

Board Report

P u b l i c

Date
Thursday,
28 February 2019

Time
3:00 pm

Venue
Panuku
Development
Auckland
82 Wyndham St



Board Agenda

Where: 82 Wyndham Street, Auckland

When: Thursday, 28 February 2019 | 9.00 am – 4.00 pm

Board Members: Adrienne Young-Cooper – Chair
David Kennedy – Director
Richard Leggat – Director
Dr Susan Macken – Director
Paul Majurey – Director
Mike Pohio – Director
Martin Udale – Director
Paul Brown - Intern

In attendance: Roger MacDonald – Chief Executive
Monica Ayers – Director People and Culture
Jenni Carden – Executive Officer / Company Secretary
Angelika Cutler – Director Corporate Affairs
Carl Gosbee – Director Corporate Services
Rod Marler – Director Design and Place
David Rankin – Chief Operating Officer
Brenna Waghorn – Director Strategy
Ian Wheeler – Director Portfolio Management
Allan Young – Director Development

Confidential meeting	
1.	<p>Procedural Motion to Exclude the Public</p> <p>Put the motion that, pursuant to clause 12.3 of the Panuku Constitution, the public be excluded from the following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.</p>
2.	<p>Confidential Governance Matters</p> <p>2.1 Apologies</p> <p>2.2 Directors' Interests</p> <p>2.3 Minutes of 29 January 2019 Board meeting <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.4 Board Action List <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.5 Board Forward Work Programme <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.6 Verbal update from Transformation Committee 12 February 2019 <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>
3.	<p>Confidential Strategic Discussion</p> <p>3.1 Health and Safety Deep Dive: Panuku Contract Management Framework <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>

	Morning Tea
4.	Confidential Strategic Papers (papers which are fully confidential)
4.1	Decision: Draft Panuku Development Auckland Statement of Intent 2019-22 <i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
4.2	Decision: Unlock Northcote – Masterplan <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
4.3	Decision: Unlock Northcote – Acquisition of property and leasehold interests in the town centre <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
4.4	Information: Unlock Northcote – Go-to-market strategy guidance <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
5.	Confidential Decision Papers (papers which are fully confidential)
5.1	Transform Manukau – Joint Crown/Council programme business case <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.2	Transform Waterfront – West One Stage 2B Revised LV1 Value <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
5.3	Transform Waterfront – Westhaven Promenade Stage 2 <i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
5.4	Transform Waterfront – Sealink Relocation <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
	Lunch
6.	Confidential Chief Executive’s Report (fully confidential) <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
7.	Confidential Information Papers (papers which are fully confidential)
7.1	Transform Waterfront – Wynyard Crossing Options update <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
7.2	Projected Housing Supply <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
8.	General Business <i>Withheld from the public under S7(2)(h) of the LGOIMA</i>

Public meeting	
9.	Opening of Public Meeting 9.1 Apologies 9.2 Health and Safety Moment 9.3 Directors' Interests 9.4 Directors' Board Meeting Attendance Register 9.5 Minutes of the 29 January 2019 Board meeting (public)
10.	Health and Safety Report
11.	Chief Executive's Report
12.	Decision Papers 12.1 Housing Mix Policy
13.	Information Papers 13.1 Disposals Programme

Local Government Official Information and Meetings Act 1987.

7 Other reasons for withholding official information

(1) Where this section applies, good reason for withholding official information exists, for the purpose of [section 5](#), unless, in the circumstances of the particular case, the withholding of that information is outweighed by other considerations which render it desirable, in the public interest, to make that information available.

(2) Subject to [sections 6, 8, and 17](#), this section applies if, and only if, the withholding of the information is necessary to—

(a) protect the privacy of natural persons, including that of deceased natural persons; or

(b) protect information where the making available of the information—

(i) would disclose a trade secret; or

(ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or

(ba) in the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the [Resource Management Act 1991](#), to avoid serious offence to tikanga Maori, or to avoid the disclosure of the location of waahi tapu; or

(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—

(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or

(ii) would be likely otherwise to damage the public interest; or

(d) avoid prejudice to measures protecting the health or safety of members of the public; or

(e) avoid prejudice to measures that prevent or mitigate material loss to members of the public; or

(f) maintain the effective conduct of public affairs through—

(i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom [section 2\(5\)](#) applies, in the course of their duty; or

(ii) the protection of such members, officers, employees, and persons from improper pressure or harassment; or

(g) maintain legal professional privilege; or

(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or

(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or

(j) prevent the disclosure or use of official information for improper gain or improper advantage.

Directors' Interests as at 1 February 2019

Member	Interest	Company / Entity	Conflicts pre-identified?
Adrienne YOUNG-COOPER	Chair	Panuku Development Auckland Limited	
	Director	Bridgeman Concrete Limited and related companies	
	Director	Cornwall Park Trust Board Incorporated	
	Chair	Housing New Zealand Corporation	Yes until 31 May 2019
	Chair	Housing New Zealand Limited	Yes until 31 May 2019
	Chair	Housing New Zealand Build Limited	Yes until 31 May 2019
	Director	HLC	
	Director	HR Cement Limited and related companies	
	Director	Queenstown Airport Corporation Limited	
	Director	SeaLink New Zealand Limited and related companies	Yes
	Director	Sir John Logan Campbell Residury Trust	
	Director	Sir John Logan Campbell Medical Trust Incorporated	
	Dr Susan C. MACKEN	Deputy Chair	Panuku Development Auckland Limited
Chair		Kiwibank	
Chair		Spa Electrics Ltd (Aust.)	
Deputy Chair		Tāmaki Redevelopment Company Ltd	Possible
Director		Blossom Bear Ltd	
Director		STG Ltd	

Member	Interest	Company / Entity	Conflicts pre-identified?
David I. KENNEDY	Director	Panuku Development Auckland Limited	
	Director	525 Blenheim Road Limited	
	Director	Cathedral Property Limited	
	Director	Good General Practice Limited	
	Director	Grantley Holdings Limited	
	Director	Hobsonville Development GP Limited	
	Director	New Ground Living (Hobsonville Point) Limited	
	Director	Ngāi Tahu Justice Holdings Limited	
	Director	Ngāi Tahu Property (CCC-JV) Limited	
	Director	Ngāi Tahu Property Joint Ventures Limited	Possible, Transform Manukau (MIT)
	Director	Ngāi Tahu Property Joint Ventures (No.2) Limited	
	Director	Ngāi Tahu Real Estate Limited	
	Director	NTP Development Holdings Limited	
	Director	NTP Investment Holdings Limited	
	Director	NTP Investment Property Group Limited	
Director	Prestons Road Limited		
Richard I. LEGGAT	Director	Panuku Development Auckland Limited	
	Chairman	NZ Cycle Trail Incorporated	
	Director	Cycling NZ	
	Director	Hamilton Waikato Tourism	
	Director	Mortleg Ltd	
	Director	Snowsports NZ	
	Director	Trophy Metropolitan Ltd	
	Director	Warren and Mahoney	
	Director	Winter Games New Zealand	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Member	Union Cycliste Internationale Ethics Commission	

Member	Interest	Company / Entity	Conflicts pre-identified?
Paul F. MAJUREY	Director	Panuku Development Auckland Limited	
	Chair	Hauraki Collective (12 iwi collective)	
	Chair	Mana Whenua & Crown Working Group (proposed Hauraki Gulf / Tikapa Moana Recreational Fishing Park)	
	Chair	Marutūāhu Rōpū General Partner Ltd	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Puhinui Park Limited	
	Chair	Tāmaki Makaurau Community Housing Ltd	
	Chair	Te Pūia Tāpapa	
	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	
	Chair	Whenuapai Housing General Partner Ltd	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Director	Arcus Property Limited	
	Director	Atkins Holm Majurey Ltd	
	Director	Ngāti Maru Ltd	
	Director	Pare Hauraki Asset Holdings Ltd	
	Director	Pouarua Farm General Partner Ltd	
	Director	Tikapa Moana Enterprises Ltd	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Hauraki Fishing Group	
	Mana Whenua Representative	Hauraki Gulf Forum	

Member	Interest	Company / Entity	Conflicts pre-identified?
Michael E. POHIO	Director	Panuku Development Auckland Limited	
	Chairman	BNZ Partners Waikato	
	Director	Argosy	
	Director	KiwiRail Ltd	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	Ospri New Zealand Ltd	
	Director	<ul style="list-style-type: none"> National Animal Identification and Tracing Ltd 	
	Director	TBFree	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	The Rees Management Limited	
	C. Martin UDALE	Director	Panuku Development Auckland Limited
Director		Accessible Properties New Zealand Limited	
Director		Cardinal Trustees Ltd	
Director		Essentia Consulting Group Ltd	Possible, with Transform Manukau (MIT)
Director		Fleming Urban Ltd	
Director		Forest Group Ltd	
Director		Hobsonville Development GP Ltd	
Director		New Ground Living (Hobsonville Point) Ltd	
Director		Tall Wood Ltd	
Director		Tallwood Assembly Limited	
Director		Tallwood Design Limited	
Director		Tallwood Holdings Limited	
Director		Tallwood Projects Limited	
Director		Tāmaki Redevelopment Company Ltd	Possible
Director		Tāmaki Regeneration Ltd	
Director		THA GP Limited	
Director		TW Twenty Twenty Ltd	
Member		Kiwi Rail Property Committee	

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED, HELD IN **CONFIDENTIAL** SESSION AT 82 WYNDHAM ST, AUCKLAND ON TUESDAY 29 JANUARY 2019 COMMENCING AT 9.00 AM.

