



**Panuku
Development
Auckland**
An Auckland Council Organisation



**Board
Report**

Date

Wednesday, 29 June 2016

Time

Commencing at 9.00 am

Venue

Panuku Development Auckland
Level 2, Pier 21 Building,
11 Westhaven Drive, Freemans Bay

Board Agenda

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

When: Wednesday, 29 June 2016 – 9.00 am – 2:00 pm

Board Members: R.H. Aitken – Chair
Sir John Wells – Deputy Chair
M.A. Blackburn – Director
E.W. Davies – Director
R.I. Leggat – Director
Dr S.C. Macken – Director
P.F. Majurey – Director
M.E. Pohio – Director
C.M. Udale – Director

Apologies:

In attendance: J.G. Dalzell – Interim Chief Executive
C. Gosbee – Director Corporate Services
D. Rankin – Director Strategy and Engagement
R. Marler – Director Place Shaping
A. Young – Director Development
I. Wheeler – Director Portfolio Management
J. Lindsey – Director Capital Partnerships
A. Cutler – Manager Governance Relationships
D. Gurney – Corporate Governance Lead / Board Secretary

		Page #	Timing								
1.	Opening of Public Meeting		9:00 am								
	1.1 Apologies										
	1.2 Public Deputations										
	1.3 Directors' Interests and advice of any conflicts	5									
	1.4 Directors' Board Meeting Attendance Register	10									
	1.5 Minutes of the Development Auckland Board meeting of 25 May 2016	11									
2.	Panuku Statement of Intent	13	9:20 am								
3.	Chief Executive's Report to the Board	50	9:30 am								
	3.1 Health and Safety Report for May 2016	54									
4.	4.1 Procedural:		9:40 am								
	Procedural motion to exclude the public:										
	Put the motion that, pursuant to the provisions of Section 48(1)(a) of the Local Government Official Information & Meetings Act 1987, the public be excluded from the following proceedings of this meeting; the subject matter, the reasons and specific grounds for exclusions are set below:										
	<table border="1"> <thead> <tr> <th>General subject of matters to be considered</th> <th>Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td>Governance; Committee reports</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Finance & Risk</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Management & operations</td> <td>Commercially sensitive issues</td> </tr> </tbody> </table>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee reports	Commercially sensitive issues	Finance & Risk	Commercially sensitive issues	Management & operations	Commercially sensitive issues		
General subject of matters to be considered	Grounds under Section 48(1) for considering in private										
Governance; Committee reports	Commercially sensitive issues										
Finance & Risk	Commercially sensitive issues										
Management & operations	Commercially sensitive issues										

	<p>4.2 Minutes of the Development Auckland Board Meeting of 25 May 2016 (Confidential) 59</p> <p>4.3 Board Action List 66</p> <p>4.4 Board work programme 69</p> <p>Grounds under Section 48(1) for considering Action List and Board Work Programme in private: Commercially sensitive</p>		
5.	<p>Chief Executive's Report (confidential) 73</p> <p>5.1 Summary of Strategic Projects 89</p> <p>5.2 Health and Safety Report (see Public CE Report above) 54</p> <p>5.3 Risk Dashboard 114</p> <p>5.4 Summary of Property Acquisitions 118</p> <p>5.5 Summary of Property Disposals 119</p> <p>Grounds under Section 48(1) for considering Chief Executives Report – Confidential Issues) in private: Commercially sensitive</p>		9:50 am
6.	<p>Financial Report to the Board 120</p> <p>Grounds under Section 48(1) for considering Panuku Financial Report to the Board in private: Commercially sensitive</p>		10:15 am
	Morning Tea		10:30 am
7.	<p>Decision Papers</p> <p>7.1 Civic Administration Building – RFDP Evaluation Results 146</p> <p>7.2 Maori Responsiveness Action Plan 190</p> <p>7.3 Maori Commercial Relationships Action Plan 199</p> <p>7.4 Annual Business Plan 210</p> <p>7.5 Panuku Dividend Policy Review 263</p> <p>7.6 Distribution to Shareholder 267</p> <p>7.7 Disposals Recommendations 273</p> <p>7.8 Grants and Donations Plan 2016/17 296</p> <p>7.9 Panuku Master Programme 302</p> <p>Grounds under Section 48(1) for considering Decision Papers in private: Commercially sensitive</p>		10:45 am
8.	<p>Direction Setting Papers</p> <p>8.1 Housing for Older Persons – High Level Project Plan 313</p> <p>8.2 Corporate Responsibility Framework 325</p> <p>8.3 Tamaki Regeneration Company – Report to Council</p> <p>Grounds under Section 48(1) for considering Direction Setting Papers in private: Commercially sensitive</p>	Paper to be circulated separately	11:45 am
9.	<p>Information Papers</p> <p>9.1 Housing for Older Persons Business Planning Phase – Preliminary Strategy Business Case 348</p> <p>Grounds under Section 48(1) for considering Information Papers in private: Commercially sensitive</p>		12:00 pm
10.	<p>Committee and Subsidiary Reports</p> <ul style="list-style-type: none"> • Minutes of the Business Interests Committee on 11 May 2016 368 • Minutes of the Britomart Committee on 9 May 2016 370 • Minutes of the Wynyard Central Committee on 22 June 2016 • Minutes of the Audit and Risk Committee on 22 June 2016 	Papers to be circulated separately	12:10 pm

	<ul style="list-style-type: none"> Minutes of the Meeting of Directors of Downtown Marinas Ltd on 31 May 2016 Minutes of the Meeting of Trustees of Westhaven Marinas Trust on 31 May 2016 <p>Grounds under Section 48(1) for considering Committee and Subsidiary Reports in private: Commercially sensitive</p>	Papers to be circulated separately	
11.	<p>Document Register</p> <p>Grounds under Section 48(1) for considering Document Register details in private: Commercially sensitive</p>	373	12:20 pm
12.	Senior Leadership Team – Interests Register	374	12:20 pm
13.	General Business		12:20 pm
14.	Directors Only Session		12:30 pm
	Lunch		1:00 pm
	Directors’ “Walking Tour” of Wynyard Quarter developments		1:30 pm

Directors' Interests at 23 June 2016

Member	Interest	Company/Entity	Potential Conflicts
Sir John Wells	Chairman	Development Auckland Limited	-
	Trustee	Auckland Grammar School Foundation Trust	None
	Chairman	Bancorp Group Ltd	Potential financier – Housing for Older Persons
	Chairman	Bancorp Holdings Corporation Ltd	None
	Chairman	Bancorp New Zealand Ltd	None
	Director	Bancorp Strategic Investments Ltd	None
	Chairman	Bancorp Treasury Services Ltd	None
	Chairman	CBL Insurance Ltd	None
	Chairman	CBL Corporation Ltd	None
	Chairman	Fisher Funds Management Ltd	None
	Chairman	Greenpark Holdings Ltd	None
	Advisory Board Member	Marsh Ltd	None
	Director	Martin Jenkins and Associates Ltd	None
	Chairman	Sheffield North Island Ltd	None
	Trustee	Wadhurst Trust	None
	Trustee	Wells Family Trust	None
	Chairman	World Masters Games 2017 Ltd	None
	Member	Committee for Auckland – Chairman's Advisory Group	
	Director	CBLNZ Ltd	
	Chairman	Assetinsure Pty Ltd (Australia)	
Chairman	Assetinsure Holdings Pty Ltd (Australia)		
Richard H Aitken	Deputy Chairman	Development Auckland Limited	-
	Director	Beca AMEC Ltd	None
	Chairman and Employee	Beca Group Ltd	Supplier
	Director	Beca Group Holdings Ltd	None
	Director	BGCF Trustee Ltd	None
	Director	BGL Custodian Ltd	None
	Director	BGL Depository No. 2 Ltd	None
	Director	BGL Finance Ltd	None
	Director	BGLIR Trustee Ltd	None
	Director	BGL Management Share Trustee Ltd	None
	Director	BGL Nominees Ltd	None
	Director	BGS Trustee Ltd	None

29 June 2016 Panuku Board Papers (Public) - Opening of Meeting

Member	Interest	Company/Entity	Potential Conflicts
	Director	Derceto Trustee Ltd	None
	Director	Hopetoun Pitt Ltd	None
	Director	Beca Chile S.A (Chile)	None
Richard H Aitken (continued)	Director	Gands Plan Pty Ltd (Australia)	None
	Director	John Scotts Investments Ltd	None
	Director	TrustPower Ltd	None
	Chair	Te Punaha Matatini Advisory Board	None
	Trustee	BAS Custodian Trust	None
	Trustee	Beca Indemnity Fund Custodian Trust	None
	Trustee	BGLIR Custodian Trust	None
	Trustee	BGL Custodian Trust	None
	Trustee	BGS Custodian Trust	None
	Trustee and discretionary beneficiary	The Glade Trust	None
	Trustee	The Sunnybrae Trust	None
	Trustee	The Waimarama Trust	None
	M Anne Blackburn	Director	Development Auckland Limited
Member		Commercial Operation Advisory Board to the Treasury	None
Director		New Zealand Venture Investment Fund Limited	None
Director		NZVIF Investments Limited	None
Director		Warren & Mahoney Limited	Supplier
Director		Warren & Mahoney Architects Limited	Supplier
Director		Committee for Auckland Limited	None
Director		Fidelity Life Assurance Company Limited	None
Chair		Royal District Nursing Service NZ Limited	None
Director		RDNS Group Limited (Australia)	None
Director		Fisher Funds Management Limited	None
Director		TSB Bank Limited	None
Director		TSB Group Capital Limited	None
Director		TSB Group Investments Limited	None
Director		Ten Gracie Square Limited	None
Director		Wairaka Land Company Limited (Unitec land development subsidiary)	Possible

29 June 2016 Panuku Board Papers (Public) - Opening of Meeting

Member	Interest	Company/Entity	Potential Conflicts
Evan W Davies	Director	Development Auckland Limited	-
	Director	Welch Securities Ltd	None
	Director	Paris Magdalinos Architects Ltd	None
	Director	Kokako Fames Ltd	None
	Director	Todd Property Group Limited and Subsidiaries	None
	Director	Todd Property Ormiston Town Centre Ltd	J/V with Panuku
	Trustee	Melanesian Mission Trust	None
	Trustee	Anglican Trust for Women and Children	None
	Chair	Capital Investment Committee, Nation Health Board	None
	Chair	Christchurch Hospital Redevelopment Partnership Board	None
Richard I Leggat	Director	Development Auckland Limited	-
	Director	New Zealand Post Ltd	None
	Deputy Chair	Tourism NZ	None
	Director	Education NZ	None
	Director	Cycling NZ	None
	President	Union Cycliste Internationale Ethics Commission	None
	Chairman	NZ Cycle Trail Incorporated	None
	Director	Snowsports NZ	None
	Panel Member	NZ Markets Disciplinary Tribunal	None
	Director	Trophy Metropolitan	None
	Director	Mortleg Ltd	None
	Advisor	Busways PTY Ltd	None
Dr Susan C Macken	Director	Development Auckland Limited	-
	Deputy Chair	Bank of New Zealand	Possible as provider of banking services to Auckland Council & CCOs
	Director	Treasury Advisory Board	None
	Director	Blossom Bear Ltd	none
	Director	Fertility Associates Trustee Ltd and Associates	None
	Director	STG Ltd	None
	Deputy Chair	Tāmaki Redevelopment Company Ltd	Possible
	Director	Spa Electrics Ltd (Aust)	None

29 June 2016 Panuku Board Papers (Public) - Opening of Meeting

Member	Interest	Company/Entity	Potential Conflicts
Paul F Majurey	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	Possible – Three Kings
	Chair	Tāmaki Makaurau Community Housing Limited	Possible
	Chair	Tāmaki Collective	None
	Chair	Hauraki Collective	None
	Chair	Marutūāhu Collective	None
	Director	Development Auckland Limited	-
	Director	Pouarua Farm General Partner Limited	None
	Director	Tikapa Moana Enterprises Limited	None
	Director	Marutūāhu Rōpū General Partner Limited	None
	Director	Ngāti Maru Pouarua Farm limited	None
	Director	Pare Hauraki Asset Holding Limited	None
	Director	Museum of New Zealand Te Papa Tongarewa	None
	Director	Half Moon Bay Venture Limited	None
	Co-Chair	Sea Change Marine Spatial Plan Project	None
	Co-Chair	Tāmaki Healthy Families Alliance	None
	Trustee	Crown Forestry Rental Trust	None
	Trustee	Hapu – Ngāti Maru Rūnanga	None
	Trustee	Hauraki Fishing Group	None
Representative	Tāngata Whenau – Hauraki Gulf Forum	None	
Michael E Pohio	Director	Development Auckland Limited	-
	Director	National Institute of Water & Atmospheric Research Limited	None
	Director	NIWA Vessel Management Limited	None
	Director	KiwiRail Limited	None
	Chairman	BNZ Partners Waikato	None

29 June 2016 Panuku Board Papers (Public) - Opening of Meeting

Member	Interest	Company/Entity	Potential conflicts
C Martin Udale	Director	Development Auckland Limited	-
	Director	Canvas Investments Limited	None
	Director	Essentia Consulting Group Limited	None
	Director	Fleming Urban Limited	Possible Onehunga development
	Director	Innovation Waikato Limited	None
	Director	Paparata Limited	None
	Director	Peterborough Quarter Limited	None
	Director	Tall Wood Limited	None
	Director	Tamaki Redevelopment Company Limited	Possible
	Council member	Unitec Institute of Technology	None
	Director	Waikato Innovation Park Limited	None
	Chair	Wairaka Land Company Limited (Unitec land development subsidiary)	Possible
	Member	McConnell Property Advisory Committee	Possible



DIRECTORS' MEETING ATTENDANCE REGISTER

	2015				2016					No. of meetings		2017					
	23 Sep	28 Oct	25 Nov	11 Dec	24 Feb	30 Mar	27 Apr	25 May	29 Jun	Attended	Total	27 Jul	31 Aug	21 Sep	26 Oct	30 Nov	14 Dec
Sir John Wells	✓	A	✓	✓	✓	✓	✓	✓									
R H Aitken	✓	✓	✓	A	✓	✓	✓	✓									
M A Blackburn	A	✓	✓	✓	✓	✓	✓	✓									
E W Davies	✓	✓	A	✓	✓	✓	✓	✓									
R I Leggat	A	✓	✓	A	✓	✓	✓	✓									
Dr S C Macken	A	✓	✓	A	A	✓	A	✓									
P F Majurey	✓	✓	A	✓	✓	✓	A	✓									
M E Pohio	✓	A	A	✓	✓	✓	✓	✓									
C M Udale	✓	A	✓	✓	✓	✓	✓	✓									



MINUTES OF THE MEETING OF DIRECTORS OF DEVELOPMENT AUCKLAND LIMITED (PANUKU DEVELOPMENT AUCKLAND), AT LEVEL 2, PIER 21 BUILDING, 11 WESTHAVEN DRIVE, AUCKLAND ON WEDNESDAY 25 MAY 2016 COMMENCING AT 9:30A.M.

