

Chief Executive's Report to the Board

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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, 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 the shareholder.
- Have the potential to become publically noteworthy.

2.1 Strategically significant or material issues

2.1.1 Panuku Development Programme

Work is continuing on a number of aspects of the Development Programme approved by the Board at its November meeting. There has been further engagement with the Local Boards and Ward Councillors, appropriate media briefings and a report written for an Auckland Development Committee meeting scheduled for 8 December. This is where we are seeking formal Council endorsement for the two Transform locations.

Most of the Panuku Executive Leadership Team, together with other staff associated with the Development activity, undertook an all-day bus tour recently looking at the two the Transform areas (Manukau Centre and the potentially greater area we are envisaging, together with Onehunga Town Centre and surrounds) as well as other sites in the Development Programme in South Auckland. This was a useful allocation of time and will help inform discussion as we go forward.

2.2 Emerging issues

2.2.1 Government Resource Management Act Reforms

The Government has recently introduced a further set of proposed reforms to the Resource Management Act and associated other changes such as to the Reserves Act.

Panuku is being involved in a Council family working party preparing a single set of submissions on these proposed changes. At the time of writing, the changes appear to be successfully progressing the Government's aim of streamlining some of the processes around the housing development activity.

Of note is that there are proposals to significantly streamline the council's ability to swap around public open space providing the overall level of public amenity is being retained. This is a matter of key importance to Panuku and our future work as we have already encountered the issue (e.g. Three Kings quarry development and Tamaki redevelopment) and it will arise in many locations where we are seeking some multi-site or precinct based redevelopment.

2.3 Potential to be publicly noteworthy

2.3.1 Mobil Litigation

Mobil has been given leave to appeal the Court of Appeal decision on compensation to Panuku for contaminated land that it leased. The Supreme Court will hear the case on 20 April 2016.

3. Project Summary

Given the early timing of the December meeting, project summary reports for Strategic Initiatives, Key Projects, Candidate Projects and SOI Performance Measures have been unable to be completed for this month's report.

4. Financial and SOI Performance Measures Summary

4.1 Financial Performance

The timing of the December Board meeting is such that the Financial Report was not collated in time to be sent out with the rest of the Board pack. The Report will be provided at the meeting and a presentation given on key issues.

4.2 Arising Issues

The Panuku half year financial performance undergoes an audit review and is submitted to Auckland Council for consolidation into their half year financial statements in late January 2016. The Board will see the financial performance information in the usual FBR format which will be distributed electronically in late January. The reporting pack submitted to Council will be signed off by the Chief executive and Director of Corporate Services, and a letter of representation will be required from Panuku and signed by the CFO and the Chief Executive by 15 February 2016.

5. Compliance Summary

5.1 Health and Safety

Training and education for the Board and ELT will be one of the key lead activities Panuku will carry out to enhance its health and safety culture in accordance with good practice. This is critical given the introduction of the Health and Safety at Work Act, effective from 4 April 2016.

A Board Working Group made up of Directors and senior managers from ELT is scheduled to meeting in February 2016. In preparation, ELT and the
The Health and Safety Report is attached as *Attachment A*.

5.2 Risk Management Framework

Given the early timing of the December meeting, the Risk Management Framework has not been updated.

Attachments

Attachment A – Health and Safety Report