

Marlborough Stadium Trust

Annual Report

1 July 2019-30 June 2020



**Marlborough Lines
Stadium 2000**

The Centre of Activity

Marlborough Stadium Trust:

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The Marlborough Stadium Trust was established in 1998 with its primary focus being the development of an Indoor Stadium. This Stadium opened in October 2000. The Trust purchased a commercial Health and Fitness Centre in 2010 and in tandem with the Aquatic Centre redevelopment has grown to provide a full spectrum of Stadium, Health and Fitness and Aquatic recreational and sporting opportunities to the Marlborough community. The Trust has used 'Stadium 2000' as its operational entity since inception. It operates all facilities on a commercial basis but for the benefit of the public of Marlborough.

The Trust's mission is:

'To provide Marlborough with the very best recreational and sporting opportunities, through excellent facilities, support and innovation'

TRUSTEES

The Marlborough Stadium Trust is made up of seven Trustees and one co-opted board member who all act in a voluntary capacity. Two Trustees are appointed representing user groups, three are community nominated, and two are appointed by the Marlborough District Council. Trustees are the Governance group of the trading entity Marlborough Lines Stadium 2000. Their primary activities are to appoint a General Manager and to plan and monitor strategic, business and financial objectives.

Trustees in the 2019 – 2020 year were:

Luke van Velthoven

Chairman

Mathew Kerr

Deputy Chairman / Treasurer

Simon Halliday

Secretary

Peter Baker

Paul McKendry

Roy Devanny

Laura McFarlane

Ben Glover is a co-opted board member

CHAIRMAN'S REPORT

As Chairman of the Marlborough Stadium Trust it once again gives me pleasure to present the Trust Annual Report for 2020.

2020 was to be a year for consolidation and strategic development of our community outreach programs but the year quickly turned into one of survival. For any organisation deriving its income from serving the public, Covid-19 created significant financial and operational problems, but when combined with the responsibility of hosting large numbers in congregated areas, Covid-19 truly challenged the Trust.

The resignation of our newly appointed CEO during the March lockdown brought even further challenges to the Trustees. I would therefore like to acknowledge the superb job all the Trustees did, stepping up and guiding the facility through the most traumatic financial episode the Trust has seen in its 22 years of existence. I must however single out Simon Halliday who led the financial modelling and recovery through insightful financial knowledge and sheer effort and commitment to ensure we remained viable. I would also like to acknowledge the Council who worked beside us providing support and assurance throughout the critical phase of lockdown and recovery.

The Trust reacted quickly to the crisis and one of the first actions was to seek the services of its previous longstanding CEO, Paul Tredinnick. Paul willingly stepped into the roll as interim CEO as we worked to recover the business. Paul's roll was not easy, and our sincere thanks extends to him for the professional manner he guided us and worked with the staff through post lockdown phase. The Trust is today in a good position due to his enormous efforts.

The Trust received \$476,698 of Covid-19 wage subsidy which enabled us to retain staff throughout the combined lockdown and restriction periods. It also provided time for the Trust to reset and ensure we were able to staff all our community programmes and services within a financially viable structure. However, we were significantly affected with our end of year result (inclusive of the wage subsidy) ending in a deficit of \$293,898.



I need to acknowledge our staff who willingly worked with the Trust to ensure the future delivery of services to our community, however, the Trust had no choice but to reduce the staffing costs. The staffing structure had to be reorganised, resulting in reduced hours for many, job sharing, redeployment and in some situations lost jobs. I would on behalf of the Trust, like to acknowledge the difficulty this has created for some families.

Throughout this period the Trust also had to find a new leader. Recognising that we are not yet out for the economic turmoil created by Covid-19, the Trust was cautious about expanding its programmes within the community. We resolved that, at this time the best thing the Trust can do is to retain, protect and deliver its core services to the very best of its ability. We therefore went in search of an exceptional General Manager. We advertised the role nationally and are delighted that after an extensive recruitment process to have appointed Bridget Taylor to the position of General Manager. Bridget brings a wealth of experience, tertiary training, together with existing knowledge of our facility and the community it serves. Already Bridget has made a difference and the future is looking very bright in her hands.

Once again I need to extend my gratitude to our sponsors and partners, in particular the Marlborough District Council, Marlborough Lines, The Rata Foundation, The Redwood Trust, WK Advisors & Accountants, Blenheim Toyota, Blenheim Round Table and Indevin, all whom have been very supportive throughout these difficult times. My gratitude must also extend to all our customers all whom have been extremely loyal and greatly assisted with keeping the Trust facilities a viable entity and our staff happy and healthy.

