



**Panuku
Development
Auckland**
An Auckland Council Organisation



**Board
Report**

Date

Wednesday, 27 September 2017

Time

Commencing at 10:30 am

Venue

Panuku Development Auckland
Ground Floor
82 Wyndham Street, Auckland

Board Agenda

Where: 82 Wyndham Street, Auckland

When: Wednesday, 27 September 2017 | 10:30 am – 12:00 noon

Board Members: Richard Aitken – Chair
Anne Blackburn – Director
Evan Davies – Director
Richard Leggat – Director
Dr Susan Macken – Director
Paul Majurey – Director
Mike Pohio – Director
Martin Udale – Director

In attendance: Roger MacDonald – Chief Executive
David Rankin – Chief Operating Officer
Carl Gosbee – Director Corporate Services
Angelika Cutler – Director Corporate Affairs
Rod Marler – Director Place and Design
Ian Wheeler – Director Portfolio Management
Allan Young – Director Development
Aaron Simperingham – Company Secretary

		Timing
1.	Opening of Public Meeting 1.1 Public Deputation – Peter Haynes and Glenda Fryer 1.2 Public Deputation – Rod Macfarlane and Tony Walden 1.3 Apologies 1.4 Directors' Interests 1.5 Directors' Board Meeting Attendance Register 1.6 Public Minutes of the 30 August 2017 Board meeting	10:30 am
2.	Public Information Papers 2.1 Health and Safety Plan 2.2 Auckland Council Q4 Report 2.3 Enterprise Risk Management Policy	10:45 am
	Morning Tea	11:05 am
3.	Public Decision Papers 3.1 Disposal recommendations	11:20 am
4.	Discussion of public matters in CE Report	11:30 am
5.	Procedural Motion to Exclude the Public Put the motion 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 following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.	11:45 am

Directors' Interests as at 20 September 2017

Member	Interest	Company / Entity	Conflicts pre-identified?
Richard H. AITKEN	Chairman	Panuku Development Auckland Limited	
	Director	BGCF Trustee Ltd	
	Shareholder	Beca Group Ltd	
	Director	BGL Custodian Ltd	
	Director	BGLIR Trustee Ltd	
	Director	BGL Management Share Trustee Ltd	
	Director	BGL Nominees Ltd	
	Director	BGS Trustee Ltd	
	Director	Derceto Trustee Ltd	
	Director	Hopetoun Pitt Ltd	
	Director	Gands Plan Pty Ltd (Australia)	
	Director	John Scotts Investments Ltd	
	Director	Trust Power Ltd	
	Director	Te Punaha Matatini Advisory Board	
	Trustee	BAS Custodian Trust	
	Trustee	Beca Indemnity Fund Custodian Trust	
	Trustee	BGLIR Custodian Trust	
	Trustee	BGL Custodian Trust	
	Trustee	BGS Custodian Trust	
	Trustee and Discretionary Beneficiary	The Glade Trust	
Trustee	The Sunnybrae Trust		
Trustee	The Waimarama Trust		
Dr Susan C. MACKEN	Deputy Chair	Panuku Development Auckland Limited	
	Director	Blossom Bear Ltd	
	Director	STG Ltd	
	Deputy Chair	Tāmaki Redevelopment Company Ltd	Possible
	Chair	Spa Electrics Ltd (Aust.)	
	Chair	Kiwibank	

Member	Interest	Company / Entity	Conflicts pre-identified?
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M. Anne BLACKBURN	Director	Panuku Development Auckland Limited	
	Member	Commercial Operation Advisory Board to the Treasury	
	Director	New Zealand Venture Investment Fund Limited	
	Director	NZVIF Investments Ltd	
	Director	Warren & Mahoney Ltd	Supplier
	Director	Warren & Mahoney Architects Ltd	Supplier
	Director	Committee for Auckland Ltd	
	Director	Fidelity Life Assurance Company Ltd	
	Director	Fisher Funds Management Ltd	
	Director	TSB Bank Ltd	
	Director	TSB Group Capital Ltd	
	Director	TSB Group Investments Ltd	
	Director	Ten Gracie Square Ltd	
	Trustee	Wairaka Land Company Ltd (Unitec land development subsidiary)	Possible

Evan W. DAVIES	Director	Panuku Development Auckland Limited	
	Director	Welch Securities Ltd	
	Director	Paris Magdalinos Architects Ltd	
	Director	Kokako Fames Ltd	
	Director	Todd Property Group & subsidiaries	
	Director	Todd Property Ormiston Town Centre Ltd	J/V with Panuku
	Trustee	Melanesian Mission Trust	
	Trustee	Anglican Trust for Women and Children	
	Chair	Capital Investment Committee, Nation Health Board	
	Chair	Christchurch Hospital Redevelopment Partnership Board	
	Director	FMS Ltd (Australia)	

Richard I. LEGGAT	Director	Panuku Development Auckland Limited	
	Director	New Zealand Post Ltd	
	Deputy Chair	Tourism NZ	
	Director	Cycling NZ	
	Director	Education NZ	

Member	Interest	Company / Entity	Conflicts pre-identified?
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Member		Union Cycliste Internationale Ethics Commission	
Chairman		NZ Cycle Trail Incorporated	
Director		Snowsports NZ	
Panel Member		NZ Markets Disciplinary Tribunal	
Director		Trophy Metropolitan Ltd	
Director		Mortleg Ltd	
Director		Winter Games New Zealand	
Advisor		MyMoneyFit Ltd	

Paul F. MAJUREY	Director	Panuku Development Auckland Limited	
	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	
	Chair	Tāmaki Makaurau Community Housing Ltd	
	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	Hauraki Collective (12 iwi collective)	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Co-Chair	Tāmaki Healthy Families Alliance	
	Director	Museum of New Zealand Te Papa Tongarewa	
	Director	Pare Hauraki Asset Holdings Ltd	
	Director	Taimoana Marine Farms Ltd	
	Director	Tikapa Moana Enterprises Ltd	
	Director	Pouarua Farm General Partner Ltd	
	Director	Ngāti Maru Pouarua Farm Ltd	
	Director	Half Moon Bay Venture Ltd	
	Director	Atkins Holm Majurey Ltd	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Ngāti Maru Rūnanga Trust	
	Trustee	Hauraki Fishing Group	
Mana Whenua Representative	Hauraki Gulf Forum		
Tainui Waka Representative	Iwi Working Group (review of Te Ohu Kaimoana)		
Chair	Whenuapai Housing General Partner Ltd		

Member	Interest	Company / Entity	Conflicts pre-identified?
Michael E. POHIO	Director	Panuku Development Auckland Limited	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	KiwiRail Ltd	
	Chairman	BNZ Partners Waikato	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	TBFree	
	Director	OsPRI New Zealand Ltd • National Animal Identification and Tracing Ltd	

C. Martin UDALE	Director	Panuku Development Auckland Limited	
	Director	Essentia Consulting Group Ltd	
	Director	Fleming Urban Ltd	Possible Onehunga development
	Director	Innovation Waikato Ltd	
	Director	Paparata Ltd	
	Director	Tall Wood Ltd	
	Director	Tall Wood Distribution Ltd	
	Director	Forest Group Ltd	
	Director	Tāmaki Redevelopment Company Ltd	Possible
	Director	Tāmaki Regeneration Ltd	
	Director	Waikato Innovation Park Ltd	
	Chair	Wairaka Land Company Ltd (Unitec land development subsidiary)	Possible
	Trustee	Cardinal Trustees Ltd	
	Director	TW Twenty Twenty Ltd	
	Director	Hobsonville GP Ltd	
	Director	New Ground Living (Hobsonville Point) Ltd	
Director	Tall Wood Assembly Limited		

DIRECTORS' MEETING ATTENDANCE REGISTER – 2017 / 2018

	2017						2018					
	26 Jul	30 Aug	27 Sep	25 Oct	30 Nov	25 Jan	28 Feb	28 Mar	26 Apr	30 May	27 June	TOTAL
R.H. Aitken	✓	✓										
Dr S.C. Macken	✓	✓										
M.A. Blackburn	✓	✓										
E.W. Davies	✓	✓										
R.I. Leggat	✓	✓										
P.F. Majurey	✓	✓										
M.E. Pohio	✓	✓										
C.M. Udale	✓	✓										

MINUTES OF THE MEETING OF DIRECTORS OF DEVELOPMENT AUCKLAND LIMITED (PANUKU DEVELOPMENT AUCKLAND), HELD IN **PUBLIC** SESSION AT ROYAL NEW ZEALAND YACHT SQUADRON, AUCKLAND ON WEDNESDAY 30 AUGUST 2017 COMMENCING AT 4.10 PM.

ATTENDING	1-08/17	<p>Board: Richard Aitken (Chair), Anne Blackburn, Evan Davies, Richard Leggat, Paul Majurey, Mike Pohio, Dr Susan Macken, and Martin Udale.</p> <p>Executive: Roger MacDonald (Chief Executive), David Rankin (Chief Operating Officer) Kingsha Changwai (Manager Business Planning and Reporting), Carl Gosbee (Director Corporate Services), Rod Marler (Director Place and Design), Ian Wheeler (Director Portfolio Management), Allan Young (Director Development), Aaron Simperingham (Company Secretary).</p>								
PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	1-08/17	<p>It was RESOLVED THAT, pursuant to the provisions of clause 12.3 of the Panuku Constitution, the public be excluded from the Meeting for the following proceedings; the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" data-bbox="608 853 1485 1137"> <thead> <tr> <th data-bbox="608 853 1043 936">General subject of matters to be considered</th> <th data-bbox="1043 853 1485 936">Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td data-bbox="608 936 1043 987">Governance; Committee report</td> <td data-bbox="1043 936 1485 987">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="608 987 1043 1039">Finance and Risk</td> <td data-bbox="1043 987 1485 1039">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="608 1039 1043 1137">Management and operations</td> <td data-bbox="1043 1039 1485 1137">Commercially sensitive issues</td> </tr> </tbody> </table> <p><i>Moved Susan Macken, seconded Richard Aitken; CARRIED.</i></p>	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									
APOLOGIES	2-08/17	There were no apologies for the meeting.								
DIRECTORS' INTERESTS	3-08/17	The Directors' Interests Register was noted .								
BOARD ATTENDANCE REGISTER	4-08/17	The Board received the Board Attendance Register.								
PUBLIC MINUTES OF THE 26 JULY 2017 BOARD MEETING	5-08/17	The Board reviewed and approved the public Minutes of the Board Meeting of 26 July 2017.								
CONFIDENTIAL MINUTES OF THE 26 JULY 2017 BOARD MEETING	6-08/17	The Board reviewed and approved the confidential Minutes of the Board Meeting of 26 July 2017.								
BOARD ACTION LIST	7-08/17	<p>The Board received the Board Action List.</p> <p>The Board noted that the December Board meeting has been cancelled, and replaced by a Board meeting on 25 January 2018.</p>								
TAKAPUNA BUSINESS CASE	8-08/17	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
APPROVAL FOR NON-CONTESTABLE	9-08/17	<i>Withheld from the public under S7(2)(b)(ii) of the LGOIMA</i>								

DEVELOPMENT AGREEMENTS		
AMERICA'S CUP TECHNICAL WORK	10-08/17	<i>Withheld from the public under S7(f)(i) of the LGOIMA</i>
DIRECTOR APPOINTMENT TO WESTHAVEN MARINA LIMITED AND DOWNTOWN MARINA LIMITED	11-08/17	<i>Withheld from the public under S7(f)(i) of the LGOIMA</i>
APPROVAL OF THE PROJECT MASTERPLAN FOR THE AIRFIELDS	12-08/17	<i>Withheld from the public under S7(f)(i) of the LGOIMA</i>

DRAFT ANNUAL REPORT	13-08/17	<i>Withheld from the public under S7(f)(i) of the LGOIMA</i>
		The meeting closed at 4.30pm

READ AND CONFIRMED

_____ Chairman

_____ Date

Information Paper: Health and Safety Plan 2017/18

Document Author(s)	Blair McMichael – Health and Safety Manager
Reviewer(s)	David Rankin – Chief Operating Officer
Date	12 September 2017

1. Purpose

This Information Paper provides the Board with an overview of the health and safety plan for 2017/18.

2. Executive Summary

The health and safety plan has been developed to provide direction within Panuku. The plan summarises who we are as an organisation and what our delivery priorities are for the coming year. The Panuku Health and Safety Plan 2017/18, is included as attachment A.

The plan has been through a number of stages of engagement and consultation with Panuku staff, including review and endorsement by the Auckland Council Head for Health and Safety, and the Panuku Health and Safety Representatives. The draft plan was previously presented to each Directorate. The health and Safety Plan 2017/18 has been reviewed and endorsed by the Panuku Senior Lead Team and the Panuku health and safety governance committee, the Health and Safety Steering Group in August.

The health and safety planned deliverables are summarised in section 3 below, and include any items which haven't been completed in the previous year.

The plan seeks continual improvement in safety maturity, compliance through safety behaviours, process and system improvements, and leadership.

The plan complements key health and safety deliverables stated in the business plans by Directorate, aligns to the overarching policies and vision of Auckland Council, and captures incomplete actions from the Impac Solution safety review (2016), and will cascade into the directorate business plans, already largely anticipated.

The plan outlines its purpose, provides clarity around the health and safety of Panuku since inception, and defines the safety journey sought from the organisation to attain greater maturity and ownership in health and safety. The plan also recognises the uniqueness of the many industries in which Panuku operate (i.e. marinas, quarries, landfills, construction, and property management), and accordingly the varied risk profile.

The plan identifies key objectives to support the organisation's evolving maturity aimed at safeguarding the physical and mental wellbeing of Panuku staff and others, including contractors and the public. It seeks legislative compliance recognising legislated dates such as the implementation of Asbestos Management Plans due in April 2018. The health and safety plan maintains a culture of cooperation, consultation and coordination with Auckland Council, including aligning with the Auckland Council 'draft' health and safety policy, wellbeing program, strategic planning (2017-2020), and to the Health and Safety at Work Act (2015).

3. Health and Safety Plan Objectives

The planned objectives include systems improvements, training and development, hazard and risk management, contract (and agreement) management (CMF), marina safety improvements, safety in design (for workplaces), safety communication, safety culture, asbestos management, the management of drugs and alcohol affecting Panuku worksites, and leadership.

Each objective is intended to follow a work program for tracking and accountability, including those linked to the business plan. Indicative work plan dates are:

- Safety in Design (for workplaces): August start –review Feb 18;
- Marina Safety Improvements: August start – Feb 18;
- CMF: April start – Sept finish, other Directorates (coms/train) to May 18;
- Asbestos Management Planning: Aug start – May 18 finish (includes review);
- Risk Manager, software implementation (phase two): June 18
- Strategic Plan 2017/2020: December start. Feb-March 18 engagement and approval;
- Drug and Alcohol Management: March 18 start – June 18 finish;
- Hazard Identification and Risk Assessment by Directorate: November workshops start – April 18 finish (review July);
- Staff Wellbeing Programme: Council workshop / engagement October start – July 18 finish (implementation for 2018);
- Internal Audit (EY): start TBC – recommendation inclusions in H & S Plan 2017/18.

The plan will be monitored and reported on through its inclusion in the management reporting tool, leaderkit.

Attachment A: Health and Safety Plan 2017/18

Attachment A

Health & Safety Plan

2017/18

Executive Summary

This document describes the Panuku safety system and our health and safety plan for 2017/18.

The plan will strive to build a consistent approach to health and safety, cementing our alignment with Auckland Council and its' overarching vision and governance. It is tailored to achieve a stronger safety culture, building on the existing health and safety leadership, improved governance, systems improvements, and training and development. Planned outputs include:

- Defining responsibilities of staff that hold health and safety accountabilities;
- Using a health and safety training needs analysis to target staff who hold specific health and safety roles, have task specific training requirements, or who provide leadership in Panuku.

Other aspects of the plan include clarifying what we will measure, the frequency, tracking and ultimately the accountability for implementing identified improvements, delivery of a framework for the management of contracts and agreements, safety in design process and training, improved software support, and a focus on obtaining compliance through asbestos management and drug and alcohol controls.

Key differences from last years' health and safety performance, and those planned for 2017/18 are inherent in the level of continual involvement and engagement of our staff. This plan centres around 'staff engagement' through our communication forums, our governance structure and operational project and safety groups - testing and reviewing safety initiatives, and commitment to targeted training and feedback.

By gaining active staff engagement our safety changes will be positively supporting and endorsed. The implementation of our health and safety program, and making ongoing personal commitments, will ensure the safety of our workplaces, and will ensure the development of a uniquely 'Panuku' safety culture.

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Introduction

A variety of risks and incidents, a uniquely diverse business, and increasing performance expectations from our stakeholder, Auckland Council, demands a consistent and mature approach to managing Health and Safety.

This document outlines the framework in which health and safety is facilitated and supported by our operating model. This document outlines our intended health and safety objectives for 2017/18. The combination of these objectives are designed to achieve Zero Harm, eliminating the potential for fatalities and permanent disabilities while systematically reducing all other injuries, enabling Panuku to achieve the goal of 'best in class' in health and safety for our business activities.

Our approach, takes into account our relatively recent business formation, the enactment of the Health and Safety at Work Act (2015), our last years' performance, Auckland Councils' health and safety structure, and current Health and Safety best practice.

The application of our approach will provide a clear and consistent experience for our people to deliver the 2017/18 objectives outlined in this document and in doing so achieve a much higher level of health and safety performance.

Our Vision

To position Panuku Development Auckland as a 'Best in Class' organisation in health and safety.

Our Objective

We all go home each day without injury or illness.

Our Focus

Eliminate the potential for fatalities and permanent disabilities, and systematically reduce all other injuries

Background

To provide context to the future strategic and operational direction of the Panuku Development Auckland health and safety journey it is important to reflect on how the organisation has evolved since its' formation.

