

Board Report

P u b l i c

Date
Tuesday,
29 January 2019

Time
3:00 pm

Venue
Panuku
Development
Auckland
82 Wyndham St



Board Agenda

Where: 82 Wyndham Street, Auckland

When: Tuesday, 29 January 2019 | 9.00 am – 4.00 pm

Board Members: Adrienne Young-Cooper – Chair
David Kennedy – Director
Richard Leggat – Director
Dr Susan Macken – Director
Paul Majurey – Director
Mike Pohio – Director
Martin Udale – Director

In attendance: Roger MacDonald – Chief Executive
Monica Ayers – Director People and Culture
Jenni Carden – Executive Officer / Company Secretary
Angelika Cutler – Director Corporate Affairs
Carl Gosbee – Director Corporate Services
Rod Marler – Director Design and Place
David Rankin – Chief Operating Officer
Brenna Waghorn – Director Strategy
Ian Wheeler – Director Portfolio Management
Allan Young – Director Development

		Page #	Timing
1.	<p>Procedural Motion to Exclude the Public</p> <p>Put the motion that, pursuant to clause 12.3 of the Panuku Constitution, the public be excluded from the following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.</p>		9.00 am
2.	<p>Confidential Governance Matters</p> <p>2.1 Minutes of 28 November 2018 Board meeting <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.2 Board Action List <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.3 Board Forward Work Programme <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.4 Verbal update from Audit and Risk Committee 14 December 2018 <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>		
3.	<p>Confidential Strategic Discussion</p> <p>3.1 Panuku People and Culture <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>		
	Morning Tea		

4.	<p>Confidential Strategic Papers (papers which are fully confidential)</p> <p>4.1 Legal Ownership Structure of Waterfront Land <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p> <p>4.2 Unlock Northcote programme update <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i></p>		
5.	<p>Confidential Decision Papers (papers which are fully confidential)</p> <p>5.1 Transform Manukau – central city development master planning <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>5.2 Westhaven Marine Village <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>5.3 31 December 2018 Half Year Financial Statements <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p>		
Lunch			
6.	<p>Confidential Chief Executive's Report (fully confidential) <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p>		
7.	<p>Confidential Information Papers (papers which are fully confidential)</p> <p>7.1 Executive Accountabilities <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p> <p>7.2 Enhancing our Matrix Style of Working <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p>		
8.	General Business		
9.	<p>Opening of Public Meeting</p> <p>9.1 Apologies</p> <p>9.2 Health and Safety Moment</p> <p>9.3 Directors' Interests</p> <p>9.4 Directors' Board Meeting Attendance Register</p> <p>9.5 Minutes of the 28 November 2018 Board meeting (public)</p>		3.00 pm
10.	Health and Safety Report		
11.	Chief Executive's Report		
12.	<p>Strategic Papers</p> <p>12.1 Shareholder Letter of Expectation and process for developing the new SOI</p> <p>12.2 The use of the Public Works Act as a tool for Urban Renewal</p>		

13.	Information Papers 13.1 Grants and Donations		
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Local Government Official Information and Meetings Act 1987.

7 Other reasons for withholding official information

(1) Where this section applies, good reason for withholding official information exists, for the purpose of [section 5](#), unless, in the circumstances of the particular case, the withholding of that information is outweighed by other considerations which render it desirable, in the public interest, to make that information available.

(2) Subject to [sections 6, 8, and 17](#), this section applies if, and only if, the withholding of the information is necessary to—

(a) protect the privacy of natural persons, including that of deceased natural persons; or

(b) protect information where the making available of the information—

(i) would disclose a trade secret; or

(ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or

(ba) in the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the [Resource Management Act 1991](#), to avoid serious offence to tikanga Maori, or to avoid the disclosure of the location of waahi tapu; or

(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—

(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or

(ii) would be likely otherwise to damage the public interest; or

(d) avoid prejudice to measures protecting the health or safety of members of the public; or

(e) avoid prejudice to measures that prevent or mitigate material loss to members of the public; or

(f) maintain the effective conduct of public affairs through—

(i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom [section 2\(5\)](#) applies, in the course of their duty; or

(ii) the protection of such members, officers, employees, and persons from improper pressure or harassment; or

(g) maintain legal professional privilege; or

(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or

(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or

(j) prevent the disclosure or use of official information for improper gain or improper advantage.

Directors' Interests as at 1 February 2019

Member	Interest	Company / Entity	Conflicts pre-identified?
Adrienne YOUNG-COOPER	Chair	Panuku Development Auckland Limited	
	Director	Bridgeman Concrete Limited and related companies	
	Director	Cornwall Park Trust Board Incorporated	
	Chair	Housing New Zealand Corporation	Yes until 31 May 2019
	Chair	Housing New Zealand Limited	Yes until 31 May 2019
	Chair	Housing New Zealand Build Limited	Yes until 31 May 2019
	Director	HLC	
	Director	HR Cement Limited and related companies	
	Director	Queenstown Airport Corporation Limited	
	Director	SeaLink New Zealand Limited and related companies	Yes
	Director	Sir John Logan Campbell Residury Trust	
	Director	Sir John Logan Campbell Medical Trust Incorporated	
Dr Susan C. MACKEN	Deputy Chair	Panuku Development Auckland Limited	
	Chair	Kiwibank	
	Chair	Spa Electrics Ltd (Aust.)	
	Deputy Chair	Tāmaki Redevelopment Company Ltd	Possible
	Director	Blossom Bear Ltd	
	Director	STG Ltd	

David I. KENNEDY	Director	Panuku Development Auckland Limited	
	Director	525 Blenheim Road Limited	
	Director	Cathedral Property Limited	
	Director	Good General Practice Limited	
	Director	Grantley Holdings Limited	
	Director	Hobsonville Development GP Limited	
	Director	New Ground Living (Hobsonville Point) Limited	
	Director	Ngai Tahu Justice Holdings Limited	
	Director	Ngai Tahu Property (CCC-JV) Limited	
	Director	Ngai Tahu Property Joint Ventures Limited	Possible, Transform Manukau (MIT)
	Director	Ngai Tahu Property Joint Ventures (No.2) Limited	
	Director	Ngai Tahu Real Estate Limited	
	Director	NTP Development Holdings Limited	
	Director	NTP Investment Holdings Limited	
	Director	NTP Investment Property Group Limited	
Director	Prestons Road Limited		

Member	Interest	Company / Entity	Conflicts pre-identified?
Richard I. LEGGAT	Director	Panuku Development Auckland Limited	
	Chairman	NZ Cycle Trail Incorporated	
	Director	Cycling NZ	
	Director	Mortleg Ltd	
	Director	Snowsports NZ	
	Director	Trophy Metropolitan Ltd	
	Director	Warren and Mahoney	
	Director	Winter Games New Zealand	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Member	Union Cycliste Internationale Ethics Commission	

Paul F. MAJUREY	Director	Panuku Development Auckland Limited	
	Chair	Hauraki Collective (12 iwi collective)	
	Chair	Mana Whenua & Crown Working Group (proposed Hauraki Gulf / Tikapa Moana Recreational Fishing Park)	
	Chair	Marutūāhu Rōpū General Partner Ltd	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Puhinui Park Limited	Possible
	Chair	Tāmaki Makaurau Community Housing Ltd	
	Chair	Te Puia Tapapa	
	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	
	Chair	Whenuapai Housing General Partner Ltd	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Co-Chair	Tāmaki Healthy Families Alliance	
	Director	Arcus Property Limited	
	Director	Atkins Holm Majurey Ltd	
	Director	Museum of New Zealand Te Papa Tongarewa	
	Director	Ngāti Maru Ltd	
	Director	Pare Hauraki Asset Holdings Ltd	
	Director	Pouarua Farm General Partner Ltd	
	Director	Tikapa Moana Enterprises Ltd	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Hauraki Fishing Group	
Mana Whenua Representative	Hauraki Gulf Forum		

Michael E. POHIO	Director	Panuku Development Auckland Limited	
	Chairman	BNZ Partners Waikato	
	Director	Argosy	
	Director	KiwiRail Ltd	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	Osprey New Zealand Ltd	
	Director	<ul style="list-style-type: none"> National Animal Identification and Tracing Ltd 	
	Director	TBFree	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	The Rees Management Limited	

Member	Interest	Company / Entity	Conflicts pre-identified?
C. Martin UDALE	Director	Panuku Development Auckland Limited	
	Director	Accessible Properties New Zealand Limited	
	Director	Cardinal Trustees Ltd	
	Director	Essentia Consulting Group Ltd	Possible, with Transform Manukau (MIT)
	Director	Fleming Urban Ltd	
	Director	Forest Group Ltd	
	Director	Hobsonville Development GP Ltd	
	Director	New Ground Living (Hobsonville Point) Ltd	
	Director	Tall Wood Ltd	
	Director	Tallwood Assembly Limited	
	Director	Tallwood Design Limited	
	Director	Tallwood Holdings Limited	
	Director	Tallwood Projects Limited	
	Director	Tāmaki Redevelopment Company Ltd	Possible
	Director	Tāmaki Regeneration Ltd	
	Director	THA GP Limited	
	Director	TW Twenty Twenty Ltd	
Member	Kiwi Rail Property Committee		

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED, HELD IN **CONFIDENTIAL** SESSION AT 82 WYNDHAM ST, AUCKLAND ON WEDNESDAY 28 NOVEMBER 2018 COMMENCING AT 9.00 AM.

