

Board Agenda

Where: Level 2, Pier 21 Building, 11 Westhaven Drive, Freemans Bay, Auckland

When: Wednesday, 26 July 2017 | 9.00 am – 2:00 pm

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

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

		Page #	Timing
1.	Directors only time		9.00 am
2.	Opening of Meeting 2.1 Apologies 2.2 Directors' Interests 2.3 Directors' Board Meeting Attendance Register 2.4 Minutes of the 28 June 2017 Board meeting (redacted version) 2.5 Public Deputation		9.15 am
3.	Chief Executive's Report		
4.	Information Papers 4.1 Northcote Programme Update 4.2 Council Group Policies 4.3 Grants and Donations Quarterly Report to 30 June 2017		
5.	Procedural Motion to Exclude the Public 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.		

6.	Confidential Board Papers (papers which are fully confidential) Decision Papers 6.1 10 Ambrico Place, New Lynn <i>Withheld from the public under S7(2)(b)(ii) of the LGOIMA</i> 6.2 East-West Laneway, Wynyard Quarter <i>Withheld from the public under S7(2)(i) of the LGOIMA</i> 6.3 Vos Shed Restoration Stage One <i>Withheld from the public under S7(2)(h) of the LGOIMA</i> 6.4 Board Delegated Authority Policy <i>Withheld from the public under S7(f)(i) of the LGOIMA</i> 6.5 LTP priorities in principle <i>Withheld from the public under S7(f)(i) of the LGOIMA</i> 6.5 30 June 2017 Annual Results Reporting <i>Withheld from the public under S7(b)(ii) of the LGOIMA</i> 6.6 770r Great South Road, Manukau, Disposal <i>Withheld from the public under S7(2)(i) of the LGOIMA</i> 6.7 1837-1843 Great North Road, Avondale Acquisition <i>Withheld from the public under S7(2)(i) of the LGOIMA</i> 6.8 171 Murphy's Road, Flat Bush Acquisition <i>Withheld from the public under S7(2)(i) of the LGOIMA</i> 6.9 131a Clark Road, Scott Point, Hobsonville Acquisition <i>Withheld from the public under S7(2)(i) of the LGOIMA</i> 6.10 August Board Strategy Workshop <i>Withheld from the public under S7(f)(i) of the LGOIMA</i>		
	Morning Tea		10.30 am
7.	Confidential matters 7.1 Minutes of 28 June 2017 Board meeting 7.2 Discussion of confidential matters in CE Report and Board papers with LGOIMA redactions <ul style="list-style-type: none"> • Leaderkit Report • Financial Dashboard • Health and Safety Report • Risk Update • Acquisitions Summary • Disposals Summary 		
	Lunch		1.00 pm
8.	Information Papers 8.1 Wynyard Central Update <i>Withheld from the public under S7(2)(h) of the LGOIMA</i> 8.2 Priority Location Master Programme <i>Withheld from the public under S7(2)(h) of the LGOIMA</i>		
9.	Board Committees 9.1 Verbal update from Chair of Business Interests Committee <i>Withheld from the public under S7(f)(i) of the LGOIMA</i> 9.2 Verbal update from Chair of Audit and Risk Committee <i>Withheld from the public under S7(f)(i) of the LGOIMA</i>		
10.	General Business		1.45 pm

Note: *Some information has been withheld from the public under the relevant sections of the Local Government Official Information and Meetings Act 1987 (LGOIMA). Where information is withheld, the relevant section of the LGOIMA is cited.*

Directors' Interests at 28 June 2017

Member	Interest	Company / Entity	Conflicts pre-identified?
Richard H. Aitken	Chairman	Development Auckland Limited	
	Director	BGCF Trustee Ltd	
	Shareholder	Beca Group Ltd	
	Director	BGL Custodian Ltd	
	Director	BGLIR Trustee Ltd	
	Director	BGL Management Share Trustee Ltd	
	Director	BGL Nominees Ltd	
	Director	BGS Trustee Ltd	
	Director	Derceto Trustee Ltd	
	Director	Hopetoun Pitt Ltd	
	Director	Gands Plan Pty Ltd (Australia)	
	Director	John Scotts Investments Ltd	
	Director	TrustPower Ltd	
	Chair	Te Punaha Matatini Advisory Board	
	Trustee	BAS Custodian Trust	
	Trustee	Beca Indemnity Fund Custodian Trust	
	Trustee	BGLIR Custodian Trust	
	Trustee	BGL Custodian Trust	
	Trustee	BGS Custodian Trust	
	Trustee & discretionary beneficiary	The Glade Trust	
Trustee	The Sunnybrae Trust		
Trustee	The Waimarama Trust		
M. Anne Blackburn	Director	Development Auckland Limited	
	Member	Commercial Operation Advisory Board to the Treasury	
	Director	New Zealand Venture Investment Fund Limited	
	Director	NZVIF Investments Limited	
	Director	Warren & Mahoney Limited	Supplier
	Director	Warren & Mahoney Architects Limited	Supplier
	Director	Committee for Auckland Limited	
	Director	Fidelity Life Assurance Company Limited	
	Director	Fisher Funds Management Limited	
	Director	TSB Bank Limited	
	Director	TSB Group Capital Limited	

Member	Interest	Company / Entity	Conflicts pre-identified?
	Director	TSB Group Investments Limited	
	Director	Ten Gracie Square Limited	
	Director	Wairaka Land Company Limited (Unitec land development subsidiary)	Possible
Evan W. Davies	Director	Development Auckland Limited	
	Director	Welch Securities Ltd	
	Director	Paris Magdalinos Architects Ltd	
	Director	Kokako Fames Ltd	
	Director	Todd Property Group Limited and Subsidiaries	
	Director	Todd Property Ormiston Town Centre Ltd	J/V with Panuku
	Trustee	Melanesian Mission Trust	
	Trustee	Anglican Trust for Women and Children	
	Chair	Capital Investment Committee, Nation Health Board	
	Chair	Christchurch Hospital Redevelopment Partnership Board	
	Director	FMS Ltd (Aust)	
Richard I. Leggat	Director	Development Auckland Limited	
	Director	New Zealand Post Ltd	
	Deputy Chair	Tourism NZ	
	Director	Education NZ	
	Director	Cycling NZ	
	Member	Union Cycliste Internationale Ethics Commission	
	Chairman	NZ Cycle Trail Incorporated	
	Director	Snowsports NZ	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Director	Trophy Metropolitan Limited	
	Director	Mortleg Ltd	
	Director	Winter Games New Zealand	
	Advisor	Busways Pty Limited	
Dr Susan C. Macken	Director	Development Auckland Limited	
	Director	Treasury Advisory Board	
	Director	Blossom Bear Limited	
	Director	STG Ltd	
	Deputy Chair	Tāmaki Redevelopment Company Limited	Possible
	Director	Spa Electrics Ltd (Aust)	
	Chair	Kiwibank	

