

Board Report

P u b l i c

Date
Tuesday,
28 July 2020

Venue
82 Wyndham Street



Board agenda

Where: Panuku, 82 Wyndham Street
When: Tuesday, 28 July 2020 | 9.30 am – 11.00 am
Board members: Adrienne Young-Cooper – Chair
 Victoria Carroll – Director
 John Coop – Director
 David Kennedy – Director
 Richard Leggat – Director
 Paul Majurey – Deputy Chair
Liaison councillor: Cr Efeso Collins

1. Governance matters	1.1 Apologies 1.2 Director interests 1.3 Director meeting attendance 1.4 Public deputation
2. Strategic reports	2.1 Statement of Intent 2020-2023, Business Plan, Budget, and Funding Allocation for 2020/2021 <i>Sections and attachments withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA</i>

Local Government Official Information and Meetings Act 1987 (LGOIMA) statement

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

- would be likely unreasonably to prejudice the commercial position of a third party s7(2)(b)(ii);
- to maintain the effective conduct of public affairs through the free and frank expression of opinions s7(2)(f)(i);
- would be likely to prejudice or disadvantage the commercial position of council s7(2)(h); and
- would be likely to prejudice or disadvantage negotiations s7(2)(i).

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.

Panuku Development Auckland (Panuku)

Panuku partners with the development sector, iwi and central government to facilitate redevelopment of selected areas across Auckland to promote quality-built environments and residential and commercial growth. Panuku will actively review the council group property portfolio for sites that are surplus to service requirements, require renewal or are underutilised and make land available for redevelopment. Panuku will continue to redevelop the city waterfront area and manage non-service properties on behalf of the Auckland Council Group. Panuku's subsidiary is Westhaven Marina Limited.

Our name

'Panuku' means 'to move forward' and that's exactly what we're helping Auckland to do.

Our vision

Shaping spaces for Aucklanders to love

Our mission

The mission of Panuku is to rejuvenate urban Auckland, from small projects that refresh a site or building, to major transformations of town centres or neighbourhoods. Panuku improves the uses of land and buildings that Auckland Council owns, attract private investment and together we unlock their potential to create spaces Aucklanders love.

Our purpose

The purpose of Panuku Development Auckland (Panuku) is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities.

Panuku will manage council's non-service property portfolio and provide strategic advice on council's other property portfolios. It will recycle or redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes.

What we do

Panuku Development Auckland helps to redevelop parts of our city, we're working to improve the quality of urban living across Auckland.

To do this it's important to understand the communities in which we work. We manage around \$2 billion of land and buildings that Auckland Council owns, which we continuously review to find smart ways to generate income for the region, grow the portfolio or release land or properties that can be better used by others.



Opening

Whakataka te hau ki te uru

Whakataka te hau ki te
tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio

He huka

He hau hū

Tīhei mauri ora!

Cease o winds from the west

Cease o winds from the south

*Bring calm breezes over the
land*

*Bring calm breezes over the
sea*

*And let the red-tipped dawn
come*

With a touch of frost

A sharpened air

And promise of a glorious day

Apologies have been received from Deputy Chair, Paul Majurey.

Directors' interests at 17 June 2020

Member	Interest	Company / Entity	Conflicts pre-identified?
Adrienne YOUNG-COOPER	Chair	Panuku Development Auckland Limited	
	Chair	Auckland Transport	
	Chair	Cornwall Park Trust Board Incorporated	
	Director	Queenstown Airport Corporation Limited	
	Trustee	Sir John Logan Campbell Residury Trust	
	Trustee	Sir John Logan Campbell Medical Trust Incorporated	
	Director	Westhaven Marina Limited	
Victoria CARROLL	Director	Panuku Development Auckland Limited	
	Director	Kāinga Ora	Possible
	Director	Manawa Housing Limited	
	Director	Mediterrania Holdings Limited	
	Director	Mediterrania Limited	
	Trustee	Community Housing Aotearoa	
	Trustee	Mangatawa Papamoa Block Incorporation	
	Trustee	Nga Potiki a Tamapahore Treaty Settlement Trust	
John COOP	Director	Panuku Development Auckland Limited	
	Managing Director and Principal	Warren and Mahoney	Possible
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	
	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	
	Director	Westhaven Marina Limited	

Paul F. MAJUREY	Deputy Chair	Panuku Development Auckland Limited
	Director	Iwi Commercial Property Limited
	Chair	Tāmaki Makaurau Community Housing Limited
	Chair	Puhinui Park Limited
	Chair	Whenuapai Housing Limited
	Director	Arcus Property Limited
	Chair	Marutūāhu Rōpū Limited
	Chair	Ngāti Maru Limited
	Chair	Marutūāhu Collective (5 iwi collective)
	Chair	Hauraki Collective (12 iwi collective)
	Chair	Te Pūia Tāpapa
	Chair	Impact Enterprise Fund
	Chair	Tūpuna Maunga Authority
	Co-Chair	Sea Change Tai Timu Tai Pari Ministerial Advisory Committee
	Mana Whenua Representative	Hauraki Gulf Forum
	Director	Pare Hauraki Kaimoana
	Trustee	Hauraki Fishing Group
	Director	Tikapa Moana Enterprises Limited
	Director	Pouarua Farms
	Trustee	Crown Forestry Rental Trust
Director	Atkins Holm Majurey Limited	

Director meeting attendance register – 2019 / 2020

	2019						2020					TOTAL
	24 Jul	30 Aug	24 Sep	29 Oct	29 Nov	18 Dec	19 Feb	18 Mar	22 Apr	20 May	17 Jun	
A.F. Young-Cooper	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
V. Carroll					✓	x	✓	✓	x	✓	✓	5/7
J. Coop					✓	✓	✓	✓	✓	x	✓	6/7
D.I. Kennedy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
R.I. Leggat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
P.F. Majurey	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
M.E. Pohio	✓	✓	✓	✓	✓	✓						6/6
S. Macken	x	✓	✓	✓								3/4
C.M. Udale	✓	✓	L	L	L							2/5

A deputation has been requested from the Equal Justice Project, a collective of university students who are passionate about climate change. Shereen Lee and Jeremy San Juan will be presenting, with Grant Hewison supporting.

Decision paper: Statement of Intent 2020-2023, Business Plan, Budget, and Funding Allocation for 2020/2021

Author: Brenna Waghorn, GM Strategy & Planning; Carl Gosbee, Chief Financial Officer; Ian Wheeler, Chief Operating Officer

July 2020

Ngā tūtohunga | Recommendations

1. That the Panuku Board:
 - a. Approves the updated Statement of Intent (SOI) 2020-2023, noting the changes responding to the feedback from the shareholder, Auckland Council.
 - b. Approves the 2020-2021 Panuku Corporate Business Plan and associated Budgets.
 - c. Notes the allocation of funding to the programmes and projects.

Whakarāpopototanga matua | Executive summary

2. This omnibus report provides an overview, and seeks approval, of the Panuku Corporate Business Plan and budget for 2020/2021, and the Statement of Intent 2020-2023. It also provides information on the capex projects for the year to be delivered based on the budget allocation. The Statement of Intent (SOI) is a statutory document in accordance with the Local Government Act 2002. The Corporate Business Plan is an internal document setting out business priorities and performance standards. The approval of these documents is delayed by the Auckland Council's Emergency Budget process, as a response to the COVID-19 pandemic. As an improvement from previous years, the documents are presented under one, rather than separate, decision reports.

3. The Panuku Corporate Business Plan, SOI, Budgets and Programmes are aligned to the final Emergency Budget for the council group that will be approved by the Governing Body on 30 July. The Panuku capex envelope is \$100 million. The planned asset sales for the year [REDACTED] currently totals \$92.7 million. The final value of planned Panuku asset sales and prepaid leases is yet to be confirmed and may increase, depending on the portion of the \$244 million of asset sales in the council annual plan that will be allocated to Panuku. The process of allocating the total asset sales is progressing. More details of the capital projects and asset sales are included in attachments 5 and 6 of this report respectively.
4. The Corporate Business Plan sets out our business priorities to respond to our current context and address the four business objectives: Maintaining delivery momentum, within our means; Building leadership capability and embedding collaborative behaviour; Telling our story; and Adjusting to the new environment and ongoing change.
5. The Statement of Intent and the Corporate Business Plan indicate that with a reduced capex budget our focus will be on completing current projects, critical renewals and building a pipeline of work for when funding is available, and the property market improves. Some level of activity will be maintained in all locations. The focus is:
 - Completing current projects such as waterfront promenade, marine centre village, Gasometer carpark
 - Building pipeline of future projects via work such as strategic and plan change work for the Waterfront and Onehunga, consents, due diligence for site sales and other
 - New smaller projects e.g. Wiri Playground, Manukau plaza and Barrowcliffe bridge upgrades
 - Critical asset renewals e.g. Onehunga Wharf and earthquake prone buildings.
6. Panuku has supported Auckland Council throughout its response to COVID-19 and continued this during the Emergency Budget process. Like Auckland Council and our CCO whanau, Panuku has made savings across its business by stopping recruitment of vacant positions and reviewed its contractor workforce, achieved voluntary salary reduction by 72% of our people earning over \$100,000; and carefully managed expenditure to the end of the year, only spending on critical projects and programmes.
7. Going forward into the new year, Panuku needs to continue to manage the impacts on our property portfolio revenue linked to the financial health of our commercial tenants – mainly food and beverage, and a few very large commercial tenants. We will continue to monitor the risk of business failure, causing rent loss and potential difficulty finding new tenants as the shape of economic recovery is not yet clearly predictable. We will also closely monitor the risk to superyacht income budgeted for in 2020/2021 due to uncertainties to border restrictions and America's Cup 36 (AC36) event attendance.

8. There is also significant uncertainty ahead in the property market that could impact Panuku's asset sales targets in the Emergency Budget and SOI, which needs close monitoring and management. To manage this risk, we are looking at other opportunities working with the Crown and private sector parties interested in the work that we do and the outcomes we hope to achieve for our communities. We will work differently with partners to achieve outcomes and reasonable financial return for council, including flexible terms, collaborative and streamlined contestable processes.
9. The Emergency Budget also requires the council group to look for further efficiencies. Panuku is currently consulting with our people on a change proposal across our whole organisation. This will include disestablishing roles beyond vacancies. We need to find a balance between retaining talent to continue our pipeline of work for the coming years and cost savings. We also need to continue to deliver on our contractually committed capital programme and position ourselves to be ready for opportunities that emerge through the economic recovery.
10. Our delivery will be constrained by funding in the Emergency Budget and will impact on speed of delivery of outcomes across the region.
11. The 3.5% rates increase scenario endorsed by the council in the Emergency Budget, has a capital envelope of \$100 million for Panuku. Under this scenario, we will continue to deliver on our contractually committed capital programme of which \$45 million is invested in the waterfront. We will also continue acquisitions for Northcote town centre, complete the Gasometer carpark in Takapuna and begin construction of the Barrowcliffe Bridge in Manukau.
12. We will continue to work closely with council departments to align our urban regeneration programme with other council projects happening in town centres, such as the new library and community facility in Avondale and our urban regeneration is closely tied to the wider group's investment in other projects.
13. Panuku funds its own capital programme by selling properties and reinvesting the proceeds into the Transform and Unlock locations. The exception to this is the Waterfront, which is funded by the Long-term Plan (LTP). The reduced budget will mean that visible signs of urban regeneration progress in our communities will slow outside of the waterfront. Panuku has asked the council to consider the sale of the 6ha site at Hobsonville valued at approximately \$35 million, with \$10-\$11 million to be reinvested into the transform and unlock programme to maintain the momentum across the region. With this additional funding we could progress additional projects in our pipeline. A number of strategic acquisitions could also be brought forward, which will achieve improved development blocks, faster. Panuku and the council can take advantage of a changing property market in our town centres including Panmure, Pukekohe and Avondale.
14. Panuku is committed to supporting Auckland Council through what is a very challenging time for decision makers. Panuku has the role of balancing commercial and strategic outcomes to deliver quality urban regeneration. Panuku will continue to enable successful town centres, support the private sector to invest in our neighbourhoods and continue to deliver returns and asset sale proceeds for the council.

Matapaki | Discussion

Statement of Intent (SOI) 2020-2023

15. The SOI is Panuku's accountability document with the shareholder. It covers three years and is updated annually.
16. The SOI aligns with the annual Corporate Business Plan priorities and performance measures.
17. The draft SOI 2020-23 was approved by the Panuku Board on 19 February 2020 and was submitted to the council on 28 February, addressing the priorities and expectations in the Mayors Letter of Expectation received in December 2019.
18. As a result of COVID-19 impacts and the council's Emergency Budget, Panuku reviewed and amended its draft SOI and resubmitted it to the council on 4 June 2020, following reapproval by the Panuku Board on 2 June. The amended SOI identified the implications of COVID-19 on the programmes and business activities and contained changes to performance measures and targets, for example the Māori initiatives target was reduced from 52 to 40 due to budget impact on resources. The commercial property portfolio occupancy target was reduced from 95% to 85%, factoring in potential impact on tenants.
19. The council provided feedback to Panuku on its SOI on 1 July 2020. A copy of council SOI feedback letter is included as attachment 1 to this report. Compared to previous years the SOI contains more detailed information about the priority location programmes and the planned deliverables. It also includes case studies (breakout boxes) illustrating Panuku achievements and approaches. This has been well received.
20. Panuku has addressed all the issues contained in the feedback letter and a copy of the SOI with tracked changes is submitted to the board for approval. The final SOI 2020-2023 is included as attachment 2 of this report.
21. The significant items contained in the feedback letter relate to performance measures. Council requested more detail on the transform and unlock asset sales performance measure, the addition of a new valuation measure for general asset sales and the inclusion of project milestones to support performance measure two. The changes in the SOI that address these are:
 - a. A target of transform and unlock asset sales of \$39m has been included for the 2020/2021 year, with the following two years being subject to the LTP planning process (performance measure 1)
 - b. A list of project milestones to be achieved for the year has been included in Appendix 2 of the SOI (performance measure 2)
 - c. A new performance measure on general asset sales valuation has been included. That is the "the total value of properties disposed during the year on average is above 90% of agreed independent valuations".

22. Other items in the feedback letter that have been addressed in the SOI include:

- a. Increased alignment of SOI content to the LTP, Annual Plan and Auckland Plan.
- b. We have enhanced the programme section of the SOI, adding more information on key capital projects for the 2020/2021 year, explaining our role and other Auckland Council departments or CCO roles in relation to capital projects and also updated deliverables for the next three years, based on the prioritised list of projects.
- c. We added a paragraph under 'Financial management and group policies' acknowledging that as part of the budget.
- d. Panuku with other CCOs will contribute to the \$5m of additional savings above the savings already identified in the Emergency Budget through greater use of shared services.
- e. Additional information was added to the SOI relating to future work such as adopting relevant new Māori key performance indicators being developed by the council, streamlining of terminology such as priority location and neighbourhoods.

23. The final SOI will be submitted to the council on 30 July, following approval by the Panuku Board.

Corporate Business Plan

24. The Corporate Business Plan sets out the programme of work and business priorities, the budget, and performance measures for 2020/2021. We have adopted a new format for this plan to reduce duplication with other key documents, such as the Statement of Intent.

25. The Corporate Business Plan responds to the challenging context arising from the on-going COVID-19 pandemic, the resulting impact on the NZ economy, the property market and the Auckland Council group budget and services.

26. It also builds on significant engagement between the Panuku Board and Executive over recent months considering the implications, the opportunities for working in new ways with partners, the need to prioritise projects and resources and to find ongoing efficiencies and cost savings.

27. The Corporate Business Plan does not cover business as usual activities of the company or areas of business improvement unless they positively impact on the delivery of the company's current year priorities. Business as usual and business improvement activities are covered in the next level of detailed plans; directorate and team plans.

28. The Corporate Business Plan outlines the company's:

July 2020

- Planning context and assumptions
- Strategic framework
- Objectives for the year
- Business priorities
- Summary budget
- Performance measures and targets.

29. The Corporate Business Plan is included as attachment 3 to this report for approval by the board.

Budget

Total budget 2020/2021

30. The budget was last presented to the board on 19 May with total savings of \$5.5 million. The savings in response to the Emergency Budget included \$4.4 million in people costs, \$0.9 million of other expenditure within the Panuku Company and \$0.2 million of expenditure in marina operations in the Managed Portfolio.
31. Table 1 below summarises the draft budget previously approved by the board, with the \$5.5 million savings. There have been 2 classification changes, at the request of the council - the transfer of the share of profit from Waste Disposal Services which had to date been shown as a reduction in revenue in the managed portfolio of \$3.1 million has been moved below the net surplus, as has the depreciation expense for the managed portfolio of \$11.6 million. The Panuku company revenue and expenditure in the second column has not been changed.

FY21 - Draft Budget \$M	Managed Portfolio	Panuku Company	TOTAL
Revenue	48.2	36.3	84.5
Expenses	42.6	36.3	78.9
Net Surplus/(Deficit)	5.5	0.0	5.5
Capital	86.8	0.0	86.8
Strategic Development Fund	13.5	0.0	13.5
Total Capex	100.3	0.0	100.3

Table 1

Managed Portfolio and Priority Locations revenue and expenditure

32. In table 2 below, we have allocated the total Panuku budgets for the 2020/2021 year (revenue and expenditure) to the main the two business areas, Property Management and Priority Location and sub-categories. This included apportionment of Panuku company costs and offsetting matching revenue across the two business areas. Overall, there were no material variances and the allocations are consistent to last year.

PRIORITY LOCATION REGENERATION			PROPERTY MANAGEMENT		
\$M	Budget FY2020/21	Budget FY2019/20	\$M	Budget FY2020/21	Budget FY2019/20
Revenue			Operating Revenue		
South	0.7	0.7	Property Portfolio	27.2	29.9
Allocation of Panuku Company	24.7	27.8	Marina	19.5	17.5
Total Revenue	25.4	28.5	Business Interests	0.4	0.1
			Public Space Maintenance	0.4	0.4
Expenses			Allocation of Panuku Company	11.6	13.1
Waterfront	4.0	4.0	Total Revenue	59.1	61
North	1.3	1.9			
South	2.6	2.6	Operating Expenditure		
West	1.3	1.6	Property Portfolio	10.6	9.5
Isthmus	2.1	2.7	Marina	13.7	9.5
Regional	1.3	1.0	Business Interests	0.8	0.6
Contingency	0.6	1.3	Public Space Maintenance	4.3	3.2
Allocation of Panuku Company	24.7	27.8	Allocation of Panuku Company	11.6	13.1
Total Expenses	37.9	42.9	Total expenditure	41.0	35.9
Net Deficit	(12.5)	(14.5)	Net Income	18.10	25.10

Table 2

Panuku company

33. The Panuku company holds the cost of the people who work within our key locations, the cost of our building occupancy, governance, the Viaduct Marina South which is the remaining asset owned by Panuku and other expenses which fund our strategic direction and corporate good.
34. Revenue is generated through recharging of staff time to operational and capital projects in priority locations included in regeneration and the work undertaken on behalf of council for acquisition and disposal and optimisation of property.

35. Additional income is generated via a management fee for running the marinas and revenue from berthage for the Viaduct South Marina. The balance of the revenue is from council funding which is budgeted at a balancing amount to bring the Panuku company into a nil net surplus position.

PANUKU COMPANY		
\$M	Budget FY2020/21	Budget FY2019/20
Council Funding	15.5	21.1
Recharges	16.9	18.4
Viaduct Marina	3.4	0.7
Other Revenue	0.6	0.7
Total Revenue	36.4	40.9
People Costs	28.1	32
Building Rental	1.7	1.7
Audit	0.4	0.6
Director Costs	0.5	0.6
Viaduct Marina South	1.0	0.6
Other Expenses	4.7	5.4
Total Expenses	36.4	40.9
Net Surplus	0	0

Table 3

Capital expenditure

36. We have allocated the \$100 million capital budget in line with the allocation confirmed by the Portfolio Governance Group (PGG). A detailed list of projects is included in Attachment 4. The table below summarises at a high level the budgeted spend by Priority Location with a comparison to last year's budget. Further information is included below in the Priority Location Portfolio section. The Waterfront and Northcote programmes account for a significant portion of the capital spend. The Waterfront will be completing a number of capital projects already underway and we will complete the remaining Northcote town centre acquisitions.

CAPITAL EXPENDITURE		
\$M	Budget FY2020/21	Budget FY2019/20
Waterfront	43.7	69.9
North	22.2	34.6
South	6.8	7.8
West	7.5	21.3
Isthmus	2.7	9.7
Regional	2.6	7.7
Renewals	9.7	10.3
Contingency	5.0	
Total Capital	100.3	161.2

Table 4

Priority Location Portfolio

37. Attachment 4 to this paper provides a spatial overview of each priority location and each regional programme. These plans are intended to pictorially capture the approved programme business cases and summarise the programme presented to the board in May when the annual funding allocation was made with indicative budgets.
38. The only programme excluded from the set of spatial overviews is the Ormiston programme; this programme is an existing development agreement, with masterplan, and development of a spatial overview has not been prioritised. Unlock City Centre has been merged with the Supports programme, reflecting the focus on development agreements only in this location.
39. The Programme Steering Group (PSG) has worked with the Priority Location Directors to review all projects and has agreed an allocation of funding based on the draft Panuku Investment Prioritisation Framework. This has been confirmed by the Portfolio Governance Group (PGG).
40. The total budget for the priority locations of \$100 million is noted in the table 4 above. Attachment 5 to this report provides an overview of the projects planned to be funded from the \$100 million budget approved by the council.

41. In summary, a significant portion of the funding is allocated to existing projects, which are in-flight. This includes capital projects in delivery in the Waterfront programme and acquisitions in Northcote. Uncommitted funding is allocated across the region, with the greatest level of funding in Manukau, Avondale, and Takapuna, which largely reflects the ability of capital projects to move into the deliver phase during FY21.
42. To allow close management of capital spend for FY21, capital budgets will be held and managed by the PSG and only allocated to projects via the approved project management processes. At the end of each quarter, progress will be reviewed, and funding may be reallocated. This will allow all allocations to be monitored over the financial year and adjustments made as required. Adjustments to portfolio allocation will be reported to the board quarterly.

Asset sales and recycling

43. Council has approved \$244 million of assets sales in the Annual Plan 2020/2021. The allocation of the asset sales across the group is being progressed and through this process Panuku will receive its portion of the overall asset sales target. Panuku has been engaging with the council on the asset sale discussions and options, including a new property clearance process.

44. To date Panuku has identified \$92.7 million of asset sales and prepaid leases.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

Hīraunga | Implications

Ngā ritenga ā-pūtea | Financial implications

46. The final Panuku budget is in line with the 3.5% rates increase approved by the council, resulting in a capex budget of \$100 million. The uncertainty relating to a 2.5% rate increase and a lower capital budget of \$90 million budget has been removed.
47. The 19 May budget revision included a \$4.3 million reduction in revenue in FY21 due to expected lost revenues through default, distressed tenancies and rent relief policies for the residential, commercial, marina and other asset classes. In the FY20 year rental abatements of \$3.5 million have been processed and a further \$3.1 million of abatements are currently forecast to be made in FY21. Any increase above the revenue reduction will have an impact on the property portfolio surplus budgeted. Closer monitoring and management of tenants under hardship will help minimise this risk.
48. The FY21 budget currently includes \$8 million of revenue for superyachts for AC36, there is a risk that due to current border restrictions that this revenue may not fully eventuate. We will monitor this risk closely.
49. Within the priority locations, the project list remains inside the anticipated Panuku capital budget envelope.
50. A contingency sum has been identified, through a combination of project specific risk assessment and portfolio contingency calculation. This will mitigate the financial impacts of risks.

