

Statement of Intent 2014-15 Basin Reserve Trust

Presented to the CCO Performance Sub Committee
pursuant to Schedule 8 of the Local Government Act (2002)

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Introduction

The Basin Reserve Trust continues a busy programme of activity as regards the premier cricket ground in New Zealand, the Basin Reserve.

The main issue for the Trust over the past year has been the impact upon the ground by the proposed NZTA "Basin Bridge" project. The Trust has been engaged in discussions and negotiations throughout the year with parties including the NZTA and Wellington City Council, with the objective of ensuring the continued use of the venue for international and first-class cricket, to occur within the ambience and environment for which the Basin and Wellington city have become internationally known.

The Basin has hosted two test matches this past summer, the West Indies v NZ in December 2013 and the historic NZ v India test match in February 2014. Significant local and international profile was attained for the ground and city in particular from the Indian test match. A further 25-30 days of first class cricket (men's & women's) has also been played across the summer season.

The Trust has also been working closely with Council officers to conclude a Facilities Management Plan, and thereafter work continues on a programme of maintenance and capital works required to ensure the venue continues to meet the demands of both domestic and international cricket, as well as club rugby and other uses.

Strategic Direction

Core Purpose

The objectives of the trust are stated in the Trust Deed as agreed between the Wellington City Council and the Basin Reserve Trust and are highlighted below:

1. to contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital - positioning Wellington as an affordable, internationally competitive city.
2. to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of the inhabitants of Wellington
3. to establish a long term policy for the further development of the value of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities;
4. to enter into management agreements and other contracts that are necessary or desirable to achieve the objects of the Trust;
5. to promote and co-ordinate the raising of funds to assist the management, administration, maintenance planning, promotion and further development of the Basin Reserve - in a manner consistent with the achievement of council objectives;
6. generally to do all acts, matters and things that the Trustees consider necessary or conducive to further or attain the objects of the Trust set out above for the benefit of the public of Wellington;
7. to operate as a successful undertaking, managed on a not-for-profit basis;
8. to preserve and enhance the significant and recognised heritage value of the Basin Reserve;
9. to comply with all legislative and regulatory provisions relating to its operation and performance including statutory and general Council objectives for Council controlled organisations, and to acknowledge the Councils contribution where appropriate;

Operating Environment Update

NZTA Basin Bridge

The Trust has been an involved participant throughout the NZTA “Basin Bridge” project. In particular it has been actively pursuing mitigation measures that will ensure the protection of the status and historical charm of the ground. A northern gateway building has been agreed between the Trust, WCC, and the NZTA as the most appropriate mitigation measure, should the Bridge receive the necessary consent through the Board of Inquiry (BOI) process.

The BOI is required to issue its decision no later than 1 June 2014. Depending upon the outcome of that decision the Trust is prepared for further negotiations as regards the timing of the building of any structures at the northern end of the ground. Early reports from engineers suggest that the actual construction of any northern building would not require access to the oval, lessening the likely impact on ‘business as usual’ use of the venue.

Museum Stand

The Stand has been out of commission since February 2011, due to earthquake strengthening issues. The Trust awaits a decision from Council in April 2014 as to the future of this building. Whatever decision is taken, the Trust will ensure that the impact(s) and response(s) are included in the future-focussed Master Plan document which is being developed between Trustees and Council officers.

Nature and Scope of Activities

The Trust intends to work closely with Council, particularly Economic Development, Events, and Tourism personnel, to leverage the trade and tourism opportunities associated with cricket test matches. The recent Indian tour highlighted the potential for building promotional activities, particularly given the large broadcast market back into India and the sub-continent. CWC2015 also provides opportunities to leverage the use and profile of the ground and city, and the Trust will liaise closely with Council personnel to ensure this happens.

The Trust will continue its work with several agencies, including NZTA, Heritage Places Trust, and the Council, to ensure that the Basin Reserve is maintained and promoted as has been legislated by the Deed of Trust, and in particular with reference to the proposed NZTA flyover and the future of the Museum Stand.

Performance Measurements

Non financial Performance Measures

As attached.

Financial Performance Measures

As attached.

Board's Approach to Governance

The Trustees are responsible for setting the strategic direction for the Trust, and approving the Statement of Intent and Annual Business Plan. The Trustees monitor the organisational performance and ensures that the ongoing viability of the organisation is maintained.

The Trust delegates the daily operation of the Trust to Cricket Wellington Incorporated, pursuant to a Management Agreement between the two parties.

Trust Membership

- Sir John Anderson KBE (Chair)
- Mr Don Neely MNZM MBE
- Cr Paul Eagle (replacing JFM Morrison MNZM in November 2013)
- Mr John Greenwood (replacing Mr DH Catley MNZM in April 2014)

Trust Operations

The Trust meets bi-monthly, and considers a Management Report submitted by Cricket Wellington as Manager. Additional meetings are called as required.

Performance Management

The performance of the Trust is measured in part by achievement of agreed KPI's, in regards to operational activities. The Chair of the Board will undertake an annual evaluation of Trustee performance. Further, the individual performance of Trustees is monitored by the Wellington City Council (in respect of the two Council- appointed Trustees), and Cricket Wellington (in regards to the two Cricket Wellington-appointed Trustees).