Paul F. Majurey

Chair

Tūpuna Maunga o Tāmaki Makaurau Authority

Member	Interest	Company / Entity	Conflicts pre-identified?
	Chair	Tāmaki Makaurau Community Housing Limited	
	Chair	Mana Whenua & Crown Working Group (Proposed Hauraki Gulf / Tikapa Moana Recreational Fishing Park)	
	Chair	Marutūāhu Rōpū General Partner Limited	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Hauraki Collective (12 iwi collective)	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Co-Chair	Tāmaki Healthy Families Alliance	
	Director	Museum of New Zealand Te Papa Tongarewa	
	Director	Development Auckland Limited	
	Director	Pare Hauraki Asset Holdings Limited	
	Director	Taimoana Marine Farms Limited	
	Director	Tikapa Moana Enterprises Limited	
	Director	Pouarua Farm General Partner Limited	
	Director	Ngāti Maru Pouarua Farm Limited	
	Director	Half Moon Bay Venture Limited	
	Director	Atkins Holm Majurey Limited	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Ngāti Maru Rūnanga Trust	
	Trustee	Hauraki Fishing Group	
	Mana Whenua Representative	Hauraki Gulf Forum	
	Tainui Waka Representative	Iwi Working Group (Review of Te Ohu Kaimoana)	
	Chair	Whenuapai Housing General Partner Limited	
Michael E. Pohio	Director	Development Auckland Limited	
	Director	National Institute of Water & Atmospheric Research Limited	
	Director	NIWA Vessel Management Limited	
	Director	KiwiRail Limited	
	Chairman	BNZ Partners Waikato	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Limited	
	Director	TBFree	
	Director	Ospri New Zealand Ltd	
		• National Animal Identification and Tracing Ltd	
C. Martin Udale	Director	Development Auckland Limited	
	Director	Essentia Consulting Group Limited	
	Director	Fleming Urban Limited	Possible Onehunga development

Member	Interest	Company / Entity	Conflicts pre-identified?
	Director	Innovation Waikato Limited	
	Director	Paparata Limited	
	Director	Tall Wood Limited	
	Director	Tall Wood Distribution Limited	
	Director	Forest Group Limited	
	Director	Tamaki Redevelopment Company Limited	Possible
	Director	Tamaki Regeneration Limited	
	Director	Waikato Innovation Park Limited	
	Chair	Wairaka Land Company Limited (Unitec land development subsidiary)	Possible
	Trustee	Cardinal Trustees Limited	
	Director	TW Twenty Twenty Limited	
	Director	Hobsonville GP Limited	
	Director	New Ground Living (Hobsonville Point) Limited	
	Director	Tall Wood Assembly Limited	

DIRECTORS' MEETING ATTENDANCE REGISTER – 2016 / 2017

	2016						2017						
	27 Jul	31 Aug	21 Sep	26 Oct	30 Nov	14 Dec	22 Feb	29 Mar	26 Apr	31 May	28 June	TOTAL	
Sir John Wells	A	✓	✓	✓	✓	NA	NA	NA	N/A	N/A	N/A	4	
R.H. Aitken	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
Dr S.C. Macken	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	10	
M.A. Blackburn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
E.W. Davies	✓	✓	✓	✓	A	✓	A	✓	✓	✓	✓	9	
R.I. Leggat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
P.F. Majurey	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	10	
M.E. Pohio	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	
C.M. Udale	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	10	

MINUTES OF THE MEETING OF DIRECTORS OF DEVELOPMENT AUCKLAND LIMITED (PANUKU DEVELOPMENT AUCKLAND), HELD IN **PUBLIC** SESSION AT LEVEL 2, PIER 21 BUILDING, 11 WESTHAVEN DRIVE, AUCKLAND ON WEDNESDAY 28 JUNE 2017 COMMENCING AT 9.00 AM.

ATTENDING		<p>Board: Richard Aitken (Chair), Anne Blackburn, Evan Davies, Richard Leggat, Paul Majurey, Mike Pohio, Dr Susan Macken, and Martin Udale.</p> <p>Executive: Roger MacDonald (Chief Executive), David Rankin (Chief Operating Officer), Angelika Cutler (Director Corporate Affairs), Carl Gosbee (Director Corporate Services), Rod Marler (Director Place and Design), Ian Wheeler (Director Portfolio Management), Allan Young (Director Development), Aaron Simperingham (Company Secretary).</p>
APOLOGIES	1-06/17	There were no apologies for the meeting.
DIRECTORS' INTERESTS	2-06/17	The Directors' Interests Register was noted.
BOARD ATTENDANCE REGISTER	3-06/17	The Board received the Board Attendance Register.
ACKNOWLEDGEMENT OF THE PASSING OF DAME MINHINNICK		The Chair acknowledged the passing of Dame Minhinnick, noting particularly her strong voice on cleaning up the Manukau Harbour, and her advocacy on behalf of her people and the land.
CHIEF EXECUTIVE'S REPORT	4-06/17	<p>The Chief Executive, Roger MacDonald, talked to a number of points in the public version of his report. These included:</p> <ul style="list-style-type: none"> • An update on the Mayoral Housing Taskforce, which was considering how to remove impediments in the construction sector, increasing the availability of land, and the use of the Public Works Act to acquire land for development. • A discussion on the Americas Cup victory, including an explanation of the current Team New Zealand lease arrangements. There was some discussion about the venue options taskforce, and the importance of integration with onshore operations. • Wynyard Quarter successes, including the Wynyard Quarter tramway awards at Federation of Rail Organisations of New Zealand and two Wynyard Quarter buildings being named winners in the June Property Council Industry Awards. • The Risk Manager system, used to manage health and safety,, which went live on 9 June 2017
DECISION PAPER 3.1- PANUKU SOI 2017-2020	5-06/17	<p>David Rankin presented this item, and the Board discussed several issues</p> <ul style="list-style-type: none"> • The change to the previous draft wording in relation to signage and branding. It was explained that this was to reflect the Panuku position in relation to the Pohutukawa logo. • The categorisation of the Northcote priority location area, including the process for changing a priority location categorisation. <p>It was RESOLVED THAT the Board approved the Panuku Statement of Intent 2017-20 subject to the inclusion of final agreed budget information from Auckland Council.</p>

		<i>Moved Richard Aitken, seconded Mike Pohio; CARRIED.</i>
DECISION PAPER 3.2– DISPOSALS RECOMMENDATION	6-06/17	<p>The Board raised several issues including:</p> <ul style="list-style-type: none"> • The use of capital valuation in the report. The disposal process was explained, including the process for obtaining a market valuation later in the process. • The process for the transfer of 55A Alnwick Street to Watercare, and how this is different to the normal service property transfer process. It was explained that properties that are transferred from one service use to another are not usually recommended for disposal, but need to be in this case because the transfer is to Watercare. • The Board noted that the internal consultation took place in 2014, and queried whether that was still valid, and in line with process. David Rankin explained that there was no formal framework, but the executive exercised their judgment, including sensitivity analysis. <p>It was RESOLVED THAT</p> <ol style="list-style-type: none"> a) the Board recommends to Auckland Council's Finance and Performance Committee that additional land comprising approximately 4,160m² at Lot 3, 4, 5 and 5A, 187 Flat Bush Road, Flat Bush be disposed of by an open tender process; and b) the Board recommends to Auckland Council's Finance and Performance Committee that the following properties be transferred to Watercare <ol style="list-style-type: none"> i. 55A Alnwick Street, Warkworth ii. Approximately 1,268m² of 45 Oraha Road, Huapai <p><i>Moved Mike Pohio, seconded Richard Leggat; CARRIED.</i></p>
DECISION PAPER 3.3– HLPP PROGRAMME UPDATE	7-06/17	<p>David Rankin, Chief Operating Officer, presented this paper</p> <p>The Board expressed support for the summary table included as an attachment for the report.</p> <p>It was RESOLVED THAT the Board approves the High Level Project Plans – Programme and Key Dates as presented to the Board.</p> <p><i>Moved Richard Aitken, seconded Mike Pohio; CARRIED.</i></p>
DECISION PAPER 3.4 – AUDIT NEW ZEALAND PROPOSAL	8-06/17	<p>Carl Gosbee, Director Corporate Services, presented this paper</p> <p>It was RESOLVED THAT the Board approve, and authorise, the Chair to sign the proposal from Audit New Zealand.</p> <p><i>Moved Mike Pohio, seconded Anne Blackburn; CARRIED.</i></p>
INFORMATION PAPER 4.1 – WYNYARD QUARTER ENGAGEMENT PLAN	9-06/17	<p>Angelika Cutler, Director Corporate Affairs, presented this paper and it was subsequently received by the Board.</p>
INFORMATION PAPER 4.2 – QUARTER THREE REPORT TO AUCKLAND COUNCIL	10-06/17	<p>The report was taken as read.</p> <p>The Board provided positive feedback. A discussion followed regarding the process of presenting this report to the Finance and Performance Committee and the feedback that Panuku have generally received from them in the past.</p>

