

Board Report

P u b l i c

Date

Wednesday,
24 July 2019

Time

3.30 pm

Venue

Panuku Outpost,
ground floor,
Central One
building, 4
Henderson Valley
Road



Board Agenda

Where: Panuku Outpost, ground floor, Central One building, 4 Henderson Valley Road

When: Wednesday, 24 July 2019 | 9.30 am – 4.00 pm

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

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

Confidential meeting	
	Board only time
1.	<p>Procedural Motion to Exclude the Public</p> <p>Put the motion that, pursuant to clause 12.3 of the Panuku Constitution, the public be excluded from the following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.</p>
2.	<p>Confidential governance matters</p> <p>2.1 Apologies</p> <p>2.2 Directors' interests <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.3 Minutes of 26 June 2019 Board meeting <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.4 Board action list <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.5 Board forward work programme <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>

3.	<p>Confidential strategic papers (papers which are fully confidential)</p> <p>3.1 City Centre Master Plan and Waterfront Plan Refresh <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i></p> <p>3.2 Avondale Enhanced Programme Business Case <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i></p>
	<p>Morning tea</p>
	<p>3.3 Performance recognition fund release <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>3.4 Panuku People – July 2019 <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>
	<p>Lunch with Henderson-Massey Local Board</p>
	<p>3.5 4 - 10 Mayoral Drive and 32 - 42 Wellesley Street West <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i></p>
4.	<p>Confidential decision papers (papers which are fully confidential)</p> <p>4.1 Approval of amendments to 2019-22 Statement of Intent <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>4.2 Development and Disposal programme <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>4.3 Orākei Optimisation Programme: sale of 4 Victoria ave, Remuera <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i></p> <p>4.4 Disposal of Papatoetoe Mall, 53 and 65 St George Street <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i></p> <p>4.5 C40 Reinventing Cities <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i></p>
5.	<p>Confidential Chief Executive’s report (fully confidential) <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p>
6.	<p>Health and Safety report <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>
7.	<p>Māori responsiveness report <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>
8.	<p>Confidential information papers (papers which are fully confidential)</p> <p>8.1 1817 Great North Road, Avondale</p> <p>8.2 Westhaven Marine Village – leasing update</p>
9.	<p>General business</p>

Opening of public meeting 3.30 pm

Public meeting	
10.	Opening of public meeting 10.1 Apologies 10.2 Health and safety moment 10.3 Directors' interests 10.4 Directors' Board meeting attendance register 10.5 Minutes of the 26 June 2019 board meeting (public)
11.	Chief Executive's report
12.	Health and Safety report
13.	Māori Responsiveness report
14.	Public decision papers 14.1 30 June 2019 annual financial reporting 14.2 Disposal recommendations report
15.	Public information papers 15.1 Grants and donations results report

Local Government Official Information and Meetings Act 1987.

7 Other reasons for withholding official information

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

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

- (a) protect the privacy of natural persons, including that of deceased natural persons; or
- (b) protect information where the making available of the information—
 - (i) would disclose a trade secret; or
 - (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or
- (ba) in the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the [Resource Management Act 1991](#), to avoid serious offence to tikanga Maori, or to avoid the disclosure of the location of waahi tapu; or
- (c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—
 - (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
 - (ii) would be likely otherwise to damage the public interest; or
- (d) avoid prejudice to measures protecting the health or safety of members of the public; or
- (e) avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
- (f) maintain the effective conduct of public affairs through—

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

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

(g) maintain legal professional privilege; or

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

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

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

Directors' Interests as at 20 July 2019

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

Member	Interest	Company / Entity	Conflicts pre-identified?
David I. KENNEDY	Director	Panuku Development Auckland Limited	
	Director	525 Blenheim Road Limited	
	Director	Cathedral Property Limited	
	Director	Good General Practice Limited	
	Director	Grantley Holdings Limited	
	Director	Hobsonville Development GP Limited	
	Director	New Ground Living (Hobsonville Point) Limited	
	Director	Ngāi Tahu Justice Holdings Limited	
	Director	Ngāi Tahu Property (CCC-JV) Limited	
	Director	Ngāi Tahu Property Joint Ventures Limited	Possible, Unlock Northcote
	Director	Ngāi Tahu Property Joint Ventures (No.2) Limited	
	Director	Ngāi Tahu Real Estate Limited	
	Director	NTP Development Holdings Limited	
	Director	NTP Investment Holdings Limited	
	Director	NTP Investment Property Group Limited	
Director	Prestons Road Limited		
Richard I. LEGGAT	Director	Panuku Development Auckland Limited	
	Chairman	NZ Cycle Trail Incorporated	
	Executive Chair	Kiwis for kiwi	
	Director	Hamilton Waikato Tourism	
	Director	Mortleg Ltd	
	Director	Snowsports NZ	
	Director	Trophy Metropolitan Ltd	
	Director	Warren and Mahoney	
	Director	Winter Games New Zealand	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Member	Union Cycliste Internationale Ethics Commission	

Member	Interest	Company / Entity	Conflicts pre-identified?
Paul F. MAJUREY	Director	Panuku Development Auckland Limited	
	Chair	Hauraki Collective (12 iwi collective)	
	Chair	Impact Enterprise Fund	
	Chair	Marutūāhu Rōpū General Partner Ltd	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Puhinui Park Limited	
	Chair	Tāmaki Makaurau Community Housing Ltd	
	Chair	Te Pūia Tāpapa	
	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	
	Chair	Whenuapai Housing General Partner Ltd	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Director	Arcus Property Limited	
	Director	Atkins Holm Majurey Ltd	
	Director	Ngāti Maru Ltd	
	Director	Pare Hauraki Asset Holdings Ltd	
	Director	Pouarua Farm General Partner Ltd	
	Director	Tikapa Moana Enterprises Ltd	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Hauraki Fishing Group	
	Mana Whenua Representative	Hauraki Gulf Forum	

Member	Interest	Company / Entity	Conflicts pre-identified?
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Michael E. POHIO	Director	Panuku Development Auckland Limited	
	Chairman	BNZ Partners Waikato	
	Director	Argosy	
	Director	Ngāi Tahu Holdings	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	Ospri New Zealand Ltd	
	Director	<ul style="list-style-type: none"> National Animal Identification and Tracing Ltd 	
	Director	TBFree	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	The Rees Management Limited	

C. Martin UDALE	Director	Panuku Development Auckland Limited	
	Director	Accessible Properties New Zealand Limited	
	Director	Cardinal Trustees Ltd	
	Director	Essentia Consulting Group Ltd	
	Director	Fleming Urban Ltd	
	Director	Forest Group Ltd	
	Director	Hobsonville Development GP Ltd	
	Director	New Ground Living (Hobsonville Point) Ltd	
	Director	Tall Wood Ltd	
	Director	Tallwood Assembly Limited	
	Director	Tallwood Design Limited	
	Director	Tallwood Holdings Limited	
	Director	Tallwood Projects Limited	
	Director	Tāmaki Redevelopment Company Ltd	Possible
	Director	Tāmaki Regeneration Ltd	
	Director	THA GP Limited	
	Director	TW Twenty Twenty Ltd	
	Member	Kiwi Rail Property Committee	

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED, HELD IN **CONFIDENTIAL** SESSION AT 82 WYNDHAM ST, AUCKLAND ON WEDNESDAY 26 JUNE 2019 COMMENCING AT 9.30 AM.

ATTENDING		<p>Board: Adrienne Young-Cooper (Chair), David Kennedy, Richard Leggat, Dr Susan Macken, Paul Majurey, Mike Pohio and Martin Udale.</p> <p>Board Intern: Paul Brown</p> <p>Executive: Roger MacDonald – Chief Executive, David Rankin – Chief Operating Officer, Monica Ayers – Director People and Culture, Angelika Cutler – Director Corporate Affairs, Carl Gosbee – Director Corporate Services, Rod Marler – Director Design and Place, Brenna Waghorn – Director Strategy, Ian Wheeler – Director Portfolio Management, Allan Young – Director Development, Madina Krash – Governance Advisor, Rachel Nottingham – minute taker.</p>								
1 PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	1 06/19	<p>The Panuku Board agreed that, pursuant to clause 12.3 of the Panuku Constitution and the provisions of Section 48(1)(a) of the Local Government Official Information & Meetings Act 1987, the public be excluded from the meeting for the following proceeding, the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">General subject of matters to be considered</th> <th style="width: 50%;">Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td>Governance; Committee report</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Finance and Risk</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Management and operations</td> <td>Commercially sensitive issues</td> </tr> </tbody> </table>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
		General subject of matters to be considered	Grounds under Section 48(1) for considering in private							
		Governance; Committee report	Commercially sensitive issues							
		Finance and Risk	Commercially sensitive issues							
Management and operations	Commercially sensitive issues									
2.0 OPENING REMARKS	2 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.1 APOLOGIES	3 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.2 DIRECTORS' INTERESTS	4 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.3 MINUTES OF 26 APRIL 2019 BOARD MEETING CONFIDENTIAL GOVERNANCE MATTER	5 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.4 MINUTES OF 28 MAY 2019 BOARD MEETING CONFIDENTIAL GOVERNANCE MATTER	6 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.5 BOARD ACTION LIST CONFIDENTIAL GOVERNANCE MATTER	7 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								

<p>2.6 BOARD FORWARD WORK PROGRAMME</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	8 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<p>2.7 VERBAL UPDATE FROM PEOPLE AND CULTURE COMMITTEE 11 JUNE 2019</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	9 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<p>2.8 VERBAL UPDATE FROM AUDIT AND RISK COMMITTEE 17 JUNE 2019</p> <p>CONFIDENTIAL GOVERNANCE MATTER</p>	10 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<p>3.1 WATERFRONT ASSET TRANSFER</p> <p>CONFIDENTIAL STRATEGIC DECISION PAPER</p>	11 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<p>3.2 APPROVAL OF THE STATEMENT OF INTENT 2019-2022</p> <p>CONFIDENTIAL DECISION PAPER</p>	27 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<p>3.3 APPROVAL OF THE BUSINESS PLAN 2019-2020 AND ANNUAL PLAN 2019-20250</p> <p>CONFIDENTIAL DECISION PAPER</p>	28 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<p>4.1 ORGANISATIONAL GATEWAY OBJECTIVES 2019-2020</p> <p>CONFIDENTIAL DECISION PAPER</p>	29 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<p>4.2 REWARD FRAMEWORK RECOMMENDATION</p> <p>CONFIDENTIAL DECISION PAPER</p>	30 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<p>5.1 NORTHCOTE ENHANCED PROGRAMME BUSINESS CASE</p> <p>CONFIDENTIAL DECISION PAPER</p>	12 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>

5.2 AT ASSETS PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	13 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.3 AVONDALE PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	14 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.4 HAUMARU PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	15 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.5 HENDERSON PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	16 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.6 HOBSONVILLE PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	17 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.7 MANUKAU PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	18 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.8 ONEHUNGA PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	19 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.9 ORMISTON AND FLAT BUSH PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	20 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.10 PANMURE PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	21 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>

5.11 PAPATOETOE PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	22 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.12 SUPPORTS LOCATION PROGRAMME BUINSESS CASE CONFIDENTIAL DECISION PAPER	23 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.13 TAKAPUNA PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	24 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.14 WATERFRONT PROGRAMME BUSINESS CASE CONFIDENTIAL DECISION PAPER	25 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.15 SUMMARY OF PORTFOLIO INVESTMENT IN PRIORITY LOCATION PROGRAMME CONFIDENTIAL DECISION PAPER	26 06/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
6 CONFIDENTIAL CHIEF EXECUTIVE'S REPORT	31 06/19	<i>Withheld from the public under S7(2)(h), S7(2)(b)(ii) and S7(2)(i) of the LGOIMA</i>
7.1 MĀORI RESPONSIVENESS REPORT	32 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
7.2 PANUKU MANA WHENUA GOVERNANCE FORUM RECOMMENDATION "TRANSFORM WIRI"	33 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
8.1 PROPERTY MARKET REPORT CONFIDENTIAL INFORMATION PAPER	34 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
8.2 WYNYARD CROSSING BRIDGE CONFIDENTIAL INFORMATION PAPER	35 06/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED,
HELD IN **PUBLIC** SESSION AT 82 WYNDHAM ST, AUCKLAND ON WEDNESDAY 26 JUNE 2019
COMMENCING AT 3.30 PM.

