

Panuku Development Auckland

Statement of Intent 2020-23





He Mihi

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

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

Message from the Chair and Chief Executive



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

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

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

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

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

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

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Purpose of Statement of Intent

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

About Panuku

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

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

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

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

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

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

What we do

The activities of Panuku cover four broad areas:

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

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

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

Supporting implementation of the Auckland Plan

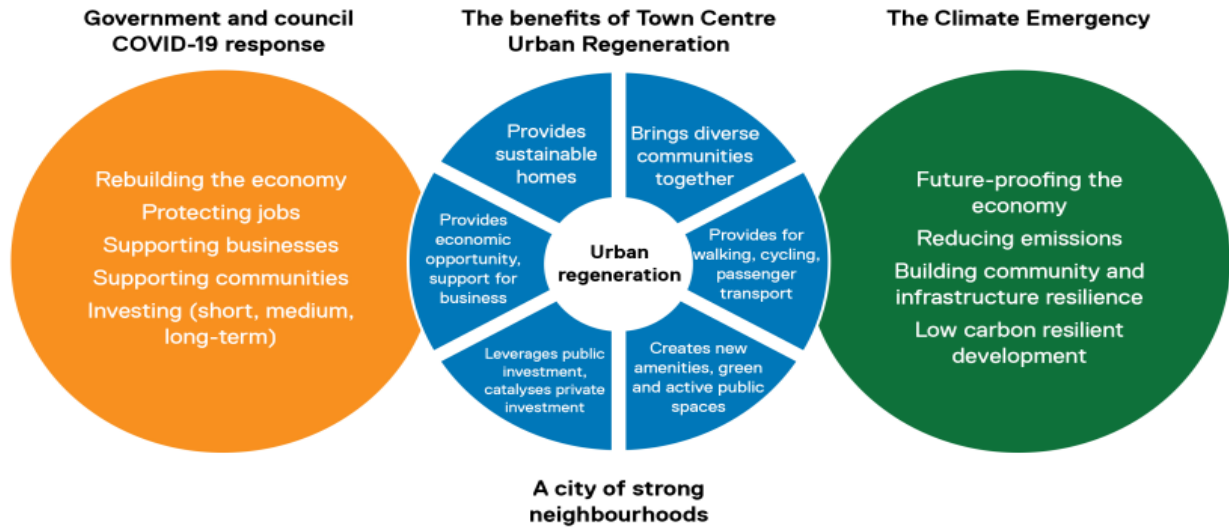
Auckland Council has determined through the Auckland Plan, that a quality compact urban form is the most effective way to provide infrastructure and services now and in the future. It has ambitious plans to accommodate two thirds of future growth within the existing urban area and to achieve net zero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

The facilitation of brownfield and town centre regeneration is a significant factor in the achievement of quality compact urban form.



