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Ownership Model Analysis

**For Sport New Zealand
Ihi Aotearoa**

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Executive Summary

Introduction

This report provides a review of ownership, operations, governance and funding trends internationally and how these trends may be considered in the New Zealand context.

Summary of current state

New Zealand has many significant sporting facilities that provide economic, cultural, community and sporting outcomes. A synopsis of the current facilities in the scope of this report include:

- 1) **Stadia and indoor venues** – New Zealand has 28 stadia with capacities over 10,000. Many of New Zealand's stadia have capacity of approximately 15,000 to 25,000, with large city stadia having capacity between 30,000 and 50,000. New Zealand also has 23 multi-use indoor venues with capacity ranging from 1,000 to 13,000 for national leagues, trans-Tasman, and international level competition. Most are owned and operated by charitable trusts or local councils.
- 2) **Other significant sports facilities** – New Zealand has many other facilities that provide for the needs of professional and elite sports teams and athletes, community groups and events. Most of these facilities are owned by local and regional councils. Others are owned by trusts or NSOs. Venue operators include councils (sometimes through subsidiary organisations), regional sport organisations, sports clubs, and trusts.

Background of ownership, management, and funding of sporting facilities in New Zealand

The governance and operating models shape the strategic use and access rights/control for sports clubs and organisations among their other

responsibilities that include maintenance and risk management, compliance and stakeholder engagement and accountability.

Given the community asset nature of sporting facilities, New Zealand's assets have generally had strong public oversight, ownership, and funding. Some of the more renowned sites were initially born in the early 20th century from private clubs realising the benefits of charging fees on public grounds (i.e. Basin Reserve (Wellington) and Eden Park (Auckland)), though this trend was not sustainable as sports became more organised and the need for larger, dedicated venues increased. Since the middle of the 20th Century, local councils and central government have taken a more prominent role in owning and developing sports facilities.

It is unusual for the funding body to pass over operations and governance to another body, rather than maintain control itself.

In the 1980s and 90s, the concept of charitable trusts began to appear to manage significant community assets like stadia. These trusts were often established by local authorities, or with their strong involvement, to ensure the facilities were run for the benefit of the region and specific sports codes. The Eden Park Trust, Basin Reserve Trust and the Wellington Regional Stadium Trust are examples of this model evolving over time based on history and changing needs but not necessarily reflecting the current environment.

There are also a number of instances in New Zealand where local councils own and/or operate sports facilities through Council Controlled Organisations (CCOs). For example, Mercury Baypark is owned by the Tauranga City Council, and operated by Bay Venues Limited, a 100% council owned CCO. CCOs allow for a more commercial focus and greater operational independence than direct council ownership.

In the early 2000s and to today, while there have been some instances of PPP or private arrangements (i.e. Spark Arena Auckland, NZCIS), there generally has been little change in the trend of major sports infrastructure being owned and managed by a local government authority either directly or through charitable trusts. In the last four decades, profits generated by the New Zealand Lotteries Commission (established 1987) and the New Zealand Community Trust (established 1998), have been distributed to community

organisations including sports facilities. This has had a particular effect on the current trend of ownership and maintenance of sporting facilities and stadia under charitable trust arrangements to enable easier application for grants

Why there is currently limited private sector funding and asset ownership in New Zealand

Private sector investments generally occur when the right set of commercial considerations and revenue generation opportunities align, including:

- Ability to generate a strong and reliable event schedule across the year to maximise revenue generation opportunities
- A sufficient demand for all these events and event types to ensure that they are highly attended at sufficient ticket price, and the asset is well utilised
- Control over content and revenue generation

Currently, these key revenue generation criteria to secure private funding of stadia are rarely achievable in New Zealand due to:

- Competition for events is high, because there are many stadia and limited content
- Lack of large scale non-recurring events (such as major concerts)
- Professional rugby teams are not privately owned, though a few have partial private ownership, additionally professional teams which do have private ownership do not generate sufficient revenue to justify stadium ownership, or the schedules are not sufficient to generate significant recurring attendance.

While private sector investment does generate a significant community benefit and reduce reliance on public funds, it can come with a reduction in the control and potential access rights of sporting clubs and organisations.



International Trends

The figure below provides a synopsis of the international trends seen in stadia and high-performance centre ownership and operation.

Figure 1 International trends in stadia and high-performance centre ownership and operations

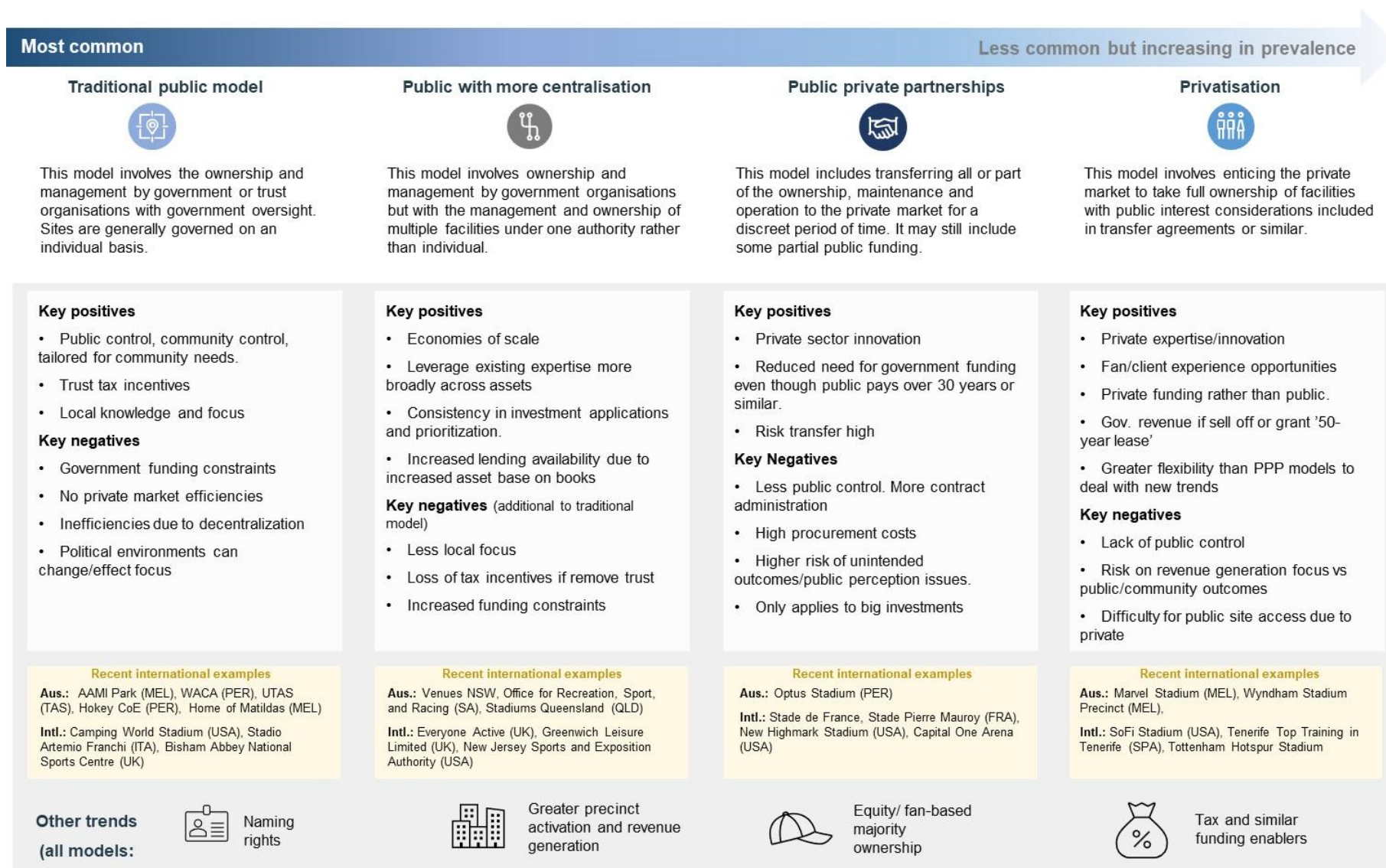
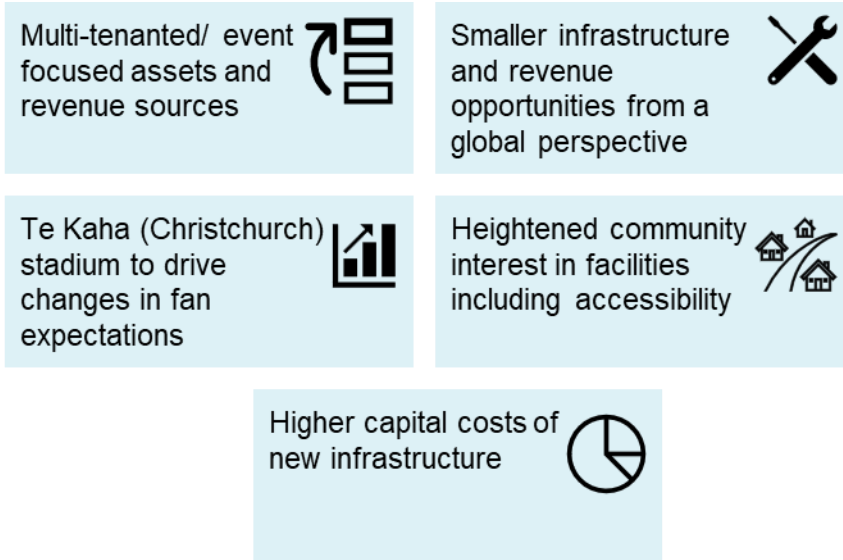


