



**Auckland Regional  
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## **Media Release**

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### **Serious financial risk with Waterfront stadium**

The owner of Ports of Auckland Ltd has highlighted what it says are serious regional and national implications for siting a stadium on any part of the Auckland waterfront.

Auckland Regional Holdings (ARH), the investment management entity of the ARC Group which owns Ports of Auckland Ltd (POAL), says although it has not been privy to detail of the investigations on the waterfront stadium, from what it has gleaned from the media and other sources there are serious risks with a stadium on any part of the waterfront.

In a worst-case scenario where adequate Government-funded substitute port facilities were not put in place due to a stadium being built on the waterfront, ARH says a waterfront stadium will:

- Seriously impact its business operations servicing New Zealand's import and export markets
- Create huge financial risks for the port company – the largest in New Zealand
- Disrupt port operations during construction imposing extra costs on the regional economy
- Reduce funding for regional transport and stormwater programmes, and
- Compromise the Waterfront Vision blueprint for development of the waterfront

ARH Chair, Judith Bassett, says the ARH board has a statutory obligation to 'prudently' manage its \$800 million equity investment in Ports of Auckland Ltd and to ensure it can operate as efficiently and profitably as possible for the benefit of the regional economy.

The ARH board felt it now had to highlight what it sees as serious implications of any waterfront stadium.

“The prospect of a major stadium taking crucial parts of the wharves and the subsequent financial risks that imposes on the company’s operations are alarming for the ARH board,” says Mrs Bassett.

“Not only will the port’s operations be compromised, but decreased returns from POAL to ARH will reduce a major source of funds for regional transport and stormwater programmes.

“Any impediment on Ports of Auckland’s ability to operate as efficiently as possible and to generate profits from its core business has a direct impact on ARH’s function of investment management.”

In the last two years, ARH has distributed \$167 million to the Auckland Regional Council (ARC) for transport and stormwater infrastructure programmes and it plans to distribute \$1 billion to the ARC in the next decade.

POAL is the cornerstone investment of ARH, accounting for 56 per cent of its investment portfolio, and its profits are a significant contributor to ARH’s investment profitability.

“We must ensure the port can grow and service North Island – and New Zealand – markets and continue to operate in as efficient and profitable manner,” says Mrs Bassett.

“We have an investment objective of funding \$1 billion to the ARC over the next decade. Had Bledisloe wharf been chosen that would have sunk that objective immediately. As it is, the impact of the stadium on the Marsden and Captain Cook ‘finger wharves’ may well still jeopardise the \$1 billion in the next decade objective.”

Mrs Bassett says ARH will have to reassess its Long-Term Funding Plan in light of the decision and its impact on ARH’s investment returns.

“We will still be able to provide funds to the ARC for transport and stormwater, but as the result of this decision probably not the higher amounts we have planned.”

ARH says in addition to the financial risk and reduced funding, the waterfront stadium will “compromise the 2040 Waterfront Vision” on which the ARC, Ports of Auckland and Auckland City worked so hard to produce and which met with widespread public support.

**ENDS**

## Key facts about ARH

- Auckland Regional Holdings (ARH) is a statutory investment management entity established under the Local Government (Auckland) Amendment Act 2004
- As a statutory entity, ARH is not a company, although it has an independent Board
- It has assets of \$1.4 billion, including 100% ownership of Ports of Auckland and property in the Viaduct Basin and a large treasury portfolio
- The sole beneficiary of the ARH fund is the Auckland Regional Council which uses money from ARH's investment returns to fund regional transport and stormwater programmes
- ARH plans to distribute \$1billion to the ARC over the next decade
- In the past two years, ARH has distributed \$167 million to the ARC. In the last financial year it distributed \$90 million after achieving a 10.6% return on its investments
- ARH is part of the ARC Group; it has certain statutory financial and governance responsibilities and obligations to the ARC

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