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





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

Figure 1



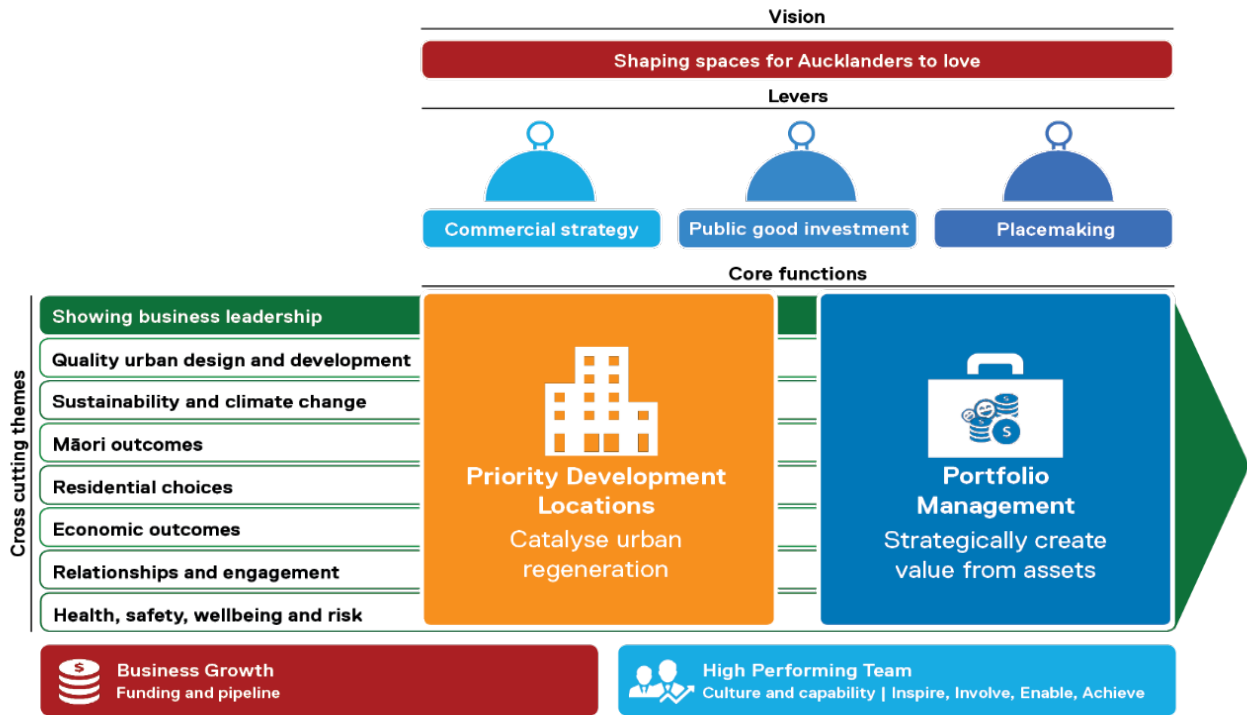
Panuku is a primary contributor to the *Homes and Places* and *Belonging and Participation* outcomes in the Auckland Plan 2050. We are also a significant contributor to *Environment and Cultural Heritage* and *Māori Identity and Wellbeing* outcomes.

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

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

Panuku Strategic Framework

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



Our work programme and key milestones for the next three years in the priority locations exist to catalyse urban regeneration and are detailed on pages 16-24.

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

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

INSIGHT:

Haumaru Housing: Sustainable homes for people whose needs are changing

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

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

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



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

Panuku Intentions

Responding to Covid-19

Panuku has identified and implemented costs savings, including executive and board salary reductions for six months, reduction in contractors and restricting recruitment and procurement. Seventy two percent of our staff earning over \$100,000 have also volunteered to take salary reductions for six months.

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

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

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

Climate action

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

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

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

Key aspects of the work programme consistent with ACAF involve:

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

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

Māori outcomes

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

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

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

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

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

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

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

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

Enhancing Partnerships

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

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

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

Optimising property opportunities

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

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

Panuku will continue to deliver the following regional redevelopment programmes:

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

INSIGHT:

Implementing Auckland Council's Corporate Property Portfolio Strategy

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

Completed sales

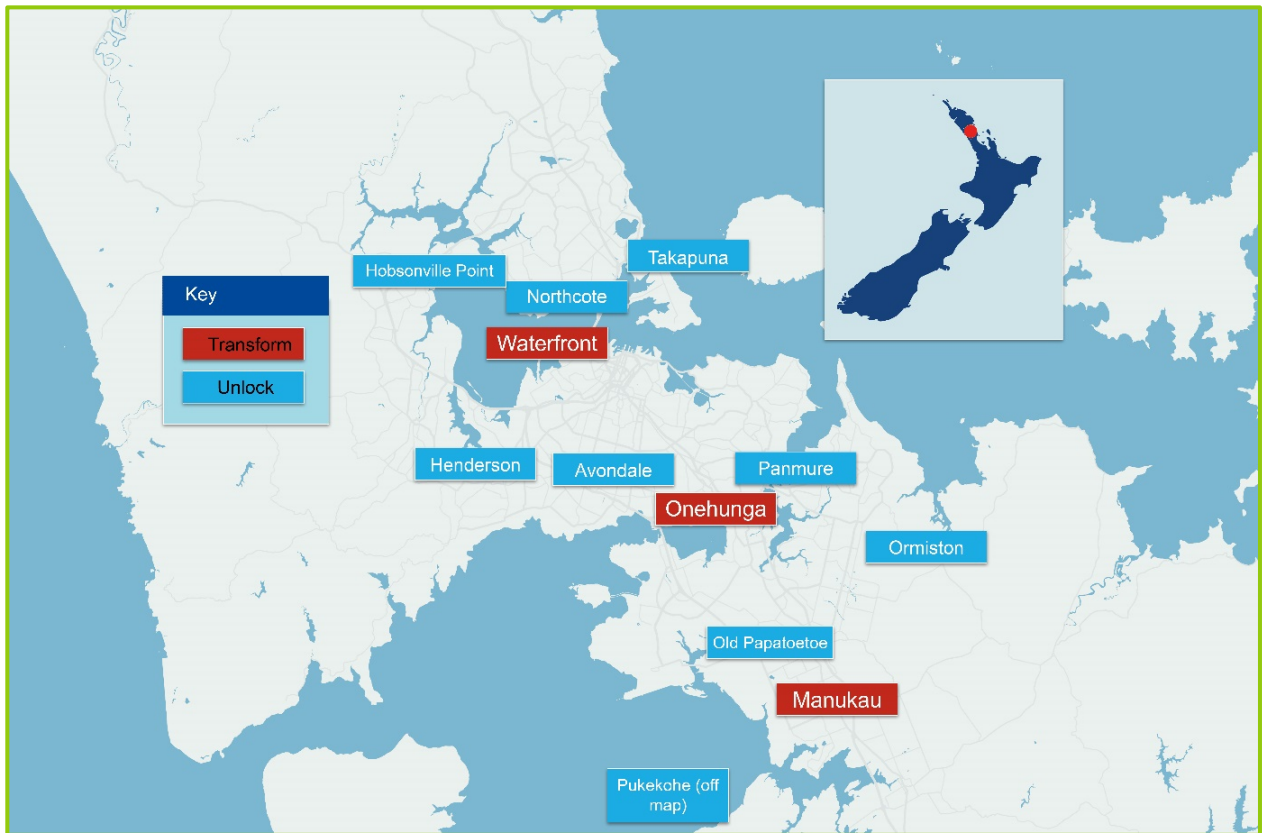
- 35 Graham Street, Auckland city centre – The office building, which currently houses Auckland Council's Regulatory Services teams was sold for \$58 million to Asset Plus (NZX listed company). Auckland Council has entered into a leaseback agreement.



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

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

Priority Location Programme - Deliverables



Panuku leads the urban regeneration of priority locations. The programme is agreed upon with Auckland Council and includes three transform and nine unlock locations. The following table summarises each of the priority locations' agreed vision, goals and project deliverables for **the next three years**.

FY20/21 Focus

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

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

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



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


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


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


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


Our priority locations



Programme name	Description (vision/outcomes)	Deliverables
<p>Unlock Northcote</p> 	<p>The Northcote of 2030 will be a growing community, with a lively and welcoming heart that celebrates culture, where businesses thrive.</p> <p>Regenerating the shopping centre into an accessible, modern mixed-use town centre where people can live, work, play, and stay; where cultures are celebrated and connected by the Awataha Stream.</p> <p>We are partnering with Kāinga Ora in Northcote to deliver Te Ara Awataha and working together on community engagement and communications.</p> <p>The property development focus is to enable renewal of the Northcote town centre as per the benchmark master plan. Initially this will involve acquiring all the ground leases, then finalising the council community facilities plan and securing a development partner.</p> <p>We are working with the community and Kāinga Ora to create Te Ara Awataha greenway. Upgrading existing assets and creating new public space in the town centre is also a key part of the successful delivery of the benchmark masterplan.</p> <p>Placemaking is focused on bringing people to the town centre. This is going to be fundamental when development commences.</p>	<ul style="list-style-type: none"> • Agree a revised market strategy and commence a market process to seek private sector investment on development opportunities. • Progress stage one of Te Ara Awataha – commence construction along the schools' boundary and restore Jessie Scout Tonar Reserve. • Acquire ground leases in the town centre to enable renewal. • Work with council whanau to upgrade Greenslade Reserve. This will contribute to flood protection and environmental goals of the council. • Work with council whanau to complete an assessment of the community's needs.
<p>Unlock Takapuna</p> 	<p>Creating a safe, accessible and vibrant town centre.</p> <p>Panuku will be engaging closely with the community to unlock the opportunity to create a new active public heart for Takapuna and to provide new housing choices, amenity, and enhanced economic vitality.</p> <p>We are working closely with the council whanau in Takapuna on the new car park facility, transport strategies, new public space and streetscapes.</p> <p>Property development in Takapuna is focussed on bringing more residents and mixed activity to the centre of Takapuna and adding to the skyline by developing buildings of height. Sustainable and</p>	<ul style="list-style-type: none"> • Complete the construction of the Gasometer carpark which will provide 420 public car spaces supporting the retail and business community in Takapuna. • Conclude a development agreement to provide high-quality mixed-use development in the centre of Takapuna on parts of 40 Anzac Street and 30-34 Hurstmere Road. • Finalise design of a new town square on part of 40 Anzac Street and 38 Hurstmere Road. • Design and trial improvements to Huron and Northcroft streets to enhance the pedestrian