The Trust acknowledges the need for ongoing professional development opportunities for Trustees, and encourages the undertaking of specialist training for identified needs. The Board will on an annual basis implement a programme that supports the identified needs. This may include programmes such as that offered by the NZ Institute of Directors (or similar) or specialist knowledge building from appropriate agencies.

6. Organisational Health, Capability and Risk Assessment

The Trust undertakes the following measures to manage identified risks.

Financial and Legal Risks	<ul style="list-style-type: none"> • External audit and review of financial accounts (undertaken by Audit NZ) • Interests Register documented at each Trust meeting • Fraud Policy adopted by the Trust (detailing the Trust's policy for fraud prevention) • The Trust's financial matters are managed by an external Accountant, whom also sits on Trust meetings and partakes in business discussions and decision-making (as a non-voting member of the Trust's Executive)
Health & Safety	<ul style="list-style-type: none"> • Health & Safety policy in place, reviewed bi-annually • Evacuation Procedures in place • Meet all building WOF requirements and act in the required manner on IQP reports

Operating Risks	<ul style="list-style-type: none"> • Routine Maintenance Plan in place to ensure facility meets a necessary standard • Comprehensive Asset Management Plan to be initiated in the 2014-15 period, as a matter of urgency • For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria
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7. Additional Information

Response to other specific Letter of Expectation matters (if applicable)

Cricket World Cup 2015

The Basin Reserve is the main training venue for Wellington city during the Cricket World Cup 2015 (CWC2015). This is the case as Westpac Stadium (which will host the four CWC2015 matches) does not have practice facilities.

CWC2015 organisers have advised of up to 30 practice sessions required at the Basin, over a five week period from mid-February to late March 2015. This will put a significant stress upon the facilities and groundstaff, whom must also prepare Westpac Stadium for the matches themselves. Careful coordination with therefore be required between the Trust, the WRST, and CW to ensure that grounds and practice facilities are up to the standard required for such a tournament. These discussions have started already, also involving CWC2015 operations staff.

Securing Matches & Events

The Trust has informally agreed with NZC on the use of the Basin Reserve for one test match per inbound tour over the next two summers. The inbound tours scheduled under the current FTP (Future Tours Programme) are as follows:

December 2014:	Sri Lanka
February/March 2015:	Cricket World Cup 2015
December 2015:	Pakistan
March 2016:	Australia

However the recent changes at the ICC governance level have thrown some doubt on the accuracy of the FTP into the future. We have had discussions with NZC and believe that the programme will not be significantly impacted as a result of these changes. As such we will continue to work with NZC to ensure that the Basin Reserve hosts as much international test cricket as is available to it.

The 'exclusivity period' over the Basin sought by the CWC2015, common for many tournaments and venues such as this, may mean fewer domestic cricket matches at the ground next summer, should it effectively be unavailable to domestic cricket for up to six weeks. The Trust is alert to this and in association with Cricket Wellington (CW) is contributing to the wider NZC discussion around scheduling the domestic season for 2014-15, and the use of grounds. Both the Trust and CW will be seeking a playing programme which provides the maximum use of the Basin for domestic cricket, while acknowledging that it is likely that Karori Park will again play a role as a possible alternative first-class venue next season.

Club rugby will again return to the Basin Reserve in winter 2014, following the removal of the ground from use last winter due to the full oval drainage installation. Club rugby is likely to start in late May, and continue until the conclusion of the club season in early August.

The Trust has also received a request from WCC to use the Basin Reserve as part of the centenary ANZAC commemorations in April 2015. This is under discussion although the Trust has already indicated a strong willingness to assist.

Facilities Management Plan

Council officers have completed, via contractors GHD, a Facilities Management Plan. This plan has been developed to guide the operational management of the ground and assets over the 10 year period from 2013-2023.

The Trust is contributing, along with Council and Cricket Wellington, to a 'Master Plan' for the Basin, a future-focussed plan which will outline the long-term vision for the ground, while also prioritising maintenance and capital spending as required by both the strategic direction and the FMP itself.

It is anticipated that the Master Plan will be completed by April 2014, providing certainty of operation and direction for the venue over a lengthy period, with work(s) likely to commence in the 2014-15 financial year.

Commercial

The naming rights contract with Hawkins expires in April 2014, and will not be renewed. The Trust has been actively investigating possible replacement sponsors over the past three months, and will continue to do so.

Trust Governance

The Trust will undertake a formal review of the Trust performance and report the same to the Chair of CCOPs by 30 September 2014.

Turf Services Agreement

The Trust's 10-year contract with the Wellington Regional Stadium Trust (WRST) for turf services expires on 30 April 2014. Negotiations with the WRST have been underway for some time, and it has been agreed to enter into a 14-month contract for the roll-over of services, until 30 June 2015. This timeframe provides for the continuation of specialised services through the important CWC2015 season, as well as providing a timeframe for the Trust to fully consider its options for the longer-term.