9.1 APOLOGIES	36 06/19	No apologies have been received
9.2 HEALTH AND SAFETY MOMENT	37 06/19	Martin Udale led the health and safety moment.
9.3 DIRECTORS' INTERESTS	38 06/19	The Panuku Board reviewed and received the Register of Directors' Interests and the identified interests for specific projects.
9.4 DIRECTORS' BOARD MEETING ATTENDANCE REGISTER	39 06/19	The Panuku Board noted The Panuku Board Attendance Register.
9.5 MINUTES OF THE 28 MAY 2019 BOARD MEETING	40 06/19	The Panuku Board reviewed and approved the Minutes of The Panuku Board Meeting of 28 May 2019, with confidential information redacted, as a true and accurate record of the meeting.
10 CHIEF EXECUTIVE'S REPORT PUBLIC INFORMATION PAPER	41 06/19	The Chief Executive spoke to the public matters in the report. The Panuku Board received the public report, with confidential information redacted.
11 HEALTH AND SAFETY REPORT PUBLIC INFORMATION PAPER	42 06/19	<p>Martin Udale assumed the chair for this item of the agenda. Blair McMichael, Health & Safety Manager, introduced the report. The Panuku Board discussed the following matters:</p> <ul style="list-style-type: none"> • Management's focus on reviewing and improving processes and information and protocols and reporting; • the draft Health & Safety plan coming to the August Board meeting; • the need to ensure appropriate resourcing for managing and monitoring Health & Safety which will be informed by the plan. <p>Following the completion of discussions, the Panuku Board received the report.</p>
12 MĀORI RESPONSIVENESS REPORT	43 06/19	Angelika Cutler, Director Corporate Affairs, introduced the report. The Panuku Board received the report.
CLOSE OF BOARD MEETING	44 06/19	The meeting closed at 3.55 pm.

READ AND CONFIRMED

_____ Chair

_____ Date

Chief Executive's Report

Document Author	Roger MacDonald – Chief Executive
Contributors	<p>David Rankin – Chief Operating Officer</p> <p>Monica Ayers – Director People and Culture</p> <p>Jenni Carden – Executive Officer/Company Secretary</p> <p>Angelika Cutler – Director Corporate Affairs</p> <p>Carl Gosbee – Director Corporate Services</p> <p>Rod Marler – Director Place and Design</p> <p>Brenna Waghorn – Director Strategy</p> <p>Ian Wheeler – Director Portfolio Management</p> <p>Allan Young – Director Development</p>
Date	19 July 2019

1. Overview

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

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

2. Key issues

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

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

2.1 Strategically significant issues

2.1.1 Working with the Crown

Roger MacDonald has written to the CEs of the Ministry of Housing and Urban Development and Housing New Zealand and to the CE of HLC and lead of the Urban Development Group, to initiate a discussion about how Panuku will partner with the proposed Crown urban development agency (Kāinga Ora Homes and Communities) when it is established. To assist the discussion, a draft umbrella agreement has been circulated, which sets out some overall partnership principles. The proposed concept is that while there is an overarching agreement, the nature of the relationship in each location is likely to

differ. The letter acknowledges the progress made regarding Transform Manukau, Henderson (Trading Place) and the joint working arrangements at Hobsonville Point “The Airfields”. Meetings will be scheduled over the next month to discuss this approach further. The role of the wider Council family within this, and the relationship with the Auckland Housing Programme, will need to be considered as it also has agreements with the Crown on related matters.

2.2 Emerging issues

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

2.3 Priority location project updates

Transform

2.3.1 Manukau

Crown partnership

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

MIT Tech Hub

Hayden and Rollett has settled the purchase of this land from Council and is underway with construction. The Tech Hub is planned for completion in 12 months. Part of the site is earmarked for an office development that MIT is likely to occupy in part. Hayden and Rollett is now seeking other commercial tenant interest in what will be the first new office building to be built in the centre for many years.

Lot 3 - 33 Manukau Station Road

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

New Council Office Annexe

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

Scentre Group

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

Rainbows End

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

Weavers Market/Matariki events

Matariki is a key event in the Transform Manukau Place Activation programme. The projections onto the Civic Building of Haiku written by local school children as been a feature for the past two years. This year’s closing event projected the Haiku with related designs and locally produced music. There was also dance performances and local original fashion displays. This year’s Matariki events also included a ‘weavers’ market’ on the same day as the new Hayman Park playground opening. The weavers each made traditional woven representations of Matariki themes.

The Kitchen Project

An opening event was held with stakeholders on 11 July. The relocation of the kitchen container from Henderson to Manukau is underway. Enrolment for the first cohort of entrepreneurs is underway. This project is delivered by Panuku with ATEED and Healthy Families. The containers are being hosted free of charge by the Second Nature Trust.

Barrowcliffe Bridge Project

The design team for the Barrowcliffe Bridge and Place Enhancement project has been engaged and concept design is underway. There have been concept design workshops held with both Ōtara-Papatoetoe and Manurewa Local Boards to seek endorsement, as the bridge spans between the two Local Board areas. There is high-level support. However, Manurewa Local Board has expressed concern over NZTA's confirmation that the installation of a throw screen on the bridge is not considered a priority. If throw screens are to be built, they can be done later without disrupting the Panuku works. We are continuing to collaborate with the Mana Whenua Project Working Group to incorporate cultural expression into the bridge enhancement. At this stage AT agrees to Panuku contracting and managing the related street works.

Wiri Playground project

This project arose at the suggestion of the Manurewa Local Board. It is to relocate and replace a dilapidated and small playground onto a more suitable site that will be more accessible and will also be closer to the new community in Barrowcliffe Place. We are currently procuring design consultants to progress the project. As with other projects on open space, we are working closely with Council's Community Facilities team.

Hayman Park Upgrade

Panuku and Healthy Waters are preparing a joint council-Panuku Business Case for the upgrade of Hayman Park. This includes the renewal of the stormwater pond and public amenity upgrade throughout the park, including paths, seating, lighting and landscaping. Healthy Waters has issued an Options Assessment for the renewal that recommends wetland solutions, with support from the Mana Whenua Project Working Group. In parallel, Parks, Sports and Recreation are refreshing the Strategic Assessment to confirm required community and recreation outcomes from Hayman Park, to feed into the design brief. There have been several planning workshops held with the Ōtara-Papatoetoe Local Board as the park sits under their delegation. Panuku continues to facilitate the monthly Hayman Park Project Working Group, with representatives from Healthy Waters, Community Facilities, Parks, Sports and Recreation, TSI and Healthy Families, to align work programmes.

Puhinui Stream Regeneration

The RFP process is being completed to appoint design consultants to develop overall concepts for the stream's regeneration. We are in liaison with Healthy Waters regarding their parallel analysis of stormwater issues along the Puhinui Stream.

Counties Manukau DHB Walkway

The Stage 1 Agreement relating to the construction of a walkway was executed in June. Panuku is preparing the design brief in collaboration with Healthy Waters and CMDHB to progress the Options Assessment for the shared walkway and cycleway along the Puhinui Stream through the CMDHB site.

2.3.2 Onehunga

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

The board of Auckland Transport has approved the transfer of the site at 1 Waiapu Lane to Auckland Council (Panuku), subject to tidying up legal road issues and resolving minor transport requirements. This is a carpark site of 1 hectare to the western side of Onehunga mall and north of Church Street. Masterplan options for the Waiapu precinct are currently being shared with key stakeholders and partners.

2.3.3 Waterfront

VosShed

Asbestos removal and remediation is now in progress and Work Safe have approved the work space. A budget review of the revised asbestos remediation is underway. The Vos building is assessed as a Class A contamination risk.

Site 18 - Orams Stage 1 & 2

Orams has received the resource consent for its Stage 1 Development *Withheld from the public under S7(2)(h) of the LGOIMA*. Further to this, Orams has received approval from the Overseas Investment Office and has now commenced initial demolition works.

30 Madden - West 1 Stage 2A (Willis Bond)

The construction of Stage 2A at 30 Madden Street is on programme. In ground works have been completed and work on the structural steel is progressing well.

Promenade Stage 2

The construction contract with HEB has been signed and final pricing and a programme review is well advanced. Site establishment will commence in mid-July with construction works anticipated to commence in early August.

Wynyard Crossing Bridge Replacement

The decision was made on 26 June 2019 to defer the construction of the bridge until after AC36. The resource consent application for the new Wynyard Crossing was lodged with the Auckland Council on 14 June and was publicly notified on 3 July. *Withheld from the public under S7(2)(h) of the LGOIMA.*

Queens Wharf Cruise ship infrastructure stage 1 (Dolphin)

There are two appellants to the granted resource consent for the Queens wharf dolphin mooring project; *Withheld from the public under S7(2)(b)(ii) of the LGOIMA*. At a recent judicial conference all parties to the appeals agreed to split the appeals into two separate processes.

Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA. If mediation is unsuccessful the Environment Court will be asked for a Hearing date which is likely to be October or November.

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

Pile Berth Redevelopment

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

AC36 – Wynyard Basin superyacht infrastructure

In late June, a Panuku media release advertised the Expressions of Interest (EOI) process for superyachts for the event period from 1 November 2020 to 31 March 2021. This EOI is an action that forms part of the agreement for the Superyacht Agreement with America's Cup Events (ACE) Limited. All vessels larger than 25m wishing to berth at Viaduct Marina or Silo Marina between 1 October 2020 and 31 March 2021 need to register their expression of interest at ac36hub.co.nz. The rates have been agreed with ACE and are set. The deadline for Expressions of Interest is 1 August 2019. Decisions around berth allocation will be made by Panuku, ETNZ, Auckland Council and the Crown.

Unlock

2.3.4 Avondale

A separate report is provided on the July agenda, see item 4.2.