INFORMATION PAPER 4.3 STAFF CAPITALISATION POLICY	11-06/17	<p>It was RESOLVED THAT the Board noted the amendments to the Staff Capitalisation Policy as approved by the Audit and Risk Committee on 20 June 2017</p> <p><i>Moved Mike Pohio, seconded Anne Blackburn; CARRIED.</i></p>								
PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	12-06/17	<p>It was RESOLVED THAT, pursuant to the provisions of Section 48(1)(a) of the Local Government Official Information & Meetings Act 1987, the public be excluded from the Meeting for the following proceedings; the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" data-bbox="635 544 1463 719"> <thead> <tr> <th data-bbox="635 544 1142 607">General subject of matters to be considered</th> <th data-bbox="1142 544 1463 607">Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 607 1142 645">Governance; Committee report</td> <td data-bbox="1142 607 1463 645">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="635 645 1142 683">Finance and Risk</td> <td data-bbox="1142 645 1463 683">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="635 683 1142 719">Management and operations</td> <td data-bbox="1142 683 1463 719">Commercially sensitive issues</td> </tr> </tbody> </table> <p><i>Moved Mike Pohio, seconded Paul Majurey; CARRIED.</i></p>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
General subject of matters to be considered	Grounds under Section 48(1) for considering in private									
Governance; Committee report	Commercially sensitive issues									
Finance and Risk	Commercially sensitive issues									
Management and operations	Commercially sensitive issues									
CONFIDENTIAL MINUTES OF THE BOARD MEETING OF 26 APRIL 2017	13-06/17	<p>The Board reviewed and approved the confidential Minutes of the Board Meeting of 26 April 2017.</p>								
CONFIDENTIAL MINUTES OF THE BOARD MEETING OF 31 MAY 2017	14-06/17	<p>The Board reviewed and approved the Confidential Minutes of the Board Meeting of 31 May 2017.</p> <p>The Board noted that the Mana Whenua and New Zealand Housing Foundation presentations after the Board meeting did not form part of the meeting, and were therefore not included in the minutes. The Board requested that a record of the meeting be circulated to them, and then approved as a document of record.</p>								
CHIEF EXECUTIVE'S REPORT (CONFIDENTIAL)	15-06/17	<p>The Chief Executive's Report was taken as read. The Board discussed the following issues:</p> <ul style="list-style-type: none"> • CAB development progress. <i>Withheld from the public under s2(b)(ii) of the LGOIMA.</i> • Westhaven Marinas Limited and Downtown Marinas Limited minutes. The Board requested copies of the Westhaven Marinas Limited and Downtown Marinas Limited be circulated to the Panuku Board by email. • Performance Development Programme. <i>Withheld from the public under s2(f)(i) of the LGOIMA.</i> • Whitford Quarry <i>Withheld from the public under s2(b)(ii) of the LGOIMA.</i> • Vos Shed <i>Withheld from the public under s2(i) of the LGOIMA.</i> • Stolthaven <i>Withheld from the public under s2(h) of the LGOIMA.</i> <p>The CEs report was received.</p>								
DECISION PAPER 7.1- BARROWCLIFFE	16-06/17	<p><i>Withheld from the public under S7(2(h)) of the LGOIMA.</i></p>								
DECISION PAPER 7.2 - PANUKU CORPORATE BUSINESS PLAN AND BUSINESS STRATEGY	17-06/17	<p><i>Withheld from the public under S7(2(f(i))) of the LGOIMA.</i></p>								

DECISION PAPER 7.3 - RELOCATABLE HOUSING	18-06/17	<i>Withheld from the public under S7(2(f(i))) of the LGOIMA.</i>
DECISION PAPER 7.4 - GRANTS AND DONATIONS	19-06/17	<i>Withheld from the public under S7(2(h)) of the LGOIMA.</i>
INFORMATION PAPER 9.1 - LTP PROGRAMME REPORT	20-06/17	<i>Withheld from the public under S7(2(f(i))) of the LGOIMA.</i>
VERBAL UPDATE FROM WYNYARD QUARTER COMMITTEE 20 JUNE 2017	21-06/17	<i>Withheld from the public under S7(2(f(i))) of the LGOIMA.</i>
VERBAL UPDATE FROM AUDIT AND RISK COMMITTEE 20 JUNE 2017	22-06/17	<i>Withheld from the public under S7(2(f(i))) of the LGOIMA.</i>
GENERAL BUSINESS	23-06/17	<i>Withheld from the public under S7(2(f(i))) of the LGOIMA.</i>
		The meeting closed at 2pm

READ AND CONFIRMED

_____ Chairman

_____ Date

Chief Executive’s Report to the Board

Document Author	Roger MacDonald - Chief Executive
Contributors	David Rankin – Chief Operating Officer Rod Marler – Director Place and Design Allan Young – Director Development Ian Wheeler – Director Portfolio Management Carl Gosbee – Director Corporate Services Angelika Cutler – Director Corporate Affairs
Date	19 July 2017

1. Overview

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

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

2. Key issues

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

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

2.1 Strategically significant issues

2.1.1 Auckland Council ‘Section 17A’ value for money review

The Local Government Act includes a ‘Section 17A - Delivery of Services’ section requiring all local authorities, including Auckland Council, to review the cost-effectiveness of their services. Section 17A was intended to encourage efficiency gains and improve the delivery of services to residents and ratepayers.

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

2.1.2 Remuneration

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

2.2 Emerging and developing issues

2.2.1 Local Government Act 2002 Amendment Bill

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

We intend to continue to monitor the progress of the Bill and the potential impact on Panuku.

2.2.2 Local Government Official Information & Meetings Act 1987

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

2.3 Project updates

2.3.1 Downtown Shopping Centre- Development Agreement

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

2.3.2 Civic Administration Building

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

2.3.3 Britomart Precinct

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

2.3.4 Barrowcliffe Place

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

2.3.5 Willis Bond West One LV1

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

2.3.6 Site 18, Beaumont Street, Wynyard Quarter

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

2.3.7 Marine Village

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

2.3.8 Gaunt Street, Wynyard Quarter Site

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

2.3.9 Manson Site, Daldy Street Linear Park

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

2.3.10 Housing for Older People

Haumarū Housing Partnership took over management of the Council's 62 villages on 1 July 17. *Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.*

2.3.11 *Information has been withheld from the public under s7(2)(h) of the LGOIMA.*

2.3.12 ACC/Council portfolio sale

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

2.3.13 Three Kings Land Exchange

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

2.3.14 Westhaven Pile Mooring Redevelopment

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

2.4 America's Cup

The successful challenge for the Americas Cup creates a great opportunity for the continued revitalisation of Auckland's waterfront. *Information has been withheld from the public under s7(2)(f)(i) of the LGOIMA.*

In anticipation of the questions Panuku is likely to receive, a project team has been established to provide technical information and advice as required. This cross functional team will be able to:

- Draw on legacy work (anticipated win in 2013) as reported in the last CE's report
- Draw from experience of previous large scale events (RWC 2011, World Masters Games)
- Lead the discussion on the best path to achieve legacy outcomes for the waterfront
- Work with other parts of Council to provide a co-ordinated response to both land and water based issues.