ATTENDING		<p>Board: Adrienne Young-Cooper (Chair), David Kennedy, Richard Leggat, Dr Susan Macken, Paul Majurey, Mike Pohio and Martin Udale.</p> <p>Executive: Roger MacDonald – Chief Executive, David Rankin – Chief Operating Officer, Monica Ayers – Director People and Culture, Angelika Cutler – Director Corporate Affairs, Carl Gosbee – Director Corporate Services, Rod Marler – Director Design and Place, Brenna Waghorn – Manager Strategic Planning, Ian Wheeler – Director Portfolio Management, Allan Young – Director Development, Jenni Carden – Company Secretary.</p>								
WELCOME NEW CHAIR		The Panuku Board, mana whenua and executive held a whakatau to welcome the new chair prior to the board meeting commencing.								
RANGATIRA KI RANGATIRA HUI		The Panuku Board and mana whenua held a rangatira ki rangatira hui prior to the board meeting commencing.								
1 PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	1 11/18	<p>The Panuku Board agreed that, pursuant to the provisions of Section 48(1)(a) of the Local Government Official Information & Meetings Act 1987, the public be excluded from the Meeting for the following proceeding, the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">General subject of matters to be considered</th> <th style="text-align: left;">Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td>Governance; Committee report</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Finance and Risk</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Management and operations</td> <td>Commercially sensitive issues</td> </tr> </tbody> </table>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
General subject of matters to be considered	Grounds under Section 48(1) for considering in private									
Governance; Committee report	Commercially sensitive issues									
Finance and Risk	Commercially sensitive issues									
Management and operations	Commercially sensitive issues									
2 APOLOGIES	2 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
OPENING REMARKS	3 11/18	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>								
2.1 MINUTES OF 24 OCTOBER 2018 BOARD MEETING CONFIDENTIAL GOVERNANCE MATTER	4 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.2 BOARD ACTION LIST CONFIDENTIAL GOVERNANCE MATTER	5 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								

2.3 BOARD FORWARD WORK PROGRAMME CONFIDENTIAL GOVERNANCE MATTER	6 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
3.1 DECISION: BOARD DELEGATED AUTHORITY POLICY CONFIDENTIAL STRATEGY PAPER	7 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
3.2 DECISION: UNLOCK NORTHCOTE CONFIDENTIAL STRATEGY PAPER	8 11/18	<i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
3.3 DECISION: UNLOCK AVONDALE CONFIDENTIAL STRATEGY PAPER	9 11/18	<i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
3.4 INFORMATION: AMERICA'S CUP 36 CONFIDENTIAL STRATEGY PAPER	10 11/18	<i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
3.5 DECISION: LEGAL OWNERSHIP STRUCTURE OF WATERFRONT LAND CONFIDENTIAL STRATEGY PAPER	11 11/18	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
3.6 FUTURE OF AUCKLAND DOCKLINE TRAM CONFIDENTIAL STRATEGY PAPER	12 11/18	<i>Withheld from the public under S7(2)(f)(i) and S7(2)(h) of the LGOIMA</i>
4.1 UNLOCK TAKAPUNA CONFIDENTIAL DECISION PAPER	13 11/18	<i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
4.2 DIRECTOR APPOINTMENT WESTHAVEN MARINA LIMITED AND DOWNTOWN MARINAS LIMITED CONFIDENTIAL DECISION PAPER	14 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
4.3 CIVIC ADMINISTRATION BUILDING CONFIDENTIAL DECISION PAPER	15 11/18	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>

5 CONFIDENTIAL CHIEF EXECUTIVE'S REPORT	16 11/18	<i>Withheld from the public under S7(2)(b)(ii) of the LGOIMA</i>
6.1 PROJECTED HOUSING SUPPLY CONFIDENTIAL INFORMATION PAPER	17 11/18	<i>Withheld from the public under S7(2)(b)(ii) of the LGOIMA</i>
7 GENERAL BUSINESS	18 11/18	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED,
HELD IN **PUBLIC** SESSION AT 82 WYNDHAM ST, AUCKLAND ON WEDNESDAY 28 NOVEMBER 2018
COMMENCING AT 3.00 PM.

8.1 APOLOGIES	19 11/18	Paul Majurey
8.2 HEALTH AND SAFETY MOMENT	20 11/18	Chair, Adrienne Young-Cooper, led the health and safety moment highlighting a prosecution by WorkSafe relating to another entity and the responsibilities of a director. David Kennedy informed the board of a case where the findings have been recently released, noting the interesting commentary regarding where liabilities lie.
8.3 DIRECTORS' INTERESTS	21 11/18	The Panuku Board reviewed and received the Register of Directors' Interests noting the interests for Chair, Adrienne Young-Cooper and the identified interests for specific projects.
8.4 DIRECTORS' BOARD MEETING ATTENDANCE REGISTER	22 11/18	The Panuku Board noted the Board Attendance Register.
8.5 MINUTES OF THE 24 OCTOBER 2018 BOARD MEETING	23 11/18	The Panuku Board reviewed and approved the Minutes of the Board Meeting of 24 October 2018, with confidential information redacted, as a true and accurate record of the meeting.
8.6 PUBLIC DEPUTATION	24 11/18	There were no public deputations.
9 AUCKLAND COUNCIL PUBLIC DECISION PAPER	25 11/18	Jim Quinn, Auckland Council Chief of Strategy, Dawne Mackay, Auckland Council Manager – Growth & Infrastructure Strategy, joined the meeting and provided a presentation on: <ul style="list-style-type: none"> • Revised CCO Accountability Policy; • Auckland Plan 2050: Implementation; • Development Strategy. Following the conclusion of discussions, the Panuku Board thanked the presenters and noted the paper and presentation.
10.1 POLICY ON HOUSING MIX PUBLIC STRATEGY PAPER	26 11/18	Brenna Waghorn, Manager Strategic Planning, introduced the report. The board received the report. The Auckland Council Planning Committee consideration of the draft Policy on Housing Mix has been deferred until March 2019. The board directed management to continue current thinking regarding housing mix of 30/30/30 market/affordable/social. The board requested the draft policy is updated to reflect changed circumstances and circulated for director's consideration as an interim policy. Following the conclusion of discussions, the Panuku Board noted the paper.
11.1 DISPOSALS RECOMMENDATION PUBLIC DECISION PAPER	27 11/18	David Rankin, Chief Operating Officer, introduced the report. The board received the report.

		<p>The board noted the significance of the recent Auckland Council Finance and Performance Committee decision relating to Howick, and the political reference group on divestment issues, described in the Chief Executive Report, section 5.4.</p> <p>It was RESOLVED THAT the Panuku Board:</p> <p>Approves the recommendation to the Finance and Performance Committee that the following properties are surplus to council requirements and should be divested:</p> <ol style="list-style-type: none"> i. 26-32 O'Shannessey Street, Papakura ii. 36 Coles Crescent, Papakura iii. 22 Waipuna Road, Mt Wellington iv. 28A Waipuna Road, Mt Wellington v. 5Z Butler Avenue, Papatoetoe <p>The board requested a quarterly update on the quantity of properties identified for disposal (<i>offered to mana whenua/iwi</i>) and following EOI, how many result in transactions.</p>
<p>11.2 SUBSIDIARIES ANNUAL GENERAL MEETING RESOLUTIONS PUBLIC DECISION PAPER</p>	28 11/18	<p>Carl Gosbee, Director – Corporate Services, introduced the report. The board received the report.</p> <p>It was RESOLVED THAT the Panuku Board:</p> <p>Authorise the Chief Executive Officer to act as Panuku's shareholder representative to execute a written resolution instead of holding an annual shareholders' meeting for:</p> <ul style="list-style-type: none"> • Westhaven Marina Limited; • Downtown Marinas Limited; and • New Lynn Central Limited.
<p>11.3 770R GREAT SOUTH ROAD PUBLIC DECISION PAPER</p>	29 11/18	<p>Allan Young, Director – Development, introduced the report. The board received the report.</p> <p>It was RESOLVED THAT the Panuku Board:</p> <ol style="list-style-type: none"> 1. Approves that \$1.03 million received from the sale of Reserve land at 770R Great South Road be applied for Reserve purposes, namely the repair and upgrading of the netball facilities at the Browns Road Netball and Community Centre.
<p>12 HEALTH AND SAFETY REPORT PUBLIC INFORMATION PAPER</p>	30 11/18	<p>The Panuku Board received the report noting that once or twice a year, a deep-dive into a health and safety related matter will be undertaken.</p>
<p>13 CHIEF EXECUTIVE'S REPORT PUBLIC INFORMATION PAPER</p>	31 11/18	<p>The Panuku Board received the public report, with confidential information redacted.</p> <p>The board discussed the current vacancies and the pressure on salaries as other agencies are targeting property specialists. It was noted Minister Twyford recently made a presentation to the Property Council on resourcing.</p>

13.1 DISPOSALS PROGRAMME PUBLIC INFORMATION PAPER	32 11/18	David Rankin, Chief Operating Officer, introduced the report. The Panuku Board received the report.
13.1 PANUKU QUARTER ONE REPORT TO AUCKLAND COUNCIL PUBLIC INFORMATION PAPER	33 11/18	David Rankin, Chief Operating Officer, introduced the report. The Panuku Board received the report.
CLOSE OF BOARD MEETING	34 11/18	The meeting closed at 4.08pm.

READ AND CONFIRMED

_____ **Chair**

_____ **Date**

Health and Safety Mid-Year and Monthly Reporting – December 2018

Document Author(s)	Blair McMichael – Health and Safety Manager
Approver	David Rankin – Chief Operating Officer
Date	10 January 2019

1. Purpose

This paper informs the board on the half yearly progress on health and safety objectives from our Health and Safety Plan 2018/19, significant health and safety risks, a mid-year dashboard overview, recent incidents, the monitoring and management of risks, and staff wellbeing and training.

2. Executive Summary

Key objectives, within the Health and Safety Plan 2018/19 are listed with commentary on how each is progressing, having passed the mid-year point, and any associated challenges. Broadly speaking the business continues to track to the timeframes within the health and safety plan with minimal exception. One of these exceptions is the work which has begun in scoping improvements to our health and safety reporting software, Risk Manager, and the consideration being given to pilot a developing module within the software. This work is intended to provide our contractors with access to information on site related risks with the ability to upload H & S data in real-time.

Other half-year progress includes training for our Portfolio, development, design, and project management teams against the Panuku Contract Management Framework (CMF) and the automating of our health and safety dashboard reporting; see Appendix A. This follows on from work previously completed by Deloitte consultancy in October establishing a board agreed dashboard for incidents, audits, training, risk and corrective action updates. The automated data will be drawn directly from Risk Manager once complete.

A single back strain incident was recorded by a contractor's employee on the Takapuna gasometer construction site. This incident has been investigated by Panuku's onsite consultant managing the contractor's work plan delivery and resulted in a revised safe work methodology for lifting tasks.

Key health and safety risks and mitigations reviewed during the month included an update of the planned monitoring and removal of asbestos from the historical Vos Shed, and a health and safety risk review of the procured Onehunga Wharf including planned improvements. Critical risk activity audits were completed on the East Tamaki and Whitford landfills, and the Hoporata quarry on Waiheke Island. The audits represent a programme of reviews throughout the year and in this instance no significant actions were identified by the auditor.

As part of the planned health and safety improvements for 2018/19, asbestos management training was provided to the portfolio team. The training discussed which forms of asbestos may be present; what health risks are associated with airborne asbestos; a systematic process for

managing the asbestos risk, including the selection of contractors; and monitoring through the Panuku asbestos management framework. Other points included the review and update of contract clauses for commercial and residential properties, and the means by which our contractors can obtain asbestos related information on a specific property.