2.3.5 City Centre – Civic Administration Building

Following land transfer in June, the developer is now progressing the more detailed design required to lodge a complying heritage management plan. *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

2.3.6 Henderson

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

2.3.7 Hobsonville

Airfields Stage 2 Avanda

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

Airfields Stage 3 Megalots 5 & 6

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

2.3.8 Northcote

The enhanced Programme Business Case was approved by the Board in June. Once received, input from the board will be incorporated in the programme of work. The acquisitions programme is progressing with one property purchase now unconditional. Placemaking activities continue to help drive foot traffic in the town centre and maintain community engagement. The Open Day in collaboration with HLC and the Pump Track party have attracted around 1,000 visitors each to the town centre.

2.3.9 Ormiston & Flat Bush

Ormiston Town Centre

The construction and leasing of the Todd Property Town Centre is progressing to programme, due for completion *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA.*

187 Flat Bush School Road

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

2.3.10 Panmure

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

Community Precinct (7-13 Pilkington Road, Panmure)

On 25 June 2019, the Maungakiekie-Tāmaki Local Board endorsed the community needs assessment and recommendations report jointly prepared by Community Services and Panuku. The local board gave formal approval for Panuku and Community Services to progress the next phase of Indicative Business Case (IBC) investigation to assess viable concept designs and feasibility of a new Multipurpose Community Facility at 7-13 Pilkington Road, Panmure. The IBC will be developed in collaboration with the Local Board and key stakeholders over the next 12 months.

2.3.11 Papatoetoe

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

2.3.12 Pukekohe

The Council's Finance and Performance Committee approved the disposal of the 27 properties in the Kia Puāwai/Unlock Pukekohe High Level Project Plan on 18 June 2019.

The deputy Chair of the Franklin Local Board provided a positive deputation prior to the Committee's decision. The committee members gave positive feedback to Panuku on the approach to the document, content and our engagement with stakeholders including mana whenua.

The next step is to work with Auckland Transport and seek approval from the Auckland Transport Board to agree a Parking Strategy to release some or all of the sites in a staged sequence and agree the alternative parking management solutions. This will take up to 12 months to scope, prepare and agree.

The Pukekohe team is being formed and processes are now underway to initiate the programme business case process for the location.

2.3.13 Haumaru

Wilshire Village - 33 Henderson Valley Road, Henderson (40 unit apartment development)

Alaska Construction completed works including oak tree removal, lift shaft, front entrance canopy structure in June. Interior works for all levels are well progressed with ground floor carpet substantially complete, kitchen joinery completed for ground and level one, and progressively being advanced for upper levels. Stage 1 CCC application associated with foundation works was lodged on 27 May and is being processed by council.

On 3 July, the Engineer to the Contract formally granted the contractor an extension of time of 29 working days for delay associated with the oak tree and council resource consent processing required to remove the tree. The development programme has been adjusted with practical completion date scheduled for 15 August, Stage 2 CCC application processing in September, and village handover to Haumaru Housing in October. Permeable concrete pour in the car park and landscaping works are scheduled for July. The team will continue to closely monitor the construction programme as works progress in the winter period and inclement weather issues. The delay will trigger use of the budget contingency.

Preparatory work has commenced for the village opening ceremony in collaboration with Haumaru Housing and Mana Whenua. The opening is scheduled for December 2019.

Photo below captures construction progress as at 25 June 2019:



We have identified a potential issue with the treatment of GST on this project. The vast majority of development projects Panuku undertakes are either commercial or public realm. The Haumaru development, which is for residential use, has a different GST treatment. The rental income that will be generated from the development is exempt for GST purposes and any costs incurred in generating that income, including capital costs, are also exempt from GST. We are progressing this with Council Tax team, but the impact of this is the project cost may have to reflect the GST on expenditure, which cannot be claimed from the IRD. The original capital expenditure budgets were approved excluding GST, meaning the GST was not separately budgeted for.

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

2.3.14 Support Locations

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

2.3.15 Takapuna

New civic open space

Approval for the spatial arrangement for new civic open space was granted by the environment and Community Committee on 10 July 2019. We will now work with the local board and the community to design the space. Feedback received from previous consultations and engagement events will be used to guide the design.

3. Quarter Four reporting

Comprehensive reporting on the fourth quarter of 2018/2019 has been included this month.

3.1 Monthly performance dashboard

The dashboard shows the position of Panuku for the month of June 2019 (Attachment 1). Comprehensive reports are available to further detail each section of the dashboard.

3.2 Panuku Gateway dashboard

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

The comprehensive report covering Q4 is attached as Attachment 2 which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

3.3 Panuku SOI initiatives

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

The comprehensive report is attached as Attachment 3 which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

3.4 Financial Update

The comprehensive report covering Q4 is attached as Attachment 4 which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

3.5 Risk Management Update

The comprehensive report covering Q4 is attached as Attachment 5 which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

3.6 Priority Location Portfolio Update

This report presents a quarterly update on the priority location portfolio. Submission of the report has been delayed by one month in order to ensure that end of year figures have been accurately captured and have had sufficient management review prior to being reported to the board.

Construction project review- an independent review of a variety of projects in design and delivery has now been completed. This review found that the projects assessed appeared to be on target to meet delivery targets and outcomes, and comply with relevant Project Management Framework requirements, albeit to variable quality standards. However, there is room for improvement in scheduling and delivery management, particularly to better understand programme and delivery risks. Further, the review also found inconsistency in matters such as procurement of consultants and contractors, and a variety of approaches to contract management. The review recommended creation of one centre of excellence for delivery project managers. This has been picked up by the Raranga review and will be incorporated into other proposed business changes. In the interim, management is proposing to contract a resource in the short term to support delivery project managers to develop delivery plans for key projects, where these are not already in place.

3.7 Property Management Portfolio Update

The comprehensive report covering Q6 is attached as Attachment 6 which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

3.8 Marinas Update

The comprehensive report covering Q7 is attached as Attachment 7 which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

3.9 Acquisitions and Disposals Summary

The Acquisitions Summary is attached as Attachment 8 and the Disposals Summary is attached as Attachment 9. Both reports are withheld from the public under S7(2)(b)(ii) of the LGOIMA.

4. Portfolio Management

4.1 Property management Portfolio

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

5. Organisational Summary

5.1 Inaugural meeting of the governing body

The inaugural meeting of the governing body (mayor and councillors) will take place on 1 of November 2019 at Auckland Town Hall following the local government elections in October. The purpose of the meeting is formal acknowledgement of the newly elected members and their swearing in.

5.2 Chief Executive's Networks

Since the Board met on 26 June, the Chief Executive has continued to build relationships with stakeholders, mana whenua and the local community, within both the political and community arenas. He also took advantage of the 'between Board meeting' period to enjoy a week's holiday in Bali, the week commencing Sunday, 30 June 2019.

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

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

5.3 Media and digital summary

Media

Civic Administration Building (CAB) – Panuku proactively managed media around the recent CAB milestone of the signing of the Development Agreement. **Briefings were given to select media including the NZ Herald's** Bernard Orsman. Bernard's concern was that the developers will not implement enough measures to retain heritage features on the CAB

to satisfy council heritage experts and published a piece to this effect. Mike Lee also published an opinion piece in the Herald criticising the deal.

A letter from David Rankin was published in the Herald responding to Bernard Orsman's article. John Tamihere responded with a letter of his own.

Panuku is not planning any further media activity at this stage specifically on the CAB. Some information (reports) have been requested by the NZ Herald and Stuff via LGOIMA. Release of this information will be monitored and a comms plan devised once the content of the reports is clear.

Takapuna civic space - On 10 July the Environment and Community Committee made the decision to support Panuku's plans for the Takapuna civic space. We issued a media advisory two days prior and provided background information to a select group of journalists.

Coverage was fair and balanced in both Stuff (Brad Flahive) and the NZ Herald (Simon Wilson).

Te Wero bridge – a decision was taken to defer the construction of the bridge until after the America's Cup due mainly to funding issues. NZ Herald's Simon Wilson and Stuff's Todd Niall covered the decision. NZ Herald's Anne Gibson later covered Panuku's design for a new Wynyard Crossing bridge being shortlisted for a global architecture award.

Pukekohe - Release on approved HLPP issued on 19 June. We received favourable coverage from Stuff. Pukekohe Programme Director Richard Davison provided a full background briefing to Steve Forbes of Interest.co.nz on Pukekohe due to his prior interest in the area. Steve may not publish a story – the exercise was intended to educate Steve further on Pukekohe and Panuku's approach in general.

Clonbern Rd carpark – an article was published in local magazine The Hobson with Panuku input regarding the closure of the Clonbern Rd carpark in Remuera due to health and safety issues.

Henderson - Panuku hosted a speakers' panel on Tuesday 18 June at Whoa! Studios in Henderson with Te Radar, Linda Cooper and others speaking about the future of Henderson. Simon Wilson attended and mentioned this event in an article where he highlighted community enthusiasm for change. This successful event was used in comparison to a public meeting held by Auckland Transport a few days later as a positive example of community engagement.

Marinas seek Expressions of Interest for America's Cup berthage - media release on this issued to marine media. NZ Herald ran article entitled: Boaties braced to be scuttled for Cup – superyacht owners coming to Auckland for the America's Cup are likely to be given priority at marinas. The marinas team is working directly with the boaties quoted to address their concerns.

Digital

Podcasts - We published a new podcast this month: a talk with Rachel de Lambert from Boffa Miskell about Queen's Wharf.

Video – video published on yourwaterfront.co.nz of Panuku staff singing a waiata at the Park Hyatt to celebrate a construction milestone.

New website stories - Get involved in the Awataha Greenway Project, Wynyard Central receives Homestar 7 and 8, Pukekohe regeneration set to begin, Makeover planned for Greenslade Reserve, Pushing pause on Wynyard Crossing, Hikoi shares Henderson's past with locals.

Health and Safety Monthly Reporting – June 2019

Document Author(s)	Blair McMichael – Health and Safety Manager
Approver	David Rankin – Chief Operating Officer
Date	9 July 2019

1. Purpose

This paper is a monthly update to the board on progress against key health and safety objectives from our Health and Safety Plan 2018/19, recent incidents, the monitoring and management of risks, and staff wellbeing and training.

2. Executive summary

This report includes a monthly update of our lead and lag key performance indicators reflecting incidents, health and safety risk by project and staff engagement, and health and safety training for the month. The report highlights a near miss on our Haumaru project in Henderson and controls implemented post incident.

The executive continues to drive health and safety critical risk reporting using the project tool Sentient and through the Panuku Project Community of Practice forum. Health and safety risk reporting continues to rise as the project management capability and process improve.

The executive is progressing safety system improvements as an alternative to the health and safety reporting system Risk Manager. We have selected a preferred option and are proceeding with scoping an implementation plan including training and communications. The preferred solution would include risk management with health and safety and should be able to integrate with our existing procurement and project management systems to avoid duplication of entry.

We completed the draft health and safety plan and forward work programme for FY 2019/20, which seeks to maintain our momentum, while incorporating feedback from our staff following the recent Engagement survey. We will be seeking feedback on the plan from the executive lead team in July, with the acknowledgement that the plan is subject to resourcing which will be progressed through our Chief Operating Officer and Director Corporate Services.

