



**Wellington Regional Stadium Trust  
Half yearly report to Settlers  
For six months ending 31 December 2022**

The Trustees present this report of operations for the six months ending 31 December 2022.

As outlined in the Statement of Intent, to meet its obligations under its Trust Deed the Trust pursues 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 repayment obligations.

In 2018 the Trust 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

These objectives remain current. However as noted in recent Statements of Intent, the Trust is no longer able to meet the financial autonomy objective. Continuing to fully invest in the Stadium so it operates to best practice standards as an operationally efficient, safe, and welcoming venue for patrons and hirers is beyond the means of the Trust alone.

Additional matters set out in the Letter of Expectations issued by each Council in December 2021 have also been incorporated into the Trust's 2022-2023 Statement of Intent.

Activity in these areas for the six-month period is reported on below.

A summary of performance measures (both financial and non-financial) is included at the end of this report.



## **SPECIFIC EXPECTATIONS OF THE COUNCILS FOR THE TRUST**

**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.**

Good progress has been made to date on planning for FIFA Women's World Cup. The three major capital upgrades are all under way and funding agreements are being finalised with MBIE and Sport NZ. These projects include retrofitting all pitch lighting with LED lights, upgrades of changerooms to gender neutral specifications and replacement of the turf on the football field.

We are well advanced in securing the required Green Star Performance Certification required by FIFA.

We are well connected with WellingtonNZ and the Council and are part of the cross agency steering groups established to deliver a successful tournament.

**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.**

Revised construction drawing sets and specifications were received in December 2022. The Stadium's Quantity Surveyor is preparing an updated budgetary cost estimate and tender documents. We expect to receive the estimates soon. A tender is expected to be issued shortly after the budget estimates are received. Construction is expected to commence late in 2023.

**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.**

During the period the Stadium hosted 25 event days and 165,637 patrons attended. This compares favourably to the six months to December 2019 (being the last comparative period unaffected by Covid) during which total event days were 24 and attendance was 113,629.

The All Blacks returned in July for a fully sold match against Ireland, with the Māori All Blacks also playing Ireland a few days prior.

The Wellington Lions ended a 22-year title drought when they clinched a 26-18 victory over Canterbury in the Bunnings National Provincial Championship final. While the final was held in Christchurch, both the quarter and semi-final were held here, following four round robin games. Attendances remain very low at NPC games.

We were pleased to welcome back the Phoenix Men for a full season of games, and equally to be able to host the Phoenix Women (who had to play their first season in 2021-2022 based in Australia). Average attendances at Phoenix games have reduced from prior years.

In what was perhaps a sign of things to come for summer of 2022-2023, two of our events were significantly impacted by weather. The SIX60 concert (originally scheduled for March 2022) was due to take place on Saturday 29 October. Due to the very high winds that afternoon, the decision was jointly made between the venue, the promoter and the band to postpone it to the following night. This was the right decision to ensure safety of the band, crew and patrons but did mean that attendance on the Sunday was significantly reduced.

In November, the cricket match between New Zealand and India was abandoned due to rain. This was the first time this had occurred at this venue since 2009.

Pleasingly we had perfect weather conditions for the Guns N’ Roses concert held on 8 December 2022. This event was also one that had been rescheduled from November 2021 due to pandemic restrictions.

Exhibitions remain an important part of the event calendar and provide an opportunity for a wide range of people to attend. During the period we hosted Beervana, the Home and Garden Show and Armageddon (another event that had been rescheduled from earlier in the year)

<b>Event</b>	<b>Month</b>	<b>Attendance</b>
<i>Rugby</i> Māori All Blacks v Ireland All Blacks v Ireland	July July	11,216 35,572
NPC Rugby: 4 round robin games Quarter and Semi-final	August to October	7,557 7,227  Avg 1,889 (RR)
<i>Football</i> A-League – Phoenix: 8 Regular season games across 7 days (both men’s and women’s teams)	October to December	32,235 Avg 4,605
<i>Other sports</i> Cricket T20: NZ v India (rained out)	November	6,362
<i>Concerts</i> SIX60 Guns N’ Roses	October December	10,609 22,234
<i>Exhibitions</i> Beervana Home & Garden Show Armageddon	August September December	32,575



We hosted the Eid Al Adha Community Day for the first time in July, and the Spirit to Cure Step Challenge in October. We also continue to make the facility available as a training site for a variety of groups including the emergency services, Corrections, and Defence.