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

America's Cup Parade

Our Wynyard Quarter Placemaking team (Leehane Stowers and Paul Nicoll) were called into ATEED within hours of winning the cup to assist in planning the victory parade. It was a unique experience that included multiple Panuku staff, a huge range of stakeholders from the both public and private sectors, and emergency services who all successfully collaborated (in an extremely short time frame) to stage an exceptionally successful event of scale.

We are very grateful for having been included in the planning from the beginning, for the relationships that have been built over the last 6 years, and are proud of the value our local knowledge contributed towards pulling off such a special event - especially at a time when resources were already heavily invested in the Lions Tour.

3 Panuku Leaderkit Project Summary

The Leaderkit summary is attached as Attachment B. The summaries are withheld from the public under S7(2)(b(ii)) of the LGOIMA.

4 Financial Summary

The financial dashboard is attached as Attachment C. The full Financial Board Report is also included in the Boardbooks Resource Centre for reference by Board members. Both of these reports are withheld from the public under S7(2)(b(ii)) of the LGOIMA.

5 Organisational Summary

5.1 Chief Executive's Networks

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

5.3 Health and Safety

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

5.4 Risk Management Framework

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

5.5 Portfolio Management Update

Acquisitions and Disposals Summary

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

5.6 New Office update

Our move to new offices in Wyndham street is progressing well. The base building and fit out work is underway and is programmed to complete at the end of August. We have remained focussed on our key objectives including using this opportunity to unite the organisation in an enabling environment which facilitates collaboration and team work. The new space will provide choice and flexibility for staff based on the task or activity at hand and be flexible to manage changes in the organisation over time.

We are working through a range of activities to make sure staff are well prepared for the move and have commenced detailed relocation planning. The planning will include a blessing for the new space and a modest celebration once we have moved in.

5.7 Media and digital summary

The America's Cup victory has generated reams of speculative articles about the next race being hosted on the waterfront, with a particular focus on Halsey Wharf. Prior to the final, Marinas General Manager Tom Warren was quoted in a stuff.co.nz article about the prospect of the cup returning and how it provided a great catalyst for innovation and development in the city.

A splash by the Weekend Herald after the win included a quote from Roger MacDonald on how much Panuku is looking forward to working with Emirates Team New Zealand (ETNZ) should Auckland - and the waterfront – be chosen as the host location. Queens Wharf has also been floated a number of times as a possible base for ETNZ.

In other news, the Western Courier reported on the development 40 one-bedroom Housing for Older People units in Henderson. The article included a quote from Massey Local Board chairman Shane Henderson who is a strong advocate for the project.

The Manukau Courier covered the Old Papatoetoe High Level Project Plan being given the go ahead by the Council's planning committee and, in a separate article, wrote a balanced piece on the relocation of six community groups currently located on a site earmarked for development.

Panuku supported the Auckland Transport-led initiative to reduce the speed limit in Wynyard Quarter and Viaduct Harbour to 30km/h. The New Zealand Herald covered the story with a

quote from Rod Marler on how the change will improve safety on the waterfront, particularly for cyclists and pedestrians.

The latest edition of the quarterly Panuku e-newsletter was distributed on 6 July. This edition featured articles on Old Papatoetoe, engagement activities in Takapuna and Henderson, resource consent lodged for the Dominion/Valley Road development and a reminder to stakeholders that Panuku will be in its new Wyndham Street office from late August.

In the blog space, a piece by Dr Ryan Reynolds from Christchurch's Gap Filler Trust on the significance of small, everyday interactions and how they are the "stuff" of community was published on the Panuku website.

Attachments

Attachment A – Barrowcliffe note 31 May 2017

Attachment B – Leaderkit Project Summaries

Attachment C – Financial Dashboard

Attachment D – Health and Safety Report

Attachment E – Risk Update

Attachment F – Acquisitions Summary

Attachment G – Disposals Summary

Information Paper: Unlock/Transform Northcote update

Document Author(s)	Gwilym van Hoffen – Project Director
Reviewer(s)	Angelika Cutler – Director Corporate Affairs, Project Sponsor
Date	18 July 2017

1. Purpose

This Information Paper provides an update on the Unlock (Transform) Northcote regeneration project, following the approval of the Programme Business Case by the Panuku Board on 29th March 2017.

2. Executive summary

Information has been withheld from the public under S7(2)(i) of the Local Government Official Information and Meetings Act 1987.

- Town Centre Masterplan refresh** – a full re-design for optimisation of the Town Centre regeneration is underway, on the assumption that Panuku will control all the property once all groundleases have been acquired.
- Groundlease acquisition programme** – *Information has been withheld from the public under S7(2)(i) of the Local Government Official Information and Meetings Act 1987.*
- Public realm projects** – progress is being made in close collaboration with HLC, AT, Healthy Waters, Community Services, and other key stakeholders and partners in establishing the ‘key move’ projects set out in the Framework Plan. However, implementation momentum may soon slow down and could become stalled, due to a lack of committed funding prior to adoption of the 2018-28 LTP.
- Funding** – to maintain momentum on the implementation and delivery, it is essential that adequate funding is put in place to underwrite the full public realm works programme. *Information has been withheld from the public under S7(2)(h) of the Local Government Official Information and Meetings Act 1987.*
- Communications, engagement and placemaking** – contact with the community is increasing including with Town Centre leaseholders, with local residents and retailers through the site kiosk and coordinated communications with HLC in the new ‘Everyday Northcote’. **Northcote Framework Plan: key moves** making activities is commencing this month to continue signifying change to the community.



3. Northcote: update details

Town Centre Masterplan refresh

- Urban designers Isthmus have been appointed to assist the Panuku design team following a market tender process to identify the best advisory team.
- The masterplanning will take an holistic 'clean slate' approach to the design of the Town Centre to balance and optimise public, residential and commercial outcomes with the assumption that Panuku will secure control of the whole site.
- The masterplanning process commenced with a mini-charrette/workshop involving key stakeholders including Auckland Transport. It is envisaged that this will be an ongoing collaborative exercise with the Council family, the Local Board and Mana Whenua to ensure that all parties are in agreement with the final version.
- An 'options assessment' for the masterplan will focus around the relative weighting between retail/commercial, residential and public realm space. A preferred option (draft) is timed for the end of September, with final preferred option by the end of December.

Information has been withheld from the public under S7(2)(i) of the Local Government Official Information and Meetings Act 1987.

Groundlease acquisition programme

- Five ground leases were bought in February 2017, including one block of four titles plus one additional title. (See sketch plan right, shown in blue).

Information has been withheld from the public under S7(2)(i) of the Local Government Official Information and Meetings Act 1987.