ATTENDING		<p>Board: Adrienne Young-Cooper (Chair), David Kennedy, Richard Leggat, Dr Susan Macken, Paul Majurey, Mike Pohio and Martin Udale.</p> <p>Board Intern: Paul Brown</p> <p>Executive: Roger MacDonald – Chief Executive, David Rankin – Chief Operating Officer, Monica Ayers – Director People and Culture, Angelika Cutler – Director Corporate Affairs, Carl Gosbee – Director Corporate Services, Rod Marler – Director Design and Place, Brenna Waghorn – Director Strategy, Ian Wheeler – Director Portfolio Management, Allan Young – Director Development, Jenni Carden – Company Secretary.</p>								
1 PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	1 01/19	<p>The Panuku Board agreed 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 proceeding, the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">General subject of matters to be considered</th> <th style="width: 50%;">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> <p><i>Moved Paul Majurey, seconded Mike Pohio. CARRIED</i></p>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
General subject of matters to be considered	Grounds under Section 48(1) for considering in private									
Governance; Committee report	Commercially sensitive issues									
Finance and Risk	Commercially sensitive issues									
Management and operations	Commercially sensitive issues									
2 APOLOGIES	2 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
OPENING REMARKS AND INTRODUCTION OF PAUL BROWN, BOARD INTERN	3 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.1 MINUTES OF 28 NOVEMBER 2018 BOARD MEETING CONFIDENTIAL GOVERNANCE MATTER	4 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.2 BOARD ACTION LIST CONFIDENTIAL GOVERNANCE MATTER	5 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.3 BOARD FORWARD WORK PROGRAMME CONFIDENTIAL GOVERNANCE MATTER	6 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
2.4 VERBAL UPDATE FROM AUDIT AND RISK COMMITTEE 14 DECEMBER 2018	7 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								

3.1 PANUKU PEOPLE AND CULTURE CONFIDENTIAL STRATEGY DISCUSSION	8 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
4.1 LEGAL OWNERSHIP STRUCTURE OF WATERFRONT LAND CONFIDENTIAL STRATEGY PAPER	9 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
4.2 INFORMATION: UNLOCK NORTHCOTE PROGRAMME UPDATE CONFIDENTIAL STRATEGY PAPER	10 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
4.3 INFORMATION: THE USE OF THE PUBLIC WORKS ACT AS A TOOL FOR URBAN RENEWAL CONFIDENTIAL STRATEGY PAPER	11 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
5.1 TRANSFORM MANUKAU – CENTRAL CITY DEVELOPMENT MASTER PLANNING CONFIDENTIAL DECISION PAPER	12 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
5.2 WESTHAVEN MARINE VILLAGE CONFIDENTIAL DECISION PAPER	13 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
5.3 31 DECEMBER 2018 HALF YEAR FINANCIAL STATEMENTS CONFIDENTIAL DECISION PAPER	14 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
6 CONFIDENTIAL CHIEF EXECUTIVE’S REPORT	15 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
7.1 EXECUTIVE ACCOUNTABILITIES CONFIDENTIAL INFORMATION PAPER	16 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
7.2 ENHANCING OUR MATRIX STYLE OF WORKING CONFIDENTIAL INFORMATION PAPER	17 01/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>

8 GENERAL BUSINESS	18 01/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
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MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED,
HELD IN **PUBLIC** SESSION AT 82 WYNDHAM ST, AUCKLAND ON WEDNESDAY 28 NOVEMBER 2018
COMMENCING AT 3.00 PM.

9.1 APOLOGIES	19 01/19	Susan Macken, Richard Leggat
9.2 HEALTH AND SAFETY MOMENT	20 01/19	David Kennedy led the health and safety moment. Discussed the risks for staff working outside in 30-degree temperatures, ensuring drinking water is provided on-site and possible changes to working hours – starting earlier, finishing earlier.
9.3 DIRECTORS' INTERESTS	21 01/19	The Panuku Board reviewed and received the Register of Directors' Interests, noting changes in interests for Chair, Adrienne Young-Cooper, Paul Majurey and Richard Leggat, and the identified interests for specific projects.
9.4 DIRECTORS' BOARD MEETING ATTENDANCE REGISTER	22 01/19	The Panuku Board noted the Board Attendance Register.
9.5 MINUTES OF THE 28 NOVEMBER 2018 BOARD MEETING	23 01/19	The Panuku Board reviewed and approved the Minutes of the Board Meeting of 28 November 2018, with confidential information redacted, as a true and accurate record of the meeting.
10 HEALTH AND SAFETY REPORT PUBLIC INFORMATION PAPER	24 01/19	David Rankin, Chief Operating Officer, introduced the report. The board received the report and discussed the following: <ul style="list-style-type: none"> • Risk Manager phase 2; the board noted the choice of waiting (timeframe unknown) or undertaking a pilot. • Dashboard; the board were pleased to receive the dashboard and suggested the formatting is amended. • Incident reporting; the board sought assurance incident reporting will continue to be provided in this report, noting the near miss included in the Chief Executive's report relates to the January reporting period. • health and safety deep-dive; the board noted a deep-dive will be held next month on the Contract Management Framework. <p>The Panuku Board received the report.</p>
11 CHIEF EXECUTIVE'S REPORT PUBLIC INFORMATION PAPER	25 01/19	The Chief Executive spoke to the public matters in the report. The following items were discussed: <ul style="list-style-type: none"> • 2.2.1 Health and Safety; The near miss incident is being fully investigated and will be reported in the January report (to February meeting). • 2.3.11 Pukekohe;

		<p>Has been formally added to our programme. The board indicated interest in holding a meeting there noting it could be a good time to engage with the Franklin Local Board.</p> <p>The High Level Project Plan (HLPP) will be reported to the Board in May or June.</p> <ul style="list-style-type: none"> 2.3.2 Onehunga; <p>the Board indicated it would be good to get an update on the NZTA East/West Link project and the light rail route and the implications for this location.</p> <p>The Panuku Board received the public report, with confidential information redacted.</p>
<p>12 SHAREHOLDER LETTER OF EXPECTATION AND PROCESS FOR DEVELOPING THE NEW SOI</p> <p>PUBLIC INFORMATION PAPER</p>	26 01/19	<p>Brenna Waghorn, Director – Strategy, introduced the report.</p> <p>The following matters were discussed:</p> <ul style="list-style-type: none"> focus on stakeholders, CCO's reporting against Auckland Plan 2050, climate change; demonstrating value for money: participating in council's value for money reviews. Panuku's TVA model is recognised. climate change: a range of initiatives underway - Chief Executive has signed up Panuku as climate leaders, undertaking vulnerability mapping, Greenstar Communities. <p>The board expressed the requirement for strong alignment between the Letter of Expectation and the draft Statement of Intent.</p> <p>The Panuku Board received the report.</p>
<p>13.1 GRANTS AND DONATIONS</p> <p>PUBLIC INFORMATION PAPER</p>	27 01/19	<p>Carl Gosbee, Director – Corporate Services, introduced the report.</p> <p>The Board requested a list of who received sponsorship or grants from Panuku, including the annualised amount.</p> <p>The Panuku Board received the report.</p>
<p>CLOSE OF BOARD MEETING</p>	28 01/19	<p>The meeting closed at 3.15pm.</p>

READ AND CONFIRMED

_____ Chair

_____ Date

Health and Safety Monthly Report – January 2018

Document Author(s)	Blair McMichael – Health and Safety Manager
Approver	David Rankin – Chief Operating Officer
Date	12 February 2019

1. Purpose

This paper informs the Board on progress against key health and safety objectives from our Health and Safety Plan 2018/19, recent incidents, the monitoring and management of risks, and staff wellbeing and training.

2. Executive Summary

Key objectives, within the Health and Safety Plan 2018/19 during January include the planned Board discussion highlighting the Panuku Contract Management Framework and the levels of influence and control the business manages in terms of health and safety. The objective to implement a contractor management module to improve our health and safety tool, Risk Manager is discussed. The intended software module is no longer available for implementation and the its replacement module is unclear. Although the software supports Panuku in achieving compliance in health and safety, it does not connect to key systems used for project management and procurement.

The report discusses a near miss incident raised by the Panuku CE at the January Board meeting where a contractor working on behalf of the Wynyard Edge Alliance cut into an electrical wire beneath Hobson Wharf. A second near miss incident was also reported where a mooring steel rope connecting a working piling barge broke at the weld base. The corrective actions that were adopted for each incident, are listed to highlight what steps the contractor has taken to avoid a similar event.

The report provides a reference table (Appendix A) of projects recorded in our project management tool, Sentient, involving onsite physical works. The table lists Panuku’s role on each project, and based on this, apply predetermined health and safety criteria. This approach will be further discussed as part of a planned agenda item with the Board on our Contract Management Framework.

Remedial work continues for asbestos related risks within the property portfolio, and the facilities team are looking to improve the inspection tracking on Panuku sites through the mobile app, iAuditor.