In 2016 the components which made up a Panuku health and safety management system included implemented legacy health and safety manuals, policies and references. The most established systems had been created independently by Waterfront Auckland and Auckland Council Property Limited with the latter based upon the previous Auckland Council health and safety manual.

At that time the organisation created the supporting role of Health and Safety Manager based on the significant business health and safety risk exposure. Panuku management recognised the business fell short of its legislative compliance obligations, under the Health and Safety in Employment Act 1992, and would need to transition to meet the challenges and expectations, of a PCBU (Person Conducting a Business or Undertaking), under the new Health and Safety at Work Act (2015).

In April of that year an independent audit (Impac report) identified a number of safety gaps. All outstanding or incomplete items from the Impac report have been included below:

1. Establish a clear health and safety vision and safety plan,
2. Ensure Senior Lead Team members undertake periodic training, and a programme of site visits,
3. Set and track health and safety performance indicators annually,
4. Ensure health and safety planning is extended into all operationally focussed Directorates with annual planning cycles,
5. Set health and safety accountabilities for affected personnel and review,
6. Plan safety improvements of marina operations,
7. Ensure Panuku are activity monitoring critical risk activities of third party PCBUs,

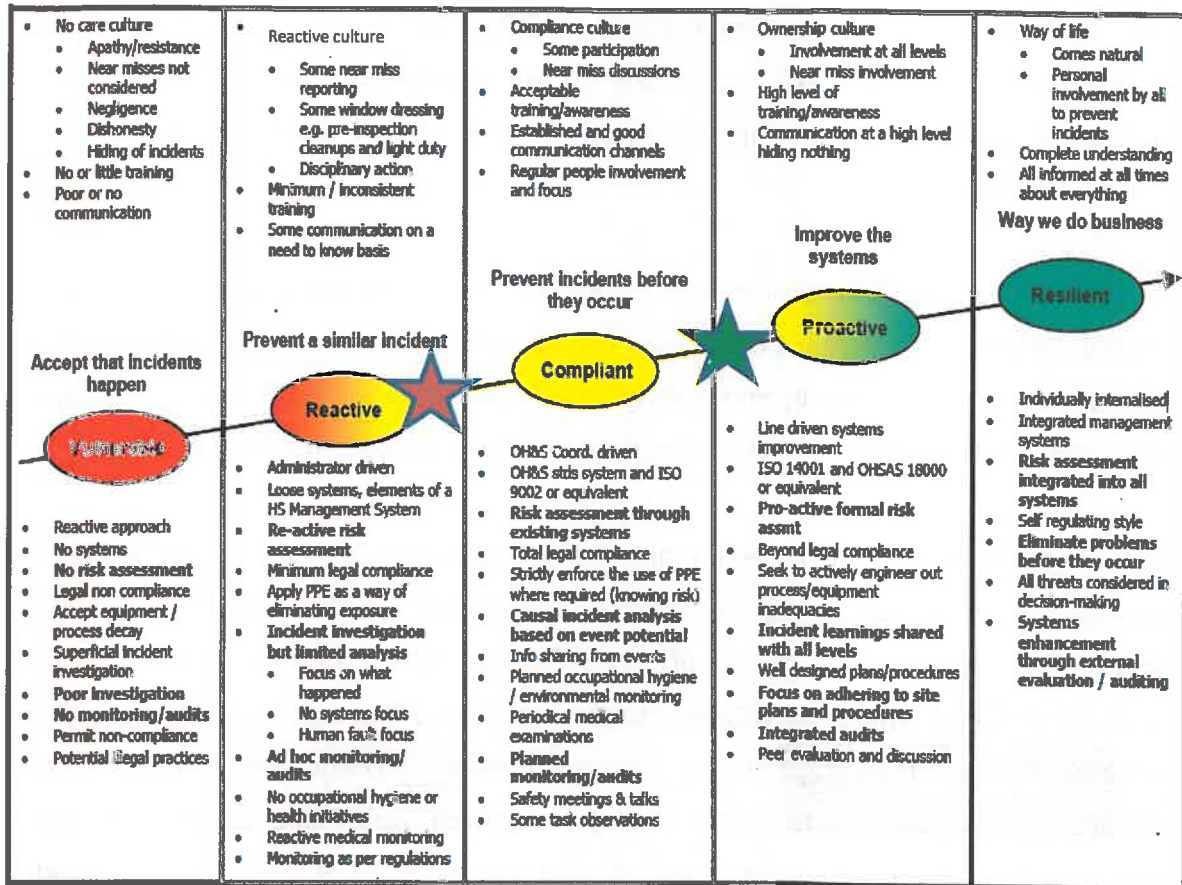
8. Ensure a Panuku work flow process for all aspects of contractor health and safety management,
9. Establish and deploy a Panuku safety in design process/procedure,
10. Program an audit and review schedule to measure the health and safety management system.

Each of the Impac report safety gaps have been incorporated within the 2017/18 plan. The method of implementation for each item is described under the various 2017/18 health and safety objectives.

Since that time, Panuku has begun a journey to develop its own health and safety culture, starting with determining a health and safety management structure, where this has not been addressed, working to an operating model, defining policies and processes, and forming the foundations of a health and safety management system. The health and safety plan 2017/18 intends to build on the existing safety foundation and extend that culture to a more maturity model.

Below is an overview of where Panuku has seen itself since inception in 2015, and the intended path to progress our health and safety culture to a proactive / lead safety organisation beyond 2018.

Transitioning the Panuku Safety Culture



Health and Safety 2015-2017



Health and Safety Target for 2017/18.

Our Health & Safety Management Structure

As a Council Controlled Organisation (CCO), Panuku has developed and manages its own specific health and safety standards and processes. This approach includes maintaining consistency with Auckland Councils' overarching safety structure.

Health and safety governance and leadership flow from the Board through the Panuku executive / Senior Lead Team (SLT). However ultimate accountability for the management of Health and Safety at Panuku rests with the Chief Executive supported by his staff, reporting through to the Panuku Board members.

The organisation's senior Health and Safety governance body is the Panuku health and safety steering group, which supports both the SLT and the Panuku Board. The group is made up of three Panuku Board representatives, Chief Executive, Chief Operating Officer, Health and Safety Manager and Chair of the internal Panuku H&S Committee. The H&S steering group meet quarterly to review Panuku health and safety strategic planning, apply due diligence to the organisations health and safety tracking, and test the level of resourcing required to mitigate health and safety risk.

Through the SLT, each Directorate form their annual business plan objectives, incorporating health and safety, and reported regularly to the Panuku Board. The 2017/18 plans drive health and safety accountabilities by Directorate yet are the parts of the single coordinated direction of improving safety across Panuku.

Each Directorate has training health and safety representatives who form the Panuku health and safety committee, actively supporting both operational and strategic health and safety outcomes. The committee operate in an environment where the members consult, cooperate, and coordinate with a common approach to health and safety, including:

- reviewing the health and safety direction,
- risk management, reporting (via Risk Manager from 2017),

- monitoring (via audit and inspections),
- incident investigation (via ICAM), and
- Training needs via the mapping of training and development needs.

The role of the Health and Safety Manager is to guide the organisation's development of health and safety systems, practices and standards, and drive accountability and ownership of health and safety through those people with direct control. This functional role operates across all aspects of the businesses health and safety risk, supporting governance, strategy and operational outcomes. The role works in close partnership with the teams in the business, with a strong focus on supporting and training teams to competently carry out their health and safety accountabilities.

The day-to-day responsibility for working safely rests with our Directorates and their teams led by Executive Lead team of Panuku, who are accountable to ensure their staff support and work to existing and evolving health and safety systems and processes. Integral to the improvements gained within the Panuku health and safety performance, are the many personnel working consistently and taking ownership of health and safety, driving a singular safety culture.

Our Operating Model – a health and safety perspective

In planning for 2017/18 it's important to consider our existing operating model for health and safety. The Panuku health and safety model aims to align to Auckland Councils' safety structure and their goal of 'Best in Class'. Our model going forward considers management accountabilities and responsibilities through our health and safety structure and underpins our 'drivers' in health and safety for 2017/18.

The 2017/18 Panuku health and safety model is expressed through business standards, processes, tools and knowledge which are captured in the following ways:

- A central repository of processes and tools within a single quality management system, 'ProMapp',
- The development of a standard for the management of contracts and agreements, integrated within the Panuku Project Management Framework,
- A reporting tool with integrated training, risk, and trending modules through the software programme 'Risk Manager'.

Key to the continual improvement of health and safety is maintaining a consistent approach with Auckland Council. This consistency of approach is expressed through an overarching vision, health and safety policy, incident reporting systems, and procurement process providing both strategy and policy to anchor our approach. Each element is then 'operationalised' to fit the risk profile of Panuku from Marinas to construction.

Health and Safety Policies and Processes

Since 2016 Panuku has documented health and safety policies and processes prescribing how our organisation manages its health and safety within the quality management system ProMapp. Our health and safety processes include:

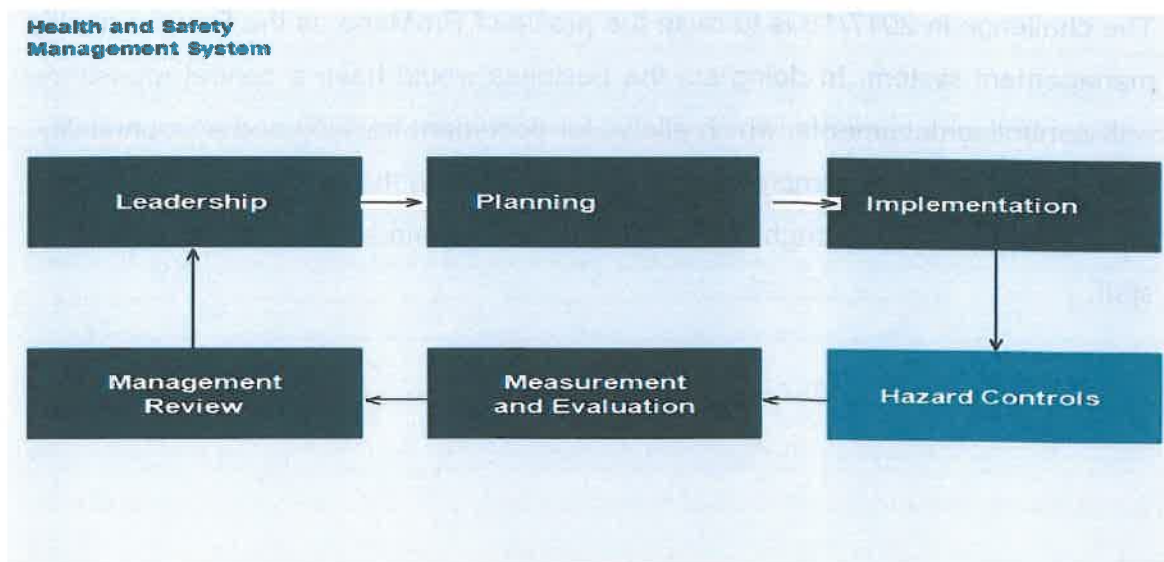
1. Employer Commitment to Safety Management Practices,
2. Planning, Review and Evaluation,
3. Hazard and risk Management ,
4. Communication, training and People Management,
5. Incident and injury reporting, recording and investigation,
6. Employee Participation in Health and safety Management,
7. Emergency Planning and Readiness.

The challenge in 2017/18 is to raise the profile of ProMapp as the Panuku quality management system. In doing so, the business would have a central repository, with controlled documents, which allows for document tracking and accountability. ProMapp as a systems improvement is covered within the Health and Safety Plan 2017/18, specifically through increased communications and training to all affected staff.

Panuku Health and Safety Approach

Panuku has developed and commenced implementing its own H&S approach supported by Auckland Council, and will continue to improve its content as part of our health and safety planning in 2017/18. This ensures Auckland Council overarching standards are met while at the same time allowing Panuku to develop a system meeting specific needs.

Our current health and safety systems and structure are modelled on the Australian and New Zealand Health and Safety Standard AS/NZ4801:2001, and the Accident Compensation Corporation Workplace Safety Management Practices accreditation, to create a complete management system.



With reference to Panuku construction and development projects, quarries, landfills, forestry operations, events and facilities all operate against agreed H&S plans relevant to the various contract or agreements type. In 2017/18 a framework for the safe management of contracts and agreements will further ensure Panuku have the ability to discharge its overlapping duties as a PCBU under the Health and Safety at Work Act.

2017-2018 Health and Safety Objectives

1. Leadership, Commitment & Accountability

To increase the level of health and safety leadership through the provision of clear direction to the business, visibility, and defined accountability.

2. Systems

To support the implementation of an organisational health and safety reporting system, Risk Manager, and quality management system, ProMapp, that raises the profile and usability of the Panuku health and safety approach.

3. Training, Competency & Development

To train, support and motivate our people, ensure safety behaviours are further based on role-specific needs.

4. Risk Management – Contracts and Agreements

To entrench a systematic risk management approach for the management of contracts and agreements and safety in design for work, through all stages of project management.

5. Monitoring

To maintain the Panuku critical risk activities audit program and develop and implement a rigorous Organisation-wide Audit Program that provides confidence at all levels that the Standards of Panuku being met.

6. Communication & Consultation

To have engaged and informed people working within a learning culture, able to contribute to our Health and safety approach.

7. Safety Culture Development

To develop an identifiable Panuku safety culture based on the characteristics of risk awareness, reporting and learning.

8. Health and Wellbeing

To enhance the health and wellbeing of our staff, contractors, and clients by ensuring asbestos management standards are compliant, and drug and alcohol management standards are relevant and effective, having been informed to all affected persons and actively enforced.

1. Leadership, Commitment and Accountability

Objective: To increase the level of leadership through the provision of clear direction to the business, visibility, and defined accountability.

The Panuku level of success in meeting our health and safety objectives relies heavily on the practices of our people and functional managers (leaders). Excellent H&S leadership is about understanding, taking ownership and accepting responsibility for managing H&S risks. Importantly, good leadership maintains a focus on critical risks.

Management practices, including leading by example and taking accountability. All layers of management are seen as critical to creating safer Panuku workplaces. Each of the health and safety objectives for 2017/18 is dependent on management support, management integrating SMART safety goals within their teams; undertaking ongoing monitoring of these goals; and maintaining regular communication between the manager and their staff including through the PDP process.

Key aspects of health and safety performance for 2017/18 are dependent on continual communications from the SLT (Senior Lead Team) Directors, and the Chief Executive, shaping our thinking and confirming that safety is first and zero harm are drivers in our operating model.

Other initiatives for this years' plan will include rotating Senior Lead Team members to attend and contribute to the Panuku Health and Safety Committee; Senior managers providing safety updates to Directorate team meeting; tracking the close-out of safety corrective actions through the reporting system Risk Manager, and ensuring staff are actively engaged in health and safety decision-making, by seeking continual feedback. Other initiatives may include a single quality management system supporting document control, accountability, tracking, and most importantly, a single source of truth.

Panuku will draft a health and safety strategy for 2017-2020, the strategy will align with Auckland Council describe direction, aims, and set out how we will achieve our goals. The strategy will set objectives to support the business transition into a new culture by 2020. The strategy will target leadership, equipping our managers to manage their people, and for our people to come on the journey.

Key Actions (2017/18):

- Updates and training in health and safety legislative changes to SLT;
- Complete quarterly site walkovers, by SLT member, to reinforce positive safety behaviour;
- Training and support in the use of Risk Manager for the close out of incidents, and hazards, and corrective actions to People Leaders;
- Training and support in navigating in the quality management system ProMapp, where all health and safety processes currently reside to People Leaders;
- Monthly trending updates from ProMapp and Risk Manager tracking performance by Directorate reported to SLT, health and safety committee, health and safety steering group, and the Panuku Board;
and
- Gain approval from SLT, the Health and Safety Steering Group, and Health and Safety Committee for the implementation of a Panuku Health and Safety Strategy 2017-2020.

2. Systems

Objective: To support the implementation of an organisational health and safety reporting system and quality management system that raises the profile and usability of Panuku health and safety management systems.

In 2017/18 health and safety system development continues with the aim to support our operating model and positively influence our safety culture.

System Support Tools

We currently mandate the use of two key H&S tools across Panuku, Risk Manager (reporting) and ProMapp (quality management). Both tools were initially implemented in 2016, and will continue to evolve with future modules. Training and communications for additional modules will form part of the 2017/18 health and safety business plan.

1. Risk Manager

Provides the following functionality to support our projects:

- A means for capturing incidents, including investigation follow up, hazard management and action items.
- A structured approach to scheduled audits and inspections, and capturing non-conformance with follow-up action items for resolution.
- A means to monitor legal compliance to relevant regulations, standards and guidelines.
- More intuitive data entry and retrieval, which allows us to improve our reporting accuracy and identify H&S trends across the business. This will then lead to the creation of new initiatives based on shared knowledge.

Training and communication plans will pre-empt the second phase of the Risk Manager implementation in 2017/18. Modules including contractor management, risk management, and training and development hold the potential to strengthen our approach to Health and safety, driving accountability, and providing an integrated and consistent approach for the management of H&S issues.



2. ProMapp

ProMapp is an Auckland Council quality management software application. ProMapp supports the implementation of our H&S processes providing a robust approach to the management and accountability of consistent business process.

As business standards continue to develop in 2017/18 these will be transferred into ProMapp to ensure a single source of truth, maintaining the integrity of that process or standard, and accountability.

Training in 'navigating' within ProMapp will be extended beyond the Health and safety representatives and administrators, forming part of the Panuku training and development objectives and including an awareness by all staff particularly our managers.



3. ICAM – Incident Cause Analysis Method

ICAM is the methodology we have begun to use across Panuku for incident investigation and analysis. The ICAM methodology aligns to our Risk Manager reporting software requiring specific training. Key personnel have been identified to support the delivery of ICAM initially for Notifiable events, however with the potential to review all near miss reporting through the identification of systemic H&S deficiencies, identifying what really went wrong and ensures recommendations are focused on what needs to be done to prevent recurrence.

