

I hereby give notice that an ordinary meeting of the Governing Body will be held on:

**Date:** Thursday, 23 June 2022  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## Tira Kawana / Governing Body

### OPEN ADDENDUM AGENDA

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#### MEMBERSHIP

<b>Mayor</b>	Hon Phil Goff, CNZM, JP	
<b>Deputy Mayor</b>	Deputy Mayor Cr Bill Cashmore	
<b>Councillors</b>	Cr Josephine Bartley	Cr Richard Hills
	Cr Dr Cathy Casey	Cr Tracy Mulholland
	Cr Fa'anana Efeso Collins	Cr Daniel Newman, JP
	Cr Pippa Coom	Cr Greg Sayers
	Cr Linda Cooper, JP	Cr Desley Simpson, JP
	Cr Angela Dalton	Cr Sharon Stewart, QSM
	Cr Chris Darby	Cr Wayne Walker
	Cr Alf Filipaina, MNZM	Cr John Watson
	Cr Christine Fletcher, QSO	Cr Paul Young
	Cr Shane Henderson	

(Quorum 11 members)

**Sarndra O'Toole**  
**Kaiarataki Kapa Tohutohu Mana Whakahaere /**  
**Team Leader Governance Advisors**

**21 June 2022**

Contact Telephone: (09) 890 8152  
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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.



ITEM	TABLE OF CONTENTS	PAGE
13	Eden Park Trust Board submission to 2022/2023 Annual Plan	5



## Eden Park Trust Board submission to 2022/2023 Annual Plan

File No.: CP2022/08767

### Te take mō te pūrongo Purpose of the report

1. To consider the request for funding received from Eden Park Trust during the Annual Plan 2022/2023 consultation process.

### Whakarāpopototanga matua Executive summary

2. The current development funding agreement between Auckland Council and the Eden Park Trust Board concludes in June 2022. Through their annual budget submission, the Eden Park Trust Board have requested \$6.28 million of grant funding for the next financial year and ongoing. This request sits outside other existing grant/funding processes and allows consideration within the context of Auckland Council's overall financial position.
3. The request is based on an Ernst & Young report from 2018. This report outlines a \$62.8 million 10-year maintenance/refurbishment capex plan. The \$6.28 million per annum request aligns to one-tenth annually of the total identified in the plan from 2018.
4. Eden Park Trust Board's submission highlights that Eden Park will be hosting nine matches for the upcoming FIFA Women's World Cup 2023 and states that the funding sought is critical to ensure Tāmaki Makaurau maintains its reputation as a state-of-the-art modern and dynamic city as opposed to a city with failing assets.
5. Council staff have corresponded with and met with MBIE, NZ Football, Tātaki Auckland Unlimited and Eden Park. These discussions have canvassed asset condition and specific FIFA Women's World Cup requirements. As with any large asset, adequate capital expenditure is necessary to ensure the infrastructure is maintained to a high standard and meets delivery requirements.
6. Funding for Eden Park Trust Board's request has not been included in the Annual Budget 2022/2023 and there are no existing/planned funding sources for this. Given key decisions for the Annual Budget 2022/2023 were made on 7 June 2022, including rates levels and expenditure budgets, a decision to provide ratepayer funding for this third party would be funded through additional council debt.
7. Staff recommend that Eden Park Trust use its existing loan capacity and Auckland Council forgives interest payment on any additional loan drawdown until 30 June 2023 whilst the council group, through Tātaki Auckland Unlimited and Eden Park Trust continue to work on a single stadium operating model for the city's stadiums.

### Ngā tūtohunga Recommendation/s

That the Governing Body:

- a) agree to advise Eden Park Trust Board that their existing loan capacity with Auckland Council can be used to fund capital requirements if required
- b) agree and delegate all necessary powers to the chief executive for:
  - i) Auckland Council to forgive interest payments on any additional loan drawdown by Eden Park Trust Board until 30 June 2023 whilst Eden Park Trust and the council group, through Tātaki Auckland Unlimited, continue to work on a single-stadium operating model for the city's stadiums
- c) note council staff will engage with Eden Park Trust as required on its debt capacity limit if operating performance is impacted adversely by COVID-19.