Public realm projects

- The Panuku Northcote team has built up strong momentum to date and we have some excellent working relationships in place with HNZA/HLC, MoE, property owners, Mana Whenua, Local Board and Council-family agencies.
- The full programme of public realm projects (the 'key moves') will ideally need to be delivered as an integrated package to achieve successful regeneration of Northcote at pace. These include:
 - Lake Road – amenity enhancement and full walking/cycling upgrade
 - Greenway corridor – a key community connector
 - Town centre roads and square
 - Library/community facility – to be the new 'heart' of the community
 - Greenslade stormwater basin



Information has been withheld from the public under S7(2)(i) of the Local Government

Official Information and Meetings Act 1987.

- A project team has already been established by AT and Panuku to deliver Lake Road, however design work has not yet commenced and the project is currently on hold pending a confirmed funding source for design and construction.
- Design of the greenway corridor is currently being masterplanned in a jointly-funded and jointly-scoped commission by HLC and Panuku. Delivery of the greenway capital works projects will be apportioned between Panuku and HLC according to land ownership/control. HLC's funding is now confirmed, and their projects are able proceed. The 'Richardson Place' project is likely to be the first project to get underway by HLC, with earthworks planned for March 2018.
- The new library/multipurpose community facility is advancing, but less quickly, as full engagement by all stakeholders is proving harder until full funding for design and construction can be confirmed.
- Design of the Greenslade Reserve stormwater detention basin is advancing under Healthy Waters' project delivery team. Panuku continues to oversee the design and specification of the works through regular meetings with the Healthy Waters project team. Earthworks are planned for October 2018, with completion of the project expected by April 2019.

Funding

Information has been withheld from the public under S7(2)(f)(i) of the Local Government Official Information and Meetings Act 1987.

Communications, engagement and placemaking

- Engagement with key stakeholders, partners and Council family agencies continues to be a focus and is increasing. We have held a series of site walkovers and regular workshops have commenced with the Local Board, Mana Whenua, community reference group, and the Business Improvement District.
- The development information kiosk located in the Town Centre car park is operational and is a valuable source of local feedback. Community open days at the kiosk have been arranged for August and September and a programme of placemaking activities will be held outside the kiosk at weekends to attract local families to have a look inside.
- Panuku is working with HLC to coordinate all communications and stakeholder engagement. The first edition of the HLC funded community flier 'Everyday Northcote' was published and circulated widely within the Northcote community in July 2017. It featured articles on the Panuku Framework Plan and our coordinated efforts on the Greenway.

Information Paper: Council Group Policies

Document Author(s)	Maxine Waugh, Manager Business Systems and Processes
Reviewer(s)	Carl Gosbee, Director Corporate Services Roger MacDonald, Chief Executive
Date	12 July 2017

1. Purpose

This paper is to inform the Board of the development of financial policies for the Auckland Council group (the council parent and substantive council controlled organisations (CCOs)).

2. Key issues

In the 2017/2018 Letters of Expectation, the Mayor signalled to all CCOs that their participation would be required in the design and implementation of group-wide policies for procurement, treasury, insurance, sensitive expenditure (including travel, hospitality and gifts), and business cases.

The Governing Body of council approved the protocol for developing the group finance policies on 27 April 2017.

3. Discussion

The policy development team was established in June, including representatives from Council and CCO's, and the drafting of policies has commenced. These policies are to be endorsed by each CCO and finally adopted by the Finance and Performance Committee.

The first tranche of draft group policies have been completed, and are attached:

- Treasury – attachment 1
- Insurance – attachment 2
- Procurement – attachment 3

There is no change for Panuku with regards the Treasury and Insurance policies, as Panuku already operates under the current council policies for these.

Similarly, the current Panuku Procurement Policy is closely aligned to Council's Procurement Policy. The draft group policy for Procurement remains at a high level, and it is intended that the additional detail in Panuku's policy be translated into a 'guideline' document to the policy.

Once feedback and endorsement has been received from all CCOs, the final drafts will be presented to the Finance and Performance Committee for approval in September 2017. Once approved, these policies will supersede the corresponding Panuku policies.

Development of policies for sensitive expenditure and business cases will be completed later this year. It is anticipated that these group policies will be presented to the Panuku Audit and Risk Committee for endorsement.

Attachment 1 : Auckland Council Treasury Management Policy

Context

The Local Government Act 2002 requires local authorities to adopt a liability management policy and an investment policy.

The liability management policy must state the council's policies on how it will manage its borrowings and other liabilities, including interest rate exposure, liquidity, credit exposure and debt repayment.

The investment policy must set out the council's policies on investments including the mix of investments, acquiring new investments, management and reporting procedures, and risk management.

Together these policies make up Auckland Council's treasury management policy providing the framework under which council operates all borrowing and investment activities. This policy should be read in the context of the council's financial strategy, which contains the council's overarching financial policy statements and objectives.

The policy applies to the Auckland Council parent and all 100 per cent owned Council Controlled Organisations (CCO)'s (excluding Ports of Auckland Limited (POAL)). All references to council refer to Auckland Council parent and all 100 per cent owned CCOs except where explicitly excluded.

The Governing Body¹ will review and approve any changes to the treasury management policy. The council will consider whether or not to consult before making any changes to this policy – the council will consult where the proposed changes are significant. The council will review treasury outcomes against the strategic risk limits and performance benchmarks on a quarterly basis.

A treasury management steering group (TMSG) reviews and approves strategic risk limits conforming to this treasury management policy. The TMSG also monitors compliance with these limits and the performance of treasury activities against agreed benchmarks on a monthly basis. The TMSG is made up of senior council parent officers, the CFO of Watercare (or their designate), the CFO of Auckland Transport (or their designate), other CCO CFO's (as appropriate) and one or more external appointees.

Auckland Council Parent treasury staff carry out the council's treasury activities in accordance with this policy. Internal treasury policies are developed with each individual CCO. Individual CCOs will be consulted on matters of material significance to that CCO.

Under the Local Government (Rating) Act 2002, the council parent has the flexible powers to set, access and collect rates to fund local government activities. This allows council parent to provide its rating powers as security for borrowing purposes in the form of a Debenture Trust Deed. This is a strong security position and is reflected in the credit quality of the council. The borrowing and liquidity ratios included in this policy both support the credit quality and provide assurance to council's external lenders.

Liability management policy

The following is a general description of the council's policies with respect to borrowing and liability management.

Objectives

The council's key liability management objectives in relation to borrowings (to be considered collectively) are to:

- minimise borrowing costs within approved risk parameters
- prudently manage the council's exposure to interest rate changes
- prudently manage the council's borrowing to ensure the avoidance of maturity and interest rate re-pricing concentrations

¹ Reference to the Governing Body in this document refers to the Governing Body or a committee of the whole.

- maintain accurate cash flow forecasts to ensure sufficient levels of liquidity to meet both planned and unforeseen cash requirements, and to assist borrowing decisions
- prudently manage the council's credit exposures, which are to be with approved counterparties within predetermined limits
- maintain market confidence in the creditworthiness and integrity of the council as a borrower, through positive ongoing relationships with lenders, investors, registrar and paying agent, trustee, and credit rating agencies
- monitor and report on the risk and the performance of debt portfolios against predetermined limits and benchmarks
- maintain a credit rating of at least "A+" from Standard & Poor's (or an equivalent rating agency).

Management of borrowings

The Governing Body considers and approves its forecast borrowing requirements by approving financial projections in its 10-year plan and each annual plan.