Figure 2 Key New Zealand context to be considered



How international trends fit within the New Zealand context

The New Zealand context brings both opportunities and constraints when considering international trends in sports facility ownership. New Zealand has a strong emphasis on public good, community access, and a diverse range of funding sources, with local government and charitable trusts playing pivotal roles in ownership. Unlike some other countries where private, profit-driven ownership of major stadiums is more prevalent (i.e. US and UK), New Zealand maintains a community-oriented approach. When it occurs, private ownership is usually for smaller, niche facilities or as part of a public-private partnership/long-term lease arrangements.

Future ownership and governance opportunities will need to consider New Zealand’s differences from international trends. Large international privatisation initiatives are usually characterised by:

- significant consumer or fan demand;
- large investment costs;
- enticing private market interest to incur the relevant procurement costs due to pay back; and

- public acceptance of private ownership particularly due to facilities having significant private primary users (i.e. NFL side) rather than being multi-tenanted or multi-use.

The New Zealand context creates some challenges to seeking significant changes to the current model of ownership. The recent opening of the New Zealand Campus of Innovation & Sport (NZCIS) and the development of the new Christchurch stadium will change both fan and athlete experience and expectations. New Zealand should consider innovative approaches to owning and operating sport stadiums and high-performance centres to meet these expectations and secure the funding that would be required to upgrade and develop to meet them.

Options for facility funding and ownership to meet future needs

New Zealand has three distinct options that should be considered, regarding sport facility ownership and governance. These options should be considered in the context of location, size, and type of each facility on a case-by -case basis

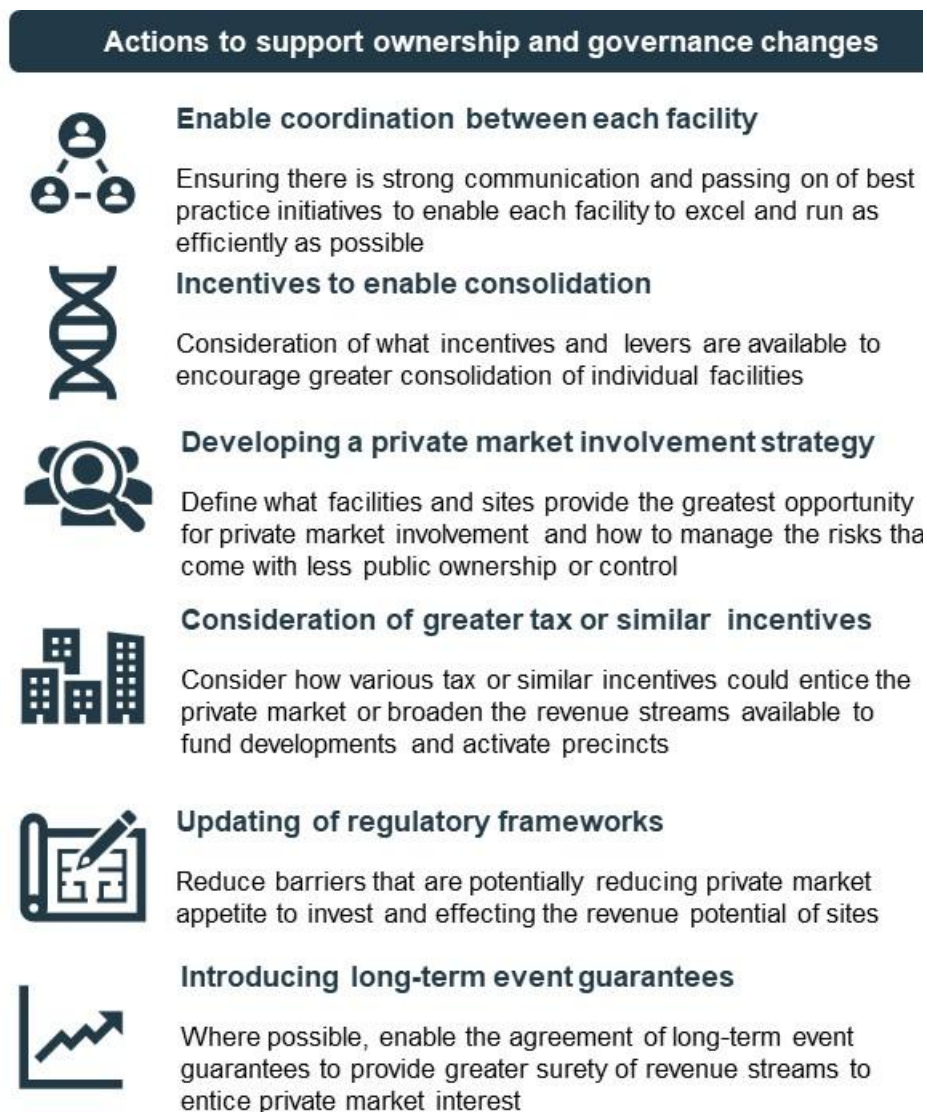
Figure 3 Ownership options for consideration for New Zealand’s future state



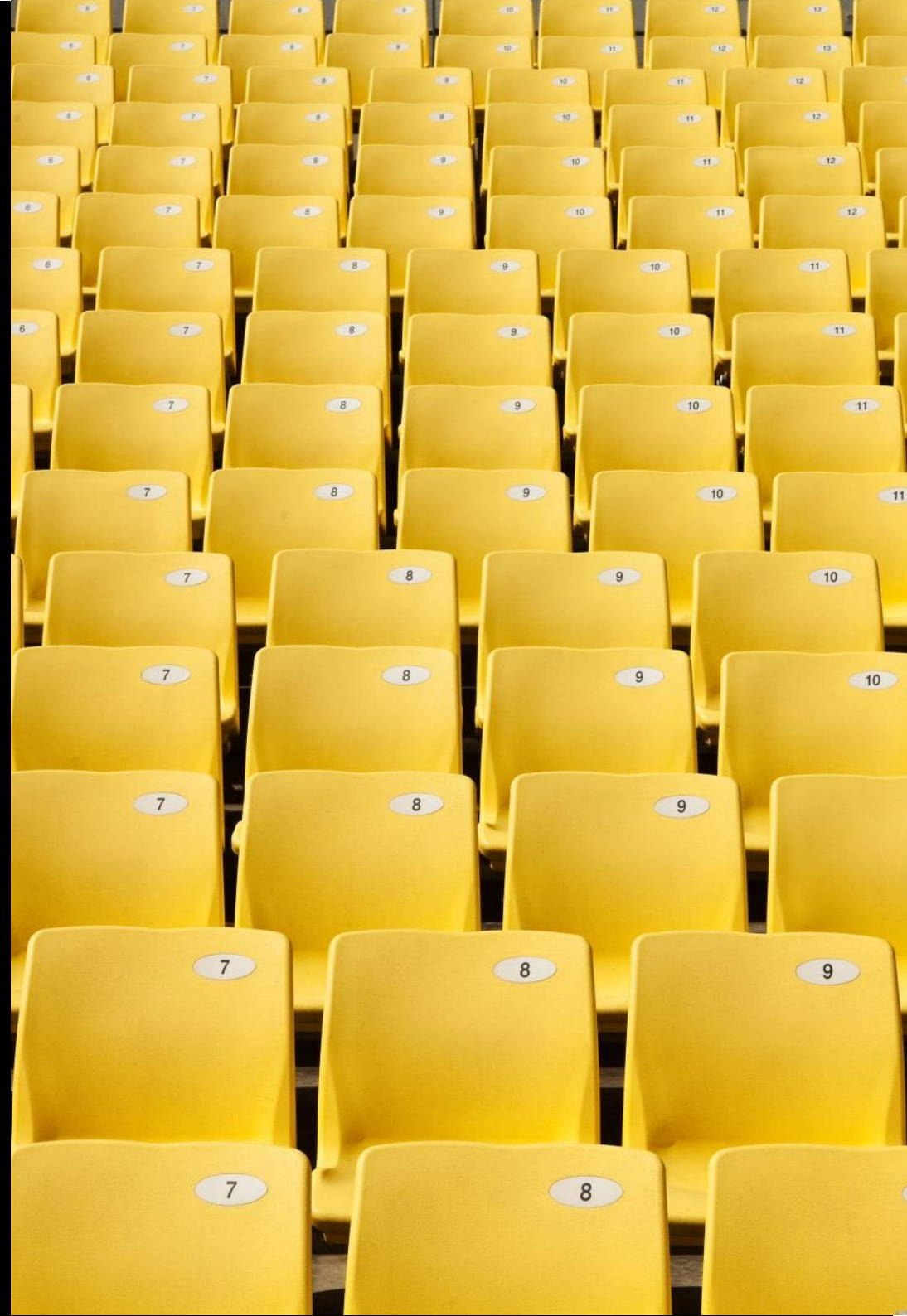
Next steps to enable future-ready New Zealand

