

Statement of Intent 2016-17 Basin Reserve Trust

Presented to the Economic Growth & Arts 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. In coordination with the Westpac Stadium Trust, a regional bid model was developed, which saw the Basin Reserve host its first Limited Overs International match in 11 years.

A significant focus over the past twelve months has been the coordination and drafting of a Basin Reserve “Master Plan”; a vision for the ground and its use over the next 25 years and beyond. Through a period of consultation and engagement, the Trust developed a comprehensive strategic plan which was approved through the Council’s LTP process. The focus of the Trust now shifts to refinement and activation of this plan. The importance of this work has become apparent over the past 12 months as other similar ‘boutique’ venues around the country now vie for international cricket fixtures. In particular, Hagley Oval in Christchurch, Saxton Oval in Nelson and Bay Oval in Tauranga have received excellent reviews from New Zealand Cricket and can now be seen as competitors to the Basin Reserve. The Trust is now working with Council, Cricket Wellington and the Wellington Regional Stadium Trust to again present a regional bid to NZC, for the coming two seasons.

The NZTA “Basin Bridge” issue has finally been resolved with NZTA indicating they will now pursue other roading solutions. The focus of the Trust is now upon working with NZTA and council to ensure a solution is found that is acceptable for all parties. Notwithstanding these discussions, the Trust already has plans in place to continue to operate the Basin as normal, irrespective of the outcome of the planning decision.

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

New Venues and International Match Allocations

In the past two years there have been three new international cricket grounds approved to host matches by the International Cricket Council (ICC), and NZ Cricket (NZC). These grounds are Hagley Oval (Christchurch), Saxton Oval (Nelson), and Bay Oval (Mt Maunganui). As evidenced by the 2015/16 international schedule, there has been a clear resolve on NZC's part in particular to support and allocate matches to grounds of a 'boutique' nature, which present extremely well to broadcast audiences, and also have a much lower cost structure than the more traditional sports stadiums used for international matches in the past.

While the Basin Reserve retains its standing as NZ's foremost test cricket venue, the establishment of these 'new' grounds means that increased scrutiny is being applied to the Basin Reserve, not just in the traditional area of the turf performance, but now in the wider consideration of ancillary services such as media accommodation, fan activation areas, public amenities and the like. Acknowledging the financial, profiling, and community value associated with hosting international cricket in Wellington city, the Basin Reserve will need to meet these new challenges through the proposed "Master Plan" which details the Trust's strategic direction to meet and overcome such challengers to the Basin's title as NZ's number one cricket venue.

The Trust intends to work closely with Council, particularly WREDA personnel, to leverage the trade and tourism opportunities associated with cricket Test Matches. The recent success of the Australia Test Match and Pakistan One Day International highlighted the potential for building promotional activities, particularly given the large broadcast market back into the sub-continent.

Operational Maintenance Work

2015/16 saw completion of the Groundsman's Cottage, which can be considered the precursor to the wider Basin Reserve's Masterplan. Since completion of the Cottage in November 2015, it has become a significant asset for the ground and has been well received by the ground staff. Furthermore, the Groundsman's Cottage has garnered positive feedback from the public and adds an interesting heritage element to the Ground.

On a smaller scale, the Trust has been endeavouring to meet its repairs and maintenance obligations at the ground while also establishing small scale improvements to the amenities. In 2015/16 these improvements include two public water refill stations and a family changing room/toilet at the Southern end of the ground. Public display of the Basin's History has also been enhanced with two large murals installed at the Northern and Southern ends of the ground.

Nature and Scope of Activities

The Basin Reserve Trust (the Trust) is a charitable trust, and operates on a not-for profit basis. The Trustees are appointed by Cricket Wellington (2) and the Wellington City Council (2).

The Trust operates under the Basin Reserve Trust Deed, which has the following objectives:

- Manage, develop and promote the Basin Reserve for recreation, leisure and cricket games

- Preserve the heritage value of the Basin Reserve and its assets
- Organise fundraising to help promote and further develop the Basin Reserve.

Performance Measurements

Non financial Performance Measures

As attached.

Please note an additional item listed in the Performance Measures going forward. Functions booked by the Basin Reserve's catering contractors will now also be forecast and recorded. These functions may include events such as weddings and conferences, and generally covers the two RA Vance Stand Lounge and on-field. For the avoidance of doubt, the functions recorded are standalone events and do not include use of the Lounges on 'cricket' and 'non-cricket' event days.

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)
- Mike Horsley
- Cr Paul Eagle
- Mr John Greenwood

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 For cricket-specific events, the Trust meets or exceeds NZC and/or ICC set criteria

7. Additional Information

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

Master Plan and Reserve Management Plan

The Trust will work closely with the Basin Reserve Master Plan Steering Group from March 2016 to September 2016, to further develop the plans for the ground's redevelopment. Refurbishment of the RA Vance Stand is due to start in May 2016, with a completion date set for late October 2016. Improvements to the Basin Reserve's services and amenities will also proceed, pending advice from the Steering Group. Concurrently, further engineering assessment of the Museum Stand will be undertaken, in preparation for a decision by Councillors as to the future of the building and the ground's western precinct. The Trust is working with Council officers on the development of a Reserve Management Plan for the Basin Reserve. The document is currently in draft form and waiting for consideration by the Environment Committee before it goes out for public consultation.

Naming Rights Sponsor

The Trust set itself an internal goal of securing a Naming Rights Sponsor in the middle of the 2016-17 financial year. With the Masterplan now confirmed through the Council's LTP and the international schedule for 2016-18 close to confirmation, the Trust now has a greater degree of certainty on what benefits can be provide to a Naming Rights Sponsor. The Trust remains confident that a new Naming Rights partner will be recruited ahead of next summer. In the short

term, several promising contacts are being pursued by the Trust and Cricket Wellington and we are hopeful of these bearing fruit in the very near future. In the event that we are unsuccessful in securing this organisation as a naming rights sponsor, the Trust will engage a third party specialist in this area. This third party will work with the Trust in developing sponsorship collateral for prospective partners, and pursue targets on a commission basis.

Governance Review

The Trust welcomes the opportunity to work with Council in reviewing governance of the Basin Review and invite the Council to advise at its earliest possible convenience the Terms of Reference for the review. In the pursuit of best practice standards, a review of the individual Trustees will be completed and submitted to Council by the end of September 2016.

Health and Safety

The Basin Reserve Trustees are very cognisant of their obligations under the new Health and Safety legislation, and are committed to ensuring the Trust complies with requirements in a best practice approach. Concurrently, the Basin Reserve's Emergency Management Plan is undergoing a review to ensure that it stays relevant to current Basin usage.

Ratio of trustee equity to total assets

0.84 : 1.00

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 stakeholder's investment

The net value of the Stakeholder's investment in the trust is estimated to be valued at \$766,000 as at 30 June 2017.

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