

Chief Executive’s Report to the Board

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1. Overview

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

2. Key Issues

This section outlines issues that are either:

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

2.1 Strategically significant or material issues

2.1.1 Selection of Priority Development Locations

A workshop with Local Board representatives was well-attended the day after the previous Board meeting with follow-up discussion as requested. The Local Boards now have an opportunity to submit individual and board views on the proposed work programme.

Following a successful Hui on 20 October, Iwi were provided information packs and the offer of one on one meetings to discuss the proposed work programme. Iwi also have the opportunity to provide written feedback by 13 November. The monthly Hui is scheduled before the November Board meeting for further discussion on the location selection.

We have invited the IMSB to comment on the substantive matter of the location selection.

Additional Councillor, Local Board, Iwi and any IMSB feedback will be included in the November board report.

We have also shared the key elements of the indicative programme with selected senior Government officials. A number of senior Council staff who we will be developing close working relationships with were also engaged following the October board meeting.

2.1.2 High Level Project Plans

The High Level Project Plans will be a key part of the operating process at Panuku Development Auckland in ensuring that potential development opportunities are properly prioritised, scoped, thought through and approved.

2.1.3 Panuku Development Auckland Engagement and Communications Framework

This topic has been raised by Board members and it is noted that Information Paper 6.4 is the intended Communications and Engagement Strategy for Panuku Development Auckland.

2.2 Emerging issues

2.2.1 Orakei Point

A Memorandum of Understanding was entered into between Auckland City Council and the Redwood Group in 2008 for a transit orientated residential development, partly reliant on council owned land at Orakei, known as Orakei Point. A council sponsored plan change, PC260, was issued in an Environment Court decision in September 2013. Redwood's successors, Equinox Group has been working with City Transformation, Auckland Transport, Panuku and Kiwirail to establish the stakeholders' requirements in any development agreement as envisaged by the MOU.

Following consideration of a draft Heads of Agreement in late August and September, Equinox has decided to pursue other development options relating only to their own land on the western portion of the subject site. Equinox has published confirmation of this shift of focus on their web site in the first week of November, but have not yet formally confirmed this with Auckland Council.

2.2.2 Britomart Precinct

The Britomart Board Committee is now underway with consideration of the commercial matters related to this precinct that are subject to negotiation with Britomart Group/Cooper & Co Ltd.

2.2.3 Weiti and Ti Point Forest

Following an unsuccessful tender to harvest the Weiti and Ti Point Forest we have decided to re-tender the harvest. Legal have advised all parties of this. The intention is for Panuku to appoint a Forestry Harvest Manager to manage the retender process.

2.4 Potential to be publicly noteworthy

2.4.1 Auckland Development Committee meeting of 12 November 2015

Panuku presented three important papers for decision at the Auckland Development Committee meeting of 12 November 2015, two of which are public information:

Three Kings

The Committee accepted the report and the recommendations of four independent hearings commissioners to proceed with the land exchange for the Three Kings Reserve and noted that the Panuku board has accepted the fiscal evaluation of the land exchange and the value of the benefits.

Councillors also approved the proposed exchange by 15 votes to 5 subject to written confirmation from Panuku confirming it is entirely satisfied it has canvassed all relevant matters in the fiscal evaluation supporting exchange of the land.

In addition, staff were directed to work with the local board to explore other land exchange opportunities, for example, with Housing NZ and Antipodean Properties, which would contribute towards the outcomes of the Three Kings Plan.

The Puketāpapa Local Board spoke to the committee requesting that a decision be deferred to allow time for the Board to work with the local community on outcomes identified in the Board's Three Kings Plan. It also raised concerns about the Board's decision making responsibility to determine the location of new local parks.

It was confirmed by the council that the Committee has decision-making responsibility and an amendment from Cr Cathy Casey to defer the decision on the exchange was defeated 14 votes to 6.

Once confirmation on the fiscal evaluation is received, next steps will include requesting the Minister of Conservation's approval to the exchange required under s.15 of the Reserves Act.

Hobsonville Point

After a presentation by John Duncan from the Auckland Investment Office (AIO), the committee agreed to receive the update on the Hobsonville Point and proposed screen precinct report, noting that this means that the 14/6 Masterplan can proceed as per resolutions from 7 July 2015 meeting of the committee. This means that residential development at Hobsonville can proceed as previously planned.

Additionally it agreed to direct ATEED, Panuku Development Auckland and the AIO to continue to explore opportunities for appropriate film studio infrastructure that builds on existing film sector infrastructure and activity and report back in Quarter 1 2016.