Figure 4 summarises interventions that could be considered in the New Zealand context, to enable changes to ownership and governance to meet the increasing needs and expectations of fans and high-performance athletes.

Figure 4 Interventions for consideration



1 Introduction and Context



1.1 Introduction

This report provides a review of ownership, operating models and funding for sports facilities, specifically examining current trends and their potential application in New Zealand.

1.2 Assets in Scope - Summary

Large Stadia and Multi-use Indoor Facilities

Large stadia are generally built to host major sports events, as well as concerts and other large-scale events. They generally have a high seating capacity and are often home to a top-level professional sports team.

Multi-use indoor facilities have less seating capacity than large stadia, and primarily host court-based sports events, smaller concerts and other community events.

Other Significant Facilities

These sports venues hold a prominent role within a country's sports landscape due to their scale, purpose, or role in supporting elite-level sport as well as representing national sporting ambitions. They are often equipped with high-quality infrastructure and large capacities, playing a crucial role in national-level athlete pathways and community engagement.

2 The Current State

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2.1 Current Governance and Funding Model - Summary

The following provides a summary of the models currently in use in New Zealand from most common to least common.

Public Ownership (Most Common)

Most of today's sports stadia and facilities are owned and operated by local city and regional councils. These include:

- **Forsyth Barr Stadium** – owned by Dunedin City Council and operated by Dunedin Venues Management, a subsidiary of Dunedin City Council;
- **Nga Puna Wai Sports Hub** – owned and operated by Christchurch City Council;
- **North Harbour Stadium** – owned and operated by Tātaki Auckland Unlimited, an Auckland Council CCO; and
- **Rotorua International Stadium** – owned and operated by the Rotorua Lakes Council.

Trusts and Charitable Organisations

Many of the facilities are managed by independent trusts established specifically for the venue. These organisations are generally not-for-profit and reinvest any surplus into maintaining and upgrading their facilities, and though operating independently, they generally receive and rely on public funding. Public funding is defined to include funding from both central Government and local authorities. Being a charitable/not-for-profit organisation, they also benefit from tax incentives, such as being tax exempt from income tax, or Resident Withholding Tax. Examples of these include:

- **Eden Park** – owned and operated by the Eden Park Trust;
- **Sky Stadium** – owned and operated by the Wellington Regional Stadium Trust;
- **AUT Millennium** – owned and operated by the AUT Millennium Ownership Trust; and
- **Bay Oval** – owned and operated by the Bay Oval Trust.

These trusts often contain some type of government or local council oversight within the governance and board arrangements.

It is worth noting, that in New Zealand there are examples of a combination of public ownership and trust ownership. In the case of Central Energy Trust Arena in Palmerston North, the Palmerston North City Council owns the land, and the venue is operated by the Central Energy Trust.

National and Regional Sport Organisations

Many of the high-performance centres and training facilities in New Zealand are owned by councils, or third parties, with national or regional sport organisations (NSOs) leasing space or land. For example:

- **Ākau Tangi Sports Centre** – owned and operated by Wellington City Council with High Performance Sport New Zealand (HPSNZ) leasing part of the venue; and,
- **Lake Karapiro** – the land is owned by the local council of Waipa, with the facilities owned by Rowing NZ who also manage the operation of the rowing facilities.

There are also examples where regional sport organisations own the discrete facilities itself, such as: **Navigation Homes Stadium** (Pukekohe) - Counties Manukau Rugby Football Union (CMRFU) own and operate this stadium.

Public-Private Partnerships (PPPs)

- New Zealand's only PPP type arrangement is **Spark Arena**, which is privately-owned, but was previously operated under a 40-year build-own-operate-transfer agreement with the Auckland City Council.

Private Ownership

There is limited private sector investment and management of sports infrastructure in New Zealand. Though rare, there is one example of a sports

facility that is privately owned/operated in New Zealand, being the **New Zealand Campus of Innovation & Sport (NZCIS)**.

Two property developers purchased the former Central Institute of Technology campus in 2016 and have since transformed it to the world-class training facility.

This facility is operated by NZCIS, which has significant partnerships with companies like NTT DATA for technology and various sports organisations as tenants

2.2 What is necessary for private funding in Sports and Event Stadia

This section assesses what is necessary to attract private investment.

There are numerous examples internationally of successful outcomes for regions and countries from private funding in sports infrastructure, including both grass field and hardcourt stadiums.

However, these stadia and assets are almost exclusively funded by either:

- A private sector company that owns the anchor tenant (a professional sports team) and can be certain and maintain control of the revenue generation opportunity (prevalent in Europe and the United States where private club ownership is common)
- A private operator that can maximise and control the content and revenue generation opportunities of the asset

These private investments generally occur when the right set of commercial considerations and revenue generation opportunities align, including:

- Ability to generate a strong and reliable event schedule across the year to maximise revenue generation opportunities
- Control over content and revenue generation
- A sufficient demand for all these events and event types to ensure that they are highly attended, at sufficient ticket price, and the asset is well utilised

2.3 Private Ownership and Funding in the New Zealand context

Currently, these key revenue generation criteria do not exist across New Zealand to secure private funding of stadia.

Significant provision of stadia increases competition for events: Based on international metrics, there is an oversupply of sports venues, with 27 venues that provide at least 10,000-person capacity. This results in there being a population to seat density of 9.1 people per seat, which indicates a higher provision of venue when compared to a market where private sector investment is prevalent such as the United States (24.8 people per seat)

Lack of large scale non-recurring events: The distance and cost of bring events to New Zealand presents a significant challenge to generating a larger event schedule. When coupled with the revenue dampening impacts of a smaller and more spread population base when compared to other countries, there is a much smaller appetite for concert and sports events to consider New Zealand.

Minimal private sector ownership and control: With most assets being publicly funded, and owned by trusts disconnected from the ownership of the sports teams that use the facilities, the ability to control core revenue streams is constrained. In the case of Rugby Union, the large professional teams are typically a shared ownership and governance model between local unions, private investors, and New Zealand Rugby, who all have input into the Board membership. Additionally, New Zealand Rugby directly funds player contracts. These complex hybrid arrangements, make private sector investment, based on ability to control returns, difficult.