ICAM training forms part of the Panuku training and development deliverables in 2017/18.



Key Actions (2017/18):

- Implement a training and communications plan for the second phase implementation of the safety software Risk Manager;
- Provide incident reporting and trending through the safety software, Risk Manager from the fourth quarter 2017/18;
- Provide training and competencies to key personnel in how to undertake, and close-out, ICAM investigations;
- Support the training and communication of ProMapp as the Panuku quality management system.

3. Training, Competency and Development

Objective: To train, support and motivate our people.

This objective and its delivery in 2017/18 are designed to support all levels of the organisation from compliance to best practice. Through the extension of existing health and safety training a needs analysis will be applied to support a shift in safety culture. During 2017/18 completed training and assigned training will be captured within the report software, Risk Manager.

The training system will include different 'pathways' for:

- Health and safety Representatives
- Project development and contract managers, designers
- New starters
- Senior management and Executive Lead Team members

The courses and awareness captured in 2017/18 that makes up the program include:

- On-boarding (New Starter H&S Inductions)
- Technical/Task specific competency – i.e., safe management of contracts and agreement, Safety in Design (SiD)
- Advanced Driver training
- ADT – Working Alone / Man down software and procedure
- Hazard Identification and Risk Awareness
- ICAM
- ProMapp navigation
- Risk Manager use and awareness
- Legal workshops and updates to SLT and ELT

On-boarding – New Starter HEALTH AND SAFETY

All new employees to Panuku will undertake the updated 'onboarding' induction, together with an online H&S induction. The induction will vary depending on role and location and will be led by the new starters' Manager/people leader. This will include

reference to the incident reporting process, Risk Manager, and an awareness in navigating ProMapp, as our health and safety document control system.

Technical/Task Specific Competency

This element covers employees supporting or managing contracts or developments or working in high risk activities, required to demonstrate specific skills to work safely and to comply with legislative requirements. This training will be on a case by case basis, initially including all staff engaged in contracts and agreements, and those affected by the Safety in Design process changes, as these are rolled-out.

Hazard Assessment and Risk Awareness

Employees contracting high risk work such as construction, quarry, landfill, maintenance, or forestry operations will be required to complete a hazard and risk assessment program either as part of an existing course or as a single training.

H&S Representatives

This element includes external training designed to meet legislative requirements of an H&S Rep as stipulated by the Health and safety at Work Act. Additional training will include a working knowledge of our health and safety systems, Risk Manager, ProMapp, and ICAM to enable each representative to act as the champion within their Directorate.

Leadership and management

To ensure all Panuku senior managers have an understanding of Panuku health and safety management systems - including incident investigation close-out and the assignment of corrective actions (within Risk Manager), legislative compliance training (where applicable), and an awareness to navigate the quality management tool, ProMapp.

Key Actions (2017/18):

- Complete a training needs analysis based on health and safety requirements of the role or function;

- Utilise the safety software, Risk Manager, to enter all existing training completed and track/flag staff training based on the training needs analysis.

4. Risk Management - Contracts and Agreements

Objective: To entrench a systematic risk management approach for the management of contracts and agreements and safety in design through all stages of project management.

Panuku will ensure the effective management of hazards and their associated risks.

During 2017/18 Panuku will ensure the development of an agreed process to systematically identify hazards and the management of related risks, within each Directorate. Staff would be engaged in the development of the process changes, and trained in the Risk Manager (Risk module).

In doing so, Panuku will ensure that all hazards are captured within the safety application, The Risk Manager application will ensure key risks are identified and centrally recorded for monitoring and management, ensuring risks are managed appropriately on a timely basis.

Targeted areas for the introduction of the process and system in 2017/18 include Marinas, commercial properties, and critical risk activities including demolition, tree felling, quarries, and landfills.

The hazard management process and system development and implementation will be supported by business management and staff, Auckland Council IT, Auckland Council H&S team and the Panuku Risk Manager,

In 2017/18 the safe management for contracts and agreement framework will be implemented across all Directorates. This work will ensure the engagement of our staff supported by the development of training and communication plans to promote the consistent use of key health and safety risk management processes across all Directorates. The framework emphasises project H&S risk management activities, founded on the project management phases.

All Panuku project, development, and contract management personnel are required to undertake H&S Risk assessments for each work activity, all risks requiring ongoing controls to manage them to a level so far as is reasonably practicable. Risk assessments provide a basis and means to:

- Monitor all project H&S risks and controls
- Allocate and manage resources for controlling the risks
- Periodically review risks and the effectiveness of risk controls in consultation with our contractors.

The safe management of contracts and agreements framework provides a 'toolbox' with checklist by contract or agreement type, and supporting templates and guidance. This supporting toolbox will be rolled-out across all Directorates during 2017/18 through training and communication initiatives.

Marina Health and Safety Management

During 2016/17 independent health and safety reviews were completed on all Marinas (Silo, Westhaven, and Viaduct). These reviews sampled operational health and safety work practices and existing process, and mapped these against health and safety governance provided within Panuku corporate.

The health and safety plan 2017/18 includes the implementation of the Marina recommendations by the Marina operational teams, supported by the Health and Safety Manager, and engage with staff through a series of risk workshops.

Safety in Design

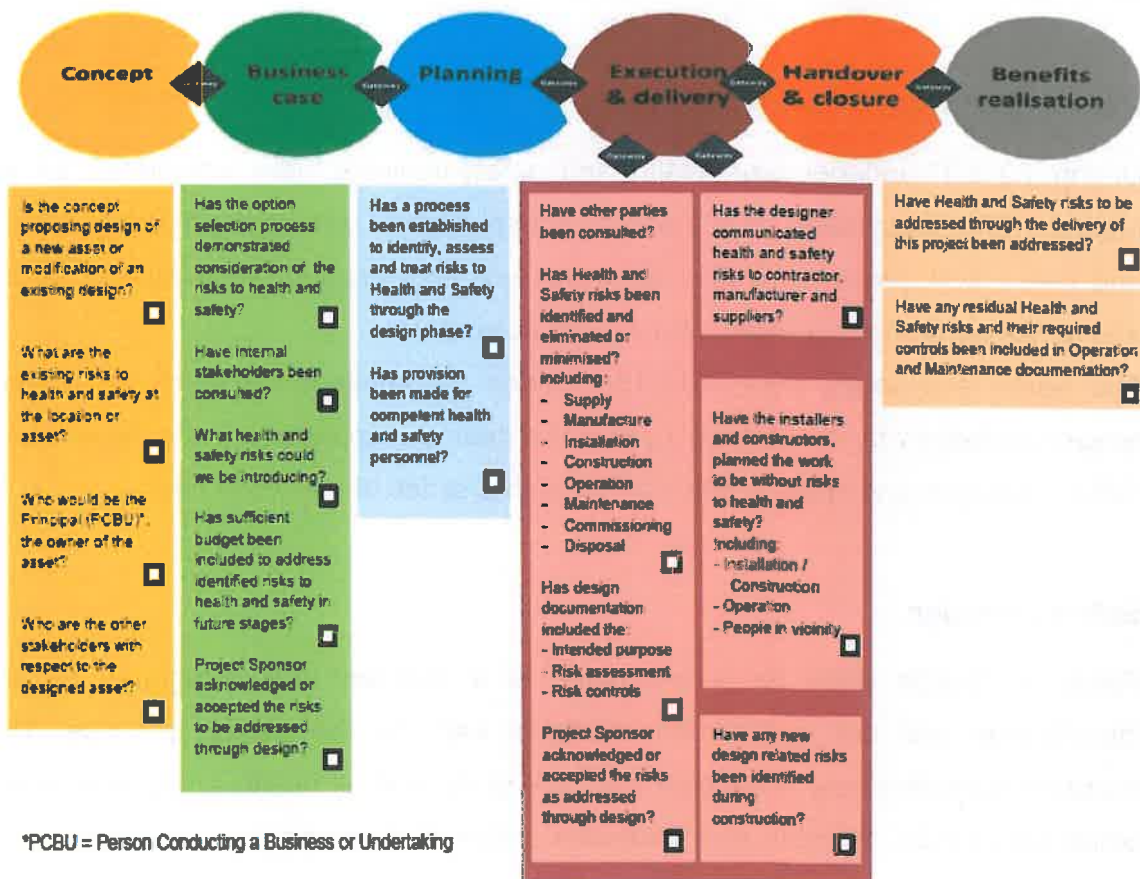
Safety in Design (SiD) for a workplace is a standard that integrates hazard identification and risk assessment methods early in the design process. The standard considers how to mitigate the risks of injury or ill health to those who will construct, operate, maintain, decommission or demolish an asset.

Most construction safety risk mitigation is aimed at isolating, controlling the hazard, or minimising the hazard. Designers, constructors, maintainers, and users have the

opportunity to consider the life cycle of the project in the early design stages to eliminate a hazard.

In 2017/18 the Place and Design Directorate will review and compare existing SiD models, including that of Auckland Council, and test working scenarios to evolve a consistent SiD standard. Based on engagement and agreement of the Place and Design team, this work will then be progressed to other Panuku Directorates through both training and communications plans. The SiD solution would become an integrated part of the project management framework from 2017/18, as projected in the 'quick guide' outlined below.

SAFETY IN DESIGN – QUICK GUIDE



Asbestos Management Plans

Following the introduction of the Health and Safety at Work Act, specific regulations were developed to capture high risk activities and worker health exposure including the Health and Safety at Work (Asbestos) Regulations 2016. This regulation specifies the requirement for Asbestos Management Plans (AMPs) to be developed and implemented by 4 April 2018.

This requirement has been identified within the Portfolio Directorate business plan and requires the Directorate to systematically implement AMPs for all properties managed by Panuku. This objective is monitored and reported on through its inclusion in Leaderkit.

Key Actions (2017/18):

- Develop and track an implementation plan for the CMF including employee engagement through training and communications;
- Develop and implement the Safety in Design work plan through the engagement and agreement with the Place and Design team;
- Engage with the Marina staff to ensure the successful implementation of the health and safety work plan, including training, communications and process improvements;
- Customise hazard management process and system, introduce these to selected business areas; and monitor and support implementation;
- Implement Asbestos Management Plans for the Panuku building portfolio.

5. Monitoring

Objective: To maintain a rigorous critical risk activities and organisation-wide audit program that provides confidence at all levels that Panuku health and safety standards are being met.

In 2017/18 Panuku will be conducting annual scheduled audits. A specific audit tool has been developed for critical risk activities. In addition internal auditing across the Panuku safety management systems will be provided as a means of due diligence and an opportunity to drive continual improvement in health and safety.

The 2017/18 audit program will include:
Business Standard and Safety systems compliance audits
Audits of critical risk activities – quarterly
Targeted audits of project compliance and Portfolio Health and safety risk (by Asset)
Safety Behaviour Observations

The results of audits will be escalated and reported to the Senior Leadership Team, Panuku Board and the Risk and Assurance Committee.

During 2017/18 an internal audit will be completed through auditing company EY. Once finalised, those recommendations will be reviewed by the Senior Lead Team, health and safety steering group, and health and safety committee, and be incorporated within the health and safety deliverables for 2017/18.

Other monitoring to be included in 2017/18 and tracked through the reporting software Risk Manager will include the following KPIs:

Monitoring our performance group health and safety KPIs – Lead Indicators			
Goal	Source	Measure	Target
To have the Panuku H&S standards apply across Panuku	Internal audit	EY Benchmark Auditing Tool	80% achievement against

			benchmarking criteria
To have all Panuku managers & health & safety Reps trained against the reporting tool, Risk Manager.	Risk Manager	Number of reps and managers trained as a percentage	Compliant 100%
To have corrective actions closed out against assigned times	Risk Manager	Monthly close-out against assigned dates.	80%
To foster a culture of visible leadership practises	Leadership visits	Number of SLT site visits recorded in Risk Manager	1 per Director Quarterly
Monitoring our performance group health and safety KPIs – Lag Indicators			
Eliminate the potential for fatalities and permanent disabilities and systematically	Risk Manager	Notifiable Events Lost Time Injury Frequency rate Average Lost Time	0 <1.6 <10

Key Actions (2017/18):

- Implement KPIs within the reporting tool Leaderkit, and track month on month performance;
- Incorporate agreed safety recommendations into the health and safety plan (2017/18).

6. Communication & Consultation

Objective: To have informed people working within a learning culture

Panuku recognise that to achieve effective communication in health and safety requires an increased level of focus and consultation across the organisation at all levels.

Throughout 2017/18 key forms of health and safety consultation and communication will occur across various levels of this organisation.

A list of our meeting forums, communications, and contractual engagements where health and safety will be a key output or minted agenda item may include:

H&S Executive – Engagement and Communications		
Panuku Board Health and Safety Reporting and consultation	SLT health and safety actions and key messages	ELT Messaging
CE Messages and health and safety Excellence Awards	Risk and Assurance Committee & health and safety steering group reviews and consultation	Quarterly Leadership site visits

Directorate, Project and Group H&S Forum		
Monthly H&S Committee reviews and consultation	PCG health and safety performance reporting and Project / Contract meetings / forums	Korero (internal news) – Key health and safety messaging Site Tool box talks

Directorate forums and meetings	Health and safety performance indicators by Directorate or Project via Risk Manager	Health and safety Project Specific forums
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General forms of Communication		
Industry updates	Safety project Communications	Auckland Council Intranet –Health and safety policy
Incident Notifications, Corrective Actions and Safety Alerts	Safety alerts	Training and Development program

In 2017/18 the accountability and responsibility for informing, engaging, and minuting health and safety actions sits with the Panuku representative in instances of contract or agreement management. Their consistency in maintaining Panuku business standards and continual improvement is to be tracked through their direct manager and the PDP process if applicable to their role.

Key Actions (2017/18):

- Develop an annual communications plan in consultation with the Panuku Comms Team and deliver the plan in 2017/18;
- Track the close-out of health and safety against contracts and agreements through PCG minutes, applying an internal audit.

7. Safety Culture Development

Objective: To develop an identifiable Panuku safety culture based on the characteristics of risk awareness, reporting and learning

Health and safety management systems alone will not get Panuku to 'best in class' in health and safety performance. The development of a real and recognisable safety culture is recognised as a means of taking an organisation to higher performance levels.

Safety culture is an assembly of characteristics and attitudes in companies and individuals which establishes that safety issues receive attention as an overriding priority. While Panuku have components of a safety culture we do not have one distinct safety culture with defined and recognisable characteristics and practices consistently applied across the organisation.

During 2017, the Health and Safety Manager will be tasked with researching the latest approaches to safe culture development. The health and safety committee, comprising representatives from each Directorate, and an external support, will be responsible for selecting and developing the most appropriate cultural change process for the organisation, which would promote and recognise projects that seek to drive safety performance.

In conjunction with People and Capabilities, defined accountability for health and safety management and performance will begin to be prescribed (and measured) in position descriptions and included as part of Panuku PDP appraisal processes.

Further, project and contract roles will evolve to include key accountabilities the project management framework as part of the training and development objectives. Working to this key safety requirements will ensure consistency and raise the profile of safety ensuring staff are accountable for their own individual H&S performance and that of their area of responsibility. These changes will form part of the safety management of contracts and agreements implementation.

The 2017/18 objectives combined will enable Panuku to continually improve its safety performance and track a maturing safety culture.

Key Actions (2017/18):

- Define health and safety accountabilities, for the inclusion in job descriptions (where applicable), and track performance through PDPs;
- Investigate current safety culture improvements and draft an implementation plan.

8. Staff Wellbeing

Objective: To enhance the health and wellbeing of our staff, contractors, and clients by:

- Engage with Auckland Council to develop an Auckland Council and CCO staff wellbeing strategy.
- Engaging and informing staff to develop drug and alcohol effective management processes across all aspects of Panuku work;

In 2017/18 Panuku will be a contributor to the Auckland Council-led staff wellbeing working Group. The working group will consider all aspects of worker wellbeing including worker fatigue, stress management, and social support such as counselling services. The working group will be tasked with developing the wellbeing strategy for 2017/18 and key objectives. The strategy will be messaged through a council-wide communications and implementation plan. Panuku will deliver the objectives as they apply to our operations and through the internal support of the Directorate Health and Safety Representatives. Key aspects within the working group will include Stress management, Nutrition, and Physical Activity for staff. Key deliverables will be incorporated into our plan and implementation program.

The second element within the health and wellbeing objective relates to the prevalence of drugs and alcohol as they impact on Panuku critical risk activities, particularly construction.

Our objective in 2017/18 is to apply contract and agreement clauses mandating the testing of workers pre-commencement, post-accident and on an ad-hoc basis across Panuku contractors and site activities. This approach together with the enforcement of our internal policies to test staff employed in 'safety sensitive' roles will form the foundation of the Panuku Drug and Alcohol initiatives in 2017/18.

Policy will be drafted with the involvement of our staff to define our values and how best we manage D & A, and how best we enforce a test regime, rehabilitation, and P & C involvement. Direction from the Senior Lead Team and our Health and Safety

representatives will form the basis of this work and its implementation throughout the 2017/18 year.

Key Actions (2017/18):

- Implement Asbestos Management Plans for all Portfolio property,
- Implement D & A Clauses for Panuku Contracts and Development Agreements,
- Track and report to SLT on compliance to the D & A Clauses, as they apply to the affected developer, contractor or Panuku staff.
- Implement a staff wellbeing program aligned to Auckland Council.

Information Paper: Panuku Quarter Four Report to Auckland Council

Document Author(s)	Kingsha Changwai, Planning and Reporting Manager
Reviewer(s)	David Rankin, Chief Operating Officer
Date	28 August 2017

1. Purpose

The purpose of this paper is to present the Quarter 4 Report to Auckland Council to the Board.