ATTENDING		<p>Board: R H Aitken (Chair), Sir John Wells, M A Blackburn, E W Davies, R I Leggat, Dr S C Macken, P F Majurey, M E Pohio and C M Udale.</p> <p>Executive: J Dalzell (Interim Chief Executive), C Gosbee (Director Corporate Services), J Lindsey (Director Capital Partnerships), R Marler (Director Placemaking), D Rankin (Director Strategy and Engagement), I Wheeler (Director Portfolio Management), A Young (Director Development), A Cutler (Manager Governance Relationships), D Gurney (Board Secretary).</p>								
APOLOGIES	01/08/16	<p>All Board members were in attendance at the meeting so no apologies were received.</p> <p>An apology from A Young was received.</p>								
DIRECTORS' INTERESTS	02/08/16	<p>The Board reviewed and received the Register of Directors' Interests.</p> <p>P M Majurey noted that his company had worked with Darby Group (relevant to Item 7.1). He also noted that he had a conflict of interests with respect to Britomart.</p> <p>The Board discussed how to best manage conflicts of interests, and it noted that the Conflicts of Interests Policy was being reviewed. The importance of a consistent approach was discussed, both in how conflicts are identified and then managed. It was agreed that determining the best approach was a matter of urgency for the Board.</p>								
BOARD ATTENDANCE REGISTER	03/08/16	The Board received the Board Attendance Register.								
MINUTES OF PREVIOUS MEETING	04/08/16	<p>It was RESOLVED THAT the amended Minutes of the Meeting, held on 27 April 2016 be confirmed as a correct record and be signed by the Chairman.</p> <p><i>Moved M E Pohio; seconded Sir John Wells; CARRIED.</i></p>								
APPOINTMENT OF THE CHAIR AND DEPUTY CHAIR	05/08/16	<p>It was RESOLVED THAT:</p> <ol style="list-style-type: none"> 1. R H Aitken be appointed as the Chairman of the Board of Directors on the Company to hold that office until further notice. 2. Sir John Wells be appointed as the Deputy Chairman of the Board of Director on the Company to hold that office until further notice. 								
PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	06/08/16	<p>It was RESOLVED THAT, pursuant to the provisions of Section 48(1)(a) of the Local Government Official Information & Meetings Act 1987, the public be excluded from the Meeting for the following proceedings; the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1"> <thead> <tr> <th>General subject of matters to be considered</th> <th>Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td>Governance; Committee report</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Finance and Risk</td> <td>Commercially sensitive issues</td> </tr> <tr> <td>Management and operations</td> <td>Commercially sensitive issues</td> </tr> </tbody> </table>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
General subject of matters to be considered	Grounds under Section 48(1) for considering in private									
Governance; Committee report	Commercially sensitive issues									
Finance and Risk	Commercially sensitive issues									
Management and operations	Commercially sensitive issues									

		The meeting closed at 9.35am.
--	--	-------------------------------

READ AND CONFIRMED

_____ **Chairman**

_____ **Date**

SOI 2016-19: PERFORMANCE MEASURES INFORMATION AND DEFINITIONS

The purpose of this document is to provide guidance and clarification on interpretation and calculation of SOI performance measures.

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology	
				2016/ 2017	2017/ 2018	2018/ 2019		
Catalyse urban development								
Develop and activate town centre and Waterfront development areas	1	The Board approves the rolling HLPP programme. (The quarterly rolling HLPP programme will contain individual HLPPs that will be approved by the Panuku Board and Council, where appropriate). The programme will be communicated to Council.	Not available	New performance measure	The quarterly rolling HLPP programme is approved by the Board	The quarterly rolling HLPP programme is approved by the Board.	The quarterly rolling HLPP programme is approved by the Board.	<p>The HLPP rolling programme will be a component of the Master Programme that will be approved by the SLT and Board.</p> <p>The approval of the Master Programme by the Board signifies the approval of the HLPP programme.</p> <p>There will be at least 3 Master Programmes/Rolling HLLP programmes approved by the Board during the year.</p> <p>NB: We assume there will be at least 3 Master programme updates approved by the Board during the year. (Note – will need to be a decision paper if there are changes in the Master Programme)</p> <p>What's the purpose of a High level project plan (HLPP)</p> <p>The HLPP tells a cohesive story, upfront and with colour.</p> <p>The HLPP purpose and benefits are:</p> <ul style="list-style-type: none"> - Project origination and enablement" - To determine the project vision and outcomes - To achieve all necessary approvals from Board and Shareholder to proceed with project and allocate necessary resources - It is high level, short and sets out the process going forward, stages, milestones, risks and project structure - It contains the narrative as to why Panuku is doing the project (link to SOI), what the intended outcomes and benefits are - It includes an explicit, upfront, due diligence exercise and asks the hard questions <p>The HLLP will assist the clearance process (as Local Board's often ask for the strategic context and how the "site" fits in to a bigger picture)</p> <p>The HLLP will be followed by detailed project planning, master planning, site feasibility and business cases, as required etc.</p>
	2	Significant Master programme deliverables are completed as planned. (The main Master programme deliverables for Transform and Unlock Locations include the Engagement, Framework and Implementation Plan approved by the Panuku Board and by Council, where appropriate).	New measure	New measure	Number of Significant Master programme deliverables completed within the Board approved timeline.	Number of Significant Master programme deliverables completed within the Board approved timeline.	Number of Significant Master programme deliverables completed within the Board approved timeline.	<p>The significant master programme deliverables for transform and unlock locations are:</p> <ol style="list-style-type: none"> 1. High Level Project Plans 2. Engagement plan 3. Framework plan 4. Implementation Plan <p>Implementation Plan will consist of/made up of the Execution Plan and a Business Case</p> <p>All of the above deliverables/products will be approved by the SLT and Board.</p> <p>The end date for all deliverables in the Master Programme timeline is the date the deliverable/product is <u>approved by the Board or SLT where appropriate.</u></p> <p>The approval of each deliverable by the Board should be at the next available meeting of the Board after SLT approval unless the Board report cut-off date is missed.</p> <p>Included in the first Master Programme</p> <p>The first Master Programme that will be approved by the Board in June 2016 contains the following deliverables:</p> <ul style="list-style-type: none"> - Manukau – Framework Plan, Engagement Plan, Implementation Plan - Onehunga – HLPP, Framework Plan, Engagement Plan, Implementation Plan - Takapuna and Northcote – Framework Plan , Engagement Plan and Implementation Plan - HfOP, Henderson, Avondale, Ormiston and Papatoetoe HLPPs <p>NB: Council may approve the Business Case depending on nature of project (e.g. Public benefit project) and level of delegations.</p>

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
							<p>Programme changes dates:</p> <p>Any change in programme deliverable dates will go through a formal change management process. The changes in the work programme are approved by the SLT and Board. The Board can approve the changes in the Master Programme as part of approving the Quarter Master Programme update (including changes) or via a special report if required.</p> <p>Programme deliverable dates and milestones will have a project tolerance of +/- 1 Month. Programme deliverables and milestones impacted by <u>external dependencies</u> (project risks and issues outside of Panuku's realm of control) will have a project tolerance of +/- 3 months or as agreed by the CE (<i>allowing time to assess, reset and approve the Master Programme</i>).</p> <p>What is a Framework Plan?</p> <p>A non-statutory, spatial plan, the Framework Plan shapes the scope of the project and guides the delivery of the project outcomes over a 20-25 year period. It outlines the key moves and has a strong spatial element, but it also addresses town centre redevelopment, economic development outcomes, iwi commercial opportunities, sustainability and environmental outcomes. It needs to be flexible yet robust enough in terms of the overall strategic direction. The</p> <p>Framework Plan:</p> <ul style="list-style-type: none"> • provides a 20 year strategic vision for a place • tests and further develops the HLPP outcomes and provides a route map for delivery of the HLPP • gives a flavour of the general built form being sought and the nature of the development eg residential, commercial, retail etc. • ensures our plans reflect the community and place • confirms the collaborative approach with key stakeholders and delivery agents • creates a compelling place proposition and case for investment. • deals with outcomes and principles rather than being prescriptive about outputs, which can be fixed later in the process. • In some instances frameworks will be the strategic plan to co-ordinate future development, while others, particularly in more complex, long-term scenarios, they will simply be part of the brief for a more detailed work. <p>Implementation Plan consists of the following products:</p> <p>Implementation Plan</p> <ul style="list-style-type: none"> • A central document by which the project will be formally managed. It aims to: • provide a description of the major phases and stages undertaken to complete the project • outline the schedule of the activities, tasks, durations, dependencies, resources and time frames establish the project team, control and governance required to complete the project. <p>Detail Business case</p> <ul style="list-style-type: none"> • The Business Case outlines the justification for the project to proceed and/or continue; it aims to: • Evaluate the viability of project • Identify options evaluated in the HLPP and Framework and propose the best solution. • As far as practical, outline commercial benefits and costs associated with the preferred option. • Secure funding, if applicable. <p>The business case outlines the justification for (continued) investment of a project, the purpose of the project, a high-level outline of how the project will be structured, and project considerations that could affect implementation. (Is typically used to obtain capex and/or opex funding for projects of medium or high complexity). In cases where funding has already been assigned, the business case aids the PM and/or project sponsor to research, examine and compare different project solutions and approaches.</p> <p>Decision paper</p> <ul style="list-style-type: none"> • Decision paper (aka agenda item for the Panuku Board or the Auckland Development Committee).

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
							<p>Engagement Plan</p> <ul style="list-style-type: none"> Based on the belief that effective collaboration will regularly out-perform individual or silo approaches, Panuku is committed to engaging early and communicating regularly with stakeholders to help define the vision for a project. The goal of engaging in a proactive, collaborative and authentic way is to ensure the organization is able to firstly to maintain and, then to demonstrate momentum. The engagement workstream comprises a number of disciplines: Placemaking, Communications, Marketing, Stakeholder engagement. There are two phases to the engagement plans for each priority development area: <p><i>Engaging with key people while we plan</i></p> <p>As the High Level Project Plans are developed for each priority development location Panuku will establish key relationships and build a platform for the next steps. This work will be primarily guided by Local Boards and Auckland Council officers who are knowledgeable about the place and largely concentrate on the gathering and sharing of information.</p> <p><i>Writing the plan</i></p> <p>Within the Framework Planning phase, we will seek feedback and test opportunities and ideas using relationships and networks that have been established. An engagement plan to guide community interactions will be prepared for execution during the Implementation Planning phase.</p> <p>Change management</p> <p>Change request</p> <p>A document used to obtain approval to baseline (beyond accepted tolerance). A baseline is a key measure that a PM needs to track against during project delivery. In an ideal world, the baseline will not change, but in reality it will, and any changes to any of the baseline measures are considered significant and will require the approval of the Project Sponsor or higher.</p> <p>Each baseline is associated with one or more tangible measures. Typical baselines for a project are :</p> <ul style="list-style-type: none"> - Scope, Time, -Cost - Quality, Resources, Benefits <p>Some changes are minor and the PM may have delegated authority to approve them (i.e. they will not affect the project's baselines. Other changes are significant, and are likely to have an impact on one or more of the project baselines. They will require formal approval, and need to be recorded and approved/rejected via a Change Request.</p> <p>There are two types of significant Change Requests / Variation (change of scope) or corrective action (deviation from baseline).</p> <p>External dependencies</p> <p>External dependencies exist when a situation or an entity external to Panuku has access to, influence over, control of, ownership in, possession of, responsibility for, or other defined obligations related to one or more Panuku project outputs.</p>
3	Development agreements are submitted to the Panuku Chief Executive, Board and/or Council for approval. (Housing and urban	Three year target progressing Two joint venture or agreements with third parties	Three year target Twenty six development agreements with third parties including community housing organisations to be entered into.	Three year target			<p>Definitions</p> <ul style="list-style-type: none"> Development agreements or agreement – includes development agreements with developers, land sale and purchase agreement, joint venture agreements or other legal agreement resulting in a development outcome such as building sustainability features. Joint venture/development – an arrangement between Panuku and another party or parties to undertake a