The Trust was delighted to support one very unique event being The Silent Night of 21 December 2022. It was a sold-out event that no one came to and raised \$330,114 to support the work of the Wellington City Mission

After the disruptions of the last few years, it was great to have such a busy period, with a variety of events. The hosting of a wide variety of events is the main way in which the Trust continues to contribute to the City Council's Economic, Cultural and Social Wellbeing objectives

The outlook for future event bookings is strong, and 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.**

During the period, Stadium management worked with Council officers to consider alternative arrangements for the Trust's insurance programme.

The final outcome of the renewal process for the for the period 1 December 2022 to 30 November 2023 is that insurance cover has been obtained on the following basis:

- A traditional Material Damage and Business Interruption policy that excludes Natural Disaster Cover with a limit of \$124m (and a \$100m Fire Loss Limit).
- A policy that provides \$50m of parametric cover for earthquakes.
- Retention of various liability policies that we had in place including public liability cover.

Parametrics are a form of insurance whereby a defined peril (i.e. earthquake) is selected, certain triggers are specified, i.e. level of Peak Ground Acceleration (PGA), which when reached results in an Agreed Values pay-out

The total insurance cost is lower than traditional Material Damage and Business Interruption. The savings from the revised insurance programme will continue to be directed to the programme of works to improve the resilience of the Stadium. The parametric option has provided an alternative solution that allows the Trust to retain some earthquake cover, at a reduced overall cost.

The insurance programme for the Trust will remain under active consideration by the Trust and will be re-evaluated prior to the next renewal.



**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.**

Sky Stadium is playing a key role in the Washing Up Wellington collaborative project. The goal of the project is to initiate a city-wide reusable serviceware system for food and drink at commercial and community-run events in Wellington. The Working Group includes Wellington's major venues and event operators, Wellington City Council, community groups, event waste managers and reusable serviceware operators. There is currently no reusable serviceware provider based in Wellington

While the group was successful in obtaining a significant amount of funding from the Ministry for the Environment's Plastic Innovation Fund, it wasn't the full amount requested. Subsequent requests for alternative funding have not yet obtained the full amount needed. Future discussions will focus on rescoping the project to work within the funding obtained.

At the recent Gun N' Roses concert we were able to divert over 80% of all event related waste from going to landfill. This is the highest diversion rate we have achieved at a major event and reflects the substantial work that has been put into improving processes. At the previous Gun N' Roses concert in 2017, only 43% of waste was diverted.

During the period we have been working with Lumen on developing the Stadium's Energy Transition Plan, using the funding obtained from the GWRC Low Carbon Acceleration Fund. The plan was received in January 2023, and we are working through the next steps.

We have developed a new relationship with a recycling plant based in Palmerston North which has allowed us to recycle approximately 2000m<sup>2</sup> of old plastic turf protection, as well as old seats and corflute signage. This relationship will help the Trust to divert a significant amount of hard to recycle polypropylene plastic away from landfill, that was previously unable to be recycled.

Work on the 2021-2022 carbon assessment has continued, following the initial assessment completed for 2020-2021.

This work contributes to the Council's Environmental Wellbeing targets.

**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.**

The Trust is engaged with settlors in the early planning stages of the next Long-Term Plan.

**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 Trust enjoys strong relationships with transport partners and communicates and plans well in advance of major events. A key focus at present is planning for FWCW 2023.

#### Other Council strategic objectives not already covered above

- **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.*

The Trust is an active participant in WCC's CCO Tūpiki Ora Action Plan. The CCO group has developed 4 Pou: Capability, Governance, Programming, Pathways and specific plans will be fleshed out over 2023.

#### FINANCIAL PERFORMANCE

The financial result for the six months to 31 December 2022 is a net surplus of \$2.81 million compared to a budgeted surplus of \$3.1 million. This result is inclusive of grant income.

The operating loss (before depreciation) was \$0.89m compared to a budgeted loss of \$1.28m.

The net operating cash inflow was \$1.5m, in the comparative period from 2021 it was an outflow of \$2.1m. There were very few events in that comparative period due to pandemic restrictions.