2. Key issues

The Quarter 4 Report was submitted to Council on 25 August 2017 and is presented to the Board for information.

3. Discussion

The Quarter 4 Report summarises the:

- Transform and Unlock projects key milestones achieved during the year
- SOI performance measures achieved
- Financials targets achieved during the year (return on properties managed for Council, asset sales target and value of properties recommended to Council for clearance).

Detail information of the company's performance is contained in the Panuku Quarter 4 Report to Auckland Council included as **attachment 1** to this report.

The information in the Quarter 4 report aligns with the information contained in the Panuku Annual Report presented to the Board on 30 August.

4. Attachments

Attachment 1 - Panuku Quarter 4 Report to Auckland Council.



Panuku Development Auckland

Quarterly Report

Quarter ended 30 June 2017

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1. Executive summary

We look back with pride on what we have achieved in the past year. Sometimes on the long journey that is urban regeneration we forget the significant milestones that have been ticked off.

At the Wynyard Quarter, the ASB Waterfront Theatre was opened in September and the re-purposed historical Mason Bros building was completed in December. We now eagerly await the arrival of the first residents in Wynyard Quarter later this year, as well as watching the Park Hyatt Hotel emerge from the ground.

Across our other key development locations, our first Framework Plans were completed for Manukau and Northcote, while the over-arching plans for Onehunga, Old Papatoetoe and Henderson were also approved by the Planning Committee.

In February we confirmed Avanda Group as the housing developer for more than 500 homes in stage two of the Airfields precinct at Hobsonville Point. Just months later AV Jennings were underway with the building of the first of the 102 homes in stage one.

As the year ended, the Haumarū Housing joint venture was up and running to manage the council's Housing for Older People as we start to develop the portfolio to ensure the homes better meet the needs of older Aucklanders.

Looking offshore to help Panuku move forward, we hosted an investment forum in Shanghai in May in conjunction with the mayor's office.

From a financial perspective, Panuku exceeded its key financial targets this year, both with our managed properties and overall as an organisation.

Some of the standouts this year include exceeding our disposals target of \$50 million by \$26.8 million or 53 per cent. The property portfolio also returned a net surplus of \$32.3 million to council (\$1.1 million above budget).

Other financial highlights are additional surpluses of \$1.7 million for marinas and \$1.4 million for business interests (quarries, landfills and forests).

Overall, it has been a very busy year, and Panuku is equipped to continue to move forward at pace and scale.

We are delighted to see Team New Zealand win the America's Cup and with it the rights to host the next event, with potential benefits for the waterfront.

Major events are a great catalyst for getting developments fast-tracked as we've seen with the birth of the Viaduct Harbour for the 2000 America's Cup defence and the redevelopment of North Wharf for the 2011 Rugby World Cup.

It certainly puts a spring in our step on the long journey of regeneration. While there's no denying there's still plenty of work to do and plenty of funding to secure, we believe

Panuku is in a strong position to deliver and make a real difference by catalysing urban development across Auckland.

The establishment of Panuku by merging Auckland Council Property Limited and Auckland Waterfront Development Agency together has gone extremely well. Panuku continues to do the good work of its forerunner agencies, and now has the critical mass it needs to have an even greater impact on urban development in Auckland.

2. Strategic issues and focus areas

LTP 2018 - 28 process is a key strategic activity for Panuku that is progressing as it will determine its priorities and budgets for the ten years starting July 2018.

Funding for projects is a priority issue for Panuku, especially the reinvestment of property sales proceeds to fund regeneration in locations. There is a need to invest in public amenity in Transform locations and selected Unlock locations to help create more appealing residential precincts.

Coordination of activity across Council agencies is another strategic challenge. Panuku is dependent on other Council agencies to fund and deliver projects that support its regeneration goals. Integrating plans, coordinating work, and ensuring on-time delivery of infrastructure works across the Council family is an ongoing challenge for Panuku.

3. Highlights for the year

Over the year, Panuku achieved key project milestones and performance results:

Transform

The **Wynyard Quarter** is undergoing rapid change both commercially and residentially, with thousands of Aucklanders using this space every week, while regeneration is just beginning in Manukau and Onehunga.

- The ASB Waterfront Theatre officially opened on 22 September. Developed by Hawkins Construction and home to the Auckland Theatre Company, the theatre seats 650 people and has a 5 Green Star rating.
- The first three phases of structural steel have been installed at the Park Hyatt Hotel. All up, approximately 2000 tonnes of primary structural steel will be used to construct the luxury five-star hotel, which will span a total area of 37,000sqm.
- In April 2017, Mayor Phil Goff officially opened the Mason Bros. building, a former industrial warehouse that has been redeveloped into a three-level office space, bringing together a community of entrepreneurs and businesses. It is the centrepiece of Wynyard Quarter's innovation precinct.
- Developer Willis Bond is constructing 500-600 apartments of various types and sizes that are set to house around 1100 people. There are two developments

- currently under construction, Wynyard Central and 132 Halsey. The first residents are expected to move in from September 2017.
- The Water Edge symposium was hosted by Panuku in November 2016 and brought together waterfront development leaders from 16 international cities to exchange knowledge and strengthen the network of industry leaders.
 - In June, Panuku handed over to Regional Facilities Auckland (RFA) the management of the Queens Wharf facilities, including Shed 10 and The Cloud. Panuku continues to lead the delivery of place making and the future development of the wharf.

Transform Manukau was the first location to have a Framework Plan completed, outlining the five key moves for the project and the vision for Manukau in 2040. We are aiming to get the first housing site underway soon at Barrowcliffe Place. Public realm projects anticipated to start next year include the Council's Hayman Park Playground and Putney Way street improvements in conjunction with the new bus station is targeted for completion by May 2018. Panuku is also exploring with the Scentre Group on how the shopping mall's future development could relate to and interface with the town centre.

Plans to **transform Onehunga**, on a similar scale to Wynyard Quarter and Manukau, were approved in late March. These plans were completed involving significant consultation with communities. Panuku is leading the redevelopment of strategic council-owned land, and works in partnership with the Government and others, to deliver positive outcomes for the local community. The Board of Inquiry relating to the East West link is currently going through a hearing process. A draft decision is expected to be made in October and will be finalised in November. This will contain numerous conditions of consent. Once the decision is known, Panuku can advance planning on the Onehunga wharf and foreshore precinct.

Unlock

- In **Takapuna**, Auckland Council owns nearly four hectares of land focused around the Anzac Street carpark and the Gasometer site, consultation on redevelopment of these sites has started.
- In **Northcote**, we completed a Framework Plan in November that outlines the initial proposals for the town centre. An information kiosk was also opened by Homes Land Community in April. The town centre masterplan and the Awataha Greenway masterplan is targeted for completion in December 2017 and the acquisition of strategic leasehold interests in the town centre are continuing.
- Plans to repurpose the iconic **Civic Administration Building** in Aotea Square into high quality apartments and develop the surrounding area were announced in September 2016, apartment sales are progressing well.
- **Hobsonville** 20ha Airfields site - stage one of construction of 102 standalone and terrace homes is underway. Avanda Group have been announced as the developers that will deliver more than 500 homes in stage two, of which a minimum of 10 per cent will be affordable housing.

- The council's Planning Committee approved the over-arching plans to redevelop **Old Papatoetoe** in June. Panuku is leading the redevelopment of the mall, a 2.5ha block of land, which will see the area opened up with a new plaza space, reconfigured shops, upgraded carpark and a revamped New World supermarket. In addition to the upgrade of the mall which is expected to be completed early next year, approximately 110 new homes are planned to be developed in the surrounding area.
- With the overall plan for **Henderson** being approved in May 2017, the vision for Henderson is for it to grow into an urban eco-centre. This vision will guide planning and development with an outcome towards 'liveable growth' by creating a safe, attractive and vibrant mixed-use environment with a uniquely west Auckland identity.
- The regeneration of **Avondale** has been upgraded from a Support location to an Unlock. A High Level Project Plan is underway, identifying opportunities within the development area. Ockham has commenced the construction of 72 apartments on Racecourse Parade, with 10% of the apartments being affordable. Panuku also sold a site in Avondale to Housing New Zealand in December which allowed for the development of 103 social housing units
- A development agreement was signed with Todd Property for the delivery of more than 350 homes in Flat Bush, **Ormiston**. In December, Panuku sold a site at 187 Flat Bush School Road for a 30-lot subdivision.

Housing for Older People

- A joint venture between Council and The Selwyn Foundation has been established, creating a new Community Housing Provider Haumarū Housing. The aim of this venture is to grow, better locate and improve the quality of Council's portfolio to better address tenants' needs.
- From July 2017 Haumarū Housing took over management of the 63 villages. Panuku maintains responsibility for the multi-year redevelopment of Council's portfolio, working collaboratively with Haumarū Housing. Resource consent has been gained for the first new village on Henderson Valley Road.

Support

Panuku is also working on a number of support locations, where it ensures that council is making the most of what it already has. These smaller projects are adding to Auckland's much needed housing supply and improved communities.

The Mariner Rise subdivision at 20 Link Crescent, Whangaparaoa has been completed by our development partner McConnell Property along with the delivery of a 2700sqm park and playground. Sixty new homes will be built on this new subdivision.

Property management

- Panuku manages approximately \$2 billion of the council and Panuku property. This includes managing a diverse range of rental properties, including residential, commercial and business interests (quarries, waste disposal and forestry). In

2016-17, Panuku's rental portfolio delivered to Council an annual net surplus of \$32.3 million, compared to a budgeted net surplus of \$31.2 million.

Marinas

- Westhaven Marina's operations are tracking well, overall customer satisfaction increased by 4% in the most recent independent customer survey, with 93% of customers satisfied.
- At the Royal Institute of Chartered Surveyors awards, the Westhaven Marina team won Facilities Management Team of the Year.
- For its environmental efforts, the marina has held onto its Blue Flag certification for the 11th consecutive year.

Property acquisition and disposals



- Panuku **acquired** 29 properties worth \$68 million on behalf of council. These properties will help the council to deliver important projects including open space and storm water projects.
- **Disposing** of council properties provides an important funding stream and also optimises the property portfolio that council has. Panuku recommended to Council properties worth \$76.9 million for clearance (above the target of \$75 million), and completed unconditional sales worth \$76.8 million (above the \$50 million target).





4. Future outlook






- Panuku will be moving to new offices on 82 Wyndham Street in September. The decision to move was assessed against Panuku remaining in its current offices. Moving enables cost savings in comparison to staying in the existing location and upgrading the space. It allows for more fit-for-purpose accommodation and will be more centrally located and nearer to council. This is also an opportunity to unite the organisation in an enabling environment which facilitates collaboration and team work.
- The successful challenge for the America's Cup creates a great opportunity for the continued revitalisation of Auckland's waterfront and a catalyst for innovation and development in the city. Panuku has setup an America's Cup project team to provide planning and technical advice. Early planning meetings have been held with the Central Government, Auckland Council, ATEED and Emirates Team NZ. Panuku will draw on legacy work and experience of previous large scale events to lead the discussion on the best path to achieve legacy outcomes for the waterfront. We will also work with other parts of Council to provide a co-ordinated response to both land and water based issues.

5. Key deliverables

The key projects currently being delivered are:

Deliverable	\$'000 YTD CAPEX/ OPEX Actual	Completed/ carry over to next quarter/ deferred	Status	Comments
TRANSFORM				
<i>Transform Manukau –</i>	\$1,643k (OPEX) \$299k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> • Discussions continued with the parties involved in the earlier Barrowcliffe Place housing development proposal, particularly to create an opportunity that allows selected iwi to bid for the development opportunity. • The Panuku Board considered the Programme Business case and has sought amendments to bring forward investment. • Discussions have progressed with the Crown on the concept of establishing a geographical focus to achieve a coordinated input from government departments and agencies to the Transform Manukau project. • A number of successful place making events took place including a celebration of Matariki.
<i>Transform Onehunga</i>	\$800k (OPEX)	carry over to next quarter		<ul style="list-style-type: none"> • Framework Planning and Programme Business case process is underway and will incorporate the East West link decision. • MOU agreements have been approved for negotiation of terms for 3 Paynes Lane and 45 Waller Street (a co-design agreement). • Negotiations with NZTA to acquire the Onehunga wharf land are ongoing.

Transform Wynyard Quarter – (Public Project) Madden & Pakenham St Upgrade	\$7,376k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> Madden Street construction underway. Project tracking to schedule.
Westhaven Marine Centre	\$ 11k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> Initial leasing interest has reached good levels with numerous prospective tenants showing interest. Draft terms have been discussed with potential lessees and a commercial leasing campaign is underway.
Hobson Wharf remediation	\$ 1,423k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> Progress by the contractor during the quarter on Hobson Wharf has been solid and as expected. The scope of works has been amended as required to reflect the concrete elements requiring remediation. Work on Te Wero wharf has also progressed as expected.
UNLOCK				
Takapuna	\$564k (OPEX)	carry over to next quarter		<ul style="list-style-type: none"> Stakeholder engagement was undertaken to confirm the vision and goals for the Unlock Takapuna Framework Plan. The strategy for the business case was presented to the Panuku Board setting out the proposals for the delivery of the Gasometer carpark and development opportunity and the programme for further planning work on the Anzac St and Hurstmere Rd sites. An agreement has been completed to purchase 30 Hurstmere Road to enable a greater opportunity for the connection to Hurstmere Road. The Unlock Takapuna Framework Plan was completed. This sets out the vision and goals of the Unlock Takapuna project.

<p>City Centre Civic Administration Building</p>	<p>\$372k (CAPEX)</p>	<p>carry over to next quarter</p>		<ul style="list-style-type: none"> • The developer has entered into a heads of agreement with a hotel operator for a 150 room four star facility on Mayoral Drive. • The Planning Committee approved notifying a plan change to address a small strip of land that has an open space zoning. • The Council and Regional Facilities Auckland (RFA) confirmed no immediate need or ability to progress with the extended Whare Tapere development.
<p>The Airfields, Hobsonville Point</p>	<p>\$11,209k (CAPEX)</p>	<p>carry over to next quarter</p>		<ul style="list-style-type: none"> • The purchaser of residential Mega Lots 2, 3, 4 have engaged key consultants to carry out and deliver infrastructure works. • The Masterplan and delivery programme have been provided for Panuku approval as per the development agreement between the parties.
<p>Northcote Town Centre</p>	<p>\$978k (OPEX)</p>	<p>carry over to next quarter</p>		<ul style="list-style-type: none"> • The refresh of the town centre masterplan and Awataha Greenway masterplan are underway. • Negotiations for the acquisition of strategic leasehold interests in the town centre is ongoing.
<p>Ormiston Town Centre <i>(Partner: Todd Property)</i></p>	<p>\$100k (CAPEX)</p>	<p>carry over to next quarter</p>		<ul style="list-style-type: none"> • A milestone was reached in June with Todd Property and Panuku agreeing to move forward with the development of Block E at 211 Ormiston Road into residential and commercial facilities. • Civil works have started on Blocks H & L to prepare for 66 terraced homes. Once complete, this will take the total number of completed homes in the project area to 129.
<p>Papatoetoe Town Centre</p>	<p>\$1,304k (CAPEX)</p>	<p>carry over to next quarter</p>		<ul style="list-style-type: none"> • Shopping mall – the Papatoetoe Mall refurbishment is continuing. This is a two stage project with completion targeted for March 2018. • Revised plans and indicative costings for the reconfigured car

				<p>park have been obtained.</p> <ul style="list-style-type: none"> • Tavern Lane – project scope is to create approximately 80 residential units. Negotiations now continuing with potential development partners.
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5.1 Key deliverables for next quarter

Deliverable	Comments
TRANSFORM	
<i>Transform Manukau</i>	<ul style="list-style-type: none"> • A request for development proposals (RFDP) process for 20 Barrowcliffe Place, a residential project with affordable housing commenced. The parties invited to bid are three local iwi and the New Zealand Housing Foundation (NZHF). • The Transform Manukau Programme Business Case will be presented to council's Finance and Performance committee to seek release of funding and confirm the marketing and sales strategy for commercial sites that are targeted for release to the market in late 2017. • The Council's Hayman Park Playground project is anticipated to commence construction in FY18 subject to council business case approval and a funding contribution from Transform Manukau. • Putney Way street improvements in conjunction with the new bus station is targeted for completion by May 2018 when the bus station opens. • Work has commenced with the Crown on a Strategic Business case to evaluate the merits and form of a geographically coordinated approach to investment and service delivery. • Discussions are underway with Scentre Group to explore how this shopping mall's future development could relate to and interface with the balance of the town centre.
<i>Transform Onehunga</i>	<ul style="list-style-type: none"> • 3 Paynes Lane and 45 Waller Street redevelopment - progress an agreement on the site for co-design and commercial terms. • Agree a process for partnering with Housing New Zealand (HNZ) in the Onehunga area, to assist HNZ with intensification. • Agree a comprehensive Parking Management Plan (CPMP) with Auckland Transport.

<p>Transform Wynyard Quarter - Madden & Pakenham Street Upgrade</p>	<ul style="list-style-type: none"> • Madden Street targeted for completion Sept 17.
<p>Westhaven Marine Centre</p>	<ul style="list-style-type: none"> • Next steps will be to obtain signed Offer of Lease documents to lock in the 50% threshold required by the Board to enable the next stage of the project to proceed.
<p>Hobson Wharf remediation</p>	<ul style="list-style-type: none"> • The target for completion of Hobson Wharf remediation is July 2018. The work will stop during the summer months of December 17 through to April 18. The contractor is seeking to complete as much work as possible before the summer recess. • Work on Te Wero wharf will be completed in August 17 prior to the Viaduct hosting the Boat show.
<p>UNLOCK</p>	
<p>Takapuna</p>	<ul style="list-style-type: none"> • Agreement on the proposed car park is being sought from the Auckland Transport (AT) Board in September. • Consultation on the proposed change of use of 40 Anzac Street is open for submissions from 7 August to 4 September 2017. The decision on whether the use of this site can change from a car park to be determined by the Planning Committee. • If the proposed change of use is supported, the next step would be to work with the communities of Takapuna on future planning for physical public spaces and their preferred uses and activities across this site and the adjoining council-owned sites on Hurstmere Road. • The residual part of the Gasometer site is due to market in late 2017. • The business case for the Gasometer carpark delivery, commencement of the sale process for the Gasometer development site and the further planning and site development of Anzac Street and Hurstmere Road properties is being presented to the Panuku Board in August for approval.
<p>City Centre Civic Administration Building</p>	<ul style="list-style-type: none"> • The Development Agreement for the project is anticipated to become unconditional by November 2017. This will be largely driven by the success in achieving residential presales. • Construction work on the Civic Administration Building would then commence in early 2018. • To confirm a first right of refusal in respect of the council purchase of the Whare Tapere building.