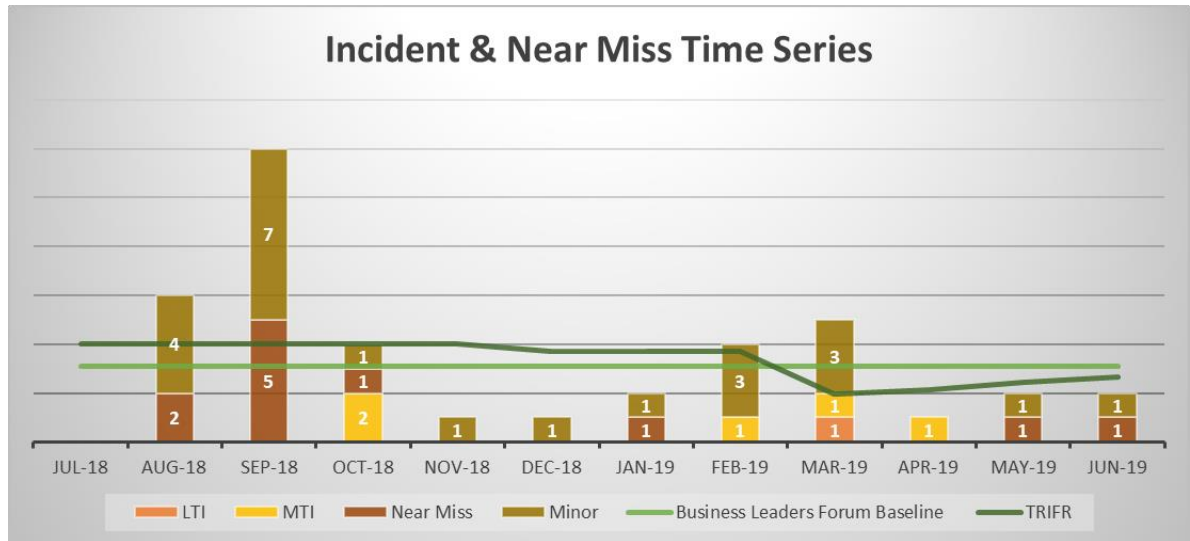
3. Health and safety key performance indicators

We continue to track our health and safety key performance indicators (KPIs) which represent both lead and lag indicators. These are represented through: Figure 1. Incidents and Near Misses, Figure 2. Project Health & Safety Risks by Project and Figure 3. Competent and Engaged People.

3.1 Incidents and near misses

Figure 1 shows the Panuku Total Recordable Incident Frequency Rate (TRIFR) remains at 2.4, identical to last month's result. Accordingly, our result is marginally lower than our benchmarking against the NZ Business Leaders Health and Safety Forum TRIFR of 3.1. There were no significant injuries recorded during June for all staff or workers, however, one significant near miss was recorded.

Figure 1. Events: Recorded Incidents and Near Misses (Lag Indicator)



TRIFR Total Recordable Incident Frequent Rate; **MTI** Medical Treatment Injury; **LTI** Lost Time Injury

A significant near miss was recorded on the Haumaru development site in Henderson. An acid mist occurred when the contractor's subcontractor commenced an acid wash on the building exterior concrete. The acid reacted unusually to the concrete and created fumes which entered the building interior. The contractor evacuated the site until the fumes dissipated. The contractor identified that, in future clearing the site while using this product would alleviate the health risk to other workers.

3.2 Health and Safety Risks

Figure 2 highlights hazards by incident, and critical health and safety risk by project.

In June, the board was informed that Panuku project managers were not always entering health and safety risk data into the project tool 'Sentient'. The lack of comprehensive project Health & Safety data in a single repository directly affects the transparency of health and safety risk and our ability to manage risk. Consequently, this impacts on the executive's ability to consistently communicate to affected stakeholders and demonstrate the systematic management of each risk.

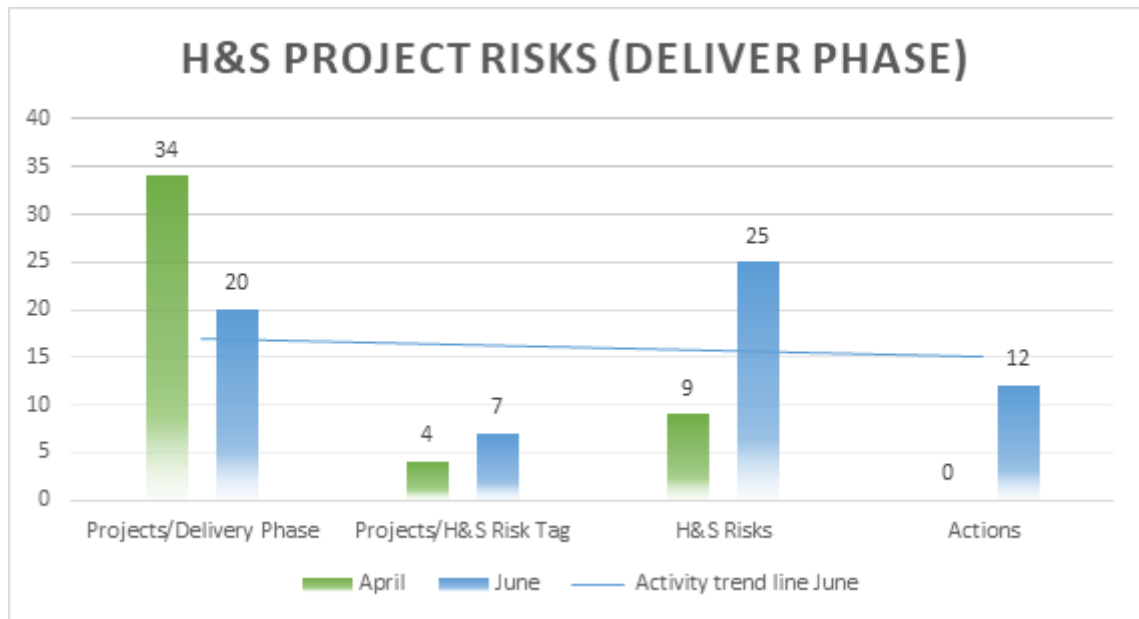


Figure 2 (above), illustrates the connection between active capital works projects, Health and Safety (H&S) risks and risk mitigation activities. Of the twenty capital works projects in progress in Sentient, fourteen (65 per cent) do not yet have risk identification or mitigation activities data in Sentient.

However, overall there has been an increase in project H&S activity, with all metrics trending positively, particularly around H&S risk recognition and in the subsequent actions such as monitoring and communications. Still on a positive note, the project managers are actively engaging with the newly defined Sentient PMF (Project Management Framework) H&S process enhancement, as well as engaging with the PfMO (Portfolio Management Office). Staff feedback is that the newly defined process is simple and straightforward

Since June the Health and Safety team in conjunction with the PfMO has been 'front footing' the PMF H&S improvements through the Panuku Project Community of Proactive (CoP) and other project group forums. H&S is also working directly with the Project Managers (PM's) providing one on one mentoring for their active projects in all phases of a project (Initiate, Plan, Deliver and Close).

The outcome of this engagement is benefiting all groups (H&S, Development and PFMO) as the PM's are becoming more familiar with using Sentient as their project management tool of choice. We are gaining greater visibility of the PM's activities and engagement. H&S is also gaining an insight into the challenges that the PM's face, both operationally and administratively. We are providing an enhanced level of support to PM's and working with the PfMO on reducing the administration by simplifying the existing sentient processes.

In conjunction with our PM's, we are extending out the scope of the Sentient H&S reporting next month to include the Initiate and Plan phases of the projects. We will be providing similar graphs

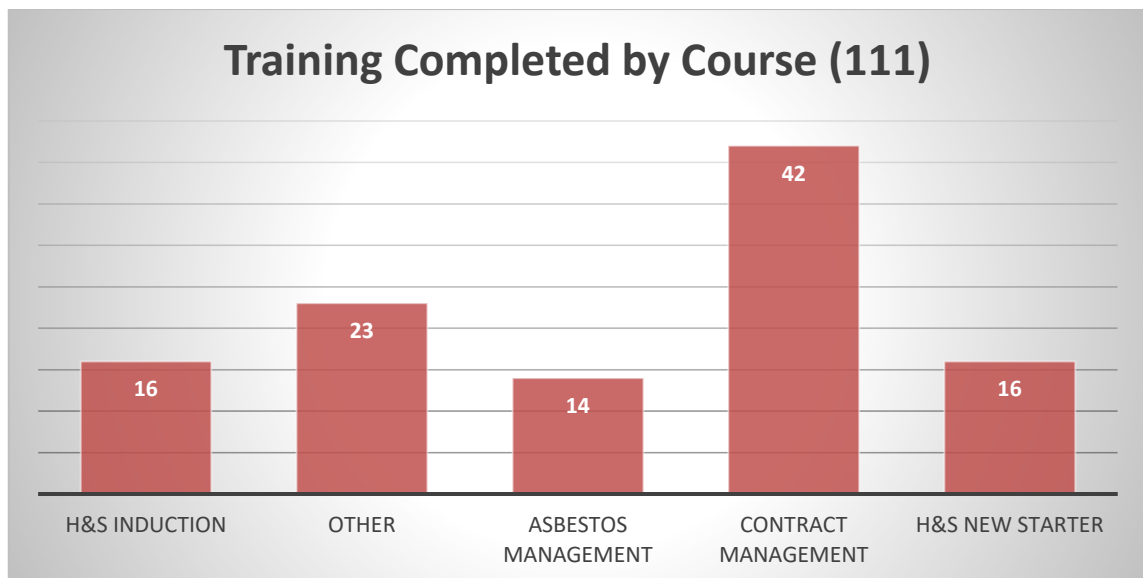
to figure 2 for both plan and initiate phases of active projects. The earlier phases of the project from a H&S perspective are focused on proactive risk reduction through mindful design, that is Safety in Design. This is a newer frontier for both WorkSafe and Panuku. Substantial research shows that this methodology of integrating H&S into design is the least cost and most effective way to reduce H&S risks over the lifecycle of the entity being constructed for example for bridge, building, pathway, facility. This increase in the scope of H&S engagement in Sentient will follow the same process as is being used for the deliver phase. It is expected to be completed by the end of September 2019.

3.3 Competent and engaged people

Figure 3 provides an oversight of training to date (FY 2018/2019), by course and Directorate.

Training included one on one mentoring for our project managers on the PMF health and safety process improvements, new starter inductions, first aid refreshers, and people leader health and safety training for three managers.

Figure 3. Training: Competent and Engaged People (Lead Indicators) To date.



From now on training reporting will 'reset' with training improvements reported on a month by month basis. This will provide our ELT with a clearer picture of month by month health and safety training activity.

From July, we have committed to completing ConstructSafe Tier 1 competency assessments for all project managers focusing on the Portfolio Management Office and Development team first. We will then move through all staff involved in physical work in property development or property management. We have agreed to partner with the Auckland Transport health and safety team for them to provide the competency assessments.

4. Emerging issues and trends

4.1 Planning and development

The Health and Safety Committee appointed a new chair and co-chair for the Panuku Health and Safety Committee and appointed one health and safety representative from the Strategy and Operations directorate. The committee recognised the work of the previous committee chair and their involvement over the past three years.