2.4 What is the opportunity?

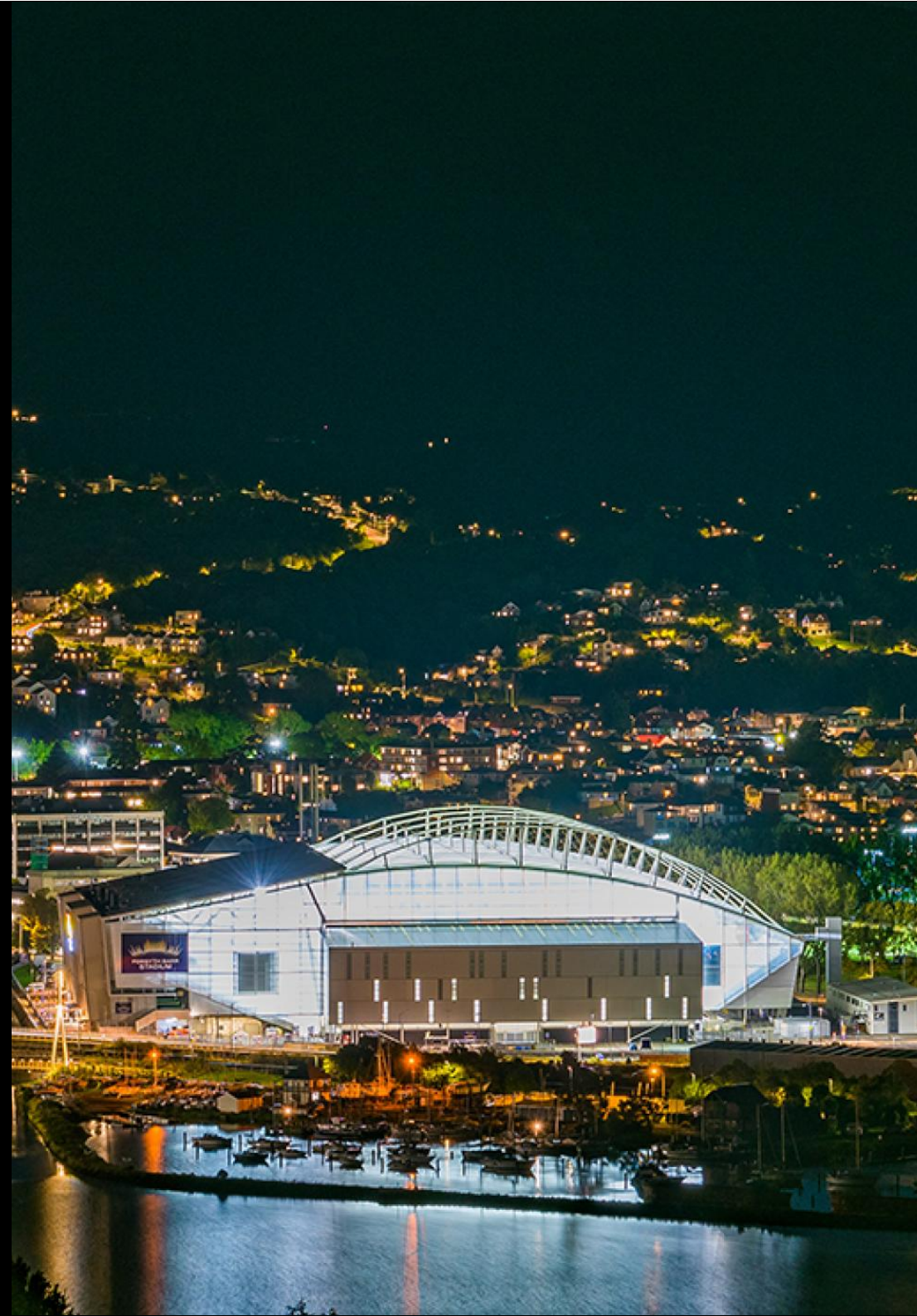
New Zealand's strong public ownership model provides a durable local community focus. However, it is helpful to review the international landscape, including trends in ownership and governance and the flow on implications on control and access right to consider whether there are future opportunities for

different models that could apply to New Zealand context. The subsequent sections of this report reviews this in further detail.



3 International Trends and Case Studies

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3.1 What are the key trends being seen internationally

The trend of sport facility ownership is complex and varies significantly across different regions and sports. There isn't a single, clear, ongoing trend globally, but rather a push-and-pull dynamic between public and private funding and ownership. It is however noted that in almost all countries, there continues to be public and charitable trust ownership while opportunities for private investment are being enabled to the extent possible and where community sentiment allows.

The following provides a summary of the key international trends that are being seen with the subsequent sections providing further detailed case studies.

Figure 5 Key international trends



The traditional public model is still being used

There continues to be a trend in the reliance on government funding and public operation.

In Australia, State and National governments continue to own, operate, and fund many of the large-capacity multi-purpose stadiums and sport facilities. While there is some private investment being undertaken, there is not a clear trend of this being the 'new-norm'.

In Europe, Asia, and the US, the majority of stadiums and sport facilities continue to be owned by public authorities, most often municipalities.

There however is an obvious trend of the governments attempting to incentivise and transfer ownership to the private market where possible. This combined with examples of direct private market intervention or influence to take over ownership, is creating a slow change in the proportion of sport facility ownership from public to private.



Private market involvement where there is strong revenue potential

There is a clear trend, particularly among significant sporting institutions, to gain or continue control over their stadiums and facilities through ownership or long-term lease. This is being driven by the increasing competitive nature of the sporting landscape pushing institutions to develop modern environments to maximise athlete development and retention. This trend is also entwined with the increasing consumer demand and revenue streams available that public owned facilities find difficult to fund and justify within government funding constraints and political environment.



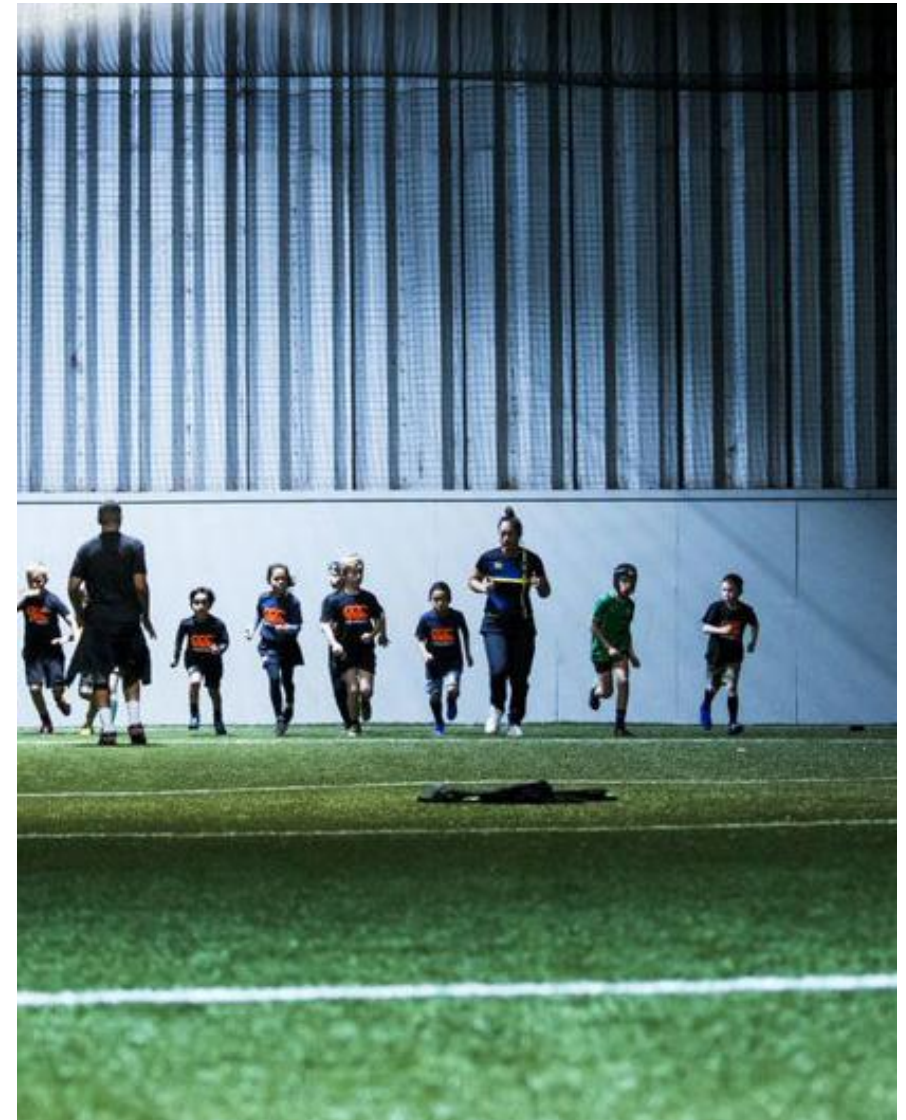
Consolidating public organisations or trusts (see Section 3.3)

While it is not a strong trend internationally, a few countries and states are realising a benefit in moving away from all sport facilities being governed and operated individually. These consolidations are generally being pursued with the intent it will provide better coordination of venue management, more efficiencies in operation and maintenance, increased oversight and understanding of investment priorities, and increased coordination in attracting events that will drive broader economic benefits.