The council manages financial assets and debt on a net portfolio basis (borrowings less cash instruments). A centralised approach to debt management is applied. The key factors considered in this approach are the council's liquidity profile, contractual terms, debt levels, operating surpluses and sustainable funding needs.

Funding may be sourced from domestic and foreign investors in local and foreign currency² and from the New Zealand Local Government Funding Agency ("LGFA"). The council enters into offsetting derivative contracts with approved counterparties to eliminate foreign currency exposure on its foreign currency borrowings.

Borrowings to fund CCO's will be passed through to CCOs in the most efficient manner after taking into account any accounting, tax or legal compliance issues. There is no prescribed maximum limit for CCO borrowings. These borrowings are agreed by the Governing Body when approving the subsidiary's statements of intent and funding plans.

Any other council liabilities are managed in the course of the council's day-to-day operations.

Debt repayments

Debt repayment decisions are driven by the council's liquidity profile, contractual terms, debt levels and sustainable funding needs. Debt repayments (both interest and principal) are governed by:

- the council's policy of maintaining forecast prudential ratios within specified limits
- the council's projected liquidity profile
- spreading the council's borrowings over a range of maturities to reduce the concentration of debt repayments at any one point in time
- contractual terms and conditions of borrowing (funds must be available to repay debt as and when it falls due)
- the need to preserve borrowing flexibility.

The council sets, on a case-by-case basis, the appropriate terms for repaying debt for transitional project financing and for non-routine capital expenditure.

² The council can borrow and enter into incidental arrangements in foreign currencies: see s107 Local Government (Auckland Council) Act 2009.

Borrowing and liquidity limits

The council's prudential limits³ are:

Debt as a percentage of revenue	< 270%
Interest as a percentage of revenue	< 15%
Interest as a percentage of rates income	< 25%
Liquidity (cash and liquid investments plus headroom under committed funding facilities to equal a minimum period of forecast net cash outflow including maturing debt on a rolling basis)	6 months at least

Council must also comply with all relevant financial covenants/ratios (for example those imposed by the Local Government Funding Agency).

Liquidity

Liquidity management is the management of liquid assets and funding sources to meet both short and long-term commitments as and when they fall due. Where the council has a long-term or ongoing need for core borrowings, lengthy borrowing terms are attractive as they eliminate short-term liquidity risk (the risk of not being able to roll over short-term debt as it matures).

To ensure the council maintains a sufficient level of liquidity at all times, the TMSG determines at least annually (when approving the council's strategic risk limits):

- the minimum amount by which the total of the council's unutilised short-term funding facilities and its liquid investments must exceed forecast net cash outflow
- the period of time over which the forecast net cash outflow must be measured.

Council's borrowings are spread over a range of maturities to minimise the risk that the council is not able to raise new borrowings or refinance existing borrowings at acceptable credit margins. The TMSG establishes the maximum value of outstanding borrowings that may mature over any twelve-month period when approving the council's strategic risk limits.

Interest rate exposure policy

Interest rate risk refers to the impact that movements in interest rates can have on an organisation's financial performance. The council prefers predictable interest income and expense to minimise the risk of adverse movements impacting the operating surplus.

The primary objective of interest rate risk management is to reduce uncertainty about net interest income or expense as interest rates change. Mechanisms used include matching the interest rate re-pricing profile of the council financial investments and financial liabilities and, within risk limits, fixing rates through fixed-rate borrowings and by using interest rate hedging instruments. The council manages interest rate risk on its debt on a portfolio basis.

Credit exposure policy

Prudent credit management can reduce the council's risk of loss from a counterparty failing to meet its obligations. Credit exposure for borrowings is relevant for the undrawn portion of any committed, standby or bank facility, where the counterparty has a contractual obligation to provide funds to the council. For these facilities, the counterparty's minimum credit rating must be A- (long term) as rated by Standard & Poor's, or equivalent credit ratings from another internationally recognised rating agency (such as Moody's or Fitch Ratings).

³ The calculation of these limits will be consistent with methodology and definitions used by Standard and Poor's.

Security for debt

As borrowing facilities are usually established for broad funding purposes, the council generally provides rates revenue as security for its borrowings. However, in specific cases, the council may consider whether alternative security is appropriate, for example security over property that is specifically connected with the borrowing.

Investment policy

Objectives

The council seeks to minimise the risks associated with its investments to avoid placing the capital value of individual investments at risk. The council does not undertake any unnecessary or speculative investment activity.

Key investment policy objectives are to:

- prudently manage the council's financial investments by seeking to maximise investment income within acceptable investment risk parameters
- practise an ethical investment approach⁴
- invest only in approved securities and asset classes
- maintain an appropriate level of diversity across asset classes
- support the council's liquidity requirements
- monitor and report on risk and performance against predetermined limits and benchmarks
- maintain operational controls and procedures that protect the council against financial loss, opportunity cost and other inefficiencies.

Where appropriate, council favours investment in New Zealand entities which meet the following conditions:

- the proposed investment is within the constraints of the council's financial position and the long-term plan
- the effect of the proposed investment on the expected risk and return characteristics of the council's total investment portfolio is considered
- the expected risk and return characteristics of the proposed domestic investment are not inferior to currently available and comparable foreign investment opportunities.

Investment mix

The council has investments in equity, property, and debt securities. The council's equity investments include holdings in subsidiaries (direct or indirect) and other entities, where there is a specific strategic objective for holding the investment or the investment is required to comply with legislation. Council has invested in shares and other financial instruments of the LGFA. If required in connection with this investment, the council may also subscribe for uncalled capital in the LGFA.

The council's debt investments include treasury assets, such as cash and short-term money market instruments, which are used to manage the council's day-to-day and longer-term cash flow and liquidity requirements. The council also holds other debt investments in various investment portfolios, each tagged for specific purposes. The council's debt investments may include loans to subsidiaries.

Acquisition of new investments

The acquisition of fixed-interest investments are made in accordance with strategic risk limits approved by the TMSG.

New equity investments, other than those purchased as a part of a perpetual or externally managed investment portfolio, are approved by the council acting on the recommendation of the appropriate council committee. In general, it is not the council's policy to acquire equities solely for investment

⁴ Council's ethical investment approach is outlined in the Responsible Investment Policy.

purposes, except where those equities form part of a perpetual or externally managed investment portfolio, or where arrangements are entered into that mitigate financial risks associated with the investment.

Managing and reporting on investments

Details on the performance of investments are reported to the council, quarterly. Monthly management reports covering treasury assets and fixed-interest securities are reviewed by the TMSG, including liquidity details, interest rate exposure and credit exposure.

Risk management

In the normal course of its treasury investment operations, the council has exposure to credit risk, interest rate risk and liquidity risk.

Credit risk is managed by the council limiting its credit exposure to any single counterparty. This is done by weighting exposures towards counterparties with higher credit ratings, as determined by an international credit rating agency, e.g. parties that are rated A- or better by Standard & Poor's. To safeguard against loss through poor credit quality, limits are applied to the council's aggregate exposure to each counterparty (and groups of counterparties) within specified credit rating bands. The only unrated counterparties that the council may invest in are other local government bodies. The TMSG reviews and approves strategic credit risk limits annually.

The main objective of interest rate risk management is to reduce uncertainty around net interest income or expense as interest rates change. Mechanisms used include matching the interest rate re-pricing profile of the council's financial investments and financial liabilities and, where appropriate, fixing rates through fixed rate borrowings and the use of interest rate hedging instruments.

Interest rate risk is the risk that interest income will (due to adverse movements in market interest rates) materially under-perform the interest income projections in the council's annual plans and 10-year plan, negatively affecting the council's financial performance and position.