Programme name	Description (vision/outcomes)	Deliverables
	<p>environmentally friendly development that contributes to the Green Star Community rating is important.</p> <p>We are working with the community to create new active public realm in the centre of Takapuna. This is largely focused on the new civic open space but includes improved streetscapes as well.</p> <p>Placemaking is fundamental to the design and use of the central sites in Takapuna and the new civic open space. We are working with community groups in the way that the temporary public space is used, to ensure that the permanent public space is a success.</p>	<p>journey from the new car park facility to the central retail precinct and new public town square.</p> <ul style="list-style-type: none"> • Agree a revised market strategy and commence market processes to seek private sector investment on development opportunities for the site on the corner of Auburn, Northcroft and Huron streets and the site at 14 Huron Street.
<p>Unlock Avondale</p> 	<p>Avondale is located close to the city centre and has excellent transport links. The location and connectivity of Avondale, along with its average house price, strongly supports its market attractiveness for a variety of housing including affordable housing and build-to-rent. The centre has the potential to accommodate significantly more residents.</p> <p>We are working in partnership with key landowners including Kāinga Ora to create development opportunities to enable high quality residential neighbourhoods at pace. A focus of this partnership has been working together in support of an appropriate housing mix for the centre and to create a new heart for Avondale.</p> <p>Public realm and community infrastructure upgrades include strengthening the link to the train station, creating a new town square and developing a new multi-purpose community facility. These investments are aimed at enlivening the heart of the Avondale town centre, building market confidence and supporting intensification.</p> <p>The council/crown development opportunity covers 4.4 hectares of land and will deliver around 800 homes and commercial spaces. Taking into account known planned and likely market-led development, there is the potential for an additional 1000 new homes (excluding already completed developments).</p> <p>Panuku will enable development on three large council-owned development sites and we will support the crown to deliver good development and design outcomes on their sites through joint masterplanning.</p>	<ul style="list-style-type: none"> • Design an upgrade of Crayford Street West – improving connections between the station and town centre, working with Auckland Transport. • Design a new Town Square – enlivening the heart of the town centre, adjacent to the new community centre to be facilitated by council. • Finalise the sale of a key site, 1817 Great North Road, to facilitate a high quality Homestar 6 market/affordable housing. • Finalise the sale of a key site, 18 Elm Street, for high quality Homestar 6 residential development. • Identify development partner/s to deliver a staged development of Avondale Central based on the agreed masterplan, a critical town centre site – complete development agreement.


Programme name	Description (vision/outcomes)	Deliverables
	<p>Placemaking and other initiatives will be used to improve business growth and positively influence the perception of the Avondale town centre. These will continue to be focused on the Avondale Central site building a community focus in the heart of the town centre.</p>	
<p>Unlock Henderson</p> 	<p>Henderson becomes an Urban Eco Centre, enhancing the mauri of the twin streams. Using the “eco” approach to catalyse the centre towards high quality liveable growth through a safe, attractive and vibrant mixed-use environment with a uniquely Henderson identity. This will incorporate public, creative arts and sustainable Green Star quality developments.</p> <p>Work with Auckland Transport and City Rail Link is in progress for better walking, cycling and rail corridors. We are also looking to work with the crown in the Oratia Precinct, with the aim of creating new residential development opportunities, enhancing public amenities and creating opportunities for employment.</p> <p>Public realm investment initiatives like walking, cycling and enhancement of rail corridor will improve connectivity within the centre. The construction of Opanuku bridge will be the main connection to Henderson’s creative arts centre at Corban Estate.</p> <p>Placemaking initiatives are creating a positive vibe in Henderson and more activities are planned, including site activations being held prior to projects being initiated.</p>	<ul style="list-style-type: none"> • Oratia Link design – Improving connectivity in the town centre. Improving walking and cycling and contributing to the council climate change goals. • Acquisition of strategic development sites in Trading Place for future residential development. • Former council building at 2-6 Henderson Valley Road – major education hub and integral to revitalisation of Henderson. • Low carbon medium density residential development of a key site – reinventing Cities (C40) initiative. An exemplar development that contribute to the council’s climate change goals. • Opanuku Link design – road connection from Civic building and train station to Henderson Valley Road. Improving walking and cycling and contributing to the council climate change goals. • Enhancement of Henderson Valley Road – creating safer and more connected area between the town centre, Opanuku stream and the Corban Estate Arts Centre. • The Kitchen Project – enabling aspiring entrepreneurs and helping the economy of Henderson.