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
	regeneration)	including community housing organisations were entered into out of a three year target of three.		15 development agreements with third parties including community housing organisations to be entered into.			<p>development jointly, to reach an agreed outcome. This is different from the common legal definition of a JV.</p> <ul style="list-style-type: none"> Third parties – includes the private sector such as Todd Property Group or other sector partners such as NZ Housing Foundation (Community Housing) and Housing NZ (Central Government agency) <p>Development agreement/ agreements must be unconditional and signed by Panuku and the Third party.</p> <p>All development agreements are approved by Panuku CE or the Board, or Council as appropriate per delegated authority.</p>
4	On completion, the project achieves the financial and non-financial outturn in the business cases. (Housing and urban regeneration combined)	All projects completed this year achieve business case financial and non-financial outturn	All projects completed this year achieve business case financial and non-financial outturn	All projects completed this year achieve business case financial and non-financial outturn	All projects completed this year achieve business case financial and non-financial outturn	All projects completed this year achieve business case financial and non-financial outturn	<ul style="list-style-type: none"> Outturn – covers both financial and non-financial outcomes included in a business case when seeking Board or Council approval of a project or part of a project. Completed – A development is completed when the housing units are sold and Panuku receives full settlement for its full involvement in the development or an S&P agreement for land is fully settled and outcomes sought as part of the sale such as construction of housing units is completed. Sometimes the financial outturn may occur before the non-financial outturn. Financial outturn – includes the proceeds on sale of land, management fees or other financial benefits that were included as part of the original business case or agreement. Non-financial outturn – this can include the number of housing units or other non- financial outcomes contained in the business case. <p><i>Note: Projects are subject to changes as they go through different phases of the development process. Amendment to business cases will be evidenced in reports to the Board during the stages; this can result in financial and Non-Financial outturn changes. For example the initial business case at concept stage may be significantly different from outturn noted at the approval of a Development agreement with external party stage. In this case the latter outturn will be treated as the outturn for the project.</i></p> <p><i>This measure applies to ex ACPL projects or other projects Panuku carries out on behalf of Council.</i></p>
Strategically create value from assets							
Identify and propose opportunities across Auckland Council Group portfolios	5 Written evidence that opportunities have been identified and assessed, to be progressed or not. (Housing and urban regeneration combined)	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	<p>Definitions</p> <ul style="list-style-type: none"> Opportunity – refers to properties identified in the service and non-service portfolio with development potential or potential to increase value. Value in this case has a wider meaning and is within the context of housing, urban regeneration, asset sale or service outcomes. Identification – the process of searching and reviewing non-service and service property portfolio for properties with development potential or potential to increase value. This also includes a review of prior opportunities put on hold or opportunities with context that has changed. For example; value can be added to properties via rezoning, amalgamation, adding infrastructure, subdivision or other. Assessed – the process of assessing the viability or commerciality of an opportunity. Viability can include areas such as planning, legal, engineering and other. The assessment process enables Panuku to make a "go or no go decision" for an opportunity. Further work can be commissioned to gain more assurance on opportunities before a decision is made. E.g. Feasibility report and due diligence. <p>Opportunities can progressed to a business case, be deferred to a later stage or not progressed any further.</p> <p>System and Methodology</p> <p>Non Service and Service properties are identified from the Non- service asset database (spreadsheet), Fixed Assets Register, GIS or other systems.</p> <p>The preliminary assessment of the opportunity is initially made by the portfolio review team or development manager. For service properties the Council department is also a key part of the decision. A list of opportunities is presented to the Value Add Group (made up of senior Panuku Management) in their monthly meeting. If there is potential, a decision is made to carry out further due diligence or produce a feasibility report for the CE or Board.</p>

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
							Opportunities assessed are kept in folders together with supporting information and assessment report.
Facilitate private development of waterfront, metro and town centre selected sites	6 The net surplus on the property portfolio achieves the annual budget agreed with Council.	Net surplus on the property portfolio was \$6.8m ahead of budget (actual surplus of \$29.8m against budget of \$23m).	Net Surplus achieves budget for 2015/16	Net Surplus achieves budget for 2016/17	Net Surplus achieves budget for 2017/18	Net Surplus achieves budget for 2018/19	Budget is set each year in the Annual Plan and LTP process. The data is from SAP and calculated in a spreadsheet. The actual result against YTD budget is reported monthly in Leaderkit.
Optimise returns from the managed property portfolio	7 Improvement in gross rental income on those properties that are available for rent and have been held in the portfolio for at least two years prior to the end of the reporting period	Actual of 6.2% against baseline of 4.0%.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	<p>Definitions</p> <ul style="list-style-type: none"> Like for like properties – are properties held in the portfolio for at least two years prior to the end of the reporting period. (Point to point). Properties included on a 'like for like basis' are: <ul style="list-style-type: none"> Properties that are in ACPL's Portfolio and were occupied at both points in time Properties excluded on a 'like for like basis' are: <ul style="list-style-type: none"> Properties that are not in the Portfolio at both points in time Properties that are vacant at one or both points in time Properties that are in the Portfolio at both points in time but with no rent review. Exclude long term ground leases - as they skew results (e.g. Northcote shopping centre) Properties with rent reviews within the financial reporting period. Rent reviews are noted in the terms and conditions of a lease agreement. Use of contract rental amount and not actual gross rent collected <p><i>Note: If CPI has a negative trend, leases cannot go below current rent due to Ratchet Clauses, which states that any new rent cannot go lower than the last rent.</i></p> <p>System/Methodology</p> <ul style="list-style-type: none"> Annual gross rent increases of all properties are compared to CPI movement. Use of CPI Index movement as per Statistics NZ. Convert contract rental increase to annual increase (if > 1 year rent reviews), annual CPI increase. Contracts with a longer rent review period are annualised for CPI comparison. Spreadsheet (like for like calculation) SAP Real Estate
	8 For those properties available for rent. The rolling average over a 12 month period, of % occupancy at each month end (LTP).	New performance measure	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
	<p>9 Maintain or improve the baseline established at the end of the 2012/13 financial year. ROI on properties on a like for like basis (LTP) Panuku is committed to continuously review and improve the ROI target over the term of the SOI.</p>	<p>The ROI calculated on this year's property valuation on a like for like basis is 2.5% against the 2.7% baseline established in 2012/13.</p>	<p>Greater than or equal to 2.1%</p>	<p>Greater than or equal to 2.2%</p>	<p>Greater than or equal to 2.2%</p>	<p>Greater than or equal to 2.3%</p>	<p>1. ROI is calculated as : Revenue less direct costs divided / by valuation</p> <ul style="list-style-type: none"> Like for like relates to the comparison of Net Return on properties as at 30 June of the reporting period, with those same properties as at the same date two years prior. This ensures a reasonable holding period allowing reasonable return to be achieved. Data for reporting is from SAP Ledger, SAP Real Estate and also from property portfolio spreadsheets. Valuation data comes from Council rates valuation for each property. Properties are revalued by Council three yearly for rating purpose. After each 3 yearly valuation the ROI baseline is reviewed and restated taking into account property valuation changes and the last financial year's actual result. <p>2. Properties included on a 'like for like basis' are:</p> <ul style="list-style-type: none"> Properties that are in Development Auckland's Portfolio and were occupied at both points in time. <p>3. Properties excluded on a 'like for like basis' are:</p> <ul style="list-style-type: none"> Properties that are not in Development Auckland's Portfolio at both points in time Properties that are vacant at one or both points in time Properties that are in Development Auckland's Portfolio at both points in time but are un-tenable or un-rentable. <p>4. Un-tenable or un-rentable properties include:</p> <ul style="list-style-type: none"> Properties that are undergoing minor maintenance or capital works (where tenants are not allowed on site) Properties that are under assessment to ensure they meet legal requirements such as H&S and BWOFF compliance etc... Properties that are pieces or strips of bare land only Properties not habitable (cannot be leased/used) Statistical rents (e.g. token or pepper corn rents for \$1) Properties that are undergoing the acquisitions or disposals process (e.g. going through Panuku Development Auckland's rationalisation process, awaiting demolition/ land clearance/ sale, properties transferring to Council, properties that are not in Development Auckland's books) <p>5. Properties excluded from 'like for like' basis due to valuation issues:</p> <ul style="list-style-type: none"> Properties where there is no separate valuation available e.g. a tenancy taking up a small part of a whole building and a valuation is not available for the small leased area. Properties with a disproportional valuation compared to net return such as a house on a large piece of reserve land where the value is significantly higher and disproportionate to the rent received. Properties where there has been a significant change in circumstances such as size of rentable area have changed.
<p>Optimise return from assets</p>	<p>10 Return on Equity on commercial assets and services (LTP) at Waterfront.</p>	<p>New performance measure</p>	<p>8.8%</p>	<p>8.4%</p>	<p>8.1%</p>	<p>7.5%</p>	<p>Definitions</p> <p>The purpose is to achieve an optimal return on shareholder equity on commercial assets, ensuring assets are managed efficiently, return a long-term value to Auckland and increase non-rates revenue for Auckland Council.</p> <ul style="list-style-type: none"> Includes all assets within Waterfront Area's marina and commercial portfolios, with or without commercial return (either from regular, occasional or pre-arranged long-term leases), and with or without some form of public intervention or requirement that can influence capital valuation. Includes assets within Waterfront Area's public portfolio with commercial return (e.g. Eastern Viaduct Parking). Excludes return from development sites and the related portion of equity. With the transition of freehold properties to becoming lessor's interests, as development sites are leased out, this results in the property no longer being an asset.

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
							<p>System/Methodology</p> <p>Annual ROE is defined as per the Property Council NZ formula and computed for each fiscal year.</p> <p>This measure computes for the Average ROE from establishment to date. Shareholder equity includes land and waterspace as at Waterfront Day 1 establishment. Net income is EBITDA defined as income net of OPEX (including overhead) and CAPEX. Overhead is allocated 51% to public, 44% commercial, and 5% to marina asset class.</p> <p>Data will be collected from internal sources using information from accounting databases, published annual reports, valuation reports, and in-house estimates.</p>
Dispose agreed surplus properties	<p>11 List of properties recommended for disposal submitted to Council</p> <p>The disposal target for the next financial period will be agreed with Council in the current financial period.</p>	A total of \$69m worth of properties was recommended to Council seeking approval to dispose for the 2014/15 financial period. The target of \$30m has been exceeded.	<p>A list of recommended properties totalling \$40 million gross value will be submitted to Council seeking approval to dispose for 2015/16 financial period.</p> <p>A recommended for disposal target for 2016/17 will be agreed by the Board in the 2015/16 financial period.</p>	<p>A list of recommended properties with a total value agreed by the Board the prior year totalling \$75 million gross value will be submitted to Council seeking approval to dispose for 2015/16 financial period.</p> <p>A recommended for disposal target for 2017/18 will be agreed-by the Board in the 2016/17 financial period.</p>	<p>A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2015/16 financial period.</p> <p>A recommended for disposal target for 2018/19 will be agreed by the Board in the 2017/18 financial period</p>	<p>A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2015/16 financial period. A recommended for disposal target for 2019/20 will be agreed by the Board in the 2018/19 financial period</p>	<ul style="list-style-type: none"> • List of recommended properties – properties contained in the list of properties that have been through the consultation and rationalisation process and will be submitted to Council for approval to dispose. • Submitted to Council – included in Council committee report with recommendation to dispose. • Recommended for disposal target – targets set the prior year agreed by the Panuku Board. • Evidence of approval is contained in the relevant Council reports and agendas.
Dispose agreed surplus properties	<p>12 Achieve total forecast net sales for the financial year.</p>	Actual net sales of \$48.3m were achieved for the financial year. The target of \$30m has been exceeded.	<p>Meet or exceed financial forecasts Property disposal target of \$50 million (net value of unconditional sales).</p> <p>Property disposal target (net value of unconditional sales) for 2017/18 financial period will be agreed by the Board in 2016/17.</p>	<p>Meet or exceed financial forecasts Property disposal target of \$50 million (net value of unconditional sales).</p> <p>Property disposal target (net value of unconditional sales) for 2017/18 financial period will be agreed by the Board in 2016/17.</p>	<p>Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).</p> <p>Property disposal target (net value of unconditional sales) for 2018/19 financial period will be agreed by the Board in 2017/18 financial</p>	<p>Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).</p> <p>Property disposal target (net value of unconditional sales) for 2019/20 financial period will be agreed by the Board in 2018/19.</p>	<p>Definitions</p> <ul style="list-style-type: none"> • Forecast actual net sales – This is a forecast net amount approved by the Board at the beginning of the period. The amount is made up of unconditional sales (sales less cost of sales). • Settled – in terms of a property sale/ purchase agreement, it means when the legal title has been transferred and the monetary value of the agreement has been received/ paid. • Unconditional – in terms of a property sale/ purchase agreement, it means there are no conditions on the agreement and it is legally binding for all the parties to carry through with the sale/ purchase agreement. <p>System/Methodology</p> <p>This is set by the Development team and Disposal team with reference to the disposal database/pipeline and a review of development projects & current property disposal's timing of sale.</p> <p>Panuku considers the Council's LTP disposal numbers. This is separate from the portion of the target relating to the service properties that makes up the full LTP total.</p> <p>Once the target is set, a number of properties are identified for sale and go through an officer group, management team, Board process for approval (where appropriate) and allocation to Development or Disposal teams. External valuations determine the price for negotiation.</p>