The council manages interest rate risk on investments on a portfolio basis.

Liquidity risk is managed by investing only in financial assets that can be liquidated through a readily available secondary market or have a short time period before maturity.

Auckland Council Group Insurance Policy

1. Purpose

The purpose of this policy is to ensure the council group procures and manages insurance in the most effective manner with consistency of policies, coverage, claims management and insurers across the group.

2. Scope

This policy applies to all insurance activity undertaken by, or on behalf of, Auckland Council. It also applies to the Auckland Council group including all the Council Controlled Organisations (CCOs) with the exception of Ports of Auckland Limited.

3. Non-compliance

Failure to comply with the principles of this policy amounts to a breach of accountability requirements under the CCO Accountability Policy.

4. Context

The Auckland Council group is a significant purchaser of insurance products as it seeks to effectively manage a diverse variety of property, liability and other risks. We have an obligation to effectively manage our risks within our risk appetite and deliver value for money.

A group approach to insurance will:

- deliver policies which are less expensive than individual insurance policies;
- ensure consistency of policy terms, insurers and insurance broker; and
- ensure consistency of approach when managing claims.
- protect the group balance sheet and credit rating.

It is also recognised that individual entities within the council group will have different risk appetites and different insurance requirements. In developing a group approach it is important that these differences are recognised and encompassed within the insurance arrangements to the satisfaction of individual CCO boards as well as the Council Governing Body.

5. Principles

This policy will be achieved under the direction of the following principles:

Principle 1: Effectively managing risk

Principle 2: Value for money

Principle 3: Working together

Principle 4: Consistency in approach

6. Policy

6.1 Broker

The council group will have one insurance broker who will be selected in accordance with the group's procurement protocols.

6.2 Group Policies

Group policies will be put in place where appropriate and will most likely include (but not limited to) Property (above and below ground), Professional Indemnity and Public Liability, Employees Liability, and Statutory Liability.

Premiums for group policies will be allocated to council entities on an equitable basis using advice / methodology from the broker. The allocation will be transparent, take into account any legal requirements and will be designed to ensure there is no cross subsidisation between entities. Policy dependant, allocation will generally be based on asset values, revenue or employee numbers and may be adjusted where appropriate to take into account materially different risk profiles related to entity's operations and environment.

6.3 Insurer Security

The council group will only place insurance with those insurers with a claims paying rating of A- or higher (unless Lloyds of London claims paying rating is lower in which case the minimum rating will be that of Lloyds of London).

6.4 Placement Considerations

Generally the council group will only place insurance with the external insurance market where the assessment of risk exceeds council's risk appetite; and/or there is a contractual or legal requirement to hold insurance and/or the cost of the insurance is clearly less than the expected benefits (including the consideration of administration costs).

When placing insurance policies the group will give consideration to premium, policy coverage, insurance market diversification and individual insurer diversification.

It is recognised that in certain situations individual CCO's may have the need for specific additional insurance policies that are not required by other members of the council group. These will be placed by the council insurance broker.

6.5 Insurance Deductibles and Limits

CCO's will approve their respective limits, deductibles and related share of the overall insurance programme costs. Overall group limits and group deductibles will be determined after consideration of the council group's assessment of the risk, the council group's risk appetite and the council group's balance sheet capacity. The Finance & Performance Committee will have ultimate responsibility for approving group's limits and group deductibles.

There is an aspiration to move to standard group deductibles for all policies over time, however, individual CCO's may have a lower risk appetite than the Council group. In the event that a CCO's risk appetite (i.e. preferred insurance deductible level) is lower than the group's then:

1. Options for required sub-limits under relevant policies will be assessed.
2. Current loss histories will be reviewed to inform consideration of cost versus potential exposure.
3. Where cost effective deductible sub-limits are not practical, council parent will fund the difference or provide other solutions to address CCO's individual risk appetites. These arrangements will be clearly documented.

Council parent will fund any losses which exceed group policy limits.

CCO's should ensure cover limits set and related deductibles are such that they would meet their requirements as if they were insuring on a stand-alone commercial basis.

6.6 Claims management (including below deductible claims)

Council and CCO's will develop common claims management and settlement protocols for both above deductible claims and below deductible claims to ensure consistency of approach across the group.

6.7 Approvals and Group Collaboration

Representatives from council parent and each CCO will meet on a regular basis to determine and implement insurance arrangements in accordance with this policy. Any significant changes to the insurance programme will be discussed in an open, transparent and timely manner.

Approvals will also be sought, as appropriate, from the Audit and Risk Committee and respective CCO Boards. The annual group insurance programme will ultimately be approved by the Finance and Performance Committee.

7. Monitoring and reporting

This policy covers all elements of the Auckland Council and CCO insurance programme.

Success of this policy will be gauged by:

- Effective management of insurable risk on a group basis
- Improved group insurance reputation from insurers and brokers
- Improvements in cost, value for money and quality of insurance cover procured

The policy will be reviewed every three years or as otherwise required.

8. Policy exemptions

Any exceptions to this policy require prior documented approval from the Group Chief Financial Officer.

9. Related Policies, procedures and guidance

- Auckland Council and CCO Procurement guidance and templates
- Auckland Council and CCO Risk Management Policies

Version control

Version no:	0.1
Status:	Draft for approval
Owner:	John Bishop – Treasurer and General Manager Financial Transactions
Revision history:	

Version no:	0.2
Status:	Draft for CCO Board approval
Owner:	John Bishop – Treasurer and General Manager Financial Transactions
Revision history:	

Auckland Council Group Procurement Policy

1. Purpose

Auckland Council is a significant procurer of goods and services is ultimately accountable to the ratepayers of Auckland. The purpose of this policy is to ensure that a consistent procurement practice is applied across all council group procurement activities in alignment with Auckland Plan outcomes and to achieve best value for money.

2. Scope

This policy applies to all procurement activity undertaken by, or on behalf of, Auckland Council. It also applies to the Auckland Council group including all the Council Controlled Organisations (CCOs) with the exception of Ports of Auckland Limited.

3. Non-compliance

Failure to comply with the principles of this policy or breach of accountability requirements under the CCO Performance Policy may be considered misconduct under the council's Code of Conduct and could result in disciplinary action.

4. Context

Procurement covers all the business processes associated with buying the goods/services/works we use to run our business, and deliver our organisational objectives.

Procurement starts with identifying needs, then planning the best way to meet them, continues through sourcing the goods/services/works, then managing the contract, and ends with expiry of the contract or the end of the assets useful life. It also includes the relationship management of the supplier(s) involved.

The way we procure will vary depending on the value, complexity and risks involved. The approach we apply will be tailored to best suit the individual procurement activity, in alignment with Auckland Council Procurement guidelines.

5. Principles

This policy will be achieved under the direction of the following principles:

Principle 1: Working together

Principle 2: Value te ao Maori

Principle 3: Be sustainable

Principle 4: Act fairly

Principle 5: Deliver the best value for every dollar

5.1 Working together

One of the Auckland Council focus areas is making our size work. To do this it is key that we collaborate effectively across the council group. Auckland Council is committed to working with CCOs and group sourcing procurement to do more with less while creating better value for ratepayers.