## Horopaki Context

8. On 19 March 2019, the Finance & Performance Committee agreed to provide the Eden Park Trust Board with funding as follows:
- a) *authorise and delegate all necessary powers to the chief executive to:*
    - i. *reach an agreement with Eden Park Trust and ASB Bank for Auckland Council to take over the \$40 million loan from ASB Bank to Eden Park Trust together with other facilities provided by ASB Bank to Eden Park Trust before 30 September 2019.*
    - ii. *reach an agreement with Eden Park Trust to consolidate the loans acquired from ASB Bank and Auckland Council loans into one or more new facilities on commercial terms including:*
      - A. *first-ranking security over Eden Park Trust's assets*
      - B. *a term of up to ten years*
      - C. *an interest rate set at council's cost of funds plus a margin.*
  - b) *authorise the chief executive to agree a grant to fund capital expenditure of up to \$9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.*
  - c) *agree that the chief executives of Auckland Council, Eden Park Trust and Regional Facilities Auckland jointly prepare an operational partnering proposal to be completed by March 2020.*
  - d) *invite Eden Park Trust Board to report to the Finance and Performance Committee on at least a six-monthly basis to outline its performance and financial projections.*
  - e) *initiate discussions with the Government to seek amending the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.*
9. Since the 2019 loan consolidation (clause a) above), Eden Park can draw on a council loan facility of up to \$54 million (of which it has accessed \$48.75 million as at 21 June 2022).
10. The current development funding agreement between Auckland Council and the Eden Park Trust Board (clause b) concludes on 30 June 2022.
11. In accordance with clause d), the Eden Park Trust Board presented on their performance, recent highlights, the impact of COVID-19 and high-level financial information to the 17 March 2022 Finance and Performance Committee meeting. Council staff considered the presentation prior to that meeting and as it signalled financial sustainability risks, the trust was advised that any request for future funding should be through an annual budget submission for formal consideration by the committee as part of the annual budget process. In accordance with that advice, the trust has submitted a funding request to Auckland Council through a submission on the draft Annual Plan 2022/2023 (Attachment A).
12. Through their annual budget submission, the Eden Park Trust Board have requested \$6.28 million of grant funding for the next financial year and ongoing. This request sits outside other existing grant/funding processes and allows consideration within the context of Auckland Council's overall financial position.
13. Eden Park Trust Board's request is based on an Ernst & Young report from 2018. This report outlines a \$62.8 million 10-year maintenance/refurbishment capex plan. The \$6.28 million per annum request aligns to one-tenth annually of the total identified in the 2018 plan. A number of items in the plan have been funded through the current development funding agreement.

14. The funding request identifies a schedule of projects (costing not included) (refer to Attachment A) which the trust intends to address over the next three years noting that it is appreciated that these cannot all be achieved and that the asset management plan is fluid over time.
15. Eden Park Trust Board's submission highlights that Eden Park will be hosting nine matches for the upcoming FIFA Women's World Cup 2023 and states that the funding sought is critical to ensure Tāmaki Makaurau maintains its reputation as a state-of-the-art modern and dynamic city as opposed to a city with failing assets.
16. Council staff have corresponded with and met with MBIE, NZ Football, Tātaki Auckland Unlimited and Eden Park. These discussions have canvassed asset condition and specific FIFA Women's World Cup requirements.
17. Staff recognise that Eden Park's asset maintenance programme has implications for asset quality now and in the future.

