



Ready to go: Auckland Rugby CEO Andy Dalton (left) looks over the remodelled Eden Park with architect Richard Breslin.

Photo: John Selkirk

GOVERNMENT MILLIONS **SAVE** EDEN PARK

The home of the 2011 world cup is keeping its dignity, writes GREG FORD.

A MASSIVE FINANCIAL windfall means Eden Park may not have to change its name after all.

The *Sunday Star Times* has learned Eden Park has been raking in millions of dollars of interest on the \$190 million contribution the government has already made to the controversial upgrading project.

That money was deposited into the trust's bank account some time ago and redevelopment board chief executive Adam Feeley said it was impossible to calculate the exact interest figure but confirmed it came to "several million dollars". In reality, it's likely to be much, much more.

Feeley confirmed the money was in term deposits and the going rate was about 9% - that would yield

about \$17m in just one year.

Even when you carve off 30% tax it's still a serious amount of money.

Some of the costs of the park's makeover will have to be met during the construction phase - scheduled to be completed in October 2010. But a large part of the principle should yield interest for a couple of years yet.

Increases in prices for concrete, steel and other raw materials will offset some of the bonus.

The windfall partly explains the redevelopment board's bullish mood. Officially it still has a \$12m shortfall in its budget target of \$240m and one way of bridging that gap was to sell the naming rights to the famous sporting venue.

However, Feeley said the interest bonus means they "may no longer have to do that".

"It was always our preference to preserve the name anyway and that's the worldwide trend at the moment," he said.

"Sponsors are not that keen on messing with tradition."

Feeley said the board took an ultra-conservative investment

strategy with the government money. All the major New Zealand banks were asked to bid for it.

"So it's invested in triple-A rated New Zealand banks with no more than 30% in any one institution," he said. "The longest period we have locked the money in for is 12 months. The shortest is three. We have done it that way because we need some cashflow to fund the project. It will be a big help."

Eden Park has already secured the rights to host both semifinals

and the final of the 2011 Rugby World Cup and this week intense official and behind-the-scenes lobbying started between Auckland, Wellington and Christchurch for the remaining playoff matches.

Bid documents from the provinces have been filed and the next step is for the joint venture company hosting the IRB-owned tournament to make recommendations on venues to the IRB.

It will be a highly political decision, and given the government's investment in Eden Park and its decision not to contribute to any other ground, it now finds itself in a rather awkward position.

The Wellington region is already making a lot of noise.

Ultimately the decision will be one of economics, and how much assistance - financial and logistical - each region is prepared to stump up.

The government has agreed to pay two-thirds of any loss the tournament makes and a \$30m shortfall has been forecast.

So the grounds which can cram in the most fans - Eden Park and an expanded AMI Stadium in Christchurch - have their noses in front to host playoffs as they would generate the most from ticket sales, which is the joint venue company's sole source of income to offset the loss. All additional income goes to the IRB.

"Sponsors are not that keen on messing with tradition."

Eden Park redevelopment board chief executive Adam Feeley on the daunting possibility the park will have to be renamed.