Finally, I wish to again extend my sincere thanks to all the trustees. This year has been difficult and has demanded much more of your time and energy that could fairly have been expected from you. When the going gets tough, the tough stand up – you all surely have stood up. The community is truly lucky to have your skill set, passion, and commitment to ensuring they have the very best facility available to all people, at all times – thank you.

Luke Van Velthooven
Chairman, Marlborough Stadium Trust



GENERAL MANAGER REPORT

Marlborough Stadium Trust is a charitable entity that operates on a commercial basis for public good. This year the Trust's turnover was \$2,952,544.

The 2019-2020 year has been extremely challenging due to the impact of the Covid-19 pandemic. Covid-19 has led to difficult trading conditions, evidenced initially from the shutdown period, with post-shutdown trading being further restricted through the alert level system.

We are a service-based business with our most valuable resource being our staff. Our business is built on good people, with a positive "can do" approach, and we continue to develop the culture of our staff being part of a high-performing organisation.

A total of 95 staff were employed in either full or part-time capacity through the year. The wage and salary costs for the year were \$2,085,321. This represents 56% of our total expenses. Receipt of the Government's Covid-19 Wage Subsidy has assisted to offset these employment costs.

As a result of the Covid-19 pandemic we have undertaken a review of our staffing levels, which resulted in a restructure. We have also initiated changes to the nature of our rosters, operational workings and staff training to better adapt our staffing plan to changing fiscal times, employee mix and our customer experiences.



QUALITY STANDARDS

Marlborough Stadium Trust continues to set itself the goal of modelling best practice in the sports and leisure industry. Recent benchmarking against similar facilities throughout the South Island indicates that our charges remain very low for the facilities we provide and, at 28.4%, the percentage of revenue from Marlborough District Council continues to remain low compared to other local aquatic and stadium facilities.

The Stadium remains Poolsafe accredited which is an indication of industry best practice in terms of lifeguarding and water treatment practice. We are a member of Fitness New Zealand and our School Holiday Programme is OSCAR accredited.

Stadium 2000 is a member of Recreation Aotearoa, the professional association for recreation facilities like ours. Our team network with other professionals throughout New Zealand to stay abreast of quality and safety developments in the sector.

Stadium staff are accredited workplace for Skills Active, the recreation industry training organisation and many of our staff hold Skills Active qualifications. All staff are involved in workplace training which in most cases lead towards national qualifications.

TENANTS

Stadium 2000 has retained most of its tenants from the previous year despite the disruptions caused by the Covid-19 pandemic. We farewell Momentum Dance and welcome back C3 Blenheim City Church.

As with previous years, as part of the Trust's commitment to support development in Marlborough, all sports tenants receive free-of-charge office space in the Stadium facilities.

Our current tenants include: Subway, CPR Coffee, Marlborough Rackets Squash Club, Marlborough Amateur Weightlifting Association, EV Biokinetics, Southern Rehabilitation, Edge Physio, Sport Tasman, Marlborough Basketball, Marlborough Hockey, Marlborough Rowing and the Graeme Dingle Foundation.

We are particularly fortunate to have such supportive tenants who are well aligned with our mission, add vibrancy and activity to our facility plus have shown considerable resilience with the disruption caused by Covid-19.



SPONSORS AND GRANTS

Sponsors provide critically needed funding for general operations and community programmes. This year \$978,449 has been contributed by sponsors, all of which is expended directly on facilities and services benefiting the people of Marlborough.

With the effects of the Covid-19 pandemic and difficult financial times facing our community, as well as competing activities and facilities, sponsorship is at a premium.

The Marlborough District Council is the largest sponsor of the Stadium and contributes \$839,000 per year.

In the past financial year, Marlborough Lines our naming sponsor, provided some \$52,000 worth of sponsorship. The ongoing support that Marlborough Lines continues to provide helps us significantly with our mission.

The Lion Foundation \$30,000 by way of grant, for the development of our outdoor 3x3 basketball courts. This provides an additional sport and recreation space for both youth and families in Marlborough.

Rata Foundation (contributing \$30,000) has supported the delivery of the Fundamental Skills Programme to Marlborough schoolchildren. Schools pay only 20% of what it costs the Stadium to deliver this \$125,000 programme each year, so help from the Rata Foundation is critical.