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
						period will be agreed by the Board in 2017/18.	A Disposal list is reported to the Board monthly and the disposal target (Leaderkit).
Acquire properties	13 Acquisitions are delivered within the timeline agreed with AC and AT.	New Measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure.	75% satisfaction against agreed service performance measure	<p>Definitions</p> <p>Agreed service performance measure is the timeline or other performance measure (PM) agreed with Council on the Acquisition of individual properties (e.g. acquisition brief). The percentage satisfaction is whether the acquisition was completed within this timeline or if the PM was achieved.</p> <p>The exception is Council resetting the timeline/PM due to circumstances outside of the company's control. This could be done by a recommendation report from Panuku. In this case the new timeline/PM is used as the target.</p> <p>System/Methodology</p> <p>Uses a mixture of spreadsheet and SharePoint system.</p> <p>Panuku staff enters inputs and updates. Acquisitions progress is monitored through SharePoint system reports, monthly acquisition list to the Board and Leaderkit performance measures.</p> <p>Panuku produces a status report on AC acquisitions which is discussed with AC Managers on a monthly basis. AC managers are required to sign the status reports providing evidence they are happy with the status of the acquisitions.</p> <p>The key criteria are the date when the acquisitions are projected to be completed or agreement signed. A new AC approved agreement date may differ from the original brief date.</p> <p>There are around 5 key areas of acquisitions for AC. These are City Transformation, Storm-water, Open space, Heritage and other. There are approximately 12 reports for each of the areas per annum, therefore about 60 reports in total per annum.</p> <p>Reports signed off by AC will be evidence that the timeline/PM was completed and they have agreed to any amended timeline. In the absence of sign off, the timeline/PM in the acquisition brief or AC amendments will be used as the target.</p> <p>The calculation includes individual acquisitions and takes the number of timeline/PM completed divided by total number of timeline/PM targeted to be completed by the end of the financial period. If it achieves 75% or more, then target has been met.</p>
Demonstrate business leadership							
Develop and activate public spaces on waterfront, metro and town centre development areas	14 Percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)	New performance measure	75%	75%	75%	75%	<p>The purpose is to measure visitors' overall satisfaction of the public spaces by virtue of their experience and enjoyment of the spaces.</p> <p>Public spaces include all those within the Waterfront Area (WA) of ownership that have been developed or redeveloped.</p> <p>Satisfaction is based on how visitors feel about the public spaces in terms of their use and time spent there, and covering highly satisfied or satisfied responses.</p> <p>Surveys of visitors will be conducted across various waterfront locations. Respondents include all who are visiting the waterfront at the time of the survey, including local residents and other Aucklanders, workers, domestic and international visitors.</p> <p>This measure will be delivered through a WA annual Visitor Survey (using TouchPoll) beginning 2014/15. Minimum sample size = 400 p.a.</p> <p>Actual results are based on surveys.</p>
	15 Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)	New performance measure	73%	73%	73%	73%	<p>The purpose is to measure the impact that Panuku Development Auckland's public initiatives have on making the area accessible and attractive to Aucklanders.</p> <p>Target population is the sample covered by Council's Resident's Survey. Which is representative of Auckland overall by age, gender, ethnicity and local board area. The waterfront is defined to consist of Wynyard Quarter, Viaduct Harbour, Queens Wharf, and Westhaven. The origins of Auckland visitors will be reported at year-end.</p>

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets			Definitions, Systems and Methodology
				2016/ 2017	2017/ 2018	2018/ 2019	
							Approx. sample size = 4,000 p.a. Actual results are based on surveys.
	16 Percentage of attendees surveyed satisfied with key Waterfront place programmes and activities	New performance measure	83%	84%	85%	85%	The purpose is to ensure key waterfront events are diverse, interesting, engaging and can attract visitors to the area. Key placemaking activities include only Wynyard Quarter Christmas, Silo Park Summer Programmes (movies, markets, and music), Queen's Birthday Weekend, and Matariki on the Waterfront. A list of the activities to be monitored will be updated, when needed. Emails will be collected at the end of events, with the option of face-to-face survey for those without access to internet. Satisfied means the respondent's overall rating of satisfaction covering 4 and 5 (or Very Satisfied and Satisfied) responses out of a 5-point scale, where 5 is Very Satisfied. Formula = % Very Satisfied + % Satisfied Events satisfaction surveys will be delivered by TouchPoll. Minimum sample size = 550 p.a. The actual and baseline data are based on the average of the results for the surveys e.g. Silo Park Cinema, WQ Birthday and Matariki.
	17 Percentage of customers surveyed satisfied overall with marina facilities and services (LTP)	New performance measure	73%	74%	75%	76%	The purpose is to ensure that the marina infrastructure and services are fit for purpose and meet customer needs. Customers include both berth holders and people renting berths from Panuku at the Westhaven Marina. Results are based on five areas of delivery and operation of the marina business, namely marina staff, facilities, personal safety, security of property, and opening hours. Each respondent will provide a satisfaction rating from 1 to 7 where 7 means very satisfied. Only 6 and 7 rating responses will be considered as satisfied. Each component of the overall satisfaction rating will be assigned a set % impact on the measure. Panuku conducts the Westhaven Customer Satisfaction Survey on an annual basis. Other sources will be explored in the future to obtain quarterly results. Approx. sample size = 600 p.a. Increasing satisfaction ratings are expected on the operational aspects of the overall satisfaction rating. A constant target from the baseline is set on the delivery of facilities, as Panuku does not have full control on this component due to funding constraints.
Facilitate effective engagement with Maori	18 Number of significant Māori initiatives implemented or active per annum (LTP)	New performance measure	42	47	52	54	The purpose is to measure the number of Maori initiatives carried out during the year that enables contribution to Maori outcomes The aim is to promote and celebrate Māori culture together with the wider audience, through Māori events, artwork, development, policy, media, and other initiatives that benefit the Māori community. Māori does not have to be the sole focus of the event, but the event should at least make a contribution to Māori outcomes - i.e. it contains a clear Māori element, e.g. in art, music, history. Excludes protocols for events and naming initiatives in Māori but not Māori in spirit (e.g. Kai on Queens). Development and organisational initiatives will be counted only once, when launched/adopted, opened and proven to have started implementation or use. Formula = count The Maori measure will be monitored through a Maori Initiatives Register. The Register will include the inclusive dates, a justification why it is significant, and type of initiative. All of the directorates will contribute towards the measure by implementing new initiatives. A Senior Engagement Advisor from the Strategy and Engagement team will provide a monitor and support role by collating the initiatives from across the organisation. Targets are dependent on budget and development constraints. The delivery of an additional Maori event may not imply an increase in cost, as existing regular events (e.g. Workshops on the Wharf, art exhibits) can be redesigned to deliver some Maori element.
	19 % Maori groups satisfied with quality of engagement	New performance measure	Establish Baseline	Maintain or Improve	Maintain or Improve	Maintain or Improve	The Council's survey of Maori groups will be used to collect their level of satisfaction with Panuku Development Auckland's Maori engagement process.

Decision Paper: Approval of the SOI 2016-19

Document Author	Angelika Cutler, Acting Director Strategy and Engagement
Reviewer(s)	John Dalzell, Chief Executive
Date	14 June 2016

1. Purpose

The purpose of this paper is to present the Panuku Development Auckland Draft Statement of Intent 2016-19 (SOI) to the Board for approval.

2. Executive summary

Council wrote to Panuku on the 29 April 2016, commenting on the draft SOI 2016-19. Panuku has addressed the shareholder's comments in the final version of the SOI that is now presented to the Board for approval.

3. Background

The draft SOI 2016-19 was approved by the Board on 24 February and was submitted to Council for feedback.

Council's feedback on the draft SOI was received on 29 April 2015. A copy of the Council's feedback letter is included as attachment 2 to this report. The key comments by Council addressed in the SOI are:

- Panuku to have a stronger focus on value for money for the rate payers of Auckland. This comment has been addressed in a new paragraph in page 23 of the SOI on value for money. The paragraph outlines how Panuku applies value for money across its business and that Panuku will also continue greater use of shared services provided by Auckland Council and participate in Council's Alternative Financing project.
- Panuku to align with Council's guidance on signage and communication, including working with the Council Brand Navigation Group. A paragraph has been added in page 23 of the SOI to reflect this commitment.
- The planning methodology to be consistent and be agreed with Council. A comment has been added in page 10 under Transform and Unlock location initiatives to reflect the approach by Panuku.
- Other comments addressed in the SOI are:
 - I. Panuku will seek Council input into the development of the process and approach for assessing financial and non-financial outcomes
 - II. Significant matters relating to HfoP will be included in discussions and reports to Council
 - III. Refinement of words in the Maori initiatives section

Other changes approved by the SLT for the final SOI are:

- Increase in the total target of properties recommended to Council for approval from \$45m to \$75m, to include the clearance of the ex- Waitakere City Council building in the Henderson HLPP being developed
- Increase in the unconditional asset sales target from \$40m to \$50m, taking into account additional potential asset sales in the 2016/17 year.

The following attachments are included forming part of this report:

- Attachment 1 – Draft Panuku Development Auckland SOI 2016-19
- Attachment 2 – Shareholder comments
- Attachment 3 – SOI Performance Measure information and definitions

4. Recommendation

That the Board **approve** the Panuku Statement of Intent 2016-19.

Why approval is required		Local Government Act 2002, Schedule 8 requirement.	
Policy reference		N/A	
Previous Board engagement and decisions			
Date	Engagement	Document	Decision
24 February 2016	Panuku Board meeting	Panuku Draft SOI 2016-19	Draft SOI 2016-19 approved by the Board
Shareholder engagement		N/A	

Document Sign-off

Role	Name	Sign-off Date	Signature
Acting Director of Strategy and Engagement	Angelika Cutler		
Interim Chief Executive	John Dalzell		

STATEMENT OF INTENT

PANUKU DEVELOPMENT AUCKLAND

For the period 1 July 2016 to 30 June 2019



HE MIHI

Tēnā koutou ngā mana whenua me ngā iwi e noho nei ki raro i ngā maunga whakahii o Tāmaki Makaurau, tēnā koutou kātoa. Ki ngā tāngata nei e mahi ana kia tū a Tāmaki Makaurau hei tāone te pai me te whai rawa atu o te ao. Me mahi tahi nei tātou kia tūtuki ērā wawata mō te oranga o ngā iwi kātoa o te wāhi nei.

“To the people of the land and those residing under the sacred volcanic mountains of Auckland, greetings to you all. To all of you who are working hard to make Auckland the most liveable city in the world, we greet you. Let us all work together to fulfil our dreams so that we may all prosper in this beautiful city”.

‘Panuku’ means to ‘move on’ or ‘move forward’ and the name conveys the concept of dynamism, of building towards excellence. It has been likened to the motion of a waka that requires skill to navigate, and teamwork to propel.

Chairman and Interim CE's Foreword

This is the second Statement of Intent for Panuku Development Auckland (Panuku).

Catalysing urban redevelopment at scale that includes housing and creating value from property assets are our strategic foci.

Council approved Manukau and Onehunga as transform locations in December 2015. Panuku is now in the process of resourcing up to support the development of these locations together with unlock locations such as Takapuna and Northcote. Once the Location High Level Project Plans are endorsed by Council's Development Committee, Panuku Development Auckland's focus will shift to the planning phase followed by the implementation of development plans.

Through transform projects, Panuku will play a leading role in transforming selected parts of our region by working alongside others and using its custodianship of land, planning and engagement expertise. Panuku through its unlock projects will also facilitate developments using its relationships to break down barriers and influencing others, including the Council family to create development opportunities.

Panuku will maintain the momentum of positive change on current multiple year projects that include the development of Wynyard Quarter at the waterfront, Ormiston Town Centre, Papatoetoe Town Centre, Hobsonville and Tamaki Redevelopment.

Panuku will lead a number of areas that relate to its development activities such as its approach to moving forward with Māori, community engagement, housing affordability, urban design and sustainability. Panuku will formalise a policy and implement its approach to how, it will achieve balance between financial and non-financial outcomes, including in particular the achievement of economic growth outcomes.

Panuku will secure the mandate and funding for its transform and unlock projects via the High Level Project Plan approval process with Council. It will establish or enhance key relationships with the private sector, third sector, central government and others enabling the realisation of large scale opportunities.

Panuku will continue to create value from Council assets through the strategic and continuous review of Council's property portfolio, identifying opportunities that contribute to new development, disposal or property management activities. Part of this approach will include facilitating optimal use of Council service property assets while maintaining or improving levels of service.

Supporting the organisation to achieve these goals will be a high performance culture, which is supported by corporate and staff performance frameworks, high performing, skilled and competent staff and effective and efficient systems and processes.

Panuku will continue its commitment to work closely with Auckland Council and other CCOs to increase our collective response to dealing with the demands of our rapidly growing city and contributing to achieving the outcomes sought in the Auckland Plan and LTP.

TABLE OF CONTENTS

1. PURPOSE OF STATEMENT OF INTENT	5
2. ABOUT PANUKU.....	5
3. CONTRIBUTION TO THE WORLD'S MOST LIVEABLE CITY.....	6
4. PANUKU STRATEGIC OBJECTIVES.....	7
5. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION.....	9
6. PERFORMANCE OUTLOOK.....	11
7. SUMMARY OF FINANCIALS.....	19
8. IMPORTANT SHAREHOLDER ISSUES.....	23
9. APPROACH TO GOVERNANCE.....	23

1. 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 that those activities will contribute to. This draft SOI also includes performance measures and targets as the basis of organisational accountability.