3. Health and Safety Plan 2018/2019 – Half Yearly Update

As an update to the Board the following annual health and safety plan (2018/19) objectives have been listed and a brief overview on the progress of each. These objectives include recommendations derived from the EY internal audit in June.

3.1 Aligning our health and safety management practices with Council

Panuku continues to work with Auckland Council to assist the Council in updating its H & S Principles during December. The Principles represent overarching standards that each Council Controlled Organisation will then apply at the 'local / operational' level. Auckland Council will be sending out a more detailed update to all the CCOs on this work, titled 'Our Charter', and next steps will be agreed in the New Year.

3.2 Review mandatory health and safety training and health and safety inductions.

Induction and training review completed prior to December, with the H & S induction aligned to the P & C Onboarding / New Starter pack. A further review will be completed in June.

3.3 Implement People Leader Training and Development

The training material has been developed - managing safely, and the coordination of training will begin in March 2019.

3.4 Provide Executive Leadership Team and Board annual legislation updates

In May we plan to have the Auckland Council legal services team provide an update to both SLT and the Board. This should include any significant case law relating to the Health and Safety at Work Act or other health and safety related regulations which may impact on how we operate.

3.5 Implement the Contract Management Framework (CMF) across our Business

Training for the contract management framework has now been completed for the development, design, project management office (PfMO), and Facilities Management Teams. Further involvement is required with our place-making team, and any changes to the CMF will reflect these discussions. Training for Placemaking will be completed in February. A review of the CMF to measure the continued use and understanding of the framework by our staff is scheduled for April.

Given the importance associated with the CMF in directing and supporting our people during the management of contracts and agreements, it was agreed that the CMF be used as a health and safety focused discussion topic for the Board in the New Year. This

work will be included in the February Board meeting and will include a clear legal explanation as to how the CMF aligns to the Health and Safety at Work Act, supporting the Panuku CE and Directors to discharge their duties under the legislation.

3.6 Development and track personnel health and safety objectives.

To ensure the CMF is being followed we assigned health and safety objectives to staff managing contracts, development agreements or licenses to occupy. Discussions with the affected teams. The tracking of performance between the staff member and their manager is recorded through the Panuku performance management tool, Te Waka.

3.7 Scope and implement Phase 2: Contractor management module, Risk Manager

At the end of November and during December Panuku partnered with Auckland Council to scope the phase 2 planned for our health and safety software Risk Manager. This second phased implementation is intended to provide our contractors with access to health and safety risk data held by Panuku relating to the location or site to support the development of their site-specific safety plan. It will allow the contractor the ability to upload any incidents, audits, and safety plans to increase both compliance and monitoring visibility.

As Panuku is a smaller, less diverse business than the greater Auckland Council our needs should be customised to Panuku without changing the system configuration. During the discovery phase while scoping this project Panuku has been made aware that the current module supporting contractor access is no longer supported by the software provider. Auckland Council appears to have been aware of this sometime earlier but not communicated it. The software provider is developing an updated module called 'Collaboration'. This is still in the early stages of development. However, Panuku has an opportunity to pilot the developing module prior to full implementation. Scoping for a pilot will be completed in February as a basis for a considered decision on whether to participate in the pilot or to wait for the functionality.

At the same time, we will be reviewing the privacy setting within the Risk Manager software based on a recommendation raised during the EY internal audit in June.

3.8 Developing and report health and safety lead and lag indicators

This work was completed in October and dashboard data is now subject to continuous improvement.

As part of the continuous improvement, during December we began to automate the dashboard reporting. Once fully automated our people leaders will have the ability to directly interrogate their team health and safety data.

Further the entry of incidents and audits will continue to be subject to data entry quality assurance reviews and existing inconsistencies will be improved through refresher training in February and communications around business rules.

4. Incidents, accidents and hazards

As part of our half yearly update to the board, we have provided the health and safety dashboard overview.

Appendix A – (Health and Safety Overview – 1 July 2018 – 31 December 2018).

The indicators represent incident reporting, monitoring and review, corrective actions for incidents and audits, and training completed during the period of review. Commentary on the health and safety overview is provided in Appendix A.1.

During November a contracting employee working on the Takapuna Gasometer site strained their lower back resulting in time off work with their employer. This incident has been investigated by Panuku's consultant acting on our behalf to manage the project delivery, Bluewater. The contractor has since returned on light duties and the improved actions include a change in safe work methodology and lifting procedure enforced by the contractor.

5. Health and safety risk management, monitoring and review of critical risk

Special mention is made around the planned removal of asbestos from the historical Vos Shed located in Wynyard Quarter. The shed has asbestos within its original construction materials which when encapsulated presents no or low health risks. The building was previously surveyed as part of our compliance with the Health and Safety at Work (Asbestos) Regulations by an asbestos specialist organisation. This provided Panuku with an understanding of the asbestos risk leading to planned removal, as part of the building preservation.

With the appointment of a refurbishing contractor, managed on the behalf of Panuku through a professional consultancy service, a further asbestos survey has been completed. The most recent survey indicates that the asbestos is deteriorating and may present itself in a friable form. Friable asbestos is a term used where the asbestos product can be broken down within the hand and accordingly has the potential to be inhaled. Based on these findings the site has been isolated from access by any personnel other than trained staff wearing asbestos related personal protective equipment. The asbestos health risk will be continually monitored by Panuku's consultancy services throughout the duration of the project reporting through to the Panuku representative.

Other health and safety risk assessments of note included the site assessment of the recently procured Onehunga Wharf. The assessment identified several safety improvements required following the purchase of the asset from the Ports of Auckland. These included significant non-compliant electrical services and portable electrical equipment, a lack of hazardous substance segregation, inadequate safety fencing, and improvements required in the communication of emergency evacuation response. Each item has been listed on the Onehunga wharf health and safety risk register with a planned safety improvement for each.

Critical Risks Activities: Quarries, Landfills and Transfer Station

Critical risk audits were completed to include the East Tamaki landfill, Whitford landfill, and Hoporata quarry on Waiheke Island. These audits are part of an annual schedule of critical risk activities managed under the Panuku portfolio. The audits were completed by a health and safety consultancy and are recorded within Risk Manager. No significant issues were raised in each audit. Rather, the auditor reflected that the site processes were continually reviewed, risk assessed, and applied consistently.

6. Staff health and wellbeing, training and development

Training during the months of November and December included the CMF for the development, design, PfMO, and Facilities Management teams and asbestos management training for the Portfolio Directorate.

The asbestos management training provided an overview and awareness of asbestos health and safety risk and outlined our expectation of the Portfolio property team in the management of asbestos through our staff and our contractors. This training will be rolled out to our development and design directorates later this year to ensure a consistent approach. Specific emphasis will include the removal of asbestos prior to demolition works and the remediation of asbestos contaminated soils.

Health and Safety Overview (1 Jul 2018 - 31 Dec 2018)

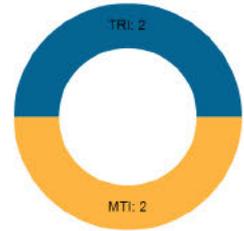
Events: Recorded Incidents and Near Misses (1 Jul 2018 - 31 Dec 2018)

Critical Risks related to Incidents

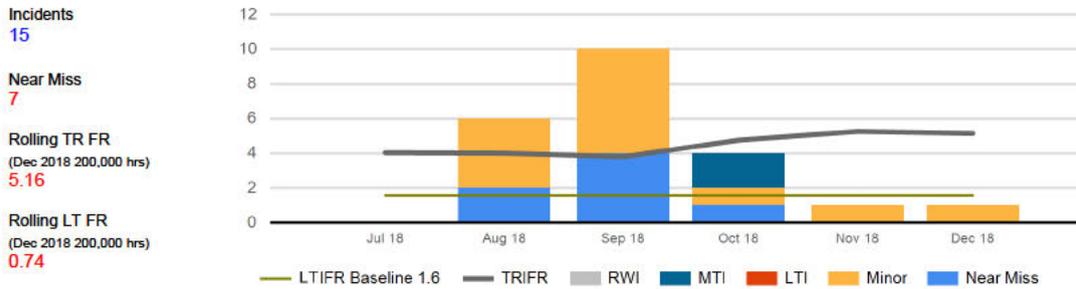


Top Key Risks related to Incidents

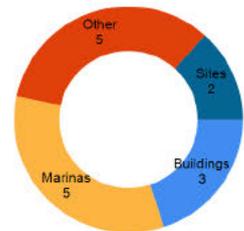
Reported LTI, RWI, MTI, TRI



Incident and Near Miss Time Series (including TRIFR)



Incidents by Group



LTI FR = Lost Time Incident Freq. Rate - TRIFR = Total Recordable Incident Freq. Rate - RWI = Restricted Work Injury - MTI = Medical Treatment Injury - LTI = Lost Time Injury

Risks and Hazards

* Consideration to improve data capture on hazards in the future.