	<ul style="list-style-type: none"> • Plan change for open space strip notified on 2nd August.
The Airfields, Hobsonville Point	<ul style="list-style-type: none"> • With a view to activating the 6 ha mixed use development site, it is anticipated it will be taken to the market by the end of this year. • Continue construction of key infrastructure networks to enable further subdivision.
Northcote Town Centre	<ul style="list-style-type: none"> • The town centre masterplan and the Awataha Greenway masterplan is targeted for completion December 2017. • Continue with acquisition of strategic leasehold interests in the town centre.
Ormiston Town Centre <i>(Partner: Todd Property)</i>	<ul style="list-style-type: none"> • Todd Property to continue with construction of Retail Blocks F and J and complete acquisition of the site from Panuku. • 66 Flatbush School Rd (Residential) – to progress consenting and engineering approval and to obtain resource consent.
Papatoetoe Town Centre	<ul style="list-style-type: none"> • Papatoetoe Mall refurbishment Stage 1 is targeted for completion in October 17 and Stage 2 completion in March 18. • The supermarket construction (enabling works) by Foodstuffs is targeted to commence October 17, with proper construction to commence January 2018. On completion of the Supermarket in late 2018/early 2019, the town square works will commence. • The reconfiguration of the public car park includes resurfacing, landscaping, storm water reticulation and lighting. Works will be tendered in September 2017 and construction expected to commence in December 2017. • Tavern Lane site (residential) is anticipated to become unconditional later this year.

6. Development budget and Strategic Development Fund

6.1 Development budget

In 2014/15 Council approved a \$5m annual budget (before deferrals) sourced from property sale proceeds to cover investigatory activities and value-adding capital works on properties prior to development or sale. The 2016/17 budget has been split between \$5.6m for operational expenditure (includes inflation) and \$3.6m for capital expenditure.

\$000	Full year Budget	Forecast	*Committed to projects	Actual Expenditure	
Development Expenditure					RAG *
Development capital expenditure	3,644	3,134	3,154	2,371	
Development operating expenditure	5,616	5,400	6,174	4,962	

The committed capital expenditure relates to value add activities for 23 projects. These include site decontamination, building demolition, subdivision, preliminary design, vendor due diligence and infrastructure such as water reticulation.

Committed operating expenditure to date relates to 26 projects and includes High Level Project Plans and Framework plans work which is not capitalisable.

6.2 Strategic Development Fund

\$000	Full year Budget	Actual YTD	Comments	
Strategic Development Fund				RAG *
Development capital expenditure	24,358	29,536	The Panuku Board approved the acquisition of strategic properties / sites in Onehunga, Northcote, Avondale and Takapuna that will contribute to the activation of the areas and support regeneration of the town centres.	

The Strategic Development Fund is available for land acquisition and capital improvements for sites which will benefit from short to medium term investment and return both financial and non-financial outcomes.

7. Financial performance

The following tables and section provides an overall financial summary covering all Panuku Development Auckland's activities.

7.1 Operational

For the quarter ended 30 June 2017

\$'m	Full year budget	Full year Actuals	Full Year Variance
Operational			RAG*
Revenue/External funding	37.8	40.4	2.6
AC funding	37.0	23.1	(13.9)
Expenditure excluding depreciation	51.9	46.7	5.2
Fair value decrease / (increase) on investment property		(29.6)	29.6
Depreciation	11.2	8.7	2.5
Tax		(1.5)	1.5
Net Surplus/(Deficit) After Tax	11.7	39.2	27.5

*RAG Status:

- Green** - Performance on target or better
- Amber** - Target may not be met, corrective action taken
- Red** - Target may not be met, action required

The Net Surplus After Tax is \$27.5m higher than budget at the end of the year.

Revenue and External funding was \$2.6m ahead of budget due to the following;

- a. \$0.6m in additional interest revenue, received from Fu Wah as interest on the hotel lease prepayment, which is scheduled for payment after practical completion of the construction project.
- b. \$1.1m in additional car parking revenue
- c. \$0.3m in utility and rates recharges
- d. \$0.4m additional revenue from Wynyard Wharf fees
- e. \$0.2m additional revenue from Panuku owned rental properties

- f. \$0.6m additional event income from Queens Wharf
- g. \$0.1m received from EECA for sustainability projects, and
- h. \$1.1m in additional berthage revenue, through greater occupancy at Westhaven, Viaduct and Silo Marinas.
- i. \$0.2m of additional sundry revenue at Westhaven and Viaduct Marinas.
- j. Offset by \$2.0m less recharges for property acquisitions as we have acquired less properties than budgeted.

AC funding is (\$13.9m) unfavourable compared to budget. This was due to a number of capital projects being behind budget resulting in a slower than anticipated draw down of funding from Council (\$12.0m) and (\$1.9m) of operational funding not required to be drawn down this year from Council.

Expenditure excluding depreciation is \$5.2m favourable compared to budget due to the following;

- a. \$2.3m saving in interest expense as there was less debt drawn in the FY15/16 year, and the interest rate charged this year has decreased from 5.7% to 2.1%, thus ongoing interest costs are less than budgeted. An additional \$8m of debt was repaid in June.
- b. \$1.2m saving in consultant costs in relation to the acquisition and disposal of properties on behalf of Auckland Council. \$1.1m of other consultancy costs are spread throughout the business.
- c. \$0.4m saving in people costs, there was a number of vacancies this year.
- d. \$0.3m saving in legal costs as these are now provided by Council's shared services
- e. \$0.2m saving in repairs and maintenance costs in relation to Wynyard Wharf.
- f. (\$0.3m) additional rental cost for a section of land in Daldy Street.

Fair value increase in investment property \$29.6m, two revaluations were performed during the year, at 31 December and 30 June by registered valuers. The main drivers of the increase in value are the Wynyard Point sites and North Wharf.

Depreciation is \$2.5m favourable compared to budget; this is due to slower than anticipated capitalisation of assets from both the prior and current years.

7.2 Capital

For the quarter ended 30 June 2017

\$'m	Full year budget	Full year actual	Variance
Capital			
Expenditure	49.3	16.4	32.9
AC funding	21.1	9.8	11.3
External funding	28.2	6.6	21.6

Year to date capital spend was \$32.9m behind budget due to the following:

- a. AC Funded spend was \$11.3m behind budget, the major AC Funded (Public) project in the year was Madden and Pakenham street upgrade. There was a \$4.0m timing difference this year. The project started in August 2015 and it was expected to be completed before the end of June 2017. There have been delays to the project from impacts by an Auckland Transport project in the Wynyard Quarter. There were also a number of other projects that were delayed in starting resulting in a further \$7.3m of timing differences. Examples of projects that make up this balance are Westhaven Promenade Stage 2 \$0.9m, Public Space Renewals \$1.7m and Madden Plaza/Hotel Promenade \$0.8m.
- b. External funded/commercial projects \$21.6m saving to budget. There were a number of capital projects that had timing differences to phased budget. The significant projects are outlined below:
 - \$3.5m in decontamination of the Wynyard central sites (Willis Bond and Precinct), these payments are made when requested by the developer after decontamination work is completed and depend on the construction progress on their sites.
 - \$5.3m for the Marina Pile redevelopment as there were delays in applying for resource consent due to continuing consultation with Iwi over this project and construction is not expected to start until FY17/18.
 - \$5.1m Westhaven Marine Village, we are currently in the marketing phase, getting tenants to commit to this project before we start building.
 - \$3.9m Superyacht/Site 18, this budget was not required in the current year and has been deferred to future years.

Most of the expenditure is expected to be spent in the next 12 month period with the exception of Site 18 which is deferred to 2018 and 2019.



8. Annual performance measures



Activities and key performance achievements (SOI performance measures)






Panuku carries out projects and activities using its own funds and assets or projects and activities on behalf of Council using Council funds and assets.








Key performance achievements relating to Panuku activities include a return on equity on commercial assets and services of 12.7% (4.3% above target) and a 93% visitor's satisfaction with their experience of the public spaces on the city centre waterfront (18% above target).


Key performance achievements relating to activities carried out on behalf of Council include achieving \$76.8 million of net property sales for the year (\$26.8 million above target), \$76.9 million worth of properties recommended to council for approval to sell (\$1.9 million above target) and returning a net surplus on the property portfolio of \$32.3 million to council (\$1.1 million above target).

Measure	Year-end target	Achieved? (RAG Status)	Last Actual
<p>1. The Board approves the rolling High Level Project Plan (HLPP) programme.</p> <p>(The quarterly rolling HLPP programme will contain individual HLPPs that will be approved by the Panuku Board and Council, where appropriate).</p> <p>The programme will be communicated to Council.</p>	<p>The quarterly rolling HLPP programme is approved by the Board.</p>		<p>Achieved</p> <p>The Board approved the rolling HLPP programme shared with council.</p>
<p>2. Significant Master programme deliverables are completed as planned.</p> <p>(The main Master programme deliverables for Transform and Unlock Locations include the Engagement, Framework and Implementation Plans approved by the Panuku Board and by Council,</p>	<p>Number of significant Master programme deliverables completed within the Board approved timeline.</p>		<p>Achieved</p> <p>The master programme was approved by the Board and the deliverables in the master programme were achieved.</p> <p>There were 4 deliverables completed in accordance with the original programme and</p>

Measure	Year-end target	Achieved? (RAG Status)	Last Actual
where appropriate).			14 completed within the approved amended programme.
3. Development agreements are submitted to the Panuku Board and/or council for approval. (Housing and urban regeneration)	Three year target 26 development agreements with third parties including community housing organisations to be entered into. (Period 2016 to 2018)	Three year target progressing	Target is on track The three year target is progressing (2016 to 2018). To date, 15 agreements have been completed and 11 agreements remain to be achieved.
	Three year target 15 development agreements with third parties including community housing organisations to be entered into. (Period 2017 to 2019)	Three year target progressing	Target is on track The three year target is progressing (2017 to 2019). To date, 9 agreements have been completed and 6 agreements remain to be achieved.
4. On completion, the project achieves the financial and non-financial outturn in the business cases. (Housing and urban regeneration combined)	All projects completed this year achieve business case financial and non-financial outturn	Target progressing	Progressing There were no projects fully completed during this financial period.
5. Written evidence that opportunities have been identified and assessed, to be progressed or not. (housing and urban regeneration combined)	At least 50 opportunities identified and assessed		Achieved To date, 341 opportunities have been identified and assessed.
6. The net surplus on the property portfolio achieves the annual budget agreed with Council.	Net Surplus achieves budget for 2016/17		Achieved Actual net surplus on the property portfolio for the 12 months ended 30 June 2017 is \$1.1 million ahead of budget (actual surplus of \$32.3 million against budget of \$31.2 million).





Measure	Year-end target	Achieved? (RAG Status)	Last Actual
7. Improvement in gross rental income on those properties that are available for rent and have been held in the portfolio for at least two years prior to the end of the reporting period	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the Consumer Price Index (CPI) movement.		Achieved Achieved 5.6% improvement in gross rental income on properties that are available for rent and on a like for like basis against two year CPI movement 0.8%.
8. For those properties available for rent: The rolling average over a 12 month period, of % occupancy at each month end (LTP).	The average of monthly % occupancy for the year is 95% or more.		Achieved The average of monthly % occupancy for the year is 97.8% against the target of 95%.
9. Maintain or improve the baseline established at the end of the 2012/13 financial year. Return on Investment (ROI) on properties on a like for like basis (LTP). Panuku is committed to continuously review and improve the ROI target over the term of the SOI.	Greater than or equal to 2.2%		Achieved The ROI calculated on this year's property valuation on a like for like basis is 3.1% against the 2.2% target.
10. Return on Equity on commercial assets and services (LTP) at waterfront.	8.4%		Achieved Actual ROE of 12.7%
11. List of properties recommended for disposal submitted to council The disposal target for the next financial period will be agreed with council in the current financial period. (Recommended for disposal)	A list of recommended properties with a total value agreed by the Board the prior year totalling \$75 million gross value will be submitted to council seeking approval to dispose for 2016-17 financial period. A recommended for disposal target for 2017-18 will be agreed with council in the 2016-17 financial period.		Achieved A total of \$76.9 million worth of properties was recommended to council seeking approval to dispose for the 2016-17 financial period. The target of \$75 million has been exceeded.

Measure	Year-end target	Achieved? (RAG Status)	Last Actual
12. Achieve total forecast net sales for the financial year. (Net property sales)	Meet or exceed financial forecasts. Property disposal target of \$50 million (net value of unconditional sales). Property disposal target (net value of unconditional sales) for 2017-18 financial period will be agreed with Council in 2016-17.		Achieved Achieved actual net sales of \$76.8 million for the financial year. The target of \$50 million has been exceeded.
13. Acquisitions are delivered within the timeline agreed with Auckland Council.	75% satisfaction against agreed service performance measure		Achieved 96.5% of acquisitions are delivered within agreed timeline
14. Percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)	75%		Achieved 93% Satisfied
15. Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)	73%		Achieved 73% visited the Waterfront
16. Percentage of attendees surveyed satisfied with key waterfront place programmes and activities	84%		Not achieved but progress made 80% Satisfied The satisfaction rate was maintained despite a higher target set compared to the previous year and the effect of disruptions during the year caused by physical works projects in the area.
17. Percentage of customers surveyed satisfied overall with marina facilities and services (LTP)	74%		Achieved 93% Satisfied
18. Number of significant Māori initiatives implemented per annum (LTP)	47		Achieved 48 Māori initiatives have been implemented this year.

Measure	Year-end target	Achieved? (RAG Status)	Last Actual
19. % Māori groups satisfied with quality of engagement	Maintain or Improve		<p>Not achieved</p> <p>25% of mana whenua survey respondents were satisfied with the quality of engagement, 42% of respondents were neither satisfied nor dissatisfied and 33% were dissatisfied.</p> <p>The small sample size makes it difficult to make a statistical finding. Satisfied respondents represents only 15% of the total survey sample (3 out of 19).</p>

Criteria for performance measures

We have used the following grading system to rate performance for each performance measure:

Status	Criteria	Rating
	Where the performance result for the year is either equal to or above the target, then the performance measure target was met (or achieved).	Achieved
	Where the performance result for the year is below the target, but has not been achieved by a slim margin (of around 2%).	Substantially achieved
	Where the performance result for the year is below the target (with a margin of more than 2%) but the result is better than the previous year.	Not achieved but progress made
	Where the performance result for the year is below the target (with a margin higher than 2%) and the result is lower than the result achieved in the previous year.	Not achieved

9. Contribution to Māori outcomes

The table below shows Panuku's progress on SOI projects and initiatives contributing to Māori outcomes.