Ngā raru tūpono me ngā whakamaurutanga | Risks and mitigations

51. The table below details key risks and mitigations associated with the delivery of the SOI and Corporate Business Plan, including budget allocation and ongoing management of approved funds. The extended risk report presented to the Audit and Risk Committee has all risks and mitigations in relation to Panuku.

Risk	Mitigation
<ul style="list-style-type: none"> • Waterfront and Northcote programmes are heavily weighted in the budget. They account for a significant portion of the capital spend for 2020/2021. 	<ul style="list-style-type: none"> • Proactive communications internal and external stakeholders about existing contractual commitments and project phase. • Funding of small initiatives in the south which are more readily progressed to physical delivery.

<ul style="list-style-type: none"> • A perception that spend is inequitable with large sums being invested in the Waterfront and Northcote as a result of project lifecycle • A perception that locations are being deprioritised or promised projects are no longer being delivered 	<ul style="list-style-type: none"> • Tracking of project progress via baselined milestones and capital spend for Waterfront. Most projects underway. • Complete acquisitions via use of PWA section 23 (compulsory acquisitions). Also, the Northcote capital spend funded by the SDF is a temporary arrangement that will be repaid via site sale.
<ul style="list-style-type: none"> • Inability to spend all funds, noting that some expenditure is reliant on development partners progressing their works, or compulsory acquisitions being progressed 	<ul style="list-style-type: none"> • Tracking of project progress via baselined milestones, with in-depth quarterly review of progress on all projects. • PSG management of all capital funding to maintain oversight and allow rapid reallocation. • Maintenance of 'below the line' projects which can be moved into construction/delivery quickly if projects are delayed.
<ul style="list-style-type: none"> • Risk to sales targets from inability to attract development partners due to uncertain property market 	<ul style="list-style-type: none"> • Partnership new approaches. • Monitoring of the property market.

Tauākī whakaaweawe Māori | Māori impact

52. In the priority locations, some projects where Mana Whenua have been closely engaged may have been deferred or had elements of delivery deferred to later years. These impacts will be managed on a case by case basis by the project teams concerned.

53. The Corporate Business Plan has a commitment to continue implementation the Māori Outcomes Framework, albeit at a slower rate.

Ngā whakaaweawe mō te hunga whaipānga | Stakeholder impacts

54. There is potential that the project list will be perceived by some stakeholders including local boards, as not meeting the promises made by Panuku. However, no projects have been removed from the portfolio, they have instead been deferred to later years.

55. The stakeholder engagement team has been kept informed of changes in project lists and allocation, and communication strategies developed to minimise impacts.

Ngā whakaaweawe rauemi | Resourcing impacts

56. All proposed projects have allocated Project Leads and resources are expected to be provided by both in-house expertise and external suppliers.

Tauākī whakaaweawe āhuarangi | Climate change impacts

57. The proposed allocation of funding has been optimised to best support regeneration of the town centre, which has a positive impact on climate change through improved utilisation of existing infrastructure and support of transit orientated development.

58. The Corporate Business Plan includes a commitment to continue implementation of the Climate Change Strategy.

Ngā koringa ā-muri | Next steps

59. PSG will manage all allocations of funding in accordance with the attached project list, until the end of the first quarter in September.

60. In September, progress against expenditure targets and timelines will be reviewed, and any changes to allocations will be recommended to PGG for approval. A similar review will be undertaken in December and March 2021.

61. Decisions may need to be recommended to the Panuku Board if changes are proposed which impact board approved milestones and outcomes. These decisions will be by way of the PfMO Quarterly Portfolio Report.

Ngā tāpirihanga | Attachments

Attachment 1: Statement of Intent 2020/2023

Attachment 2: SOI feedback letter

Attachment 3: 2020/2021 Corporate Business Plan

Attachment 4: 2020/2021 Priority location spatial delivery plans

July 2020

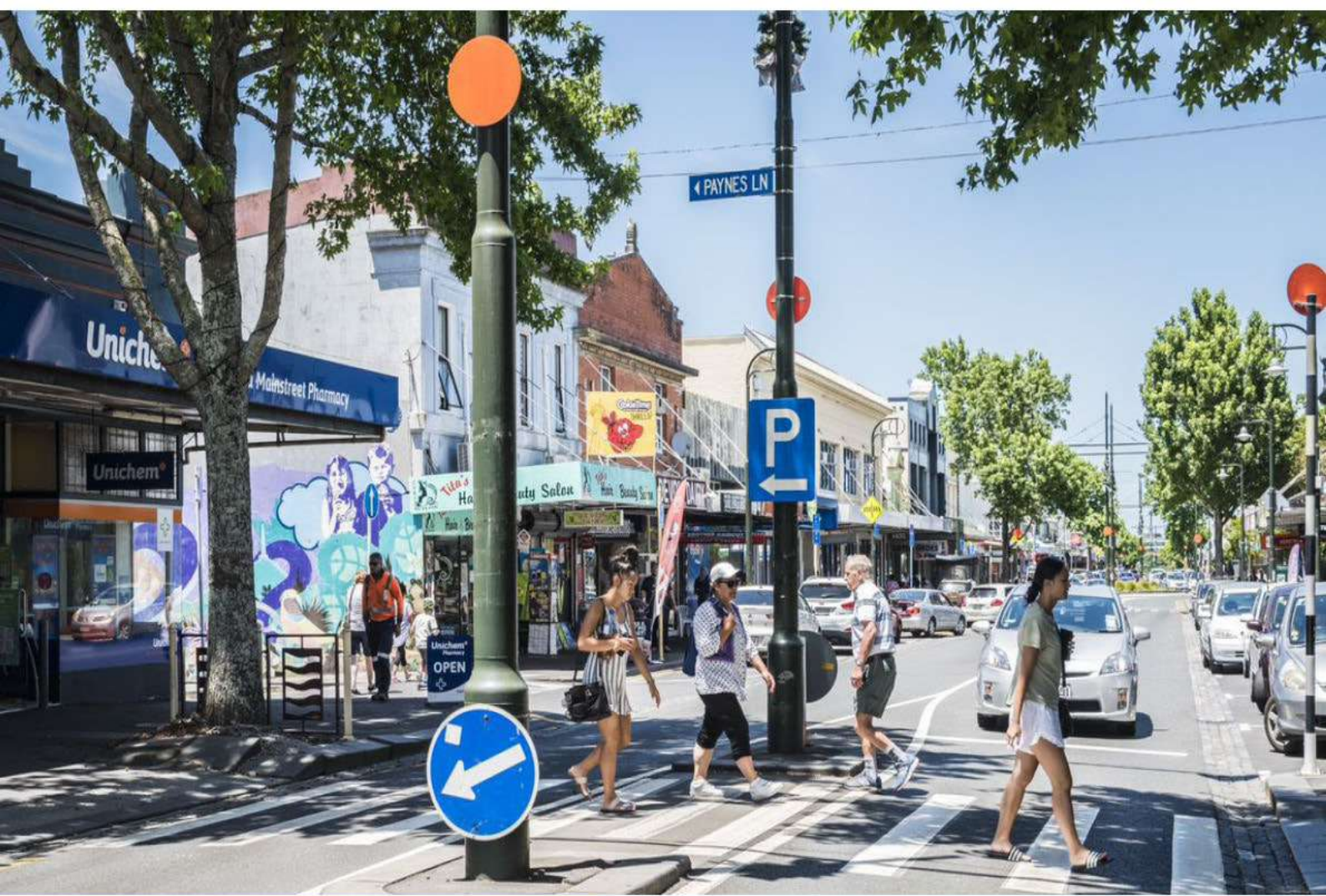
Attachment 5: 2020/2021 Panuku projects and budgets

Attachment 6: 2020/2021 Asset sales list

Ngā kaihaina | Signatories

Brenna Waghorn - GM Strategy & Planning

David Rankin - Chief Executive (acting)



Panuku Development Auckland

Statement of Intent
2020-23





He Mihi

E ngā mana whenua, e ngā iwi e noho haumarū ana ki raro i ngā maunga whakahii o Tāmaki Makaurau, tēnā koutou kātoa. Mo te oranga o ngā iwi kātoa, me kaha tātou ki te mahi tahi hei tūtuki i ngā wawata o tēnei wāhi whānui.

To the people of the land and those residing under the sacred volcanic mountains of Auckland, greetings to you all. Let us all work together to fulfil our dreams so that we may all prosper in this beautiful city.

Message from the Chair and Chief Executive



The year 2020 will be remembered as the year of the Covid-19 pandemic. This unprecedented event has proven that building a city of neighbourhoods is more important than ever. Living in close communities, with good access to local shops, open spaces and sustainable transport, is not only convenient but also brings safety, security and a sense of belonging. Out of constraint comes creativity, and we are balancing the uncertainty the pandemic brings with cautious optimism about what can be achieved.

Within the constraints of the reduced budget, projects will continue across the priority locations where we work such as new public spaces in Wynyard Quarter, the next stage of the waterfront promenade linking Westhaven Marina to the central city for walkers and cyclists, a new multi-storey carpark in Takapuna which will enable the development of the Anzac Street carpark into a mix of apartments, shops and a new public space and improved walking and cycling connections in Manukau. While significant capital investment is delayed, we will continue with critical works such as contamination remediation, site subdivision and works to prepare sites for sale and redevelopment, masterplanning and preparation for plan changes.

The pandemic isn't the only serious global event that impacts our work. The significance of the climate emergency and the need to reduce emissions cannot be ignored. Panuku plays a critical role, on behalf of Auckland Council, to help create low-carbon, resilient communities.

Mana whenua are significant partners for Panuku. Our shared outcomes framework intends to achieve substantial improvements for Māori wellbeing across Tāmaki Makaurau. Identifying cultural and commercial opportunities for mana whenua is part of this.

Partnering with the private, public and third sectors is critical for us, as we do not typically undertake developments ourselves. There will be opportunities for new and different forms of partnering with the private sector, Kāinga Ora Homes and Communities (Kāinga Ora), Iwi and Community Housing Providers, as we work with others to assist the economic recovery and provide new homes and improved amenity.

Panuku is looking forward to delivering great place-led outcomes with local boards and supported by our communities, in the coming three years on behalf of Auckland Council.

Table of Contents

Purpose of Statement of Intent	4
About Panuku.....	4
Supporting implementation of the Auckland Plan.....	5
Panuku Strategic Framework	7
Panuku Intentions.....	9
Priority Location Programme - Deliverables.....	14
Approach to Governance.....	29
Communication.....	30
Performance Measures	31
Capital Project Milestones 2020/21	39
Summary of Financials.....	40
Other financial information	43

Purpose of Statement of Intent

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Panuku Development Auckland (Panuku) for the next three years, and the objectives to which those activities will contribute. This SOI also includes performance measures and targets as the basis of organisational accountability. This SOI was adopted by the Panuku Board in June 2020.

About Panuku

Panuku Development Auckland (Panuku) is the only council CCO responsible for urban regeneration in Tāmaki Makaurau. We also manage a diverse property portfolio and deliver property services on behalf of Auckland Council.

The purpose of Panuku Development Auckland (Panuku) is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities.

Panuku will manage council's non-service property portfolio and provide strategic advice on council's other property portfolios. It will recycle or redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes. It will undertake, assist or advise on any other property-related development, management or transformation activities specified by Auckland Council. (*Panuku constitution*)

Panuku gives effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:

1. Facilitating redevelopment of urban locations
2. Accommodating urban growth through redevelopment
4. Developing the Auckland waterfront
5. Strategically create value from assets
6. Promoting Māori identity and wellbeing

Panuku was established four and a half years ago as a merger of Waterfront Auckland and ACPL. Panuku has two core functions, urban regeneration and property services. With the approval of the council we have advanced urban regeneration programmes in 12 locations, mostly town centres with existing or planned mass transport. After significant engagement with communities, local boards, stakeholder, mana whenua, plans are in place and delivery is underway.

What we do

The activities of Panuku cover four broad areas:

- Regeneration and redevelopment of urban locations by making the most of Auckland Council owned land, mostly within the existing suburbs.
- Sell Auckland Council's surplus property and, where appropriate, the review of council's service property for optimisation and redevelopment opportunities.
- The management of the council's assets/property including commercial, residential and marina infrastructure, or redevelopment incorporating a service delivery function.

- Other property-related services such as strategic property advice, place making, acquisitions, and disposals.

We balance financial and non-financial outcomes in order to create and manage sustainable and resilient places where people want to live, work, invest, learn, and visit.

Supporting implementation of the Auckland Plan

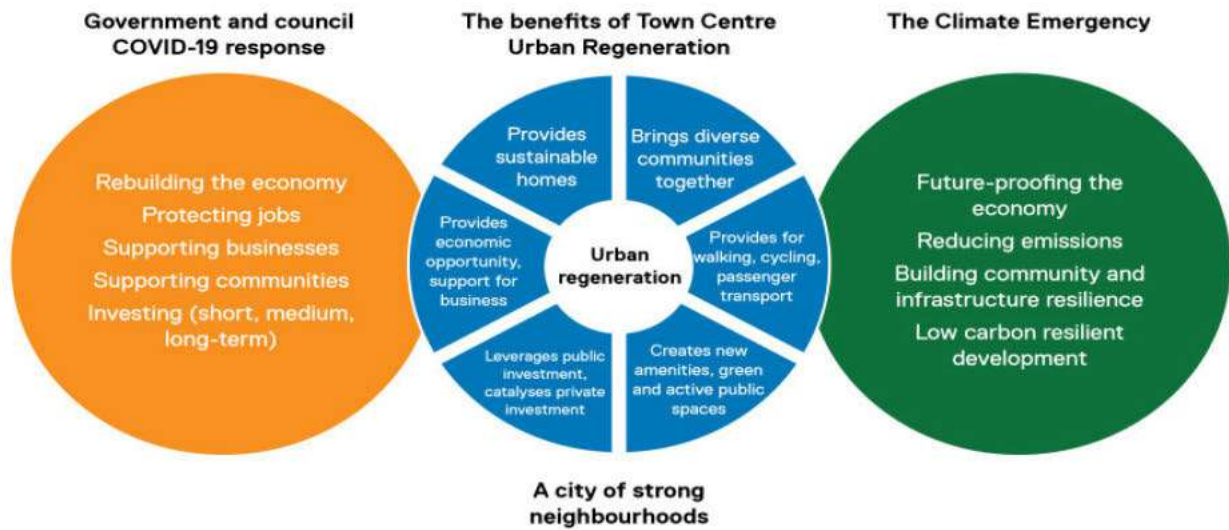
Auckland Council has determined through the Auckland Plan, that a quality compact urban form is the most effective way to provide infrastructure and services now and in the future. It has ambitious plans to accommodate two thirds of future growth within the existing urban area and to achieve net zero emissions by 2050.

The facilitation of [brownfield](#) and town centre [regeneration](#) redevelopment is a significant factor in the achievement of [quality compact urban form](#).



The Auckland Plan Development Strategy guides the sequencing of development to enable for targeted investment by Council. It identifies six nodes and 18 development areas where it envisages that most of the growth and development will occur within the existing urban area over the next 30 years. Most of Panuku's priority development locations are aligned with the Development Strategy. The City Centre and Manukau are nodes. Takapuna, Northcote, Avondale, Panmure, Onehunga, Henderson and Papatoetoe are development areas in the strategy.





Vibrant, low carbon town centres on mass transit, with great walking and cycling access and offering housing choices and a variety of amenities and services is at the heart of the Auckland Plan, and how a high proportion of future growth is to be accommodated. Urban [regeneration](#) to create strong resilient [neighbourhoods](#) is an important tool in responding to both Covid-19 and the climate emergency (Figure 1).

Figure 1



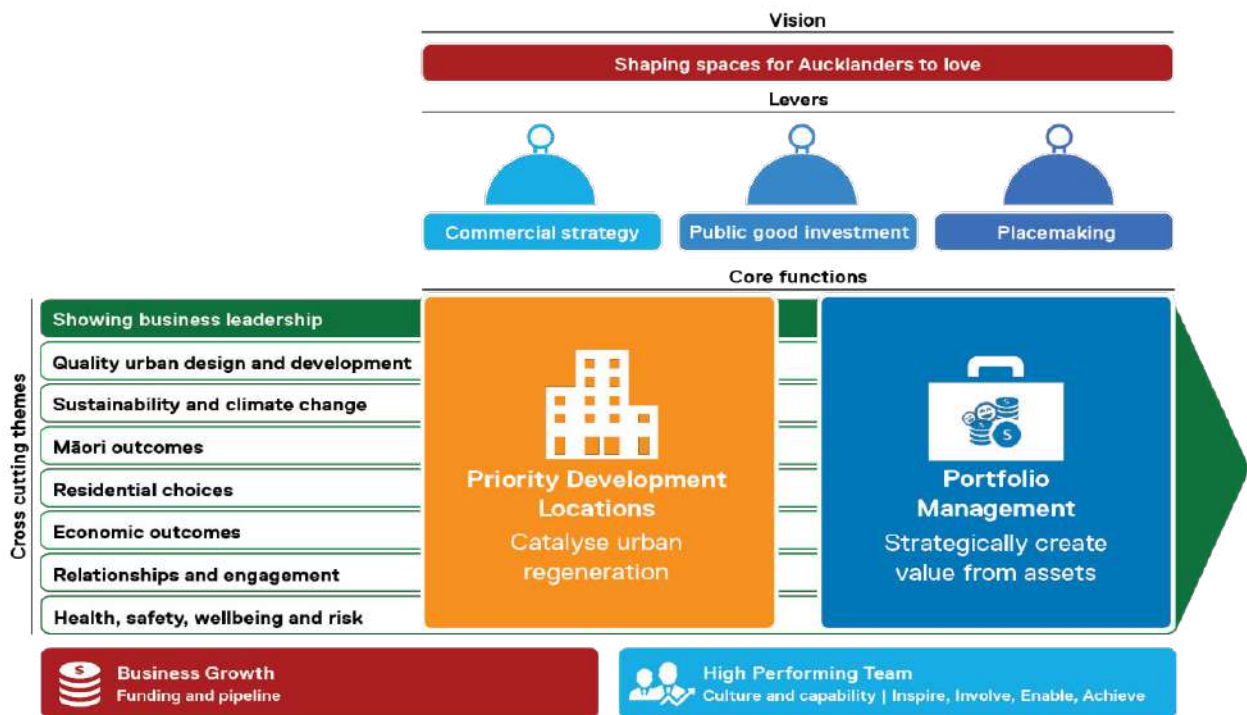
Panuku is a primary contributor to the *Homes and Places* and *Belonging and Participation* outcomes in the Auckland Plan 2050. We are also a significant contributor to *Environment and Cultural Heritage* and *Māori Identity and Wellbeing* outcomes.

Auckland Plan Outcomes	Degree of contribution	How Panuku contributes
 <p>Belonging and participation</p>	Primary	<ul style="list-style-type: none"> Facilitating place making and activation in the priority locations, in collaboration with local boards and working closely with diverse communities Improving the amenity of town centres that are accessible and attractive to all Partnering with Community Facilities to deliver accessible community facilities Engaging community on local projects
 <p>Homes and places</p>	Primary	<ul style="list-style-type: none"> Leading urban regeneration and development in Manukau, Onehunga, Wynyard Quarter, Northcote, Avondale, Takapuna, Henderson, Hobsonville, Papatoetoe, Ormiston, Panmure, City Centre, Pukekohe, and redevelopment of the Haumaru Portfolio Facilitating quality housing and housing choices to meet changing needs and preferences, working with Kāinga Ora, iwi groups, Community Housing Providers (CHPs) and private partners Creating quality public spaces for the future that are inclusive, accessible, and contribute to urban living and civic life

 <p>Maori identity and wellbeing</p>	<p>Primary / Secondary</p>	<ul style="list-style-type: none"> • Providing commercial development and capacity building opportunities • Reflecting mana whenua mātauranga and Māori design principles in public realm projects to showcase Māori identity • Providing place-making opportunities to celebrate and showcase vibrant Māori culture including working with rangatahi and supporting te reo Māori to flourish • Enabling Māori to express kaitiaki role through environmental monitoring and place-making
 <p>Transport and access</p>	<p>Secondary</p>	<ul style="list-style-type: none"> • Facilitating low carbon transit-oriented development by bringing housing and people closer to transport networks, to leverage the existing investment and provide increased transport choices • Partnering with Auckland Transport and Waka Kotahi (NZTA) to facilitate transport infrastructure and service improvements in priority locations and improved connectivity as part of integrated planning to make walking, cycling, and public transport the preferred choices for more Aucklanders • Leading property disposal and redevelopment opportunities arising from completed and proposed transport projects
 <p>Environment and cultural heritage</p>	<p>Primary / Secondary</p>	<ul style="list-style-type: none"> • Facilitating intensive development in town centres, to support a quality, compact urban form and more sustainable transport modes • Facilitating energy and water efficient homes • Partnering with others to restore environments as Auckland grows, to facilitate stream and open space enhancements and more sustainable transport modes • Place-led design to ensure that new development best reflects the character and indigenous stories of an area or place
 <p>Opportunity and prosperity</p>	<p>Secondary</p>	<ul style="list-style-type: none"> • Partnering with Auckland Tourism, Events and Economic Development Limited (ATEED) and The Southern Initiative (TSI) to integrate economic outcomes in the regeneration of town centres • Creating commercial and strategic value from surplus sites and the council portfolio of assets • Using social procurement to provide local training and employment, lifting communities' skills and opportunities

Panuku Strategic Framework

Our strategic framework is captured in the following diagram which illustrates our vision, core functions, strategic outcomes, and business objectives.



Our work programme and key milestones for the next three years in the priority locations to catalyse urban regeneration are detailed on pages 16-26.

We manage a large and diverse portfolio including residential and commercial properties, vacant sites, marinas, quarries, landfills, character buildings and other properties. We aim to optimise this portfolio to achieve both strategic objectives and financial returns to council. With expertise in property management, leasing, renewals, acquisitions, redevelopment, marketing and sales, we provide a shared service to the council whānau.

Our role includes working with the council whānau to identify surplus and underutilised council property including assessing the opportunity for redevelopment projects.

INSIGHT:

Haumaru Housing: Sustainable homes for people whose needs are changing

In late 2019, Panuku completed the first Haumaru Housing development in Henderson. The project, known as Wilsher Village, provides 40 new one-bedroom apartments for people over 65. The development has achieved **Homestar 7** and incorporates many design features to support residents whose needs are changing, including accessible bathrooms, scooter charging space within apartments, kitchen designs tailored for older people's mobility, and recessed balconies that can be used year-round.

The residual vacant land behind this apartment block is to be sold. The proceeds will be reinvested into the future Haumaru Housing development programme. The development proposal for this property will provide a minimum of 75 new homes close to Henderson's town centre, schools and public transport.

The Wilsher Village project has provided us with significant knowledge for the redevelopment of other villages in the Haumaru Housing portfolio.



We are turning our attention to projects at Godley Road in Green Bay, Greenslade Court in Northcote, and several sites in other Auckland locations. These sites are estimated to deliver a total of 120 additional homes for older people in Auckland.

Panuku Intentions

Responding to Covid-19

Panuku has identified and implemented costs savings, including executive and board salary reductions for six months, reduction in contractors and restricting recruitment and procurement. ~~Consistent with the Council group, our~~ **Seventy two percent of our staff** earning over \$100,000 have **volunteered also** ~~been asked to participate in the Council salary reductions initiative~~ for six months.