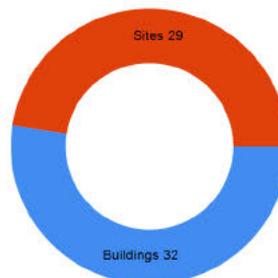
Audits: Continuing Improvement through Monitoring and Review (1 Jul 2018 - 31 Dec 2018)

Audits Logged: 76
Audits Closed Out: 5
Audits Remaining Open**: 71
Audit Actions Closed: 27
Audit Actions in Progress and Scheduled**: 202

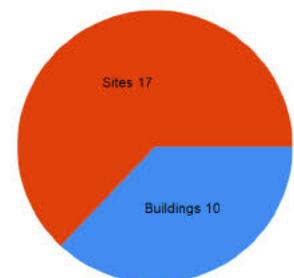
Audits Logged



Audit Actions Created



Audit Actions Completed



NB Sites relate to open spaces, quarries, landfills

Corrective Actions: related to incidents (1 Jul 2018 - 31 Dec 2018)

Incident Actions Created: 6

Incident Actions Closed: 6

Incident Actions Overdue: 0

Compliance Actions Overdue: 8

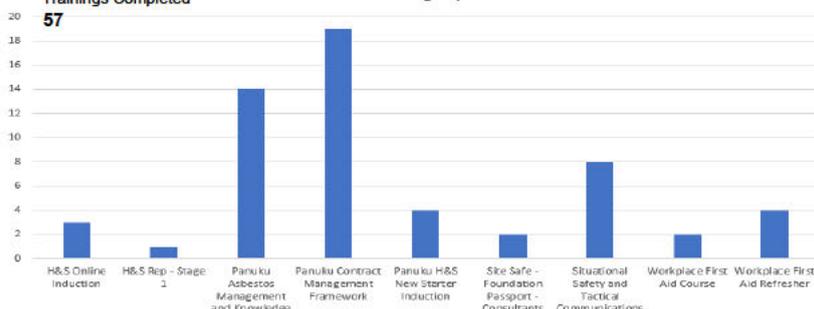
Incident Actions Completed



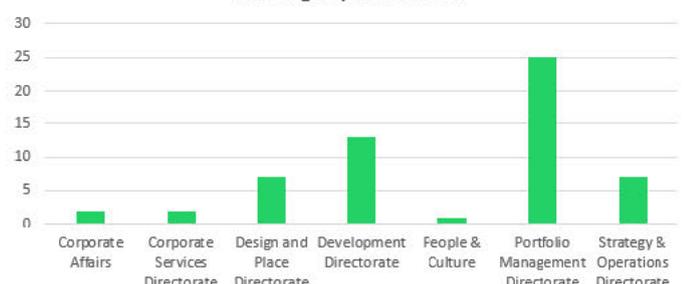
Training: Competent and Engaged People (1 Jul 2018 - 31 Dec 2018)

Trainings Completed: 57

Trainings by Course



Trainings by Directorate



Appendix A.1: Health & Safety Definition List:

Health & Safety Incident	Any unplanned event that resulted in injury or ill health of people.
Near Miss	An unplanned event that did not result in any injury, illness, or damage although had the potential to do so. Merely a fortunate break in the chain of events prevented an injury, fatality or damage.
LTI	Lost Time Injury - event that results in a fatality, permanent disability or time lost from work. One day or one or more shift off work.
MTI	<p>Medically Treatment Injury - an injury or disease that resulted in treatment from a professional physician or qualified paramedic. It does not include on the job first aid treatment.</p> <p>The following are not considered medical treatments and are NOT an MTI (as per OSHA Business Leaders' H&S Forum):</p> <ul style="list-style-type: none"> • visits to a doctor or health care professional solely for observation or counselling; • diagnostic procedures, including administering prescription medications that are used solely for diagnostic purposes; and • any procedure that can be labelled first aid
RWC	Restricted Work Case - an event that has resulted in the injured being unable to perform their routine duties. No time is lost due to the assignment of temporary tasks or light duties until the individual is able to resume normal duties.
TRI	<p>Total Recordable Incident - an incident that has resulted in a LTI, MTI, RWC, or a combination of the three.</p> <p>Note: if an incident has resulted in both a MTI and LTI, the single incident will be counted as one TRI.</p>
TRIFR (Total Recordable Incident Frequency Rate)	<p>Total Recordable Incident Frequency Rate: (Number of TRIs / Hours Worked) * 200,000</p> <p>Note: TRIFR is calculated as a rolling 12 month average</p>
LTIFR (Lost Time Incident Frequency Rate)	<p>Lost Time Incident Frequency Rate: (Number of LTIs / Hours Worked) * 200,000</p> <p>Note: LTIFR is calculated as a rolling 12 month average</p>
Critical Risk	A risk identified by Panuku as serious and potentially life threatening regardless of the frequency.
Key Risk	A risk that may cause serious harm but is not identified as a Critical Risk by Panuku.

Appendix A.1: Supporting Narrative - Health and Safety Overview (1 Jul 2018 – 31 Dec 2018)

Events

Risks related to incidents sit in this section. The number of incidents are recorded and categorised in the top sections titled “Critical risks related to incidents” and “Top key risks related to incidents”.

Incidents are categorised by groups to determine the main areas where incidents are occurring. Over the past six months there has been no significant increase in Total Incident Frequency Rate (TIFR), and the Lost Time Incident Frequency Rate (LTIFR) (0.74) is currently tracking well below the benchmark Auckland Council benchmark (1.6).

Audits

In the past six months many audits have included property asbestos related audits to record and remediate any asbestos contamination. These audits result in a schedule of monitoring or removal activities with monitoring activities remaining open indefinitely to ensure the encapsulated asbestos building materials remain unchanged. “Audits closed out” refers to reports where all separate actions (remedial works) are now completed.

Audits remaining open*¹ refers to sites where at least one action is yet to be completed. Most of these actions open are annual asbestos monitoring activities.

Audit actions in progress and scheduled*² include compliance actions as well as all annual monitoring actions relating to asbestos audits. This number may appear large as every instance of asbestos material is noted and has an assigned action. All actions have scheduled dates which are flagged when due with each assigned to a Panuku representative.

Corrective Actions

Corrective actions are required actions related to incidents and audits.

“Audit actions closed” refer to individual required actions within an audit that have been completed. An example would be a recommendation for asbestos removal in the floor being logged as an action, completed by a contractor and closed with the Risk Manager reporting software. “Compliance actions overdue” refer to actions, such as asbestos removal, that have not been completed within the scheduled date. This can be down to inconsistent data entry, the job taking longer than expected, contractor availability.

Training

This section highlights trainings completed and recorded both by the type of course and by the directorate to which the employee belongs. During the first six months of this year (18/19) training numbers rose significantly as Panuku drove awareness and understanding around the Contract Management Framework and Asbestos management. The Panuku H&S New Starter Induction programme (referred to as ‘On-boarding’) are yet to be recorded into the Risk Manager software. This information will be transferred during February.

Chief Executive's Report

Document Author	Roger MacDonald – Chief Executive
Contributors	David Rankin – Chief Operating Officer Monica Ayers – Director People and Culture Angelika Cutler – Director Corporate Affairs Carl Gosbee – Director Corporate Services Rod Marler – Director Place and Design Allan Young – Director Development Ian Wheeler – Director Portfolio Management Brenna Waghorn – Director Strategy Jenni Carden – Executive Officer/Company Secretary
Date	21 January 2019

1. Overview

This report provides the board with a summarised overview of the opportunities and the issues facing the organisation.

This report is a public report, however confidential information is redacted. Information that has been redacted is indicated in **blue font**. Where redacted information exists, a reference to the section of the Local Government Official Information and Meetings Act 1987 (LGOIMA) will be cited in the publicly available version of the report.

2. Key issues

This section outlines issues that are not otherwise covered by a Decision or Information Paper elsewhere in the agenda and are either:

- Strategically significant issues;
- Emerging and developing issues; or
- Project updates.

2.1 Strategically significant issues

2.1.1 Working with the Crown

We have been advised of the proposed structure and arrangements for the new Ministry and Housing Urban Development Authority (HUDA). Andrew Crisp is now permanently appointed Chief Executive of the Ministry of Housing and Urban Development (MHUD). David Hermans has been designated by Andrew Crisp to be the main Panuku contact person. To maintain full momentum and to bring together work of HLC, HNZ and KiwiBuild together, Andrew McKenzie has been appointed the Acting CE of HUDA. HUDA will have

three key groups – policy and legislation, social housing management/HNZ and a delivery arm. The delivery arm will be led by Chris Aiken and bring together HLC, KiwiBuild and the HNZ delivery agency. An interim board for HUDA will be established. A workshop is being arranged to discuss how Panuku could partner with HUDA going forward.

2.1.2 Umbrella agreement

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.1.3 Housing Mix Policy

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.1.4 America's Cup 36

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.1.5 Property Market

Withheld from the public under S7(2)(b)(ii), S7(2)(h) of the LGOIMA

2.1.6 Mana whenua engagement update

Mana whenua governance has signalled significant interest in exploring potential partnership opportunities in respect of the Onehunga Wharf. Applying lessons learnt from across Panuku we anticipate that a meaningful rangatira to rangatira korero should underpin the start of the partnership approach for the Onehunga Wharf. Panuku executive will engage with Mana Whenua governance in mid-February to determine next steps. This long-term project, that is located in an area of high cultural and historical significance for many Mana Whenua iwi, offers a variety of opportunities to potentially realise mutual benefit, including:

- Master-planning
- Commercial development
- Business opportunities
- Expression of cultural identity
- Tourism
- Housing
- Environmental enhancement

The unresolved issues of Mana Whenua primacy continues to impact on some of our projects. Whilst there is pressure from iwi to make certain calls on these complex issues, we have maintained the overarching council position in that, we must proceed with care in dealing with different Mana Whenua groups who claim an interest in the Tāmaki isthmus area – put simply, we cannot take sides, and we need to be careful not to prejudice individual groups. We are working closely with Council's legal team and Manager Treaty Settlements to help navigate our way through the issues as they arise.

One of our SOI commitments in terms of Māori Outcomes is 'to enable commercial outcomes'. A paper was presented to the board in October that looked to start the conversation at the board level as to what commercial levers we could apply to help succeed in this space. A board working group was nominated to work with staff on the important kaupapa. We propose that the working group has its first meeting in March, and

attend a session led by the Māori Outcomes team and EY-Tahi to identify what levers are available and how they can be used.

2.2 Emerging or developing issues

2.2.1 Health and Safety – Electrical Fire Incident – Hobson Wharf

On Friday 11 January at 1.10pm electrical contractors working on behalf of the Wynyard Edge Alliance (WEA) cut into live energised cables under the Hobson Wharf. This resulted in an electrical short circuit causing a generator in the localised switch/transformer room to overheat and burn out with smoke emitted from the transformer.

The Fire Service were called and extinguished the fire. Maritime Museum and Hobson Wharf were evacuated.

Initial investigation findings suggest that the electrical contractors acted based on a lack of as-built information and failed to isolate the live electrical feeds.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.2.2 Pile Mooring resource consent

The decision of Independent Commissioners on behalf of Auckland Council to grant resource consent for the Pile Moorings project has now been released (dated 20 December 2018). The appeal period closes on 1 February 2019. Condition 10 of the consent requires Panuku to invite all 19 Mana Whenua to establish a Forum to help us prepare a 'Pile Mooring Kaitiaki Engagement Plan' (PMKEP). This condition is similar to the Mana Whenua condition for the America's Cup consent, except for one crucial point relating to Mana Whenua primacy. Condition 10 states that the PMKEP shall (amongst other things) provide a framework for a collaborative approach between us as the consent holder and mana whenua, including the recognition of primary mana whenua status of any iwi group with the subject site. Inclusion of this point in a RMA context was not expected as such matters are not traditionally dealt with in this way.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.3 Priority location project updates

The weekend of February 9 is a busy one in terms of events across several of our locations, with Chinese and Korean New Year in Northcote, Panmure Basin Day, the 27th Annual Portage Crossing Festival occurring in Onehunga, as well as our regular activation programme in Manukau Civic Square on the Saturday. Our Placemaking and Commercial Place Operations teams are working in support of all these events and would like to extend an invitation to all board members. Further information and specific details will be circulated by email.