Grant income received during the period included the \$1.5m from the Greater Wellington Regional Council as part of the Covid support package agreed in the prior financial year. We have also started to receive the monies granted towards the tower light project and the change room upgrade project, with a total of \$2.9m recognised in this period.

Although event income is ahead of budget by \$1.4m, event expenses are ahead of budget by \$1.0m, for a net positive variance of \$371k. This is due to some additional unbudgeted events, as well as some events providing a result that was better than budgeted.

Other operating expenditure is \$0.7m less than budgeted. This variance is mainly in the facilities maintenance area and are considered timing differences.

Capital expenditure during the period was \$1.56 million compared to a budget of \$7.51m. The significant projects under way are the LED lighting upgrade, and the changing room upgrade, in preparation for the FIFA Women's World Cup. We do not expect to spend the full amount of capital budgeted for the period. It was always subject to obtaining additional funding. We are also constrained by limits on people resources (both internally and externally).

#### OTHER MATTERS

##### Trustees & Staffing

Owen Gibson joined the Board from 1 July 2022, following the retirement of Steven Fyfe after nine years of service.

Following the local government elections in October 2022, the Trust has two new Council representatives on its Board – Councillor Diane Calvert for Wellington City Council and Councillors Penny Gaylor for Greater Wellington Regional Council.



There have been no changes in the senior management team during the period.

## **CONCLUSION**

We are very pleased to have returned to a more normal level of event activity, and to have been able to host so many visitors at a wide range of events. The relative success with which we have been able to do this shows the benefit of having the Trust remain in an event ready mode through the disruptions caused by the Covid pandemic.

The next 12 months also has a strong calendar of events scheduled, and discussions are continuing with hirers and promoters on future event bookings.

It will be a busy few months ahead as we get the venue ready for the FIFA Women's World Cup 2023 and we are looking forward to being part of bringing this world class event to the Wellington region.

Rachel Taulelei  
Chair  
20 February 2022



## Non-Financial Performance Measures

Measure	How Measured	Progress for six months to 31 Dec 2022
<ul style="list-style-type: none"> <li>Deliver a strong Rugby international test programme for 2022</li> </ul>	<ul style="list-style-type: none"> <li>Key stakeholders are satisfied with management of the test operation</li> <li>40% out of region visitors</li> </ul>	<ul style="list-style-type: none"> <li>Sold out All Blacks v Ireland game held in July 2022</li> <li>36% out of region ticket purchasers</li> </ul>
<ul style="list-style-type: none"> <li>Deliver more large-scale non-sporting events</li> </ul>	<ul style="list-style-type: none"> <li>Secure at least three concerts in 2022/23</li> <li>40% out of region visitors</li> </ul>	<ul style="list-style-type: none"> <li>SIX60 and Guns N Roses concerts held during the period</li> <li>14% out of region ticket purchasers for SIX60</li> <li>49% out of region ticket purchasers for Guns N' Roses</li> </ul>
<ul style="list-style-type: none"> <li>Continued investment in stadium infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>FIFA upgrades for lights and change rooms completed</li> <li>Resilience plans finalised and shared with council partners</li> </ul>	<ul style="list-style-type: none"> <li>Commenced both lighting upgrade and change room upgrade projects</li> <li>Engineering design work for additional resilience measures continuing</li> </ul>
<ul style="list-style-type: none"> <li>Deliver a full event calendar</li> </ul>	<ul style="list-style-type: none"> <li>Securing 45-50 event days per year</li> </ul>	<ul style="list-style-type: none"> <li>25 event days held in six months</li> </ul>
<ul style="list-style-type: none"> <li>Host unique events that deliver economic benefit to the region</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining economic benefit to the region at an average of \$40 million per year</li> <li>Working with promoters to deliver special events to Wellington</li> </ul>	<ul style="list-style-type: none"> <li>Wide variety of events hosted in period</li> <li>Strong level of enquiry for 2023-24 summer</li> </ul>
<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Reduce single use plastic</li> </ul>	<ul style="list-style-type: none"> <li>Continued work with Reusable Cups project</li> </ul>