We have reviewed and prioritised our programmes, focussing on activities that support the implementation of the Auckland Plan as well as ensuring that investment and activity is spread across the region. We have also identified for council and will implement the agreed asset optimisation priorities to provide revenue.

The impact on development sector has yet to play out with any degree of certainty. While we expect the majority of transactions and residential and commercial projects underway to be completed, there is significant uncertainty going forward. Business and consumer confidence will take time to return. There will be fewer partners willing and able to undertake development and urban regeneration and it may be more difficult to seek quality design, sustainability and affordability outcomes. We will have to work more proactively and consider new and different forms of partnering, including with Kāinga Ora. The Crown agency has an increased access to funding as a result of Covid-19. It is increasing its capacity and is an important partner in urban regeneration. Panuku will seek to build this partnership across the many locations where we are already working together.

The lower capex and opex budgets mean that the scale of urban regeneration activity and speed of delivery of programmes will be delayed, including capital works, which may lead to community frustration as a result of slower momentum in the programme. Our ability to participate in council group planning and projects and our leadership ability may be reduced. [Business improvement activities will continue at a reduced level.](#)

Climate action

Panuku is committed to responding to the climate emergency and taking action on climate change, supporting the delivery of Te Tāruke-ā-Tāwhiri: Auckland's Climate Action Framework (ACAF).

Panuku has outlined two objectives that set the framework for the climate work programme:

1. New communities in Panuku priority locations are designed and developed to be low carbon and climate resilient.
2. Panuku leads by example through reducing climate impact across its own operations and asset management function.

Key aspects of the work programme consistent with ACAF involve:

- Delivering urban regeneration that reduces carbon emissions and energy use, conserves resources, minimises waste, and promotes a low-carbon lifestyle where people can live, work and play near to their homes and public transport.
- Ensuring that masterplans and developments address climate change adaptation and resilience in response to specific local risk.
- Adopting energy efficient, low-carbon standards for residential and commercial buildings.
- Promoting the use of green infrastructure, water sensitive design principles and biodiversity values.
- Supporting the council whānau and partnering with government and other agencies to share insights and best practice, growing our capability in climate response.
- Implementing a management plan to achieve emission reduction targets for the Panuku organisational carbon footprint.

Priorities for the 2020/21 financial year include piloting a tool to measure and better understand the carbon impact of Panuku developments and to drive improved outcomes; continued work to assess future climate impacts, risks and vulnerabilities [and responses](#) in the priority locations, the rolling out of low carbon standards for commercial developments and public realm projects, accelerating sustainable procurement activity, and developing a work programme to address climate impact across our asset management function. [These planning, design and standard setting activities guide the development and business activities, contributing to achieving climate change and other environmental outcomes of the council.](#)

Māori outcomes

In 2019, Panuku co-developed a Mana Whenua-Panuku Outcomes Framework to respond to the aspirations of mana whenua. The Outcomes Framework intends to achieve significant improvements for Māori wellbeing across Tāmaki Makaurau. It is organised into five pou: Governance, Wellbeing, Culture and Identity, Economic, and Natural Environment.

Panuku will implement the actions within the Outcomes Framework over three years. Priorities for 2020-21, to partner with Mana Whenua, include:

- Create more commercial and social procurement opportunities for mana whenua
- Enable mana whenua to exercise their role as kaitiaki on projects and activations

- Build the capacity of mana whenua artists and create more opportunities to whakamāori Panuku-led projects
- Support the normalisation of te reo Māori and develop a capability-building programme for Panuku staff.

The outcomes in the Mana Whenua-Panuku Outcomes Framework will complement *Kia ora Tāmaki Makaurau* – the Auckland Council Group strategy that will give practical expression to the Māori outcomes in the Long-Term Plan. Panuku is also an active member of the Māori Outcomes Steering Group that allocates the Te Toa Takitini funding.

Panuku looks to Auckland Council as the tuakana [big-sibling] of the kaunihera whānau, and actively works to support our shared work.

Panuku also has a support role in assisting the Auckland Council Group to respond to the Te Tiriti o Waitangi Audit programme lead by the Independent Māori Statutory Board.

The Council group is developing key performance indicators (KPIs) relating to engagement with Māori and contributions to Māori Outcomes. We will include relevant measures from this work in our future SOI.

Enhancing Partnerships

Panuku will continue to enhance its partnerships to achieve regeneration and redevelopment outcomes and optimise council property opportunities.

- **Kāinga Ora** - We are working together in a number of our shared locations such as Northcote, Hobsonville, Avondale, Henderson and Manukau, places where the crown and council own land. As partners we bring different skill sets, funding and property to the table to achieve shared objectives agreed through joint masterplanning. Increasingly standardised ways of working together will be more efficient, while recognising that the projects we do together will vary by location. Panuku will also engage with the council where Kāinga Ora anticipates using of its new powers.
- **Haumarū Housing** - Haumarū Housing is a partnership between Auckland Council and the Selwyn Foundation. Panuku will continue working closely with Haumarū Housing, as we redevelop the council's existing homes for older people, raising the quality and increasing the number of properties in the portfolio. Panuku is focusing on redeveloping the next group of properties in the portfolio following the completion of Wilsher Village in Henderson. The homes will be sustainable and accessible.
- **Working collaboratively with local boards** - Our local board engagement is responsive to individual local board requirements as part of our best practice approach. Panuku has agreed with local boards on defined engagement processes has developed processes with local boards for engagement on development proposals, site sales, property optimisation and public realm upgrades. We also work very closely with local boards on place making, commercial place operations, communications and engagement. Panuku will continue to work collaboratively with local boards, including attending workshops and local board meetings.
- **Auckland Transport** - Auckland Transport is a critical partner of Panuku in urban regeneration. Our priority locations were selected, in part, due to the proximity of rapid transit rail and bus services (e.g. Takapuna, Henderson, Avondale, Panmure, Onehunga and Manukau). Many of the council sites for development are at-grade car parks and need to be released for development by AT once a comprehensive parking strategy has been agreed. We are working closely with AT to ensure that the urban development opportunities are considered when property is purchased for transport services to create a usable pipeline for development. Where we are reinvesting in public good projects such as into main streets that support regeneration programmes we work closely with AT, to leverage investments, coordinate and/or integrate projects where appropriate.

- **Auckland Council whānau** - Successful regeneration requires integrated planning and investment from across the council whānau. Panuku will continue to involve other CCOs and council departments in our work programmes, from project planning to implementation. With the council whānau, we continue to work towards agreed and aligned plans to achieve holistic urban regeneration, to leverage council, Crown and private investment and increase effectiveness and ensure value for money.

Optimising property opportunities

Panuku will continue to work with the council whānau to identify surplus properties that are underutilised but provide opportunities for future regeneration and redevelopment.

Panuku will develop and promote options to maximise a property's performance, as well as identifying new commercial opportunities. Panuku assesses these opportunities against ~~our~~ council's strategic direction, considering commercial feasibility and long-term value. At a property level, Panuku will continue to provide key strategic investment advice ~~to council~~, leads site research, due diligence and undertakes statutory processes as per our implementation plans. The sale of surplus properties outside our ~~priority locations~~ ~~neighbourhoods~~ provides proceeds that contribute to funding the council's capital programme and the reduction of council debt ~~as part of the Emergency budget~~.

Panuku will continue to deliver the following regional redevelopment programmes:

- **Service Property Optimisation** - Panuku, community services and local boards work together to identify and release value from underperforming service assets in order to fund local services while supporting urban regeneration. Projects must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects. ~~Panuku leads the commercial feasibility and disposal process and negotiating development outcomes.~~
- **The Corporate Property Programme** - creating a fit-for-purpose and future-proofed corporate property network that will result in a new property portfolio that is better aligned to how council provides services to local communities. ~~Corporate Property sets out the outcomes, Panuku leads the sales process and negotiating development outcomes.~~
- **Auckland Transport Park and Ride Redevelopment** is a joint venture between AT and Panuku ~~aimed at providing an appropriate strategy to identify ways~~ to accommodate ~~both~~ transport service requirements at designated council owned park and ride sites ~~while simultaneously exploring and~~ mixed use development ~~opportunities options with and positive urban regeneration and urban design outcomes. The sites on which AT operate park and rides are underutilised, single use land with untapped potential in which large amounts of capital is locked up.~~ These ~~underutilised~~ sites provide opportunities ~~to undertake for~~ integrated transit orientated developments (TODs) close to amenities and reliable and frequent public transport, opportunities which the Council Group has not ~~previously~~ progressed. ~~TODs will contribute to climate change goals of the council through encouraging use of public transport and reducing greenhouse gas emissions from transport. AT's role is to determine the transport function and ongoing operations. Panuku leads the sales process and development outcomes.~~
- **Supports programme** – the development of strategic sites not within the priority locations.

INSIGHT:

Implementing Auckland Council's Corporate Property Portfolio Strategy

Auckland Council's Corporate Property Portfolio Strategy was approved in May 2018 to create a more efficient and effective office network for the organisation, to best house its people and deliver its work to communities. The strategy uses the sales proceeds from seven former council offices that are no longer required to enable the council to deliver a more efficient hub-and-spoke office network. Many of the sites are in our [priority locations neighbourhoods](#) and their redevelopment will contribute to town centre regeneration objectives. Panuku has collaborated with Auckland Council's Corporate Property team to progress the sale of seven properties, six of which are former council offices.

Completed sales

- 35 Graham Street, Auckland city centre – The office building, which currently houses Auckland Council's Regulatory Services teams was sold for \$58 million to Asset Plus (NZX listed company). Auckland Council has entered into a leaseback agreement.



- 6 Henderson Valley Road, Henderson, was sold to Laidlaw College Foundation for \$26.8 million. The sale includes two buildings and adjacent land but excludes the Civic Building which houses the Council Chamber, a Japanese garden, City Rail Link land and internal road and greenway. The sale will also contribute to the regeneration of Henderson.

The remainder of the properties in the programme are going through the stages of planning, and sale process.

Priority Location Programme - Deliverables Neighbourhoods



Panuku leads the urban regeneration of [priority locations](#) neighbourhoods which forms the priority location programme. The programme is agreed upon with Auckland Council and includes three transform and nine unlock [locations neighbourhoods](#). The following table summarises each of the [priority location's neighbourhoods](#)' agreed vision, goals and project deliverables for **the next three years**.

FY20/21 Focus

With a reduced capex budget there is a focus on completing current projects, critical asset renewals and building a pipeline of work for when funding is available, and the property market improves.

Significant projects for 2020/21 include the Pile Berth redevelopment to increase Westhaven Marina capacity, completing the Westhaven Promenade Stage 2 waterfront walkway, the Westhaven Marine Village for marine related businesses, AC36 Superyacht Infrastructure, acquisition of Northcote ground leases to enable town centre renewal, site sales works to enable development of commercial buildings in the Wynyard Quarter, the Precinct Stage 3 and 30 Madden St (Willis Bond), and the Takapuna Gasometer car park.

Small local projects will be progressed e.g. Wiri Playground, Manukau plaza upgrades and Barrowcliffe bridge. Larger projects proposed for delivery have been delayed so that funds can be allocated to project design phases in order to maintain a pipeline of future activity. Plan Changes will be advanced for Onehunga Wharf and the waterfront.


Critical asset renewals include e.g. Onehunga Wharf and earthquake prone buildings.


We will continue property services such as Marina and Property operations and lease management.


Panuku's other focus for its capital work programme is preparing large sites for the market (e.g. sites in Northcote, Avondale and Onehunga). Panuku's role includes masterplanning to determine the design and development outcomes, as well as identify suitable development partner/s through an appropriate process and negotiating development agreement.


The FY20/21 milestones for the programme are captured in performance measure no.1 and listed in appendix 2.


Our priority locations **Neighbourhoods**


Programme name	Description (vision/outcomes)	Deliverables
<p>Unlock Northcote</p> 	<p>The Northcote of 2030 will be a growing community, with a lively and welcoming heart that celebrates culture, where businesses thrive.</p> <p>Regenerating the shopping centre into an accessible, modern mixed-use town centre where people can live, work, play, and stay; where cultures are celebrated and connected by the Awataha Stream.</p> <p>We are partnering with Kāinga Ora in Northcote to deliver Te Ara Awataha and working together on community engagement and communications.</p> <p>The property development focus is to enable renewal of the Northcote town centre as per the benchmark master plan. Initially this will involve acquiring all the ground leases, then finalising the council community facilities plan and securing a development partner.</p> <p>We are working with the community and Kāinga Ora to create Te Ara Awataha greenway. Upgrading existing assets and creating new public space in the town centre is also a key part of the successful delivery of the benchmark masterplan.</p> <p>Placemaking is focused on bringing people to the town centre. This is going to be fundamental when development commences.</p>	<ul style="list-style-type: none"> • Market — agree a revised market strategy to seek private sector investment on development opportunities • Market — commence market process to seek private sector investment on development opportunities. • Market — agree a strategy for the redevelopment of the supermarket with a supermarket owner • Te Ara Awataha — stage 1 complete encompassing land MOU, land acquisition, earthworks and stormwater infrastructure enabling work and restoration of Jessie Tonar Reserve • Greenslade Reserve upgraded. • Acquisitions — all ground leases acquired to enable town centre renewal to be delivered (excluding supermarket and Ministry of Education Awhina property). • Agree a revised market strategy and commence a market process to seek private sector investment on development opportunities. • Progress stage one of Te Ara Awataha – commence construction along the schools' boundary and restore Jessie Scout Tonar Reserve. • Acquire ground leases in the town centre to enable renewal. • Work with council whanau to upgrade Greenslade Reserve. This will contribute to flood protection and environmental goals of the council. • Work with council whanau to complete an assessment of the community's needs.


Programme name	Description (vision/outcomes)	Deliverables
<p data-bbox="197 288 448 323">Unlock Takapuna</p> 	<p data-bbox="555 292 1137 320">Creating a safe, accessible and vibrant town centre.</p> <p data-bbox="555 336 1317 456">Panuku will be engaging closely with the community to unlock the opportunity to create a new active public heart for Takapuna and to provide new housing choices, amenity, and enhanced economic vitality.</p> <p data-bbox="555 475 1317 563">We are working closely with the council whanau in Takapuna on the new car park facility, transport strategies, new public space and streetscapes.</p> <p data-bbox="555 582 1330 730">Property development in Takapuna is focussed on bringing more residents and mixed activity to the centre of Takapuna and adding to the skyline by developing buildings of height. Sustainable and environmentally friendly development that contributes to the Green Star Community rating is important.</p> <p data-bbox="555 750 1357 837">We are working with the community to create new active public realm in the centre of Takapuna. This is largely focused on the new civic open space but includes improved streetscapes as well.</p> <p data-bbox="555 857 1357 970">Placemaking is fundamental to the design and use of the central sites in Takapuna and the new civic open space. We are working with community groups in the way that the temporary public space is used, to ensure that the permanent public space is a success.</p>	<ul style="list-style-type: none"> <li data-bbox="1391 280 1944 394">• Gasometer carpark — construction of building completed providing 420 public car spaces to support the retail and business community in Takapuna <li data-bbox="1391 418 2011 531">• Anzac Street / Hurstmere Road development — conclude a development agreement with a development partner to provide high quality mixed-use development in the centre of Takapuna <li data-bbox="1391 555 1995 612">• Anzac town square — new civic open public space construction commenced <li data-bbox="1391 636 1995 694">• Anzac town square — new civic open public space construction completed <li data-bbox="1391 702 1973 815">• Complete the construction of the Gasometer carpark which will provide 420 public car spaces supporting the retail and business community in Takapuna. <li data-bbox="1391 839 2022 952">• Conclude a development agreement to provide high-quality mixed-use development in the centre of Takapuna on parts of 40 Anzac Street and 30-34 Hurstmere Road. <li data-bbox="1391 976 1973 1034">• Finalise design of a new town square on part 40 Anzac Street and 38 Hurstmere Road. <li data-bbox="1391 1058 2011 1171">• Design and trial improvements to Huron and Northcroft streets to enhance the pedestrian journey from the new car park facility to the central retail precinct and new public town square. <li data-bbox="1391 1195 2018 1343">• Agree a revised market strategy and commence market processes to seek private sector investment on development opportunities for the site on the corner of Auburn, Northcroft and Huron streets and the site at 14 Huron Street. <li data-bbox="1391 1367 1995 1425">• Huron and Northcroft streets improvements — design completed. Improvements will enhance the



Programme name	Description (vision/outcomes)	Deliverables
		<ul style="list-style-type: none"> pedestrian journey from the new car park facility to the central retail precinct and new public town square ▲ Huron and Northeroft streets improvements—construction completed ▲ Gasometer development site—agree a revised market strategy to seek private sector investment on development opportunities ● Gasometer development site—commence market process to seek private sector investment on development opportunities.
<p>Unlock Hobsonville</p> 	<p>The objective is to deliver residential and mixed use outcomes that integrate into Hobsonville Point as a place that fosters a sense of community, where neighbourhoods are designed to be easy and safe to walk or cycle around, making it easier for people to connect.</p> <p>Panuku is facilitating more than 500 homes in Hobsonville Point through development agreements with Avanda and AV Jennings. The residential development will continue to be delivered over the next three years and we will continue to monitor implementation.</p> <p>We are partnering with Kāinga Ora in Hobsonville Point to deliver the masterplan for the adjoining mixed use area known as “The Airfields”. The focus will be on the northern area of Panuku’s development to create community facilities and commercial development, enabling employment opportunities.</p> <p>New public open space and community facilities will be the focus of the first stage of delivering the masterplan.</p> <p>Placemaking in Hobsonville Point to date has been led by Kāinga Ora. There is an opportunity for Panuku to be a part of this through development of community facilities and new public space.</p>	<ul style="list-style-type: none"> ▲ Wasp Hangar—historic building upgrade completed to enable Auckland Council Parks and Recreation Unit to use as an informal indoor court facility. This will provide activation and help meet demand in the area ▲ Sale of part of 29 Launch Road to Kāinga Ora completed to enable construction of a car park building ▲ Market process commenced to seek a development partner(s) to deliver mixed use development immediately surrounding around Wasp Hangar to create some employment opportunities and support activation of the area ▲ Wasp Square design commenced—a public space area adjacent to the Wasp Hangar ● An additional wastewater pump station designed, and construction commenced. The project will address environmental issues relating to urban population growth and intensification.


Programme name	Description (vision/outcomes)	Deliverables
<p data-bbox="203 292 439 320">Unlock Avondale</p> 	<p data-bbox="557 292 1355 443">Avondale is located close to the city centre and has excellent transport links. The location and connectivity of Avondale, along with its average house price, strongly supports its market attractiveness for a variety of housing including affordable housing and build-to-rent. The centre has the potential to accommodate significantly more residents.</p> <p data-bbox="557 459 1355 611">We are working in partnership with key landowners including Kāinga Ora to create development opportunities to enable high quality residential neighbourhoods at pace. A focus of this partnership has been working together in support of an appropriate housing mix for the centre and to create a new heart for Avondale.</p> <p data-bbox="557 627 1355 778">Public realm and community infrastructure upgrades include strengthening the link to the train station, creating a new town square and developing a new multi-purpose community facility. These investments are aimed at enlivening the heart of the Avondale town centre, building market confidence and supporting intensification.</p> <p data-bbox="557 794 1355 946">The council/crown development opportunity covers 4.4 hectares of land and will deliver around 650 800 homes and commercial spaces. Taking into account known planned and likely market-led development, there is the potential for an additional 900 1000 new homes (excluding already completed developments).</p> <p data-bbox="557 962 1355 1074">Panuku will enable development on three large council-owned development sites and we will support the crown to deliver good development and design outcomes on their sites through joint masterplanning.</p> <p data-bbox="557 1090 1355 1209">Placemaking and other initiatives will be used to improve business growth and positively influence the perception of the Avondale town centre. These will continue to be focused on the Avondale Central site building a community focus in the heart of the town centre.</p>	<ul data-bbox="1388 280 2022 802" style="list-style-type: none"> • Design an upgrade of Crayford Street West – improving connections between the station and town centre, working with Auckland Transport. • Design a new Town Square – enlivening the heart of the town centre, adjacent to the new community centre to be facilitated by council. • Finalise the sale of a key site, 1817 Great North Road, to facilitate a high quality Homestar 6 market/affordable housing. • Finalise the sale of a key site, 18 Elm Street, for high quality Homestar 6 residential development. • Identify development partner/s to deliver a staged development of Avondale Central based on the agreed masterplan, a critical town centre site – complete development agreement.


Programme name	Description (vision/outcomes)	Deliverables
<p data-bbox="197 288 465 320">Unlock Henderson</p> 	<p data-bbox="555 293 1256 472">Henderson becomes an Urban Eco Centre, enhancing the mauri of the twin streams. Using the “eco” approach to catalyse the centre towards high quality liveable growth through a safe, attractive and vibrant mixed-use environment with a uniquely Henderson identity. This will incorporate public, creative arts and sustainable Green Star quality developments.</p> <p data-bbox="555 491 1301 667">This is supported by a range of collaborative and co-funded projects with mana whenua, local board, crown and council whanau. Transformation of Henderson Valley Road into a high quality urban mixed-use residential corridor will include two new local walking and cycling links to improve connections to amenities and reduce carbon footprint.</p> <p data-bbox="555 686 1339 834">Work with Auckland Transport and City Rail Link is in progress for better walking, cycling and rail corridors. We are also looking to work with the crown in the Oratia Precinct, with the aim of creating new residential development opportunities, enhancing public amenities and creating opportunities for employment.</p> <p data-bbox="555 853 1361 970">Public realm investment initiatives like walking, cycling and enhancement of rail corridor will improve connectivity within the centre. The construction of Opanuku bridge will be the main connection to Henderson’s creative arts centre at Corban Estate.</p> <p data-bbox="555 989 1355 1074">Placemaking initiatives are creating a positive vibe in Henderson and more activities are planned, including site activations being held prior to projects being initiated.</p>	<ul data-bbox="1391 280 2018 1190" style="list-style-type: none"> • Oratia Link design – Improving connectivity in the town centre. Improving walking and cycling and contributing to the council climate change goals. • Eco centre character, the sound project, bringing sounds of nature to urban spaces. Delivered in the square outside the library • Acquisition of strategic development sites in Trading Place for future residential development. • Former council building at 2-6 Henderson Valley Road – major education hub and integral to revitalisation of Henderson. • Low carbon medium density residential development of a key site – reinventing Cities (C40) initiative. An exemplar development that contribute to the council’s climate change goals. • Opanuku Link design – road connection from Civic building and train station to Henderson Valley Road. Improving walking and cycling and contributing to the council climate change goals. • Enhancement of Henderson Valley Road – creating safer and more connected area between the town centre, Opanuku stream and the Corban Estate Arts Centre. • The Kitchen Project – enabling aspiring entrepreneurs and helping the economy of Henderson.