Transform

2.3.1 Manukau

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

Panuku has completed the tender process for the proposed hotel development on **Lot 3, 31-33 Manukau Station Road**. *Withheld from the public under S7(2)(i) of the LGOIMA*

At **20 Barrowcliffe Place**, Te Ākitai Waiohua, within the Kōtuitui Limited Partnership (Te Akitai/Special Projects Ltd), is developing approximately 10,000m² of the Barrowcliffe site to provide 130 dwellings. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

Public Realm works: We have recently established a steering group with Healthy Waters and The Southern Initiative (TSI) for the regeneration project for the Puhinui Stream. The steering group has been convened as a co-governance advisory structure with the two local boards and mana whenua. *Withheld from the public under S7(2)(i) of the LGOIMA*

2.3.2 Onehunga

The first Onehunga public realm improvement project at Laneway 7 will commence construction on 4 February 2019. The laneway connects the main street and police station to the recreation centre. The improvements include seating, landscaping, artwork in collaboration with mana whenua, new paving and lighting.

Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA

2.3.3 Waterfront

Vos Shed Restoration

Legacy Construction commenced site establishment on 21 November. The Vos refurbishment scope includes the demolition of the building at 44-56 Hamer Street and the consent conditions pertaining to 44-56 Hamer street have all been met as at 15 January 2019 with demo works now progressing at pace.

Asbestos contamination levels in the Vos building has been reassessed and a revised control and remediation methodology being developed. The aforementioned resulted in delays with the demolitions works however; it is anticipated the revised methodology will result in a more efficient construction process therefor recovering lost time.

The contractor supplied a revised construction programme with expected completion October 2019.

30 Madden Street (West 1 Site)

Lease commencement for Stage 2A has taken place with piling and excavation works underway. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

10 Madden Street (Site 5B)

Work is proceeding with ground retention works underway and piling to commence shortly. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

Site 18

Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA

132 Halsey Street (Site 7)

This Willis Bond residential development is due to be completed by the end of March 2019. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

Park Hyatt Hotel

The Park Hyatt Hotel remains on schedule to be complete by June/July 2019. The civils construction work is underway on the Madden Plaza and Hotel Promenade with an anticipated completion by the end of May 2019.

Auckland Dockline Tram

Following the Panuku board's direction in late November 2018, the first of several meetings is being set up with representatives from The Auckland Electric Tramways Company Limited, 'Keep The Auckland Dockline Tram Running Movement' and Panuku in early February 2019 to agree the best approach to installing the future tram realignment works and the ongoing commercial viability of operating the tram.

Queens Wharf - Ferry Terminal Redevelopment stage 1

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

Queens Wharf - Cruise Berth Upgrade (Mooring Dolphins)

Panuku is the applicant for the resource consent on behalf of Auckland Council for the Mooring Dolphins and associated ship berthing infrastructure required to enable larger cruise ships to berth at Queens Wharf.

The Resource Consent Hearing for the Queens Wharf Cruise Berth Upgrade, which includes the Mooring Dolphins on the northern end of Queens Wharf, are scheduled for 18 to 22 February 2019. *Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA*

Independent Commissioners have been appointed for the hearing and Panuku officers and experts will provide evidence at the Hearing.

Wynyard Bridge Crossing

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Westhaven Pile Mooring Redevelopment

Consent for the Pile Mooring Stage 1 was granted on 20 December 2018. The final date for the appeal period is 1 February 2019. Negotiations continue with Mana Whenua. More detail is included in section 2.2.2 of this report.

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Kestrel

The Kestrel has been relocated to Titan Marine Ltd in the entrance channel area to the Westhaven Basin. This was completed on 22 Nov 2018.

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Unlock

2.3.4 Avondale

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.3.5 City Centre

Civic Administration Building

A report on this project was presented to the board in November 2018. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

Corporate Property Programme and CRL Related Development

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

2.3.6 Henderson

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

C40 Falls and Alderman carparks – The Request for Development Proposals (RFDP) closes on 29 March 2019. Panuku is finalising the Detailed Business Case and responding to bidder queries during this period. Placemaking activations are ongoing on the site during this phase.

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Eco centre soundscape project – Expression of Interest for artists targeted for launch at end of January.

Community and Commercial Place Making – The Kitchen Project is commencing a third-round intake shortly. The Falls container village has been named “Te Puna” and a local theming and branding exercise will be undertaken to support and promote the village as it expands. A range of placemaking activities for the year ahead are in planning from silent disco to street art painting.

Partnering with ATEED – Panuku are working closely with ATEED to progress two key priority and joint projects within Henderson. *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Partnering with AT – Panuku are continuing their positive relationship with Auckland Transport on the cycling programme and seeking a Funding Agreement to progress this joint programme. In addition, a joint safety and intersection upgrade at the Falls intersection is also progressing well as a joint funded project. AT also support in part some placemaking and communications activities within Henderson.

Partnering with the Crown – Panuku have been working closely with Housing New Zealand and Kiwibuild, with the support of HLC, to explore a significant joint urban development project in Henderson. *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Corporate Sponsorship: Panuku is exploring a pilot sponsorship and partnering with Resene to help support the place activations programme.

2.3.7 Hobsonville

Airfields Stage 2- Avanda

The official launch of stage one of the Avanda development took place on Sunday 18 November. The sales of Stage 1 are progressing. The infrastructure works are complete.

Airfields Stage 3 Employment Precinct

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

HLC Workstream

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

2.3.8 Northcote

A separate report has been provided for the board. See agenda item 4.3.

2.3.9 Ormiston

Ormiston Town Centre

Construction is progressing on blocks F&J, which is the main retail block for Ormiston Town Centre, with completion programmed for end 2020.

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

66 Flat Bush School Road

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

187 Flat Bush School Road

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

2.3.10 Papatoetoe

Withheld from the public under S7(2)(h) of the LGOIMA

2.3.11 Pukekohe

The local board endorsed Pukekohe to become an “Unlock” location in October and the Governing Body approved it as an “Unlock” in late November. Since then a team has been established for this new location and programme. The process to create a High Level Project Plan (HLPP) and Programme Business Case has been initiated. The target is for the HLPP to be adopted and endorsed by the Governing Body and Panuku board by 30 June 2019. The team have undertaken initial site visits with the Franklin Local Board and two workshops have been held. A programme of engagement and consultation with the local board and key stakeholders is planned to help inform and populate the reports required to progress this location to a funded programme status. The key consideration in this location’s planning is the approach to managing the various council owned surface carparks within the town centre area into the future with the support of Auckland Transport.

2.3.12 Takapuna

Anzac Street and Hurstmere Road

The demolition of 38 Hurstmere Road is underway and will be completed by the end of January. The demolition is being done by Ward Demolition. The demolition programme has been coordinated with the adjacent neighbour to start after Christmas and for demolition work to stop every day at 11.30am with site clearing in the afternoon. This is to minimise the disruption for the food and beverage tenants in 40 Hurstmere Road.

Once the site is clear five temporary structures/areas will be created across 38 Hurstmere Road to enable us to engage with the community and test design and use ideas for the town square. These five structures/areas will be based on; retail, rest, performance, play and connections. The structures/areas will be opened up in stages from February to April 2019. Feedback from the community, as well as observations made of how the spaces are used, will inform the design team designing the permanent town square. The themes of each of these structures/areas have been selected from themes emerging from previous engagements in Takapuna. The community will have opportunities to participate in the design, construction, programming and use of these structures/areas.

The procurement process to select a design team for the town square is underway. In December expressions of interest were sought. A total of 11 responses were received and five parties have been shortlisted to prepare a detailed proposal. This will commence in February following a meeting with the political working group to confirm the design brief.

The design and development brief, due diligence documents and all marketing material are being prepared to enable the marketing the development sites of 40 Anzac Street and 30-38 Hurstmere Road to go to market. Registrations of Interest will be sought from mid-Feb with an Expressions of Interest process starting in mid- to late- March. The development opportunities will be marketed through CBRE, who were appointed through Panuku's usual procurement process.

Green Star – Communities

We are preparing our submission for a 'Green Star – Communities' rating in Takapuna. This will be a New Zealand first certification and represents industry leading excellence in urban regeneration. Takapuna is one of two 'Green Star – Communities' projects that Panuku is targeting as set out in the Panuku Corporate Responsibility Business Plan.

Accreditation would provide independent verification that Unlock Takapuna's planning process and development outcomes fulfil a robust set of best-practise criteria. Criteria are organised under five categories: Governance, Liveability, Economic Prosperity, Environment and Innovation.

Gasometer Car Park

The construction of the Gasometer car park is progressing to programme and budget. Over half of the piles have been drilled, with 28 of the 52 complete as at 16 January 2019. The crane is arriving onsite 1 February.

The stage one civil diversion works to relocate the services offsite and under the road starts on 21 January. Stage one of the civil diversion works will take 10-12 weeks. This work is required to enable both the construction of the car park and development for the adjacent residential development sites. The \$3 million budget for this work was approved in November 2018.

Systems are in place for health & safety including fortnightly independent audits by Health Construct. The construction team has had one lost time injury. A person hurt their back lifting incorrectly. They went to physio and now are back on site working and the procedure to lift correctly was repeated at tool box and site meetings.

Gasometer development site

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

2.3.13 Supports

198 Dominion Valley Road, Mt Eden

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Totara Avenue, New Lynn (Sites C & D, and OAG's building)

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

84 Morrin Road, St Johns

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

132 Greenlane East, Green Lane

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

3. Quarter Two reporting

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

Comprehensive reporting on the second quarter of 2018/2019 has been included this month. A presentation will be provided at the board meeting capturing the key highlights and metrics from the first half of the year.

3.1 Financial

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

3.2 Risk Management Update

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

3.3 Priority Location Portfolio Update

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

3.4 Property Management Portfolio Update

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

3.5 Marina Update

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

4. Portfolio Management

4.1 Corporate Property Disposal Programme – Disposal of the site at 35 Graham Street

With assistance from Panuku, Auckland Council's Corporate Property team has developed a Corporate Property Portfolio Strategy which involves the sale of a number of surplus corporate accommodation sites across the region. These were approved for sale in May 2018 by the Finance and Performance Committee. Panuku has agreed to provide property transaction services to Auckland Council, leading a programme of work that will enable the delivery of the approved Corporate Property Portfolio Strategy. This includes the development and delivery of a development framework and disposal strategy for each site, integrating with priority location programme objectives in Transform, Unlock and Support locations. This programme of work has commenced and the timeframe for the programme extends through to 2021.