This draft SOI will be recommended to the Panuku Board for adoption in June 2016.

2. ABOUT PANUKU

Panuku is a Council Controlled Organisation of Auckland Council, established on 1 September 2015. It is the result of a merger of two CCOs Waterfront Auckland and Auckland Council Property Limited.

Panuku is charged with leading urban redevelopment activities on behalf of the Council in key locations and in doing so significantly contributing to outcomes contained in the Auckland Plan. In normal course of events, Panuku will not build residential and/or commercial space in town centres on its own, but will facilitate and partner with the private sector to build. It will not undertake any construction, marketing or sales activity in its own right. It may in transform locations undertake development of an exemplar or catalytic nature.

Activities

The activities of Panuku cover four broad areas:

1. Redevelopment of urban locations and council owned land within the rural urban boundary
2. Redevelopment of council non-service property and where appropriate, review of council service property
3. Management of council non-service property and a range of other council owned commercial assets
4. Other property related services such as strategic property advice, acquisitions and disposals

Panuku is charged with balancing financial and non-financial outcomes in order to create sustainable and resilient places where people want to live, work, invest, learn and visit.

Vision

The vision of Panuku is "Shaping spaces for Aucklanders to love".

Mission

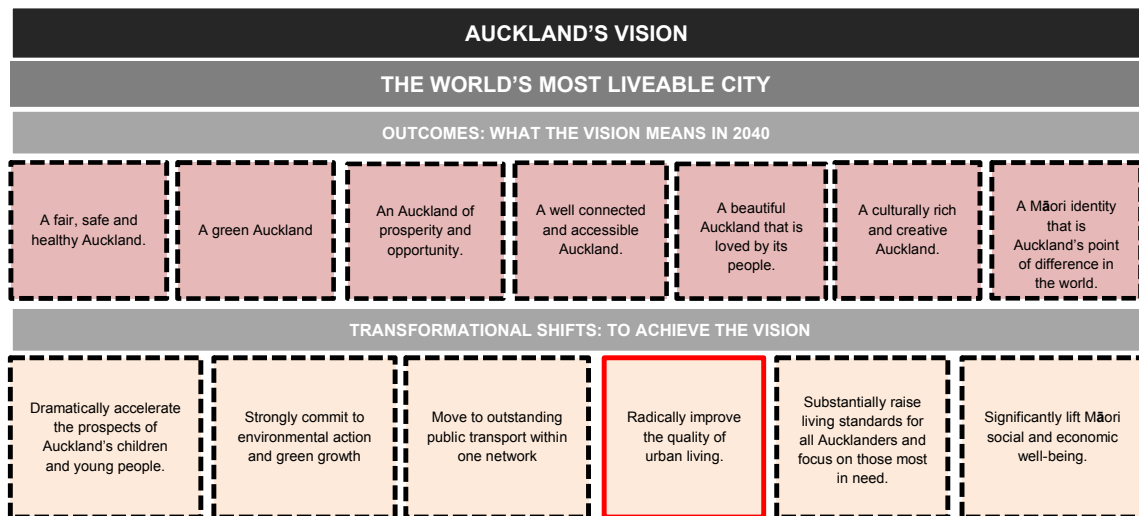
The mission of Panuku is to rejuvenate urban Auckland, from small projects that refresh a site or building, to major transformations of town centres or neighbourhoods. Panuku improves the uses of land and buildings that Auckland Council owns, attract private investment and together we unlock their potential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

3. CONTRIBUTION TO THE WORLD'S MOST LIVEABLE CITY

The Auckland Plan is the roadmap to deliver on Auckland's vision to be the most liveable city. This is a thirty year plan that is underpinned by a set of outcomes and transformational shifts to achieve this vision which help ensure we focus on the right things.

Auckland Plan sets the strategic direction and transformational shifts to achieve actions, targets and outcomes that are required to achieve the vision to be the world's most liveable city. Panuku plays a critical part in delivering on actions and targets across the Auckland Plan.

In particular, Panuku will play a significant role in the transformational shift to **“Radically improve the quality of urban living”** and in doing this, Panuku will contribute to all of the outcomes and other transformational shifts of the Auckland Plan, sometimes as a primary contributor and sometimes as a secondary contributor, depending on the urban redevelopment project.



Panuku is a primary contributor to this outcome



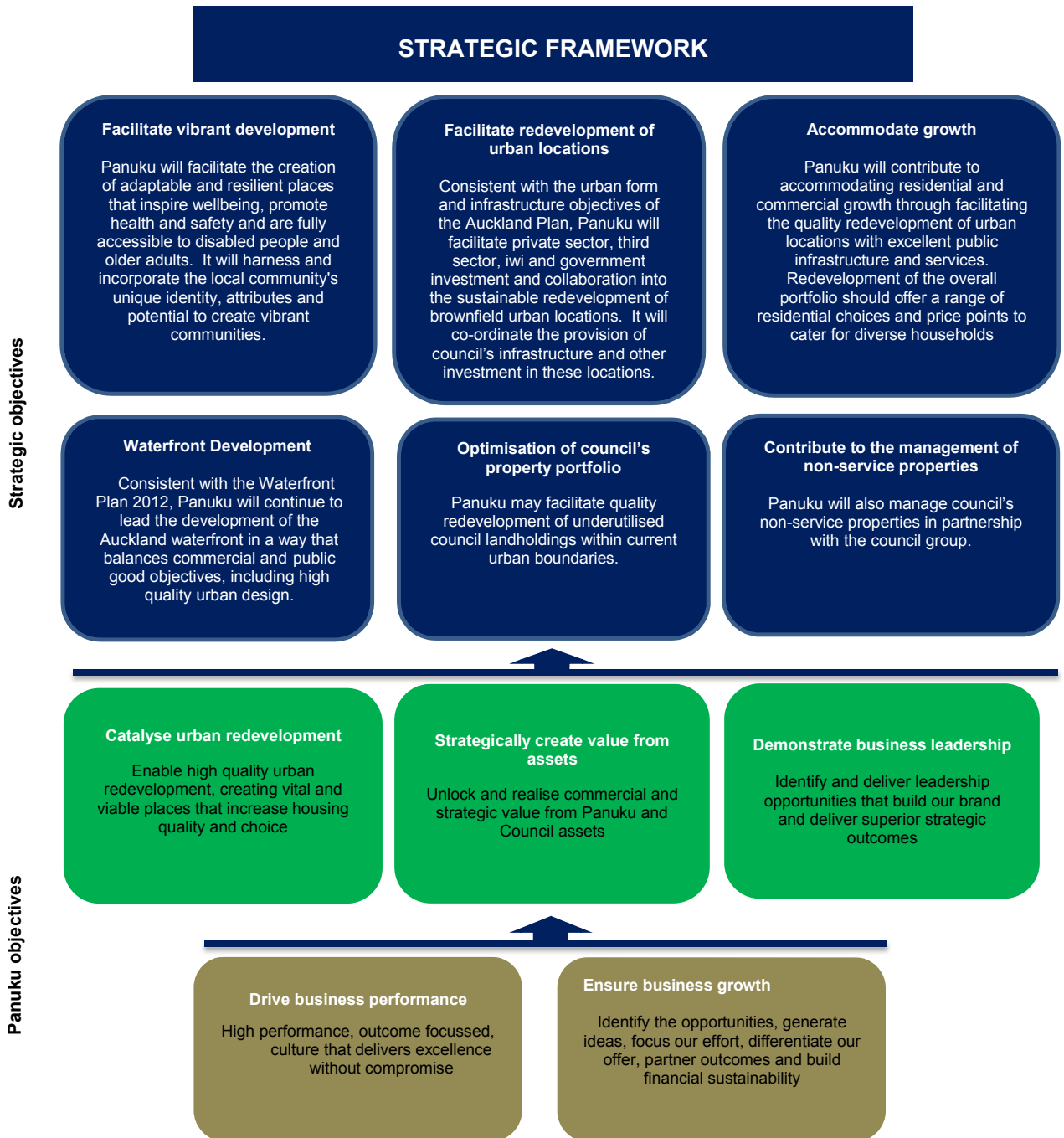
Panuku is a secondary contributor to these outcomes



Auckland Plan transformational shifts	Degree of contribution	How Panuku contributes
Quality urban living	Primary contribution	By developing quality inclusive and safe public spaces, and facilitating residential and commercial development in urban redevelopment locations; by adopting effective design review processes and leading integrative master planning to incorporate local community's unique identity, attributes and potential
Raised living standards	Secondary contribution	By increasing the supply of housing covering a range of price points and housing for disabled and older persons, working with partners, and improving the quality of urban centres; by enabling economic development opportunities and enhancing access to transport choices, in urban redevelopment projects.
Children and young people	The degree of contribution will depend on the nature of the urban redevelopment projects in the pipeline	By developing housing (with a range of price points) and safe and inclusive public spaces suitable for families, children and young people
Environmental action and green growth		By undertaking sustainable redevelopment of brownfield locations to create adaptable and resilient places and undertaking sustainable redevelopment in collaboration with development partners
Outstanding public transport		By undertaking transit-oriented development in brownfield and town centre locations that support the development of the passenger transport system by Auckland Transport
Māori social and economic wellbeing		By providing opportunities in urban redevelopment projects to enhance Māori social and economic wellbeing through engagement with mana whenua iwi and hapū and other Māori organisations.

4. PANUKU STRATEGIC OBJECTIVES

Panuku has the following set of strategic objectives, derived from the purpose and role set out in the Accountability Framework. These are supported by three core strategic activities of Panuku which are catalyse urban redevelopment, strategically create value from assets and demonstrate business leadership. Internally Panuku supports these through activities driving business performance and business growth.



Panuku development projects will deliver financial and non-financial public good outcomes. The financial and non-financial outcomes, including trade-offs between the two types of outcomes will be assessed and articulated in a transparent manner in our communication with Council. This supports Panuku Development Auckland's purpose of contributing to outcomes contained in the Auckland Plan.

Some of the non-financial outcomes that Panuku will deliver include sustainable design and accessibility, housing affordability, placemaking and economic development, which are leadership opportunities that are beyond what the market can deliver.

5. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION

The following are the key initiatives/projects to deliver on Panuku strategic objectives:

Key project and initiatives		Description	Panuku Strategic goal	Contribution to strategic role
Catalyse urban development				
1	Rolling programme of High Level Projects	A rolling programme of High Level Projects will result in new housing, commercial, place shaping and other projects at different scales.	Catalyse Urban Development	Radically improve quality of urban living for all
Strategically create value from assets				
2	Ongoing programme of identifying and assessing opportunities	The ongoing portfolio review programme mandated by Auckland Council with the support of CCOs and business units, will identify opportunities for future development, property disposals and enhanced property management.	Strategically create value from assets	Strategically create value from assets
Demonstrate business leadership				
3	Process and approach to assessing financial and non-financial outcomes will be delivered.	Develop and formalise a process for assessing financial and non-financial outcomes, including value trade-offs, with input from Council .	Provide business leadership	Radically improve quality of urban living for all
4	Housing for older people network (HfOP)	Deliver a re-development programme for the 'Housing for Older People Network' with a development partner. Significant matters relating to the HfOP redevelopment programme will be included in our discussions with and our reporting to Council.	Catalyse Urban Development Provide business leadership	Radically improve quality of urban living for all
5	Local board engagement plan and master planning with local boards	Implement local board engagement plan, working with individual local boards in redevelopment locations	Provide business leadership	High performing council
Transform projects				
6	Waterfront development	Planning and design of key redevelopment projects in relation to Westhaven Marina, Wynyard Point, Wynyard Crossing and the facilitation of the commercial and residential development in Wynyard Central, as well as public realm and community development projects.	Catalyse Urban Development	Radically improve quality of urban living for all
7	Tamaki Redevelopment	Continue our shareholder representation, development and project support roles contributing to regeneration outcomes.	Catalyse Urban Development	Radically improve quality of urban living for all

Key project and initiatives		Description	Panuku Strategic goal	Contribution to strategic role
8	Manukau and Onehunga Transform locations and Takapuna and Northcote Unlock locations.	<p>Complete High Level Project Plan deliverables such as framework, engagement and implementation plans.</p> <p><i>Panuku will formulate and test the planning methodology by using Transform Manukau as a pilot. This approach to planning will be utilised across transform, unlock and support locations according to their scale and complexity.</i></p>	Catalyse Urban Development	Radically improve quality of urban living for all
Unlock projects				
9	Hobsonville	Formalise and implement a development agreement.	Catalyse Urban Development	Radically improve quality of urban living
10	Ormiston Town Centre	Monitor and proactively manage the Development Agreement with Todd Properties and help facilitate the provision of community facilities within the Town Centre	Catalyse Urban Development	Radically improve quality of urban living
11	Papatoetoe Town Centre	Facilitate the upgrade of the retail component and residential developments to allow for redevelopment of the supermarket site and construction of approximately 80 housing units.	Catalyse Urban Development	Radically improve quality of urban living

Specific projects delivering on Māori outcomes

Key project and initiatives	Description	Contribution to Māori outcomes
Achieving better outcomes for and with Māori (Māori Responsiveness)	<p>Implement the Panuku Māori Responsiveness Plan (MRP) that focuses on achieving better outcomes for and with Māori.</p> <p>Panuku will be responsive to both mana whenua and other Māori mataawaka in giving effect to the MRP.</p> <p>Continued input to Te Toa Takitini (led by Te Waka Angamua) where Panuku can contribute to delivery of priority projects.</p>	<p>Internal effectiveness and capacity</p> <p>Recognition of Māori values and perspectives</p> <p>Significantly lift Māori social and economic wellbeing</p>
Mana whenua Engagement Forum establishment	<p>Manage a robust inclusive monthly mana whenua Forum to enable relationship with Panuku and facilitate input to Panuku projects.</p> <p>Identify mana whenua iwi and hapū interested in Panuku projects and facilitate input.</p> <p>Coordinate efficient engagement with Council family to streamline engagement with mana whenua iwi and hapū and other Māori organisations.</p> <p>Continue to share information with the Independent Māori Statutory Board (IMSB). Panuku will contribute information required for Te Tiriti Audit and will take account of IMSB's Schedule of Issues of Significance, The Māori Plan and the suite of statutory provisions relevant to our activities.</p>	<p>Foster positive and productive relationships between Council and Māori</p>
Māori Development Opportunities	<p>Engagement with mana whenua iwi and hapū and other Māori organisations on commercial and housing developments, partnering opportunities in urban redevelopment projects and opportunities to purchase properties surplus to council requirements.</p> <p>Explore any means to improve the coordination and efficient engagement with mana whenua iwi and hapū and other Māori organisations around potential disposal properties and properties that may become available for development.</p>	<p>Significantly lift Māori social and economic wellbeing</p>
Recognition and celebration of Māori cultural values and heritage	<p>Panuku will facilitate cultural expression opportunities through Te Aranga Design application in early planning in Transform and selected Unlock locations. This work flows down to implementation of cultural expression opportunities in public realm projects.</p> <p>Māori identity will be recognised through promotion of te reo Māori such as naming new streets, laneways, buildings, signage, other communications, art and landscaping.</p> <p>Placemaking will support Māori-focussed events at the waterfront and other selected locations.</p>	<p>Promote Māori identity as Auckland's point of difference in the world</p>

6. PERFORMANCE OUTLOOK

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

The Strategic Framework for Panuku including the LTP activities, SOI goals and performance measures agreed as part of the Long-term Plan 2015-2025, are illustrated on the next page.