Programme name	Description (vision/outcomes)	Deliverables
<p>Transform Waterfront</p> 	<p>A world-class destination that excites the senses and celebrates our sea-loving Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place for all people, an area rich in character and activities that link people to the city and the sea.</p> <p>Panuku is facilitating new housing, enhanced public amenity and access; place activation and community engagement; and implementing the Waterfront Plan.</p> <p>After completing the AC36 works at the Wynyard Quarter, the focus will be contributing to the overall success of the event.</p> <p>With several major construction projects underway, which are changing the face of the waterfront, a new phase of strategic thinking and planning is now needed to redefine direction on both the land and the water. We will consider new opportunities and challenges including climate change, and this will be a priority through to 2023.</p> <p>Through the completion of our new projects (Urunga Plaza and Silo Park extension), we will demonstrate the latest thinking in spaces that contribute to a people-friendly neighbourhood and take these learnings forward for future projects such as the Headland Park.</p> <p>We will continue the development of the Westhaven Marina to increase capacity, improve services, enhance public access and amenity and support the marine industry.</p> <p>The placemaking programme is already deeply established on the waterfront. We will continue to foster the social and cultural importance of lively neighbourhoods and inviting public spaces.</p> <p>In response to Covid-19 we will work with community and existing service providers to devise programming and activation that is flexible, scalable and kind.</p>	<p>AC36</p> <ul style="list-style-type: none"> • Fishing fleet relocation – temporary relocation of fishing fleet to enable Wynyard Edge Alliance works on Halsey Wharf. • Establishment of a new superyacht berthage facility with improved facilities and increased capacity to accommodate larger vessels. <p>Waterfront</p> <ul style="list-style-type: none"> • Completion of the Westhaven Marine Village providing a marine related business centre consisting of commercial buildings, public facilities, boardwalk and carparking. • Westhaven Promenade stage 2 – construction completed. • Vos Shed restoration completed. • Development completed at 10 Madden St, providing seven 5 Greenstar commercial buildings and a single level retail building. The project contributes to council's climate change goals. • Pile Berth Redevelopment – Complete stage one of reclamation and commence optimisation of berth layout. Design the new landscaped public area with car parking. <i>(First stage will complete the causeway and sea wall construction)</i> • Urunga Plaza – opening of public space adjacent to the Park Hyatt Hotel. • 10 Madden St and Freda Barnes Plaza – completion of Precinct's seven level commercial development and the public open space adjacent to 10 Madden St. • Auckland Harbour Bridge Pathway enabling works completed.

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

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

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

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

Programme name	Description (vision/outcomes)	Deliverables
<p data-bbox="203 293 443 320">Unlock Ormiston</p> 	<p data-bbox="557 280 1361 424">The key outcome is the development and creation of an integrated mixed-use town centre within the Ormiston and Flat Bush area on Panuku controlled land which is developed on a commercially successful basis in accordance with best international urban design standards creating a vibrant urban environment with a rich mix of activities.</p> <p data-bbox="557 448 1361 560">The development includes a retail shopping centre, a library and community centre, new homes, a medical centre, and other supporting retail ancillary to the shopping centre (including a supermarket), roads, infrastructure and public realm.</p> <p data-bbox="557 584 1361 663">Panuku will continue working closely with the development parties and will monitor implementation of the development agreements in order to ensure delivery of the key outcomes.</p> <p data-bbox="557 687 1361 767">The developer is completing its current projects such as the retail town centre, roads, infrastructure, and some stages of the residential development.</p> <p data-bbox="557 791 1361 903">The developer wishes to assign its interests in developing the balance of the residential lots and supporting roads and infrastructure. Should this happen, Panuku will also continue to monitor and work closely with that party.</p>	<ul data-bbox="1391 280 2013 719" style="list-style-type: none"> • Development completed in Town Centre by master developer comprising of a retail shopping centre which will include food and beverage outlets, a cinema complex, a fitness centre, and associated carparking. • Support and facilitate the development of library/community centre. • New houses supplied for urban blocks surrounding the town centre will continue to progress. • As part of the Town centre development approximately 100 residential dwellings will be built on the site at 66 Flatbush School Road on the opposite side of the road.