Programme name	Description (vision/outcomes)	Deliverables
<p data-bbox="197 292 521 320">Transform Waterfront</p> 	<p data-bbox="555 292 1364 440">A world-class destination that excites the senses and celebrates our sea-loving Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place for all people, an area rich in character and activities that link people to the city and the sea.</p> <p data-bbox="555 459 1272 547">Panuku is facilitating new housing, enhanced public amenity and access; place activation and community engagement; and implementing the Waterfront Plan.</p> <p data-bbox="555 566 1330 624">After completing the AC36 works at the Wynyard Quarter, the focus will be contributing to the overall success of the event.</p> <p data-bbox="555 643 1357 791">With several major construction projects underway, which are changing the face of the waterfront, a new phase of strategic thinking and planning is now needed to redefine direction on both the land and the water. We will consider new opportunities and challenges including climate change, and this will be a priority through to 2023.</p> <p data-bbox="555 810 1350 927">Through the completion of our new projects (Urunga Plaza and Silo Park extension), we will demonstrate the latest thinking in spaces that contribute to a people-friendly neighbourhood and take these learnings forward for future projects such as the Headland Park.</p> <p data-bbox="555 946 1361 1034">We will continue the development of the Westhaven Marina to increase capacity, improve services, enhance public access and amenity and support the marine industry.</p> <p data-bbox="555 1053 1364 1141">The placemaking programme is already deeply established on the waterfront. We will continue to foster the social and cultural importance of lively neighbourhoods and inviting public spaces.</p> <p data-bbox="555 1160 1346 1248">In response to Covid-19 we will work with community and existing service providers to devise programming and activation that is flexible, scalable and kind.</p>	<p data-bbox="1386 276 1458 304">AC36</p> <ul data-bbox="1397 323 2022 523" style="list-style-type: none"> <li data-bbox="1397 323 2022 411">• Fishing fleet relocation – temporary relocation of fishing fleet to enable Wynyard Edge Alliance works on Halsey Wharf. <li data-bbox="1397 430 2022 523">• Establishment of a new superyacht berthage facility with improved facilities and increased capacity to accommodate larger vessels. <p data-bbox="1397 542 1525 571">Waterfront</p> <ul data-bbox="1397 590 2022 1425" style="list-style-type: none"> <li data-bbox="1397 590 2022 738">• Completion of the Westhaven Marine Village providing a marine related business centre consisting of commercial buildings, public facilities, boardwalk and carparking. estimated December 2020 <li data-bbox="1397 758 2022 815">• Westhaven Promenade stage 2 – construction completed. November 2020 <li data-bbox="1397 834 2022 900">• Vos Shed restoration completed. to provide a commercially viable, future proofed facility <li data-bbox="1397 919 2022 1038">• Development completed at 10 Madden St, providing seven 5 Greenstar commercial buildings and a single level retail building. The project contributes to council's climate change goals. <li data-bbox="1397 1058 2022 1206">• Pile Berth Redevelopment – Complete stage one of reclamation and commence optimisation of berth layout. Design the new landscaped public area with car parking. <i>(First stage will complete the causeway and sea wall construction)</i> <li data-bbox="1397 1225 2022 1283">• Urunga Plaza – opening of public space adjacent to the Park Hyatt Hotel. <li data-bbox="1397 1302 2022 1425">• 10 Madden St and Freda Barnes Plaza – completion of Precinct's seven level commercial development and the public open space adjacent to 10 Madden St. by Panuku in December 2020

Programme name	Description (vision/outcomes)	Deliverables
		<ul style="list-style-type: none"> • Auckland Harbour Bridge Pathway enabling works completed. ▲ 30 Madden St – completion of Willis Bond’s staged residential development in Wynyard Quarter. by November 2020 • Delivery of Oram’s Marine refit facility in Wynyard Quarter. • Development of the final stages of Precinct’s Innovation Precinct. The development will feature public laneways and a public plaza.
<p>Transform Onehunga</p> 	<p>To create a flourishing Onehunga that is well connected to its past, its communities and the environment, including the Manukau Harbour.</p> <p>This includes planning the mixed-use redevelopment of the wharf and advocating for integrated infrastructure solutions to better connect Onehunga Mall to the Onehunga Wharf and Manukau Harbour. Enhancing public spaces with great design, facilitating new retail and housing choices, and optimising council service sites.</p> <p>Working together with crown entities including Transpower and Kāinga Ora to progress housing and infrastructure opportunities. We will work with our key stakeholders such as Countdown, Lendlease, the Onehunga Business Association, Holcim and fishing industry representatives along with our wider council whanau on joined up masterplanning, capital investments and operational activities.</p> <p>We aim to improve the north and south reconnection to the Manukau Harbour. The next three years will look at the northern part of the Town Centre to enable housing, commercial development and to deliver public realm. The Onehunga Wharf will undergo a plan change in preparation for future redevelopment which aims to reconnect Onehunga with the water.</p> <p>We will progress public realm investments on a precinct-wide basis, starting in the North (Waipu Precinct and Dressmart) reconnecting precincts into the main street via laneways.</p>	<ul style="list-style-type: none"> • Dressmart precinct – facilitate a new commercial space circa 6000m2. • Assessment of current and future community needs to inform future redevelopment of indoor recreation space. • Planning and Plan change to enable future mixed-use development on the wharf that connects the community back to the water and continues to support a working waterfront. • Completion of the identified laneway revitalisation projects. • Facilitate a new supermarket and circa 1000 new dwellings in Onehunga. • Continuing to support Kāinga Ora initiatives across the wider Onehunga area. • Continuing to work with infrastructure providers to leverage available opportunities for the community.

Programme name	Description (vision/outcomes)	Deliverables
	Placemaking initiatives will continue to focus on holding events around the town centre in partnership with the Onehunga Business Association.	
<p>Unlock Panmure</p> 	<p>Reviving the town centre with new housing options, enhanced amenity, local connections and community facilities building on the natural landscape (the Maunga and the Basin) and the great transport infrastructure.</p> <p>To enliven the heart of Panmure town centre main street, the community hub precinct seeks to deliver a new multi-purpose community facility, civic space, pedestrian and cycle overbridge to connect the town centre main street to Panmure Basin. We will advance a joint business case with Auckland Transport and Auckland Council.</p> <p>We will progress two development sites to market to support the town centre.</p> <p>Public realm investment will be progressed to create a well-connected network of high-quality urban spaces in the centre that enhances visitor experience and supports future residential growth in Panmure and wider Tāmaki. Stage one investments include upgrades to the Stone Cottage Park and Clifton Court, transforming them into safe and attractive urban spaces for leisure and community gatherings.</p> <p>Placemaking initiatives and activations will continue to focus on involving the local community and businesses in the design conversations for public realm and community hub projects and supporting local businesses to prepare for construction future development.</p>	<ul style="list-style-type: none"> • Clifton Court – design the public realm upgrade to create a safe and attractive laneway that can be used for local community gatherings and catalyse adjoining private landholdings to be redeveloped for housing and business. • Commercial Precinct – facilitate the delivery of a new supermarket. • 13-27 Queens Road – anchor development to create an attractive gateway into the Panmure town centre main street and local retail destination. • Community Hub – explore options with Community Services, the local community, local board, and mana whenua for a new multi-purpose community facility and civic space.
<p>Transform Manukau</p> 	<p>The thriving heart and soul for the south Auckland's southern hub and social capital.</p> <p>The intent of the Manukau programme is to deliver, in collaboration with the Crown, a mixed-use urban core by redevelopment of both council and crown land holdings to create significant affordable new medium and high-density residential development, employment and education opportunities. This is supported by a range of joined up local and regional transport investments and a joint focus on improving</p>	<ul style="list-style-type: none"> • Continued facilitation of the Barrowcliffe Place residential development – with developer-led delivery of a minimum of 150 of 300 new dwellings. • Facilitating development of sites adjacent to the bus station.

Programme name	Description (vision/outcomes)	Deliverables
	<p>water quality and places to walk, cycle and play along the Puhinui green spine. These will include upgraded local connections, improved public realm and ongoing place activation initiatives.</p> <p>We will support the opening of the new Manukau Institute of Technology campus. We will work with our key stakeholders such as Westfield (Scentre Group) and Rainbow's End along with our wider council whanau, including Community Facilities, on joined-up masterplanning, capital investments and operational activities to achieve a single vision.</p> <p>We will prioritise property development projects that enliven Manukau's urban heart, at Manukau Square, with initiatives that help to define and frame it. These include supporting the Civic annex redevelopment led by Corporate Property, Kotuku House rationalisation along with facilitating the redevelopment of the Putney Way and Osterley Way council-controlled sites. We will be informed by Westfield (Scentre Group) and their masterplanning process.</p> <p>Public realm investments such as cycleways, streetscape and park space enhancement will help to reconnect South Aucklanders to Manukau Square and further increase the quality of the centre. These are to be agreed with Auckland Transport, Community Facilities and Healthy Waters.</p> <p>Placemaking initiatives will support increased activity at Market Square and support upcoming projects such as carparks and the Puhinui corridor.</p> <p>There will also be a focus on achieving better social outcomes for the local community through procurement processes that involve more local people and businesses in the transformation mahi.</p>	<ul style="list-style-type: none"> • Barrowcliffe Bridge and place enhancement increasing connectivity with a new cycleway, safety and amenity. • Barrowcliffe development stormwater pond and shared path to improve amenity in the housing development. • New Wiri playground to support the local community. • Completion of the Puhinui Regeneration Strategy to guide all future projects in the catchment. The project contributes to the council's environmental goals. • Activations on Manukau Square, carparks and the Puhinui corridor.
<p>Unlock Papatoetoe</p> 	<p>Old Papatoetoe will be a popular place to live, to shop, for people to meet and enjoy themselves and will provide the services and facilities the community needs.</p> <p>Developing Supporting the development of new housing choices around the completed commercial developments of a shopping mall, supermarket and carpark will enable the centre to flourish and the community to thrive.</p>	<ul style="list-style-type: none"> • Facilitate the development of the key town centre site, 3 St George Street. • A masterplanning process with the council to agree the future of a range of spaces and buildings. • A plan for the management and relocation of agreed community use to enable development.

Programme name	Description (vision/outcomes)	Deliverables
	<p>Progressing our relationship with the Otara-Papatoetoe Local Board and our council whanau will be critical to progressing the transformation of this centre.</p> <p>Our property programme will focus on delivering an outcome for our key carpark site behind the town centre at 3 St. George Street and ensuring that the future use and direction of the chambers is agreed and planned for. A masterplan will inform the future direction of the public realm projects subject to the completion of the necessary assessments and scope inputs from council departments.</p> <p>Placemaking will not be prioritised in this location due to reduced budgets.</p>	
<p>Unlock Pukekohe</p> 	<p>Kia Puāwai a Pukekohe (Unlock Pukekohe) is Panuku's newest regeneration location.</p> <p>The vision is for Pukekohe to be a self-sustaining service town with a range of public realm projects and site redevelopments to support growth, a more walkable and vibrant centre, increased access to local job opportunities and to enhance local identity.</p> <p>“Oranga Whakapapa, Oranga Whenua, Oranga Pukekohe, Oranga Whanau” as expressed by Mana Whenua. This means “Our heritage and connections are strong, the land is flourishing, Pukekohe is prosperous, and our families are happy, healthy and thriving”. This will help guide the programme and our relationship with Mana Whenua going forward as the programme’s foundations are laid.</p> <p>We will continue to work with Auckland Transport and Franklin Local Board to create a Pukekohe masterplan and will engage with the community on the development strategy, key moves, programme of public realm enhancements and placemaking.</p> <p>Our primary placemaking focus will be on trialling the relocation and enhancement of the farmers market and local laneways. We will also pilot a King Street one-way system to explore changes to a nearby intersection. These placemaking activities should inform some capital works projects that are considered critical for the regeneration of Pukekohe Town Centre.</p>	<ul style="list-style-type: none"> • Completion of agreed town-wide set of parking reconfigurations and solutions to guide town centre development. • Completion of a masterplanning document that sets out the programme of development and public realm projects.

Programme name	Description (vision/outcomes)	Deliverables
<p data-bbox="197 288 443 320">Unlock Ormiston</p> 	<p data-bbox="555 277 1364 424">The key outcome is the development and creation of an integrated mixed-use town centre within the Ormiston and Flat Bush area on Panuku controlled land which is developed on a commercially successful basis in accordance with best international urban design standards creating a vibrant urban environment with a rich mix of activities.</p> <p data-bbox="555 443 1364 560">The development includes a retail shopping centre, a library and community centre, new homes, a medical centre, and other supporting retail ancillary to the shopping centre (including a supermarket), roads, infrastructure and public realm.</p> <p data-bbox="555 579 1364 663">Panuku will continue working closely with the development parties and will monitor implementation of the development agreements in order to ensure delivery of the key outcomes.</p> <p data-bbox="555 683 1364 767">The developer is completing its current projects such as the retail town centre, roads, infrastructure, and some stages of the residential development.</p> <p data-bbox="555 786 1364 903">The developer wishes to assign its interests in developing the balance of the residential lots and supporting roads and infrastructure. Should this happen, Panuku will also continue to monitor and work closely with that party.</p>	<ul data-bbox="1391 277 2018 751" style="list-style-type: none"> • Development completed in Town Centre by master developer comprising of a retail shopping centre which will include food and beverage outlets, a cinema complex, a fitness centre, and associated carparking. • Support and facilitate the development of library/community centre. • New houses supplied for urban blocks surrounding the town centre will continue to progress. ▲ As part of the Town centre development approximately 100 residential dwellings will be built on the site at 66 Flatbush School Road on the opposite side of the road, targeted to be completed December 2021.

INSIGHT:

Inclusive engagement with wider communities

In 2019 Panuku undertook four Social Pinpoint projects around the region which have had over 10,000 site visits. This is built on a pilot undertaken in 2018, supported by Maungakiekie-Tāmaki Local Board of a crowd sourcing engagement tool called Social Pinpoint in Panmure. We chose this tool to gain wider reach across our communities, overcoming language, cultural and age barriers. Social Pinpoint is intuitive, easily multilingual and has a familiar platform feel for social media users.

Panuku engagement had been receiving feedback primarily from a narrow audience, generally female, older and Caucasian. This did not reflect Panmure's demographic information which told us we needed to speak with the Chinese and Samoan communities and Māori aged under 40, in addition to the people we were already reaching.

The pilot was a great success. The feedback and 2500 visits to the site almost perfectly reflected the demographics of the people in Panmure. As a result, the local board had greater confidence it was supporting decisions based on information from its diverse communities. Panuku will continue using these tools for future consultation.



Performance measures

Panuku has an agreed set of performance measures and targets which form the basis of accountability for delivering on the council's strategic direction, priorities and targets. These are reported to the shareholder on a quarterly basis in accordance with the CCO Governance Manual.

The performance measures and targets are contained in **Appendix 1** of this SOI.

Annual Plan and Long-term Plan

Panuku will continue delivering strategic priorities, capital projects and activities set out in the Annual Plan 2020-21, aligned to the LTP 2018/28. Panuku will also work closely with the council whānau in preparing comprehensive asset management plans and completing other planning activities for the LTP 2021-23, including providing information required for political decision making. [Panuku will address any risks from the revised renewal programme as part of the Emergency Budget through the long-term planning process.](#)

Panuku's annual budget for FY 20/21 is in line with the Long-term Plan 2018-2028.

[Panuku will deliver its share of the total asset sales agreed with the council contained in the 2020/21 Annual Plan.](#)

Panuku will exercise responsible management over its operating and capital budgets, particularly in light of Covid-19 revenue impacts to the council group. Panuku's capital programme is funded from a mixture of LTP funding and property sale proceeds that are reinvested. We will therefore need to adapt our capital programme in line with any downturn in the property market as a result of Covid-19.

Asset Management

Panuku will work closely with Auckland Council on asset management planning to ensure the renewal and maintenance of assets it manages on behalf of the council are appropriately funded to maintain the integrity of assets, with a prudent programme of renewals in line with financial constraints.

Funding models

A significant percentage of Panuku's LTP 2018-28 capital programme is funded from proceeds of property sales in our Transform and Unlock [locations neighbourhoods](#). Due to a number of factors, including the slowing market, Panuku has not been able to sell the planned level of properties in our Transform and Unlock [locations neighbourhoods](#). The property market is predicted to contract further following Covid-19.

Financial management and group policies

Panuku is cognisant [of the economic impacts on council and the community](#) and of the need to be [extremely](#) prudent with the use of council resources. We will always explore the best way to achieve outcomes at lowest cost. This means undertaking efficient processes, developing and accessing realistic options, balancing strategic and commercial outcomes, smart procurement processes, managing costs, and undertaking a regular review of priorities. There will be times when Panuku needs to be open to innovation to test different ways to achieve outcomes which may carry greater risk.

The Panuku board will demonstrate value for money across all expenditure in delivering its programmes. This includes greater transparency on operating expenditure and a strong focus on managing sensitive expenditure lines. Panuku will inform the council on any significant challenges that arise and will work closely with the council on these issues.

[As part of the Emergency Budget, All CCOs are targeting to achieve \\$5m of additional savings above the savings already identified in the Emergency Budget, through greater use of shared services.](#)

[Panuku will participate in a review of the Council group's capital programme, later in the calendar year, to identify any further investment opportunities for the group, if revenue recovers quicker than forecast.](#)

Panuku will give effect to all existing Auckland Council whānau policies, including Our Charter, as well as implementing new policies as required.

Efficiency and value for money reviews and council whānau policies

Panuku recognises the shareholder's emphasis on renewing the drive for efficiencies and value for money from its CCOs, a requirement in section 17A of the Local Government Act 2002. Panuku will participate and support the efficiency and value for money reviews and will implement approved changes resulting from reviews completed.

The Panuku 2021-2023 budgets are contained in **Appendix 2** of this SOI.

Approach to Governance

Governance manual and quarterly reporting

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the Governance Manual for substantive CCOs. The Governance Manual sits alongside this SOI and Panuku will act in accordance with this manual including a commitment to the “no surprises”.

Reflecting our obligations as set out in the governance manual, and in recognition of the governance role of local boards, Panuku has updated our Local Board Engagement Plan (LBEP) to be shared with priority location local boards later in August 2020. The plan recognises the role of local boards, especially with regard to local place making and the requirements under the Governance Manual to acknowledge local board priorities and objectives in local board plans.

Panuku reports to the CCO Oversight Committee on issues, opportunities and risks through the quarterly reporting process. Panuku also supports the CCO Oversight Committee’s work programme by providing information required by the committee, attending the meetings and participating or facilitating workshops. This provides an opportunity to increase information sharing, oversight and discussion of priorities and challenges with the CCO Oversight Committee. Panuku also supports the Liaison Councillor for the Panuku and will follow the agreed Auckland Council and CCOs’ protocols relating to the Liaison Councillor role.

Panuku also reports to the Finance and Performance Committee and Planning Committee.

CCO review

Panuku has participated proactively in the review of the CCO model and worked with the other substantive CCOs on a joint submission to identify opportunities to enhance the model, as well as responding to the requests from the Independent Panel in a Panuku submission. Panuku will implement decisions once made by Auckland Council’s Governing Body.

Board meetings

Panuku is required to **hold two public meetings** a year under the Local Government, Auckland Council Act 2009.

Meeting purpose	Date	Form of Public Notification
Consider shareholder comments on draft SOI	June 2021	Advertisement in NZ Herald at least two weeks prior to meeting and on Panuku website five working days prior.
Consider performance against SOI targets	October 2021	

Panuku will hold as much of its monthly board meetings in the open as possible. A public-excluded session will be held at each meeting to discuss confidential matters.

Agendas and board papers (with confidential information redacted) will continue to be posted on the Panuku website (panuku.co.nz) prior to each meeting.

Members of the public are invited, via the Panuku website, to present to the board on issues relevant to Panuku. Board meetings are also held at various locations in Auckland to enable the Panuku Board to meet with local board members.

Communication

Public and media

As a Council-Controlled Organisation, the work conducted by Panuku Development Auckland is carried out in public. The principles of transparency and accountability are always applied to our work. Any information that is withheld, is withheld under relevant clause in section 7 of LGOIMA.

Our **media protocols** are designed to ensure our interactions with the media are as proactive and transparent as possible. All media enquiries are responded to in a timely fashion and all information is shared with the media, unless it is of a confidential nature.

Online channels

Panuku's major projects are outlined on our website www.panuku.co.nz and all key documents, such as our Annual Report and the project plans for our development locations, are available online.

Panuku will enhance its public accountability by publishing new information on our website such as sensitive expenditure and responses to LGOIMA requests where appropriate.

INSIGHT:

Optimisation – a win-win in Meadowbank

As part of our service property optimisation work and in collaboration with Ōrākei Local Board and Community Facilities, Panuku is seeking a partner to redevelop the Meadowbank Community Centre. The vision is for a high-quality, fit-for-purpose facility to better serve the surrounding and changing communities. The redevelopment proposes a mixed-use building, with the community centre located on the ground floor.

Following a robust procurement process, we are currently in discussions with a preferred development partner. The sale of the airspace will contribute to the construction costs of the community centre. The sale proceeds from two other under-performing property assets will also contribute to fund the community centre.

Panuku, community services and relevant local boards will work together to use service property optimisation to release value from underperforming service assets and to fund local services while supporting urban regeneration.



A key element of service property optimisation is that the project must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects.

Learning from this project is used in planning for other optimisation projects in the programme.

Performance Measures

Covid-19 has the potential to cause unanticipated consequences such that there is more risk attached to achieving the performance measures than would normally be the case.