Two ‘new starters’ completed the Panuku and council wide health and safety training with a number planned in February.

3. Health and Safety Plan 2018/2019

3.1 Implement the Contract Management Framework (CMF) across our Business

A health and safety focused discussion on the Panuku Contract Management Framework is scheduled as a separate agenda item for the February Board meeting.

The purpose of this discussion is to consider the various roles Panuku holds when contracting, and how our approach to contract management aligns to the Health and Safety at Work Act. The discussion will include direction from lawyers Kensington Swan on how the Board and CE discharge their duties under the legislation when the business applies the CMF.

3.2 Scope and implement Phase 2: Contractor management module, Risk Manager

A key objective in the Panuku Health and Safety Plan 2018/19 and the Health and Safety Strategy 2017-2020 was the implementation of a contractor management module within the existing health and safety software Risk Manager (RM).

The anticipated benefit was to provide our contractors with real-time access to project or site related risks, allow for the upload and review of safety mitigations, and track the monitoring of these mitigations.

Over the past two years Panuku has been working with the RM software provider to improve the businesses ability to track asbestos remedial improvements, quarry and landfill monitoring, training records, safety observations, property related safety risks, incidents and corrective actions.

Under the current objective, and in collaboration with Auckland Council, Panuku engaged a business analyst to gather and review information provided by Auckland Council IS (Information Systems), Panuku, ATEED, and Regional Facilities Auckland to scope our business requirements and to align with the intended implementation of the RM contractor management module.

Four things became apparent. Firstly, the existing RM, an off-the shelf software, is not well aligned with our approach to managing health and safety when considering development agreements, licensing access, or other partnering agreements represented through our 'Contractor Management Framework'.

Secondly, RM is not integrated with Auckland Council or Panuku's Information Systems such as SAP and Sentient, key tools used for procurement and project management.

Thirdly, the RM software provider is retiring and replacing the software module for contractor management and the replacement may not be fully deployed and aligned until mid-2020.

Finally, the software contract of which Panuku 'dove-tails' into, is held between Auckland Council and the software provider. The software provider is often unwilling or reluctant to make changes that may affects the standard configuration for council, and any agreed changes for Panuku are additional costs beyond the annual licencing fee.

The Executive Leadership Team (ELT) reviewing this work will consider whether continuing to optimise our existing tool is an acceptable outcome. Or if a more tailored solution integrated with other systems such as SAP and Sentient are an alternative. Either approach would require further research to optimise business outcomes and ensure costs are managed effectively.

While scoping the implementation of a contractor module, Panuku took the opportunity to review the software's privacy settings. This task represented an objective within our Health and Safety Plan 2018/19. Actions to improve the privacy of personal data include an update to business rules for data entry and changes to the software configuration. These improvements are now subject to agreement by Auckland Council who manage the software contract and set the access requirements.

4. Incidents, accidents and hazards

No notifiable events were reported during this period.

Attached is a table, Appendix A, representing projects involving on-site work. As referenced earlier in this report, the table provides the Board with an indication of the role Panuku has on each project. This directly affects what health and safety criteria are followed when we apply our Contract Management Framework.

In referencing the table now and updating this in future reporting, it is intended that the Board can see what reporting Panuku requires on each project, and that the business does not seek reporting in all instances. A description of each approach is as follows:

- **Doing** – represents projects in which Panuku contracts the work directly with another party;
- **Managing** – represents either an instance where Panuku contracts a professional consultancy to manage the work on our behalf, or where we have entered into a development agreement;
- **Participating** – indicates projects where Panuku isn't completing the work, rather we may influence the final product. An example of this may include a road project completed by Auckland Transport within the Wynyard Quarter where we require modifications to align with the design of the area;
- **Providing**- refers to instances where Panuku is providing access to land or buildings such as a tenancy agreement or where another Party such as ATEED wishes to hold a public event.

Each of these approaches will be discussed in more detail during the agenda item for the Panuku Contract Management Framework (CMF) this month.

In January the Chief Executive provided the Board with initial advice around a near miss incident involving a burnt-out generator on Hobson Wharf. This incident occurred during enabling works for AC36.

The date of the incident was the 11th January and was caused by a short circuit underneath Hobson Wharf which resulted in a redundant generator starting up. The generator motor burnt out shortly after the initial event, triggering the alarm and fire service attendance.

An investigation took place during which time the electrical contractor was stood down. The electrical contractor has since revised its operating procedures to ensure the testing and isolation of energy sources are compliant. The generator has been permanently disconnected.

The second near miss incident reported during the month took place on 31 January at Hobson Wharf. This incident also relates to enabling works in preparation for AC36.

This involved an anchor point on the MV Gladstone barge, whilst under load, failing during a planned movement. The cable was attached to an anchor point mooring lug connected to Hobson Wharf. As a result of the failure, the line under tension snapped back, falling into the water.

The temporary works procedure education has been undertaken with site workers to ensure load capacities are understood.

5. Health and safety risk management, monitoring and review of critical risk

No critical risk audits were completed in January. Asbestos related surveys continue to be recorded in the Risk Manager software with remedial works tracked and assigned to the respective Panuku facilities and maintenance team member.

Panuku is working with the Auckland Council Community Facilities team to include the capturing of all maintenance health and safety audits using the software app iAuditor and linking this to the Panuku Risk Manager software. The iAuditor is an app for mobile devices and once synchronised with RM is intended to avoid the 'double handling' of audits from paper to software.

Work continued with the Property management team to upload property related health and safety risks against each property. Once each site is current any Panuku representative can view the risks prior to going to a site. Depending on future access through systems improvements, our contractors may also view the risks prior to arriving onsite.

6. Staff health and wellbeing, training and development

During January two new employees completed both the Panuku on-boarding health and safety induction and the online 'council-wide' induction. Three employees were nominated as health and safety representatives, with one employee having completed the legislated training for representatives.

Panuku had a single employee off due to a non-work-related injury. Their rehabilitation plan will see them returning in February on alternative duties until such time as they are full fit.

Appendix A: Monthly Reporting of Onsite Works

Project	Panuku's Contractual Relationship	Contractor	Consultant / Developer / Principal	Monthly H&S Report Required	No. of Notifiable Incidents	No. of Lost Time Incidents or other
Madden Plaza	Participating	Hawkins Infrastructure (Downers)	Developer: Fu Wah	No	0	0
Daldy Street linear park	Participating	Downers	Principal: Auckland Transport	No	0	0
AC 36 (various)	Providing	Wynyard Edge Alliance	Principal: Auckland Council	No	1	0
Park Hyatt Hotel	Managing - DA	China Hawkins Construction	Developer: Fu Wah	No	0	0
132 Halsey Street (Site 7)	Managing	Haydn & Rollett	Developer: Willis Bond	No	0	0
30 Madden Street	Managing	LT McGuinness	Developer: Willis Bond	No	0	0
VOS shed	Managing	Legacy construction	Consultancy Services: Coffey	Yes	0	0
Takapuna Gasometer	Managing	Argon	Consultancy Services: Bluewater	Yes	0	0
Vector upgrades	Doing	Vector / JFC / Empire	Principal: Panuku	yes	0	0
Shed 11 - Shrink wrap	Doing	Shrinkmaster	Principal: Panuku	yes	0	0

Chief Executive's Report

Document Author	Roger MacDonald – Chief Executive
Contributors	<p>David Rankin – Chief Operating Officer</p> <p>Monica Ayers – Director People and Culture</p> <p>Jenni Carden – Executive Officer/Company Secretary</p> <p>Angelika Cutler – Director Corporate Affairs</p> <p>Carl Gosbee – Director Corporate Services</p> <p>Rod Marler – Director Place and Design</p> <p>Brenna Waghorn – Director Strategy</p> <p>Ian Wheeler – Director Portfolio Management</p> <p>Allan Young – Director Development</p>
Date	20 February 2019

1. Overview

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

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

2. Key issues

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

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

2.1 Strategically significant issues

2.1.1 Board strategy day

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.1.2 Independent Māori Statutory Board

On Monday 11 February, the Chair and Chief Executive met with Chair David Taipari and Chief Executive Brandi Hudson of the independent Māori Statutory Board. Discussed at this meeting was the proposed Housing Mix Policy.

2.1.3 America's Cup 36

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.1.4 Mana whenua engagement update

The Māori Outcomes team is looking to 2019 as an opportunity to make a number of iterative improvements to how we work with Māori, at the collective Mana Whenua table, as well as individual iwi and importantly with mataawaka. Some of these improvements are internally facing to ensure that we have robust systems and processes in place to enable staff to deliver meaningfully in this space, whereas other elements will involve collaboration and co-design with mana whenua and Māori generally. Two of the initiatives working directly with Mana Whenua include:

A review of our approach in regard to enabling the celebration of Māori culture and identity through our projects. This is traditionally an area where evolution naturally occurs from learnings from project to project. However, rarely do these learnings get captured properly or critiqued for improvement across the business. This results in a range of processes used, inconsistency, and challenges at a project level that can be frustrating for both mana whenua and project leaders. We seek to actively manage this evolution into a more sophisticated approach. This will include working with mana whenua to seek and agree clarity of process, ensure the process achieves the desired outcomes, and that the process is efficient for the variety of projects that Panuku has. We will workshop with Mana Whenua in March to seek input and gain endorsement for this review.