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

4.2 Property Management Portfolio

Emirates Team New Zealand – occupation of space at Beaumont street - Update – January 2019

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

4.3 Acquisitions and Disposals Summary

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

4.4 Acquisition and Disposals restructuring

Withheld from the public under S7(2)(a) and S7(2)(b)(ii) of the LGOIMA

5. Organisational Summary

5.1 Leadership Development Programme

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

5.2 Chief Executive's Networks

Since the board met on 28 November, the Chief Executive has continued to build relationships with stakeholders, mana whenua and the local community, within both the political and community arenas.

He has also attended various Auckland Council meetings, including the City Centre and Waterfront Executive's Steering Group, CCO CEO's Regular catch-up with Stephen Town, Shane Ellison, Nick Hill, Raveen Jaduram, Chris Brooks and regular AC36 JCEG (Joint Chief Executive Group) meetings.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

5.3 Media and digital summary

The first OurAuckland magazine of 2019 will include a four-page feature focused on town centre revitalisations in Takapuna, Onehunga, Henderson and Panmure with comment from Acting Head of Design, Deborah Lee Sang. Representatives of CRL, Tamaki Regeneration Agency and Council Director Urban Growth and Housing, Penny Pirrit were also interviewed for the piece. It is expected to be published in early February.

Wynyard Quarter was heaped with praise from the media for place making activities and the Wondergarden festival held as part of New Years' celebrations in Auckland. About 3000 people flocked to the waterfront to see in 2019, with families dominating the space. The action on the Quarter formed part of TVNZ's live coverage of the night and was mentioned positively in an article by Stuff senior reporter Todd Niall that focused on complaints about inadequate public transport.

In the last weeks of the year, Minister of Housing and Urban Development Phil Twyford, Mayor Phil Goff, MP for Maungakiekie Priyanca Radhakrishnan and Maungakiekie-Tāmaki Ward councillor Josephine Bartley with members of the local board paid a successful visit to Panmure where were introduced to the new, interactive engagement tool launched to reach younger audiences about Unlock Panmure, Social PinPoint. The experience was shared on the social media pages of several of the attendees, including Mayor Goff and councillor Bartley.

Radio New Zealand (RNZ) followed up a request for an update on the status of the Dominion and Valley roads development with a LGOIMA seeking total spend on the project to date (Panuku) and legal fees (Panuku and Council) for the mediation process currently underway in the Environment Court. Costs are still being worked through by Council and are expected to be released to RNZ imminently.

Panuku continues to work towards signing a Heads of Agreement with Orams for the development of the superyacht facility (Site 18) in Wynyard Quarter. A proactive announcement will be made to the media when this is achieved, which is expected to be in the first quarter of the year.

The New Zealand Herald published a story about issues boat owners' facing issues securing insurance for their vessel, which they require in order to secure any Panuku-owned berth. It followed two stories – the first of which was about complaints of dust from construction near Viaduct Marina, the second was about fears of rising costs of berths as the 36th America's Cup approaches.

An article published by Stuff Auckland Council reporter Nick Truebridge says legal action between Panuku and Ngai Tai Waipareira Housing Limited is likely following the ending of negotiations over the development of Tavern Lane in Old Papatoetoe. Panuku provided a statement to the journalist reconfirming when discussions between Panuku and Waipareira ended in relation to the site and outlining next steps with the project.

Information Paper: Shareholder Letter of Expectation and process for developing the new SOI

Document Author(s)	Kingsha Changwai, Manager Planning and Reporting
Approver	Brenna Waghorn – Director Strategy David Rankin – Chief Operating Officer
Date	16 January 2019

1. Purpose

To present the Auckland Council Letter of Expectation (LOE) to the board for information and update the board on the process for developing the new Statement of Intent (SOI).

2. Executive Summary

The council LOE is provided to the board for information. Panuku management is aware of priorities and expectations in the LOE and is preparing responses to be included in the 2019-22 SOI.

The types of performance measures for the 2019-22 SOI were presented to the Audit and Risk Committee on 14 December 2018.

The committee recommended the development of programme performance measures for priority locations that can be used for assessing progress on programmes.

Programme performance measures are now included in the 2019-20 Business Planning process and will be presented to the board together with the new year Business Plan for approval.

Programme performance measures can be included in the future SOIs once the measures are more mature and when there is more confidence in the information used to set targets.

3. Discussion

Letter of Expectation Initiatives and Priorities

The Auckland Council Letter of Expectation (LOE) was addressed to the Panuku Chair on 10 December 2018. The LOE contains priorities and expectations of the shareholder that informs the development of draft Statement of Intent (SOI) for 2019-22.

The LOE outlines priorities and expectation relating to all CCOs in general and those specifically relating to Panuku.

The priorities and expectations relating to all CCOs are summarised below:

- CCOs to demonstrate value for money, greater transparency in operating expenditure and a strong focus on managing sensitive expenditure when spending money to deliver their programmes
- Develop strong community engagement programmes working with the council group, lifting trust levels amongst community and stakeholders and applying a no surprises approach
- Demonstrate in the SOI how Panuku's priority location programme will align with the directions and focus areas to contribute to delivering the Auckland Plan outcomes.
- Panuku to outline in its SOI how it will respond to climate changes, aligned to council's ambitions in the Auckland Plan 2050 and the Auckland Climate Action Plan (currently under development).
- Promoting Maori Outcomes by contributing to Te Toa Taka Tini and council group Tiriti O Waitangi Audit and reporting quarterly on delivering against Maori Responsiveness.

The specific priorities and expectations relating to Panuku include delivering Panuku's transform and unlock programme; improve the delivery of capital expenditure programme; prepare for the timely delivery of America's Cup and APEC; improve community engagement and work closely with council on the Marina Strategy.

Panuku is aware of the priorities and expectations in the council LOE. We are developing responses to the LOE for inclusion in the draft SOI that will be presented to the board for approval at its February meeting.

A copy of the LOE is included as **attachment 1** to this report.

Performance Measures for the new SOI

On 17 Aug 2018, as part of the discussions on the 2017-28 Audited Annual Report, the Audit and Risk Committee (ARC) requested that the draft performance measures for the new SOI be presented to the committee for discussion before the new SOI is developed.

A presentation on the new SOI performance measures was provided to the ARC on 14 December 2018.

The key points contained in the presentations to the ARC are:

- **SOI** is a public accountability document (LGA 2002), for external audience and compliance focused. A **conservative approach** is taken when setting performance measure and targets for the SOI to meet audit requirements and the high achievement threshold by council.
- **Business Plan** – drives internal business performance. The organisation can take a more **aspirational approach** by introducing new performance measures and setting stretch targets to drive internal performance. Business planning is undertaken by Directorates and Teams. For priority locations programmes, the annual Programme Business Case (PBC) process, is the basis of planning, budgeting and benefits measurement.
- **Performance measures in the current SOI** relate to the **maturity** of locations or business areas. The Waterfront Location and business areas such as Property Management, Marinas and others are more mature parts of the business have output and impact performance measures. Other locations in the programme are less mature and have input, process and output performance measures in the SOI.

- Panuku takes a **continuous improvement approach** to its performance measures. The **future trend** is towards more **impact** and **outcome** performance measures for all locations
- A majority (approximately 80%) of the performance measures will be same/similar in the **new SOI**. A similar mixture of performance measure types is expected.
- Draft SOI 2019-22 **performance targets** will be informed by the updated PBC and Business Plan early February 2019.

The ARC noted the challenges to setting performance measures and targets for the company under the two contexts.

The ARC discussed non-spatial outputs or outcomes (e.g. jobs and community wellbeing) and an opportunity to revisit these as part of Transform Manukau master planning work.

The ARC recommended the development of programme performance measures for assessing progress of priority location programmes, noting that where these are captured (SOI vs Business Plan), needs to be carefully considered.

Management already reports to the board on the progress of the priority location programmes through monthly summary dashboard reporting and quarterly comprehensive programme and financial reporting to the board. Additionally, Panuku reports quarterly on performance to the Auckland Council Finance and Performance Committee. The board can review the content of these reports and provide feedback on how these reports can be enhanced to provide the board with timely information on the progress of priority location programmes.

Programme performance measures are now included in the 2019-20 Business Planning process.

Programme performance measures will be presented to the board together with the new year Business Plan for approval.

Programme performance measures can be included in future SOIs once the measures are more mature and when there is more confidence in the information used to set targets.

4. Next Steps

The next steps are:

- ELT approval of the SOI early February 2019
- Board review and approval of the SOI end February 2019, including responses to council's LOE priorities and expectations
- Draft Panuku 2019-22 SOI is submitted to the shareholder in accordance with the legislative timeline which is the end of February 2019
- Panuku receives feedback from the Shareholder 1 May 2019
- Final SOI is endorsed by the ELT and approved by board end of June 2019



10 December 2018

Adrienne Young-Cooper
Chair
Panuku Development Auckland Limited

By email

Tēnā koe Adrienne

Letter of expectations for 2019-2022

This letter of expectations sets out the council's priorities and expectations to inform the development of Panuku Development Auckland Limited's (Panuku) draft Statement of Intent (SOI) for 2019-2022.

This letter has been informed by discussions with my fellow councillors. It sets out general expectations across the group, and key strategic expectations for Panuku.

Over the coming year, the council will undertake a review of the SOI process, which will include a review of the performance measures contained within the statements of intent. Council will seek your input and support during this process.

I would also like to remind you that the council adopted a new board performance review process this year, and we are expecting Panuku to undertake its review in line with this process during 2019.

General messages and priorities

Programme delivery

The adoption of the Long-term Plan 2018-2028 sets a significant agenda for the council group to deliver. Council expects the CCOs to continue to demonstrate value for money across all expenditure. This includes greater transparency on operating expenditure and a strong focus managing sensitive expenditure lines. In addition, the council should be kept informed on any significant operational challenges and work closely with council in this area.

Building trust and confidence

The new funding tools being used by the council group, along with the focus on delivery, mean that it is important that our CCOs develop strong community engagement programmes. We will expect CCOs to work with the council group to lift trust levels amongst our community and stakeholders, by putting our customers and ratepayers at the centre of your business and by providing evidence-based analysis for any decisions made.