In all of our procurement activities we will:

- undertake a group source approach, unless there is a specific CCO requirement, e.g. where there is third party funding which has alternate procurement obligations
- ensuring local effects are measured and mitigated using engagement with appropriate local boards, ward councillors and communities (ensure compliance with delegation and CCO accountability framework)
- prioritise the group sourced procurement approach where appropriate. This includes, but is not limited to: IT, Treasury Services, Indirects, and Insurance

5.2 Value te ao Maori

Council's Maori Responsiveness Framework (Te Toa Takatini) recognises that Auckland's aspirations and Māori aspirations are aligned and that there will be times when procurement requires close consideration of Māori cultural competencies, such as te reo Māori (Māori language), mātauranga Māori (Māori understanding, knowledge and skill), tikanga Māori (procedures, customs and practices) and kawa (protocols).

It is important that we will deliver agreed priorities from the Auckland Plan and Long-term Plan for Māori. To enable this, all procurements will consider:

- potential to engage and enable Māori
- deliver Māori customer-friendly services
- make our size work for and with Māori
- where appropriate we will work with Māori-focused organizations i.e. central government programs or The Southern Initiative to facilitate outcomes

5.3 Be sustainable

The Local Government Act 2002 requires local authorities to take a sustainable approach when procuring goods, services and works.

Smart Procurement has the most positive environmental, community and economic impacts on a whole of life basis and creates value and legacy. We will assess Smart Procurement outcomes related to all procurement activity and consider:

- value-for-money over the whole of life, rather than just the initial cost
- minimising environmental impacts over the whole of life of the goods/services/works
- strategies to avoid unnecessary consumption and that manage demand and minimise waste
- our suppliers social responsibility practices, including compliance with legislative obligations to its employees
- our obligations under the Treaty of Waitangi and our relationships with local Iwi

Auckland Council has specific sustainable outcomes identified in the Auckland Plan, Auckland Waste Management and Minimisation Plan, Long Term Plan, Low Carbon Action Plan and other initiatives adopted from time to time.

5.4 Act fairly

Auckland Council and CCOs will conduct business with the utmost integrity in the procurement of goods, works and services.

All employees and suppliers are expected to conduct themselves with the highest standards of honesty, fairness, and personal integrity. It is critical that both employees and suppliers adhere to these standards, all applicable laws, and avoid all perceptions of conflict of interest and impropriety.

Fundamental aspects of this principle are;

- **Transparency** – follow procurement guidelines and be open in administration, ensure spend and contract award information is available to the public, promote a shared understanding of respective roles and obligations between council and any external parties participating in procurement activities.
- **Accountability** – be accountable for performance and be able to give complete and accurate accounts of public funds, including funds passed on to others for particular purposes. It will also have suitable governance in place to oversee procurement arrangements.
- **Ethical consideration** – behave ethically, adhering to the standards set in the procurement guidelines and any other relevant internal policies, i.e. Code of Conduct, Receiving Gifts etc.

All open contestable procurement activity will be publicly notified so all potential suppliers have equal access. The procurement documentation that council provides the market will contain information which makes it clear what council is looking for by way of response, and evaluations will be undertaken in a manner that avoids bias.

Ensuring probity of action is everyone's responsibility when conducting procurement activities.

5.5 Deliver the best value for every dollar

Auckland Council will use resources effectively, economically, and without waste, with due regard for the total costs and benefits of a procurement arrangement. The principle of best value for every dollar does not necessarily mean selecting the lowest price response, but rather the best possible outcome for the total cost of ownership (or whole-of-life cost). Group sourced procurement ensures Auckland Council is utilising its size and buying power across the Auckland region and ensures the best value is being realised for council and CCO teams.

Council will utilise a consistent benefit framework, tracking and reporting delivery of value for ratepayers. The procurement process will encourage the delivery of multiple outcomes for every dollar spent and will actively seek innovative delivery approaches from the supply market.

Council will continue to coordinate with the supply market and provide visibility of forward work plans. Appropriately bundled projects and efficiently timed tenders allow council to manage market load while encouraging healthy competition.

6. Monitoring and reporting

The application of this policy will be the subject of Auckland Council and CCO's agreed programme of procurement activity.

Success of this policy will be gauged by:

- Measured improvement in sourcing and purchasing practices
- Improved group procurement reputation of being a preferred customer for key suppliers
- Reduced environmental impact of the goods and services we buy on a continuing basis
- Improvements in cost, value for money and quality of goods and services

This policy will be reviewed every three years or as otherwise required.

7. Policy exemptions

On occasion an exemption to this policy may be required to align with third party agreements and regulations.

8. Council and CCO related policies, procedures and guidance

- Procurement guidance and templates
- Unsolicited Proposal Guidelines
- Code of Conduct
- Conflicts of Interest Policy
- CCO Performance Policy
- Accepting Gifts and Hospitality Policy
- Fraud and Corruption Policy
- Risk Management Policy
- Health, Safety, and Wellbeing Policy
- Procurement Guidance for Public Entities, Office of the Auditor General
- Principles of Government Procurement
- Government Rules of Sourcing

Legislation

- Health and Safety at Work Act 2015
- Local Government (Auckland Council) Act 2009
- Public Records Act 2005
- Construction Contracts Act 2002
- Electronic Transactions Act 2002
- Local Government Act 2002
- Public Audit Act 2001
- Public Finance Act 1989
- Local Government Official Information and Meetings Act 1987
- Commerce Act 1986
- Fair Trading Act 1986
- Official Information Act 1982
- Sale of Goods Act 1908

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Information Paper: Grants and Donations Quarterly Report 30 June 2017

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1. Purpose

This information paper represents the fourth quarter report to 30 June 2017 on grants and donations provided by Panuku Development Auckland, against the Board approved annual budget for 2016/2017.

Section 3 summarises the criteria for providing sponsorship by Panuku.

2. Background

Panuku provides grants and donations typically for businesses and activities in and around the Auckland waterfront that provide a reciprocal benefit to Panuku. Donations are also provided from time to time for a worthy cause or customary activity, without expecting a reciprocal advantage. The Panuku Grants and Donations Policy provides guidance for approving sponsorships, making our requirements open and clear to the community, and ensuring consistency and transparency of operation across the organisation. It sets the criteria for determining appropriate associations and activities. The approach to increase accountability and transparency consists of an annual Board approval of a grants and donations budget and regular reporting against the budget.

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

Grants and donations 'in-kind' is represented by the provision of free or discounted rental of land, buildings, marina berths, facilities/venues or other services. The 'value' of grant or donation is defined as the revenue forgone for the rental of a facility/venue, berth or other service, 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 (e.g. Maritime Museum lease discounted for museum use for 25 years).

3. 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.

4. Fourth quarter 2016/2017 actual against budget

The 2016/17 budget for grants and donations was approved at the Panuku Development Auckland Board meeting dated 29 June 2016. As per the Grants and Donations Policy, a quarterly update is provided to the Board. This report is for the fourth quarter of this financial year.

A summary of all grants and donations for the 12 months to 30 June 2017 is provided in the table below.

Location/activity/type \$000s	Actual 12 months to 30 Jun 2017	Plan Full year 2016/2017	Variance against Plan
Cash	7.2	9.0	1.8
Marinas	111.8	206.6	94.8
Commercial property and car parks	291.8	294.1	2.3
Queens Wharf venues	313.4	394.0	80.6
TOTAL	724.2	903.7	179.5

Information has been withheld from the public under S7(2(b(ii))) of the Local Government Official Information and Meetings Act 1987 (LGOIMA).

Attachment A Cash donations

Attachment B Marinas

Attachment C Commercial property and car parks

Attachment D Queens Wharf venues