The Health and Safety Committee provided final amendments to the draft Health and Safety Annual Plan FY 2019/2020.

The Plan FY 2019/2020 seeks to maintain our health and safety performance momentum. This includes ensuring our alignment to the Health and Safety Strategy 2017-2020. The Health and Safety Annual Plan FY 2019/2020 focuses on 'staff engagement' through our communication forums and our leadership. The plan builds on the current years' work (2018/2019) in which we undertook the following actions:

- Implementation of the Contract Management Framework (CMF) across the business.
- Increase 'activation' of Safety in Design within the initial phases of our project Management
- Implementation of reporting Lead and Lag health and safety indicators for our ELT and the Board
- Completion of 'deep dive' session with the ELT and Board affirming our approach to Contract Health and Safety Management
- Progress against a revised work program for scoping out a health and safety software solution to replace Risk Manager
- Implementation of health and safety accountabilities and tracking performance for development managers through our reporting tool, Te Waka.
- The implementation and tracking of asbestos reviews and improvements across our commercial property portfolio
- The reporting and tracking of critical risk activities across our quarries and landfills including corrective actions.

This year, the Health and Safety Annual Plan FY 2019/2020 maintains our progress with the 'next step' actions, including which actions carry forward into this year from last year. These are represented in the Action Summary table below.

The plan is subject to resourcing confirmation through the Chief Operating Officer and Director Corporate Services. Once resourcing is confirmed, the plan will be socialised to the Board and the wider business.

4.2 Staff engagement and wellbeing

With reference to staff wellbeing 57 of our staff took up the opportunity for workplace Influenza vaccinations. This number was marginally down on last year with 60 recorded.

We received the 2019 Panuku Engagement Survey results for health and safety, a lead performance indicator, which showed a rating of 75%. This overall result shows a marginal decline from last year by 2%. The breakdown of questions shows a mix where staff agree that the business genuinely cares about employee wellbeing, up 3%; through to 'my work-related stress is manageable to me' down 3%. This year's figure is 3% higher than that of other New Zealand organisations with less than 500 respondents. Given the business growth with increased FTE numbers and challenges of a complex business, the results are not unreasonable. However, we consider staff engagement and wellbeing initiatives as key drivers in the Health and Safety Annual Plan for FY 2019/2020.

4.3 Health and safety reporting software solutions

An evaluation of four health and safety software solutions was completed in May identifying one leading software. A recommendation to proceed to scope out an implementation plan based a preferred solution, was approved by the Chief Operating Officer in June. Any approved software will be integrated with the existing procurement and project management software.

The scoping process will include discussions with the preferred vendor around cost, time, delivery and a suitable configuration aligned to the needs of Panuku, and supportive of industry best practice.

5. Progress against the health and safety work plan

Throughout the year, FY 2018/2019, we have tracked our health and safety performance against the actions stated within the Health and Safety Annual Plan. These results, as at the end of June, are provided below.

PROGRAMME OF WORK	ON TRACK	KEY DELIVERABLES
Corporate Priority - Complete review of Panuku's alignment with Auckland Council H&S Management Framework, including the manual		Auckland Council released further guidance to the CCOs in May. These have been reviewed with feedback to our shareholder based on how best they align to our business requirements.
Develop H&S Communications Plan for direction & alignment with key H&S initiatives		Completed. Work has begun on the drafting of a communications plan for 2019/2020.
Corporate Priority - Review training. Inductions planned for December 2018.		Training and competency programme remain current with reviews completed by our directorate-based H & S reps.
Draft H&S Annual Plan 2019/2020 with staff involvement and ELT approval (June 2019)		The Plan will be reviewed by the ELT in July; however, the implementation of the plan will be subject to resourcing approval progressing with the Chief Operating Officer and Director Corporate Services.
Manage delivery of People Leader H&S training using the Council training 'Managing Safely' (March 2019)		Training started on schedule in March and has since been agreed through ELT to be run as a Panuku specific training in-house. In FY2019/2020 we will coordinate training within Panuku.
Corporate Priority - Complete Programme of Board and ELT legislative update / training (May 2019)		Legislation communications were incorporated in the Board and ELT February H & S Deep Dive.
Agree with Panuku Risk Manager - clear communication of hierarchy of risk registers & links		The Panuku Risk Manager has circulated a paper on the Risk Hierarchy which is being consulted on across the business.
Implement Contract Management Framework in Facilities management, Marinas and Design and Place by December 2018		The CMF has been roll-out to all parts of our business.
Corporate Priority - Undertake review of Contract Management Framework compliance.		The CMF review was completed in April and a report received in May. Findings and recommendations will be included in our H & S Plan 2019/2020.

Review H&S within the Portfolio Management Framework & apply gateways (May)		This commenced in April as part of a community of practice working with the portfolio management office. Future work will be incorporated into our planning FY 2019/2020.
Agree with Panuku H&S Representatives & COO the Terms of Reference for Panuku H&S Committee (June)		The H & S Reps TOR were agreed by our H & S reps during the March. The H & S Committee TOR was agreed in May.
Agree Focus topics for ELT led discussions in H&S (November 2018)		Agreed and delivered to plan with deep dive completed across the ELT and Board for the CMF.
Agree drug and alcohol (D & A) and safety sensitive role improvements. ELT sign-off and Board communications (April)		The business is awaiting a response from Auckland Council who are defining safety sensitive roles, critical risk activities, and critical risks across the council family. Once this work has been completed then we will confirm which roles in Panuku are affected and how D & A testing may be applied. Meanwhile we continue to complete D & A pre-employment testing across Marina operations, with D & A testing for contractors to be managed by the contractor and referenced within their site-specific safety plans.
Corporate Priority - Implement Phase 2: Risk Manager software which incorporates Contractor Management Module, CMM, by June 2019		Following confirmation through the software provider, Risk Manager, that the CMM would be unavailable, and that the H & S reporting software was not meeting our business requirements, the ELT approved a significant change in the objective. The revised approach is to go to the market to scope a health and safety software solution that aligns to our business. A Request for Information (RFI) around a software solution which aligns to the business requirements of Panuku went to selected vendors in April. The vendor responses were evaluated in May and ELT approved the next phase which includes scoping the implementation of a preferred software. This work is included in the Health and Safety Plan 2019/2020.

Māori Responsiveness End of Year Report – June 2019

Document Author(s)	Toni Giacon, Head of Governance Relations
Approver	Angelika Cutler, Director Corporate Affairs
Date	8 July 2019

1. Purpose

The paper provides the board with an update on our Statement of Intent (SOI) commitments to working with Māori over the period July 2018-June 2019.

2. Strategic Context

The Auckland Plan states “a thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders”. One of the six overarching outcomes identified in the Auckland Plan is “Māori Identity and Wellbeing” that directs council whanau to:

1. Advance Māori well-being
2. Promote Māori success, innovation and enterprise
3. Recognise and provide for Te Tiriti outcomes
4. Showcase Auckland’s Māori identity and vibrant Māori culture

Our strategic whakapapa to support this Auckland Plan Outcome is through our SOI commitments to working with Māori and from direction in the Mayoral Letter of Expectation (LOE). Viewed holistically the work detailed in this report forms the basis of the Panuku Māori Responsiveness Plan that legally requires us to:

- Fulfil statutory Māori obligations,
- Value te ao Māori,
- Enable Te Tiriti o Waitangi and
- Enable Māori outcomes.

3. LTP/SOI Performance Measurement

Panuku has two SOI measures for Māori responsiveness. These have both been achieved.

1. **“To facilitate 50 significant Māori initiatives”.**

Panuku has **overachieved this SOI measure** reaching a total of 66 initiatives overall.

Background

This measure is both an SOI and Long Term Plan target. This year we looked critically at what constitutes a “significant initiative” and have agreed with Audit NZ that it shall be deemed ‘significant’ if it contributed to one of the three (former) SOI commitments:

- Celebrating Māori culture and Identity
- Achieving better outcomes for and with Māori
- Enabling Māori commercial opportunities

The list of 66 initiatives is a testament to the far reaching, impactful work going on across the business and region with mana whenua and matawaaka.

Celebrating Māori culture and Identity

We counted 42 achievements under this heading.

Panuku and mana whenua have a significant opportunity to give voice and visibility to Te Ao Māori and celebrate Māori culture and identity across the region. One of the primary vehicles we have to deliver on this is via our public realm projects where we have the most influence on the outcome and process. The list of 42 is full of rich and meaningful examples of respect and recognition of Māori identity across Tamaki Makaurau through Panuku projects. Here are some highlights from the list.

We reflected mana whenua history and association with Te Waitemata via the Tiramarama Way hoardings. We engaged a landscape architect and local Māori artist responsible for the laneway design to interpret their works into easily consumable facts and imagery. These were then displayed over 200 metres of hoarding banners along both sides of Tiramarama Way. They will remain in place for a number of years, for people of Tāmaki and beyond to enjoy.

Last year for Matariki we provided Haiku and video projections onto the Manukau Civic Building. This process involved 60 first year Bachelor of Media Design students that incorporated their culture and the celebration and meaning of Matariki to them. The project acknowledged Rehua and Puanga as other significant celestial bodies and provided voice and visibility to this important aspect of Te Ao Māori to Māori and non-Māori.

An important milestone in the Panuku journey last year was the engagement of a Māori artist (Whareparoa Nepe) to create and write our Panuku Waiata. Panuku staff met at Te Kura Kaupapa Māori o Nga Maungaronga over a series of weekends to create and practice the new Waiata. As we become more confident and familiar with the waiata it is becoming a huge source of pride and a demonstration of our respect and commitment to our work with Māori.

Last October we worked closely with Te Kawerau a Maki on the new container village in Henderson. Te Kawerau gifted the name for the village and a mandated mana whenua artist worked on the design of the containers. The Container Village opened October 2018.

We regularly work with artists to breathe life in to the narrative's mana whenua gift us. One example of this is in Henderson. We sought a Māori artist via an agreed EOI process to work with Panuku on the design of the Opanuku Link Bridge and playground. A selection panel made up of mana whenua and Panuku staff, selected Māori artist Johnson Witehira's design for the Opanuku Link Playground.

We were fortunate enough to have mana whenua bless many of our projects at dawn blessings, karakia and other cultural ceremonies. These special ceremonies are ongoing across our projects through the years and across Tamaki.

We also had a number of internal initiatives focused on engaging our staff more with te Ao Māori. Activities range from regular waiata practise, reo and tikanga courses and celebrating te wiki o te reo actively across the business, to inclusion of a te reo 'word of the week' in internal comms and promotion of te reo in both written and spoken contexts.

Achieving better outcomes for and with Māori

We counted 17 achievements under this heading.

The list is far reaching and ranges from providing job opportunities directly to Māori such as a Cultural Monitor to oversee excavation activities at 10 Madden Street, through to a regular invitation to nominate employees for construction roles via Wynyard Edge Alliance.

Other significant projects that sit under this heading include, the exemplar piece of work to partner with mana whenua and co-design an outcomes framework. This work could potentially lead the way across the council whanau in terms of an adaptive and authentic way to work with mana whenua and support council's Māori Responsiveness Framework.