## Tātaritanga me ngā tohutohu Analysis and advice

### Financial considerations

18. As with many organisations, including the council, Eden Park's post COVID-19 financial situation is uncertain. The council is in a position where it has challenging finances and has no funding in the Annual Plan 2022/2023 for this request.
19. Eden Park Trust's loan facility with Auckland Council has an additional \$5.25 million that may be drawn down on. If this was fully drawn-down, Eden Park Trust would incur around \$125,000 of additional interest costs, unless the council agreed to forgive interest payments on the loan. Forgiving any interest payments in 2022/2023 would need to be funded from additional council borrowings.
20. Should Eden Park Trust find their operating performance to be worse than forecast as a result of adverse impacts from COVID-19, council staff would engage with them on the debt capacity limit as required.
21. A decision to provide grant funding as requested by Eden Park Trust Board would require council borrowings to be increased by the amount of any funding agreed and the associated interest costs.

### Longer-term considerations

22. The current development funding agreement with Eden Park Trust Board ran for three years on the understanding that we would jointly prepare an operational partnering proposal by March 2020; and seek to amend the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.
23. Further to this, in July 2020 the review of council-controlled organisations recommended that:  
*"[Tātaki Auckland Unlimited] explores, at the council's direction, the critical need for joint management and operation of the city's four stadiums with Eden Park Trust"*.
24. Tātaki Auckland Unlimited and council staff are continuing to progress a proposal for a single stadium operator for the city's stadiums with the Eden Park Trust Board.
25. While progress has been made these items, they have not been concluded.
26. The council needs to decide how to get the best out of the stadiums that it owns and consider the extent to which it provides ongoing financial support to Eden Park.

## Tauākī whakaaweawe āhuarangi Climate impact statement

27. There are no direct climate impacts or implications for delivering climate actions as a result of this report.

## Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

28. Tātaki Auckland Unlimited is continuing to progress a single stadium operator proposal for the city's stadiums with the Eden Park Trust Board.
29. It is considered that a single stadium operating model for the city's stadiums should improve the operational performance of the stadium network. As a result, it is the view of Tātaki Auckland Unlimited that the consideration of Eden Park Trust Board's request should be limited to a 12 month horizon or until a decision has been made on the outcome of a single stadium operating model.

## Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe Local impacts and local board views

30. All feedback, including funding requests received through the annual plan consultation, was presented to the Finance and Performance Committee and local board chairs at a workshop on 4 May 2022, along with the associated regional feedback report and its attachments which are available on the council's website [here](#).
31. Each of the 21 local boards held workshops and meetings to consider the consultation results to inform their feedback on the budget. Local boards then presented their feedback on regional issues to the Finance and Performance Committee at a workshop on 25 May 2022. No local board feedback was received on the regional funding request from Eden Park Trust Board. As a result, local board views have not been specifically sought for this report.

## Tauākī whakaaweawe Māori Māori impact statement

32. The financial decisions contained in this report do not have any particular impacts, either positive or negative for Māori.

## Ngā ritenga ā-pūtea Financial implications

33. If the council agrees to forgive interest payment on the additional drawdown for a period of 12 months, additional \$125,000 of interest costs would need to be funded.
34. Given key decisions for the Annual Budget 2022/2023 were made on 7 June 2022, including rates levels and expenditure budgets, this would be funded through additional debt.

## Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

35. There is a risk that the Eden Park Trust Board may decide not to use their existing loan capacity due to a desire to maintain debt headroom. To mitigate this risk, we suggest signalling that staff will engage with Eden Park Trust as required on its debt capacity limit if operating performance is impacted adversely by COVID-19. At the time of writing this report, engagement was still ongoing with Eden Park representatives and the Governing Body will be advised of any updates prior to decision-making.

## Ngā koringa ā-muri Next steps

36. Council staff will communicate decisions from this meeting to Eden Park Trust Board and action any subsequent implementation.