Key project and initiatives	Description	Progress
Achieving better outcomes for and with Māori	<p>Implement the Panuku Māori Responsiveness Plan (MRP) that focuses on achieving better outcomes for and with Māori.</p> <p>Panuku will be responsive to both mana whenua and other Māori in giving effect to the MRP.</p> <p>Continued input to Te Toa Takitini (led by Te Waka Angamua) where Panuku can contribute to delivery of priority projects.</p>	<p>Priorities under the Māori Responsiveness Plan include enabling commercial opportunities, a review of engagement, and internal capacity building.</p> <p>Work has focused on understanding the spectrum of commercial opportunities across Panuku, with the key areas being cultural services, acquisitions, development and services. The Procurement and the introduction of the Total Value Analysis process expand the range of opportunities Panuku can offer.</p> <p>As the priority location projects move into delivery and implementation, a review of engagement with Mana Whenua is necessary to ensure there is a consistent approach towards achieving positive Māori outcomes.</p> <p>Internal capacity building includes offerings for te reo, pronunciation, tikanga, Treaty of Waitangi, waiata and developing a staff induction pilot. These will significantly contribute towards developing confidence and awareness, and increasing internal capacity.</p>
Mana whenua Engagement Forum establishment	<p>Manage a robust inclusive monthly mana whenua Forum to enable relationship with Panuku and facilitate input to Panuku projects.</p> <p>Identify mana whenua interested in Panuku projects and facilitate</p>	<p>Panuku continues to engage with Mana Whenua at a governance level every two months through the Panuku Mana Whenua Governance Forum, and every six months through the rangatira ki rangatira hui with the Panuku board members. At an operational level, kaitiaki</p>

Key project and initiatives	Description	Progress
	<p>input.</p> <p>Coordinate efficient engagement with Council family to streamline engagement with mana whenua and other Māori.</p> <p>Continue to share information with the Independent Māori Statutory Board (IMSB). Panuku will contribute information required for Te Tiriti Audit and will take account of IMSB's Schedule of Issues of Significance, The Māori Plan and the suite of statutory provisions relevant to our activities.</p>	<p>representatives have provided direction and influence on the development of HLPP and Framework Plans through the project working groups. The focus is now moving to delivery and implementation across a number of the priority location projects and it is timely to review the engagement framework to ensure it continues to respond to direction from Mana Whenua.</p> <p>There is an increased emphasis in coordinating Māori engagement across the wider council whanau. This is especially important given the number of large scale projects currently underway or planned for the near future.</p>
Māori Development Opportunities	<p>Engagement with mana whenua and other Māori organisations on commercial and housing developments, partnering opportunities in urban redevelopment projects and opportunities to purchase properties surplus to council requirements.</p> <p>Explore any means to improve the coordination and efficient engagement with mana whenua and other Māori organisations around potential disposal properties and properties that may become available for development.</p>	<p>Barrowcliffe remains a significant commercial partnership for Mana Whenua. Mana Whenua have signalled interest in other development opportunities and there is scope for these to progress further. The early notification process continues to be refined and there is opportunity to improve the process further.</p> <p>Panuku is progressing work on understanding the full scope of potential commercial opportunities available across the business with a focus on development, leasing, procurement and disposal.</p>
Recognition and celebration of Māori cultural values and heritage	<p>Panuku will facilitate cultural expression opportunities through Te Aranga Design application in early planning in Transform and selected Unlock locations. This work flows down to implementation of cultural</p>	<p>Implementation of project charters and cultural narratives for High Level Project Plan and Framework Plan provide anchoring material to contribute to our delivery of Maori cultural value and associations in Panuku projects and place-activation</p>

Key project and initiatives	Description	Progress
	<p>expression opportunities in public realm projects.</p> <p>Māori identity will be recognised through promotion of te reo Māori such as naming new streets, laneways, buildings, signage, other communications, art and landscaping.</p> <p>Placemaking will support Māori-focused events at the waterfront and other selected locations.</p>	<p>programmes.</p> <p>Implementation level work continues in Wynyard Central. Mana whenua artist design work is bringing strong contemporary Maori design into the Innovation Precinct, and through laneway naming. Future opportunities will be progressed with Mana Whenua and the local board.</p> <p>Placemaking initiatives continue to make significant contributions towards Māori focused events throughout the region. Mana Whenua provided significant input into the development of the Panuku placemaking guidelines.</p>

Initiative	How it contributes to Maori outcomes	Spend to date \$000	Full Year Budget \$000
Maori engagement	Improves public space and activities through input from Iwi	\$127	\$ 92
Maori technical/specialist advice	Ensures that public spaces and developments respect and reflect Maori culture and history.	\$350	\$ 327
Development Projects	Maori related expenditure spent on Panuku's development projects	\$235	
Maori koha		\$ 2	\$ 5

10. Key Local Board issues

Local Board Plans

We worked closely with the Local Boards in our priority location areas earlier in the year to make sure we were involved in the Local Board Plan process. An aligned approach to strategic planning in our priority areas with Local Boards means we have a better chance to design and deliver holistic outcomes for transport, development and community facilities. We worked alongside some of the relevant Local Boards when they consulted on the plans with their communities. The invitations to join the boards at this stage should be viewed as a sign of confidence and trust in our plans and staff. The consultation period is now finished and Local Boards will share their consultation findings with us to help inform our engagement and planning. This is something we will actively seek as survey analysis is now completed. In some project locations Panuku have undertaken public engagement that they will in turn share with Local Boards to inform their planning process.

Panuku as Lead Agency

The role of Panuku as “lead council agency” and how that fits with Local Board decision-making across our work programme was a live conversation last quarter. It is generally accepted that Panuku has been endorsed as the “lead council agency” for this work, and ultimately this doesn’t have any impact on the role of the Local Board in a governance sense. As always Panuku is committed to working closely with the Local Boards to progress positive regeneration across the city. The conversation continues as to who is responsible for certain decisions in accordance with the allocation of decision-making responsibility as set out in the allocation table. It may be that we need to seek a revision of the allocation table through the LTP process later this year but it is still too early to see if this needs to happen. A collaborative ‘whole of council’ approach has been applied to this issue so we can work through it proactively and positively.

11. Risk management

Panuku has a comprehensive risk management framework based on AS/NZS ISO 31000: 2009 Risk Management Standard. This provides a structured approach to identifying and managing uncertainties relating to achievement of its objectives.

The significant risks to the company are project funding, property market changes, tighter lending requirements, effect of general election and employment market.

To achieve shareholder outcomes, Panuku will continue to take and manage risks in a calculated and responsible way.

Information Paper: Enterprise Risk Management Policy

Document Author(s)	Maxine Waugh, Manager Business Systems & Processes (on behalf of David Middleton, Risk Manager)
Date	11 September 2017

1. Proposal

The purpose of this paper is to request Board approval for the revised Panuku Enterprise Risk Management Policy.

2. Executive summary

The original Enterprise Risk Management Policy was adopted for the transition to Panuku Development Auckland 1 September 2015, having been approved by the Board Advisory Group 11 August 2015 and subsequently endorsed by the Panuku Board on 23 September 2015. The policy is to be reviewed every two years.

The Audit and Risk Committee reviewed the revised policy at its meeting dated 6 September 2017.

Attached is the marked up version of the Enterprise Risk Management Policy for Board approval. Changes to the original policy are identified in red, with further purple coloured changes as requested by the Audit and Risk Committee – refer **attachment A**.

3. Recommendations

It is **recommended** that the Board

1. **Approves** the revised Panuku Enterprise Risk Management Policy.

Attachment A – Enterprise Risk Management Policy (with marked up changes)

ENTERPRISE RISK MANAGEMENT POLICY

~~This Policy establishes a clear and formal framework to conduct risk management for Panuku Development Auckland and to develop a common understanding of risk management.~~
~~Policy Statement~~

1. Policy Statement

Panuku Development Auckland ~~Limited (Panuku)~~ ~~accepts~~~~recognises~~ that risks are present in ~~everything it does all its activities~~. Effective risk management is an integral component of good governance, ~~r~~Risk management is an integrated business process ~~and risks influence the organisation in its entirety~~. Risk management reduces uncertainty in the achievement of Panuku's ~~Development Auckland~~ objectives ~~and managing risk is everyone's responsibility~~.

Panuku Development Auckland will take risks in an intelligent way to deliver the best outcomes for the benefit of the people of Auckland and the organisation

A responsible approach to risk taking will enable Panuku ~~Development Auckland to:~~ to

- embed risk management thinking into the culture of the Panuku business units;
- integrate best practice risk management into policy, planning and operational decisions;
- develop an holistic approach to managing risks;
- develop awareness and common understanding of Panuku's risk management expectations among partners and stakeholders;
- respond to change in a timely manner;
- withstand the impact of change or events;
- prepare for the future; maintain a proactive approach to managing emerging risks;
- take advantage of opportunities and manage risk when they arise; and
- maintain a high standard of risk management performance over the long term.

~~Development Auckland~~Panuku will adhere to good practice through the application of the Enterprise Risk Management Framework that supports this policy. ~~Development Auckland's~~Panuku's Risk Management Framework is aligned with the 'AS/NZS ISO 31000 Risk Management – Principles and Guidelines'.

2. Scope

To achieve its purpose, ~~Development Auckland~~Panuku will:

- promote and implement the Risk Management Framework across the organisation ;
- incorporate risk management into key decision making processes, business planning and reporting;
- establish clear accountabilities, roles and reporting lines for managing risk and ensure appropriate resourcing;
- reinforce the importance of risk management by providing opportunities for training and shared learning, increasing awareness, skills and expertise across the company; and
- ensure risk management reporting is dynamic, intelligent, responsive to change, transparent and based on best available information.

3. Authority

The Board is responsible for risk oversight and establishes and approves the Risk Management Policy.

The Chief Executive is primarily responsible for ensuring the effective implementation of the Risk Management Policy and Enterprise Risk Management Framework, including monitoring of risk management performance.

Management, staff and other parties risk management responsibilities are outlined in the Enterprise Risk Management Framework.

4. Review and Update of the Policy

The ~~Development Auckland~~Panuku Board will review the Enterprise Risk Management Policy ~~bi-annually (every two years, or earlier as required)~~, to reflect changes in legislation, good practice and the experience gained by the company.

~~5.~~

~~6. Policy approved by Board, 11 August 2015~~

~~7.~~

~~8.5.~~ ~~5.~~ Approval Process

Business Owner	Director of Strategy and Engagement <u>Corporate Services</u>
<u>Original</u> Policy date	1 September 2015
Frequency of review	Every two years <u>or earlier if required</u>
Last reviewed	<u>Approved 6 September 2017 – reviewed by Audit and Risk Committee 27 September 2017 – approved by the Panuku Development Auckland Board</u>

Decision Paper: Disposals Recommendation

Document Author(s)	Anthony Lewis – Senior Advisor Portfolio Review
Date	4 September 2017

1. Proposal

This paper seeks approval from the Panuku Board for four council owned properties to be recommended to the Finance and Performance Committee for disposal.

2. Executive summary

The first property presented in this report, 4 Blomfield Spa, Takapuna is a vacant parcel of land that was previously presented to the Panuku Board in May 2017. A decision regarding the proposed divestment of the site was deferred following a deputation by the Devonport-Takapuna Local Board, which raised questions about if 4 Blomfield Spa, Takapuna needed to be retained now or in the future as part of the open space network in Takapuna; if the historic resource consent for the adjacent property at 1 The Strand, Takapuna required this site to be retained as open space and if the former North Shore City Council (NSCC) intended to vest this site as reserve. Staff have now investigated the questions raised by the Devonport-Takapuna Local Board.

Regarding the question raised about if 4 Blomfield Spa, Takapuna needed to be retained now or in the future as part of the open space network, Council's Parks and Recreation Policy team reviewed its original advice regarding 4 Blomfield Spa and re-confirmed that retention of this site would not contribute to a quality open space network in Takapuna now or in the future. The Parks and Recreation Policy team also advised that the size and shape of the site is inconsistent with the criteria for parks and open space set out in the Parks and Open Spaces Strategic Action Plan, the Parks and Open Space Acquisition Policy and the Open Space Provision Policy. This advice was peer reviewed by Panuku's Plans and Places team, which agreed with the advice provided with the Parks and Recreation policy team. The Plans and Places team further advised that 4 Blomfield Spa does not meet Crime Prevention Through Environmental Design (CPTED) criteria due to its isolation and lack of visibility.

Regarding the question raised about if the resource consent for the adjacent property at 1 The Strand required 4 Blomfield Spa to be retained as open space, Panuku's Plans and Places team reviewed the historic resource consent and determined that it was not a condition of the resource consent for 1 The Strand that 4 Blomfield Spa be retained into perpetuity as open space or vested as a reserve. Legal advice from Russell McVeagh confirmed this view.

Regarding the question raised about the legacy NSCC intending to vest 4 Blomfield Spa as reserve, staff have investigated this but have not found any evidence that the former NSCC intended to vest 4 Blomfield Spa as a reserve subject to the Reserves Act 1977. Further, the Auckland Transition Agency did not make any decisions relating to 4 Blomfield Spa ahead of amalgamation of the legacy councils.

When assessed against current council policies, plans and priorities, no planned or funded council service uses or requirements have been identified for 4 Blomfield Spa, Takapuna. Given this, it is recommended that it be divested.

The three other properties presented in this report, Bombay Road, Bombay; 28 Lockwood Road, Papakura and 9 Matama Road, Glen Eden have been identified as potentially surplus to council requirements through a review process. Consultation with council and its CCOs, iwi authorities and the relevant local boards about the subject sites has been undertaken. No alternative service uses were identified through the rationalisation process and the feedback received was supportive of the proposed disposals.

The consultation process undertaken for the subject properties to date, and a technical summary of each property is attached as *Appendix A to D* of this report.

3. Recommendations

It is **recommended** that the Board

1. Approves

- a. The recommendation to the Finance and Performance Committee that the following properties are surplus to council requirements and should be divested:
 - i. 4 Blomfield Spa, Takapuna
 - ii. Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay
 - iii. Lot 1 DP 198461 BLK II Opaheke, Papakura (aka 28 Lockwood Road, Papakura)
 - iv. 9 Matama Road, Glen Eden

4. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
31 May 2017 Panuku Board	Disposals Recommendation report	A peer review of open space assessments and investigations into historic resource consent issues and legacy council plans regarding 4 Blomfield Spa, Takapuna has been undertaken.

5. Discussion

Panuku and the Auckland Council Stakeholder and Community Facilities Land Advisory team jointly work on a comprehensive review of council's property portfolio. One of the outcomes of the review process is to identify properties in the council portfolio that are potentially surplus to requirements and that may be suitable to sell. The subject properties were identified as potentially surplus through this review process.

Once a property has been identified as potentially surplus, Panuku engages with Council and its CCO's to establish whether the property must be retained for a strategic purpose or is required for a future funded project or public work. Once a property has been internally cleared of any service requirements, Panuku then consults with local boards, mana whenua and relevant ward councillors. All sale recommendations must be approved by the Panuku board before a final recommendation is made to Auckland Council's Finance and Performance Committee.

Detailed information about the subject properties is provided in *Appendix A to D* of this report.

6. Financial implications

Detailed information about the subject properties is provided in *Appendix A to D* of this report.

7. Implementation

Information about the implementation of the subject properties is provided in *Appendix A to D* of this report.

Document Sign-off

Role	Name	Sign-off Date	Signature
Chief Operating Officer	David Rankin		
Chief Executive	Roger MacDonald		

Appendix A – 4 Blomfield Spa, Takapuna

1. Summary

4 Blomfield Spa, Takapuna is a vacant parcel of land used as an informal green space. It was presented to the Panuku Board in May 2017. The Devonport-Takapuna Local Board presented to the Panuku Board opposing the proposed divestment of this site on the basis that it provides high quality open space to the Takapuna community and is required to offset future intensification in Takapuna; the historic resource consent of the adjacent property at 1 The Strand required this site to be retained as reserve and it was the intention of the former NSCC to vest the site as a reserve. A decision by the Panuku board about 4 Blomfield Spa was deferred while these issues were investigated.

Council's Parks and Recreation Policy team subsequently reviewed its earlier assessment of 4 Blomfield Spa. The Parks and Recreation Policy team re-confirmed that this site did not need to be retained as open space now or in the future as there is no gap in the provision of neighbourhood parks in the immediate area; it is substantially smaller than the Council's Open Space Provision Policy's minimum size requirement for pocket parks and it is a relatively isolated site which does not connect to other parks or open spaces, or support the performance of the parks and open space network.

The advice received from the Parks and Recreation Policy team was peer reviewed by Panuku's Plans and Places team, which agreed with the view reached by the Parks and Recreation Policy team that 4 Blomfield Spa does not need to be retained for open space purposes and its rationale for this. The Plans and Places team further noted that this site does not meet CPTED criteria as it is isolated, offers little in the way of passive surveillance and presents opportunities of "undesirable activity".

The Plans and Places team also reviewed the resource consent of 1 The Strand and found that it was not a condition of the resource consent for 1 The Strand that 4 Blomfield Spa be retained into perpetuity as open space or vested as a reserve. Legal advice from Russell McVeagh confirmed the view of the Plans and Places team regarding the resource consent for 1 The Strand.

Staff investigated if the former NSCC intended to vest 4 Blomfield Spa as a reserve subject to the Reserves Act 1977. No evidence of this was found, and no decisions relating to this site were confirmed by the Auckland Transition Agency prior to amalgamation of the legacy councils. While the former NSCC do not appear to have had a known intention to divest 4 Blomfield Spa, this site was required to be assessed against current council requirements, policies, plans and priorities following Auckland Transport's decision to declare it surplus to its requirements. Following the assessment of 4 Blomfield Spa against current council policies, plans and priorities, no planned or funded service uses or council requirements for the site were identified. As such, it is recommended that 4 Blomfield Spa is divested.

2. Background

4 Blomfield Spa, Takapuna is a vacant parcel of land comprising 496m². It is the balance of land was acquired for the purpose of a service lane (now Club Lane, Takapuna). 4 Blomfield Spa was acquired and held for a public work. Accordingly, if it is no longer required for a public work, it must be offered back to the former owners or their immediate successors in accordance with section 40 of the Public Works Act 1981.

In 2015, the Auckland Transport board declared 4 Blomfield Spa surplus to transport and infrastructure requirements and transferred it to Auckland Council.

The Auckland Unitary Plan zoning of 4 Blomfield Spa is Business - Metropolitan Centre Zone. It has a 2014 capital value of \$1,025,000.

3. Internal consultation

The internal consultation for this site commenced in August 2015. No expressions of interest were received during the internal consultation process and no issues were raised.

4. Local board views and implications

The Devonport-Takapuna Local Board opposed the proposed disposal of 4 Blomfield Spa at its 21 March 2017 business meeting on the basis that it is required for open space purposes. Panuku sought feedback on this from the Council's Parks and Recreation Policy team, which advised that while there is a gap in quality open space in the Devonport-Takapuna Local Board area, this site does not provide the outcomes sought for a quality open space network.

The local board also requested that tabled correspondence from members of the public be included in the report to the Panuku Board as part of the decision making regarding the subject site. The correspondence is attached to this report.

Representatives from the Devonport-Takapuna Local Board advocated to the Panuku Board at its May 2017 meeting for the retention of 4 Blomfield Spa, Takapuna on the basis that:

- the site provides high value open space;
- it is required as open space to offset future intensification in Takapuna;
- the resource consent of the adjacent property at 1 The Strand, Takapuna required 4 Blomfield Spa to be retained as open space/reserve; and
- it was the intention by the former North Shore City Council (NSCC) to vest the site as a reserve.

5. Additional work undertaken

In response to the issues raised by the local board, staff undertook further work and investigations outlined below regarding the questions by the Devonport-Takapuna Local Board.

Does 4 Blomfield Spa need to be retained as open space now or in the future?