3.2 What are some other related trends seen internationally

The below details some other international trends, in use by either private or public entities, to attract different revenue streams to assist in the funding and operation of key sports facilities. See Appendix B for detailed case studies.

Figure 6 International trends in sports facilities



3.3 International case studies– consolidated public governance

There is a developing international trend, particularly in Australia, for the ownership, management, and operation of facilities to be undertaken under consolidated governance arrangements. The below provides some relevant international case studies of these consolidated arrangements.

Figure 7 International case studies on consolidated public governance structures of sporting facilities

Venues NSW

Established in 2012, Venues NSW is an agency of the Government of New South Wales and is responsible for owning and operating a network of major sporting and entertainment venues across the state. Its history involves the amalgamation of several key entities over time.

This occurred through the 2012 merger of three existing trusts: the Hunter Region Sporting Venues Authority, the Parramatta Stadium Trust, and the Illawarra Venues Authority. The aim of this merger was to create a more unified and efficient management structure for key sporting and entertainment venues across regional NSW.

In 2020, the merger of the Sydney Cricket Ground (SCG) Trust into Venues NSW occurred. This brought iconic venues like the SCG and the newly rebuilt Sydney Football Stadium (Allianz Stadium) under the Venues NSW umbrella.

This consolidation created a single entity responsible for the state's most significant public sporting and entertainment assets.

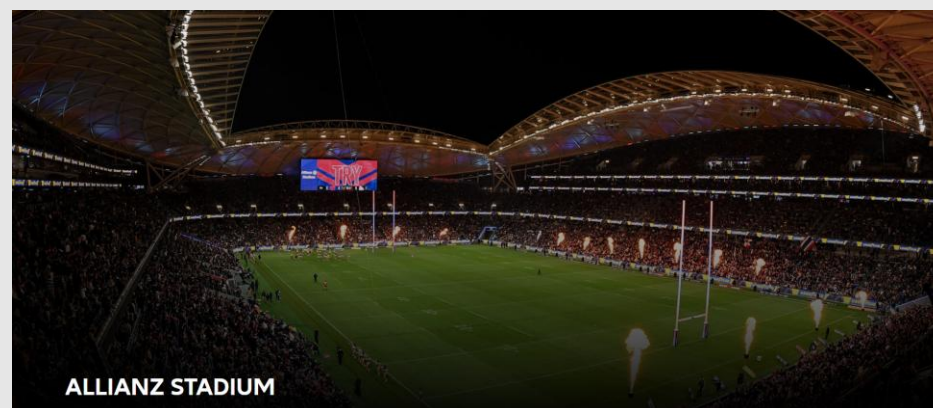
As of May 2025, Venues NSW owns and operates the following major venues:

- Sydney Cricket Ground (SCG);
- Allianz Stadium (Sydney Football Stadium);
- Accor Stadium (Stadium Australia);
- CommBank Stadium (Western Sydney Stadium);
- McDonald Jones Stadium (Newcastle International Sports Centre);

- Newcastle Entertainment Centre and Showground;
- WIN Stadium (Wollongong Sportsground); and
- WIN Entertainment Centre (Wollongong Entertainment Centre).

Venues NSW plays a crucial role in driving the NSW visitor economy, attracting millions of attendees to its venues through hosting major sporting events, concerts, and entertainment acts and now manages over \$4 billion in public community assets.

There is an ongoing focus on upgrading and developing the venues to ensure they remain world-class facilities and meet the needs of users and the broader community. Current projects include precinct planning for Hunter Park, WIN Stadium and Entertainment Centre, and the SCG and Allianz Stadium.



Office for Recreation, Sport, and Racing (ORSR)

The Office for Recreation, Sport and Racing (ORSR) within the South Australian government has a broader role in policy, funding, and infrastructure development for recreation and sport. Its Infrastructure and Planning division manages 26 sporting assets across the state, including major venues like the Adelaide Super-Drome and SA Athletics Stadium, as well as high-performance training facilities like the National Beach Volleyball Training Centre and the South Australian Sports Institute.

The ORSR was established to provide a strategic and integrated approach to the development and delivery of recreation and sport across South Australia. Its overarching purpose is to:

- Increase access and opportunities for all people to get involved in sport and recreation;
- Identify, develop, and support targeted athletes, coaches, sport programs, and pathways to maximise the performance of South Australia's world-class athletes;
- Ensure the provision of appropriate and high-quality sporting infrastructure to meet the needs of the community;
- Strengthen the capacity and sustainability of sport and recreation organisations and clubs through policy, funding, and resources; and,
- Support good governance principles and practices within sporting organisations to ensure successful operation and their vital role in communities.



Stadiums Queensland

A statutory body responsible for managing, developing, operating, and promoting the use of a network of major stadiums and venues across Queensland, including Suncorp Stadium in Brisbane, Queensland Country Bank Stadium in Townsville, and Metricon Stadium on the Gold Coast.

Stadiums Queensland was implemented in 2001, then known as Major Sports Facilities Authority, and has since taken ownership and management of 9 major sports and entertainment facilities across Queensland, approximately valued at \$4 billion.

Stadiums Queensland was established to provide a dedicated and centralised body for the strategic management, operation, and development of Queensland's major sports facilities. This includes:

- Optimising their asset usage to ensure efficient and effective management and promotion of Queensland's significant investment in major sporting and entertainment venues;
- Establishing a clear governance framework for major sports facilities, allowing for consistent policies and strategic planning; and,
- Ensuring the maintenance and development of venues to a world-class standard.



Sport Singapore

A statutory board under the Ministry of Culture, Community & Youth, plays a significant role in owning and managing a wide array of sports facilities across Singapore. Sport Singapore owns and operates all the major high-performance training venues as well as the comprehensive network of community sport centres.

Sports Authority of India (SAI)

SAI's ownership extends from iconic, large-scale stadiums in the capital to a vast network of training centres and academies spread across different states and regions, all aimed at fostering sports development and excellence in India. They also run various schemes like "Come and Play" to ensure optimal utilisation of their facilities by the general public.

Malaysia Stadium Corporation

The Malaysia Stadium Corporation (Perbadanan Stadium Malaysia - PSM) is responsible for managing and maintaining a significant portfolio of federal, government-owned sporting facilities in Malaysia. This corporation owns and manages several sports complexes that contain multiple stadiums and arenas.

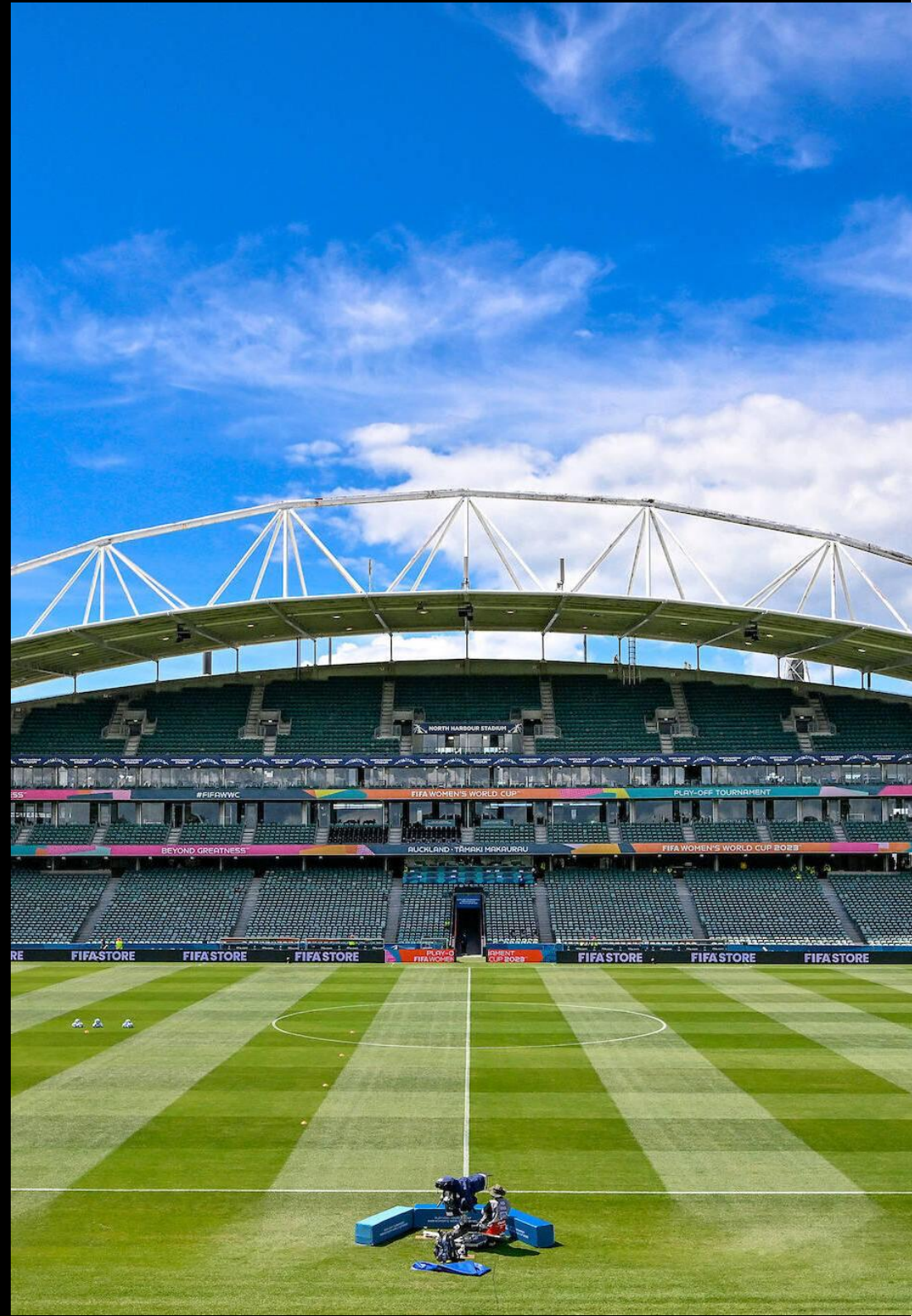
3.4 International case studies– decentralised public governance