	<ul style="list-style-type: none"> <li>• Develop plan to achieve carbon neutral status</li> </ul>	<ul style="list-style-type: none"> <li>• High level of landfill diversion achieved at Guns N Roses concert</li> <li>• 2021-22 emissions being measured</li> </ul>
<ul style="list-style-type: none"> <li>• Mana whenua</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a cultural engagement and wider engagement strategy</li> </ul>	<ul style="list-style-type: none"> <li>• WCC's CCO Tūpiki Ora Action Plan underway</li> </ul>
<ul style="list-style-type: none"> <li>• Health And Safety Reported Injury rates</li> </ul> <p>Contractors and hirers</p>	<ul style="list-style-type: none"> <li>• Trust worker reported injury rate of two or less per year</li> <li>• Contractor worker Lost Time Injury rate of two or less in a year</li> <li>• Hirer (And Hirer Contractor) Worker Lost Time Injury rate of 2 or less in a year</li> <li>• A reported patron injury rate of less than 0.01% of the total number of patrons attending the venue (events and functions)</li> <li>• 100% of contractors working at the Stadium have 'approved' status before any work is commenced, and upon each annual review</li> <li>• An agreed H&amp;S plan is in place with 100% of Stadium hirers prior to any work on site commencing</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved – zero</li> <li>• Achieved –zero</li> <li>• Not achieved – an exhibition contractor staff member injury required 10-14 days off work.</li> <li>• Achieved – 0.0006%</li> <li>• Achieved – 100%</li> <li>• Achieved – 100%</li> </ul>

## Wellington Regional Stadium Trust Key Performance Indicators

<b>FINANCIAL</b>	<i>Actual</i>			<i>Budget</i>			<i>YTD Variance</i>	
	<i>1st half 31-Dec-22 \$000</i>	<i>2nd half 30-Jun-23 \$000</i>	<i>Total YTD \$000</i>	<i>1st half 31-Dec-22 \$000</i>	<i>2nd half 30-Jun-23 \$000</i>	<i>Annual Budget \$000</i>	<i>31-Dec-22 \$000</i>	<i>%</i>
Event revenue	3,758		3,758	2,374	2,771	5,145	1,384	58%
Total income	8,778		8,778	7,315	6,204	13,519	1,463	20%
Total surplus (deficit)	2,808		2,808	3,102	2,456	5,558	(294)	(9%)
Net cashflow movement	647		647	(2,383)	2,534	151	3,030	(127%)
Net debt	524		524	8,232	5,698		7,708	94%
Liquidity Ratio (Current Assets to Current Liabilities)	1.51		1.51	0.36	1.01			
Debt to Total Assets	4.68%		4.68%	6.88%	6.71%			
Stadium Enhancements (Capex)	1,562		1,562	7,506	2,789	10,295	(5,944)	(79%)

## Wellington Regional Stadium Trust Key Performance Indicators

<b>EVENTS</b>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>YTD Variance</i>	
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>		
	<i>31-Dec-22</i>	<i>30-Jun-23</i>	<i>YTD</i>	<i>31-Dec-22</i>	<i>30-Jun-23</i>		<i>31-Dec-22</i>	
Events held during period								
Rugby	8		8	6	6	12		
Cricket	1		1	1	0	1		
Football	7		7	5	5	10		
Other Sport	0		0	0	1	1		
Concerts/Other events	2		2	3	1	4		
Exhibition Days	7		7	7	8	15		
<b>Total events</b>	<b>25</b>	<b>0</b>	<b>25</b>	<b>22</b>	<b>21</b>	<b>43</b>	<b>3</b>	<b>14%</b>
Community events (days)	2		2	2	1	3		
<b>Total events (days)</b>	<b>27</b>	<b>0</b>	<b>27</b>	<b>24</b>	<b>22</b>	<b>46</b>	<b>3</b>	<b>13%</b>
Total numbers attending	165,637		165,637					