Service Level Statement	Measure	Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19	
				2020/ 2021	2021/ 2022	2022/ 2023		
Catalyse urban redevelopment and demonstrate business leadership								
Develop and activate town centres	1	Achieve total board approved budgeted Transform and Unlock ¹ (T&U) net sales for the financial year through unconditional agreements	New performance measure	New performance measure	Meet \$39m T&U annual unconditional sales approved by the Board.	Meet T&U annual disposal target approved by the board	Meet T&U annual disposal target approved by the board	Setting of the target took into account Covid-19 potential impact on the property market.
	2	Capital project milestones approved by the board achieved	New performance measure	New performance measure	Achieve 80 per cent or more of project milestones for significant capital projects (as set out in appendix 2)	Achieve 80 per cent or more of project milestones for significant capital projects	Achieve 80 per cent or more of project milestones for significant capital projects	
Corporate Responsibility	3	Climate change mitigation and adaptation considered across Panuku projects The use of Green House Gas measurement tools will help Panuku measure and reduce the impact of its developments.	New performance measure	A tool is developed / identified to measure and reduce green-house gas (GHG) impact of new mixed use and residential	Pilot the use of a tool to measure the GHG impact of new mixed use and residential development	Target established for GHG reduction in mixed use and multi-unit residential development	Progress 2 yearly measurement	

Service Level Statement	Measure	Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19	
				2020/ 2021	2021/ 2022	2022/ 2023		
			development by June 2020					
	4	Climate change mitigation and adaptation considered across Panuku projects This will ensure development and investment by Panuku and partners is increasingly low carbon and resilient.	New performance measure	A process is defined to ensure climate change adaptation is embedded in the location planning process. Approved by board by June 2020. One adaptation plan completed as a template for other areas	All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks, vulnerabilities and responses	All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks, vulnerabilities and response.	All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks, vulnerabilities and responses	
Deliver initiatives to make the priority locations dynamic, well-connected, culturally rich, safe and sustainable, for the enjoyment of	5	Percentage of attendees surveyed satisfied with key Transform and Unlock place programmes and activities	85% Baseline set at the city waterfront	Maintain or improve	Maintain or improve	Maintain or improve	Maintain or improve	
	6	The percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)	92% At the city waterfront	80% ²	80%	80%	80%	

Service Level Statement	Measure		Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19
					2020/ 2021	2021/ 2022	2022/ 2023	
Aucklanders and visitors	7	Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)	72% At the city waterfront	73%	73%	73%	73%	
Provide a safe marina environment and world class facilities	8	The percentage of marina customers surveyed who are satisfied with marina facilities and services (LTP)	91%	88% ³	88%	85%	85%	
Deliver initiatives to make the priority locations dynamic, well-connected, culturally rich, safe and sustainable, for the enjoyment of Aucklanders and visitors	9	The number of significant Māori initiatives implemented per annum (LTP)	65	52	40	56	60	Reduced target from 52 to 40 initiatives due to Covid-19 impact on budget and resources for planned activities.
	10	% mana whenua groups satisfied with quality of engagement	Baseline: 30% of respondents were satisfied; 30% of respondents were neither satisfied nor dissatisfied.	Improve	Improve	Improve	Improve	

Service Level Statement	Measure		Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19
					2020/ 2021	2021/ 2022	2022/ 2023	
			20% were dissatisfied and 20% did not respond					
Strategically create value from assets								
Identify and propose opportunities across Auckland Council whānau owned properties.	11	Written evidence that opportunities have been identified and assessed, to be progressed or not (Housing and urban redevelopment combined)	143 opportunities have been identified and assessed	At least 100 opportunities identified and assessed	At least 100 opportunities identified and assessed	At least 100 opportunities identified and assessed	At least 100 opportunities identified and assessed	
Properties managed for Auckland Council and Auckland Transport achieve optimum net returns and are maintained to be fit for purpose	12	The net surplus on the property portfolio achieves the annual budget agreed with the council.	Actual net surplus on the property portfolio for the 12 months ended 30 June 2019 is \$2.3 million ahead of budget (actual surplus of \$26.8 million against budget of \$24.5 million.	Net surplus achieves budget for 2019/20	Net result achieves budget for 2020/21	Net result achieves budget for 2021/22	Net result achieves budget for 2022/23	Adjusted property portfolio budget surplus to reflect Covid-19 impact on commercial tenants.
	13		97.8%	95%	Commercial 85%	Commercial 85%	Commercial 85%	Target percentage adjusted from

Service Level Statement	Measure		Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19
					2020/ 2021	2021/ 2022	2022/ 2023	
		The monthly average occupancy rate for tenantable properties						95% to 85% to reflect potential impact on commercial tenants.
					Residential 95%	Residential 95%	Residential 95%	
	14	The return on investment on like-for-like properties managed for Auckland Transport and Auckland Council (LTP)	2.4% against the 2.25% target.	Greater than or equal to 1.75%	Greater than or equal to 1.75%	Greater than or equal to 1.75%	Greater than or equal to 1.5%	
	15	The return on equity on commercial assets and services (LTP)	11.43%	8.25%	8.25%	8.25%	8.5%	
Dispose agreed surplus properties	16	List of properties recommended for disposal submitted to the council The disposal target for the next financial period will be agreed with the council in the current financial period	\$30.38 million of recommended properties have been presented to the council for approval to dispose. A recommended for disposal target for 2019/20 was agreed by the	A list of recommended properties with a total cumulative gross value of \$45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the	A list of recommended properties with a total cumulative gross value of \$45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the	A list of recommended properties, with a total value agreed by the Board the prior year, will be submitted to the council seeking approval to dispose for 2021/22	A list of recommended properties, with a total value agreed by the board the prior year, will be submitted to the council seeking approval to dispose for 2022/23	

Service Level Statement	Measure	Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19	
				2020/ 2021	2021/ 2022	2022/ 2023		
		board in June 2019	end of June 2021. or A list of recommended properties with a total gross value of \$22.5 million will be submitted to the council seeking approval for disposal by the end of June 2020	end of June 2021.	financial period. A recommended for disposal target for 2021/22 will be agreed by the board in the 2020/21 year	financial period A recommended for disposal target for 2022/23 will be agreed by the board in the 2021/22 year		
	17	Achieve total forecast net sales for the financial year through unconditional agreements (*Annual actual asset sales may fluctuate between years) (LTP)	Achieved actual net sales of \$44.44 million for the financial year. The target of \$24 million has been exceeded.	Meet or exceed forecast Property disposal annual target of \$24 million or progress the achievement of the 3-year cumulative LTP sales target of \$72m	Achieve the \$24m ⁷ of asset sales approved by the Board in addition to the past agreed LTP target and achieve the balance of the three-year LTP asset sales target set at \$72m	Meet or exceed the new LTP Property disposal target agreed with council	Meet or exceed the new LTP Property disposal target agreed with council	
	18	Total value of general asset sales, on average are within independent valuation threshold.	New performance measure	New performance measure	The total value of properties disposed during year on average is above 90% ⁸	The total value of properties disposed during year on	The total value of properties disposed during year on	Target percentage threshold takes into account

Service Level Statement	Measure		Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19
					2020/ 2021	2021/ 2022	2022/ 2023	
					agreed independent valuations.	average is above 90% agreed independent valuations.	average is above 90% agreed independent valuations.	potential impact on the property market.
Acquire properties	18	Acquisitions are delivered within the timeline agreed with Auckland Council	92.8% of the acquisitions were delivered within the timeline agreed with Auckland Council. 14 acquisitions for the council were completed this year	80% satisfaction against agreed service performance measure	80% satisfaction against agreed service performance measure	80% satisfaction against agreed service performance measure	80% satisfaction against agreed service performance measure.	

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

Footnotes:

- 1 The annual Transform and Unlock locations unconditional net sales target is approved by the Board is \$39m. This excludes general asset sales captured by performance measure 17.
- 2 The city centre visitors' public spaces satisfaction is set at 80%, taking into account the potential adverse impact on visitors from disruption caused by projects such as road construction and America's Cup building activities occurring.
- 3 The marina facilities customer satisfaction is set at 88% taking into account the potential adverse impact on customers from disruption caused by building activities that affect the Westhaven marina such as America's Cup, Promenade stage 2, Northern Pathway (Auckland Harbour Bridge Shared Path), Marine Village and the Pile Mooring projects.
- 4 The average occupancy rates take into account the conditions of properties and the fact that a significant portion of the portfolio are mainly held for projects affecting the length of tenure. The commercial portfolio occupancy rate also takes into account the effect of Covid-19 on tenants.
- 5 The return on equity is expected to reduce over time due to assets being transferred out of council's ownership as they are leased to a lessee on long term finance leases.
- 6 Key performance targets align with the 2018/28 LTP.
- 7 As part of the Emergency budget, an additional general asset sale target of \$24m had been included on top of the LTP 3-year asset sales target of \$72m.
Note: A target of \$244m of asset sales has been set in the Council annual plan 2020/21. This includes the Transform and Unlock sales of \$39m and General asset sales of \$24m contained in performance measures 1 and 17 above. Panuku is committed to delivering its share of the \$244m asset sales budget in the council emergency budget. Council and Panuku are working through the allocation of asset sales.
- 8 The 90% threshold valuation for general asset sales takes into account market impact of Covid-19.

Americas Cup - AC36	
1	Fishing fleet relocation – temporary relocation of fishing fleet to enable Wynyard Edge Alliance works on Halsey Wharf – Practical Completion of Works
2	Super yacht infrastructure – successful hand over of the facility at Wynyard Basin and Hobson Wharf – Practical Completion of Works
Waterfront	
3	Westhaven marine village – Practical Completion of Works
4	Westhaven pile berth redevelopment (stage 1) land reclamation - Practical Completion of Works
5	Westhaven promenade stage 2 – Practical Completion of Works
6	Wynyard Quarter - Vos Shed – Practical Completion of Works
Panmure	
7	Clifton Court upgrade – concept design approved by Local Board
Takapuna	
8	Gasometer carpark – Practical Completion of Works
9	Huron and Northcroft Innovating streets NZTA/AT Tactical Urbanism Trial completed – Project Closure
Avondale	
10	Civic precinct - Concept design approved by Local Board
11	Civic Precinct acquisitions completed – Project Closure
Manukau	
12	Barrowcliffe bridge and place enhancement stage 1 – Practical Completion of Works
13	Wiri playground – Practical Completion of Works
Onehunga	
14	Wharf planning – Panuku Board approve plan change for submission to council
Henderson	
15	Innovating streets NZTA/AT Tactical Urbanism trial completed – Project Closure
16	2-6 Henderson Valley Road site works - Practical Completion of Works
Northcote	
17	Northcote Town Centre – Go to Market

The 2020/21 budget is consistent with the annual plan submission to the council.

Panuku Development Auckland

This section outlines the budgets for Panuku as contained in the council Annual Plan for the next three years. This excludes the activities that Panuku manages on behalf of council, which are outlined separately in the next section.

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Annual Plan	Annual Plan	Revised LTP	Revised LTP
OPERATING EXPENDITURE (\$000)					
Direct operating revenue					
Fees and user charges	2,083	21	21	21	22
Other revenue	34,256	19,794	20,956	20,331	20,749
Direct operating revenue	36,339	19,815	20,977	20,352	20,771
Direct operating expenditure					
Staff costs	25,188	31,689	28,144	33,338	34,197
Grants, contributions and sponsorship	8	10	10	10	11
Other expenses	21,879	9,160	8,191	8,933	9,076
Direct operating expenditure	47,075	40,859	36,345	42,281	43,284
Net direct operating expenditure (income)	10,736	21,044	15,368	21,929	22,513
Other revenue					
Finance income	682	-	-	-	-
Other expenditure					
Depreciation and amortisation	8,142	99	99	99	99
Net other operating expenditure (income)	7,460	99	99	99	99
Operating funding from Auckland Council	(17,962)	(21,143)	(15,467)	(22,028)	(22,612)
Net operating expenditure (income)	234	-	-	-	-

CAPITAL EXPENDITURE (\$000)

Total capital expenditure	-	-	-	-	-
Capital revenue					
Capital funding from Auckland Council	-	-	-	-	-
Total capital revenue	-	-	-	-	-
Net capital expenditure (income)	-	-	-	-	-

Up until 30 June 2019, Panuku-owned land and marina assets commonly referred to as the waterfront assets. These assets were transferred from Panuku to council on 26 June 2019.

Revenue and expenses which were incurred in Panuku for the 2017/18 and 2018/19 financial years have been included in the council budgets managed by Panuku for the 2019/20 year onwards.

From 1 July 2019, other revenue principally comprises recharges to council for consultancy costs related to acquisition as well as staff time recharged to council for marina activities and priority location operating expenditure projects. Other expenses include director's fees, audit fees, consultancy, corporate communication, office and administration costs.

Managed on behalf of Auckland Council

This section outlines the budgets for Auckland Council activities which are managed by Panuku as contained in the council Annual Plan for the next three years. The waterfront assets transferred from Panuku to council have been included in this category from 1 July 2019 which accounts for the increase in operating revenue and other expenses.

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Annual Plan	Annual Plan	Revised LTP	Revised LTP
OPERATING EXPENDITURE (\$000)					
Direct operating revenue					
Fees and user charges	1,889	4,307	1,315	1,875	1,875
Other revenue	24,319	44,345	46,860	47,916	47,497
Direct operating revenue	26,208	48,652	48,175	49,791	49,372
Direct operating expenditure					
Staff costs		1,451	2,700	1,586	1,625
Other expenses	17,858	37,113	39,901	34,957	35,402
Direct operating expenditure	17,858	38,564	42,601	36,543	37,027
Net direct operating expenditure (income)	(8,350)	(10,088)	(5,574)	(13,249)	(12,345)

Other revenue					
Finance income	13	494	435	315	194
Share of profit/loss from equity account	4,569	3,119	3,651	2,623	2,605
Other expenditure					
Transfer of Waste Disposal Limited surplus to Council	4,524	3,400	3,500	2,500	2,500
Depreciation and amortisation	337	11,314	11,767	17,958	19,723
Net other operating expenditure (income)	279	11,101	11,181	17,521	19,424
Net operating expenditure (income)	(8,071)	732	5,607	4,272	7,080

CAPITAL EXPENDITURE (\$000)

Total capital expenditure	92,915	161,084	100,291	122,784	89,616
Capital revenue					
Asset sales	44,000	88,304	70,400	38,079	14,964 *
Total capital revenue	44,000	88,304	70,400	38,079	14,964
Net capital expenditure (income)	48,915	72,780	29,891	84,705	74,652

* General Asset Sales target for 2022 and 2023 will be agreed as part of the LTP, the current number includes Transform Unlock reinvestment sales only.

2020/2021 BY BUSINESS ACTIVITY (\$000)

	Total	Property Management				Panuku Priority Locations
		Commercial Property Portfolio	Marinas	Business Interests	Wynyard Quarter Public Space	
Operating revenue	48,175	27,178	19,567	339	441	650
Operating expenditure	42,601	10,630	13,784	753	4,277	13,157
Net operating expenditure (income)	(5,574)	(16,548)	(5,783)	414	3,836	12,507
Capital expenditure	100,291	7,795	12,441	-	1,144	78,911
Capital revenue	70,400	-	-	-	-	70,400

Net capital expenditure (income)	29,891	7,795	12,441	-	1,144	8,511
----------------------------------	--------	-------	--------	---	-------	-------

The Commercial Property portfolio includes non-service properties owned by council throughout the Auckland region and the downtown Auckland marinas including Westhaven Marina. Operating revenue includes rental and berthage income. Operating expenditure includes direct operating expenses such as repairs and maintenance, rates and utilities plus staff costs recharged by Panuku to council for marina activities. Business interests include activities such as quarries and forests.

Panuku Priority Locations denotes the activities Panuku is undertaking in the priority locations. Operating expenditure include staff costs recharged by Panuku for operating expenditure projects and consultancy fees.

Total general asset sales target is \$24m per annum or \$72m cumulative for 3 years of the LTP.

Other financial information

Current value of assets	The projected value of Panuku total assets as at 30 June 2020 is \$17 million	
Shareholder equity ratio	The projected shareholder equity ratio for Panuku as at 30 June 2020 is 63%	
Accounting policies	Panuku Development Auckland's accounting policies are consistent with those of the Auckland Council whānau policies	
Financial reporting	Panuku Development Auckland's financial reporting will be in accordance with requirements of the Governance Manual for substantive CCOs	
LTP general asset sales (\$ million)	2018/19 Actual	\$44.44m
	2019/20 Annual Plan	The property disposal target (net value of unconditional sales) is \$24m or \$72m over 3 years.
	2020/21 LTP	\$24m and the balance of the \$72m for 3-year target, period ending June 2020/21
	2021/22 LTP	To be agreed as part of the LTP 2021-31



1 July 2020

Adrienne Young-Cooper
Chair
Panuku Development Limited

By email

Tēnā koe Adrienne

Shareholder comments on Panuku Development Limited's draft Statement of Intent 2020-2023

Thank you for providing Panuku Development Limited's (Panuku) draft Revised Statement of Intent 2020 – 2023 (SOI) to Auckland Council. The Governing Body considered it at its 25 June 2020 meeting.

Auckland Council acknowledges the hard work that you and your organisation have put into producing both the original draft SOI, contributing to the draft Emergency Budget, and then producing a revised draft SOI, to take account of our changed circumstances with the COVID-19 pandemic. Thank you for your effort.

An important matter which the Governing Body resolved was to grant all the Council Controlled Organisations (CCO) an extension of time to complete the final SOI, until 31 July 2020. This is in accordance with the Local Government Act, Schedule 8, Clause 4.

The draft Panuku SOI responds well to the letter of expectations. There are a few areas, however where greater clarity can be provided. The Governing Body resolved to make a number of general comments that relate to each CCO and a number of resolutions that are specific to Panuku. Staff from Panuku should work with council staff to ensure that these comments and any minor editorial changes are reflected in the final SOI.

General shareholder comments

In completing the final SOI, Panuku should ensure that the financial information is agreed with council staff and includes the following:

- 2018/2019 actual results
- 2019/2020 long-term plan (LTP) budget, updated for any carry-forwards from 2018/2019 and any other agreed changes
- 2020/2021 budget consistent with annual plan submission to council
- 2021/2022 and 2022/2023 LTP budget, updated for any changes agreed as part of the 2020/2021 Annual Plan
- a breakdown by activity as in the LTP
- agreed non-strategic asset sales targets.

In addition, performance measures should align with the LTP. CCOs should ensure that in the final documents:

- LTP measures are clearly identified
- Measures and targets are worded exactly as in the Annual Plan 2020/2021
- Where there are any proposed new COVID-19 affected targets, a clearly identified additional column is provided in addition to the original targets
- 2018/2019 actual performance is included alongside 2019/2020 and the next three years' targets. These should be updated for any changes agreed as part of the Annual Plan 2020/2021.

The final SOI financial tables must be updated for any material impacts of the revised assumptions issued by the council's Financial Planning team on 10 June 2020, as well as any changes agreed through the Governing Body workshops between 22 June to 14 July 2020 and Finance and Performance Committee decisions made on 16 July 2020. CCOs should agree all financial tables with Financial Planning prior to finalisation.

There is a target of \$5 million savings factored into the Emergency Budget above the savings already identified, so all CCOs need to find savings across the Council Group through greater use of shared services. For example, corporate shared services provide an opportunity to reduce the overall operating cost for the Council Group. There are areas across the corporate functions where this is already providing benefits such as print, mail, courier services and fleet. It is recommended CCOs support further work on corporate shared services, including reviewing the opportunity to move to a centrally managed corporate property portfolio.

The Council Group is currently developing new KPIs relating to engagement with Māori and contributions to Māori Outcomes. The final SOI should therefore include a statement to indicate that Panuku will include such measures where appropriate to the CCO, in a future SOI.

The final SOI should also indicate which of their planned activities are intended to address climate change and other environmental outcomes.

Panuku should also add a footnote to explain the negative revenue under business interests (page 36).

Finally, the recovery from the COVID pandemic creates a degree of uncertainty regarding the council's group revenue over the coming year. If revenue recovers quicker than currently forecast there may be more ability to invest in capital projects. Council will review the group's capital programme later this calendar year to determine if more investment is possible and if so, what are the priorities for any investment.

Specific shareholder comments

The following changes are recommended:

- the Development Strategy is a key aspect of the Auckland Plan, reference where Panuku has aligned its programme with the Development Strategy
- figure 1 in the SOI reflects the government and Panuku response to COVID-19 and should also reflect Auckland Council's response
- clarify in the final SOI what programmes/projects/capex have been impacted in response to COVID-19
- include a statement that Panuku will address any risks from the revised renewal programme either in the Panuku Asset Management Plan or through the long-term plan process

- clarify the council's role and the role of Panuku with regard to property decisions. For example, Panuku provides key strategic investment advice to the council
- clarify the terms used in the SOI – 'redevelopment', 'regeneration', 'priority locations', 'priority development locations', 'Transform' and 'Unlock' and 'Our neighbourhoods'
- elaborate on the deliverables in the work programme. For example, what exactly is the role of Panuku in the following - 'Greenslade Reserve upgraded' (p 14), 'Crayford Street West Upgrade' or 'New town square' (p 16)
- detail the key capital projects that Panuku is looking to deliver
- clarify the role Panuku plays in the Tiriti o Waitangi Audit programme
- The governance section (p 25) should recognise the role of local boards, especially with regard to local place making and the requirements under the Governance Manual to acknowledge local board priorities and objectives in local board plans. Please include reference to when Panuku will update the Local Board Engagement Plan (LBEP). This should be undertaken every three years.

Performance Measurement

- Performance measure 1 is a new measure assessing the total net sales over a three-year period. Please provide more detail on what this measure will achieve and targets.
- Performance measure 5. Clarification is sought on why this measure has changed from last year's SOI (where it related to transform and unlock) to focusing specifically on the waterfront.
- Council appreciates that it sets a target for Panuku to sell non-service property. However, council would like to ensure that property sold achieves a reasonable sale price. As such please consider a new measure that requires asset disposal on average of no less than 90% of the current valuation. This could be addressed by amending performance measure 16: List of properties recommended for disposal.

We look forward to receiving the final SOI by 31 July 2020.

Ngā mihi



Phil Goff
MAYOR OF AUCKLAND



Bill Cashmore
CHAIR CCO OVERSIGHT COMMITTEE

Copy to: Councillor Desley Simpson, Chair, Finance and Performance Committee
Councillor Chris Darby, Chair, Planning Committee,
Councillor Alf Filipaina, Chair, Parks, Arts, Community and Events Committee
Councillor Richard Hills, Chair, Environment and Climate Change Committee
Patricia Reade, Acting Chief Executive, Auckland Council
David Rankin, Chief Executive, Panuku



Corporate Business Plan 2020/2021



Kia Manawaroa Tātou

Together we can rise to the challenge

I haere pokere atu tāua, ko tōku oranga i herea ki tōu oranga.
Ngātahi ka hinga i a tātou te tipua.

We walked into the unknown, my wellbeing relying on your wellbeing.
Together we beat the odds.

Aucklanders face an enormous task as we work together to recover from the impact of COVID-19. This once in a generation crisis has hit our economy hard and tested the resilience of our communities. As a council (group) we face difficult choices as we adapt to less income and greater needs of Aucklanders. It won't be easy, but together we can rise to the challenge and help Tāmaki Makaurau recover stronger.

Kia Manawaroa Tātou is the council's new strategy to set the organisation's direction to enable delivery of Auckland Plan 2050 outcomes and the 10-year budget targets. We have aligned to this as far as possible.



Contents

1. Executive summary
2. Context and assumptions
3. Strategic framework
4. Objectives
5. Business priorities
6. Summary budget
7. Performance measures and targets

Attachments

- Spatial Delivery Plans for all priority locations
- Project list and budgets
- Asset sales and prepaid leases

Note: These attachments to the decision report form part of the Corporate Business Plan

Executive summary

- The 2020/2021 Corporate Business Plan sets out the programme of work and business priorities, the budget and the performance measures. We have adopted a new format for this plan to reduce duplication with other key documents, such as the Statement of Intent (SOI).
- The Corporate Business Plan responds to the challenging context arising from the on-going COVID-19 pandemic, the resulting impact on the NZ economy, the property market and the Auckland Council group budget and services.
- It also builds on significant engagement between the Panuku Board and Executive over recent months considering the implications, the opportunities for working in new ways with partners, the need to prioritise projects and resources and to find ongoing efficiencies and cost savings.
- While we have a reduced budget, we have an opportunity to continue to make a difference shaping spaces for Aucklanders to love in Tāmaki Makaurau.
- The capex budget of \$100 million will enable Panuku to complete existing projects (such as the Westhaven Promenade and gasometer car park in Takapuna), undertake essential renewals, support the council (site sales) and continue to build the platform for the future. This includes masterplanning and refresh of the programme business cases for the priority locations and regional programmes, plan changes, business cases for future projects, design work and “go to market” strategies. a

Executive summary cont.

- We play an important role for council in **identifying revenue opportunities** from the sale of surplus council properties. The council has sought our support to identify and progress part of the \$244 million of council group asset sales in the Annual Plan 2020/2021. We have identified asset sales that will contribute to the group target but we are going through a process with the council to work out our share of the asset sales, including a new process aimed at fast tracking property clearance for the group. The most significant planned T&U sale is Hobsonville for ~\$35 million.
- A key response to COVID-19 is working differently with our **development partners** to ensure that our approaches are streamlined, that we are attractive to partner with, and open to new collaborative models and approaches.
- We will also focus on **collaborating with our stakeholders and key partners**, such as Kāinga Ora, Auckland Transport, Community Facilities, Iwi and private sector developers and investors. Our stakeholder insights will help us to ensure we continue to improve our relationships with stakeholders and partners.
- The visible signs of urban regeneration progress in our locations will slow. However we will seek to remain visible in the locations with our communities through our integrated and prioritised placemaking, local board engagement, communications and marketing.
- While the number and scope of initiatives are reduced, we will continue to implement the **Māori Outcomes Framework** and the **Climate Change Strategy**, as these are important leadership areas for Panuku and remain a focus for the council. We will continue to set clear standards and outcomes for our developments, building on the commitments to sustainable and accessible design, housing mix, already made.