## Ngā tāpirihanga Attachments

No.	Title	Page
A  	Eden Park Trust Board submission to Annual Budget 2022/2023	11

## Ngā kaihaina Signatories

Author	Peter Gudsell - Group Chief Financial Officer
Authoriser	Jim Stabback - Chief Executive



25 March 2022

**The Eden Park Trust**

**Submission to Auckland Council**

**Re: Annual Budget 2022/2023 Feedback**

**Section 6 – What is important to you?**

**1. Introduction**

The Eden Park Trust (the Trust) is a Charitable Trust, established under the Eden Park Trust Act 1955, as amended by The Eden Park Trust Amendment Act 2009 (the Act). The Trust owns and operates the Eden Park stadium, in accordance with the terms of the Trust Deed, appended to the Act as Schedule 1. Under the Trust Deed, clause 4.1 states:

*“The Objects for which the Trust is continued are:*

- (a) To promote, operate and develop Eden Park as a high quality multi-purpose stadium for the use and benefit of rugby and cricket (including under the organisations of ARU and ACA respectively pursuant to their rights under this deed) as well as other sporting codes and other recreational, musical, and cultural events for the benefit of the public of the Region; and*
- (b) To administer Eden Park and the Trust Assets on a prudent commercial basis so that Eden Park is a successful, financially autonomous community asset.”*

Eden Park is a community asset for Tāmaki Makaurau and a strategic asset for Aotearoa. Around the world, this iconic venue is revered for its reputation as the home of the All Blacks and its status as host to some of the world's most memorable sporting moments. The 118-year old stadium is unquestionably part of Aotearoa's history and DNA.

**2. Background**

At a meeting of Auckland Council's Finance and Performance Committee on 19 March 2019 the following resolutions (Resolutions FIN/2019/24, FIN/2019/25, FIN/2019/26 and FIN/2019/27) were passed in relation to The Eden Park Trust:

- a) *authorise and delegate all necessary powers to the chief executive to:*
  - i) *reach an agreement with Eden Park Trust and ASB Bank for Auckland Council to take over the \$40 million loan from ASB Bank to Eden Park Trust together with other facilities provided by ASB Bank to Eden Park Trust before 30 September 2019.*
  - ii) *reach an agreement with Eden Park Trust to consolidate the loans acquired from ASB Bank and Auckland Council loans into one or more new facilities on commercial terms including:*
    - A) *first-ranking security over Eden Park Trust's assets*
    - B) *a term of up to ten years*
    - C) *an interest rate set at council's cost of funds plus a margin.*
- b) *authorise the chief executive to agree a grant to fund capital expenditure of up to \$9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.*



- c) agree that the chief executives of Auckland Council, Eden Park Trust and Regional Facilities Auckland jointly prepare an operational partnering proposal to be completed by March 2020.
- d) invite Eden Park Trust Board to report to the Finance and Performance Committee on at least a six-monthly basis to outline its performance and financial projections.
- e) initiate discussions with the Government to seek amending the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.

The status of these resolutions was updated in a paper prepared by Council officers and presented to the Finance and Performance Committee at its meeting on 17 March 2022 (ref CP2022/02666).

In that paper it was noted, under point 11:

*"Council finance staff have considered the presentation [of the Trust] prior to this meeting and as it signals financial sustainability risks it is recommended that Eden Park Trust Board put forward any future funding request through an annual budget submission for formal consideration by the committee as part of the annual budget process"*

We are pleased to provide this future funding request within our submission in line with this recommendation.

### 3. Funding Request

Accordingly, the Trust requests that Auckland Council, through the Finance and Performance Committee, gives consideration to the extension or replacement of the existing Development Funding Agreement in line with the 10-year Capital Maintenance & Refurbishment Plan as included in the Independent Financial Review prepared for Council by EY in 2018, as follows:

10 Year maintenance/refurbishment capex plan	\$000s
North Stand maintenance	6,200
West stand maintenance	3,000
South and east stand maintenance	3,000
Field Lights	5,600
IT	5,000
Mechanical service	6,000
Kitchen	5,000
Waterproof membrane	3,500
Advertising and super-screens	6,000
Electrical	2,500
ETFE -external façade	3,000
Carparks	5,000
Turf (includes 2017)	3,500
Seat replacement	5,500
<b>Total</b>	<b>62,800</b>

The Trust is seeking one-tenth annually of the total identified, i.e. \$6.28m per annum.