Auckland Plan	Vision – the world’s most liveable city				Strategic Framework
	Key Transformational Shift: Radically improve the quality of urban living				
LTP Activities	Catalyse urban redevelopment		Strategically create value from assets		
	Lead waterfront redevelopment	Facilitate metro and town centre redevelopment	Manage non-service properties & other assets of Council family	Optimise returns from development and disposals	Lead strategic property advice and acquisitions
SOI Goals	Develop and activate public spaces on waterfront, metro and town centre development areas		Optimise returns from the managed property portfolio	Manage assets to attract private investment	Acquire properties
	Facilitate private development of waterfront, metro, and town centre selected sites			Dispose agreed surplus properties	Identify and propose opportunities across AC Group portfolios
	Manage marinas	Facilitate housing development to increase housing supply			
Performance Measures	1. HLPP Programme		2. Significant Master Programme Deliverables/Outputs		5. Written evidence of opportunities
	3. Development agreements submitted		4. Project achieves outturn		6. Property portfolio net surplus achieves the annual budget
	14. % visitors satisfied with experience of public spaces (LTP)		7. Improvement in gross rental income		8. Rolling average % occupancy at month end (LTP)
	15. % Aucklanders who visited the waterfront in the past year (LTP)		10. Return on Equity on commercial assets and services (LTP)		9. ROI on like for like properties (LTP)
	16. % of attendees satisfied with key Waterfront place programmes & activities		11. Stakeholder input obtained / List of properties recommended for disposal submitted to Council		
	17. % customers satisfied overall with marina facilities and services (LTP)		12. Achieves total forecast net sales for the financial year		
	18. # significant Māori initiatives implemented or active per annum (LTP)		13. Satisfaction with Acquisitions service delivery		
	19. % Māori groups satisfied with quality of engagement.				

Performance Measures

Service Level Statement	Measure	Actual 2014/15	Annual Plan 2015/16	SOI Targets		
				2016/ 2017	2017/ 2018	2018/ 2019
Catalyse urban development						
Develop and activate town centre and Waterfront development areas	1 The Board approves the rolling HLPP programme. (The quarterly rolling HLPP programme will contain individual HLPPs that will be approved by the Panuku Board and Council, where appropriate). The programme will be communicated to Council.	Not available	New performance measure	The quarterly rolling HLPP programme is approved by the Board.	The quarterly rolling HLPP programme is approved by the Board.	The quarterly rolling HLPP programme is approved by the Board.
	2 Significant Master programme deliverables are completed as planned. (The main Master programme deliverables for Transform and Unlock Locations include the Engagement, Framework and Implementation Plans approved by the Panuku Board and by Council, where appropriate).	Not available	New performance measure	Number of Significant Master programme deliverables completed within the Board approved timeline.	Number of Significant Master programme deliverables completed within the Board approved timeline.	Number of Significant Master programme deliverables completed within the Board approved timeline.

Service Level Statement	Measure		Actual 2014/15	Annual Plan 2015/16	SOI Targets		
					2016/ 2017	2017/ 2018	2018/ 2019
	3	Development agreements are submitted to the Panuku Chief Executive, Board and/or Council for approval. (Housing and urban regeneration)	Three year target progressing. Two joint venture or agreements with third parties including community housing organisations were entered into out of a three year target of Five.	Three year target Twenty six development agreements with third parties including community housing organisations to be entered into.	Three year target 15 development agreements with third parties including community housing organisations to be entered into.		
		On completion, the project achieves the financial and non-financial outturn in the business cases. (Housing and urban regeneration combined)	Target progressing. There were no housing development projects completed during this financial period.				
Strategically create value from assets							
Identify and propose opportunities across Auckland Council Group portfolios	5	Written evidence that opportunities have been identified and assessed, to be progressed or not. (Housing and urban regeneration combined)	Eleven opportunities have been identified during the year and are at different stages of assessment. The target of 6 opportunities has	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed

Service Level Statement	Measure		Actual 2014/15	Annual Plan 2015/16	SOI Targets		
					2016/ 2017	2017/ 2018	2018/ 2019
			been exceeded.				
Facilitate private development of waterfront, metro and town centre selected sites	6	The net surplus on the property portfolio achieves the annual budget agreed with Council.	Net surplus on the property portfolio was \$6.8m ahead of budget (actual surplus of \$29.8m against budget of \$23m).	Net Surplus achieves budget for 2015/16	Net Surplus achieves budget for 2016/17	Net Surplus achieves budget for 2017/18	Net Surplus achieves budget for 2018/19
Optimise returns from the managed property portfolio	7	Improvement in gross rental income on those properties that are available for rent and have been held in the portfolio for at least two years prior to the end of the reporting period	Actual of 6.2% against baseline of 4.0%.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.
	8	For those properties available for rent: The rolling average over a 12 month period, of % occupancy at each month end (LTP).	New performance measure	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.
	9	Maintain or improve the baseline established at the end of the 2012/13 financial year. ROI on properties on a like for like basis (LTP)	The ROI calculated on this year's property valuation on a like for like basis is 2.5% against the 2.7%	Greater than or equal to 2.1%	Greater than or equal to 2.2%	Greater than or equal to 2.2%	Greater than or equal to 2.3%

Service Level Statement	Measure		Actual 2014/15	Annual Plan 2015/16	SOI Targets		
					2016/ 2017	2017/ 2018	2018/ 2019
		Panuku is committed to continuously review and improve the ROI target over the term of the SOI.	baseline established in 2012/13.				
Optimise return from assets	10	Return on Equity on commercial assets and services (LTP) at Waterfront.	New performance measure	8.8%	8.4%	8.1%	7.5%
Dispose agreed surplus properties	11	<p>List of properties recommended for disposal submitted to Council</p> <p>The disposal target for the next financial period will be agreed with Council in the current financial period.</p>	A total of \$69m worth of properties was recommended to Council seeking approval to dispose for the 2014/15 financial period. The target of \$30m has been exceeded.	<p>A list of recommended properties totalling \$40 million gross value will be submitted to Council seeking approval to dispose for 2015/16 financial period.</p> <p>A recommended for disposal target for 2016/17 will be agreed by the Board in the 2015/16 financial period.</p>	A list of recommended properties with a total value agreed by the Board the prior year totalling \$75 million gross value will be submitted to Council seeking approval to dispose for 2016/17 financial period A recommended for disposal target for 2017/18 will be agreed by the Board in the 2016/17 financial period.	A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2017/18 financial period. A recommended for disposal target for 2018/19 will be agreed by the Board in the 2017/18 financial period.	A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2018/19 financial period. A recommended for disposal target for 2019/20 will be agreed by the Board in the 2018/19 financial period.
Dispose agreed surplus properties	12	Achieve total forecast net sales for the financial year.	Actual net sales of \$48.3m were achieved for the financial year. The target of \$30m has	Meet or exceed financial forecasts Property disposal target of \$50 million (net value of unconditional	Meet or exceed financial forecast Property disposal target of \$50 million (net value of unconditional	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of

Service Level Statement	Measure		Actual 2014/15	Annual Plan 2015/16	SOI Targets		
					2016/ 2017	2017/ 2018	2018/ 2019
			been exceeded.	sales).	sales).	unconditional sales).	of unconditional sales).
					Property disposal target (net value of unconditional sales) for 2017/18 financial period will be agreed by the Board in 2016/17.	Property disposal target (net value of unconditional sales) for 2018/19 financial period will be agreed by the Board in 2017/18.	Property disposal target (net value of unconditional sales) for 2019/20 financial period will be agreed by the Board in 2018/19.
Acquire properties	13	Acquisitions are delivered within the timeline agreed with AC and AT.	New performance measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure.
Demonstrate business leadership							
Develop and activate public spaces on waterfront, metro and town centre development areas	14	Percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)	New performance measure	75%	75%	75%	75%
	15	Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)	New performance measure	73%	73%	73%	73%
	16	Percentage of attendees surveyed satisfied with key	New performance measure	83%	84%	85%	85%

Service Level Statement	Measure		Actual 2014/15	Annual Plan 2015/16	SOI Targets		
					2016/ 2017	2017/ 2018	2018/ 2019
		Waterfront place programmes and activities					
	17	Percentage of customers surveyed satisfied overall with marina facilities and services (LTP)	New performance measure	73%	74%	75%	76%
Facilitate effective engagement with Māori	18	Number of significant Māori initiatives implemented or active per annum (LTP)	New performance measure	42	47	52	54
	19	% Māori groups satisfied with quality of engagement	New performance measure	Establish Baseline	Maintain or Improve	Maintain or Improve	Maintain or Improve

7. SUMMARY OF FINANCIALS

Table one of the financial information outlines the budgets for Panuku in the Council Annual Plan and LTP for funding its activities in the next three years. This excludes the commercial portfolio activities Panuku manages on behalf of Council, which is outlined separately. The budgets also do not include funding for any new projects. New urban redevelopment projects will be chosen by Panuku (in consultation with Auckland Council) and they will need to be funded through budget reallocation; specific business case to council or through alternative funding streams.

Table 1

SOI Financial Overview

Panuku Development Auckland (Excluding Commercial Portfolio)

\$000	Budget 2017	Budget 2018	Budget 2019
Financial year ending 30 June			
Revenue			
Operating funding from Auckland Council	15,931	16,618	17,112
Capital funding from Auckland Council	20,234	23,929	3,336
Fees and user charges	37,699	38,820	41,400
Total revenue	73,865	79,367	61,848
Expenditure			
Employee benefits	19,875	20,100	20,420
Depreciation and amortisation	11,182	11,216	12,188
Grants, contributions and sponsorship	67	68	70
Other operating expenses	28,701	30,316	29,817
Total expenses	59,825	61,699	62,495
Finance income	63	63	63
Finance expense	3,300	3,629	3,380
Net operating income	10,802	14,101	(3,964)
CAPITAL EXPENDITURE			
Total capital expenditure	62,360	37,446	12,222
Comprised of:			
Growth	43,240	22,519	8,619
Improve level of service	15,222	12,895	1,926
Renewals	3,898	2,031	1,677
Total application of capital funding	62,360	37,446	12,222
Sources of capital funding:			
Funded depreciation and operating surplus	1,021	474	3,883
Capital funding from Auckland Council	20,234	23,929	3,336
Loans from Auckland Council	40,805	13,043	5,002
Subsidies and grants	300	0	0
Total capital funding funding	62,360	37,446	12,222
Capital funding surplus / (deficit)	0	0	0
Prepaid ground leases cashflow	5,160	24,770	29,620
Net funding surplus/(deficit)	5,160	24,770	29,620

Capital funding for public space activities are funded by grants from Auckland Council. Commercial property and marina operational activities are funded through commercial income with any shortfall covered by debt funding. Cash surpluses generated from commercial operational activities, not used to reduce debt or fund capital works for commercial activities, over a threshold to be agreed annually, may be returned to the shareholder. Overheads will be allocated across each of the public, commercial, marina areas of activities. Capital expenditure is mainly made up of capital funding and loans from Council.