Executive summary cont.

- Late in 2019, Panuku went through a significant change to establish the Raranga operating model and to implement ICE (Improved Customer Experience). With ongoing demands to reduce costs and increase efficiency we have commenced a new **change process** to provide the right level of resources for our programme priorities and manage staff costs in line with budgetary restraints. Future change processes are signalled and will include other areas of the business such as Business Planning and Reporting, Compliance, Assurance and PMO.
- Our people strategy will continue to build our **people leadership** (E Tū, Hautū, stage 2) and **collaborative behaviours**. A **flexible working policy** will be adopted to take forward the productivity and wellbeing lessons and benefits from the COVID-19 lockdown.
- Improvements have been made to our internal processes, documents and reporting (e.g. programme business cases and monthly programme dashboards). Ongoing improvement in the **quality of board reports** will be a focus along with a stronger focus on ‘outcomes’ and “**telling our story**” better. This is important across all of our channels, and as we lead into the LTP.
- It is important the we remain **agile to respond** to external factors. We are working with a high level of uncertainty and can expect ongoing impacts from the global public health and economic emergency, as well as from more local factors, such as the property market and the elections, shareholder expectations for ongoing savings and revenue, and the outcomes of the CCO review. Ongoing impacts are difficult to see and we will need to adjust accordingly, with the council group.



Context

- The 2020/2021 Corporate Business Plan sets out the programme of work and business priorities, the budget and the performance measures. The Corporate Business Plan does not include all organisational outputs and BAU. These activities are captured in team plans which are the basis on which individual performance measures are agreed.
- It has been developed during a particularly challenging and uncertain time resulting from the COVID-19 pandemic, which is still raging throughout the world, and has had consequential impact on the NZ economy, property market and the council's budget and services.
- Panuku has transitioned from crisis management in the early stage of the pandemic to business recovery, which has a strong focus on the next 6 to 12 months and anticipates ongoing change.
- There is significant uncertainty ahead in the property market and we will monitor this closely. Slowing property market and reduced market confidence in the first half of the financial year is anticipated, which will impact partner availability, property sales and disposals.
- One of the positive signs to emerge from lockdown was Aucklanders experiencing their neighbourhoods and communities in a new way. The role of building resilient town centres that take advantage of public transport options and deliver climate change outcomes, has never been more important.

Context cont.



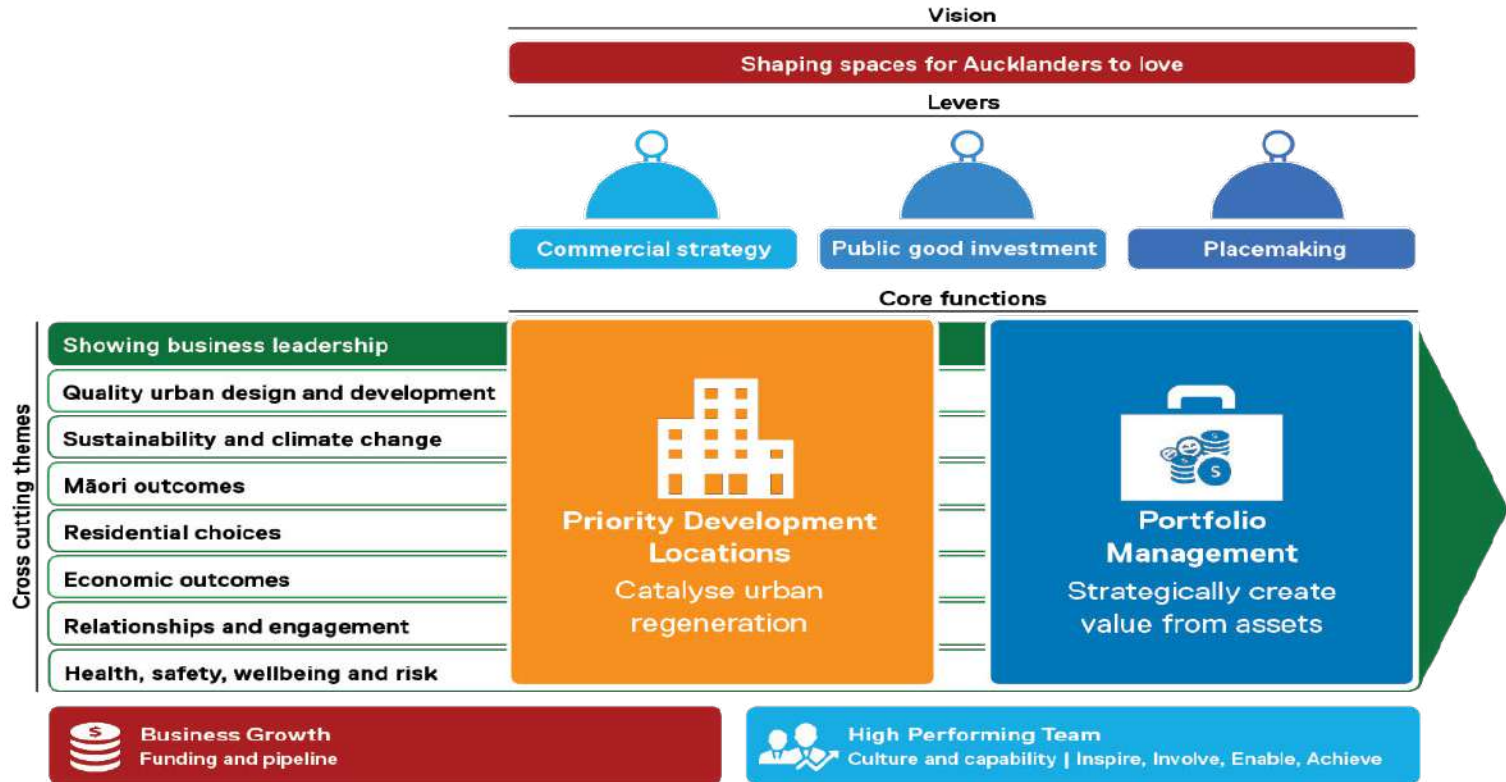
- The reduction in the capex and opex budgets mean that the scale of urban regeneration activity and speed of delivery of programmes will not be at the extent planned and work will be delayed, including capital works, which may lead to community frustration as a result of slower momentum in the programme.
- Our ability to participate in council group planning and projects and our leadership ability may be reduced. Business improvement activities will continue to be advanced within budget.
- Due to the high uncertainty during the recovery period, we have not produced a three-year business strategy. We plan to do this when there is more certainty and it can be aligned with the 10 year LTP planning process starting in the near future.
- As the recommendations of the CCO review will be known about the same time this Corporate Business Plan is approved by the Panuku Board, and ongoing change can be anticipated, we may need to revisit it during the year.



Assumptions

- COVID-19 alert level 1 – Borders continue to be closed restricting economic activity. Economic recovery is unbalanced across NZ and sectors.
- Property market – Slow property market and reduced market confidence in the first half of the financial year, and possibly longer. This will impact property sales and disposals.
- Key events – AC36 will go ahead but scale and scope will be reduced due to tourism and travel restrictions. APEC will go on-line and therefore have limited impact on our business.
- CCO review – Process will lead to changes in the council group, more likely implemented in 2021/2022.
- Managing costs – As a result of the emergency budget a restrained approach to non-essential expenditure will remain a council group focus.
- On-going review – we will have to manage business activity and review as things change re: COVID-19.
- Revenue – We remain concerned with business failure risk, causing rent loss and potential difficulty finding new tenants as the shape of economic recovery is not yet clearly predictable.

Strategic framework



**Government and council
COVID-19 response**



**The benefits of Town Centre
Urban Regeneration**



The Climate Emergency



**A city of strong
neighbourhoods**



Objectives

1. Maintaining delivery momentum, within our means
2. Building leadership capability and embedding collaborative behaviour
3. Telling our story
4. Adjusting to the new environment and ongoing change

Priorities - introduction

- This section sets out the main activities and initiatives we plan to undertake to respond to the context and our objectives for the year. Our BAU services and activities are not detailed here but have been reviewed in our efforts to make savings.
- The total budget for the priority locations, regional programmes and asset renewals are within the assumed \$100 million council budget envelope; details of the **funded projects** are included as an attachment. Progress is monitored in Sentient and reported to the board in the monthly dashboard. Also included are the **spatial plans** for each location, primarily for illustration purposes, including a programme overview summarising projects and staging.
- **Planning process and budget allocation.** To allocate budgets the Programme Steering Group (PSG) worked with the Priority Location Directors to review all projects and agreed an allocation of funding based on the draft Panuku Investment Prioritisation Framework. Functional Teams, such as strategy, design and development, have then worked to identify the resource requirements to support the programme. Team planning has identified “corporate good” activities that support the whole organisation and need to be resourced but are not part of any specific programme or project.
- To allow close management of capital, for FY21 it will be held and managed by the PSG, and only allocated to projects via approved project documents and milestones. At the end of each quarter progress will be reviewed and funding may be reallocated. Adjustments to portfolio allocation will be reported to the board quarterly.

Objective 1 - Maintaining delivery momentum, within our means

- 1. Priority Location Programmes** With a reduced capex budget there is a focus on completing current projects, renewals and building a pipeline of work for when funding is available and the property market improves. Some level of activity will be maintained in all locations. The focus is:
 - Completing current projects such as waterfront promenade, marine centre village, Takapuna gasometer carpark [REDACTED]
 - Building pipeline of future projects via work such as strategic and plan change work for the Waterfront and Onehunga, consents, due diligence for site sales and other
 - New smaller projects e.g. Wiri Playground, Manukau plaza and Barrowcliffe bridge upgrades
 - Critical asset renewals e.g. Onehunga Wharf and earthquake prone buildings.
- 2. Deliver the property portfolio return and increased targets for site sales and revenue** that contributes to the council group emergency budget funding.
- 3. Engaging our communities** Using our placemaking, engagement, communications and media resources in an increasingly agile way to support programmes and maintain visibility and build support with local boards, communities, stakeholders, Mana Whenua.

Objective 2 - Building leadership capability and embedding collaborative behaviour

1. Collaborating with **developers and investors** in new ways. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
2. Growing our partnership with **Kāinga Ora Homes and Communities**, developing shared objectives and increasingly standardised and efficient ways of working together, and completing transactions.
3. Collaborating with **Auckland Transport** to facilitate transit oriented development (TOD) opportunities, assist each other in delivering our respective work programmes, and improve our working relationships with agreed processes and an annual work programme.



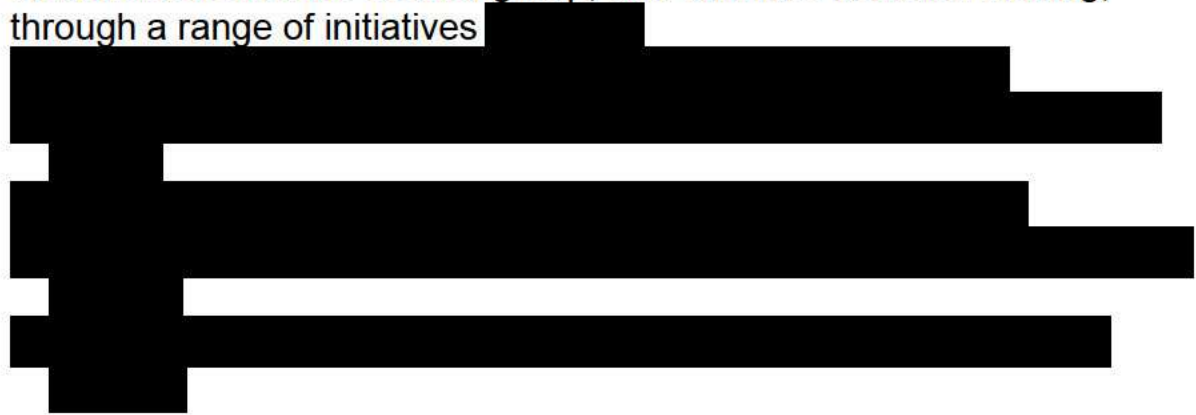
Objective 2 - Building leadership capability and embedding collaborative behaviour

4. Collaborating with **Community Services** to reach agreement on community needs and funding priorities.
5. Implementing the **Māori Outcomes Framework**. Creating more commercial and social procurement opportunities for Mana Whenua; Enabling Mana Whenua to exercise their role as kaitiaki on projects and activations; Building the capacity of Mana Whenua artists and create more opportunities to whakamāori Panuku-led projects; Supporting the normalisation of te reo Māori and developing a capability-building programme for Panuku staff; improving engagement processes.
6. Specific initiatives to build capability including leadership (E Tū, Hautū stage 2) and collaborative behaviours.
7. Implementing the **Health and Safety Plan** key initiatives including Noggin implementation, monitoring and inspection of critical risks and supporting project delivery (through PMO, H&S compliance, CMF, SiD and risk improvements).



Objective 3 - Telling our story

1. **Design guidelines** Developing best practice guidance for successful town centres.
2. Improving the way we tell our story, to build support from communities, stakeholders and the council group, and enhance decision making, through a range of initiatives



Objective 4 - Adjusting to the new environment and ongoing change

1. **An adaptable organisation** – Completing a change processes to right size the business for the agreed work programme and subsequently respond to the CCO review, if required. Responding to NZ's and council's ongoing COVID-19 response.
2. Developing a **flexible working policy** to take forward the productivity and wellbeing lessons and benefits from the COVID-19 lockdown.
3. **Business improvement** – Exploring shared services with the council group and focussing on the most important business improvements and opportunities e.g. alliancing framework.
4. **Implementing the climate change strategy** – Piloting a tool to measure and better understand the carbon impact of Panuku developments and to drive improved outcomes; continued work to assess and respond to future climate impacts, risks and vulnerabilities in our priority locations, accelerating sustainable procurement activity, and reducing climate impact across our operations and asset management function.
5. **CCO review** – Engaging with shareholder on recommendations as required.
6. **Long-term Plan (LTP)** – Preparing budget bids into the LTP process, integrated with the council group, for programmes not funded by reinvestment budget.

Panuku 2020/2021 Budget summary



Priority Locations

Catalyse Urban Regeneration

Budget 2020/21

(\$000)

Budget 2019/20

(\$000)

Priority Locations	Budget 2020/21 (\$000)	Budget 2019/20 (\$000)
Catalyse Urban Regeneration		

Panuku 2020/2021 Budget summary

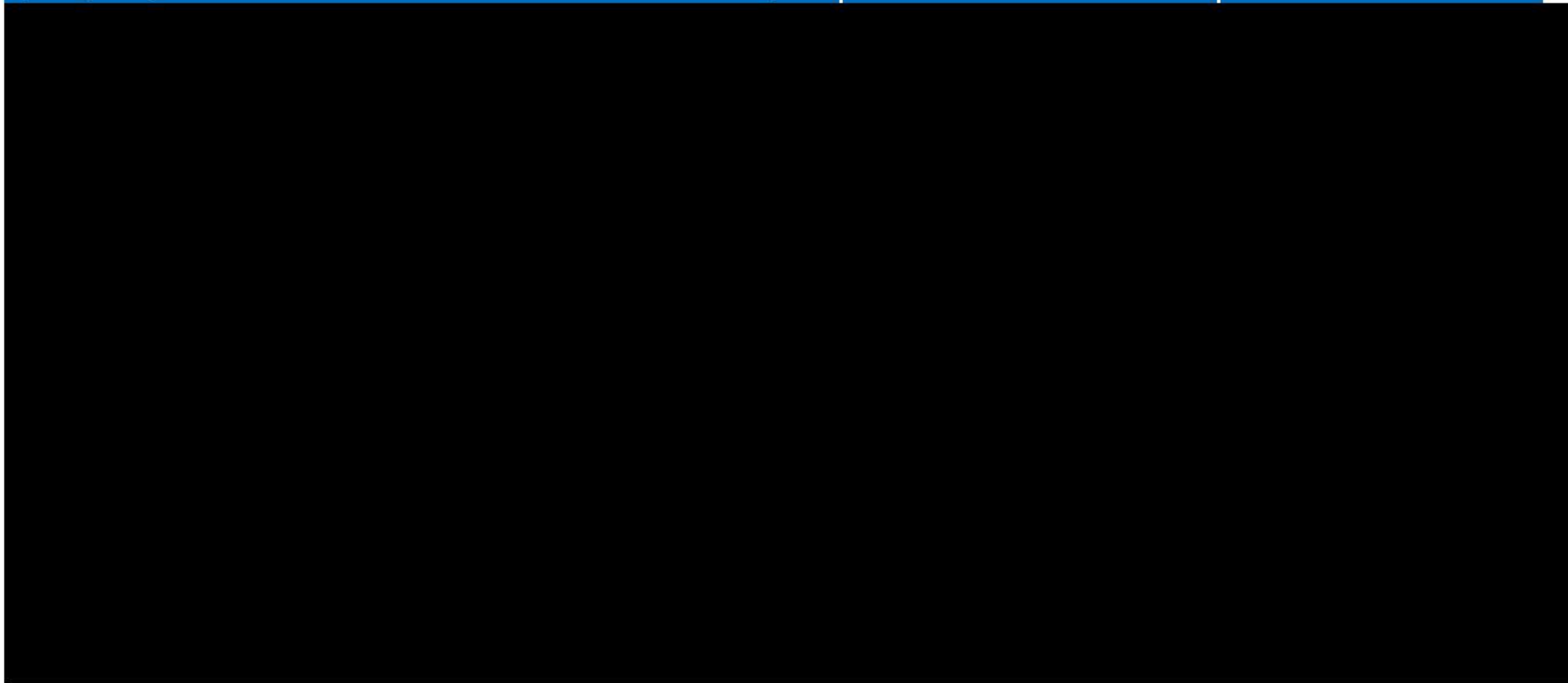


Portfolio Management

(Property Portfolio, Marinas, Business Interests)

2020/21 (\$000)

2019/20 (\$000)





Performance measures



Performance measures: Programmes & Projects

#	Measure/target



Performance measures: Portfolio Management

#	Measure/target
---	----------------

Note: Portfolio net surplus, occupancy and Marina satisfaction also part of SOI performance measures.

	Performance Measures: Strategic and Corporate
#	Measure/target



Statement of Intent

Statement of Intent (SOI) is our accountability document with shareholder, set within a 3 year planning horizon.

The performance measures must meet specific audit requirements and high council performance assessment thresholds, therefore performance targets are more conservative. The SOI contains measures included in the LTP, which can only be adjusted every 3 years as part of the refresh of the LTP.

We report to the council CCO Oversight Committee quarterly on our performance against our SOI.

Performance measures: Statement of Intent

Achieve 80 per cent or more of project milestones for significant capital projects (see next page)

Achieve the T&U sales target of \$39m for the 2020/2021 year approved by the board

Property Portfolio - Net result achieves budget for 2020/2021

Occupancy - Commercial 85% & Residential 95%

Property Portfolio ROI - Greater than or equal to 1.75%

Return on equity on commercial assets and services (ROE) - 8.25%

Achieve total \$24m of additional LTP asset sales and the balance of the 3 year sales target of \$72m

At least 100 property opportunities identified and assessed

The total value of properties disposed during year on average is above 90% agreed independent valuations

85% or more of attendees satisfied with city centre waterfront place programmes and activities

80% or more of visitors satisfied with their experience of the public spaces on the city centre waterfront

73% or more of Aucklanders surveyed have visited the city centre waterfront in the past year

88% or more of Marina customers surveyed who are satisfied with marina facilities and services

Acquisitions delivered within agreed timeline - 80% satisfaction against agreed service performance measure

Improve % Mana Whenua groups satisfied with quality of engagement

40 Significant Māori initiatives implemented for the year

Pilot the use of a tool to measure the Green-house Gas (GHG) impact of new mixed use and residential development

All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks, vulnerabilities and responses

SOI measure 2: Key capital project milestones

Americas Cup - AC36	Avondale
Fishing fleet relocation – temporary relocation of fishing fleet to enable Wynyard Edge Alliance works on Halsey Wharf – Practical Completion of Works	Civic precinct – Concept design approved by local board
Superyacht infrastructure – successful hand over of the facility at Wynyard Basin and Hobson Wharf – Practical Completion of Works	Civic Precinct acquisitions completed – Project Closure
Waterfront	Manukau
Westhaven marine village – Practical Completion of Works	Barrowcliffe bridge and place enhancement stage 1 – Practical Completion of Works
Westhaven pile berth redevelopment (stage 1) land reclamation - Practical Completion of Works	Wiri playground – Practical Completion of Works
Westhaven promenade stage 2 – Practical Completion of Works	Onehunga
Wynyard Quarter - Vos Shed – Practical Completion of Works	Wharf planning – Panuku Board approve plan change for submission to council
Panmure	Henderson
Clifton Court upgrade – concept design approved by local board	Innovating streets NZTA/AT Tactical Urbanism trial completed – Project Closure
Takapuna	2-6 Henderson Valley Road site works – Practical Completion of Works
Gasometer carpark – Practical Completion of Works	Northcote
Huron and Northcroft Innovating streets NZTA/AT Tactical Urbanism Trial completed – Project Closure	Northcote Town Centre – Go to Market

Panuku has been mandated by Auckland Council to deliver on its commitment to prioritise urban redevelopment and to release value from underperforming service assets.

The priority locations programmes of work deliver on the High Level Project Plans by facilitating urban redevelopment and public good activities in the locations. Panuku investment in a location is for a variety of purposes, which will vary depending on the location and its requirements.

The regional programmes of work release value from underperforming service assets on a cost neutral basis, and are managed as Supports, Property Optimisation, AT Assets and Haumarū programmes.

The following slides provide a visual overview of our priority location and regional programmes.

Programme summaries are based on programme business cases, which have been presented to the Panuku Board annually, on a rolling review cycle.

FY21 Funded projects are identified on the associated project list; outer year projects are indicative only and are subject to Council Long Term Plan funding, Council Group partner activities and agreements, and the property market.