The Committee Chair, Penny Hulse, was particularly enthusiastic on this second point, saying: *"We are certainly not giving up on a film precinct out west and are very committed to making that happen. We will land a film precinct, in the west area and we will have partners."*

2.4.2 Proactive Media Approach

To date there has been limited public awareness of Panuku with little media coverage of the organisation's establishment. Most of the focus has been on communicating with key stakeholders, and differentiating the role of Panuku from other council groups with similar mandates.

While there is a place for a "below the radar approach" that uses quick win projects to highlight the value of the organisation, a proactive media strategy will be beneficial in creating profile and understanding for future business partners and stakeholders.

It is also important that Panuku takes a thought leadership role and is identified as a key voice in the development space – having an opinion on everything from master planning and improving the quality of urban living, to the development of our waterfront and the city's housing shortage.

The communications team has prepared a media plan (for our first six months) which will piggyback on the media interest in the announcement of the final development locations in

early December. At this time media will be fully engaged in the debate about the locations, giving us a prime opportunity to tell the wider Panuku story.

2.4.3 ETNZ

The lease for part of Site 18 to ETNZ, at commercial market rates, has been agreed and signed.

The lease runs through to 30 June 2016.

2.4.4 Recognitions for Sustainability

The Madden and Pakenham Street upgrade has been awarded with an 'excellent' Infrastructure Sustainability Design rating by the Infrastructure Sustainability Council of Australia. The value has been in having an independent body scrutinise how Panuku is delivering on its sustainability commitments and we have now set a benchmark for other organisations.

Panuku is a finalist in the Sustainable Network Awards this year, for the work on the sustainable regeneration of Wynyard Quarter. The award ceremony is being held at Shed 10 on the 24th November.

2.4.5 Mobil Litigation

Panuku has filed an objection against Mobil's application to seek leave to Appeal the Court of Appeal (CoA) decision to the Supreme Court.

2.4.6 Maori Responsiveness Plan

Part of this plan commits Panuku Development Auckland to progressively building capability amongst staff in understanding and working with Maori. Accordingly sessions have already been organised on Waiata and Te Reo pronunciation.

2.4.7 Joint Housing Workshop

A joint housing workshop on 16 October 2015 was initiated by the Seniors and Disability Advisory Panels. It was attended by council and Panuku staff (Rod Marler, Allan McGregor, Adam Sadgrove, Brenna Waghorn, Viv Heslop) and a small number of external stakeholders.

The purpose was to have an early discussion of the Panuku objectives in relation to 'adaptable and resilient places that inspire well-being, promote health and safety and are fully accessible to disabled people and older adults....' A universal design approach broadens consideration beyond disability and recognises other life scenarios such as pregnancy, childhood, injury, and old age. In the built environment this means developing places, products and services that are accessible to, and usable by, as many people as is reasonably possible, without the need for special (often costly) adaption or specialised design. Only 1% of housing in Auckland is considered to be "accessible".

The panel members were very clear about their aspiration to maximise accessibility standards for all new housing and that Panuku take a lead in this. The Panel members acknowledged that we need to undertake analysis and form a policy approach in terms of where, when and how we will address this strategic objective. The Panel would like to be kept in the loop as we develop our approach and would like an update in Q1 2016. We are currently also discussing the Draft Disability Action Plan and appropriate actions for Panuku.

3. Compliance Summary

3.1 Health and Safety

A working group is being established to complete the implementation of the key elements of the Panuku health and safety framework and policy, as discussed and agreed at the October Board meeting, and as proposed in the Direction Setting Paper: Health and Safety:

“Establish a Working Group with Directors, Senior Leadership Team members, and a Health and Safety advisor to review the requirements for Health and Safety Policy, Governance Policy, Health and Safety Strategy, Manual (process document), and reporting.”

The working group will be made up of Directors and senior managers from the Executive Leadership Team.

The next step is to complete training and education for the Board and Executive Leadership Team and this will be one of the key lead activities Panuku will carry out to enhance its health and safety culture in accordance with good practice. This is critical given the introduction of the Health and Safety at Work Act.

An Executive Leadership Team and Health and Safety Committee training session will be carried out before Christmas and the Board and health and safety working group (made up of Board and management) training will be carried out in the New Year.

The interim policy remains in place until a new policy is developed and agreed.

The Health and Safety at Work Act 2015 will come into effect on 4 April 2016.

The Health and Safety Report is attached as *Attachment A*.

Attachments

Attachment A – Health and Safety Report