Staff requested Council's Parks and Recreation Policy team to review its initial advice that 4 Blomfield Spa did not need to be retained for open space purposes. The Parks and Recreation Policy team completed a fresh assessment of the site which found that retention is not consistent with the outcomes sought in the Parks and Open Spaces Strategic Action Plan, the Parks and Open Space Acquisition Policy or the Open Space Provision Policy. Further, its retention would not "contribute to the provision of a quality open space network now or in the future". The key points of this assessment were that:

- 4 Blomfield Spa is less than the Open Space Provision Policy's 1000m² minimum size requirement for pocket parks;
- 4 Blomfield Spa does not connect, and could not establish connections between, existing parks and open spaces due to its small size and relative isolation;
- 4 Blomfield Spa does not currently contribute to the provision of access to, the functionality of, or the performance of the parks and open space network;
- There is currently no gap in the provision of neighbourhood parks in the immediate area;
- Due to the relative isolation of 4 Blomfield Spa and the existing provision of neighbourhood parks in the locality, it is not needed to support the performance of the parks and open space network in the future, either by connection to future parks and open space or expansion through future acquisitions;
- There is currently no opportunity to use 4 Blomfield Spa in an exchange, amalgamation or development opportunity to improve the parks and open space network in the area and due to current provision in the locality it is not needed for those purposes in the future.

The Parks and Recreation Policy team accordingly re-confirmed its earlier advice that 4 Blomfield Spa did not need to be retained as open space. The Parks and Recreation Policy team also noted that the proceeds of sale from the disposal of 4 Blomfield Spa could be used more effectively elsewhere to deliver quality open space that meets the recreational needs of Auckland's growing population.

The advice provided by the Parks and Recreation Policy team was peer reviewed by Panuku's Plans and Places team, which agreed with the advice provided by the Parks and Recreation Policy team that 4 Blomfield Spa did not need to be retained as open space, and the rationale upon which this advice was based.

Panuku's Plans and Places team further noted that when considering 4 Blomfield Spa against CPTED criteria, it offers little in the way of passive surveillance, particularly outside of business hours. The team further found that "the isolation of the site presents opportunities for undesirable activity" given its lack of visibility from the main centre.

Resource consent of 1 The Strand, Takapuna

The Plans and Places team also investigated the concerns raised by the Devonport-Takapuna Local Board that it was a condition of the historic resource consent for the adjacent property at 1 The Strand, Takapuna that 4 Blomfield Spa be retained into perpetuity as a reserve or open space. The Plans and Places team advised that the historic resource consent noted that the resource consent applicant sought to remove angle car parks which were previously located at 4 Blomfield Spa and establish landscaping in place of the car parks. However, it was not a condition of the resource consent for 1 The Strand, Takapuna that 4 Blomfield Spa be retained into perpetuity or vested as a reserve.

Legal advice was obtained from Russell McVeagh confirmed that it was not a condition of the historic resource consent for the adjoining property at 1 The Strand, Takapuna that 4 Blomfield Spa is to be retained as open space or a reserve. Further, Russell McVeagh noted that a resource consent condition obligation cannot be imposed on a third party. As such the resource consent conditions relating to 1 The Strand could not be imposed on the legacy council (or current council) as it is a third party to the resource consent, not the applicant.

Intention by the former North Shore City Council vest 4 Blomfield Spa as a reserve

Prior to amalgamation of the legacy councils, the former NSCC does not appear to have had a known intention to sell the site. However, staff have not found any evidence that the former NSCC intended to vest the subject site as a reserve subject to the Reserves Act 1977. Further, there were no decisions that were confirmed by the Auckland Transition Agency during the transition period regarding the future of the subject site.

In summary, while the former NSCC does not appear to have had a known intention to divest 4 Blomfield Spa, a review of the future of the site was triggered when Auckland Transport declared it surplus to its transport and infrastructure requirements. Consultation has now been undertaken with every council department and CCO regarding the subject site and it has been assessed against current council policies, plans and priorities rather than legacy council policies, plans and priorities. No planned or funded alternative service uses have been identified for 4 Blomfield Spa, Takapuna based on current council plans, policies and priorities.

6. Iwi feedback

13 mana whenua iwi authorities were contacted regarding the potential divestment of 4 Blomfield Spa. The following feedback was received:

a) Te Runanga o Ngāti Whatua

No site specific feedback received for this site, noting that as per earlier conversations with Te Runanga representatives, it is understood that any cultural significance considerations will be raised at hapū level and that all Ngāti Whatua hapū have been contacted about properties in their rohe.

b) Ngāti Whatua o Kaipara

No feedback received for this site.

c) Ngāti Whatua Ōrakei

No feedback received for this site.

d) Te Kawerau a Maki

No feedback received for this site.

e) Ngai Tai ki Tamaki

Ngai Tai ki Tāmaki confirmed the site holds cultural significance. Takapuna is named after a spring near Maunga-ika (North Head) and a place where many Ngai Tai ancestors were also named the same, none more so than Takapuna Hetaraka, a Ngai Tai.

f) Ngāti Tamaoho

No feedback received for this site.

g) Te ākitai - Waiohua

Te ākitai – Waiohua has expressed a potential commercial interest in this property.

h) Ngāti Te Ata - Waiohua

No site specific feedback received for this site; however Ngāti Te Ata has expressed general cultural interest across Tāmaki Makaurau, has potential commercial interest in any council owned land that comes available for sale in their rohe and notes specific association with the south western area of Auckland, focusing around Manukau and the western coastline.

i) Ngati Paoa

No feedback received for this site.

j) Ngati Whanaunga

No feedback received for this site.

k) Ngati Maru

No feedback received for this site.

l) Ngati Tamatera

No feedback received for this site.

m) Patukirikiri

No feedback received for this site.

7. Financial implications

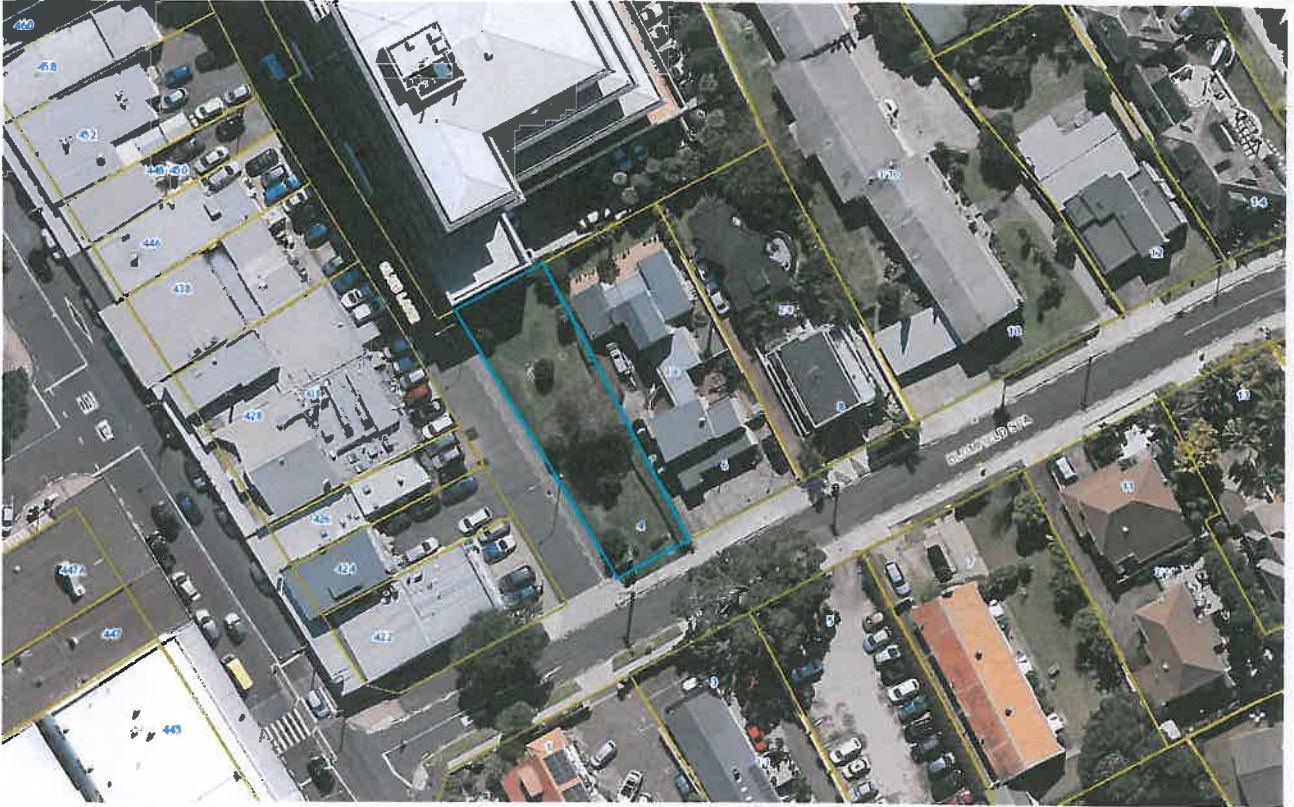
There are financial implications for Auckland Council if it chooses to retain the subject site, as there was a book value of \$1,025,000. Advice from Council's Financial Strategy and Planning team is that if this site were to be retained for open space purposes, as requested by the Devonport-Takapuna Local Board, the book value could be deducted from the open space acquisition budget. This would result in a neutral impact on the Council's financial position. However the Parks and Recreation Policy team has advised that it does not wish to use its open space acquisition budget to retain this site. Alternatively, the Finance and Performance Committee could approve the unanticipated \$1,025,000 debt due to the foregone asset sales opportunity should this site be retained, and the consequential budget implications.

8. Implementation

The results of the rationalisation process are that this property is not required for current or future service requirements. As such, we recommend that 4 Blomfield Spa be divested. Should a resolution be obtained from the Finance and Performance Committee approving the divestment of this site, we will undertake a disposals process for this site that provides an optimal return to council and ideally delivers a housing outcome.

There was interest registered in acquiring this site prior to the rationalisation process commencing. This can be explored further should the Finance and Performance Committee approve the proposed disposal.

9. Images





Appendix B – Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay

1. Summary

Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay is vacant land that was reviewed following an enquirer seeking to purchase the site. The rationalisation process commenced in December 2016. Consultation with council and its CCOs, iwi authorities and the Franklin Local Board has now taken place. No planned and funded alternative service uses were identified for this site through the rationalisation process. As such we recommend that the site be divested.

2. Background

Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay comprises 465m². The site is vacant land that was vested as an unclassified local purpose reserve in 1983.

Consultation with Council's Parks Policy department has confirmed that this land is not required for parks services, as the size of the site limits the ability to establish a range of open space experiences and formal and informal recreation opportunities that better serve the local area exist in close proximity.

The Unitary Plan zoning of Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay is Public Open Space – Informal Recreation. It has a 2014 capital value of \$46,000. There is no requirement for land vested as reserve in connection with a subdivision to be offered back to the former owners under section 40 of the Public Works Act 1981.

3. Internal consultation

The internal consultation for this site commenced in December 2016. No expressions of interest were received during the internal consultation process and no issues were raised.

4. Local board views and implications

The Franklin Local Board endorsed the proposed disposal of Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay at its 18 April 2017 business meeting.

5. Iwi feedback

Ten iwi authorities were contacted regarding the potential sale of Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay. The following feedback was received:

i) **Ngai Tai ki Tāmaki**

No feedback was received regarding this site, however Ngāi Tai ki Tāmaki has drawn attention to their recent settlement and signalled an increased interest in council owned property that may come available for sale in their rohe.

ii) **Ngāti Tamaoho**

No feedback was received regarding this site.

iii) **Te Akitai - Waiohua**

No feedback was received regarding this site.

iv) **Ngāti Te Ata - Waiohua**

No feedback was received regarding this site.

v) **Te Ahiwaru**

No feedback was received regarding this site.

vi) **Ngāti Paoa**

No feedback was received regarding this site, however Ngāti Paoa has reinforced their desire to be kept in the loop for property disposals.

vii) **Ngāti Whanaunga**

No feedback was received for this site.

viii) **Ngāti Maru**

No feedback was received for this site.

ix) **Ngāti Tamaterā**

No feedback was received for this site.

x) **Waikato-Tainui**

No feedback was received for this site, however Waikato-Tainui has signalled an interest in all sites identified for disposal and recommend development align with the Waikato-Tainui Environmental Plan including consultation with marae

6. Implementation

The results of the rationalisation process are that this property is not required for current or future service requirements. As such, we recommend that Part Allot 13 Mangatawhiri Parish-Local Purpose Reserve, Bombay Road, Bombay be divested. Should a resolution be obtained from the Finance and Performance Committee approving the divestment of this site, we will undertake a disposals process for this site that provides an optimal return to council and ideally delivers a housing outcome.

As this site is a local purpose reserve subject to the Reserves Act 1977, the reserve status would need to be revoked if approval is obtained to divest it. Final revocation of the reserve status will be subject to completing the statutory requirements of the Reserves Act 1977 and Local Government Act 2002, including public advertising.

There was interest registered in acquiring this site prior to the rationalisation process commencing. This can be explored further should the Finance and Performance Committee approve the proposed disposal.

7. Images



Appendix C –28 Lockwood Road, Papakura

1. Summary

Lot 1 DP 198461 BLK II Opaheke, Papakura (aka 28 Lockwood Road, Papakura) is a residential property that is the residue from land originally acquired for a works depot, parks staff residence and bulk-water supply. Council's Regional Parks have reviewed the property and consider it is no longer required for open space purposes or as a regional park asset. The rationalisation process commenced in May 2016. Consultation with council and its CCOs, iwi authorities and the Franklin Local Board has now taken place. No planned and funded alternative service uses were identified for this site through the rationalisation process. As such we recommend that the site be divested.

2. Background

28 Lockwood Road, Papakura is a 4,598m² site originally acquired from the Crown in two separate lots in the 1960s for a works depot, parks staff residence and bulk-water supply. A residential dwelling and garage is now located on the property.

The Regional Parks team have reviewed the property and consider it is no longer required for open space purposes or as a regional park asset. The subject site is adjacent to an existing regional parks ranger depot. An open space assessment from the Local Parks team indicates there is adequate open space in the Hunua township, which has an existing local park that provides passive open space, bowling club, sports fields and tennis courts.

The Unitary Plan zoning of 28 Lockwood Road, Papakura is rural and coastal settlement. It has a 2014 capital value of \$465,000.

There is no requirement for the property to be offered back to the former owners under section 40 of the Public Works Act 1981.

3. Internal consultation

The internal consultation for this site commenced in May 2016. No expressions of interest were received during the internal consultation process and no issues were raised.

4. Local board views and implications

The Franklin Local Board endorsed the proposed disposal of 28 Lockwood Road, Papakura at its 18 April 2017 business meeting.

5. Iwi feedback

12 iwi authorities were contacted regarding the potential sale of 28 Lockwood Road, Papakura. The following feedback was received:

i) **Te Kawerau a Maki**

No feedback was received regarding this site.

ii) **Ngai Tai ki Tāmaki**

Ngai Tai ki Tāmaki has confirmed commercial interest regarding this site should it be approved for disposal.

iii) **Ngāti Tamaoho**

No feedback was received regarding this site.

iv) **Te Akitai - Waiohua**

Te Akitai - Waiohua confirmed cultural interest and provided advice that the subject site is associated with the broad area of Te Ruahine, a Te Ākitai Waiohua settlement.

v) **Ngāti Te Ata - Waiohua**

Ngāti Te Ata has confirmed general cultural interest in the area and expressed an interest in discussing potential purchase of any council properties that may come available for sale.

vi) **Te Ahiwaru**

No feedback was received for this site.

vii) **Ngāti Paoa**

No feedback was received for this specific site, however Ngāti Paoa has reinforced their desire to be kept in the loop for property disposals.

viii) **Ngāti Whanaunga**

No feedback was received for this site.

ix) **Ngāti Maru**

No feedback was received for this site.

x) **Ngāti Tamaterā**

No feedback was received for this site.

xi) **Patukirikiri**

No feedback was received for this site.

xii) **Waikato-Tainui**

No feedback was received for this specific site, however Waikato-Tainui has signalled an interest in all sites identified for disposal and recommend development align with the Waikato-Tainui Environmental Plan including consultation with marae.

6. Implementation

The results of the rationalisation process are that this property is not required for current or future service requirements. As such, we recommend that 28 Lockwood Road, Papakura be divested. Should a resolution be obtained from the Finance and Performance Committee approving the divestment of this site, we will undertake a disposals process for this site that provides an optimal return to council and ideally delivers a housing outcome.

There was interest registered in acquiring this site prior to the rationalisation process commencing. This can be explored further should the Finance and Performance Committee approve the proposed disposal.

7. Images





Appendix D –9 Matama Road, Glen Eden

1. Summary

9 Matama Road, Glen Eden is a vacant strip of land which was reviewed following a query from an adjoining landowner seeking to purchase the site. This site was reviewed following an enquiry from an adjoining landowner seeking to purchase the site. Consultation with council and its CCOs, iwi authorities and the Waitākere Ranges Local Board about this property has been undertaken. No planned and funded alternative service uses were identified for this site through the rationalisation process. As such we recommend that the site be divested.

2. Background

9 Matama Road, Glen Eden is a narrow 80m² strip of land that was retained by the former Glen Eden Borough Council upon disposal of the adjoining land in 1984 to provide a pedestrian access way to proposed future housing developments. It is an access way reserve subject to the Reserves Act 1977. The access way became redundant when a road was formed to access the adjacent developed land in 2003.

9 Matama Road, Glen Eden is formed and maintained as part of the road berm, but Auckland Transport has advised it will not declare it legal road. The subject site, being the full length of the adjoining property at 7 Matama Road, Glen Eden prevents legal access to that property which for all intents and purposes is a corner lot.

The Unitary Plan zoning of the subject site is Mixed Housing Suburban. 9 Matama Road, Glen Eden has a 2014 capital value assessment of \$11,000.

It is unlikely that offer back obligations to the former owners under section 40 of the Public Works Act 1981 are relevant, as due to the size and shape of the subject site it could only be amalgamated with adjoining land if disposed of.