AVONDALE

Masterplan: Spatial delivery plan

Projects completed

- A** 26 Racecourse Parade (The Set Buildings)

Short-term projects (FY21)

- 1** Multi Purpose Community Facility (Community Facilities)
- 2** Town Square Lane & Playground
- 3** Great North Road Enhancement
- 5** 18 Elm Street
- 6** 1817 Great North Road (MHUD)
- 8** 3-5 Community Lane (Kāinga Ora)

Medium-term projects (FY22-24)

- 4** Upgraded Crayford Street (AT)
- 9** Corner Rosebank Road & Elm Street

Long-term projects (FY25+)

- 7** Avondale Central Site
- 10** 10 Racecourse Parade
- 11** 93 - 99 Rosebank Road (Library & Community Centre)
- B** 1843 Great North Road (Ted Manson)



HENDERSON

Masterplan: Spatial delivery plan

Projects completed

- 1 Haumarū Housing Henderson

Short-term projects (FY21)

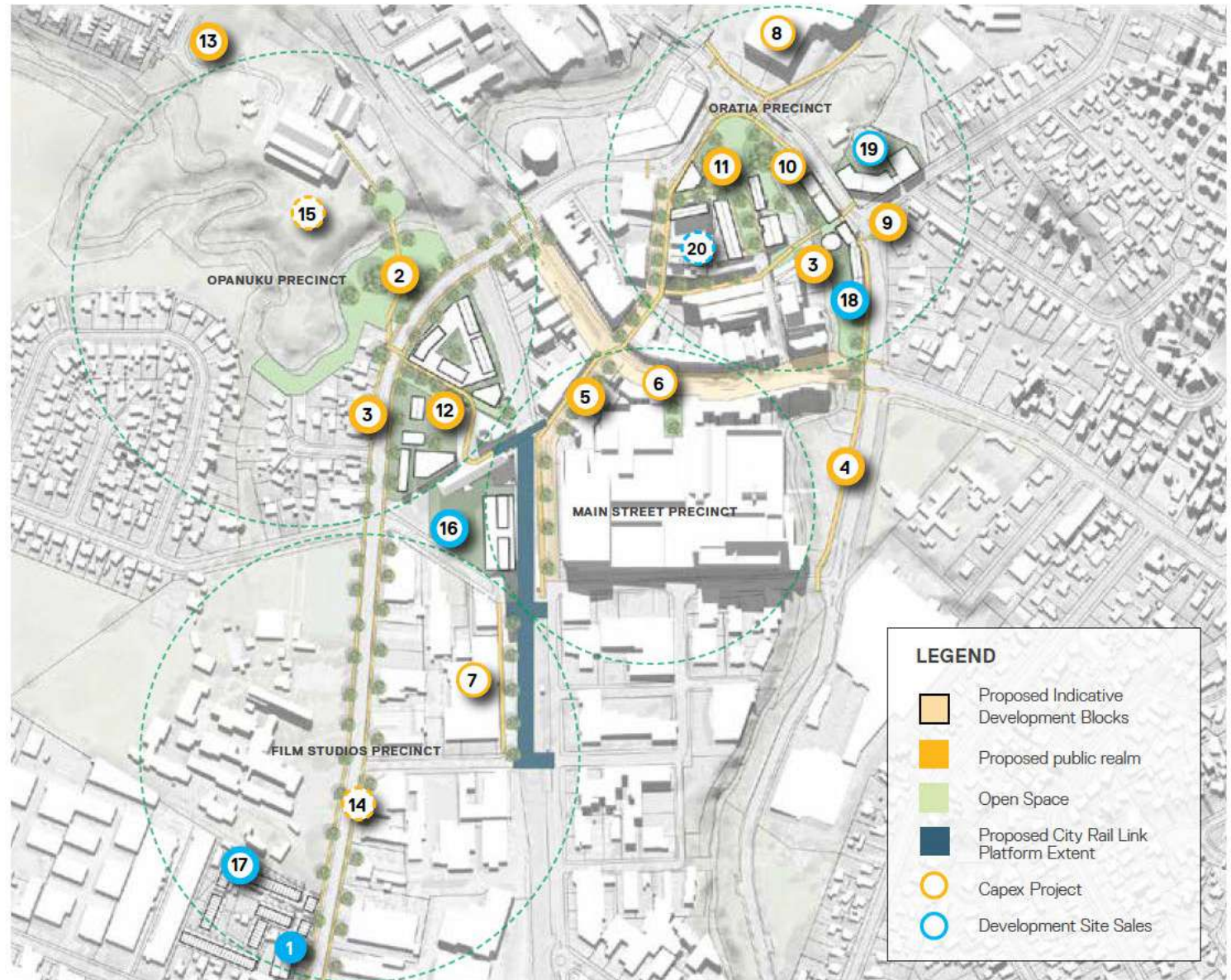
- 2 Opanuku Link -Bridge, Reserve
- 3 Henderson Valley Road Stage 1
- 4 Oratia Link-Cycleway, bridge
- 5 Ratanui Link- Cycleway
- 9 Edmonton Rd Safety Enhancement
- 11 Crown Partnership
- 12 2-6 Henderson Valley Road Works
- 13 Temporary Tiny House Village
- 16 2-6 Henderson Valley Road
- 17 23-27 Henderson Valley Road
- 18 C40 Alderman carpark

Medium-term projects (FY22-24)

- 6 Henderson Main St Enhancements
- 7 Smythe to Hickory Link
- 8 District Energy Scheme
- 10 Twin Streams Enhancement
- 19 Falls Carpark (14-20 Edmonton Rd)

Long-term projects (FY25+)

- 14 Henderson Valley Road Stage 2
- 15 Corban Estate
- 20 Oratia Precinct (Trading Place)



HOBSONVILLE

Masterplan: Spatial delivery plan

Short-term projects (FY21)

- 1 Wastewater Pump Station 6
- 2 Wasp Hanger
- 3 Wasp Square
- 5 AV Jennings - Stage 1
- 7 Lot 6C Site Sale

Medium-term projects (FY22-24)

- 8 Development Lot 6A

Long-term projects (FY25+)

- 4 Launch Road
- 6 Avanda Development
- 9 Development Lot 6B
- 10 Development Lot 5



LEGEND

- Proposed Indicative Development Blocks
- Proposed public realm
- Open Space
- Study Area
- Capex Project
- Development Site Sales

MANUKAU

Masterplan: Spatial delivery plan

Short-term projects (FY21)

- 1 Barrowcliffe Bridge Enhancement
- 2 Kotuitui land acquisition and tie in bridge
- 6 Barrowcliffe pond shared path and works
- 11 Hayman Park wetland upgrade
- 23 Puhinui Stage 2 - DHB walkway and wetland
- 27 Puhinui - Wiri playground
- 30 9 Osterley Way - carpark
- 31 Lot1 31-33 Manukau St. Rd - carpark
- 32 Lot3 31-33 Manukau St. Rd
- 35 8 Davies - carpark
- 37 2 Clist Crescent - carpark

Medium-term projects (FY22-24)

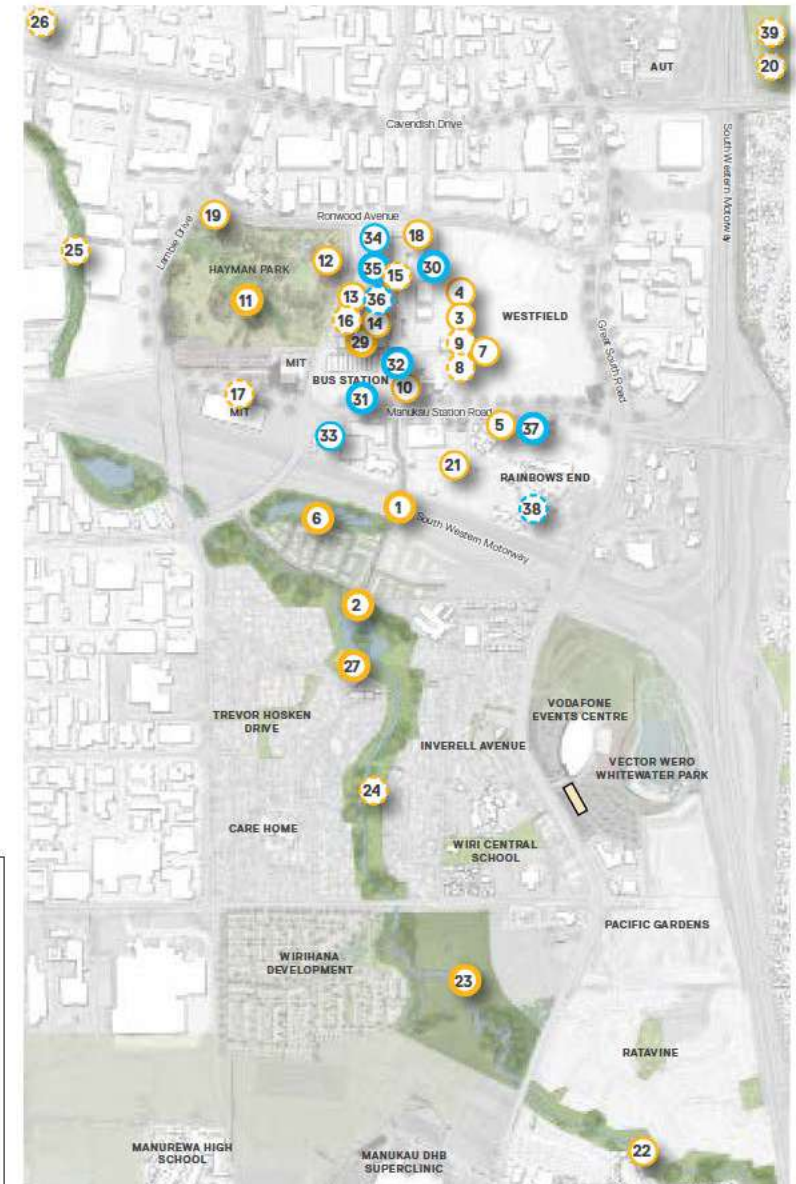
- 3 Manukau Square - minor works and enhancements
- 4 Karoro court - gap filling and evening economy
- 5 Small "t" projects
- 7 Putney Way Stage 2 at Civic streetscaping
- 10 Osterley Way at Civic streetscaping
- 12 Hayman Park playground stage 2
- 13 Davies Ave gap filling
- 14 Davies Ave laneways
- 18 Parking Management Solutions
- 19 Walking and Cycling Investment
- 21 18 Manukau Rd acquisition and works
- 22 Puhinui stage 1 - Ratavine stream enhancement
- 28 Social outcomes/affordable Housing initiatives
- 33 50 Wiri Station Road - carpark
- 34 2 Davies - carpark sleeve

Long-term projects (FY25+)

- 8 Community Facility investment
- 9 Manukau Square enhancement - 16 Amersham Way
- 15 Amersham Way streetscape upgrade
- 16 Davies Ave East upgrade
- 17 Manukau Station Road Streetscape contribution AT
- 20 Sports Bowl investment
- 24 Puhinui stage 3 - Wiri stream enhancement
- 25 Puhinui Stage 4 - Wiri/Manukau enhancement
- 26 Puhinui stage 5 - Puhinui Domain enhancement (refer: City centre spatial delivery plan)
- 29 4 Osterley Way (Kotuku House) - Corp programme
- 36 14 Davies - carpark
- 38 Rainbow's End future approach TBC
- 39 Sports Bowl - balance land TBC

LEGEND

- Proposed Indicative Development Blocks
- Proposed public realm
- Open Space
- Capex Project
- Development Site Sales



NORTHCOTE

Masterplan: Spatial delivery plan

Short-term projects (FY21)

- 1 Te Ara Awataha - Stage 1
- 2 Te Ara Awataha - Stage 2
- 5 Acquisitions

Medium-term projects (FY22-24)

- 3 Community Facility
- 6 Development

Long-term projects (FY25+)

- 4 Town Square & Roads



OLD PAPATOETOE

Masterplan: Spatial delivery plan

Projects completed

- 12 Supermarket, Mall & Plaza

Short-term projects (FY21)

- 1 Town Hall / Chambers Project
- 2 98 St George St - Potential Optimisation
- 3 Stadium Reserve Upgrade & Access
- 6 St George's Lanes
- 8 91 Cambridge Terrace - The Depot

Medium-term projects (FY22-24)

- 4 Library Precinct Optimisation
- 9 107 & 109 St George Street
- 10 15 Kolmar Road
- 11 86 Cambridge Terrace - Bowling Green

Long-term projects (FY25+)

- 5 The extension of Cambridge Terrace
- 7 27 St George Street



ONEHUNGA

Masterplan: Spatial delivery plan

Projects completed

- 7 Onehunga Laneway 7

Short-term projects (FY21)

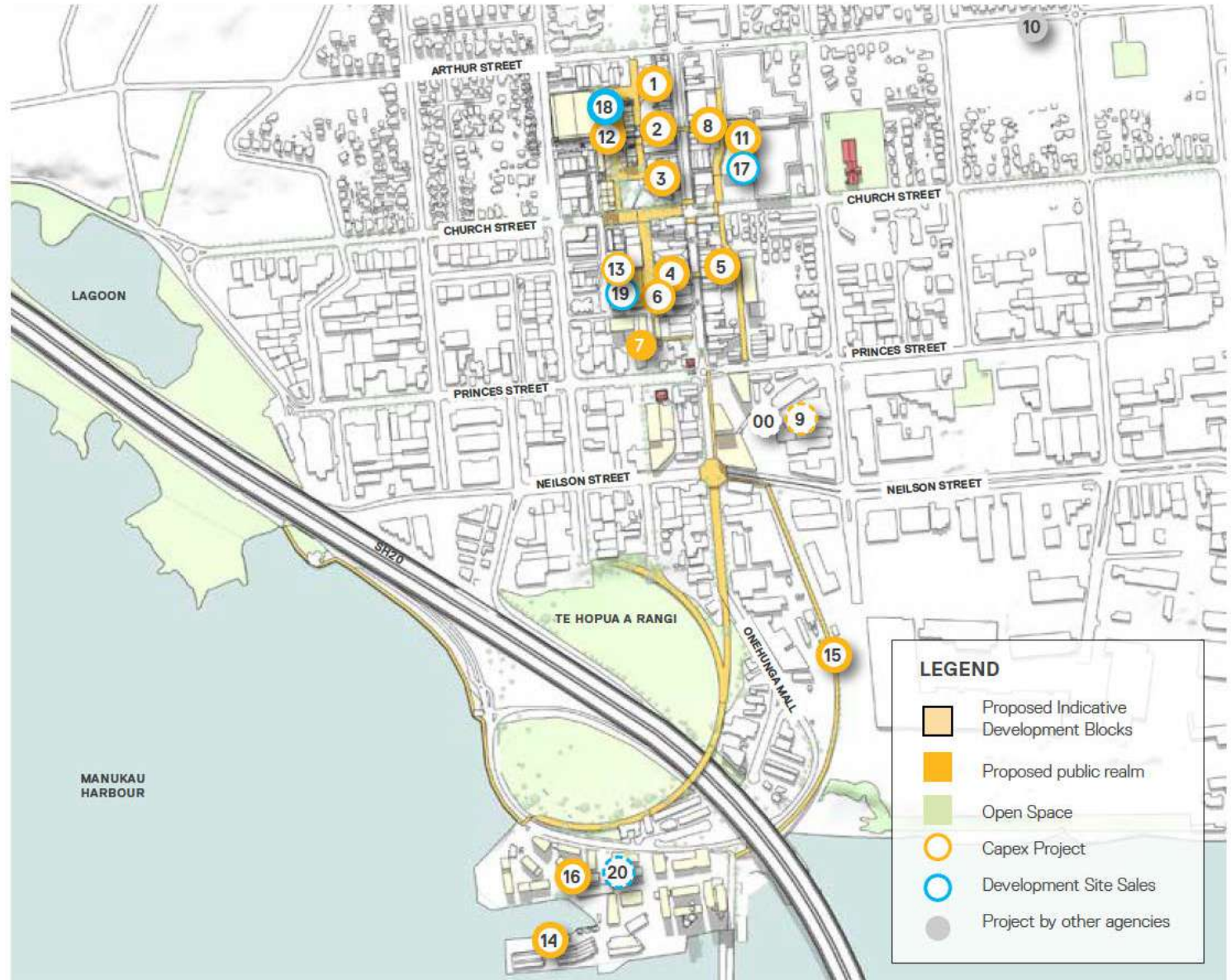
- 1 Onehunga Laneway 1
- 2 Onehunga Laneway 2
- 3 Onehunga Laneway 3
- 4 Onehunga Laneway 4
- 5 Onehunga Laneway 5
- 8 Onehunga Laneway 8
- 10 Oranga, Kāinga Ora
- 11 DressSmart Precinct
- 12 Waiapu Lane Precinct
- 14 Onehunga Wharf Building Upgrades
- 15 Onehunga Wharf interim Activities & Access
- 16 Onehunga Wharf Masterplan & Plan Change
- 18 Waiapu Lane Precinct

Medium-term projects (FY22-24)

- 6 Onehunga Laneway 6
- 13 Municipal Precinct
- 17 DressSmart Precinct
- 19 Municipal Precinct

Long-term projects (FY25+)

- 9 Onehunga Laneway 9 (Station)
- 20 Onehunga Wharf Infrastructure & Development
- 00 Train Station Precinct



PANMURE

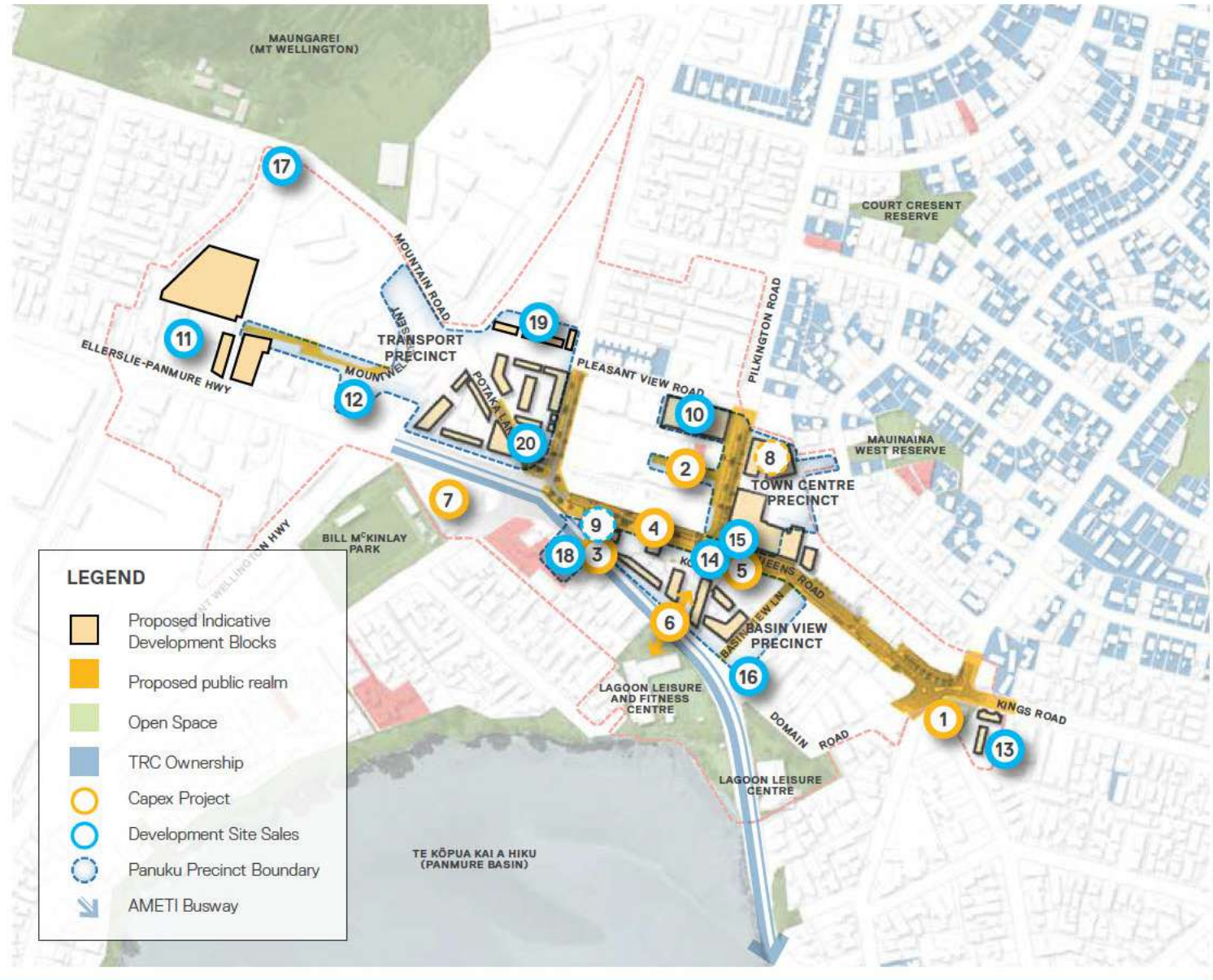
Masterplan: Spatial delivery plan

Short-term projects (FY21)

- 1 Kings Road
- 2 Clifton Court
- 3 13-27 Queens Road
- 4 Streetscape Upgrades
- 5 Integrated Community Hub
- 6 Basin View - Ped & Cycling Bridge
- 7 535 Ellerslie - Panmure Highway
- 10 28-30 Pilkington Road
- 11 486-492 Ellerslie Panmure Highway
- 12 3 Mountwell Crescent
- 13 3 Kings Road
- 14 71-79 Queens Road
- 15 70-88 Queens Road
- 16 23 Domain Road, Panmure
- 17 59 & 59a Mountain Road, Mount Wellington
- 18 11-13 Lagoon Drive, Panmure
- 19 7-9 Jellicoe Road, Mount Wellington
- 20 Transport Precinct Mega Site

Long-term projects (FY25+)

- 8 7-13 Pilkington Road
- 9 13-27 Queens Road



PUKEKOHE

Masterplan: Spatial delivery plan

Short-term projects (FY21)

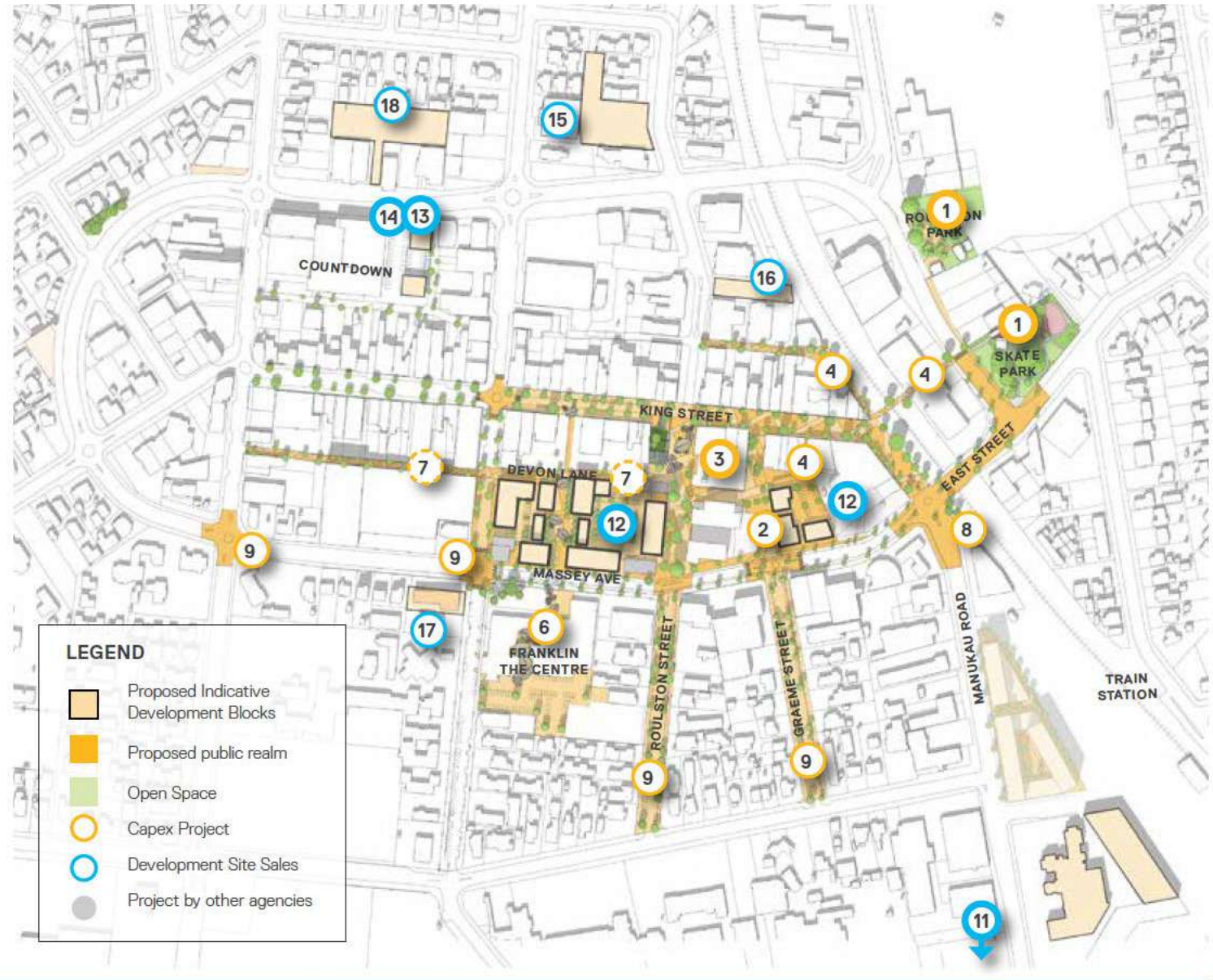
- 1** Skate & Roulston Park Enhancements
- 3** Eat Street Phase 1
- 11** 172 - 182 Manukau Road
- 12** 7 Massey Avenue
- 13** Edinburgh Street Superblock
- 14** 4 Tobin Street
- 19** Site Sales w/o Development Outcomes