**Wellington Regional Stadium Trust**  
**Statement of Financial Performance**  
**For the Six Months Ending 31 December 2022**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Variance</b>	<b>Annual</b>	<b>31-Dec-21</b>
	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>Budget</b>	<b>Actual</b>
				<b>\$000s</b>	<b>6 months</b>
<b>Operating Revenue</b>					
Event Revenues	3,758	2,374	1,384	5,145	111
License Fees & Sponsorship	1,963	1,912	51	3,873	1,826
Grant income	1,539	1,500	39	1,500	0
Sundry income	1,518	1,529	(11)	3,001	1,248
<b>Total Revenue</b>	<b>8,778</b>	<b>7,315</b>	<b>1,463</b>	<b>13,519</b>	<b>3,185</b>
<b>Operating Expenses</b>					
Event	2,637	1,624	(1,013)	3,171	206
Other operating expenses	4,385	5,130	745	9,677	3,221
Interest	54	89	35	246	28
<b>Total Operating Expenses</b>	<b>7,076</b>	<b>6,843</b>	<b>(233)</b>	<b>13,094</b>	<b>3,455</b>
<b>Operating Surplus / (Loss) before Depreciation</b>	<b>1,702</b>	<b>472</b>	<b>1,230</b>	<b>425</b>	<b>(270)</b>
Depreciation	1,791	1,750	(41)	3,627	2,003
<b>Net Operating Loss</b>	<b>(89)</b>	<b>(1,278)</b>	<b>1,271</b>	<b>(3,202)</b>	<b>(2,273)</b>
<i>Plus:</i>					
<i>Funding for capital expenditure programme</i>					
Confirmed grants*	2,597	1,550	1,047	3,100	0
Additional grants secured	300	2,830	(2,530)	5,660	0
<b>Total Surplus (Loss)</b>	<b>2,808</b>	<b>3,102</b>	<b>(294)</b>	<b>5,558</b>	<b>(2,273)</b>

\*Confirmed as at May 2022 when FY 23 budget approved

**Wellington Regional Stadium Trust**  
**Statement of Financial Position**  
**As at 31 December 2022**

31-Dec-22  
\$000's

30-Jun-22  
\$000's

**Trust Funds**

Accumulated Surplus 48,287 45,478

**Limited Recourse Loans**

Wellington Regional Council 25,000 25,000

Wellington City Council 15,000 15,000

Wellington City Council - Accrued Interest 395 395

Total Trust Funds & Limited Recourse Loans 88,682 85,873

**Non Current Liabilities**

Term Loans - Councils 4,200 4,200

Term Loans - Bank 500 500

Leases 116 116

Revenue in Advance - 57

Total Non Current Liabilities 4,816 4,873

**Current Liabilities**

Payables & Accruals 3,928 1,492

Revenue in Advance 3,028 3,066

Total Current Liabilities 6,956 4,558

**Total Funding**

100,454 95,304

Represented by:

**Non Current Assets**

Fixed Assets 89,934 90,158

Total Non Current Assets 89,934 90,158

**Current Assets**

Cash 4,176 3,529

Receivables & Prepayments 6,344 1,617

Total Current Assets 10,520 5,146

**Total Assets**

100,454 95,304

<b>Wellington Regional Stadium Trust</b>	6 mths	6 mths
<b>Statement of Cash Flows</b>	31-Dec-22	31-Dec-21
<b>For the six months ended 31 December 2022</b>	\$000's	\$000's
<b>Operating activities</b>		
<i>Cash was provided from:</i>		
Event and operating income	3,507	387
License fees and sponsorships	1,255	1,004
Grant income	1,540	-
Goods and services tax (net)	15	
Sundry income	1,377	1,296
	<u>7,694</u>	<u>2,687</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(6,137)	(4,508)
Interest paid	(53)	(78)
Goods and services tax (net)		(226)
	<u>(6,190)</u>	<u>(4,812)</u>
<b>Net cash inflow from operating activities</b>	1,504	(2,125)
<b>Investing activities</b>		
<i>Cash was provided from:</i>		
Grant income	97	-
<i>Cash was applied to:</i>		
Purchase of fixed assets	(954)	(530)
<b>Net cash outflow from investing activities</b>	<u>(857)</u>	<u>(530)</u>
<b>Financing activities</b>		
<i>Cash was provided from:</i>		
Drawdown of Council loans	-	1,900
<i>Cash was applied to:</i>		
Repayment (temporary) of bank loan	-	(2,000)
<b>Net cash inflow from financing activities</b>	<u>0</u>	<u>(100)</u>
Net increase (decrease) in cash held	647	(2,755)
Cash at beginning of the period	3,529	4,138
<b>Cash at the end of the period</b>	<u><u>4,176</u></u>	<u><u>1,383</u></u>