INSIGHT:

Inclusive engagement with wider communities

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

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

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



Performance measures

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

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

Annual Plan and Long-term Plan

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

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

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

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

Asset Management

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

Funding models

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

Financial management and group policies

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

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

All CCOs are targeting to achieve \$5m of additional savings above the savings already identified in the Emergency Budget, through greater use of shared services.

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

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

Efficiency and value for money reviews and council whānau policies

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

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

Approach to Governance

Governance manual and quarterly reporting

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

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

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

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

CCO review

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

Board meetings

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

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

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

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

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

Communication

Public and media

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

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

Online channels

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

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

INSIGHT:

Optimisation – a win-win in Meadowbank

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

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

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



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

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

Performance Measures

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

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

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





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

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

Service Level Statement	Measure		Actual 2018/19	Annual Plan 2019/20	SOI Targets			Performance measures affected by Covid-19
					2020/ 2021	2021/ 2022	2022/ 2023	
		The monthly average occupancy rate ⁴ for tenantable properties						95% to 85% to reflect potential impact on commercial tenants.
					Residential 95%	Residential 95%	Residential 95%	
	14	The return on investment on like-for-like properties managed for Auckland Transport and Auckland Council (LTP)	2.4% against the 2.25% target.	Greater than or equal to 1.75%	Greater than or equal to 1.75%	Greater than or equal to 1.75%	Greater than or equal to 1.5%	
	15	The return on equity ⁵ on commercial assets and services (LTP)	11.43%	8.25%	8.25%	8.25%	8.5%	
Dispose agreed surplus properties	16	List of properties recommended for disposal submitted to the council The disposal target for the next financial period will be agreed with the council in the current financial period	\$30.38 million of recommended properties have been presented to the council for approval to dispose. A recommended for disposal target for 2019/20 was agreed by the	A list of recommended properties with a total cumulative gross value of \$45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the	A list of recommended properties with a total cumulative gross value of \$45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the	A list of recommended properties, with a total value agreed by the Board the prior year, will be submitted to the council seeking approval to dispose for 2021/22	A list of recommended properties, with a total value agreed by the board the prior year, will be submitted to the council seeking approval to dispose for 2022/23	

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

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

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

Footnotes:

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

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

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

Panuku Development Auckland

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

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

CAPITAL EXPENDITURE (\$'000)

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

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

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

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

Managed on behalf of Auckland Council

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

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Annual Plan	Annual Plan	Revised LTP	Revised LTP
OPERATING EXPENDITURE (\$'000)					
Direct operating revenue					
Fees and user charges	1,889	4,307	1,315	1,875	1,875
Other revenue	24,319	44,345	46,860	47,916	47,497
Direct operating revenue	26,208	48,652	48,175	49,791	49,372
Direct operating expenditure					
Staff costs		1,451	2,700	1,585	1,625
Other expenses	17,858	37,113	39,901	34,957	35,402
Direct operating expenditure	17,858	38,564	42,601	36,542	37,027
Net direct operating expenditure (income)	(8,350)	(10,088)	(5,574)	(13,249)	(12,345)

Other revenue					
Finance income	13	494	435	315	193
Share of profit/loss from equity account	4,569	3,119	3,651	2,623	2,605
Other expenditure					
Transfer of Waste Disposal Limited surplus to Council	4,524	3,400	3,500	2,500	2,500
Depreciation and amortisation	337	11,314	11,767	17,959	19,723
Net other operating expenditure (income)	279	11,101	11,181	17,521	19,425
Net operating expenditure (income)	(8,071)	1,013	5,607	4,272	7,080

CAPITAL EXPENDITURE (\$000)

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

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

2020/2021 BY BUSINESS ACTIVITY (\$000)

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

Net capital expenditure (income)	29,891	7,795	12,441	-	1,144	8,511
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The Commercial Property portfolio includes non-service properties owned by council throughout the Auckland region and the downtown Auckland marinas including Westhaven Marina. Operating revenue includes rental and berthage income. Operating expenditure includes direct operating expenses such as repairs and maintenance, rates and utilities plus staff costs recharged by Panuku to council for marina activities. Business interests include activities such as quarries and forests.

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

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

Other financial information

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