I would like to remind Panuku of the agreed no surprises approach. This approach is intended to facilitate the timely and appropriate two-way flow of information between the council, CCOs and elected members.

Panuku should also remember that ward councillors play an important role and should be kept apprised of matters at the local board level.

Auckland Plan 2050 implementation

Panuku will play an important role in responding to Auckland's key challenges outlined in the Auckland Plan. This year, I will expect Panuku to outline in its SOI how it will align its programme with the directions and focus areas to contribute to delivering the Auckland Plan outcomes.

We expect Panuku to support the development and activity envisaged in the nodes, development areas and future urban areas identified in the first decade of the Auckland Plan Development Strategy (including development of structure plans and plan change processes).

We expect all CCOs to report annually on activities that have contributed to delivering the Auckland Plan 2050.

Climate change

Addressing the challenges that climate change presents for Auckland is a priority for the council group. We made these ambitions clear in the recently approved Auckland Plan 2050 and the Auckland Climate Action Plan, currently being developed, will provide further guidance. We expect Panuku's SOI will outline how it will respond to these plans and address climate change through the application of new ideas and approaches, including the development of any measures where appropriate.

Promote Māori outcomes:

The council expects the CCOs to contribute to Te Toa Takatini and the council group Tiriti o Waitangi Audit response as an integral part of their work programme. We expect CCOs to provide detail on their performance in delivering their Māori responsiveness in their quarterly reporting.

Panuku's strategic priorities

The five strategic priorities which Panuku should reflect in its SOI are outlined below.

1. Deliver Panuku's transform and unlock programme

Panuku's SOI should outline how Panuku will focus on delivering the transform and unlock programme. The council expects Panuku's work programme to help create our major centres as examples of and catalysts for good design.

2. Improve delivery of capital expenditure programme

Over the 2019 year, I expect Panuku to improve its delivery of its capital expenditure programme and business planning. Any delays to the programme should be clearly explained in a timely manner to council.

3. Prepare for the timely delivery of America's Cup and APEC

I expect Panuku to work with the council group, government and stakeholders on preparing for the delivery of infrastructure to support the America's Cup and APEC. Every effort should be made to work constructively to ensure that deadlines are met and the anticipated outcomes can be realised.

4. Improve community engagement

The council expects Panuku's SOI to outline how it will ensure that community engagement assists decision-making, and the benefits of redevelopment to communities and Auckland are fully explained and realised.

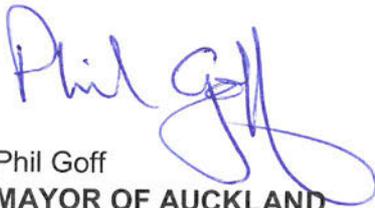
5. Work closely with the council on Marina Strategy

The council is currently developing a marina strategy for Auckland. We expect that Panuku will work with us as we develop this strategy and not undertake any activities that may predetermine the outcome of this strategy. Upon adoption of the final strategy, we expect that Panuku will assist in the delivery of the desired outcomes.

I look forward to receiving a draft of Panuku's Statement of Intent by 1 March 2019.

I note that council staff have been directed to work closely with you to ensure that the messages in this letter are clear. Staff are available to attend your next board meeting to expand or explain aspects of this letter if required. Please contact Alastair Cameron, Manager CCO Governance (Alastair.Cameron@aucklandcouncil) to arrange. Please do not hesitate to take opportunities to seek face-to-face conversations as the Statement of Intent develops, so that the draft SOI is as fully developed as possible.

Yours sincerely

A handwritten signature in blue ink that reads "Phil Goff". The signature is stylized and cursive.

Phil Goff

MAYOR OF AUCKLAND

Information Paper: The use of the Public Works Act as a tool for Urban Renewal

Document Author(s)	Marian Webb, Manager Portfolio Strategy and Business Development [REDACTED]
Reviewer(s)	David Rankin, Chief Operating Officer
Date	15 January 2019

1. Purpose

The purpose of this paper is to outline to the Board following a request, Panuku's ability to use the Public Works Act 1981 (PWA) as a statutory tool to achieve urban renewal and positive development outcomes within our priority locations.

2. Executive summary

Panuku is tasked with undertaking urban renewal within priority locations identified by the Council. These are classified as Transform, Unlock or Support areas indicating the level of intervention likely to be required. Generally, the Unlock and Transform are town centres in places where, for various commercial reasons, the market has not delivered successful development.

Specific urban renewal and development objectives for each priority location are identified as part of Panuku's strategic planning for the area and presented in their respective High Level Project Plans. To deliver on the vision and objectives of the HLPPs, and initiate positive change at scale in these locations, it is vital that Panuku has the ability to invest, acquire strategic property and create larger continuous development sites.

Urban Renewal and Housing are both "public works" for the purposes of the PWA. In some instances, Panuku may require judicious use of the compulsory acquisition powers of the Public Works Act 1981 to achieve this. The PWA sets out the process that Panuku is required to follow to compulsorily acquire land and leasehold interests. Panuku is seeking to make increasing use of the PWA powers going forward where the specific attributes, opportunities and ownership patterns of particular areas direct it.

The use of this statutory tool will be limited to those areas that are identified and agreed by the Council as Transform and Unlock locations, and are within Council approved HLPP areas, and accord with HLPP objectives.

The Planning Committee has endorsed Panuku's prudent use of statutory urban renewal tools, including the PWA. This is on the basis that it aligns with an agreed HLPP and where Panuku has the necessary budget provision. Council has delegated to Panuku all powers and duties under the PWA to acquire and dispose of land while acting within its urban renewal mandate where the location is within an HLPP location and is in accordance with HLPP objectives.

Auckland has a history of various crown and council agencies using compulsory acquisition to achieve urban renewal and housing outcomes such as the comprehensive redevelopment of Freemans Bay. More recent examples are Britomart and Merchants Quarter in New Lynn. However, in recent years, the use of the PWA for urban renewal has fallen into disuse.

Given the Panuku mandate to undertake urban renewal and housing we will require the use of this power going forward where opportunities and ownership patterns of a particular town centre requires it. The process promotes agreement to be reached between the parties, with a mechanism for compulsory acquisition of land only if agreement cannot be reached. In the majority or cases the parties reach agreement before the compulsory acquisition process is completed.

3. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
6 June 2017	Information Paper: Use of Urban Renewal Tools by Panuku	Endorsed by the Planning Committee (PLA/2017/59)
29 September 2017	Delegation Instrument ACDI2017/335	Delegation of powers and duties under the Public Works Act 1981 to Panuku to acquire and dispose of land while acting within its urban renewal mandate
[REDACTED]	[REDACTED]	[REDACTED]

4. Strategic context

Panuku is tasked to undertake urban renewal within its priority development locations across the region. To initiate positive change at scale in these locations, Panuku has the ability to invest, acquire strategic property and create large continuous development sites. The development objectives for these town centres and individual sites align with Panuku's Statement of Intent and include the following:

- strategically creating value from assets
- catalysing urban redevelopment
- the provision of housing
- demonstrating business leadership

As Panuku progresses its role in undertaking urban renewal the proposed key outcomes are measured against the following goals and objectives detailed in Panuku's Business Strategy 2017-2020:

Goals	Objectives
Catalyse urban redevelopment – through projects to “transform, unlock and support”	<ul style="list-style-type: none"> • To facilitate the high quality urban redevelopment of strategic brownfield locations including the waterfront and selected metropolitan and town centres and transport nodes. • To facilitate investment in these locations through collaboration with the private sector, third sector, Iwi and government as partners in the urban redevelopment • To facilitate an increase in housing supply, and residential choices, including housing in the affordable spectrum and Housing for Older People, working with partners, in order to accommodate growth • To continue the urban redevelopment of the waterfront, in particular the Wynyard Quarter, including commercial, residential and marine development and new and enhanced public spaces, in accordance with the Waterfront Plan and in a way that balances commercial and public good objectives

Key initiatives	Goal
Strategically create value from assets – to drive strategic and commercial value from existing and planned assets	<ul style="list-style-type: none"> • To drive, in partnership with Council, improved commercial and strategic value from assets (both service and non-service), through strategic portfolio review • To optimise returns from development and disposals in a commercially robust manner
Building lead agency role and alignment	Catalyse urban development
Project and programme management to enhance project delivery	Drive business performance
Securing pipeline	Strategically create value from assets Catalyse urban development

5. Discussion

5.1. Council’s use of compulsory acquisition powers and the Public Works Act 1981

Legacy Councils and Crown Agencies have a history of using compulsory acquisition for programmes of urban renewal and regeneration in the past. Comprehensive redevelopment by Council from the 1950s onwards of the Freemans Bay slum to its present incarnation relied on an ability to acquire large areas of land. In more recent times, the redevelopment of the Britomart precinct and the Merchants Quarter in New Lynn has occurred following Council’s use of compulsory acquisition powers.

All acquisitions by acquiring authorities such as Auckland Council, whether of land or leasehold interests in land, outside of those advertised on the open market are subject to the Public Works Act 1981 (PWA).

The PWA enables the acquisition of land, compulsorily where necessary, for a 'public work'. It can be used to enable the purchase of land for roads, parks, infrastructure and other public works, such as housing and urban renewal purposes. It can also be used to acquire interests in land, such as leasehold interests.

In practice, most acquisitions do not progress or conclude compulsorily, but the PWA provides for the judicious use of the compulsory acquisition powers as a last resort where agreement on sale cannot be reached, fair compensation decided through a statutory process is paid in those instances where it proves necessary.

5.2. Urban Renewal and Housing as a Public Work

Urban renewal and housing are considered a public work for the purposes of both the PWA, Local Government Act 2002 and Local Government Act 1974.

The statutory definition of 'urban renewal' under the Local Government Act 1974 is: "the conservation, repair, or redevelopment of any land, or of any building on any land, within any urban part of the district, the standard of which should in the opinion of the council be improved; and includes the improvement, reconstruction, extension, development, and redevelopment of the utility services, roading, the landscape, and community and social facilities and services within that part".

The definition is wide ranging, but at its core is the 'conservation, repair, or redevelopment' of land or buildings in an urban area which the Council considers should be improved.

5.3. The PWA, High Level Project Plans and Panuku's urban renewal and housing remit

Panuku is the Council agency tasked with undertaking urban renewal across Auckland. This generally occurs within town centres known as Transform, Unlock or Support locations. The Transform and Unlock locations are in places where, for various commercial reasons, the market has not delivered successful development.