We also received grant funding from Kiwisport (administered through Sport Tasman) which provided \$12,812 to support the delivery of our water polo and flippa ball programmes

WK Advisors and Accountants, Indevin and Chateau Marlborough all provided support as corporate membership partners this year. Their assistance is gratefully appreciated.

Blenheim Toyota continues to assist the trust by providing a vehicle for use for Stadium operations. This not only helps us run our programmes and facility, it helps promote the Stadium in the broader community.



OUR CUSTOMERS

The Stadium provides for a full cross section of the Marlborough community. This is a true reflection of our goal to make Stadium 2000 accessible to all.

Generations and situations represented change by the hour and the day. Week-day mornings are the preserve of workers and student athletes getting exercise in before the workday begins. School groups come in and out during school hours for Fundamental Skills or Aquablast. Retirees arrive mid-morning for group fitness and a social coffee afterward. Parents and young children come in from mid-morning for swim lessons. After 3pm is busy with school-age sports in the stadium and swimming lessons in the pools. The evening progresses with social sports leagues and the after-work exercise crowd. Weekends continue with sports leagues and swim meets and occasionally, bigger events.

Since the Covid-19 pandemic our customer access to stadium activities has been dramatically reduced, with the entire facility shut down for seven weeks in March, April and May of 2020.

Total door entries have reduced this year due to the lockdown period and sit around 460,000.

This year the Trust has generated operating revenue of \$2,952,544, which is down 16% from last year.

STADIUM

Pre Covid-19 the stadium saw an increase in both our regular users and 'one-off' events. Our Stadium income increased from previous years returning some \$166,972.

In addition to the above we continue to offer the use of the facility to children and regular organised sports free of charge, for non-commercial activity.

Regular users include:

- Fundamental Skills Programme
- Group Fitness
- Marlborough Gymnastics
- Marlborough Basketball
- Marlborough Volleyball
- Marlborough Netball
- Tasman Netball
- Sport Marlborough activities
- NMDHB community classes
- PD Powerplay
- Special Olympics
- Meditation
- Yoga
- Bohally Intermediate
- Marlborough Girls College
- Marlborough Boys College
- Futsal
- OSCAR Holiday Programme
- Speed Skating
- School's sports and physical education
- Alternative Education Groups
- Marlborough Badminton
- Tasman Rugby



EVENTS

While our primary purpose is to provide a facility for sport, recreation and fitness activities, the Stadium remains the only venue in Blenheim which can host larger indoor community events with attendance over 600 people. While such events do have the impact of displacing our regular users, the Trust recognises that our ability to host events of this nature is important for the Marlborough community. Event revenue showed an increase during 2019-20 from previous years and it is expected next year's events revenue will track lower due to Covid-19

In the past year we have hosted the following large-scale events:

- Home and Garden Show
- High Schools Career Expo
- Science Fair
- The NZ Wine Awards
- The BlackHawk National Dog Show
- ANZ Premiership Netball – Tactix

In addition, we hosted the following large sporting events including:

- Marlborough Volleyball Tournaments
- Marlborough Basketball Tournaments
- Marlborough Gymnastics Events
- Tasman Volleyball Tournaments
- Marlborough Open Squash Champs
- Marlborough Netball Finals
- Iwi games