Unlock Pukekohe provides us the opportunity to look at a best practise approach of how we partner with Mana Whenua in a location with the benefit of three years operational experience behind us. We will work closely with iwi to determine from the outset with principles will underpin this relationship, what opportunities there are for Māori across the project and how mana whenua will be involved at the different layers from a governance and operational sense. Mana Whenua will also help us to ensure that mataawaka are firmly in the frame as we determine how Unlock Pukekohe can deliver tangible and positive outcomes for Māori.

Early thinking on a refreshed engagement model that takes into account:

- The historical relationships between Mana Whenua and Treaty of Waitangi.
- The nature and extent of customary Mana Whenua interests in our project areas.
- If customary interests are established then how can we better understand Mana Whenua aspirations for the site, their ability to deliver on these aspirations, partnership desires and what if any interest relevant Mana Whenua iwi have nearby.

It is important to note that Panuku should not make any unilateral decisions on these issues, instead we will look to Mana Whenua to provide guidance as to what a new framework could look like, and how it could function at both governance and operational levels. Equally important for the Board to know is that regardless of where this conversation ends up, we will still be driven by commercial outcomes from any transactions with Mana Whenua.

2.2 Emerging and/or developing issues

2.2.1 Local Government Election impacts

Panuku is experiencing the impact of the election cycle with the next Local Government elections due in early October 2019. Panuku has observed an increase in attention from some elected members of Auckland Council with additional interest and scrutiny of some of our programmes.

2.3 Priority location project updates

Transform

2.3.1 Manukau

Withheld from the public under S7(2)(b)(ii) and S7(2)(i) of the LGOIMA

2.3.2 Onehunga

Construction is underway for the first Onehunga public realm improvement project at Laneway 7, adjacent to the police station. Public consultation has also commenced on the next two planned laneways within the town centre.

Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA

2.3.3 Waterfront

Vos Shed Restoration

On Monday 18 February, the Chair and Chief Executive toured the site and spoke with representatives from Matthews & Matthews Architects (design – heritage architect specialists) Legacy Construction (construction) and the Panuku project team. The visit was a good opportunity to view construction progress and understand the complexities the team are dealing with restoring this historic building. Works are due for completion in Spring 2019.

30 Madden Street (West 1 Site)

Foundation and underground services works continue on Stage 2A – 90 residences (84 apartments, six townhouses and ground floor retail). It is intended that these residential construction works will take approximately two years to complete, with anticipated completion in December 2020.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

10 Madden Street (Site 5B)

Work is proceeding with sheet piling and ground stabilisation works underway. It is intended that these commercial construction works will take approximately two years to complete, with anticipated completion in October 2020.

Site 18

The Development Agreement with Orams was executed on 5 February 2019. The development proceeding is now subject to Orams board and OIO approval, both of which are expected by the end of March 2019.

Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA

132 Halsey Street (Site 7)

This Willis Bond residential development (51 apartments and ground floor retail) is due to be complete by the end of March 2019.

Park Hyatt Hotel

The Park Hyatt Hotel remains on schedule. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA.*

Auckland Dockline Tram

The first of several meetings have been with representatives from The Auckland Electric Tramways Company Limited, 'Keep The Auckland Dockline Tram Running Movement' and Panuku to agree the best approach to installing the future tram realignment works and the ongoing commercial viability of operating the tram.

This project continues to be of interest to a documentary maker. Panuku will be operating with the journalist under our media policy and Local Government Official Information and Meetings Act (LGOIMA), as we would with any other objective media outlet.

Queens Wharf - Cruise Berth Upgrade (Mooring Dolphins)

Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA

Wynyard Bridge Crossing

Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA

Westhaven Pile Mooring Redevelopment

Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA

William C. Daldy

Correspondence has been received from representatives of shed 24, Princes' Wharf following the firing of the William C. Daldy on Saturday 16 March. The residents of shed 24 are demanding the immediate removal of the William C Daldy, claiming it represents an immediate health risk to the residents of Princes Wharf. Panuku is investigating.

Unlock

2.3.4 Avondale

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

2.3.5 City Centre

Civic Administration Building

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

2.3.6 Henderson

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

C40 Falls and Alderman carparks

The Request for Development Proposals (RFDP) closes on 29 March 2019. Panuku is finalising the Detailed Business Case and responding to bidder queries during this period. Placemaking activations are ongoing on the site during this phase. *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Opanuku Link

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Expressions of Interest for artists to participate in the Eco-centre sounds of Henderson project launched on 16 February. Submissions close 1 March 2019.

Community and Commercial Place Making – The Kitchen Project is commencing a third-round intake shortly. The kitchen container has been removed in favour of using the council kitchen which has recently reduced its staff service. The Falls container village has been named “Te Puna” and a local theming and branding exercise will be undertaken to support and promote the village as it expands. A range of placemaking activities for the year ahead are in planning from silent disco to street art painting.

Council Partnering: AT - Panuku is continuing their positive relation with Auckland Transport on the cycling programme *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Crown Partnering: Panuku has been working closely with Housing New Zealand and KiwiBuild, with the support of HLC, *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Corporate Sponsorship: Panuku is exploring a pilot sponsorship and partnering with Resene to help support the place activations programme.

2.3.7 Hobsonville

Airfields Stage 2- Avanda

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA The infrastructure works have been completed on site. *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Airfields Stage 3 Employment Precinct

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

HLC Workstream

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

2.3.8 Northcote

Three separate reports are on the agenda in relation to this location. Refer agenda items 4.2, 4.3 and 4.4.

2.3.9 Ormiston & Flat Bush

Panuku are providing a programme update to Howick Local Board on 21 February.

Ormiston Town Centre

Todd are progressing the construction of the town centre. *Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

187 Flat Bush School Road

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

2.3.10 Panmure

3 Mountwell Crescent – The tender closed on 11 February *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

2.3.11 Papatoetoe

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

2.3.12 Pukekohe

The process to create a High Level Project Plan (HLPP) and Programme Business Case has been initiated. The target is for the HLPP to be adopted and endorsed by the Panuku Board and Governing Body by 30 June 2019. The business case process will include a proposed Pukekohe FY19/20 work programme and funding profile for the location along with the other locations, for board approval in June 2019.

Property research, landowner meetings, Auckland Transport meetings, stakeholder relationship building, and content creation are all now underway. Concept thinking for the future of parking, potential capital projects and future activations planning are being prepared.

Local board workshops continue and a successful internal engagement session, using produce from the Pukekohe farmers market, was well received and gained valuable feedback from Panuku staff whom associate with Pukekohe. It was a good initiative to socialise a new programme within the organisation through the theme of food, hosted by Connie's Kitchen and the social club.

2.3.13 Takapuna

Anzac Street and Hurstmere Road

The demolition of 38 Hurstmere Road is nearly complete. Below is an image of the site looking from Hurstmere Road back towards 40 Anzac Street. Once the site is clear the temporary structures will be installed on site over the coming two months, as reported to the Board last month.



Gasometer development site

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

2.3.13 Haumaru

33 Henderson Valley Road – Alaska Construction is making good progress on site and achieved critical milestone of completing third level structure in February 2019. Internal timber wall framing, and services has commenced in advance of programme in lower three levels, and the roof is on track to be completed in March. The overall programme is on schedule

21 Henderson Valley Road – *Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

2.3.14 Supports

198 Dominion Valley Road, Mt Eden

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

Totara Avenue, New Lynn (Sites C & D, and OAG's building)

Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA

84 Morrin Road, St Johns

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

78 Merton Road, St Johns

Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA

3. Performance reporting

The monthly performance dashboard is attached as Attachment A which is withheld from the public under S7(2)(b)(ii) of the LGOIMA. The Board receives comprehensive reporting each quarter.

3.1 31 December 2018 Financial Reporting Pack

The 31 December 2018 financial reporting pack was submitted to Auckland Council without any adjustment to the valuation of investment property. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

3.2 Budget Refresh

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

3.2 Risk Management Update

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

3.3 Grants and Donations

The six-monthly report on grants and donations was reported to the January board meeting. The Board requested a list of who received sponsorship or grants from Panuku, including the annualised amount. The details have been provided in Attachment D. The information is reported across three classifications: Cash Donations; Panuku-owned Commercial Property and Car Parks; and Panuku Development Auckland Marinas.

4. Portfolio Management

4.1 Acquisition of land required by Council

The Public Works Act 1981 provides for local authorities to acquire land for the purposes of a public work either by agreement or by compulsion. One of Panuku's responsibilities under the Long Term Plan's Accountability Policy is 'to acquire land consistent with the council's specifications'.

Between January 2016 and January 2019, we have signed, under delegation, 81 acquisition agreements with an aggregate market value of \$178m. 49 acquisitions were for Open Space purposes, 18 for Healthy Waters, 7 for DPO and 7 for Panuku projects.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

4.2 Acquisitions and Disposals Summary

The Acquisitions Summary is attached as Attachment B and the Disposals Summary is attached as Attachment C. Both of these reports are withheld from the public under S7(2)(b)(ii) of the LGOIMA.