Another noteworthy project under this heading include the work we did with mana whenua to kick off the 'C40 Reinventing Cities project' in Henderson with a site visit on 29 October 2018. Mana Whenua were then offered an opportunity to bid for the project and were included in the selection panel to ensure that a mana whenua lens/Te Ao Māori were reflected in the final decision making.

Enabling Māori commercial opportunities

We counted eight achievements under this heading. This is an area where again we have significant potential but given the complexity of this specific kaupapa we acknowledge that there is room to grow. The work we are doing with the board to explore how we can enable (rather than just offer) commercial opportunities for Māori will provide a more robust framework going forward. Staff will put forward a suite of recommendations to the board on this topic in August. Some highlights from FY18/19 include:

- Development Agreement with Kotuitui LP (Te Akitai) for a Super Lot in Manukau.
- Provided earliest possible notice of upcoming commercial development opportunities within our priority locations for the 18-19 Financial Year.
- Early and express notification of sites going to market.
- Mana Whenua were provided an opportunity ahead of the market to commence due diligence in respect of the commercial investment opportunity in the Old Papatoetoe Mall.
- Supporting Māori businesses or individuals providing goods and services, such as:
 - Māori Kitchen set up as a vendor to supply weekly catering,
 - Native by Design, cultural advisory services for project across Panuku,
 - Māori practitioners to support mana whenua through RMA processes, legal, planning, cultural; and
 - Māori artists and designers.

2. “% Mana whenua groups satisfied with quality of engagement”

The goal this year was to set our own baseline through conducting a tailor made survey rather than go through the standard council survey.

The baseline has been set at 30 per cent of mana whenua interviewed were satisfied with quality of engagement. A further 30 per cent were neither satisfied nor dissatisfied and 20 per cent didn't give a rating for this question, and instead selected “Don't Know/Not Applicable”.

4. Executive Summary

We decided to conduct the engagement kanohi ki te kanohi (face to face) rather than send a survey out electronically, although mana whenua was given the opportunity to provide written feedback as well. Mana whenua were very receptive to the survey been done kanohi ki te kanohi. In total 10 Mana whenua governance representatives contributed to the Panuku annual engagement insights survey.

Overall mana whenua appreciates the opportunities to engage with Panuku and there is a sense that things are better than they were, albeit there is room for further improvement.

The areas we rated highest related to the engagement team (Toni, Sven and Tracey) responding promptly, and communicating clearly. The areas for most improvement centred around understanding Iwi priorities and engaging collaboratively with mana whenua.

The feedback supporting the ratings indicate overall Panuku as an organisation is communicating with and responding to mana whenua, however there is room to improve on aligning decisions and actions in a way that demonstrates an understanding of mana whenua goals and priorities.

The broad themes that came through in the conversations and responses to the survey include:

- A lack of understanding from Panuku of mana whenua priorities.
- A need to incorporate mana whenua input more in project design, especially in the early stages of projects. Some participants said many of the mana whenua representatives are living in the project communities and have knowledge and input to contribute on what would uplift the environment.
- Mixed experiences on projects depending on who is present at the table representing Panuku and who is involved in project development. Some participants said that when there are not so good experiences or outcomes it affects the relationship between Panuku and Mana Whenua, and it takes time to re-build.
- There is positive sentiment about the new Chair, some participants indicated they are excited and confident about moving forward in the relationship.
- Positive improvements happening with the Panuku Outcome Frameworks.

Mana whenua feel that Panuku wants to understand them and that the Treaty of Waitangi is key to a stronger relationship based on their partnership with the Crown. There is a sentiment from several mana whenua participants that Panuku would do well to improve and strengthen staff understanding of treaty obligations and the relationship with mana whenua.

Some participants also acknowledged that as a partner in the relationship, mana whenua have at times been disingenuous on some aspects.

Overarching everything however is a recognition from mana whenua that Panuku is genuinely trying and improving in their engagement. It is acknowledged that Panuku is trying hard in the entity they represent, providing ample opportunities for mana whenua to engage with them, and is leading the way when compared to other CCOs within Council.

The general consensus is that the Panuku engagement team (Toni, Sven and Tracey) are collectively highly regarded, and the challenge is to find more staff of their calibre.

Decision Paper: 30 June 2019 Annual Financial Reporting

Document Author(s)	Carl Gosbee – Director Corporate Services
Date	16 July 2019

1. Purpose

This paper seeks approval from the Board for:

- delegation to the Audit and Risk Committee for submission of the 30 June 2019 Financial Reporting Pack to Auckland Council;
- delegation to the Chair of the Audit and Risk Committee and the CEO to approve and sign a letter of representation to Audit New Zealand on the Financial Reporting Pack; and
- delegation to the Chair and CEO, in consultation with the Chair of the Audit and Risk Committee, to approve and sign a letter of representation on the Reporting Pack to Auckland Council.

2. Executive Summary

Under the Local Government Act 2002 Panuku is required to finalise its Annual Report, including annual financial statements, by 30 September 2019. In order for Auckland Council to prepare the Group consolidated financial statements, they require Panuku to submit a reporting pack by 30 July 2019 which contains all the information usually contained in the annual financial statements, along with information to prepare specific additional disclosures required in Auckland Council's annual report under the Local Government Act 2002.

Audit NZ is required to give audit clearance on the Financial Reporting Pack to the Auckland Council group auditors on 30 July. They require a letter of representation from Panuku in order to give that clearance. A further letter of representation will be required by Audit NZ when Panuku approves its Annual Report at the August Board meeting.

Auckland Council requires a short-form letter of representation from the Director Corporate Services when the reporting pack is submitted on 30 July, along with a more detailed letter of representation by 19 August to be signed by the Chair and CEO. Although Auckland Council will not be finalising their annual report until late September, they require this letter of representation prior to the release of the annual results to the NZX in late August.

The Audit and Risk Committee is meeting on 30 July and will be able to approve the reporting pack submission and representation letter for Audit NZ at that meeting so a delegation to them is required. There is a further Audit and Risk Committee on 19 August at which Panuku's Financial Statements and Statement of Service Performance will be approved for inclusion in Panuku's Annual Report to be approved by the Board at the August Board Meeting. At the August meeting the Committee will also review the representation letter to Auckland Council.

The financial dashboard included with the CEO report in this agenda papers show the financial performance and position of the group prior to inclusion of the asset valuations and tax adjustments. At the Board meeting on 24 July the CFO will be able to give an update on the Financial Statements and any issues.

The letters of representations required to Audit NZ and to Auckland Council are standard template letters with schedules attached of unadjusted misstatements or disclosure deficiencies found. None have currently been identified for inclusion but if any are identified they will be communicated to the Audit and Risk Committee. The template for the letter to Auckland Council is included as **attachment**

A. We don't yet have the template for the letter to Audit NZ but it is not expected to be materially different.

As a reminder this reporting only applies to Panuku Development Auckland Limited. The managed portfolio are included in Auckland Council's own financial statements.

A letter has been received from Auckland Council providing comfort to the Panuku Board that financial and non-financial support will be provided following the asset transfer on 26 June 2019 for the coming financial year. A copy of this letter was tabled at the June board meeting and is included as **Attachment B** completeness.

3. Recommendations

It is **recommended** that the Board:

1. **Delegates** to the Audit and Risk Committee the ability to approve submission of the 30 June 2019 Financial Reporting Pack to Auckland Council;
2. **Delegates** to the Chair of the Audit and Risk Committee and the CEO the ability to approve and sign a letter of representation to Audit New Zealand on the Financial Reporting Pack; and
3. **Delegates** to the Chair and CEO, in consultation with the Chair of the Audit and Risk Committee, the ability to approve and sign a letter of representation on the Reporting Pack to Auckland Council.

Document Sign-off

Role	Name	Sign-off Date	Signature
Director Corporate Services	Carl Gosbee		
Chief Executive	Roger MacDonald		

19 August 2019

Matthew Walker
Group Chief Financial Officer
Auckland Council
Private Bag 92300
Victoria Street West
Auckland 1142

Dear Matthew,

Letter of representation for the year ended 30 June 2019

This representation letter is provided in connection with the preparation of the Auckland Council Group Annual Report ('Annual Report') for the year ended 30 June 2019.

We are aware that the primary source of information for the preparation of the Annual Report is from information provided by ourselves, either through the year-end financial close process or through the collection of information (primarily through the Group Reporting Pack 'Reporting Pack').

The purpose of this letter is to provide you with the assurance that the financial and supplementary information of Panuku Development Auckland Limited (Panuku) provided in the Reporting Pack for the preparation of the Annual Report:

- complies with recognition and measurement requirements of generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Accounting Standards; and
- presents fairly, in all material respects, the financial position as at 30 June, financial performance and cash flows of Panuku for the year ended 30 June 2019.

We also confirm that:

- the financial and supplementary information provided in the Reporting Pack has not changed from the version provided on 29 July 2019; and
- we are in the position to recommend the Board to approve the Reporting Pack for the year ended 30 June 2019 of Panuku.

General responsibilities for Panuku

We acknowledge responsibility for ensuring that:

- the resources, activities, and entities under our control have been operating effectively and efficiently;

- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of Panuku) to prevent and detect fraud.

Responsibilities for the financial and supplementary information included in the Reporting Pack

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial and supplementary disclosure information provided in the Reporting Pack for Panuku.

To the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the Reporting Pack as required by the Local Government Act 2002 and the Financial Markets Conduct Act 2013, and in particular that the information in the Reporting Pack:
 - presents fairly, in all material respects, the financial position of Panuku as at 30 June 2019, the financial performance and cash flows for the year then ended;
 - complies with recognition and measurement requirements of generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Accounting Standards;
- we have appropriately considered the implications of the new public benefit entity (PBE) accounting standards;
- we believe the significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;
- we have appropriately accounted for and disclosed related party relationships and transactions;
- all known actual or possible litigation and claims whose effects should be considered when preparing the Reporting Pack from which financial statements will be prepared have been disclosed to you and have been accounted for and disclosed in accordance with generally accepted accounting practice, including NZ PBE IPSAS;

- we have adjusted or disclosed all events subsequent to the date of the Reporting Pack from which the financial statements will be prepared that require adjustment or disclosure;
- the effects of identified uncorrected misstatements are immaterial, both individually and in aggregate, to the financial and supplementary information included in the Reporting Pack. A list of identified uncorrected misstatements is attached as Appendix 1 to this representation letter.
- the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, individually and in aggregate, to the financial and supplementary information included in the Reporting Pack. A list of identified uncorrected disclosure deficiencies is attached as Appendix 2 to this representation letter.
- We confirm that we have adopted PBE IFRS 9 Financial Instruments from 1 July 2018 and have appropriately implemented the changes. The impact to the financial statements is immaterial and no retrospective adjustment has been made.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial and supplementary information included in the Reporting Pack of Panuku; and
- we have disclosed to you the results of our assessment of the risk that the Reporting Pack may be materially misstated as a result of fraud;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Auckland Council Group financial statements
- we have disclosed to you the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Going concern

We confirm that, to the best of our knowledge and belief, Panuku has adequate resources to continue operations at their current level for the foreseeable future. For this reason, management continues to adopt the going concern assumption in preparing the financial and the supplementary information provided in the Reporting Pack for the year ended 30 June 2019. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect Panuku during the period of one year from

19 August 2019, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

Throughout the year Panuku has conformed with the requirements of its banking arrangements.