The asset management plan is fluid over time. We have identified the following schedule of projects which we intend to address over the next three years, although we appreciate they cannot all be achieved:

- Building Management System (BMS)
- Electrical controllers and systems
- Waterproofing membrane – North, South, East and West stands
- West Stand ceiling replacement
- North Stand roof weather tightness remedial works
- Stadium PA system speaker replacements
- HVAC separation due to COVID protocols
- LED lighting throughout public areas
- Air-conditioning units (currently end of life)
- Stadium seats replacement
- Painting of structural steel
- Function room refurbishment
- High voltage and power transformer replacements
- LED ribbon signage replacement and installation
- DAS (antennae) replacement

The Trust would like to note its gratitude to Auckland Council for the existing Development Funding Agreement, which has enabled a number of critical works and upgrades to be completed throughout the facility.

Noteworthy inclusions that have recently benefited the region include the investment in the playing surface (which provided an exceptional platform for the ICC Women's Cricket World Cup last weekend despite substantial rain) and the Superscreen (a prerequisite to securing hosting for FIFA Women's World Cup 2023).

#### **4. Discussion**

The Trust would welcome the opportunity to present its proposal for funding to Auckland Council. There are a number of unique initiatives which the Trust is undertaking for the benefit of the public of the region, which closely align to the Council's budget objectives. These include community engagement and projects, sustainability, waste management and reduction.

Notably, the Park is the only venue in Aotearoa with a 50,000 seat capacity. For premier global events like World Cups, host countries are generally required to have at least one stadium capacity of 50-60,000 to be eligible for selection. Without an appropriately fit-for-purpose Eden Park, the country would either be unlikely to successfully bid for such events or be required to fund a new stadium along with its ongoing maintenance.

The existence of Eden Park results in significant cost savings for Council, given it would likely be otherwise required to construct and maintain a 50,000+ capacity venue in Tāmaki Makaurau. The construction of such a venue would also result in considerable carbon emissions. In contrast, the utilisation of Eden Park reduces the city's carbon footprint and models the approach of 'reuse, recycle and repurpose'.

It was acknowledged by Councillors at this month's earlier meeting that Eden Park can play a pivotal role in the rebuilding of community confidence along with the local economy. After a challenging few years for Aucklanders navigating the impact of the pandemic, the value of contributing to the community's morale and spirit is immense. The profound social, cultural, and mental health benefits of people and communities



coming together to celebrate after an enormously challenging two years cannot be understated. Now more than ever, people are looking for escapism and experiences that can be shared.

Major events such as international sports games and concerts also generate significant employment opportunities. Each event creates up to 3,000 jobs across cleaning, catering, security, traffic management, medics, facilities, turf management, maintenance, and operational staff.

In addition, these events make a vital contribution to the city's vibrancy, providing a much-needed boost for the struggling local tourism and hospitality sectors. Studies have proven that major events contribute to increased bed nights and deliver substantial economic benefits for the Tāmaki Makaurau region on the days of and surrounding events. Each major event at Eden Park can assist with underpinning the city's ongoing economic recovery.

We note that many of the events secured for Eden Park receive no funding from Auckland Unlimited while still providing the region with significant global exposure and brand enhancement. This past weekend, a social media post from the ICC Women's Cricket World Cup featuring Eden Park's Sky Sport Rooftop Tour attracted more than 3.5 million views.

In just over a year, Eden Park is fortunate to be hosting nine matches for the upcoming FIFA Women's World Cup 2023, including the opening match, a quarter-final and a semi-final. The funding sought is critical to ensure Tāmaki Makaurau maintains its reputation as a state-of-the-art modern and dynamic city as opposed to a city with failing assets.

Ngā mihi,

**Nick Sautner**  
CEO