5. Organisational Summary

5.1 Lysaght building

Commentary related to the Lysaght building in Wynyard Quarter was published in the ATEED monthly board report on a public agenda in November 2018, without prior discussion with or notice to Panuku. The publication of this commentary resulted in media

interest and questions of Panuku by Councillor Stewart at Finance and Performance Committee workshop and at Governing Body.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

5.2 Chief Executive's Networks

Since the Board met on 29 January, the Chief Executive has continued to build relationships with stakeholders, mana whenua and the local community, within both the political and community arenas.

He has also attended various Auckland Council meetings, including the City Centre and Waterfront Executive's Steering Group, CCO CEO's regular catch-up with Stephen Town and regular AC36 JCEG (Joint Chief Executive Group) meetings.

Withheld from the public under S7(2)(b)(ii) of the LGOIMA

5.3 Media and digital summary

The announcement of a new marine facility confirmed for Wynyard Quarter generated a wealth of positive stories. Both interest.co.nz and Stuff picked up the story, with Stuff focusing on the employment opportunities that the facility will attract.

Owha the leopard seal made a comeback to Westhaven, attracting the attention of TVNZ who interviewed Marinas General Manager Tom Warren for a piece that appeared on prime time news. The segment was a good opportunity to share important safety advice with the public about the dangers of approaching the seal.

Panuku launched a new podcast, A City Of Neighbourhoods, with Place Making Manager Frith Walker interviewed as the first guest. The new channel will offer regular insight into our projects and activities across all project areas and will feature key stakeholders that Panuku partners with as well as our own people.

Panuku featured heavily in a glowing four-page spread in the February issue of OurAuckland talking about regeneration underway in four of our project areas: Panmure, Takapuna, Onehunga and Henderson. The piece featured extensive comment from Deborah Lee-Sang, Programme Lead from our Design team. The article was shared online via OurAuckland and on Panuku's Facebook page.

A number of print media wrote stories on a proposal to transfer ownership of waterfront land and assets from Panuku to Auckland Council ahead of the Finance and Performance Committee at which it was discussed. A central theme of the reporting was questioning council's approach to tax costs, which was addressed by members of the committee as the responsible way to handle ratepayer's money. Following the meeting coverage died down significantly, with only interest.co.nz following up the story with a comment from Councillor Mike Lee who expressed his animosity towards the idea.

The hearing for the proposed Queens Wharf mooring dolphin that kicked off on 18 February has attracted no media coverage so far but is scheduled to continue until at least 22 February.

Portfolio Management Director Ian Wheeler provided comment for a story by interest.co.nz about contamination found under the ground of the Lysaght building in Wynyard Quarter. Ian gave a detailed explanation of the issue and outlined Panuku's experience in handling similar situations.

Ian also provided comment for a story by local publication Hibiscus Matters about an Auckland Transport-owned building that a community group is seeking to lease once essential repairs are made to it following a previous tenant's occupancy of the space.

A LGOIMA detailing Panuku's spend on legal costs for the appeal lodged with the Environment Court following the planning commissioner's rejection of the Dominion and Valley Roads development was released to Radio New Zealand's Rowan Quinn. The reporter has asked for Auckland Council's spend on the process too, which council will provide to Rowan separately as soon as it has the information.

A LGOIMA from the former editor of the North Shore Times, Jodi Yeats in her new capacity as editor of the Devonport Flagstaff, has been received requesting all emails sent by Panuku staff regarding the Devonport-Takapuna Local Board with respect to the Anzac St car park in Takapuna over 2018. This is currently being processed.

A comment provided by Roger MacDonald to Boating NZ about funding for the refurbishment of the Vos boatyard raised some questions with a stakeholder. The comment was clarified, and questions addressed.

Decision Paper: Housing mix policy

Document Author(s)	Brenna Waghorn, Director Strategy
Approver	David Rankin
Date	18 February 2019

1. Purpose

The purpose of this report is to approve the Panuku housing mix policy.

2. Executive summary

A draft housing mix policy was workshopped with the Planning Committee and considered by the Panuku Board in November 2018.

Further engagement has since been undertaken with the Independent Māori Statutory Board (IMSB) and the Chair of Planning Committee.

This report provides an update on recent events and seeks approval of the policy which has been amended in acknowledgement of some of the feedback.

The policy may be subject to further revision by the Board following consideration of a report by Auckland Council in March 2019 on the Council's role and position on affordable housing, if this leads to decisions that impact on Panuku.

The Panuku policy was discussed and broadly supported by the Planning Committee at a workshop on 6 November 2018, as detailed in the November Board report.

Panuku was asked to consult the IMSB on the draft policy and received feedback on 23 November 2018 that IMSB do not support the policy as it stands. The interpretation of the policy and the concerns expressed include:

- the exclusion of low-income whanau from any development that does not ensure a share for social and affordable housing;
- the exclusion of low-income whanau from developments in high amenity suburbs;
- the proposed mix (third/third/third) lacking evidence of social outcomes and being based on development economics not the social function of housing, due to the requirement to return revenue to council;
- the policy does not bind Panuku and gives Panuku significant discretion.

The Chair and Chief Executives of Panuku and IMSB met on 11 February 2019, to discuss the draft policy and the role of Panuku in supporting Māori housing and commercial outcomes.

Panuku assured IMSB that diverse communities are an essential element of sustainable cities and successful urban regeneration and that Panuku is committed to enabling diverse communities that reflect modern Tāmaki Makaurau, in our projects.

It was made clear that by partnering with the Crown (which will include land swaps and land sales) Panuku is supporting lower income Māori individuals and whānau to access increased housing opportunities. This is because the Crown (currently through HNZ, in the future through HUDA) delivers a range of housing products, services and social programmes. Our expectation is that the government will expand the range of housing products and services. Housing New Zealand, for example, are looking at ways to ensure that Mana Whenua can have “first” access to housing opportunities and social programmes in their rohe.

As a result of the discussion with IMSB the following changes have been made to the policy:

- The commitment to support Māori individuals and whanau by increasing housing opportunities through partnering with the Crown and enabling them to deliver a range of social and affordable housing products and opportunities, on surplus council land.
- Support for Māori organisations to become Community Housing Providers (CHPs).
- New processes to be put in place to identify and realise commercial opportunities for Māori.

The Panuku Housing Mix policy was to be presented to the Planning Committee for endorsement on 27 November 2018 however it was agreed with the Chair of the Planning Committee, Councillor Darby, to defer consideration of this report until March 2019 to align with the upcoming report related to council’s role and position on Affordable Housing.

At a meeting with Cr Darby on 21 February it will be proposed that the policy is not taken back to the Planning Committee in March 2019 because:

- We need to maintain momentum with our programmes and have a policy in place now to guide our disposal and development programme and precinct development planning.
- Council is yet to complete its own exploration of the role and position of council on affordable housing. While the Planning Committee will receive a report in March it is likely that there will be further analysis to undertake before any concrete decisions are made. In the mean-time we need to adopt our policy, acknowledging that it will be updated whenever council wishes to change our mandate.
- At the Planning Committee workshop in October on the draft Panuku policy there was wide support for the policy intention and approach. We have updated the policy to reflect the nature of the discussion.
- We are now committed to some joint master-planning with the government in Manukau and Avondale. It is in this more fine-grained work with partners that we will apply the policy and test and determine the appropriate housing mix for each location. We would like to report to the council in our quarterly reports, policy implementation results and challenges, for an ongoing dialogue with council in this important area.
- The policy is consistent with our mandate.

The result of this meeting will be provided at the Board meeting.

Under the topic “Affordable Housing” at the Board strategy day on 15 February 2019, consensus emerged around the following key messages which have been reflected, where necessary, in further changes to the housing mix policy:

- Panuku is seeking to facilitate housing for everyday Aucklanders.

- Affordable housing also includes public housing (by HNZ) and market housing where it is priced at less than the median house price, including investor owned housing available for private rental.
- Panuku is working in many locations where development partners will be able to deliver affordable product at or below KiwiBuild price points.
- KiwiBuild will be a significant opportunity in many of our locations.
- The policy sets our commitment to diverse communities and to a share of 30/30/40 for testing – working with partners to understand the whole picture and the role Panuku can play. In our locations Panuku will analyse the wider housing context including housing plans of the crown and other landowners and will work with partners to agree an appropriate mix for the neighbourhood including on the Panuku sites.
- In many locations where the crown is delivering social housing there will not be a need for Panuku to facilitate any social housing.
- Deciding the housing mix will be part of the precinct planning.
- Panuku will identify who is doing the innovative housing in terms of models, construction processes and community outcomes and seek to partner with them, including innovation in Build to Rent, prefabrication, mixed tenure communities.
- Panuku will ensure the way we partner to facilitate housing is simple, transparent and well communicated to stakeholders in order to improve delivery.
- Our approach to understanding and engaging our communities (place-led engagement) will support the consideration of housing needs and decisions on mix and we will use a wide range of other tools to build resilient communities and great places.

3. Recommendations

It is **recommended** that the board:

1. **Approves** the Panuku policy on housing mix.
2. **Notes** that the Executive will bring back a report to the Board and recommendations on any changes to the housing mix policy arising from any new direction/s provided by Auckland Council.

4. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
27 June 2018	11.1 Information Paper Proposed policy on housing mix	<ul style="list-style-type: none"> • Decision to develop a policy based on the recommended scope
26 Sept 2018	5.1 Information Paper Policy for determining housing mix	<ul style="list-style-type: none"> • Board feedback and subsequent changes to policy noted in section 5.
6 November 2018 Planning	Presentation and draft policy	<ul style="list-style-type: none"> • Supportive of policy intent (further detailed in 28 Nov report to Board)

Committee workshop		<ul style="list-style-type: none"> Requested to seek formal endorsement of policy from Planning Committee Requested to engage with IMSB
27 Nov 2018 Planning Committee	Formal report seeking endorsement of Panuku Policy on housing mix	<ul style="list-style-type: none"> Deferred until March 2019 to align with Council's work programme on affordable housing
28 Nov 2018	10.1 Decision Paper Housing Mix policy	<ul style="list-style-type: none"> Discussion deferred. Agreed to adopt policy as an interim position (as an out of cycle decision)
15 Feb 2019	Board Strategy Day – Affordable housing role	<ul style="list-style-type: none"> Direction provided as detailed in this report.

Document Sign-off

Role	Name	Sign-off Date	Signature
Chief Operating Officer	David Rankin		
Chief Executive	Roger MacDonald		

POLICY FOR GUIDING HOUSING MIX ON PANUKU SITES

1 Policy purpose

- 1.1 The purpose of this policy is to set the framework for Panuku Development Auckland to establish the desired housing mix for development sites and priority development locations.

2 Strategic alignment

- 2.1 Panuku plays a critical part in delivering the Auckland Plan 2050 outcomes, specifically in relation to Homes and Places and Belonging and Participation:
- *Direction 1: develop a quality compact urban form to accommodate growth*
 - *Direction 2: accelerate the construction of homes that meet Aucklanders' changing needs and preferences.*
 - *Direction 3: Shift to a housing system that ensures secure and affordable homes for all.*
 - *Direction 4: provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living.*

3 Scope

- 3.1 This policy covers principles and processes to establish the desired housing mix for development sites and Panuku locations in advance of taking sites to the market. It sets out how housing mix will be determined regarding the desired proportion of social, affordable and market housing, with reference to the housing continuum and through engagement with partners.
- 3.2 Background to the policy and definitions are provided in the appendix to this policy.
- 3.3 This policy does not specifically cover design and sustainability outcomes ¹or developer selection, provided under other policies and processes.

4 Policy objectives

- 4.1 To achieve:
- A diversity of housing choices in terms of typologies, sizes, price points and tenure.
 - A successful and appropriate housing mix in town centres supporting revitalisation
 - Greater clarity for community, stakeholders and development partners
 - A clear rationale for Panuku approach to housing mix

¹ Design quality is critically important to Panuku. Essential design outcomes are set out in development briefs and an internal and independent design review process is in place. The Corporate Responsibility team provides leadership and specialist advice on integrating sustainability into the business, including the development of specific actions and standards and localised sustainability strategies in redevelopment areas.

- The flexibility to balance strategic and commercial outcomes across the Panuku portfolio and to work effectively with a diversity of development partners.

5 Policy approach

- 5.1 Panuku will determine housing mix with reference to the housing continuum including social, affordable and market housing.
- 5.2 The general principles are:
- a) Responding to the housing crisis requires scale, speed, innovation and partnerships. With design quality in mind we will encourage the highest densities that the market can deliver, in town centre locations where there is good access to transport and amenities.
 - b) Diverse communities are an essential element of sustainable cities and successful urban regeneration. Panuku will aim to facilitate mixed tenure communities. A mix of tenure is not required on all individual development sites².
 - c) The appropriate mix of housing tenure, typology, size and price points is context specific and will depend on the site characteristics, including size and constraints, locational characteristics and market demand. In determining housing outcomes for Panuku sites we will seek to understand the plans of the Crown (HUDA³) and other landowners and developers in our locations.
 - d) Panuku is required to facilitate a range of residential choices. To do this Panuku will partner with the third sector, government, Iwi and private development partners.

Priority Development Locations

- 5.3 This policy enables an approach to housing mix that reflects the scale of housing forecast to be facilitated by Panuku in different locations.
- 5.4 For Priority Development Locations where less than 500 housing units are forecast (i.e. Papatoetoe, Henderson, Takapuna), a site-by-site approach may be taken. The desired housing outcomes will be based on a range of considerations:
- Town centre vision, outcomes and key moves sought for the centre, as set out in the approved High-Level Project Plan/Framework Plan
 - Existing housing typologies and tenure mix in and around the centre
 - Locational factors such as facilities and amenities
 - Commercial feasibility and market demand
 - Type of development, including typology
 - Development counterparty/s.

² A mix of tenure, typology, size and price points is likely to be more feasible where there are several housing blocks on a site, rather than within a single apartment building. Careful thought needs to be given to apartments, given that there is a greater concentration of people in one place. Housing mix is principally considered at the neighbourhood scale.

³ Housing and Urban Development Authority to be established by the government and include Housing New Zealand, KiwiBuild and HLC.

- Shareholder and community expectations.
 - Opportunity for demonstration, innovation and leadership
 - Opportunity for partnership.
- 5.5 The specific policies for social and affordable housing (5.12-5.19) apply to these locations.
- 5.6 For Priority Development Locations where **more than 500 housing units are forecast** (i.e. Manukau, Panmure, Northcote, Onehunga, Avondale)⁴, we will establish an overall target mix for those locations taking a 30/30/40 (social/affordable/market) mixed tenure approach as the starting assumption. To establish the final split of tenures for these locations we will work with stakeholders as part of our precinct development planning and undertake fuller analysis of the following:
- Housing plans of the crown and other large land owners and developers
 - Population and demographic projections
 - Community housing need (available analysis).
- 5.7 The housing strategy for these priority development locations will ensure that decisions on individual sites will be made in the context of a precinct view and an overall target, working towards an end goal with our partners in the location.
- 5.8 The specific policies for social and affordable housing (5.12-5.19) apply to these locations.
- 5.9 Panuku will engage with social and affordable housing providers including HUDA and Community Housing Providers (CHPs) to understand their housing aspirations and plans in Panuku locations and policies regarding mix, concentration, design, allocation and tenancy management.
- 5.10 The expertise of the Community Housing sector in building communities is recognised and will be drawn on.
- 5.11 Outside of the Transform and Unlock locations, Panuku may take into account the same considerations above in determining housing outcomes for a site, however noting that the focus is more on commercial outcomes.

Social housing

- 5.12 To support diverse communities and achieve an appropriate housing mix, Panuku will facilitate social housing through direct engagement with CHPs and HUDA on suitable sites and will facilitate social housing for the elderly through our partnership in Haumaru Ltd.
- 5.13 To avoid large concentrations of social housing, Panuku will work with our social housing partners to support them to incrementally improve the social housing stock and add affordable and market housing to the mix, in order to create diverse successful communities in each location.

⁴ More than 500 housing units are forecast in Wynyard Quarter, Hobsonville, Flatbush/Ormiston however the housing outcomes have been determined.

- 5.14 In the Transform and Unlock locations, the optimal share of social housing of up to 30% is the working assumption for Panuku projects, where social housing is part of the development scheme. Panuku has the flexibility to place further restrictions on concentrations in large developments.
- 5.15 Given the significant government commitment to increase the supply of social housing in many of the priority locations, it is likely that Panuku will not seek to facilitate social housing for the crown on all our sites.
- 5.16 It is expected that social housing will be indistinguishable in terms of design quality in a large-scale development and be well integrated and managed, long-term.

Affordable housing

- 5.17 Types of affordable housing include Assisted Rental and Assisted Affordable Ownership, provided by CHPs and the government, and some Market Affordable programmes (such as KiwiBuild). Some housing produced by the private sector is also affordable in that it is within KiwiBuild price points or below the regional house price median. The significant provision of social housing by the government contributes to the supply of affordable homes.
- 5.18 Many of the priority development locations are medium and lower priced suburbs where housing can be delivered at more affordable prices.
- 5.19 To support diverse communities and achieve an appropriate housing mix, Panuku will facilitate affordable housing through engagement with CHPs, HUDA and private developers delivering KiwiBuild and innovative housing solutions (such as long-term rental) on suitable sites. A focus will be on supporting affordable housing that is retained.

Mana whenua housing outcomes

- 5.20 The purpose of the Kāinga Strategic Action Plan prepared by IMSB in 2018 is to improve housing outcomes for Māori in Auckland, focusing on supporting ngā iwi and hapū o Tāmaki Makaurau in their housing aspirations, and whānau with the highest need for shelter and/or effective, targeted, support and services based on kāinga.
- 5.21 A direction of this plan is that more Auckland Council land and Crown land is available for kāinga opportunities - Utilised for quality and accessible affordable housing in which whānau experiences of kāinga can be promoted.
- 5.22 As part of implementing the Māori Responsiveness Framework, Panuku will facilitate Māori housing outcomes through engagement with Mana Whenua Iwi on suitable sites with reference to the Mana Whenua Outcomes Framework.
- 5.23 Panuku will support Māori individuals and whanau to access housing opportunities through partnering with the Crown (HUDA) and enabling the Crown to deliver a range of social and affordable housing products and opportunities, on surplus council land.
- 5.24 Panuku is developing new processes to identify and realise commercial housing opportunities for Māori. Overtime the emergence of highly capable Iwi in the land development, housing and investment space including more Māori Community Housing Providers, will provide Panuku more partnership opportunities to support ngā iwi and hapū o Tāmaki Makaurau in their housing aspirations.