We consider that the Reporting Pack adequately disclose the circumstances, and any uncertainties, surrounding the adoption of the going concern assumption by Panuku.

Compliance with business requirements

For the year to date, Panuku has conformed with the requirements of its banking arrangements, debenture trust deeds, or negative pledge agreements, including those relating to its net tangible assets ratios.

Sign-off on these representations

These representations are made at your request to support information provided from the records of Panuku or expressly requested for the preparation of the Auckland Council Group Annual Report.

Yours sincerely,

Adrienne Young-Cooper
Chair

Roger MacDonald
CEO

Appendix 1: Summary of unadjusted misstatements

[Entity]

Note	Statement of comprehensive income		Statement of financial position	
	Dr \$000	Cr \$000	Dr \$000	Cr \$000
<i>Sub total</i>				
Net Impact				

Appendix 2: Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Explanation of why not corrected

26 June 2019

Adrienne Young-Cooper
Chair
Panuku Development Auckland Limited
PO Box 90343
Auckland 1142

Dear Adrienne,

Auckland Council / Panuku Development Auckland Limited letter of comfort in respect of the financial year ending 30 June 2019

This letter, which is intended to be legally binding, is written on behalf of Auckland Council in consideration of the board of Panuku Development Auckland Limited (**Panuku**), at the request of Auckland Council, on or after the date of this letter:

1. agreeing to the transfer to Auckland Council;
2. procuring the transfer to Auckland Council; and
3. agreeing to manage on behalf of Auckland Council,

the waterfront assets currently owned by Panuku.

I confirm that Auckland Council will continue to provide during the financial year to 30 June 2020, appropriate financial and non-financial support to ensure Panuku remains as a going concern (as reflected in Panuku's Statement of Intent). The support to be provided to Panuku shall include:

1. sufficient funding for budgeted operating activities (and all obligations and liabilities incidental to such activities); and
2. sufficient funding to support budgeted capital projects.

The funds shall be provided in a timely manner as and when required by Panuku, having regard to Panuku's cash flows and expenditure requirements.

For avoidance of doubt this means that Auckland Council will not call any borrowings due before 1 October 2020 (except through appropriate refinancing arrangements).

This letter is given solely for the benefit of Panuku's board and its auditors and may not be relied upon by any other person.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Town', with a long, sweeping horizontal stroke extending to the right.

Stephen Town
Chief Executive

Cc: Karen MacKenzie, Audit Director
Roger MacDonald, CEO

Decision Paper: Disposals Recommendation

Document Author(s)	Anthony Lewis – Senior Advisor Portfolio Review Rachel Hume - Portfolio Specialist
Reviewer(s)	Marian Webb, Manager Portfolio Strategy and Business Development David Rankin, Chief Operating Officer
Date	26 June 2019

1. Purpose

This paper seeks approval from the Panuku Board for two council-owned properties to be recommended to the Finance and Performance Committee for disposal, being 200 Victoria Street West, Central Auckland and 15R First View Avenue, Beachlands *Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA.*

Executive summary

The first property presented in this report, 200 Victoria Street West, Auckland Central, is an endowment property that was vested in council by the Crown in 1875 pursuant to the Auckland City Endowments and Reserves Act 1875 (the 1875 Act) for the improvement and benefit of the City of Auckland. Auckland Council owns the land only. The property is subject to two ground leases, held by the same lessee, that together cover the entire site. The leases were granted in 1916 and are perpetually renewable at the lessee's option. The improvements, being a commercial building with retail and office uses, are owned by the lessee. The property has not been used to deliver a council service since at least 1916.

A sale of the property is not expressly prohibited by the 1875 Act and the property can be sold under section 140(4)(b) of the Local Government Act 2002 (LGA 2002), subject to conditions set out in section 141 of the LGA 2002:

- The proceeds of sale must be used for a purpose consistent with the purpose of the endowment; and
- The council must notify the Minister for Land Information and the Minister in Charge of Treaty of Waitangi Negotiations of the proposal to sell the land.

Accordingly, 200 Victoria Street West was identified as a property that could potentially be recommended to the council for disposal. The rationalisation process commenced in March 2019.

Consultation with the council and its CCOs, iwi authorities and the Waitemātā Local Board has now taken place. Noting that any alternative use or development potential is constrained by the ground leases, no current or future council service use has been identified through the consultation and the feedback received has been supportive of disposal. As such it is recommended that the Panuku Board approves the recommendation to the council's Finance and Performance Committee that 200 Victoria Street West be divested.

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

The final property in this report, 15R First View Avenue, Beachlands is a narrow 123m² strip of land that has been identified as potentially surplus to council requirements following a purchaser enquiry from the neighbouring property owner. The rationalisation process commenced in November 2017. Consultation with the council and its CCOs, iwi authorities and the Franklin Local Board has now taken place. As no current or future council service use has been identified for this site through the rationalisation process and the feedback received has been supportive, it is recommended that the Panuku Board approves the recommendation to the Finance and Performance Committee that 15R First View Avenue be divested.

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

2. Recommendations

It is **recommended** that the board:

Approves the recommendation to the Finance and Performance Committee that the following properties are surplus to council requirements and should be divested:

- i. 200 Victoria Street West, Auckland Central.
- ii. 15R First View Avenue, Beachlands.

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

3. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
(none)		

4. Discussion

Panuku and the Auckland Council Community Facilities' Stakeholder and 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 no longer required for council service purposes and may be suitable for sale, and development if appropriate. The subject sites were identified as no longer required for council service purposes through this review process.

Once a property has been identified as no longer required for current council service purposes, Panuku engages with the council and its CCOs to establish whether the property must be retained for a strategic purpose or is required for a future funded council service use. Once a property has been internally cleared of any council 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. The committee has the delegated authority to approve any proposed disposal.

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

5. Financial implications

The cumulative indicative value of the subject two properties is \$8,810,000. Detailed information about the subject properties is provided in *Appendix A to B* of this report.

5 Implementation

Should the Finance and Performance Committee support the proposed divestment of the subject two properties, staff will undertake all required planning and statutory matters in accordance with relevant legislation. Following this, we will seek to dispose of these sites in a manner which provides an optimal return to our shareholder.

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

LGOIMA Status

Information contained in sections of this report that should be treated as confidential, as releasing it would prejudice the commercial position of Panuku or Auckland Council. In terms to Section 7 of the Local Government Official Information and Meetings Act 1987, Panuku is entitled to withhold information where making available the information:

- i) would affect the commercial interest of a third party (s7(2)(b)(ii)); and
- ii) would be likely to prejudice or disadvantage the commercial position of council (s7(2)(h)).

Document Sign-off

Role	Name	Sign-off Date	Signature
Manager Portfolio Strategy and Business Development	Marian Webb		
Chief Operating Officer	David Rankin		
Chief Executive	Roger MacDonald		

Appendix A – 200 Victoria Street West, Auckland Central

1. Summary

200 Victoria Street West, Auckland Central is an endowment property that was vested in the former Auckland City Council by the Crown in 1875 for the improvement and benefit of the City of Auckland.

The Auckland Council owns the land only. The property is subject to two ground leases, held by the same lessee, that together cover the entire site. The leases were granted in 1916 and are perpetually renewable at the lessee's option. The improvements, being a commercial building with retail and office uses, are owned by the lessee. The property has not been used to deliver a council service since at least 1916. Accordingly, it was identified as a property that could potentially be recommended to the council for disposal.

Consultation with council and its CCOs, iwi authorities and the Waitemata Local Board has now taken place. Noting that any alternative use or development potential is constrained by the ground leases, no current or future council service use has been identified through the consultation and the feedback received has been supportive of disposal. As such it is recommended that the Panuku Board approves the recommendation to the council's Finance and Performance Committee that 200 Victoria Street West be divested.

2. Background

200 Victoria Street West is a prominent 1235m² corner site situated at the junction of Victoria Street West and Wellesley Street West, opposite Victoria Park in central Auckland.

The property was vested in the council by the Crown in 1875 pursuant to the Auckland City Endowments and Reserves Act 1875 (the 1875 Act) for the improvement and benefit of the City of Auckland. Because sale of the property is not expressly prohibited by the 1875 Act, the property can be sold under section 140(4)(b) of the LGA 2002, subject to conditions set out in section 141 of the LGA 2002:

- The proceeds of sale must be used for a purpose consistent with the purpose of the endowment; and
- The council must notify the Minister for Land Information and the Minister in Charge of Treaty of Waitangi Negotiations of the proposal to sell the land.

The Auckland Unitary Plan zoning is Business – City Centre. It has a council rating valuation of \$27,000,000 capital value, comprising \$8,800,000 land value and \$18,200,000 improvement value. Council owns the land only.

The property is subject to two perpetually renewable 21-year ground leases that were established under the Auckland City Parks Improvement and Empowering Act 1916, which authorised the council to grant leases of subject land to lessees displaced by the creation of Victoria Park.

Both leases are to the same lessee and have been renewed continuously since establishment. A four-level commercial building covers the entire site and is owned by the lessee. Any alternative use or development potential is constrained by the ground leases.

200 Victoria Street West is not subject to offer back obligations to the former owners in accordance with section 40 of the Public Works Act 1981.

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

3. Internal consultation

The rationalisation process for this property commenced in March 2019. Panuku worked with the council group to understand potential contaminated land issues for the property and confirmed with departments and CCOs what mechanisms are available to protect current and future infrastructure requirements.

No alternative planned or funded public work requirement was identified through the internal consultation and the proposed disposal of 200 Victoria Street West is supported by the council group.

4. Local board views and implications

In April 2019 Panuku staff attended a workshop with the Waitemata Local Board. The board provide informal advice that was supportive of a disposal. The board also requested further information regarding sales proceeds from endowment properties subject to the 1875 Act.

Panuku staff sought advice from the Auckland Council's Legal Services and Finance teams, and subsequently provided advice to the local board that should 200 Victoria Street West be approved for disposal, any specific proposal for use of the sale proceeds would need to be assessed in detail by Legal Services to ensure it is consistent with the purpose of the endowment.

The Waitemata Local Board resolved at its 21 May 2019 business meeting that it supported the disposal of 200 Victoria Street West.

5. Iwi feedback

15 mana whenua iwi authorities were contacted regarding the potential sale of 200 Victoria Street West, Auckland Central. The following feedback was received:

- a) **Te Runanga o Ngāti Whatua**
No feedback received for this site.
- b) **Ngāti Whatua o Kaipara**
No feedback received for this site.
- c) **Ngāti Whatua Ōrākei**
No feedback received for this site.
- d) **Te Kawerau a Maki**
No feedback received for this site.
- e) **Ngāi Tai ki Tāmaki**
No feedback received for this site.
- f) **Ngāti Tamaoho**
No feedback received for this site.