It is important to note that there are still various international examples where infrastructure ownership and governance for sports facilities rests with provincial and municipal governments, rather than a single sports authority with broad ownership across the state or country. There are examples of this decentralised model for sports facilities which are publicly owned, in the following locations:

- **UK** – While stadia in the UK are managed through a variety of models often involving a mix of public and private sector involvement, where there is public ownership, the majority is through local authority direct management or Arms-Length Management Organisations (ALMOs) including trusts;
- **US** – Many US cities and states establish public stadium authorities or commissions (e.g., Metropolitan Government Nashville and Davidson County Sports Authority, Louisiana Stadium and Exposition District) to oversee the financing, construction, and operation of publicly funded stadia. These entities are technically the owners of the facilities;
- **Canada** – Many Canadian stadia, especially those built with significant government funding, are owned by municipal, provincial, or even federal governments; and
- **Europe** – Where sports and high-performance training facilities are publicly owned, these are typically highly decentralised, resting with individual city councils or regional governments. There is not a "national stadium authority" that would be in a position to consolidate multiple publicly owned stadia and sports facilities.

4 Future ownership options available in NZ

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4.1 What continuing with a traditional public model looks like

New Zealand’s sports facilities are predominantly funded, owned and operated by the public sector and local Councils under a ‘traditional decentralised model’, through a variety of means including:

- **Local Government/Councils** – being by far the most common example of sports facility ownership in New Zealand; and
- **Dedicated Trusts** – where there are a few examples of dedicated trusts owning and operating stadia in New Zealand, including Eden Park Trust and Wellington Regional Stadium Trust.

This traditional option for public ownership remains a viable option in New Zealand, where sport and active recreation is widely accepted as a public good, and there is likely to be a continued public expectation that the primary objective should be to promote social and health benefits to communities, as opposed to private market returns.

Public funding of infrastructure results in public sector led or organised operations and governance of the facility. It is unusual for the funding body to pass over operations and governance to another body, rather than maintain control. The value to the community of public governance and operating models is that they can shape the strategic use and access rights/control for sports club and organisations among their other responsibilities that include maintenance and risk management, compliance and stakeholder engagement and accountability.

In addition, it is important to note that the following key considerations can make moving away from this traditional approach more difficult in the New Zealand operating context:

- New Zealand’s **smaller market size** makes it more difficult to encourage private investment into sports facilities;

- The **high capital and operating costs** of sports facilities make it riskier for private investors to enter the market;
- The general **multi-tenanted/event/revenue source nature** of each asset makes it difficult to attract a private anchor venue owner; and
- Local governments play a significant role in ensuring sport and recreational facilities are **accessible to all New Zealanders**.

See Figure 8 and Figure 9 for a summary of some potential strengths and weaknesses of the current state public ownership and operational model.

Figure 8 Strengths of the current state traditional ownership model across different asset classes

Strengths	
	Ensuring the availability of facilities for local and broader communities and public accessibility
	Alignment to public strategies, prioritising healthy communities and supporting local sporting cultures
	Making large-scale projects (e.g. One New Zealand Stadium), too risky for private investors, possible

Figure 9 Weaknesses of the current state traditional ownership model

Weaknesses	
	Ratepayer financial burden, leading to public criticism if facilities are underutilised or not breaking-even on operational costs
	Slow processes and risk-averse nature of bureaucracy, leading to slow decision-making and potentially stifling innovation
	Public budget pressures, leading to aging infrastructure and a maintenance backlog

4.2 Alternative models available for consideration

Figure 10, Figure 11 and Figure 12 provide a breakdown on other models or options that could be considered for the future state of ownership and operations of New Zealand's sports facilities. A description of the model, as well as benefits, risks, case study examples and a short analysis on how it could be implemented in New Zealand are all explored in for each model.

Figure 10 Breakdown of the public with more centralisation ownership/operating model

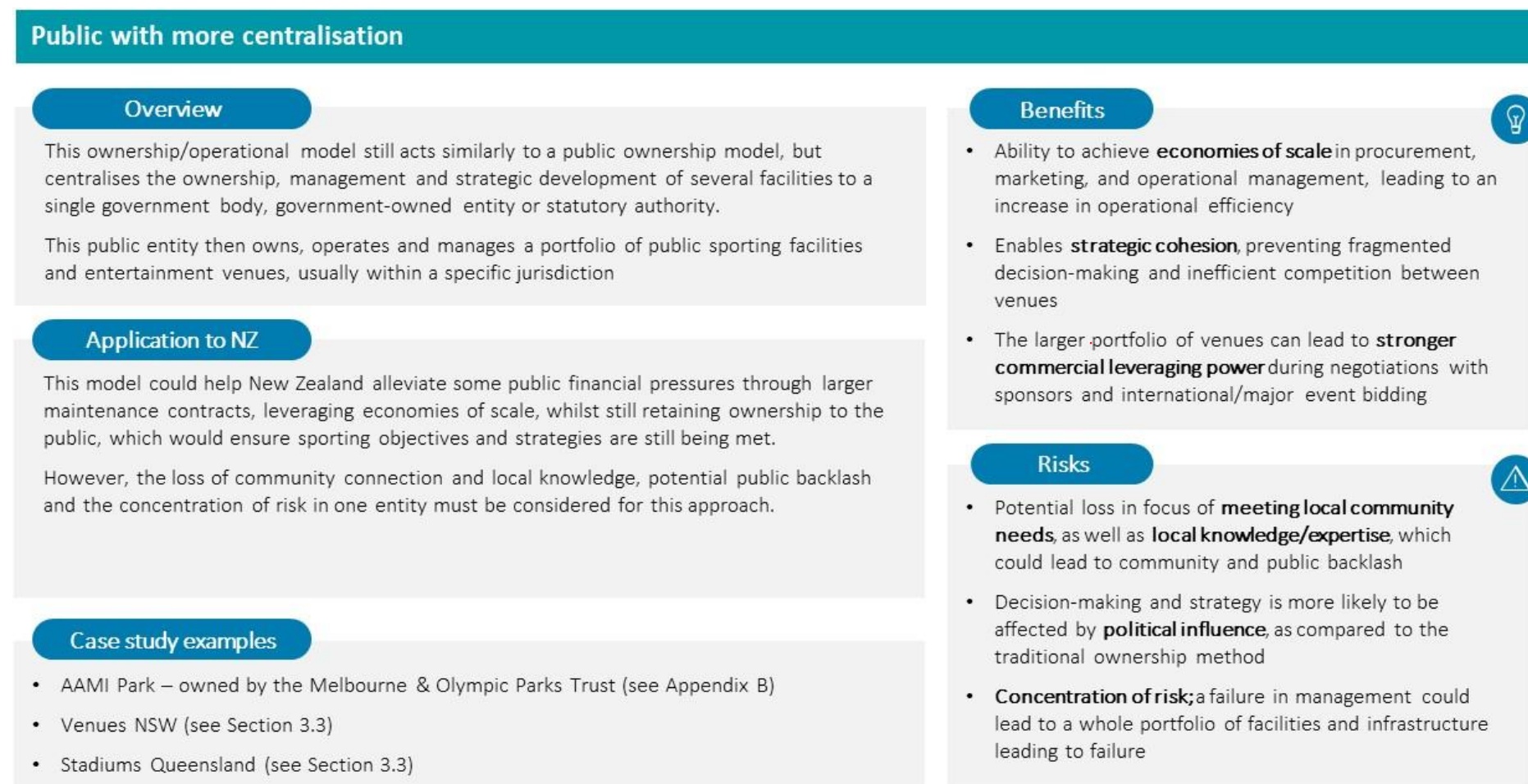


Figure 11 Breakdown of the PPP ownership/operating model

Public-private Partnership (PPP)

Overview

The general premise of a PPP is that the public sector will enter into an agreement with the private sector to build, own, and/or operate a large infrastructure project, whilst retaining public oversight.