Table 2

SOI Financial Overview

Commercial Portfolio - Managed on Behalf of Council

\$000	Budget 2017	Budget 2018	Budget 2019
Financial year ending 30 June			
Revenue			
Operating funding from Auckland Council	0	0	0
Capital funding from Auckland Council	28,701	0	0
Fees and user charges	45,031	39,578	37,796
Other revenue	1,443	1,462	1,501
Total revenue	75,174	41,040	82,539
Expenditure			
Employee benefits	8	0	0
Depreciation and amortisation	0	0	0
Other operating expenses	28,395	21,685	19,915
Total expenses	28,403	21,685	19,915
Finance income	0	0	0
Finance expense	0	0	0
Net operating income	46,771	19,356	62,624
CAPITAL EXPENDITURE			
Total capital expenditure	69,291	25,179	40,060
Comprised of:			
Growth	33,531	6,730	6,674
Improve level of service	31,050	14,740	9,584
Renewals	4,710	3,709	23,802
Total application of capital funding	69,291	25,179	40,060
Sources of capital funding:			
Operating funding surplus	18,078	19,356	19,385
Capital funding from Auckland Council	28,701	0	0
Subsidies and grants - capex	22,513	15,200	43,242
Total capital funding funding	69,291	34,556	62,627
Capital funding surplus / (deficit)	0	9,377	22,568

Table 2 of the financial information outlines the budgets of the Commercial Portfolio managed by Panuku on behalf of the Auckland Council Group. The Commercial Portfolio includes the property portfolio and business interests such as quarries and forests.

Revenue includes portfolio rental income and is offset by operating cost recoveries and direct operating expenses such as repairs and maintenance but excludes depreciation from the property portfolio assets under management and control of Panuku.

Capital expenditure is funded from Council, capital expenditure subsidies, grants and operating surplus.

Development Budget

Panuku development operating expenditure includes the costs of investigatory work to seek out and develop development opportunities. This includes preparation of feasibility studies and business cases and will be funded from extra property sales generated. Panuku development capital expenditure is the cost of developing properties for sale and will be funded from the sale of those properties.

\$0	2014/15 Actual	2015/16 Annual Plan	2016/17 LTP	2017/18 LTP	2018/19 LTP
Total development expenditure	-	6,673	7,582	5,879	6,024
Development operating expenditure	-	4,116	5,616	3,190	3,262
Development capital expenditure	-	2,557	1,966	2,690	2,762
Funded by:					
Property disposals	-	6,673	7,582	5,879	6,024

Strategic Development Fund Budget

Council's Strategic Development Fund (SDF) will be utilised to fund development projects. This will not have an impact on rates as sales from developments will cover all development costs including funding costs. Performance against the Development Budget and the SDF will be reported as part of regular Quarterly Reporting to the CCO Governance and Monitoring Committee.

\$0	2014/15 Actual	2015/16 Annual Plan	2016/17 LTP	2017/18 LTP	2018/19 LTP
Development Capital Revenue	-	-	-	-	-
Development Capital Expenditure	-	23,277	24,358	13,850	9,888
Surplus/ (deficit)	-	(23,277)	(24,358)	(13,850)	(9,888)

Specific expenditure towards Māori outcomes

Initiative	2014/15 Actual	2015/16 Annual Plan	2016/17 LTP	2017/18 LTP	2018/19 LTP
Māori engagement	0.217	0.088	0.242	0.245	0.248
Māori technical/specialist advice	0.081				
Koha	0	0.005	0.005	0.005	0.006
Enabling iwi involvement in the remediation and environmental enhancement of the waterfront		0.072	0.072	0.076	0.088
Increasing internal Māori capacity			0.005	0.005	0.005
Support for Māori-focused events at the waterfront		0.1	0.1	0.1	0.1
Iwi Investment Fund		0.1	0.1	0.1	0.1
Total	0.298	0.365	0.524	0.531	0.547

Other financial information

Current value of assets	The projected value of Panuku total assets as at: 30 June 2017: \$2,008 million 30 June 2018: \$2,070 million 30 June 2019: \$2,127 million	
Shareholder equity ratio	The projected shareholder equity ratio for Panuku as at: 30 June 2017: 93% 30 June 2018: 94% 30 June 2019: 95%	
Accounting Policies	Panuku Development Auckland's accounting policies are consistent with those of the Auckland Council group policies.	
Financial Reporting	Panuku Development Auckland's financial reporting will be in accordance with requirements of the CCO Governance Manual.	
Asset sales (\$ million)	2013/14 Actual	\$20.6m
	2014/15 Annual Plan	\$30.0m
	2015/16 LTP	\$50.0m
	2016/17 LTP	\$50.0m
	2017/18 LTP	The property disposal target (net value of unconditional sales) for 2017/18 financial period will be agreed in 2016/17.

Panuku intends to distribute to Auckland Council funds from commercial activities that are surplus to requirement. We envisage paying a dividend of **\$1.8 million** a year during the period of this SOI.

Auckland Council confirms that they will not seek repayment from Panuku of the current loans for \$11.3m and \$11.7m totalling \$23m before 30 September 2017. Panuku will obtain

authorisation from the shareholder before the purchase or acquisition of shares in any company.

8. IMPORTANT SHAREHOLDER ISSUES

Value for Money

Panuku applies a value for money approach across its business and will continue to review its business operations, processes, practices and systems for efficiencies, effectiveness and economy. Panuku will also continue greater use of shared services provided by Auckland Council and participate in Council's Alternative Financing project.

Signage and Communications

Panuku is an active member of the Brand Navigation Group and is committed to the group's objectives to improve public understanding of the use of rate payer funds through the use of the Panuku Council group logo.

9. APPROACH TO GOVERNANCE

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual. The Governance Manual sits alongside this SOI and Panuku will act in accordance with the Governance Manual.

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009). The schedule of Panuku Development Auckland for year 1 of this SOI is as follows:

Purpose	Date	Form of Public Notification
Consider shareholder comments on draft SOI	Wednesday 29 June 2016	Advertisement in NZ Herald at least two weeks prior to meeting and on Panuku website five working days prior.
Consider performance against SOI targets	Wednesday 21 September 2016	



29 April 2016

Sir John Wells
Chair
Panuku Development Auckland Ltd
BY EMAIL: jwells@bancorp.co.nz

Tēnā koe Sir John

RE: Shareholder comments on the draft Statement of Intent (SOI) 2016-2019

The Council Controlled Organisations Governance and Monitoring Committee considered Panuku's draft SOI 2016-2019 at its 29 March 2016 meeting.

At the meeting, the committee resolved to convey a number of general shareholder comments that relate to all CCOs and some specific comments that are specific to Panuku. Our CCO Governance team is available to assist to ensure that the intention of these comments is reflected in your final SOI.

General shareholder comments

Aligning the final 2016-2019 SOI with the final 2016/2017 AP

The final SOI must align to the decisions made as part of the council's 2016/2017 AP and meet legislative requirements. All financial and non-financial information must be aligned between these documents as they are finalised.

Value for Money

The council group must have a strong focus on delivering value for money for the rate payers of Auckland. That includes a pro-active search for savings through greater use of shared services, and actively participating in council's Alternative Financing project. The final SOI should detail the actions the CCO is taking to increase value for money for ratepayers.

Signage and communications - building Aucklanders' understanding of assets and services

Public understanding of the breadth of assets and services provided to them by the council group must be improved in order to increase overall democratic accountability and participation. Signage and other forms of communications should give recognition to the council (as the shareholder) by incorporating the Panuku council group logo whenever ratepayer funds or assets are being used to support activity. Co-branding principles and examples are clearly outlined in the Auckland Council Identity Guidelines (October 2013), the CCO logo guidelines (May 2013) and the Auckland Council Signage Manual v3.2 (September 2014). Council is also developing a Te Reo framework which will guide future council and CCO bilingual communication with the public.

A commitment to proactive and meaningful engagement with the work of the Brand Navigation Group (BNG) is required in the final SOI so that these communication issues can be worked through and public understanding of the use of ratepayer funds is improved.

Achieving better outcomes for and with Māori

Council is seeking to use consistent terminology when communicating its activities for Māori. We ask that you amend your final SOI to use the term "achieving better outcomes for and with Māori" rather than "Māori responsiveness" (e.g. heading and text on page 11).

Because the council and its CCOs need to be responsive to both mataawaka and mana whenua, CCOs should make appropriate reference to each group in their final SOIs.

Local government changes

Changes to local government legislation have meant that other local authorities are required to consider the use of inter-regional CCOs as an option for service delivery. We ask that if Panuku is approached by another local authority to provide services, that you discuss any such approaches with us at the earliest opportunity.

Specific shareholder comments

In general, Panuku has produced a draft SOI that makes commitment to achieving better outcomes for and with Māori which is commended. Since Panuku will often create or renew public spaces, the final SOI should articulate, how it will incorporate Māori identity and Te Aranga design principles in these projects.

The following matters, outlined in the LOE, have not been included sufficiently in the draft SOI and require amendment:

- commitment to including a strategic perspective when undertaking rent reviews
- discussion with council on any significant matters on the Housing for Older People portfolio
- Council also expects a commitment to discussing any new Panuku brand developments with the council first. This should occur with the BNG.
- integrated planning with local boards on place-making initiatives (more specifically than implied on page 9).

The planning and approval process

The overall discussion of plans and processes outlined in the draft SOI uses many different phrases (e.g. High level project plans, Masterplans, Framework Plans) all of which can have different meanings depending on context. Although these processes will be led by Panuku, a consistent methodology still needs to be agreed with council and incorporated in the final SOI.

Panuku has outlined in the draft SOI the development of a methodology for making financial and non-financial trade-offs. Council management should be part of approving that methodology also.

Working with Local Boards

In the establishment SOI, Panuku referred to developing a framework for working with the individual local boards in 'Transform' and 'Unlock' locations. Council understood this to be in addition to or an enhancement of a local board engagement plan required by the CCO Governance Manual. This scale of redevelopment is likely to intersect with local board decision-making (local place-shaping and strategic visioning) and requires a greater level of engagement with a local board than would otherwise be expected. Council appreciates the good work currently underway in this matter.

I look forward to receiving the final SOI by 30 June 2016.

Nāku noa, nā

**DEPUTY MAYOR PENNY HULSE
CHAIR CCO GOVERNANCE AND MONITORING COMMITTEE
AUCKLAND COUNCIL**

cc Mayor Len Brown
cc Stephen Town, Chief Executive, Auckland Council
cc Richard Aitken, Deputy Chair, Panuku Development Auckland Ltd
cc John Dalzell, Chief Executive, Panuku Development Auckland Ltd



Chief Executive's Report to the Board

Document Author	John Dalzell – Interim Chief Executive David Gurney – Corporate Governance lead Board Secretary
Contributors	David Rankin – Director of Strategy & Engagement Rod Marler – Director of Place Shaping Allan Young – Director of Development Ian Wheeler – Director Portfolio Management Carl Gosbee – Director of Corporate Services Joel Lindsey – Director of Capital Partnerships
Date	29 June 2016

1. Overview

The Chief Executive's Report provides Directors with a summarised overview of the most important issues facing the organisation. This report provides Directors with the strategic context and confidence that the key issues are being managed; and to frame the consideration of Decision Papers and Information Papers later in the meeting.

More detailed information is provided in the Performance Reports which are part of the larger Board paper package.

2. Key Issues

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

- Strategically significant or material.
- Emerging issues.
- Involve notification or approval from, or relevant to, the shareholder.
- Have the potential to become publically noteworthy.

2.1 Strategically significant or material issues

2.1.1 Priority Development Locations

Manukau

The Framework plan for Manukau is on track for completion for 31 July 2016. This will be a draft as, apart from input by the Panuku Board, given our relationship with the Crown and the necessary partnership on a number of development sites with Auckland Transport, there will need to be on-going follow-up discussion.

Onehunga

In respect of Onehunga the active engagement with NZTA in particular, but also Auckland Transport and Auckland Council, over the east/west link has been our primary focus.

Henderson

As previously flagged, we have started work on a high level project plan for Henderson given growing shareholder and stakeholder interest in the future of the former Waitakere City Council office site and its surrounds in particular. We are currently scheduling a high level project plan for Henderson to come to the Board in August. Engagement with Auckland Transport has progressed to understand the CRL needs in Henderson including an additional platform. The Council's accommodation review may also have some bearing on the project.

2.1.2 Housing for Older Persons Network of Villages

Substantial effort is continuing to be committed by Panuku to the two key workstreams we are leading. There are the negotiations of the joint venture agreement with Selwyn, and associated business case, and secondly the high level project plan which will provide mandate and parameters for a multi-year redevelopment programme.

Both these issues are being progressed with appropriate papers on this agenda, with decision papers to come in July.

Contemporaneously the Council is undertaking public consultation to make the necessary amendment to its long term plan to enable this agreement to be reached.

2.2 Emerging issues

2.2.1 East West Connection, Onehunga

Panuku is working closely with NZTA, supporting NZTA to prepare for the Board of Inquiry on the East-West Connection later this year. This involves a commitment to work in an open and transparent manner, including sharing data and full and frank disclosure between consultants.

Over the next 2-3 weeks, outcomes will be agreed and workstream programmes will be clearly identified with roles and responsibilities defined. To achieve this, there will be three areas that will be focused on:

- A five-point plan, covering:
 - Connectivity between Onehunga Wharf and the park
 - Local road/transport connectivity
 - Galway Street interchange
 - Visual impact/urban design matters
 - Engagement with Mana Whenua
- Joint workshop to agree outcomes and to scope out workstreams that will be required to prepare for the Board of enquiry
- Joint messaging and communications – including co-attending Auckland Council meetings, mana whenua engagement and community engagement.

2.2.2 18 Elm Street Acquisition

Previously a business case was to be prepared for Board approval to acquire 18 Elm Street. The vendor has withdrawn from the sales process, so therefore this business case is not longer required.