Medium-term projects (FY22-24)

- 2** Gap Filling / Business Incubator
- 4** Eat Street Phase 2
- 5** Parking Management Solutions
- 6** Civic Hub Enhancements
- 8** Safe Walkable Street Phase 1
- 9** Safe Walkable Street Phase 2
- 10** Urban Tree Programme
- 15** 24 Hall Street
- 16** 9 Hall Street
- 17** 22 Edinburgh Street
- 18** 9 Tobin Street

Long-term projects (FY25+)

- 7** Laneway Upgrades



TAKAPUNA

Masterplan: Spatial delivery plan

Projects completed

- 1 Gasometer Carpark

Short-term projects (FY21)

- 2 Town Square
- 3 Huron & Northcroft Streetscape
- 4 Gasometer Site Sale
- 6 Anzac Street Development
- 7 R78 & &2A Hurstmere Road
- A Hustmere Road (AT)

Medium-term projects (FY22-24)

- 5 Gasometer Development Site



WATERFRONT - Wynyard Quarter Precinct

Masterplan: Spatial delivery plan

Projects underway / completed

- 0.1 132 Halsey Street
- 0.2 Wynyard Central (East 2)
- 0.3 Park Hyatt Hotel
- 0.4 10 Madden St (near complete)
- 0.5 30 Madden St (near complete)
- 0.6 12 Madden St
- 0.7 Mason Bros.
- 0.8 Vos boat shed upgrade
- 0.9 Tiramarama Way Stg 1.
- 0.10 Silo Park Extension Stg 1. (near complete)
- 0.11 Daldy Linear Park

Short-term projects (FY21)

- 1.1 Orams marine facility (underway)
- 1.2 Precinct Properties (sites 6A & 6B)
- 1.3 Silo park extension Stg 2.
- 1.4 Site 14: North Wharf development strategy and market testing
- 1.5 Site 19: development strategy and market testing
- 1.6 Wynyard Wharf northern section upgrade
- 1.7 The headland park development (northern section)
- 1.8 Site 1 Vos shed slipway upgrade
- 1.9 Willis Bond Residential Stg 3. (East 1)
- 1.10 Tiramarama Way (Stage 2)

Medium-term projects (FY22-24)

- 2.1 Public realm development
- 2.2 Willis Bond Residential Stg 4. (West 2)
- 2.3 Site 12 west and east: development strategy and market testing

Long-term projects (FY25+)

- 3.1 Headland public realm upgrades
- 3.2 Headland sites mixed use development

LEGEND

- Proposed Indicative Development Blocks
- Proposed public realm
- Open Space
- Capex Project
- Development Site Sales



WATERFRONT - Westhaven Masterplan: Spatial delivery plan



WATERFRONT - Viaduct & Central Wharves

Masterplan: Spatial delivery plan

Projects underway/completed

- 1 Hobson Wharf Extension
- 2 Quay St Intersection Works

Short-term projects (FY21)

Western Edge Improvement Works

- 1.1 East West Connection upgrade
- 1.2 Asset renewal, asset upgrade and maintenance

Medium-term projects (FY22-24)

Western Edge Improvement Works

- 2.0 Remove cloud; replace with public open space and shelter structures
- 2.1 New Wynyard crossing

Long-term projects (FY25+)

Eastern Edge Improvement Works

- 3.0 Improvements to cruise infrastructure; potential cultural building; enhanced public open space.

LEGEND

- Proposed Indicative Development Blocks
- Proposed public realm
- Open Space
- Capex Project

REGIONAL PROGRAMME - AT Assets Scope

Spatial delivery plan

Short-term projects (FY21)

- 1 Orakei Station

Medium-term projects (FY22-24)

- 2 33 Station Road, Manurewa
- 3 8 Selwyn Road, Manurewa train station park and ride
- 4 Grafton Gully (SH16 off ramp)
- 5 Homai train station park and ride
- 6 Sturges Road train station park and ride
- 7 Papakura train station park and ride

Long-term projects (FY25+)

- 8 Silverdale bus station park and ride
- 9 Constellation bus station park and ride
- 10 Albany bus station park and ride



AT Park and Ride Redevelopment is a joint venture between AT and Panuku aimed at providing an appropriate strategy to accommodate transport service requirements at designated council owned park and ride sites while simultaneously exploring mixed use development options with positive urban regeneration and urban design outcomes. The sites on which AT operate park and rides are underutilised, single use land with untapped potential in which large amounts of capital is locked up. These sites provide opportunities to undertake integrated transit orientated developments (TODs) close to amenities with links to reliable and frequent public transport, opportunities which the Council Group has not progressed.



REGIONAL PROGRAMME - Haumaru Scope

Spatial delivery plan

Short-term projects (FY21)

- 1 21 Henderson Valley Road, Henderson
- 2 33 Henderson Valley Road, Henderson
- 3 16-18 Handley Avenue, Narrow Neck

Medium-term projects (FY22-24)

- 4 81A Godley Road, Green Bay
- 5 24-32 Greenslade Crescent, Northcote
- 6 Lambie Court, 11 Yates Road, Mangere
- 7 St George Place, Old Papatoetoe
- 8 7 Coronation Road, Mangere



Haumaru Housing - facilitating social housing and the long-term redevelopment of the network of homes for older people, raising the quality and increasing the number of properties in the portfolio



REGIONAL PROGRAMME - Optimisation Scope

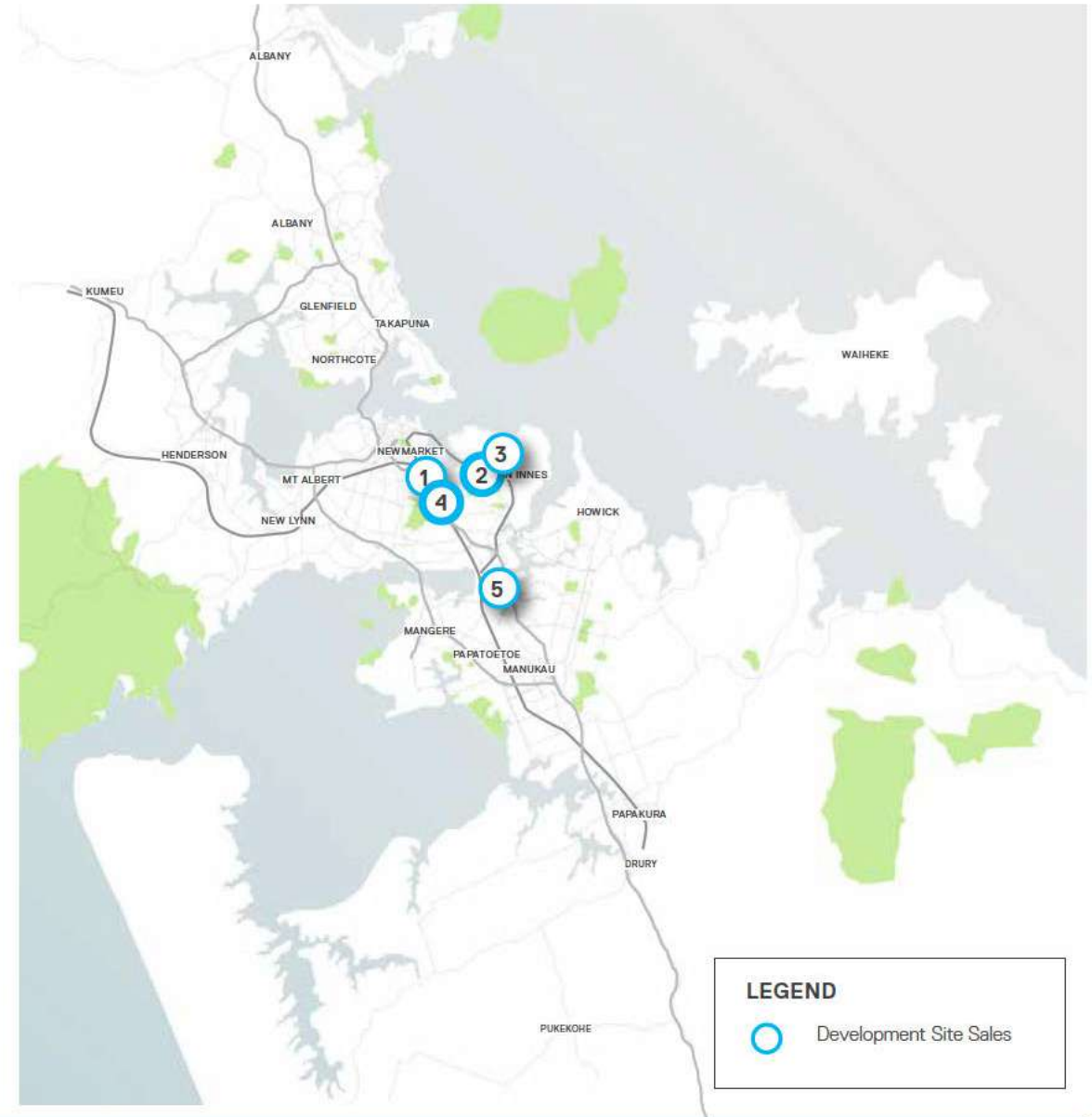
Spatial delivery plan

Short-term projects (FY21)

- 2 29-31 St Johns Road, Meadowbank
- 4 6 Clonbern Road, Remuera

Medium-term projects (FY22-24)

- 1 4 Victoria Avenue, Remuera
- 3 22 Tahapa Crescent, Meadowbank
- 5 12 - 16 High St, Otahuhu



Service Property Optimisation - Panuku, community services and local boards work together to identify and release value from underperforming service assets in order to fund local services while supporting urban regeneration. Projects must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects.



REGIONAL PROGRAMME - Supports Scope

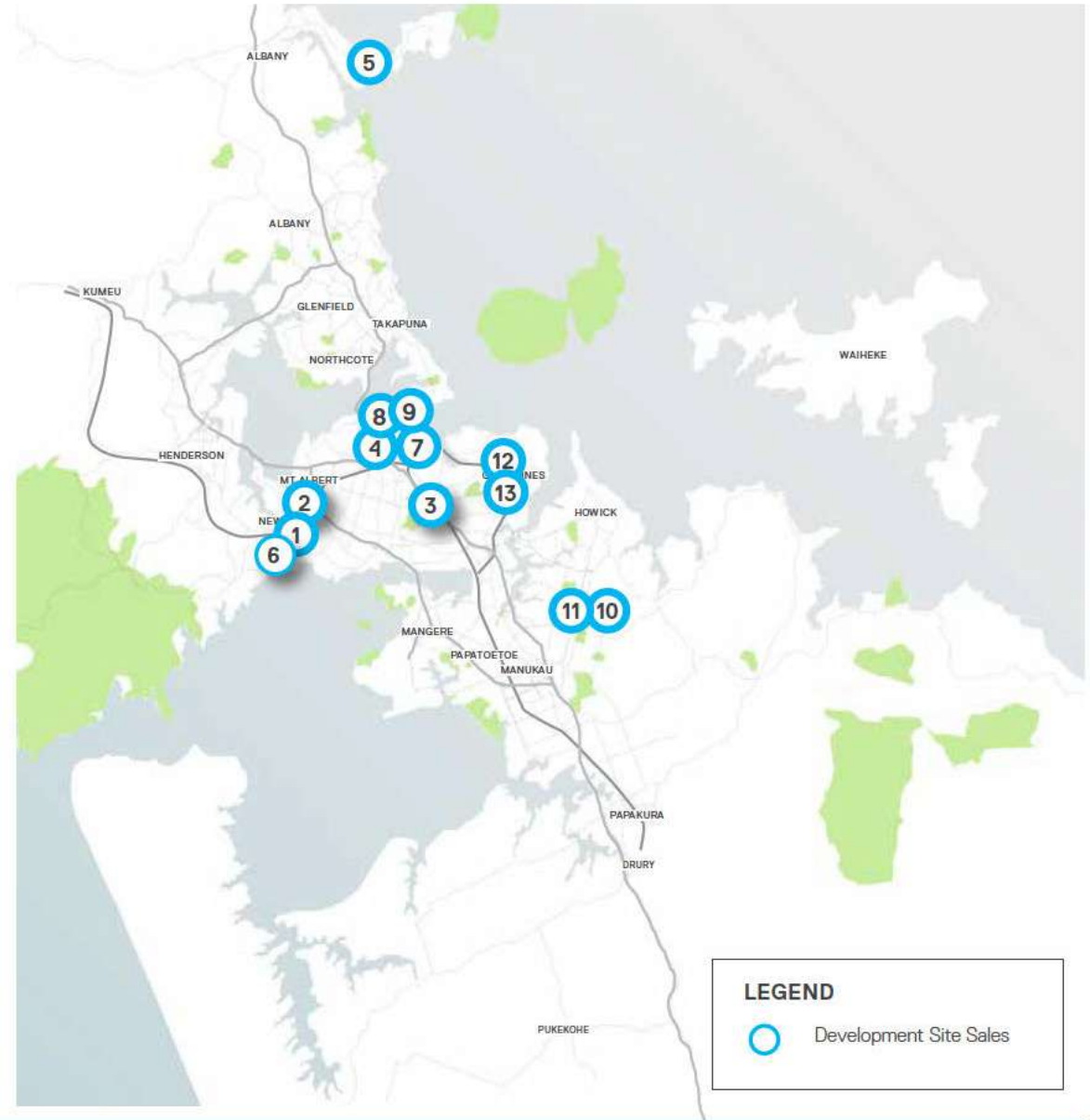
Spatial delivery plan

Short-term projects (FY21)

- 1 10 Ambrico Place, New Lynn
- 2 10-22 Totara Avenue, New Lynn
- 3 132 Greenlane East, Greenlane
- 4 198 Dominion Road, Mount Eden
- 5 20 Link Crescent, Whangaparoa
- 7 Civic Administration Building, Aotea Square
- 8 Britomart Development, Quay Street, Auckland
- 9 CPO Station Plaza
- 10 Lot 3 187 Flat Bush School Road, Flat Bush
- 11 Lots 4&5 187 Flat Bush School Road, Flat Bush
- 12 78 Merton Road, St. John's
- 13 85-100 Morrin Road, St. John's

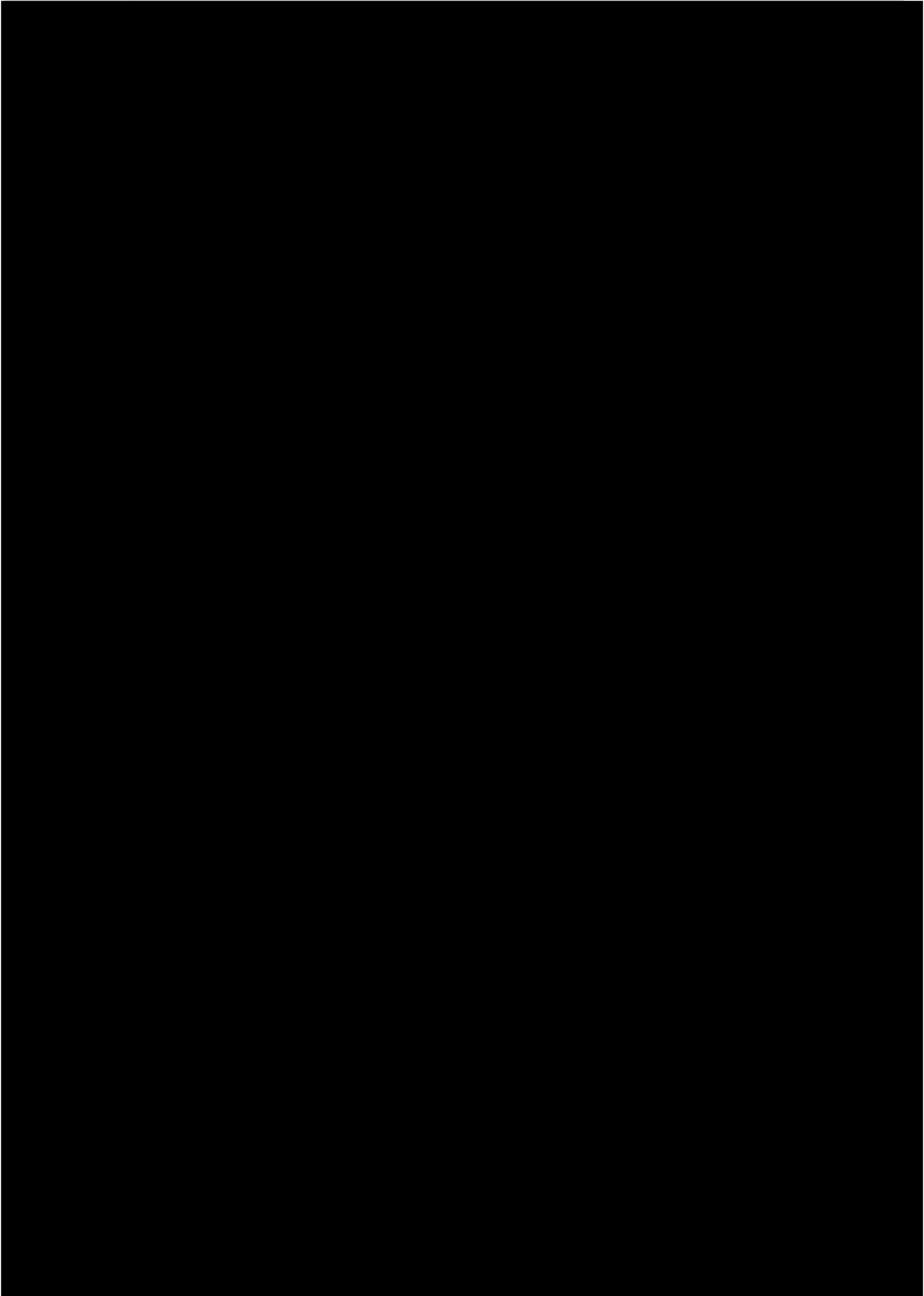
Medium-term projects (FY22-24)

- 6 83B Godley Road, Green Bay

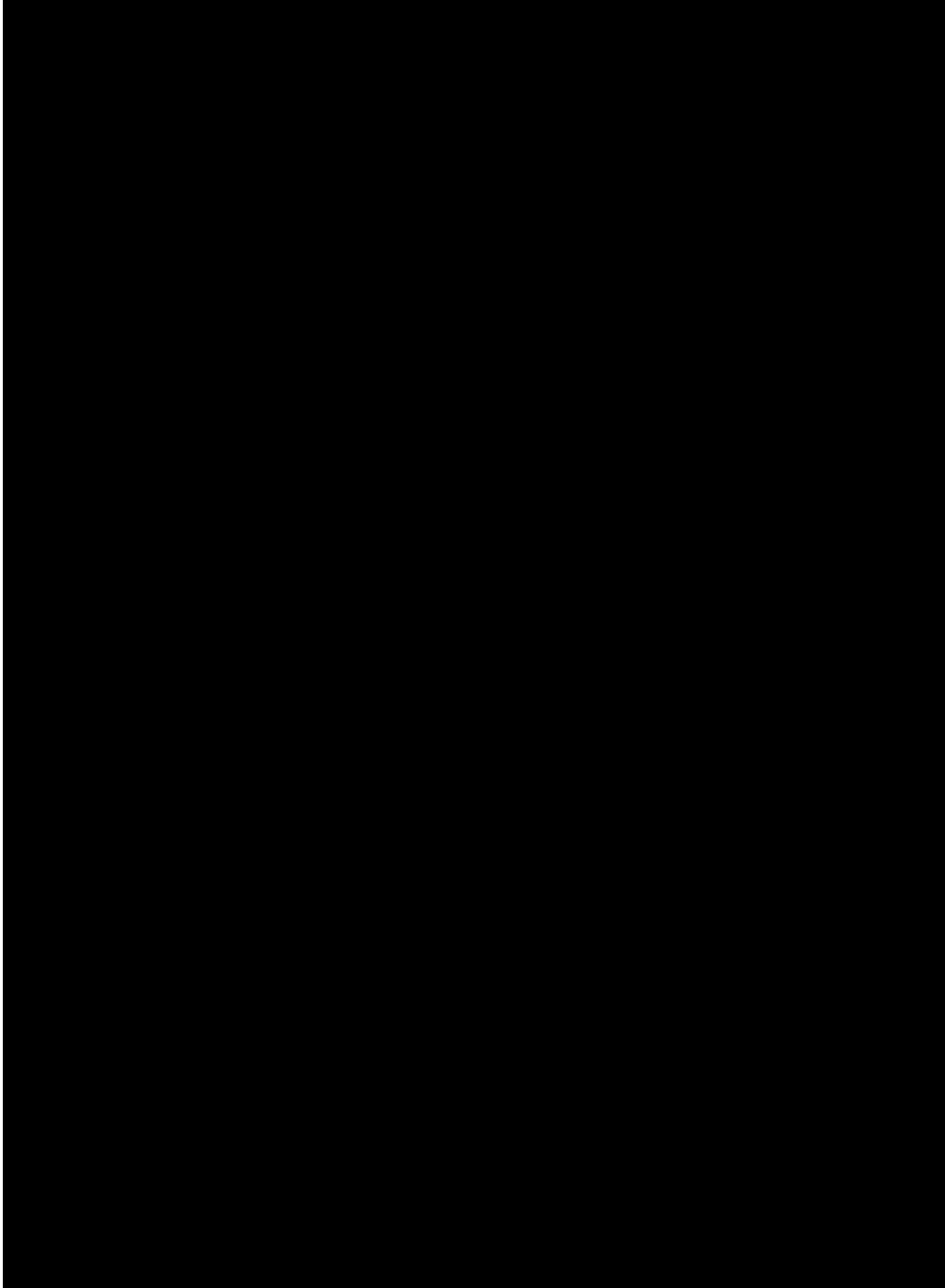


Support programme – the development of strategic sites not within the town centre.





Asset Sales and Prepaid leases List 2020/2021 - 21 July 2020



There are no items of general business at the time of publishing.

Closing

Unuhia, unuhia

Unuhia mai te urutapu nui

Kia wātea, kia māmā,

te ngākau te tinana, te
hinengaro

i te ara takatū

Koia rā e Rongo

e whakairia ake ki runga

Kia tina! Haumi e!

Hui e! Tāiki e!

Draw on, draw on

*Draw on the supreme
sacredness*

To clear and to set free

*the heart, the body and the inner
essence*

In preparation for our pathways

Let peace and humility

be raised above all

Manifest this! Realise this!

Bind together! Affirm!