

Wellington Regional Stadium Trust
Half yearly report to settlers
For six months ending 31 December 2010

The Trustees are pleased to present this report of operations for the six months ending 31 December 2010.

EVENTS

We have had a good variety of events over the six month period, with total event days of 27, and attendance of 233,301.

<i>Event</i>	<i>Month</i>	<i>Attendance</i>
<i>Rugby</i> All Blacks v South Africa	July	34,500
ITM Cup Rugby: 7 round robin games	August to October	5,854 (avg)
Club Rugby Finals	August	2,837
<i>Football</i> Wellington Phoenix v Boca Juniors	July	11,761
A-League: Phoenix 10 Regular season games	August to December	6,536 (avg)
All Whites v Paraguay	October	16,541
<i>Rugby League</i> New Zealand v England	October	19,394
<i>Exhibitions</i> Italian Festival	September	6,300
Home & Garden Show	October	12,800
<i>Concert</i> Bon Jovi	December	22,834

ITM Cup Rugby attendances were disappointing, and the average is the lowest average attendance we have had since opening. This trend was experienced across the country.

The average attendance at the Wellington Phoenix games is about 400 less than for the same period last year. The schedule was such that November had four games, two of which were Wednesday games which attract fewer patrons. Attendance always suffer when there are a number of games close together.

We welcomed back the All Whites in October after their FIFA World Cup appearances, but as a 'friendly' game, and on a Tuesday night, that game was never going to attract the same level of attendance as the all important qualification game in November 2009.

It was pleasing to welcome the Italian Festival for the first time in 2010, which attracted visitors of 6,300. We look forward to their return in 2011 with an even bigger show.

The six millionth patron attended the Stadium during the Bon Jovi concert in December.

Community events that occurred during the period were the Wellington Phoenix Open Day, a Phoenix training day for youth players, and hosting the E-day computer recycling day.

We were very pleased that Wellington has retained the Sevens for the next five years following the 2011 tournament, and had worked closely with the Wellington City Council, the Wellington Rugby Union and Positively Wellington Tourism to ensure a compelling and comprehensive offer was put to the New Zealand Rugby Union. We look forward to continuing to work with these other groups to deliver an excellent tournament that retains its popularity.

Rugby World Cup 2011

We continue to meet regularly with the Regional Coordination Group and Rugby New Zealand 2011 on the operational requirements of the tournament. Capital expenditure planned to be completed prior to the World Cup is all on schedule.

Customer Satisfaction

During the six month period we completed our annual members and corporate box surveys.

The members survey was undertaken following the All Blacks test match in July. The response rate was the best since 2005. The overall experience rating had 78% at good to excellent, very similar to the previous year's 76%.

The corporate box survey was completed in August. The result was a very good rating of 7.5 compared to 7.8 in the previous year. There were no real trends indicated by the survey.

These surveys are an important management tool. We analyse these surveys and implement changes when required and also respond to comment when necessary. The numbers responding are consistent from year to year but are relatively small. The small response probably indicates that there is a reasonable level of satisfaction with our box service.

We also continue to monitor food and beverage queues at most events, and these generally comply with the minimum operating KPI standards.

MAINTAINING AND ENHANCING THE FACILITY

Asset Management Plan & Stadium Master Plan

As reported in our 2010 Annual Report, the Trust completed a negotiated settlement with Fletcher Construction and other parties in respect of the legal proceedings that had previously been commenced by the Trust.

The replacement of the cladding has now commenced and is approximately 38% complete at the time of completing this report.

The work on repairing the roof leaks is continuing and will be completed prior to Rugby World Cup.

The international architectural firm, Populous, who specialise in stadia design have been contracted to develop a master plan to upgrade the Stadium over the next 10 years. The project group has consulted with key stakeholders and is preparing concepts for the consideration of the WRST Board. Further consultation with stakeholders will follow. Implementation will be dependent on the availability of funds and is likely to occur over the next 10 years.

Capital Expenditure

Capital expenditure during the period has included the following items:

- New carpet throughout the Stadium. This project will be completed early in 2011
- New digital replay screen operating equipment
- New digital operating equipment for the CCTV cameras
- Commencement of the installation of the new cladding
- Tractor and mower

Turf

A mini-turf renovation took place in December following the Bon Jovi concert. This will be followed by a more substantial renovation in March and April 2011. Our turf currently meets the standards required for Rugby World Cup 2011 and these renovations will ensure it continues to do so.

FINANCIAL RESULTS

The net surplus for the six months ending 31 December 2010 is \$1.75 million compared to a budget of \$359,000. Event revenues are \$1.04 million ahead of budget. This is mainly due to events being held that were not budgeted for or were budgeted for in the second half of the year. These included the Bon Jovi concert, the Boca Juniors game, and the All Whites game.

Operating expenses are 7% ahead of budget, reflecting the greater number of events we have held but offset by some savings on overheads. Depreciation is 10% less than budget, reflecting the timing of the cladding replacement which was not known at the time the budget was done. There is a 13% saving against budget on interest due to lower than budgeted interest rates.

The value of turf management services provided at no cost to the Basin Reserve Trust during the six months was \$145,841.

OTHER MATTERS

Risk Management

The Business Continuity Plan was completed and tested via a table-top training exercise involving all staff. The update of the Business Continuity Plan was the outstanding item identified by the risk assessment conducted in 2010. The implementation of improvements identified in the health and safety review continues.

CONCLUSION

The first half of the financial year has been a busy one with diverse range of events and a pleasing financial result. The Trust will continue to focus on delivering quality events to its patrons, and continuing preparations for Rugby World Cup 2011.

Paul Collins
Chairman
February 2011