2.3 Involve notification or approval from, or relevant to, the shareholder.

2.3.1 National Policy Statement on Urban Development Capacity

The [National Policy Statement on Urban Development Capacity \(NPS\)](#) was released in early June. The general objectives of the NPS are to provide sufficient residential and business development capacity to meet demand, to ensure plans are based on robust and accurate evidence and to promote coordination between councils and infrastructure providers and

integrated land use and infrastructure planning. It also aims to ensure that land use planning adapts to market activity i.e. anticipates demand.

The NPS requires councils to carry out residential and business land assessments that estimate demand and the ability to meet demand in the short term (3 years), medium term (10 years) and long term (30 years). This includes assessing whether our land use plans provide sufficient development capacity, consultation with infrastructure providers, market monitoring, likelihood of development being taken up, etc. If there is insufficient development capacity identified, councils then have to provide more capacity by changing their land use plans and consenting processes.

Auckland Council's preliminary analysis is that the NPS is consistent with the Future Urban Land Supply programme and strategy already undertaken by Auckland Council and the Proposed Auckland Unitary Plan. Submissions close on 15 July 2016. Panuku will provide input as required to the council submission. Councillors will be briefed at a workshop on 15 June 2016 and will consider a draft submission on 6 July 2016 for approval.

Importantly, the Government has advised "*the intention is to finalise the policy and for it to take effect in October this year, in conjunction with the Resource Management Act changes and Auckland's new Unitary Plan.*" This means that the NPS will not affect the Independent Hearings Panel's recommendations or council's decision on the Panel's recommendations.

2.4 Potential to be publicly noteworthy

2.4.1 Elected Member Survey 2016

Auckland Council received the results of its Elected member Survey 2016 in April. The survey, undertaken every two years, canvasses Governing Body and Local Board members' satisfaction with the advice and support they have received from Auckland Council employees. It is worth noting that this survey received an overall response rate of 62 per cent, a response rate of 71 per cent for governing body members and 61 per cent for local board members. The survey took place from 9 February to 9 March 2016.

Engagement from Panuku Development Auckland was listed as one of four areas where further improvement from the organisation was desirable along with: Administrative and professional development support, Local Board Communications Team support and Community engagement support.

Just over half of respondents were satisfied with the reporting (53%) and consultation (50%) from Panuku Development Auckland. A substantial minority of respondents were dissatisfied with these two aspects (35% and 27%, respectively), many of whom reported being 'very dissatisfied'.

Despite the relative newness of Panuku Development Auckland, respondents provided a range of feedback, both positive and negative. Positive comments identified good engagement and communication, as well as a thorough understanding of the shared governance structure.

Since transition in September a whole programme of initiatives has been designed and employed to ensure that engagement and communications across all governing body members and local boards is frequent, regular and tailored to their specific areas of interest. Activity includes:

- 6-monthly tailored Local Board reports. Refinement of the timing of these reports across the region to ensure timely, accurate information.
- Co-designing a 'best practise' engagement approach with each Local Board as part of our commitment to developing a framework for working across the region.
- Strengthened relationships with Local Board Services staff through regular communication and engagement meetings where there is a transform or unlock development.

- A new, proactive approach to managing councillors and local board requests of the property portfolio team which ensures an integrated response with information from across the whole organisation.
- Monthly attendance at Local Board meetings where there is a transform or unlock development location within that local board area.
- Tailored Terms of Reference agreements with each Local Board in a transform or unlock location.

2.4.2 Curran Street Bridge

Remedial works to the Curran street bridge have commenced, with consents obtained, and an Iwi blessing being undertaken on Monday 13 June. Hawkins have been awarded the contract. The projected completion date is the end of September 2016. Curran street entrance to Westhaven is now closed until the project is finished. This has been widely communicated.

2.4.3 Seal in Westhaven

A Leopard seal has become a resident in Westhaven, having arrived in late March. DOC was immediately contacted, and information sought on any mechanisms available to assist in moving it on. DOC to date have advised to leave it alone and to make sure that it is not being inadvertently fed by vessels as they come in from the Gulf cleaning fish. Berth holders have been advised to keep clear of it, but there is growing unease by them and staff about concerns that we are not doing enough about moving it on. This has been explained to DOC, but they will not take any action at this stage. Tom Warren and Kevin Lidgard will be attending a further meeting on the 28th of June with DOC to try to promote some action from them.

Leopard seals are extremely dangerous, and not to be underestimated, as they are incredibly fast and vicious (with fatalities having occurred when leopard seals have attacked humans). Areas in the marina are having to be closed off whilst it is resident, which requires boat taxiing of bertholders to bypass it when it is on the docks. Our concern is for the welfare of our customers, and the public who see this as a fur seal, not the wild animal that it is. Publicity has been actioned through television, signage and newsletters.

3. Organisational Summary

3.1 Health and Safety

The Health and Safety report for May 2016 is included as *Attachment A* to the CE's report.

Attachments

Attachment A – Health and Safety Report – May 2016

Health and Safety Report – May 2016

Document Author(s)	Blair McMichael, Health and Safety Manager
Reviewer(s)	Carl Gosbee, Director Corporate Services
Date	13 June 2016

1. Governance

The Health and Safety Steering Group are scheduled to meet at the end of July. The Steering Group consist of the Interim Chief Executive and four Board members. The role of the Steering Group is to develop the health and safety charter, and provide direction on Panuku Health and Safety Strategy.

2. Strategy and Policy

Following a request by the Board in May, an implementation schedule is attached to this report which identifies health and safety improvement projects including those recommended in the Impac strategic health and safety business review. Please refer to *Attachment A* (Health and Safety Project Plan – 2016/17)

Actions include consideration for:

- A Health and Safety Charter
- Inclusion of Lead and Lag KPIs for Health and Safety
- Health and Safety management systems implementation
- Inclusion of 'Directorate Specific' performance measures (within the Business Plan)
- Review of Panuku contract / agreement 'arrangements'
- Implementation of a contractor management work flow (framework)
- Implementation of a project management health and safety framework.

Health and Safety performance measures for the 2016/2017 Business Plan have been completed by Directorate. These include:

- Scope of work improvements for professional services;
- Monitoring of professional services delivery;
- Monthly contractor physical works reporting;
- Monitoring and inspection schedules, and delivery for planned and high risk physical works;
- Implementation of the ACC Workplace Safety Management Practices accreditation (to secondary level);
- Accountability 'by Directorate' in delivering against the prescribed Project Management H & S framework – verified through Independent Auditing;
- Tracking Lost Time Injuries.

3. Monthly Reporting

3.1 Development

3.1.1 Pakenham-Madden Street

Audit commissioned by Panuku Development Auckland on 3 May.

Work in progress included filling of rain gardens and granite/concrete finishes to street-scaping, and cement stabilisation of sub-base.

General housekeeping issues raised - caps to reinforcing, fall hazards due to low barriers, Pakenham traffic management required enforcement. All actions raised with the contractor for implementation.

The contractor's action plan for the improvement to the 'permit to dig' process was reviewed.

All items have been completed and/or are in place.

Items to note: The contractor's regional quality, health, safety, and environmental manager is no longer full time on site but is continuing to visit the site once or twice a week depending on the site workload. The contractor has completed a corporate review of their processes. Further training has been completed for example, catscan and permit to dig.

3.1.2 Building Site 7 (Development Agreement)

Audit commissioned by Panuku Development Auckland on 6 May.

Construction works in progress at the time of the audit;

- Excavation and preparation of the crane base,
- Preparation of the sub-base for the basement floor slab,
- Bulk excavation.

The audit consisted of a walk through the site to observe work in progress and a review of the contractor's documentation.

Non conformances observed included gaps in the sheet piling at the north face of the site that posed a fall risk to the workers on Madden Street, and an excavator working at the top of an embankment too close to workers hand digging. Both actions were corrected during the audit.

3.1.3 Hobsonville Roads 'D&E', Stormwater ponds, and Building 4

Safety monitoring on Roads D & E was completed on 31 May by Panuku Development Auckland's contract representatives (RCP). All items reviewed were compliant including the currency of the site safety plan, audit and corrective action close outs, incident reporting and communications.

Monthly reporting was received for Roads D & E, and the Wasp Hanger (Building 4). No incidents or accidents were noted. No work undertaken on the stormwater ponds.

The Site Specific Safety Plan for re-vegetation work planned around the Stormwater ponds was submitted to the contract representatives in May.

3.2 Place Shaping

Nothing to report.

3.3 Portfolio Management

Weiti Penlink Forest Agreement was signed in May with critical health and safety risks identified and mitigations sought from the contractor. Since that time, the contract safety requirements have been received, reviewed and approval given by Panuku to commence tree felling from mid-June. A schedule of monitoring and inspection of the felling operations in accordance with the contract will follow at that time, to ensure both the contractor's and Panuku overlapping health and safety duties are met.

4. Systems and Process

4.1 Training

- Training included Asbestos Management based on the Asbestos Regulations (2016) released in April and the anticipated Codes of Practice. Attendance was targeted at Property Managers, the Development team, and Disposals and Acquisitions team. 25 staff attended. A further training session is scheduled for September.
- Health and Safety Risk Management training was provided to four health and safety representatives for the Marina's team, followed by an operational risk assessment by those attending.

4.2 Incident Management and Reporting

Significant near miss or event

Incident - 27 May 2016

A corrugated flashing approx. 10m long was caught by wind and came loose from the Southern Spas demolition site landed on adjacent worksite toilet roof.

Corrective Improvements:

The contractor is to ensure all roofing ends are 'shot fired / nailed' down.

Incident - 10 May 2016

A member of the public was seen walking straight onto the road while a truck was turning the corner (Madden and Daldy streets). The individual concerned stepped back to avoid the truck.

Corrective Improvement: White flexible posts have been installed on this corner. Panuku have also installed some visual aids in the way of "Toy" construction machines to slow people down and stop people walking out without first checking.

Lost time injury

Lost Time Injury (7 days) – 20 May 2016 - Staff

Following ground floor flooding inside the Westhaven Marina office building, a staff member slipped falling forward causing a left shoulder and lower back injury.

Corrective Actions and Improvements:

The staff member returned on alternative duties based on a rehabilitation plan.

Marina Maintenance Crew have increased the frequency of gutter checks, however, the downpipe could not cope at that time due to the sheer volume of water and tracking water inside.

First Aid

18 May - Public:

A member of the public tripped on the Viaduct Control Bridge, grazing her left and right knees, left and right foot and also her palm of the right hand thumb joint. The fall was the direct result of rushing in high heels and an uneven surface change.

Corrective Actions and Improvements:

The person involved has been treated and additional control measures were investigated however current measures were considered adequate with existing bridge control notices (which were ignored at the time).

4.3 Hazard and risk management, and Systems Improvements

Contract Management Framework (CMF)

- 1st Draft of CMF completed and socialisation with key stakeholders has commenced. Content has been completed for the following CMF phases: Scoping the Work, Contractor Prequalification and Selection, H&S Deliverables, Monitoring Contract Performance and Post Contract Evaluation.
- Safety in design processes are completed and under review with the Place Shaping Design Team.
- Multiple Panuku templates completed to support the new CMF and some are already in use
- High level alignment with Project Management Framework (PMF) completed.
- Further discussions to be held with the PMF lead (Development) to ensure PMF Roles and Responsibilities, Gateways, Risk Deliverables and Documentation align.

Health and Safety gap analysis completed in Commercial Places Operations. Process improvements scheduled to be completed in late June.

Review of Blackwell Quarry (Great Barrier) agreement underway to determine Panuku Development Auckland health and safety exposure. Other legal reviews planned include; Whitford Quarry and landfill, Greenmount landfill, and Waiheke Quarry.

4.4 Emergency planning

Nothing to report

5. Review and Monitoring

5.1 Injury management

Refer to 4.2 – Rehabilitation / return to work programme.

5.2 Employee participation activity

The Health and Safety Committee meeting format is under review to ensure actions are aligned with the Panuku risk management program. Particular emphasis will be given to the ACC Workplace Safety Management Practices internal review scheduled for July 2016, with the external review planned for October 2016.

5.3 Reports on any external audits and system reviews

A Panuku Development Auckland audit is scheduled for the Weiti Penlink Forest Agreement in June together with Development agreement reviews in Wynyard Quarter.

Independent auditing will commence from December in accordance with the Business Plan KPIs and once the Project Management Framework has been agreed and implemented.

External audits are intended for quarries, landfills, forests and marinas following the current legal review underway on these contracts / agreements.

5.4 Contractor management

A consistent contractor Management Framework and project management framework are under development – refer to section 4.3

5.5 Incident Data

Incident Type	Month	Year To Date
1. Fatalities	0	0
2. Significant Near Miss or Event An event which under different circumstance may have resulted in serious harm or a fatality.	2	6
3. Lost Time Injury (LTI) Injury that prevents a worker returning to work for their next working day.	1	1
4. Restricted Work Injury incident where an employee can return to work but is only able to complete restricted/alternative duties.	0	0
5. Medical Treatment Injury that requires treatment by a physician or health care professional that is not considered first aid (broken bones etc).	0	1
6. First Aid Minor injury that is treated in the workplace; may also include an incident where a worker is taken to a doctor/clinic for minor procedure (minor cuts or tetanus shots, etc).	1	8
7. No Treatment Incident where no treatment is required.	0	1
8. Incident An event that results in an environmental incident or property damage and no injury.	0	11
9. Near Miss An event that given certain additional circumstances may have resulted in personal injury or property damage	0	22
Totals	4	50

Note: Comparable industry and Auckland Council benchmarking is under review and intended for reporting 2016/2017

WORK PLAN TIMELINE

<https://www.smartsheet.com/blog/gantt-chart-excel001>