Sustainable Design, innovation and implementation

- 5.25 A minimum Homestar 6 standard has been agreed for building performance, which is complimentary to this policy. There is flexibility within this tool to cater for local conditions. The inclusion of social and affordable housing can attract innovation points and contribute to the Homestar rating. Homestar 6 will reduce household running costs contributing to affordability.
- 5.26 Panuku will identify parties who are delivering innovative housing in terms of models, construction processes and community outcomes and seek to partner with them, including innovation in Build to Rent, prefabrication, and mixed tenure communities.
- 5.27 Panuku will proactively identify sites for pilot and demonstration projects and invite expressions of interest for innovative models (such as progressive home ownership, key worker housing, co-housing etc).
- 5.28 The desired housing outcomes, including housing mix, will be conveyed to potential development partners at the outset, by inclusion in the EOI or RFP documentation.
- 5.29 Panuku will ensure the way we partner to facilitate housing is simple, transparent and well communicated to stakeholders in order to improve delivery.

6 Associated policies

- 6.1 The following strategies, policies and guidelines are also relevant to determining housing mix and ensuring quality housing outcomes:
- Auckland Plan 2050
 - Approved High Level Project Plans
 - Panuku sustainable design requirements
 - Any Council Housing Strategies
 - Selecting Development Partners Policy
 - Council Procurement Policy
 - Panuku design review processes
 - Panuku Corporate Responsibility Framework
 - Panuku Mana Whenua Outcomes Framework

7 Responsibilities and approvals

- 7.1 The Director Development is responsible for the implementation of this policy. Housing outcomes will be included in every EOI or RFP. The Chief Operating Officer is responsible for monitoring and ongoing review of the policy. This will be supported by long-term monitoring of outcomes in town centres and reporting on benefits realisation of projects and programmes.
- 7.2 All Panuku staff selecting development partners and negotiating agreements with developers must adhere to this Policy.
- 7.3 This policy will be publicly available once approved.

8 Approval and review of this Policy

Business Owner	Strategy and Operations		
Policy date	February 2019		
Frequency of review	Three yearly (or earlier if context or mandate changes)		
Last reviewed	New	Approved by Panuku Development Auckland Board	09 February 2019

Background Explanation and Definitions

The basis for this policy is set out in the Information Report to Board dated 27 June 2018.

Over the next 30 years, Auckland's population is expected to increase by up to a million people. Auckland must ensure an adequate supply of housing to meet this demand or face growing housing shortages, continued soaring house prices and a fall in home ownership, growing unaffordability of rents, and increased homelessness.

Auckland Council is seeking to develop diverse communities. Mixed tenure communities⁵ reduce spatial inequality and bring about wider benefits such as de-stigmatisation of an area, social cohesion and better health outcomes. These have positive multiplier effects that:

- Help enhance the sense of belonging
- Induce positive, participatory actions
- Improve access and connectivity
- Create opportunities for sustained prosperity.

Council's expectations of Panuku, set out in the Accountability Framework (2018), include that redevelopment of the overall portfolio should offer a range of residential choices and price points to cater for diverse households. Panuku is tasked with finding the right balance between strategic and commercial outcomes, as well as facilitating private sector, third sector, iwi and government investment into the sustainable redevelopment of brownfield urban locations and promoting Māori identity and wellbeing.

As set out in our Business Strategy, Panuku aims to facilitate a range of housing typologies, sizes and price points in the priority development locations. Panuku has facilitated the development of both social and affordable housing by working with CHPs and HNZ as development partners. We are working with KiwiBuild in a number of locations and will facilitate the delivery of housing by the private sector at similar affordable price points in several locations.

It is good practice in urban regeneration to have a mix of housing typologies and tenure. Panuku has considered this on a site-by-site basis, based on our development and regeneration experience and in discussion with our development partners.

Applying mixed tenure to the regeneration of areas is intended to do two things: one to integrate private ownership and rental in areas where a high concentration of low-income households have existed, largely through state rental housing. The other is to create new or replacement affordable and social housing as part of the redevelopment project.

To date Panuku has set out a desired housing mix (in terms of proportions of market, social and affordable housing, tenure and typology), based on a range of considerations:

- Town centre vision, outcomes, key moves in the approved High-Level Project Plan (HLPP)/Framework Plan
- Existing housing typologies and tenure mix in and around the centre
- Locational factors such as facilities and amenities
- Commercial feasibility and market demand
- Opportunity for demonstration and leadership

⁵ Auckland Plan 2050, June 2018

- Opportunity for partnership.

Specific analysis of community need has not generally been undertaken.

The policy settings and legislative frameworks for housing, as well as determining the spatial demand for social housing is the role of Central Government.

Social housing is, by its nature, allocated to households with highest need. Determining the appropriate quantum of social housing within any development schemes is of significant interest to potential development partners, Local Boards and the community.

A review of the literature has found that there is limited evidence around the precise proportion of a neighbourhood in social housing that generates either beneficial or problematic outcomes. Reports range from an optimal of 20% social housing (largely driven by developer assumptions around saleability of private houses) through to policy positions of 30-50% social and affordable housing (driven by Government agencies aiming to meet demand).

The disadvantages of high concentrations (for example 60-70%) of social housing, particularly in apartment typologies (with the exception of the elderly), seem to be well established noting that it is often not just the proportion of social rental that is the issue, but also tenancy management, allocation policy, building quality and maintenance and access to services. A high concentration of social housing is likely to be mixed with low quality private rental and boarding houses and is unlikely to support quality market housing and homeownership, impacting on town centre revitalisation potential.

A maximum of 20-30% social housing is often applied as a rule of thumb, based on observation and experience, and has come to represent international and local best practice. Similarly, it is common practice in large urban regeneration projects to include affordable housing options in the mix. A mixed tenure model of a third social, a third affordable and a third private market housing is typical and is the approach being taken by urban development agencies in Auckland where public land is being redeveloped and intensified.

The Auckland Community Housing Provider Network (ACHPN) members work on the basis that no one tenure should be dominant using the rule of thumb that a new housing development should roughly have a housing tenure mix that provides social rental housing (between 20% to 30%), affordable housing options (30% to 40%) and competitively priced market housing (20% to 40%). The final split of tenures is determined by the household cohort needs and the project context.

Panuku needs flexibility to determine the appropriate housing mix based on the local context which will include understanding of the development plans of central government (Housing and Urban Development Authority) and other major landowners. Where there is already a predominance of social housing (e.g. Manukau) we are looking for more market and affordable housing in the mix as well as other housing choices like student and hotel accommodation. Where there is a predominance of higher income home ownership and 3-bedroom houses (e.g. Takapuna) we are looking for different housing choices through intensive typologies and more affordable options. Where the aspirations are about changing community and market perceptions of a location we are generally looking for market housing and home ownership with the assumption that greater disposable income will support revitalisation. In some cases, we are looking to emulate the wider area or recent past (e.g. family housing in Henderson).

The Government plans to significantly increase the supply of social housing through the intensification of housing on HNZ land often with the intention to deliver a mix of social, affordable and market housing. On some sites social housing is being redeveloped at much greater concentrations.

In the priority locations Panuku will work closely with the crown to ensure alignment of objectives and a good overall housing mix arising from land sales and swaps with HNZ and our own development programmes.

This policy sets out the commitment to diverse communities and to working with partners to understand the whole housing picture and the role that Panuku can play. In our priority locations Panuku will analyse the wider housing context including the housing plans of the crown and other

landowners and will work with partners to agree an appropriate mix for the neighbourhood including on the Panuku sites. The 30/30/40 share is a starting assumption for testing. In many locations where the crown is delivering social housing there will not be a need for Panuku to facilitate any social housing.

To attract development partners Panuku will need to consider private sector considerations as to demand and the appropriate marketable mix. There is also a need to have a long-term view on the revitalisation of the centre and the impact of any development scheme on the likelihood of attracting private development partners to develop future sites.

Panuku is also required by Auckland Council to work closely with Local Boards and their views of the future of their centres, development and housing outcomes, need to be considered.

In implementing the (Draft) Panuku Mana Whenua Outcomes Framework – Action Plan 2018-2020, Panuku will need to engage with Mana Whenua on housing opportunities and mix, on a project by project basis. The mix will be dependent on the agreed project outcomes.

The scale of the housing affordability issues in Auckland, and the direction of the Auckland Plan to shift to a housing system that ensures secure and affordable homes for all, suggest that Panuku needs to be open to innovative approaches, including demonstration projects and proactively identify sites to support affordable housing. These may take the form of:

- Progressive home ownership options
- New citizen-driven and community-involved housing development models – with varying titles - Co-housing, “break even development⁶”, “Deliberative development⁷” which is where a group of intending owner occupiers becomes the proponent of an apartment development in place of the developer.
- Intergenerational, papakāinga-style development – whānau oriented or led co-housing
- Construction and development models

In many locations in Auckland this will require the provision of sites at below-market value and therefore needs to be balanced with achieving a good commercial return from other sites.