This agreement generally involves leasing agreement to the private sector to build, finance, maintain and/or operate (and potentially more) the project for a number of decades, with the private sector giving up ownership back to the public once the lease ends. Due to the nature of high contractual and procurement costs, this model is only considered for large major infrastructure projects.

Application to NZ

Though PPPs could potentially be considered for upcoming large sporting infrastructure projects for New Zealand, seeing as though the new One New Zealand Stadium in Christchurch has not been procured through a PPP arrangement, it is unlikely to see this model being utilised by New Zealand in the near future.

However, if New Zealand wanted to build a new large major stadium but had concerns around the large upfront capital expenditure, this approach could provide an option for consideration for the government.

Case study examples

- Optus Stadium – procured through a design-build-finance-maintain PPP (see Appendix B)
- Stade de France – procured through a design-build-finance-operate-maintain PPP (see Appendix B)
- UK Joint-Ventures and PPPs (see Section 3.4)

Benefits



- Access to **private capital** and **reduced upfront costs/capital expenditure**, freeing up public funds for other public services
- **Construction and operational risks** generally are transferred over to the private sector, incentivising the private operator to prioritise long-term durability and lower operating costs
- Ability to access and leverage **private sector knowledge/expertise**, potentially leading to more efficient and innovative solutions, whilst retaining a level of government oversight

Risks



- Potential for higher overall costs over the long-run due to **risk premiums and procurement/contractual costs**, which could also lead to public scrutiny over if the project is achieving value-for-money
- Loss of **direct oversight and control** over the commodity, making it more difficult to achieve government strategic outcomes
- A high degree of **contractual complexities** with PPP arrangements, leading to inefficient and suboptimal outcomes the contract is not carefully drafted, implemented and managed correctly

Figure 12 Breakdown of the privatisation ownership/operating model

Privatisation

Overview

Privatisation generally refers to a full sale or divestment of a sporting facility outright to a private company or consortia. This generally includes both the land and physical assets, and the private entity assumes full responsibility for its ownership, operation, maintenance and commercialisation.

In practice, privatisation would only occur if the private sector would operate these assets effectively and efficiently to still meet the public and community's needs, which isn't as proven in sporting infrastructure as opposed to other infrastructure sectors, such as utilities, transport and telecommunications.

Application to NZ

Privatisation has yet to be tried with sporting infrastructure in New Zealand, and likely will stay that way for the foreseeable future. Privatisation could be more prevalent or considered in smaller sporting facilities such as indoor sport centres, or small training academies for professional sport teams, as private investors would still be required to effectively meet that local communities needs, as part of the commercialisation of local sporting facilities.

Privatising larger sports facilities and stadia risks accessibility and potential social benefits to the community.

Case study examples

- Marvel Stadium – sold to the Australian Football League (AFL) (see Appendix B)
- Tenerife Top Training – privately owned and operated high-performance training facility (see Appendix B)
- SAP Garden – owned and operated by Red Bull (see Appendix B)

Benefits



- **Reduced ongoing financial burden** on taxpayers, freeing up funds over the long-run for other essential public/government services
- Would provide a **revenue injection** for the public treasury, which could be used to fund other strategic public initiatives
- Potential to **leverage efficient and innovative knowledge/expertise** from private sector, which could lead to stronger and more efficient commercial outcomes

Risks



- Loss of **public and government control** over the facility, which could impact the ability to meet long-term strategic objectives, especially over the sporting and active recreation sector, for the Government.
- Likely would result in **public backlash** over the privatisation transaction, leading to reputational damage for the government
- **Reduced public access and affordability** to the privatised facility, leading to a less equitable sporting landscape and a focus on commercialisation over societal benefit for the utilization of the facility

5 Next Steps for a future-ready New Zealand

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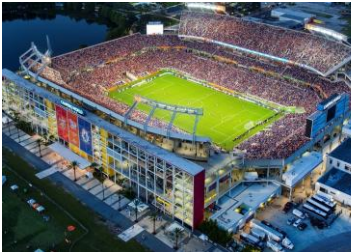


Figure 13 Potential actions for the future

What actions will help deliver a national network of facilities for professional and high performance sport in NZ		Ownership Model	
	Enable coordination between each facility Ensuring there is strong communication and passing on of best practice initiatives to enable each facility to excel and run as efficiently as possible. This may include ensuring there is adequate Best Practice Committees to enable sharing of best practices and lessons learnt, enabling greater Sport NZ oversight, or other options to ensure that facilities are being maximized and upgraded to meet the future needs of sport in New Zealand.		
	Incentives to enable consolidation Consideration of what incentives and levers are available to encourage greater consolidation of individual facilities. Consolidation can vary from direct government intervention to softer more incentivised approaches. The softer approach can involve providing grants on the basis that consolidation occurs or providing communications on the benefits of consolidation and guidance on how to undertake.		
	Developing a private market involvement strategy Define what facilities and sites provide the greatest opportunity for private market involvement and how to manage the risks that come with less public ownership or control. The strategy would be key to fully unlocking and defining the coordinated approach that New Zealand wants to take to enable greater private market involvement as well as how to manage the risk of poor outcomes from private ownership or partnership.		
	Consideration of greater tax or similar incentives Consider how various tax or similar incentives could entice the private market or broaden the revenue streams available to fund developments and activate precincts. This can include greater property tax exemptions, ability for tax-exempt government bonds to be provided to public owners, sales tax revenue refunds for private developments, hotel occupancy taxes to fund developments, tax increment financing which capitalises on local property value increases, and depreciation incentives for private owners to enable write-off against other income.		
	Updating of regulatory frameworks Reduce barriers that are potentially reducing the private and public market appetite to invest and effecting the revenue potential of sites. Whilst these can be specific to each site and location, regulatory constraints that reduce the appetite for each site to expand services and facilities that would provide net benefit to the public and local economy should be considered for reform.		
	Introducing long-term event guarantees Enable where possible the agreement of long-term event guarantees to provide greater surety of revenue streams to entice public and private market interest. Whilst there are various event guarantees in place, committing to large infrastructure investments requires certainty on demand so the ability to offer longer term event guarantees assist in providing greater certainty of revenue and can be used as an asset for applying for financing.		

