



Report 04.713
Date 9 December 2004
File CFO/27/12/2

Committee Policy, Finance and Strategy
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Stadium Trust - 2004/05 Business Plan

1. Purpose

To receive the final 2004/05 Business Plan from the Stadium Trust (refer **Attachment 1**).

2. Background

The draft 2004/05 Business Plan from the Stadium Trust was considered by the Committee on 31 May 2004.

Key features of the draft Business Plan which were noted on 31 May included:

- A consistent pattern of events planned for the 2004/05 year.
- Projected operating surpluses in each of the next three years.
- An improving financial position with planned reductions in external debt in each of the next three years.
- A list of modest capital expenditure projects designed to further enhance the quality of the Stadium as a venue.
- Concern over ongoing uncertainty of the legal status of the Trust with the IRD appealing the High Court judgement that the Trust was not a Council Controlled Trading Organisation (CCTO) and that Part 5 of the Local Government Act did not apply to the Trust.

The Stadium Trust has since finalised the 2004/05 Business Plan which retains the above key features. The final Business Plan now becomes the primary accountability tool by which the two settlors can hold the Stadium Trustees accountable.

3. Comment

The Business Plan represents a strong commitment by the Trustees to continue to run a highly successful Stadium that is financial autonomous.

The Plan includes a reasonable proportion of confirmed events for 2004/05 (44%) with projected operating surpluses in each of the next three years ranging from \$1.3 million to \$1.6 million.

External debt is projected to reduce to \$22.2 million over the next five years, a reduction of approximately \$7 million from the 30 June 2004 level. As expected, there are no planned repayments against Council's \$25 million advance over the next five years and no realistic prospect of repayment starting within the timeframe of the Council's current Long-term Council Community Plan.

4. Communications

The Stadium Trust has recently publicised its 2003/04 results and the Business Plan is signalling a continuation of the success story which the Stadium Trust is largely responsible for communicating to the public of the region.

5. Recommendation

That the Committee recommend to Council that it receive the report and note its contents.

Report prepared by:

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Attachment 1: Stadium Trust – 2004/05 Business Plan