The housing mix for any site has been determined at that time we take the site to the market. This still seems appropriate in many of our locations where we are only delivering a few hundred housing units, rather than driving long term urban regeneration with broad social and economic outcomes. Greater consideration of housing needs and demand may be appropriate in Panuku locations where the largest number of houses will be facilitated, e.g. Manukau, Panmure, where the housing outcomes are not fully explored in the HLPP or Framework Plan.

It is worth noting that often a development agreement is not enduring post completion, so Panuku does not have ultimate control of the outcomes, given that it could change following the release of our encumbrance (i.e. developer could manage sales to get around our requirements if they really wanted to).

Definitions

Housing mix: There is no universally agreed definition of social mix or housing mix both of which may be used to refer to income mix, ethnic mix or tenure (owner occupation and rental mix). Most attention is given to the mix of tenants receiving public housing assistance and owner occupiers.

⁶ The “missing middle” refers the gap between non-profit fully subsidized housing (emergency and social housing) and full profit, speculative housing and the potential for “break even” development.

⁷ An example of architect-led deliberative development is the Nightingale model in Melbourne, Perth and Sydney.

The term housing mix used by Panuku is intended to refer to both tenure mix and the range and balance of housing choices in any project or wider location, with reference to the housing continuum, illustrated below (based on Auckland Plan 2050).

Social housing: Subsidised rental accommodation usually funded by the Income Related Rent Subsidy and provided by the government (through Housing New Zealand) or community housing providers (CHPs), with support services, as needed.

Panuku is not a social housing provider, except in relation to our role as development facilitator for Haumaru Ltd (social housing for older people). Haumaru Ltd is responsible for social elderly housing services including tenancy management. Panuku is responsible for rationalisation and redevelopment of villages and determining the appropriate housing mix for each site in consultation with Haumaru Ltd.

Panuku has, and does, sell sites to social housing providers including HNZ and the New Zealand Housing Foundation. Other Community Housing Providers are also partners in our developments.

Affordable housing: There are a variety of definitions typically low to middle income households spending no more than 30% of their gross income on rent or mortgage costs and other essential household costs. Types of affordable housing include Assisted Rental and Assisted Affordable Ownership, provided by CHPs and the government and some Market Affordable programmes.

Retained affordable housing means that it remains affordable for the duration of the house and is not lost to the open market once affordability restrictions are removed after a set period. It refers also to the continuous recycling of investment into affordable housing from the sale of shared equity products, for example.

Affordable and assisted housing models often rely on trade-offs with land value or similar indirect subsidy or payments. When referring to **affordable housing** we mean housing that is delivered at or below the KiwiBuild price points as well as assisted housing delivered by our partners such as CHPs to households that are not eligible for social housing or KiwiBuild and cannot afford more expensive market priced housing.

KiwiBuild Affordable Home Ownership scheme is a market affordable programme open to first home owner-occupiers who meet eligibility criteria and receive that right to purchase a home through a ballot. Housing units to be sold in Auckland at the following price caps: studio/one bedroom \$500k, two bedroom \$600k, three bedroom \$650k. It is noted that such homes will only be affordable to households in the top half of incomes. It is assumed that the government will bring forward further programmes to support access to affordable homeownership and rental.

Progressive home ownership schemes include rent-to-buy, shared-equity, assisted ownership, leasehold arrangements as a means of enabling lower-income households, and key workers, to progress towards home ownership. These may be provided by the government or CHPs and potentially by the private sector.

Information Paper: Disposals Programme

Document Author(s)	Letitia Edwards, Team Leader Portfolio Review Marian Webb, Manager Portfolio Strategy and Business Development
Reviewer(s)	David Rankin, Chief Operating Officer
Date	11 February 2018

1. Purpose

The purpose of this paper is to update the Board at a programme level on the current activities related to the portfolio review, the property clearance process, optimisation and the development and disposals programme. This paper also reports on progress to date against the 2018/19 'recommended for sale' and 'net unconditional sales' SOI targets.

2. Executive summary

As part of Panuku's SOI for 2018/19, council approved a 'recommended for sale' target of \$30 million and a 'net unconditional sales' target of \$24 million for general disposals.

To date, the Portfolio Strategy team has achieved \$8.6 million against the \$30 million recommended for sale SOI target. The Portfolio Strategy team is currently progressing an additional [REDACTED] of properties through the rationalisation process and is on track to meet the SOI target this financial year.

The Portfolio Strategy team continues to progress the optimisation concept with various local boards with progression and investigation of a number of optimisation projects. This includes working in partnership with Auckland Transport to progress urban development opportunities of transport service sites.

[REDACTED]

The Development and Disposals teams have exceeded its \$24 million net unconditional sales SOI target, achieving net unconditional sales of \$41.3 million to date.

There have been no sales this financial year to date within the Transform and Unlock reinvestment programme. The Development team is progressing work on the Transform and Unlock projects, with [REDACTED] of sales anticipated in 2018/19, which aligns with approved project business cases.

3. Discussion

Portfolio Review

For 2018/19, Panuku has a \$30 million 'recommended for sale' SOI target. To date, the Portfolio Strategy team has recommended 12 properties for sale with a total value of \$8.6 million. Nine of these properties were approved for sale by the Finance and Performance Committee.

One of the properties approved for sale, 28 Lockwood Road, Papakura had been presented to the Finance and Performance Committee last financial year and was deferred. Accordingly, it cannot be included in this financial years 'recommended for sale' target.

Two properties recommended for sale, 26-32 O'Shannessey Street, Papakura and 36 Coles Crescent, Papakura were deferred by the Finance and Performance Committee following a request from the Papakura Local Board that further time be provided for strategic transport planning and work and a car parking review to be undertaken. The Portfolio Strategy will continue to work with the Papakura Local Board to progress this work with a view to re-presenting these properties within three years, in line with the resolution of the Finance and Performance Committee.

34 Moore Street, Howick, which has previously been deferred by the Finance and Performance Committee was also re-presented in November, and further deferred at the request of the Howick Local Board for a period of 12 months, to allow the local board the opportunity to work on a development proposal. The resolution requires that the Howick Local Board deliver work required to ensure the building is fit-for-purpose for it to be leased to community groups in the interim, with the Howick Local Board subsidising the market rent.

The Portfolio Strategy team is progressing [REDACTED] of properties through the rationalisation process to meet the 2018/19 recommended for sale SOI target, and contribute towards the pipeline for future financial years. This involves taking each property through a multi-stage consultation process with a range of stakeholders including the council group, local boards and iwi. The purpose of this process is to ascertain if each property is surplus to council requirements and may be disposed of.

[REDACTED]

[REDACTED]

[REDACTED]

The work undertaken by the Portfolio Strategy team investigating council's property interests in Westpark Marina and Gulf Harbour Marina for a possible future recommendation for sale has been put on hold, pending completion of council's marina's strategy.

Despite the ongoing challenges in recommending properties for sale, the Portfolio Strategy team is confident it will achieve its \$30 million recommended for sale target this financial year.

The Portfolio Strategy team continues to proactively and reactively review council owned properties to identify properties that are not required by the council and can be transferred to Panuku to be considered for development, disposal or optimisation in future financial years.

Optimisation

The optimisation of service property policy is a development approach and funding model, approved in 2015, which aims to enable the upgrade of community assets at no cost to the ratepayer while also releasing sites for development and delivering town centre outcomes. In July 2018, local boards were given decision-making powers with respect to the 'optimisation of service assets' provided all policy criteria are met. As a result, several local boards across the region have requested that Panuku assess council owned properties within their respective local board areas as potential candidates.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Property Disposal Overview

For 2018/19, Panuku's SOI target for net unconditional sales for general disposals is of \$24 million. This target does not include sales within the Transform and Unlock reinvestment programme.

The Development and Disposals teams have exceeded the net unconditional sales SOI target of \$24 million by achieving net unconditional sales to date of \$41.3 million. These unconditional sales include sites in Waipuna which were sold to Housing New Zealand for development purposes, a site in Mt Roskill which is currently vacant and can accommodate a residential dwelling, land required by NZTA as part of its Northern Corridor Improvements work and several smaller sites which have been sold to adjoining landowners.

The Development and Disposals team are continuing to progress work on an additional \$28.7 million of property which will contribute further to the 2018/19 net unconditional sales target, or will be counted against the 2019/20 net unconditional sales target.

In addition to ongoing work on the net unconditional sales SOI, the Development and Disposals teams will also be transacting the individual properties which were approved for sale as part of the Corporate Accommodation strategy. The proceeds of sales from these properties will be reinvested by council into its Corporate Accommodation network. As such, these sales do not form part of our sales targets. The marketing programme for 35 Graham Street, Auckland, which is the first of the Corporate Property properties to be transacted, is now underway.

There have been no sales this financial year to date within the Transform and Unlock reinvestment programme. The Development team is progressing work on the Transform and Unlock projects, with [REDACTED] of sales anticipated in 2018/19, which more closely aligns with approved project business cases.

LGOIMA Status

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

- i) would affect the commercial interest of a third party s7(2)(b)(ii); and
- ii) would be likely to prejudice or disadvantage the commercial position of council s7(2)(h).