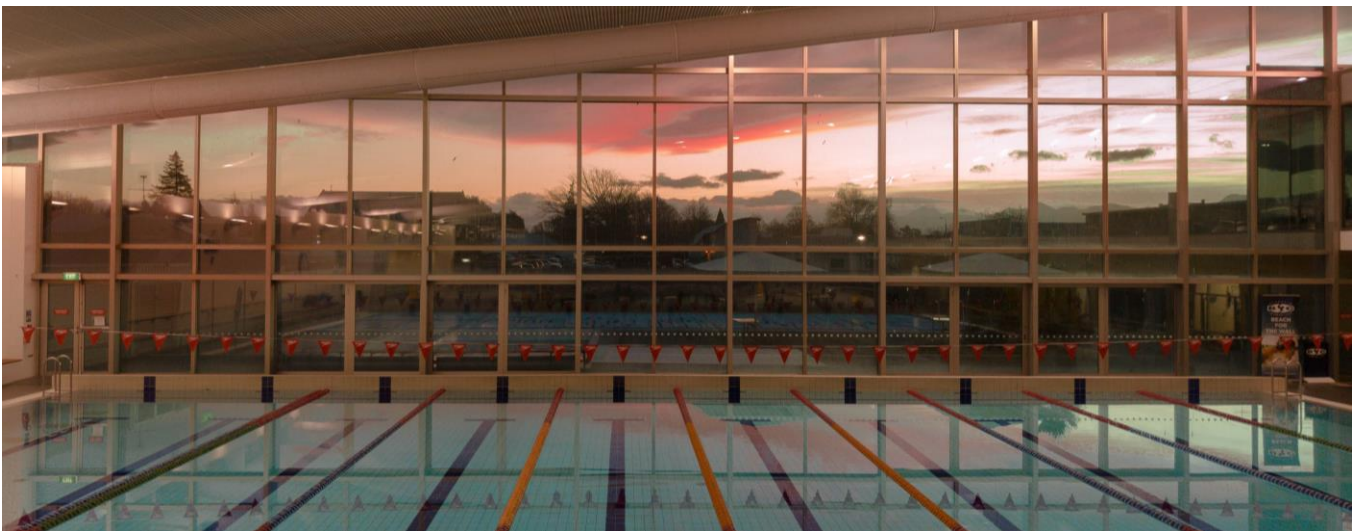
We will continue to host large events, but we are unlikely to meet the full demand for these without disrupting our core business. We intend to work closely with the Marlborough District Council and our key stakeholders to identify the events that will contribute the most for the Marlborough community and economy.

AQUATICS

Aquatic use and subsequent revenue have remained relatively static during the past year with total aquatic revenue (before costs) of \$1,580,003 compared to \$1,789,892 in the 2018-19 year. Post Covid-19 shutdown restrictions have seen a decline in all casual swimmer numbers across the board.

We have seen continued engagement from the same clubs and organised programmes, but participation rates have remained relatively static. These clubs and programmes include:

- Water Polo
- Underwater Hockey
- Swim School
- Triathlon training
- Blenheim Masters Swimmers
- Blenheim Swim Club
- Marlborough Boys' College
- Special Olympics
- Fundamental Skills Programme
- Aquablast programme
- Group Fitness Classes
- Holiday Programmes
- Birthday Parties
- Pool Parties
- Kaikoura Swim Club



LEARN TO SWIM

Swim School enrolled some 5128 individuals during 2019-20 compared to 5503 in 2018-19. Classes run on a school term basis with swim school holiday lessons also offered.

In addition to our Swim School, Stadium 2000 also conducts school learn to swim programmes in school pools as well as the Aquablast intensive week swimming programme at the Stadium. Enrolments in these programmes totalled 1527 during 2019-20 (down from 3538 during 2018-19).

Overall, Learn to Swim, Aquablast and Swim School enrolment numbers are well down on 2018-19. This is in large part due to the Covid-19 shutdown period and ensuring we stayed within alert level number restrictions.

SQUASH

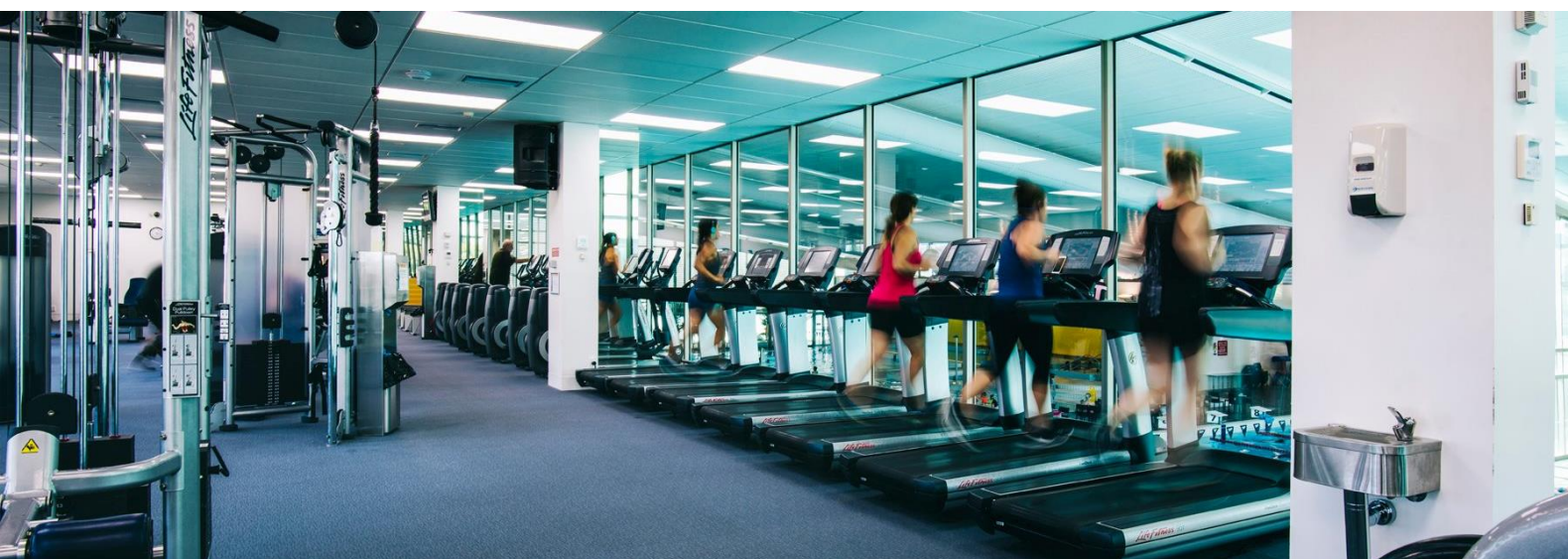
Regular club use occurs through a long-term lease with the Marlborough Squash Rackets Club. The Trust arrangement with the squash club allows the club to manage booking data and the general management of the squash court area. Squash club membership remains at just over 100 members while casual court bookings have been affected by Covid-19 and reduced to around 500 bookings during 2019-20.

HEALTH AND FITNESS CENTRE

Membership in the Stadium Health and Fitness has been extremely challenging due to the impact of Covid-19. Over the shutdown period all memberships were placed on hold and reactivated only upon member request when our facility re-opened. Since lockdown, memberships continued to grow steadily in an extremely competitive environment. This growth has been led by corporate members and may represent a greater focus by employers on staff wellbeing and health.

While the Stadium Health and Fitness Centre is a community facility, we try to position ourselves at the top end of the health and fitness market by providing a high level of coaching and supervision, access to a range of group fitness classes and other Stadium facilities including the pool as part of the membership.

To maintain our membership position and to reward the loyalty of our clients we have completed a full upgrade of cardio equipment during the 2019-20 year.



FUNDAMENTAL SKILLS

We have experienced a downturn in numbers in our Fundamental Skills programme during 2019-20 with a decrease in total student numbers from 9482 in the 2018-19 year to 7207 (32%). This is due to the impact of Covid-19 and facility closure period.

Our Fundamental Skills programme is run during the school terms with children attending 10.45am – 2.30pm daily and undertaking structured programmes including learn to swim, water safety, exercise, teambuilding and a range of sports.

While most of these programmes are delivered at the stadium, our Fundamentals Skills team do travel out to deliver the programme to our remote rural schools during the warmer weather of Term 1 and Term 4.

HOLIDAY PROGRAMMES

Holiday programmes operated for seven weeks of school holidays this year compared to our usual ten weeks due to Covid-19 disruption. This programme is OSCAR accredited and attendance is partially subsidised by Work and Income NZ.

Due to our programme popularity, this year we made application and have been granted an increase in participant numbers from 48 to 56 per day. Despite the increase our participant numbers were down from previous years due to the programme being affected by the Covid-19 lockdown period. Our numbers dropped to 1600 participants for 2019-20.

All participants are 11 years or younger. Holiday Programmes are essential for many families where parents have to work and need a safe, fun and educational activity programme for their children during work hours. The Holiday Programme also promotes an active, healthy lifestyle.



COMMUNITY CONTRIBUTION

Throughout the year Marlborough Lines Stadium 2000 has supported deserving individuals or community groups by providing free or subsidised facility access.

The Trust's commitment to access for all is reflected in unchanged entry prices and continued delivery and development of highly subsidised programmes for children through to older adults. In addition, the Stadium frequently donates vouchers for family swims or gym memberships to local not-for-profits and charities. These groups can use these as fundraising auction items or raffle prizes. The total value of these contributions remains in excess of \$40,000 per year.



ASSET MANAGEMENT

With such a significant asset and the challenges Covid-19 has brought, a number of proposed projects have been deferred. That said, spending on repairs and maintenance (R&M) and asset management was up during 2019-20 compared to the previous year as shown below:

Year	2019-20	2018-19	2017-18
Stadium R&M	\$ 92,921	\$ 91,709	\$129,180
H&F Centre R&M	\$ 10,764	\$ 13,450	\$ 12,810
Aquatics R&M	\$303,748	\$199,563	\$157,760
Seismic Strengthening	\$ 18,246	\$ 6,758	\$428,809*
Total	\$425,679	\$311,480	\$728,559

**includes \$400,000 contribution to council for seismic strengthening*

As we start the next financial year, the Aquatic Centre is entering its ninth year of life and we are noticing several systems that need greater investment. Most significantly this includes the air conditioning in the pool complex which needs replacement and will amount to substantial investment.



THE YEAR AHEAD

As the new General Manager, I feel particularly privileged to take on the operation of this magnificent facility that is so well supported by the people of Marlborough.

My sincere thanks go to all our users for continuing to support our facility in difficult and unprecedented trading conditions presented by the worldwide Covid-19 pandemic.

To the stadium staff team, thank you for your support, loyalty, adaptiveness, and perseverance. You all play a part in making our facility safe, its users welcome and valued.

I am very fortunate to have very active Trustees who as a group, have developed a strong strategic plan that has identified a future direction that best supports the people of Marlborough.

We will continue to work towards the improvement and development of our facility into the future, to ensure we provide a multi-functional facility of the highest standard.

The Trust remains focused on developing, maintaining, and enhancing a professional, skilled and friendly staff culture.

Our immediate plan for the 2020-21 year is to continue to navigate through the Covid-19 situation, rebuild the staff team and where possible catch up on asset management.

Bridget (Bids) Taylor
GM

TREASURER'S REPORT

The 2019 – 2020 financial year has been the most challenging since the Trust's formation. The impact of the Covid-19 pandemic and resulting closure of the stadium on March 25th through to May 14th and the operational restrictions under level two has significantly impacted on our financial result for the year.

Specifically, operational revenue was impacted by operating income foregone and rental concessions provided to the stadium's tenants. Operational expenditure on the other hand was not materially reduced. The net result is the Trust posting a Net Trading Deficit for the year of 294K (2019: \$200K Surplus).

The Revenue from Non-Exchange Transactions was \$999K including a \$30K grant from the Lion Foundation for the Outdoor Basketball Court project. This amount has been capitalised to the Fixed Asset Schedule.

The Trust was eligible for Covid-19 wage subsidy, this amounted to \$477K for the year and is shown under Other Income. A further \$163K of Wage Subsidy was received that relates to the period post balance date. This amount as well as other revenue in advance is recorded on the Statement of Financial Position as Income received in an advance.

Total expenses increased by \$528K with \$139K attributable to increased Repairs and Maintenance costs.

Employment costs were again the Trusts most significant area of expenditure exceeding \$2m for the first time. As a result of Covid-19 a complete staff restructure was undertaken in May. The 2021 wage budget has been significantly reduced and is expected to be in the vicinity of \$1.6m.

Pleasingly energy costs for the year reduced to \$499K from \$507K last year as the Trust gains the benefit of the transition of the majority of our lighting to LED and the continued effort put into operational efficiency of the aquatic water and air handling plant. As mentioned last year the Trust has a clear strategy on sustainability and we are monitoring the feasibility of investing in alternate forms of energy generation on an annual basis.

Asset Management and Repairs and Maintenance expenditure was \$449K (2019:\$310K). As signalled last year the Trust has several significant major maintenance projects underway. The main one is the staged replacement of the fresh air units for the aquatic area. A grant application has been lodged in relation to this expenditure.

The Balance Sheet of the Trust shows the effect, of the deficit for the year with the net assets of the Trust reducing from \$6.6 million to \$6.3 million. The Balance Sheet also records Asset Management funds of \$1.005 million. These funds are held for the maintenance and development of the facility as well as operational contingencies.

As indicated above, a significant portion of these funds have been directly tagged to scheduled major maintenance projects that are planned for the next 24 months. Management of these funds is a key focus of the finance committee.

I would like to thank my fellow Trustees for their contribution to the financial management of the Trust and collectively we present the 2020 audited annual accounts.

Matt Kerr

Treasurer, Marlborough Stadium Trust

REPORT CARD

Stadium 2000 Complex	
Total Visits	460,000 (estimate)
Total Revenue	\$2,952,544
Total Expenditure	\$3,743,362
Net Trading Surplus/ (Deficit)	(\$314,120)
Council contribution to operating revenue	\$839,000 (28.4%)