Appendix – International Case Studies

A snapshot of typical and recent international case studies – Stadia

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
Traditional-type public models					
Camping World Stadium in Orlando, Florida 	Camping World Stadium is a stadium owned by the City of Orlando, Florida and operated by a division of the city of Orlando. The stadium is currently going through major refurbishments (approx. \$400M) to expand seating, hospitality, and technology, in order to expand its usage from NFL and other sports to additionally having the capability to host larger-scale events like the FIFA and other major events. The major refurbishment is being funded by the State Government, with a significant portion coming from tourist development taxes, being a surcharge on hotel rooms and short-term lodging within the city.	60,000	Public	Government	Government
Stadio Artemio Franchi in Florence, 	The stadium is owned by the City of Florence but is operated by ACF Fiorentina, the football club. ACF Fiorentina is a tenant at the stadium and uses the stadium for its home matches. The stadium is currently going through major renovations (approx. 100m euros) to bring the facilities up to modern safety standards and expand its usage beyond football, into major entertainment, concert events and exhibitions. The upgrades are being primarily funded by the government, with contributions from the football club.	35,000	Public	Government	Football club (private)
BlueBet Stadium in Penrith, Australia	The stadium is currently owned by the Penrith City Council but is currently being operated by the Penrith Panthers Rugby League Football Club. Previously, the stadium was primarily used for the Panthers' home games, but the venue is currently undergoing redevelopments (approx. \$300m) to expand its usage to be a multi-purpose precinct for sport, recreation, community space and entertainment. The redevelopment is being funded by the NSW	30,000	Public	Government	Football club (private), Government after renovations

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
	Government and operations after the upgrades will be shifted over to Venues NSW (a division of the NSW Government) so the stadium can be operated beyond just Panther home games.				
AAMI Park in Melbourne, Australia 	AAMI Park is owned by the Victorian Government and operated by the Melbourne & Olympic Parks Trust, a statutory authority of the Victorian Government. AAMI Park recently underwent major upgrades (approx. \$25m) to improve player facilities, hospitality areas, spectator amenities and broadcasting facilities, effectively modernising the arena. The recent refurbishments were entirely funded by the Victorian Government to give the venue the capability of hosting the FIFA Women's World Cup in 2023 and future international tournaments and events.	30,000	Public	Government	Government Trust
WACA Ground in East Perth, Australia 	The Western Australian Cricket Association (WACA) Ground is currently undergoing a significant improvement project to transform the venue into a multi-use facility. Historically having an emphasis on cricket sports, the venue is looking to host other sports, concerts, and other events, and will feature an aquatic facility, public café, training facilities and a revitalised museum. The WACA (not-for-profit) owns the grounds, but the Western Australian Government maintains a level of control over the venue, with WACA requiring consent from the state government over major decisions regarding the land.	10,000 – 15,000 after redevelopment	Private	Government	WACA
UTAS Stadium in Launceston, Australia	The University of Tasmania (UTAS) Stadium is currently undergoing a redevelopment project to transform the venue into both a premier sporting and entertainment venue for the state of Tasmania. The redevelopment (\$130m) is looking to modernise the seating, hospitality, broadcasting, sporting, and overall infrastructure facilities,	18,000 after redevelopment	Public	Government	Stadiums Tasmania (Government)

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
	The ownership of the stadium previously belonged to the City of Launceston, but has transferred ownership over to Stadiums Tasmania, a newly formed state-owned entity established to manage Tasmanian sporting facilities.				
C.ex Coffs International Stadium in Coffs Harbour, NSW 	The stadium, part of the larger Coffs Coast Sport and Leisure Park (sporting precinct), underwent significant upgrades in 2019, which featured the refurbishment and construction of existing and new grandstands, as well as improving community experience through a new carpark and landscaping, and new corporate and media facilities. This upgrade was part of a multi-stage process in transforming the area into a major sporting hub/precinct, which has since developed 3 new fields, and is looking to construct an indoor sports centre.	10,000 – 20,000	Public	Government	Coffs Harbour City Council
Stadio Via del Mare in Lecce, Italy 	The multi-purpose stadium in Italy is primarily used as the home to the U.S. Lecce football team. Plans for a €36 million comprehensive renovation were unveiled in April 2025, which was primarily driven by Lecce's role in hosting events for the 2026 Mediterranean Games. While not fully completed, the tender process is expected to commence soon, with a target completion within a year, marking a significant upcoming refurbishment.	40,000	Public	Government	Private (Football Club)

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
Private market involvement					
Optus Stadium in Perth, Australia 	Optus stadium is owned by the Western Australia Government through VenuesWest, a state-body. However, its construction was procured through a design-build-finance-maintain model (with a 25-year maintenance contract) with the private sector, making it a significant PPP. Today, it is being operated and maintained by the private sector. The stadium is primarily funded through the Government and is primarily used to host AFL, cricket, rugby union and league, soccer, and concerts. The stadium's naming rights was sold to Optus for \$50 million for 10 years.	60,000	PPP	Private finance with a 25-year public buy-back	Private
Stade de France in Saint-Denis, France 	The Stade de France's operational and maintenance model is a PPP, and the stadium was constructed through a design-build-finance-operate-maintain model. The venue is ultimately owned by the French State and is in the process of implementing a new 30-year maintenance contract. The stadium is primarily funded through the operational and maintenance consortium, meaning it is privately funded. However, the government maintains oversight and the right to intervene if necessary.	80,000	PPP	Private finance with a 25-year public buy-back	Private
Marvel Stadium, Melbourne 	The stadium was endorsed by the state government and originally built in early 2000 under a mostly private consortium with a guarantee of Australian Football League (AFL) events. The AFL was to have the exclusive rights in 2025 to purchase the stadium for a nominal \$30 dollar fee but decided to prematurely acquire the stadium in full for approx. \$200m in 2016. The move allowed the AFL full control over the venue including enabling the AFL greater control over the stadium including the ability to move forward upgrade plans with a recent \$225m upgrade being completed.	50,000	Private	Private	Private

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
Wyndham City Stadium 	The development of the stadium precinct is facilitated through a public-private partnership agreement. This means that while the private owners are responsible for the development and operation of the stadium, the underlying land remains publicly owned, and the council plays a crucial facilitating role with the broader precinct. The first stage of the stadium was successfully completed in 2024.	5,000 (initial) with 15,000 (final stage planned)	Private	Private	Private

A snapshot of typical and recent international case studies – Mutli-purpose arenas

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
MyState Bank Arena in Hobart, Australia 	The indoor multi-purpose arena serves as a venue for smaller-scale sporting and concert events. It is owned by the state government and operated by the private company LK Group. It recently underwent a ~\$68m redevelopment in 2021 to modernise the venue and improve its facilities to provide a world-class home for the Tasmanian NBL team, the JackJumpers. Originally owned by the city council, the state government of Tasmania purchased the venue from the city council as part of the process of bringing the NBL team to Tasmania.	~4,000 – 9,000 based on the event	Public	Government	Private
Roig Arena in Valencia, Spain 	Roig Arena is an up-and-coming multi-purpose arena which will serve as a venue for basketball and other sports, concerts, and entertainment. It aims to be the new home for Valencia Basket and will also host matches for the 2028 European Men's Handball Championship. Funding for this project (220 million euros) was provided by a private investor, Juan Roig, and his private holding company/project developer for the new arena; Licampa 1617. However, after a 50-year concession, the facilities' ownership will revert back to the municipality of Valencia.	15,000 – 19,000 based on the event	Private	Private	Private
SAP Garden in Munich, Germany 	The German, newly constructed, state-of-the-art multi-purpose arena opened in 2024 and is the new home for FC Bayern Basketball as well as EHC Red Bull München (ice hockey). The arena was designed to have a strong focus on fan experience and technology, with flexible seating systems, interactive technology, and seamless convenient fan experiences. The owner, funding provider, and operator are all Red Bull, or a subsidiary of Red Bull. However, the SAP Garden is notably located in the Munich Olympic Park, a publicly owned asset. This would mean that the land would be leased to Red Bull, but there is no public information on the lease and the terms once the lease expires.	11,000	Private	Private	Private

Name and Location	Description	Capacity	Ownership	Primarily Funded by	Operated by
Margaret Court Arena in Melbourne, Australia 	Margaret Court Arena was previously an outdoor tennis court situated in the larger Melbourne Olympic Parks precinct, with the purposes of hosting minor local tennis games as well major tennis matches in the Australian Open. The tennis court underwent a significant redevelopment and overhaul (\$180m) which was completed in 2015 and transformed the tennis court into a multi-purpose arena for tennis, basketball, and other sports, as well as concerts and other entertainment events. The arena is owned by the Victorian Government and operated by the Melbourne & Olympic Parks Trust, a statutory body of the Victorian Government.	7,500	Public	Government	Government Trust
FirstOntario Centre in Hamilton, Canada 	The FirstOntario Centre, also known as Hamilton Arena, is currently undergoing major redevelopment to the near 40-year-old venue. The \$280m project will provide state-of-the-art facilities to the venue and transform it into a more modern and luxurious venue, designed for music and live entertainment. Previously, the venue was primarily used for hockey and other sports like basketball, as well as concerts and live entertainment, and will continue to be home for the Hamilton Bulldogs. The project is a PPP between the City of Hamilton, Oak View Group (OVG) and the Hamilton Urban Precinct Entertainment Group (HUPEG). HUPEG, a regional consortium, initially entered into the agreement with the City to redevelop the arena and bought in OVG to fund and lead the project. Though the City will retain ownership, HUPEG and OVG will operate and maintain the venue going forward.	18,000 post redevelopment	Public	Private	Private



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