Panuku has a balanced strategy for each location combining commercial and residential development, place making and activation, public realm upgrades and other public good investment. Specific development objectives as part of the strategic planning for these locations are identified and set out in the High Level Project Plans (HLPPs).

Panuku has obtained the appropriate delegation from the Auckland Council Chief Executive Officer in the use of PWA powers, subject to the powers being exercised in relation to achieving urban renewal. This delegation authorises Panuku to commit the Council to financial transactions relating to acquisitions (i.e. authority to acquire), plus express authorisation to enter into negotiated agreements and serve the various notices. The delegation is subject to the powers being exercised for urban renewal within approved priority development locations in line with the agreed objectives identified in HLPPs, and for which an appropriate budget has been identified.

The Auckland Council Planning Committee has endorsed Panuku's prudent use of statutory urban renewal tools, including the PWA and the ability to acquire strategic property in Unlock and Transform locations, where it aligns with an agreed HLPP and where Panuku has the necessary budget provision.

Engagement on Panuku's use of the PWA has been undertaken with the Local Boards and Mana Whenua where the benefits and risks associated with compulsory acquisition was discussed. All parties have indicated in principle support for the use of this tool.

The PWA acquisition powers are predominantly necessary to enable aggregation of land beyond holdings already in Council and the creation of large continuous development sites that allow for the ambitions of the HLPP to be realised. This approach is commonplace overseas where Urban Development Agencies use powers to acquire and amalgamate land into parcels that support comprehensive redevelopment. The government's own UDA proposals recognise this.

5.4. PWA acquisition requirements

PWA acquisition powers cannot be exercised arbitrarily, and to achieve the urban renewal and housing outcomes in the priority locations Panuku must be able to demonstrate that it has considered:

- its objectives
- how it might achieve those objectives (including the possibility of land acquisitions)
- a range of ways to achieve those objectives, including a final decision that considered the alternatives
- that private benefits are incidental to the greater public purpose
- that the acquisition is necessary and convenient for the public work

To operate within the scope of the PWA and in order to be a public work, development must be carried out by or under the control of Panuku.

Panuku needs to be able to demonstrate financial responsibility and that there is the ability to fund the delivery of the urban renewal outcomes.

5.5. PWA process and timeframes

The PWA sets out a specific prescribed process for the purchase of land that must be followed:

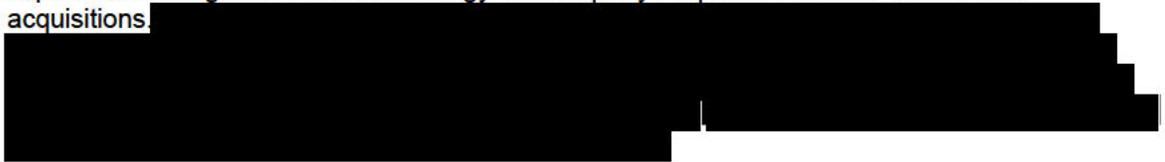
- a) Initial negotiations: approach to the landowner and negotiations to purchase of the property (sections 4 and 17). All efforts are made to acquire on a negotiated 'willing seller willing buyer' basis.
- b) Notice of Desire: at any stage the council may serve a notice on the land or interest owner stating that they would like to use the PWA to acquire (s18). This starts a timeframe, whereby the requiring authority is required to negotiate in good faith with the owner for at least 3 months (but for no longer the 12 months) prior to progressing compulsory action.
- c) Notice of Intention: if an acquisition agreement has not been agreed the acquiring authority can then serve a notice on the owner of the land, confirming its intention to take the land required for the public work (s23).
- d) Environment Court: any person served with a Notice of Intention has 20 working days to object to the taking of the land. Should an objection be received the Environment Court is required to:
 - ascertain the local authority's objectives
 - enquire into the adequacy of the consideration given to of alternative sites, routes or other methods of achieving those objectives, and
 - decide whether, in its opinion, it would be fair, sound and reasonably necessary for achieving the objectives of the local authority for the land of the objector to be taken
- e) Proclamation: recommendation made to Governor-General following expiry of objection period, withdrawal of objection or final disposal of objection. Proclamation must be published in the gazette within one month of signing. Land vests free of all charges and restrictions 14 days following publication (s26).

The process is linear, with each step to be taken consecutively. As noted previously, most PWA acquisitions will be resolved prior to compulsory acquisition. The decision to stop the compulsory acquisition process can be made at any stage, for example after negotiations and prior to serving a Notice of Desire. It is important that excellent records of the process are kept, and the process commenced and undertaken with a view towards the matter potentially proceeding to an Environment Court challenge. Valuation disputes are heard in the Land Valuation Tribunal.

6. What the Board should expect

Panuku was borne from a need to regenerate and rejuvenate specific town centres across Auckland. With its mandate to proactively undertake urban renewal, deliver on the vision and objectives of the HLPPs, and initiate positive change at scale in the priority locations, Panuku is seeking to make increasing use of the compulsory acquisition powers afforded by the PWA.

A key strategic urban renewal advantage of the Public Sector is the ability to aggregate land using the PWA if necessary enabling larger blocks of land for development. Panuku has extensive experience through our Portfolio Strategy and Property Acquisition team of PWA based acquisitions



Furthermore, the Crown through a number of its agencies has indicated recently its desire to use the PWA to achieve urban renewal outcomes in a number of major centres across the country, but particularly in Auckland given its significant housing shortage and infrastructure pressures. The Minister of Housing and Urban Development has already indicated that the new Housing and Urban Development Authority will receive the same PWA compulsory acquisition powers next year to enable urban renewal and housing at greater pace. It is anticipated that opportunities for Panuku to partner with these agencies will result, and more frequent use of Panuku's PWA compulsory acquisition powers be needed going forward.



The approval of the Board will always be sought by executive where the application of compulsory acquisition powers are considered necessary. The executive will present a suite of reports to the Board for decision making. These will include the relevant HLPP, Programme Business case and investigation and options analysis as it relates to the acquisition of land or interests in land.

Information Paper: Grants and Donations Six-monthly Report 31 December 2018

Document Author(s)	Maxine Waugh, Manager Business Systems and Processes
Reviewer(s)	Carl Gosbee, Director Corporate Services Ian Wheeler, Director Portfolio Management Roger MacDonald, Chief Executive
Date	14 January 2019

1. Purpose

To report the six month's results to 31 December 2018 on grants and donations provided by Panuku Development Auckland, against the Board approved annual budget for 2018/2019.

The 2018/2019 budget for grants and donations was approved at the Panuku Development Auckland Board meeting dated 25 July 2018. As agreed at the meeting, a six-monthly update is provided to the Board.

2. Background

Panuku provides grants and donations typically for businesses and activities in and around the Auckland waterfront that provide a reciprocal benefit to Panuku. Donations are also provided from time to time for a worthy cause or customary activity, without expecting a reciprocal advantage. The Panuku Grants and Donations Policy provides guidance for approving sponsorships, making our requirements open and clear to the community, and ensuring consistency and transparency of operation across the organisation. This report excludes any costs contributing to, or losses generated from, the America's Cup 36.

Cash donations are limited, and generally are payments in support of sponsored conferences, education, or other supportive community activities, consistent with Panuku strategic objectives.

Grants and donations 'in-kind' are represented by the provision of free or discounted rental of property assets, i.e. land, commercial buildings, car parks and marina berths. The 'value' of the grant or donation is defined as the revenue forgone for the rental of the property as if there is a customer available and prepared to pay market rates at the time of the event. This potential income forgone may not have actually been achievable but represents what would have been charged if someone wanted to use the space. We exclude income forgone for instances where it is unlikely an alternative customer was available and willing to pay market rates, or for circumstances that have become normal business practise to provide free or discounted rental.

3. Criteria for providing grants and donations

As per the Grants and Donations Policy, criteria for providing sponsorship to businesses and activities are that the grant or donation will:

- assist in the implementation of the Panuku Corporate Strategy, contributes to our Business Plan objectives, or strengthens and broadens our relationship with key stakeholders and the community;
- contribute to our reputation management and marketing;
- support a worthy cause or customary activity of a worthy organisation;
- support activities occurring within the Panuku area of influence and/or to organisations that contribute to Panuku's delivery of public good, and
- be considered value for money and within acceptance levels of risk.

Panuku may consider providing grants and donations to organisations that:

- are legal entities, individuals operating under an incorporated society or registered charitable trust, and
- have corporate values that align with those of Panuku and do not compromise the agency's reputation, public image, or probity, and
- do not pose a significant risk to Panuku or its staff perceived to have a current or future conflict of interest.

Panuku will consider providing grants for activities that:

- contribute to the advancement of Panuku's strategic priorities and the vision and goals of the Corporate Strategy and Business Plan, or deliver on specific place-making objectives (e.g. Wynyard Quarter Curation Strategy), and/or
- have measurable beneficial outcomes commensurate with the level of investment, and/or
- increase public awareness of the contribution being made by Panuku to the creative, events, and entertainment sectors e.g. on Auckland's waterfront, and/or
- are able to communicate key messages to target audiences, engage or build relationships with key stakeholders and our tenants, and ideally lead an ongoing two-way partnership between Panuku and the stakeholders, and/or
- have demonstrated community support for the project, and/or
- appropriately acknowledge Panuku as sponsor, indicating clearly our support for rather than ownership of the sponsored activity, through forms including signage and acknowledgment in speeches and media releases, and/or
- enhance Panuku's brand attributes, core values, and reputation and promote Panuku's civic and social responsibility.

Panuku will consider giving donations for activities and events that:

- have no perceived or actual influence on decision making, integrity, and impartiality; and
- are undertaken in accordance with established and recognised custom; and
- promote Panuku's civic and social responsibility.

Panuku reserves the right to refuse a request for a grant or donation from any party and terminate an existing agreement should the association cease to be appropriate.

4. Six months 2018/2019 actual against plan

A summary of all grants and donations for the six months to 31 December 2018 is provided in the table below.

Location/activity/type	Actual 6 months to 31 Dec 2018	Plan 6 months to 31 Dec 2018	Variance against Plan
Cash	\$ 7,500	\$ 6,000	\$(1,500)
Marinas	\$ 50,000	\$ 52,000	\$ 2,000
Commercial property and car parks	\$ 80,300	\$ 81,000	\$ 700
TOTAL	\$137,800	\$139,000	\$ 1,200

Actual results for the first six months are virtually on budget with a \$1.2k favourable variance.

An additional cash donation was approved by the Chief Executive in line with delegated authority. The planned marinas sponsorship included provision for a free events berth for the classic yacht weekend, however this activity did not go ahead.