3. Internal consultation

The internal consultation for this site commenced in April 2017. No expressions of interest were received during the internal consultation process and no issues were raised.

4. Local board views and implications

The Waitākere Ranges Local Board endorsed the proposed disposal of 9 Matama Road, Glen Eden at its 10 August 2017 business meeting.

5. Iwi feedback

Nine mana whenua iwi authorities were contacted regarding the potential divestment of 9 Matama Road, Glen Eden. The following feedback was received:

a) Te Runanga o Ngāti Whatua

No site specific feedback received for this site, noting that as per earlier conversations with Te Runanga representatives, it is understood that any cultural significance considerations will be raised at hapū level and that all Ngāti Whatua hapū have been contacted about properties in their rohe.

b) Ngāti Whatua o Kaipara

No feedback received for this site.

c) Ngāti Whatua o Ōrakei

No feedback received for this site.

d) Te Kawerau a Maki

No feedback received for this site.

e) Ngāti Tamaoho

No feedback received for this site.

f) Te ākitai - Waiohua

No feedback received for this site.

g) Ngāti Te Ata – Waiohua

No feedback received for this site.

h) Ngaati Whanaunga

Ngaati Whanaunga expressed potential commercial interest.

i) Waikato Tanui

No feedback received for this site.

6. Implementation

The results of the rationalisation process are that this property is not required for current or future service requirements. As such, we recommend that 9 Matama Road, Glen Eden be divested. Should a resolution be obtained from the Finance and Performance Committee approving the divestment of this site, we will undertake a disposals process for this site that provides an optimal return to council and ideally delivers a housing outcome.

9 Matama Road, Glen Eden is an access way reserve subject to the Reserves Act 1977. If approval is obtained to dispose of it, the reserve status would need to be revoked. Final revocation of the reserve status will be subject to completing the statutory requirements of the Reserves Act 1977 and Local Government Act 2002, including public advertising.

There was interest registered in acquiring this site prior to the rationalisation process commencing. This can be explored further should the Finance and Performance Committee approved the proposed disposal.

7. Images



Chief Executive's Report to the Board

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Date	18 September 2017

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 Local Government Official Information & Meetings Act 1987

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

2.1.2 Panuku / Council Alliancing Framework Agreement

Panuku has in place an Alliancing Framework agreement with the Council. The framework agreement encompasses the statutory plan change and consenting processes, and the associated design review process. It commits both parties to an agreed set of behaviours and does not override Council's existing regulatory processes. The behavioural expectations include transparent, open and responsive processes on a no surprises basis, quality outcomes and timely decisions with regard to resource consents, plan changes and urban design reviews.

Both parties have committed to avoid the unnecessary duplication of resources within the Council Group, particularly with regard to technical assessment, review and evaluative

processes and reporting. Panuku and Council have also committed to undertaking a thorough pre-application process.

To date, the framework agreement has been successfully implemented across a range of projects, most recently the first set of plan changes to the Unitary Plan rezoning Panuku's disposal sites from open space to residential or commercial, and rezoning part of Aotea Square to a business zone to enable the full development of the CAB master plan. The agreement also assists the Council Group towards implementing the recommendations contained in the June 2017 Mayoral Housing Taskforce report. This report identified *efficient and certain planning, consenting and risk management* as one of three key initiatives to increase housing supply and improve affordability.

Within Panuku, the implementation of the Alliancing framework is underway as a sub-set of the end to end development process being promulgated by the Project Management Office. The Council is also seeking to effect behavioural change in terms of its organisational culture, with a comprehensive restructure of the consenting department now close to completion. The restructure will ensure the Council's consenting services are aligned with the outcomes sought in the framework agreement and will implement the initiatives identified in the Mayoral Taskforce report. With the planning and consenting components of the framework agreement in place, further work is presently underway between the Panuku and Council management teams to address a number of legacy issues regarding the Council's urban design assessment and reporting processes. When this is completed, the framework agreement will be operational across the planning, consenting and urban design review processes undertaken by Panuku.

2.1.3 Government Relations

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

2.1.4 Strategic Decision-making

Following the Board strategy day on 30 August, the Panuku SLT team has been working on a new approach that responds to the Board's request to be enabled to provide more strategic decision-making.

This work will be reported to the October Board meeting at which new approaches to enabling strategic discussions will also begin.

2.1.5 Strategic Commercial Partnerships

Following the very successful roadshow to Shanghai in May 2017, a number of China-based individuals and organisations expressed their interest in exploring ways to work with Panuku. Hunan Construction Engineering Group Limited sent a formal letter of interest to Panuku in July this year. Panuku is engaging with Hunan Construction to investigate how a commercial relationship may work. Hunan's key strength is the delivery of pre-fabricated concrete modular housing product which could be a significant game changer if deployed at scale within the NZ market. We understand that MBIE is preparing a white paper on the issues constraining the construction industry and we are engaging with them to ensure that the international supply approach is considered. As part of our investigation with Hunan, we are working closely with HNZ which, with its government procurement processes and significant housing redevelopment pipeline, would be an essential partner for Hunan should the company progress to having a presence of scale in the NZ market. We anticipate we will be able to update the Board on progress in October.

2.1.6 Mana whenua engagement update

Roger has met with the Independent Māori Statutory Board this month. The IMSB has invited the Panuku Board and Roger to attend its meeting on 2 October at 11.30am. One of the IMSB current priorities is to understand the level of investment that is being made to achieve Māori outcomes and the regularity and quality of the engagement between Panuku and Māori.

A key concern is the approach to council-wide engagement required for the America's Cup and City Centre / Waterfront implementation. Currently, the Panuku Governance Forum and Project Working Groups are used as a default for this engagement, however this is not sustainable and a more centralised approach will be found. Discussions continue on the

Westhaven Pile Mooring redevelopment programme with co-ownership now firmly on the table from mana whenua.

A decision report will be brought to the Board in October to progress this. Also in October, a refresh of our Māori responsiveness plan will be reported to the Board. This will include an updated Commercial Relationships Action Plan for ratification. This policy guides the way that we consider mana whenua iwi in commercial processes and is in the process of being updated based on new learnings.

2.1.7 Albert-Eden Local Board

Roger met with the Chair and Deputy Chair of the Albert-Eden Local board in May. Of particular interest to this local board is the support development at Dominion and Valley Rd. The board does not support the development as it restricts public access and the board views this as a gated community. We provided the rationale for the proposed development, highlighting that the design:

- helps to revitalise the town centre through good urban design and CPTED principles, achieves optimal financial return;
- creates a viable scheme for a third party to fund; and
- increases housing supply and variety of housing typologies in Auckland.

We also highlighted the strong engagement path this development had taken, meaning we agreed certain fundamentals along the way with a number of stakeholders in order to achieve genuinely balanced development outcomes. Another issue the board is particularly interested in is the proposed Mt Albert town square project. Panuku's involvement is limited to managing the leases on the site. We have championed a collaborative, outcome focused approach to working with the local board, DPO and AT as we work through the property management issues associated with the site. Other operational matters are being worked through with this board, relating to optimisation and rationalisation of sites within their area.

2.1.8 Legislative Compliance

Panuku operates a legislative compliance framework, similar to that of Auckland Council. Key statutes have been identified across the various business activities as being important to demonstrate compliance. Senior management has provided assurance that all reasonably practicable steps have been taken to comply with applicable legislation for the financial year ended 30 June 2017.

2.3 Project updates

2.3.1 Unlock Takapuna

The consultation on the change of use of 40 Anzac Street closed on Monday, 4 September. It is estimated that over 2,000 submissions have been received. A large number of these were collected through campaigning by members of the public and Local Board. The submissions are now being analysed for the Regulatory Committee appointed hearings panel in preparation for the hearings in early October.

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

2.3.2 Lease approved under delegation – Board Notification

In accordance with the Panuku development Auckland delegations, all new property leases or licenses over \$500k are required to be reported to the Board. Please find below details of a new property license which has recently been negotiated:

2.3.2.1 447 Motutara Road, Muriwai – Muriwai Beach Campground

The campground operator was secured via the submission of Expressions of interest from parties who were required to have at least five years of relevant work experience, to pass Credit and Police checks, and to provide three work-related references.

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA

2.3.3 Transform Panmure Town Centre

Transform Panmure Town Centre was formally introduced to the Maungakiekie-Tamaki Local Board on 8 August, and the project team has been working in close partnership with key agencies with capital delivery in the area including Tamaki Regeneration Company, Auckland Transport, and Auckland Council.

The local board is excited that Panuku is leading the regeneration of Panmure Town Centre and offer support in early engagement to involve the local community to help shape the development of the HLPP and Framework Plan. First engagement with community group leaders was held on 24 August, and focused sessions are planned in October to involve the wider Panmure community.

A direction setting paper will be presented to the Panuku Board in November to provide an update on key outcomes from the community engagement and direction for the HLPP and Framework Plan. Final HLPP and Framework Plan is programmed for Panuku Board approval in February 2018.

2.3.4 Transform Manukau – Working with the Crown

On the 4 September the Chief Operating Officer and Transform Manukau Director represented Panuku at a half day workshop with a range of senior representatives from various crown entities and an independent facilitator. This commenced the first step of the “better business case” approach to a potential multi agency programme in the Manukau transform area. We have also agreed with AT that it will participate, although it was unable to attend on the 4 September.

Further workshops will confirm this initial investment logic mapping exercise, after which Crown agencies will seek mandates from respective ministers on whether or not, and on what basis, to proceed with more substantive business case preparation.

2.3.5 Long Term Plan – Reinvestment Approach

Since the Board strategy day we have had a workshop with the Councillors focusing heavily on the reinvestment principle and a paper to the September Finance Committee which had not been held at the time this report was prepared.

The workshop and paper focused on the principle of treating the unlock and transform areas (with the exception of the waterfront) as a programme, with the ability for Panuku to use proceeds of development sites in the programme to support public good expenditure in the programme so long as it is supported by an approved high level project plan.

The concept has received strong interest and discussion from Councillors.

2.3.6 Waterfront / City Centre whole of Council Strategy Refresh and Implementation Planning

Panuku has been involved in a joint approach with the Council, ATEED and Waterfront Auckland in progressing an update of the 2012 waterfront plan and the city centre masterplan. This has been approached pragmatically with a view to updating, where necessary, taking account of implementation that has already been achieved, assessing current priorities and forming a draft programme of investment for the pending LTP.

In August/September four workshops were held with Councillors on various dimensions of this overall picture. There is strong support from Councillors for the direction of thinking and for the way that the various Council family entities were working together effectively.

The work has culminated in two outputs – a report to the 5 September Planning committee and 3 packages which form options with differing price tags progressing a range of projects in support of the key strategies. This includes the waterfront.

Among other things, Councillors have accepted that an extended Captain Cook Wharf remains the optimum solution for long term cruise infrastructure, although this is subject to negotiation with Ports of Auckland. There was also acceptance that there should be a

reconfiguration of the development envelope/open space on Headland Park (Wynyard Point) as well as not progressing with a signature public building.

Funding decisions will await the outcome of the LTP process.

2.3.7 Development at Scale – Housing New Zealand / HLC

The New Zealand Council for infrastructure development recently sponsored an industry event where Housing New Zealand/HLC gave a comprehensive briefing on its intended programme of redevelopment at scale of the Auckland Housing New Zealand portfolio.

The objective is for the completion of 3,000 gross new houses a year for a period of 10 years plus, using existing Housing New Zealand property more intensively and achieving a combination of social, affordable and market housing.

This programme presents significant opportunities, one of which is for Panuku to continue to build its relationship with HLC where possibilities arise from neighbouring land holdings as is happening in Northcote and increasingly in Avondale.

2.3.8 Housing for Older People

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA

2.3.9 New Business

Panuku and NZTE representatives conducted a one-day tour across Auckland with a major global retailer looking to make its entry into the New Zealand. A major challenge facing these new entrants is securing large enough distribution facilities given the paucity of new supply and lack of large light industrial sites available in strategic locations as opposed to establishing a retail store as most large shopping centres have expansion opportunities. Panuku also presented with ATEED to a wholesale retailer also looking to establish a presence in Auckland.

2.3.10 Britomart

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA

2.3.11 Ormiston Town Centre – Acquisition Block FJ, Part Stage 2, Ormiston Town Centre (OTC)

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA

2.3.12 Civic Administration Building

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

2.3.13 C40 Low Carbon District Network

In July Panuku's Head of Corporate Responsibility attended the C40 Low Carbon District Network workshop in Melbourne. This was a forum to share learnings with other international cities working on climate change initiatives, and consisted of in-depth workshops and facilitated small group discussions. Of particular interest were sessions exploring feasibility of district-wide energy sharing schemes; developing social entrepreneurship and a 'green' economy; and operationalising sustainability in precincts where regeneration is already underway. We are actively exploring how this learning can be applied in our project areas.

2.3.14 Willis Bond West One LV1 (30 Madden Street)

Willis Bond has launched their marketing for West 1 known as 30 Madden Street.

Construction commencement of sub-stage 1 is forecast early 2019 subject to achieving the required pre sales threshold.

2.3.15 Site 18, Beaumont Street, Wynyard Quarter

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA

2.3.16 Marine Village

Match Realty has been engaged to run a 3 month leasing campaign with key outcomes of finding an anchor tenant and achieving 50% - plus leasing interest. The project's viability will be considered at the end of the leasing campaign in November.

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA

2.3.17 Gaunt Street, Wynyard Quarter Site

The Executive has reviewed options for temporary uses of the site which levitate the financial liability of the site over the remainder of the lease term with VHHL.

Information has been withheld from the public under S7(2(b(ii))) of the LGOIMA.

2.3.18 Manson Site, Daldy Street Linear Park

Manson's resource consent application to develop the former Caltex site has been approved. In short, the application was to develop commercial premises with vehicle access across the Daldy Street Linear Park designation. The application was assessed as a non-complying activity under the Unitary Plan. The application was considered by an independent planning commissioner and was granted consent on a non-notified basis.

The resource consent is subject to requiring authority approval (Resource Management Act s171(b)), which we understand has now been declined by Auckland Council. Manson's are likely to appeal this decision, which now puts the council family in a litigious position.

Auckland Council Planning and Auckland Transport are the key agents in resolving this issue. Panuku will provide support where it is appropriate.

2.3.19 The Airfields – Hobsonville Titles

HLC and Panuku have been working closely together to rationalise over 100 existing memorials affecting our joint titles, this includes the underlying Airfields title and new titles for AVJennings, Avanda and several underlying HLC blocks.

This culminated in a significant Edealing being lodged by HLC and Panuku's legal teams with LINZ on 10 July 2017. Given the complexity of the transaction only one LINZ processing officer had the capability and expertise to deal with the transaction, truncating the Edealing by over six weeks. This is due to very complex historical instruments requiring significant time for LINZ to review.

It is expected titles for the A V Jennings block will be released within the next two weeks, with the Avanda title some six weeks subsequent to that.

2.3.20 Pile Mooring Redevelopment

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

3 Panuku Leaderkit Project Summary

The Leaderkit summary is attached as *Attachment A*.

The summaries are withheld from the public under S7(2(b(ii))) of the LGOIMA.

4 Financial Summary

The financial dashboard is attached as *Attachment B*. The full Financial Board Report is also included in the Boardbooks Resource Centre for reference by Board members.

Both of these reports are withheld from the public under S7(2(b(ii))) of the LGOIMA.

5 Organisational Summary

5.1 Chief Executive's Networks

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

5.2 Health and Safety

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

5.3 Risk Management Framework

Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.

5.4 Portfolio Management Update

Acquisitions and Disposals Summary

The Acquisitions Summary is attached as *Attachment E* and the Disposals Summary is attached as Attachment G.

Both of these reports are withheld from the public under S7(2)(b(ii)) of the LGOIMA.

5.5 Media and digital summary

There was extensive media coverage of the refreshed waterfront and city centre plan going before planning committee in early September, including a splash in the New Zealand Herald, reporting by TV3, Newshub, The Spinoff, stuff.co.nz and Paperboy.

Across Panuku's project areas, the revitalisation of Old Papatoetoe featured in the winter edition of Building News. The Herald ran stories on progress made with the refurbishment of the Civic Administration Building, 25 people in council taking up free Lions tickets (which included Roger MacDonald) Panuku supporting the new Green Building Council's 'Homestar' quality verification tool and the design of the proposed Dominion and Valley Roads development (Radio New Zealand has also shown an interest in this story, but with affordable housing as the angle).

A media release on the removal of Eastern Viaduct car park was picked up by scoop.co.nz and shared on the OurAuckland website.

stuff.co.nz (Manukau Courier) published a positive opinion piece by Auckland commentator Ben Ross stuff.co.nz about our projects in Old Papatoetoe and Manukau. Our projects in Henderson and Hobsonville were included in a NZ Property Investor piece on new development opportunities springing up in west Auckland. Panuku inputted into a response led by Auckland Council to newsroom.co.nz about the future of Auckland Film Studios in Henderson. The North Shore Times gave extensive coverage to the public consultations held over the proposed change of use of a car park at 40 Anzac Road in Takapuna. RNZ, OurAuckland, stuff.co.nz and Paperboy also covered the story.

Mahurangi Matters wrote a piece on the protection of kauri snails in Ti Point forest, for which Panuku is managing the harvest.

stuff.co.nz reported on Panuku's Statement of Intent being accepted by Auckland Council.

Panuku Board member Richard Leggat's passion for trail bike riding was profiled in the winter issue AA Insurance's Directions magazine.

Wynyard Quarter has had a number of mentions in the media in recent months, with Jacinda Ardern holding her first rally as Labour's new leader on location, the opening of new restaurant Feriza and the line-up for new years' eve festival Wondergarden being announced. GridAKL was featured in Idealog magazine. The CE of Sustainable Coastlines gives Panuku a favourable mention in an online feature on Ray White's website.

The Mayor was interviewed by Radio New Zealand about Barrowcliffe and at what point in the process Panuku is at with it.