- g) **Te Ākitai - Waiohua**
No feedback received for this site.
- h) **Ngāti Te Ata - Waiohua**
No feedback received for this site.
- i) **Te Ahiwaru**
No feedback received for this site.
- j) **Ngāti Paoa**
No feedback received for this site.
- k) **Ngaati Whanaunga**
No feedback received for this site.
- l) **Ngāti Maru**
No feedback received for this site.
- m) **Ngāti Tamatera**
No feedback received for this site.
- n) **Te Patukirikiri**
No feedback received for this site.
- o) **Waikato-Tainui**
No feedback received for this site.

6. Financial implications

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

7. Implementation

Should the Finance and Performance Committee approve the disposal of 200 Victoria Street West, Panuku will undertake a disposal process in accordance with conditions set out in section 141 of the LGA 2002, specifically:

- The proceeds of sale must be used for a purpose consistent with the purpose of the endowment; and
- The council must notify the Minister for Land Information and the Minister in Charge of Treaty of Waitangi Negotiations of the proposal to sell the land.

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

Images

Figure 1. Property outlined in blue.



Appendix B – 15R First View Avenue, Beachlands

1. Summary

15R First View Avenue, Beachlands is a narrow strip of land that has been identified as potentially surplus to council requirements following a purchaser enquiry from the neighbouring property owner. Consultation with council and its CCOs, iwi authorities and the Franklin Local Board has now taken place. As no current or future council service use has been identified for this site through the rationalisation process and the feedback received has been supportive, it is recommended that the Panuku Board approves the recommendation to the council's Finance and Performance Committee that 15R First View Avenue be divested.

2. Background

15R First View Avenue is a narrow 123m² strip of land remaining from land vested in the Crown in 1925 as a reserve upon subdivision. The site was later vested with the former Manukau County Council in 1963 as an access way reserve.

The reserve status of 15R First View Avenue was revoked by the former Manukau City Council in 1977 for the purposes of sale but no disposal was ever completed.

A review was undertaken by Panuku following a purchaser enquiry from the adjoining landowner. It was found that both adjoining landowners have encroached on this site.

Council's Parks and Recreation Policy team undertook a review of 15R First View Avenue against council's open space acquisition policy and open space provision policy and assessed that this site does not contribute to meeting community open space needs, does not connect to existing open space, nor is there any potential for it to provide a connection. There are no known heritage, cultural or natural values, and the site is not suitable for open space purposes. The rationalisation process subsequently commenced.

The AUP zoning is public open space-informal recreation. It has a 2019 desktop valuation of \$10,000.

15R First View Avenue is not subject to offer back obligations to the former owners in accordance with section 40 of the Public Works Act 1981.

3. Internal consultation

The rationalisation process for this site commenced in November 2017. No alternative council service uses were identified through the internal consultation and the proposed disposal is supported by the council group.

4. Local board views and implications

The Franklin Local Board endorsed the disposal of 15R First View Avenue at its 25 June 2019 business meeting.

5. Iwi feedback

10 mana whenua iwi authorities were contacted regarding the potential sale of 15R First View Avenue, Beachlands. The following feedback was received:

- a) **Ngāi Tai ki Tāmaki**
No feedback received for this site.
- b) **Ngāti Tamaoho**
No feedback received for this site.
- c) **Te Ākitai - Waiohua**
No feedback received for this site.
- d) **Ngāti Te Ata - Waiohua**
No feedback received for this site.
- e) **Te Ahiwaru**
No feedback received for this site.
- f) **Ngāti Paoa**
No feedback received for this site.
- g) **Ngaati Whanaunga**
Ngaati Whanaunga advised that it has a commercial interest in the site, specifically that the site could be an opportunity for a future “Kokiri” development.

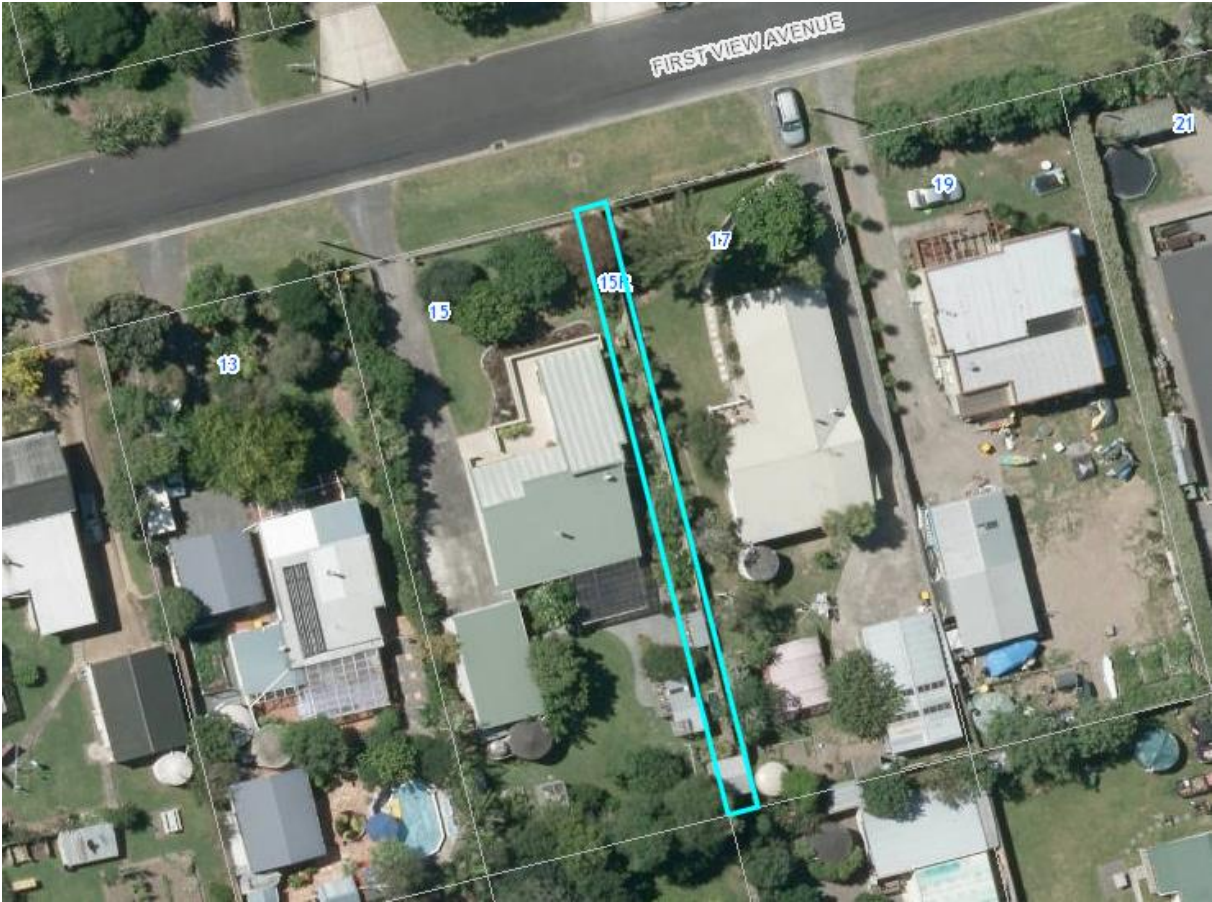
Panuku replied to Ngaati Whanaunga confirming its interests had been noted on the property file and advised that the subject site has limited development potential due its size. No further response has been received. If approved for disposal, Panuku will follow up with Ngaati Whanaunga.
- h) **Ngāti Maru**
No feedback received for this site.
- i) **Ngāti Tamatera**
No feedback received for this site.
- j) **Waikato-Tainui**
No feedback received for this site.

6. Implementation

No alternative planned or funded public work requirement for 15R First View Avenue was identified through the internal consultation process. Accordingly, it will be recommended to the Finance and Performance Committee for disposal. There is interest from both adjoining landowners in purchasing the site should it be approved for sale. This will be explored further should the Finance and Performance Committee approve the proposed disposal.

Should the Finance and Performance Committee approve the proposed disposal of 15R First View Avenue, a plan change seeking to change the AUP Zoning from open space - informal recreation to residential – single house will be undertaken.

7. Images



Subject site

Information Paper: Grants and donations results for the 12 months ended 30 June 2019

Document Author(s)	Maxine Waugh, Manager Business Systems and Processes
Reviewer(s)	Carl Gosbee, Director Corporate Services Ian Wheeler, Director Portfolio Management Roger MacDonald, Chief Executive
Date	4 July 2019

1. Purpose

To provide the 12 months results of grants and donations given for the year ended 30 June 2019.

2. Key issues

In accordance with the current Panuku Grants and Donations Policy, we are required to report actual results against the Board-approved plan, on a quarterly basis. This paper provides the full year's results to 30 June 2019, as information.

The Panuku Grants and Donation Policy was established to provide guidance for approving sponsorships, making our requirements open and clear to the community, and ensuring consistency and transparency of operation across the organisation. These have been typically cash donations and 'in-kind' grants. Grants and donations 'in-kind' are represented by the provision of free or discounted rental of property assets owned by Panuku, i.e. land, commercial buildings, car parks and marina berths located within the Auckland waterfront area.

On 26 June 2019, all waterfront assets owned by Panuku were transferred into the legal ownership of Auckland Council. Under Council delegation, Panuku continues to manage these assets including the operation of the marinas. The current Panuku policy for grants and donations is under review with Auckland Council to determine whether it still applies under delegation or whether it will be superseded by any applicable Auckland Council policy. The findings of this work will be reported to the Audit and Risk Committee in August, and subsequently to the Board.

3. Discussion

Panuku provides grants and donations typically for businesses and activities in and around the Auckland waterfront that provide a reciprocal benefit to Panuku. Donations are also provided from time to time for a worthy cause or customary activity, without expecting a reciprocal advantage.

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

The 'value' of in-kind grants is defined as the revenue forgone for the rental of the property as if there is a customer available and prepared to pay market rates at the time of the event. This potential income forgone may not have actually been achievable but represents what would have been charged if someone wanted to use the space. We exclude income forgone for instances where it is unlikely an alternative customer was available and willing to pay market

rates, or for circumstances that have become normal business practise to provide free or discounted rental.

4. Criteria for providing grants and donations

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

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

Panuku may consider providing grants and donations to organisations that:

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

Panuku will consider providing grants for activities that:

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

Panuku will consider giving donations for activities and events that:

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

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

5. 12 months results 2018/2019 actual against plan

A summary of all grants and donations for the 12 months to 30 June 2019 is provided in the table below.

Location/activity/type \$000s	Actual 12 months to 30 June 2019	Plan 12 months to 30 Jun 2019	Variance against Plan
Cash	7.5	23.5	16.0
Marinas	99.1	100.4	1.3
Commercial property and car parks	150.2	159.2	9.0
TOTAL	256.8	283.1	26.3

Actual results for the 12 months are lower than the plan due to:

1. Cash donations –
 - a. \$12k sponsorship for the National Pacific Trust Awards was approved in the plan however did not go ahead.
 - b. Similarly, sponsorship for the University of Auckland Business School Graduation event was included in the plan but not provided this year.
2. Commercial property –

Car parking provided as sponsorship for the William C Daldy Preservation Trust ceased in November 2018 when the Tug was relocated to make way for AC36 construction on Hobson Wharf. Actual sponsorship given therefore was \$9.7k less than plan.