Accessibility Action Plan

The Trust supports the Council's Accessibility Action Plan, and looks forward to working with Council officers to implement those strategies and initiatives necessary to optimise inclusiveness for all citizens.

Ratio of shareholders funds to total assets

A statement of the ratio of shareholders' funds to assets is not considered appropriate at this time.

Estimate of amount intended for distribution

There is no intention to pay out reserves to stakeholders.

Acquisition procedures

There is no intention to make any acquisitions.

Activities for which the board seeks compensation from a local authority

None.

Estimate of commercial value of shareholders investment

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$355,000 as at 30 June 2014.

Other matters (if applicable) e.g. water supply services LGA requirements

None.

Supplementary information the entity wishes to include

None.

8. Appendix: Accounting Policies

9. Appendix: Forecast Financial Statements

Appendix: BRT Performance measures and targets 2014-15

Measure	Frequency	Measurement	Target Q1	Q2	Q3	Q4	FY
Administrative Measures							
Achieve targets within allocated budgets	Annual	Budget forecasts are met					
Comply with financial, technical and regulatory standards	Quarterly	Council reports submitted within stated timeframes					
Asset Management Plan carried out	Quarterly	Planned maintenance activities effected within budget					
Operating Measures							
Number of events	Quarterly						
- cricket		Cricket matches		5	5		10
- other sports		Sports events	4			6	10
- community		Other events				2	2
Number of event days	Quarterly						
- cricket		Cricket days		21	5		26
- other sports		Sports days	4			6	10
- community		Other days				2	2
Numbers attending events	Quarterly	Attendance figures	800	9,200	8,000	11,800	29,800
Practice facility usage	Quarterly	Cricket use		30	40		
Hirer satisfaction with venue and events	Quarterly	Positive formal feedback received					
Playing surface to be maintained to an international standard	Annual	Based upon NZC and ICC feedback					
Council subsidy per visitor	Quarterly	Subsidy < \$6.00 per visitor					
Financial measures							
Results within budget	Annual						
Capital expenditure – within budget	Annual						
Event income	Annual	\$100,000					
Non-event income as a % of total income	Annual	75% of total income					
Business Plan developed	Annual	Submission of Business Plan					

APPENDIX II: FINANCIAL BUDGETS, MEASURES AND TARGETS

BASIN RESERVE TRUST (INCORPORATED)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDING

	30 June 2015 \$	30 June 2016 \$	30 June 2017 \$
Income			
<i>Grant Income</i>	355,000	355,000	355,000
<i>Ground Hire Income</i>	121,500	148,500	123,500
<i>Other Income</i>	68,100	124,100	116,100
<i>Interest Income</i>	3,000	3,000	3,000
Total Income	<u>547,600</u>	<u>630,600</u>	<u>597,600</u>
Expenditure			
<i>Building Expenses</i>	81,000	87,500	94,000
<i>Ground Expenses</i>	141,000	148,000	154,000
<i>Occupancy Expenses</i>	120,200	129,150	135,100
<i>Event Running Expenses</i>	40,000	65,000	45,000
<i>Administration Expenses</i>	97,690	98,190	98,690
<i>Other Expenses</i>	8,250	16,250	8,250
<i>Finance Costs</i>	-	-	-
<i>Depreciation</i>	80,000	75,000	71,000
Total Expenditure	<u>568,140</u>	<u>619,090</u>	<u>606,040</u>
Total Comprehensive Income (Deficit) for the Period	(20,540)	11,510	(8,440)

These financial budgets have been prepared using accounting policies that comply with NZIFRS

BASIN RESERVE TRUST (INCORPORATED)

STATEMENT OF FINANCIAL POSITION AS AT

	30 June 2015 \$	30 June 2016 \$	30 June 2017 \$
Trust Funds and Liabilities			
<i>Total Non Current Liabilities</i>	-	-	-
<i>Total Current Liabilities</i>	55,140	58,430	54,670
<i>Total Trust Funds</i>	787,460	798,970	790,530
Total Trust Funds and Liabilities	<u>842,600</u>	<u>857,400</u>	<u>845,200</u>
Assets			
<i>Non Current Assets</i>	667,600	642,400	621,200
<i>Current Assets</i>	175,000	215,000	224,000
Total Assets	<u>842,600</u>	<u>857,400</u>	<u>845,200</u>

STATEMENT OF CASH FLOWS FOR THE YEARS ENDING

	30 June 2015 \$	30 June 2016 \$	30 June 2017 \$
<i>Net Cash Flows from Operating Activities</i>	120,000	90,000	40,000
<i>Net Cash Flows from Investing Activities</i>	(50,000)	(50,000)	(50,000)
<i>Net Cash Flows from Financing Activities</i>	-	-	-
Net Increase (Decrease) in Cash Held	<u>70,000</u>	<u>40,000</u>	<u>(10,000)</u>
<i>Cash at the Beginning of Year</i>	80,000	150,000	190,000
Cash at the End of Year	150,000	190,000	180,000

These financial budgets have been prepared using accounting policies that comply with NZIFRS