in place with 100% of Stadium hirers prior to any work on site commencing.



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.



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

The Board meets eight times per year. The Audit & Finance Committee meets when required and at least three times per year. The Health & Safety Committee meets quarterly and prior to significant events such as concerts.

Board Performance

The policy of the Board has been that the Chair 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 Chair of the Audit & Finance Committee coordinates a review of the Chair's performance.

The Chair will provide the settlors with a board skills matrix annually. The Chair will provide early notification of upcoming board vacancies and work with settlors to ensure that at least three potential candidates are presented for each vacancy that occurs.

A Board performance review will be provided by 30 September 2022.

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:
Steven Fyfe	30 June 2022
Sean Rush	formal declaration of results of WCC 2022 elections
Glenda Hughes	formal declaration of results of GWRC 2022 elections
Nicola Crauford	31 December 2022
Rachel Taulelei	30 June 2023
Tracey Bridges	31 December 2023
Steve Tew	31 December 2023
Phillippa Harford	31 December 2024

4. ORGANISATIONAL HEALTH, CAPABILITY AND RISK ASSESSMENT

Health & Safety

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

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 the Trust staff as well as contractors and tenant organisations (meets monthly);
- Board Health and Safety Committee (meets at least quarterly with additional meetings prior to major events).

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 resilience works that will enhance the structures.

Insurance

The Stadium insurance programme is managed by Marsh. The Trust operates a maximum first loss policy that provides cover for fire, earthquake and other perils.

The Trust has insurance cover for the Stadium asset with a combined maximum policy limits of \$200m for material damage and business interruption. This is less than the building reinstatement value which was last assessed in September 2019 at \$302m. The Trust is required to cover the first \$25 million of any earthquake claim.

Insurance premiums have become increasingly unaffordable for the Trust in recent years. Recently the Trust explored options to mitigate the increasing premium and since the December 2020 renewal has made the following key changes (to the Material Damage and Business Interruption policy) from prior years:

- \$200m of insurance cover
- \$25m deductible for natural disaster
- Aggregate limit for fire cover of \$100M (previously full cover from fire up to insured limit of \$200M).

The Trust has kept Settlers informed on all decisions related to insurance and welcomes discussion with settlers to explore alternative approaches to insurance for the Stadium

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 Settlers, and both settlers 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.



5. 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 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.

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 2023	50%
30 June 2024	53%
30 June 2025	56%

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

30 June 2023	202%
30 June 2024	215%
30 June 2025	225%

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.

**Accounting Policies**

The Statement of Significant Accounting Policies is attached in Appendix 1

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.

Rachel Taulelei

Chair

FOR THE TRUSTEES

WELLINGTON REGIONAL STADIUM TRUST



APPENDIX 1: 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 Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under 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 of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognised at the fair value of the consideration received. Specific

recognition criteria apply to the following income streams as noted below.

Revenue from Exchange transactions

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 six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.

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.

Rental income

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

Revenue from Non-Exchange transactions

Grant income

Grants are recognised as income once the conditions of the grant are met.

Expenses

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

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, except for 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. After 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. Purchases and sales of financial assets in the ordinary course of business 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 a duration of 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 Revenue & Expense 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 Revenue & Expense. 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 Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

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 Revenue & Expense.

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 Revenue & Expense 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 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 the 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 statement of comprehensive revenue and expense, 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, including periodic independent review, and 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 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 the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies.