

STATUS: Highly Confidential

MEMORANDUM

To: Ian Buchanan
Chairman, Greater Wellington Regional Council

From: Paul Collins
Wellington Regional Stadium Trust

Re: Stadium Trustees

Date: 27 July 2007

Dear Ian

Further to your email of 16 July (sent via Julie Steel) I am responding to the points you raised as follows:

1. *Detail skill sets of each trustee including the contribution they make to the Board:*

I need to qualify my comments in that these are my observations of the skill sets of the trustees from my position as chairman of the Trust.

As you are aware, I was not involved in or consulted with on their respective appointments so do not have access to their CVs nor to the considerations given on their appointment by those interviewing them.

I have not included the Council appointees in my evaluation who are both well known to you and are subject to a different appointment process.

I would also comment generally on the contribution that all the trustees are enthusiastic and supportive of the stadium, all make strong contributions in their particular areas of expertise and the Trust operates very effectively.

Sir John Anderson

Sir John is the easiest person for me to comment on as I have had a close association with him for over 30 years. Sir John's strengths are in:

Business – as a long term CEO of a large bank he has experienced all aspects of running a multi-faceted organisation and is a respected industry leader.

Finance – a particular strength which is important to the Trust.

Governance – wide experience in sporting, non-sporting and business both as a chairman, director and trustee.

Sport – deep love of sport especially cricket.

David Bale

David's strengths are in:

Business – David has extensive CEO experience and has been involved in general advisory work.

Finance and Marketing – David has, along with his general business background, good strengths in both finance and marketing.

Governance – a wide ranging governance background and strong in community and non-sporting events which are important issues for the Stadium.

Liz Dawson

Liz has had extensive experience in marketing and general sports management both in commercially focused organisations such as AXA and sporting and non-sporting bodies at both director and manager level.

This has enabled her to contribute strongly on the marketing side (through both her membership on the non-sporting events sub-committee and generally on the Trust) and also on all aspects of the Trusts relationships with the sporting codes.

Mike Egan

Mike has had wide ranging experience in the hospitality industry both as an owner and operator of restaurants and bars together with a general industry involvement.

While he has been mainly involved in smaller businesses with less board type governance requirements he has an extremely good understanding of catering and hospitality generally which is not only a key revenue stream for the stadium but one on which it gets judged externally by all our patrons.

Paul Collins

My skills are predominantly in business both as a CEO and now running a private equity firm. I have particular strengths in finance and extensive governance experience both in the public and sporting arenas.

2. *The skill sets required, in your opinion, to ensure the successful operation of the Board and the Stadium*

As a general comment the key objectives of the Trust are threefold:

- maintaining a full and balanced event calendar of sporting, non-sporting and community events

- maintaining and enhancing the facility to ensure it meets international best practice
- achieving a level of profitability that provides for continuing capital expenditure and meets debt reduction obligations

In this regard we have an extremely strong, experienced and stable management team ably led by David Gray with strong support in the key areas of finance, commercial, marketing, operations, event and turf management.

Turning to the Board the key skill sets required are:

- Strategic – maintaining the position of the Stadium to ensure it meets its key objectives over the medium to longer term
- Financial – strong financial skills are critical. With expenditure relatively fixed and revenue variable, coupled with significant ongoing maintenance and enhancement capital expenditure together with annual debt reduction requirements, the importance of these skills cannot be overstated.
- Marketing and sponsorship – positioning of the Stadium to ensure it maximises its opportunities for non sporting events such as concerts and wrestling
- Operational – normal operational matters but with a focus on facilities management, hospitality and turf.
- General – given the heavy sports utilisation and regional focus of the Stadium empathy for these two areas.

3. *Any gaps between the skill sets required in 2 above and the skill sets of the existing board*

If there is a specific gap it is in the area of facilities management – maintenance and enhancement of a large specialist property with a replacement value today of circa \$200 million.

Having said that, both Sir John and myself have been CEOs of companies which have had a range of such issues to deal with (in my case, for example, development and construction of Sky City) and we have competent management and experienced industry advisers retained by the Stadium to ensure no stone is left unturned.

4. *How the reappointment of David Bale and the appointment of Craig Sims will provide the necessary skill sets. There will need to be some detail on Craig Sims being a prospective new appointment.*

David Bale

As already mentioned David has strengths in finance and marketing both of which are key skill sets required by the stadium. He is an enthusiastic supporter of the stadium and contributes well in all areas of discussion.

Craig Sims

As you are aware, I have not been involved in the interview process with Craig nor do I have a copy of his CV so my comments need to be read in this context. I would like to reiterate the comments I made in my email of 11 July:

"While you observed that Craig is a banker and one was appointed to the Board last year, there the similarity ends.

Craig has a wide set of skills – manages 4000 staff and all the disciplines associated with running a business of that size.

Particular aspects which are relevant to the stadium include sponsorship, marketing (successfully positioning the brand which has been done very well), managing major projects and associated capital expenditure plans and strong financial skills. He is a committed Wellingtonian with a strong sporting background and unlike some the trustees he has youth on his side!!!


I have only met him a couple of times but from my observations and peer comments I believe he would make a good contribution."

I commented earlier on skill sets required and in particular finance. While Sir John, David and I all have these skills it is important to position the Stadium for the future.

In that regard, bringing on a younger person who can progressively grow into a more "senior" trustee role is becoming increasingly important and Craig would fit that perfectly.

I am happy to meet with you to elaborate on these comments or provide any further information you require.

Kind regards



Paul Collins