

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 should provide Directors with the strategic context and confidence that the key issues are being managed, to frame the consideration of Decision Papers and Information Papers later in the meeting.

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

2. Key Issues

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

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

2.1 Strategically significant or material issues

2.1.1 Priority Development Locations

A report elsewhere in this agenda presents for Board discussion, and indicative approval, a draft Panuku development programme. It follows extensive internal work and discussion. We have defined three categories, being support, unlock and transform, into which we are placing all active development projects. The “support” category in particular will keep evolving.

These categories were previously known as Types 1, 2 and 3. Part of this work has been to indicatively identify two “transform” locations for the Board’s consideration.

2.1.2 High Level Project Plans

Our forward work programme envisages completion of draft high level project plans for the Board’s consideration for the two transform locations for the March 2016 Board meeting.

2.1.3 Council Housing for Older People – Selection of a Preferred Partner

The initial request for Expressions of Interest seeking a partner to deliver older people accommodation and services resulted in 8 Expressions of Interest. All the parties were placed on the list for a three day Interactive Dialogue workshop, including confidential one on one sessions, which was held at the end of September. The objective of the workshop was to finalise the substantive terms of a Request for Proposals and to grant the parties an opportunity to view the competition and consider any logical partnership opportunities going forward.

The program to reach a final partnership arrangement, including the basis upon which development services will be procured to expand the portfolio, is as follows:

- RFP issued on 13 October 2015 and closed for submissions on the 3 November 2015.
- Evaluation period closes 13 November 2015.
- Recommendation to Panuku Board on 25 November 2015 on the preferred partner, structure and operating parameters.
- Recommendations to Auckland Development Committee workshop on 2 December 2015.
- Final recommendation to Auckland Development Committee on 10 December 2015.
- Business planning phase, commencing January 2016, to finalise the partnership details, including a comprehensive asset review and portfolio development strategy.
- Completion of any necessary public consultation by April 2016 in respect of the proposed partnership arrangements with a final recommendation to Panuku Board in April/May 2016, followed by Auckland Development Committee in May/June 2016.
- Partnership formally commences on 1 July 2016.

2.2 Emerging issues

2.2. Mobil NZ Ltd v Auckland Waterfront Development Agency Ltd

Mobil has filed leave submissions to the Supreme Court to appeal the Court of Appeal’s decision in favour of AWDA to pay compensation for contaminating land in the Wynyard Quarter.

Panuku’s submissions in response are due on 6 November 2015.

2.3 Potential to be publicly noteworthy

2.3.1 Willis Bond Ground Breaking in Wynyard Central

The Prime Minister John Key joined Mayor Len Brown for a ground breaking ceremony for the construction of Willis Bond’s first stage of residential apartments in Wynyard Central. Over 100 dignitaries attended, including mana whenua (Ngāti Whātua and Ngāti Paoa). The

ground breaking, in Daldy Street, marked the start of construction of 113 townhouses and apartments, of which 60 percent have already been sold. Eventually 500-600 apartments, townhouses and duplexes will be built across five sites in the area by Willis Bond.

2.3.2 BCP Planning Exercises

Panuku held a two-hour workshop on 14 October for Wynyard Quarter stakeholders on emergency planning and evacuation. The workshop was coordinated by a cross-Directorate team, and had wide participation from local businesses, construction companies and contractors, local tenants, staff from Marinas, tram operators, Queens Wharf staff, the Fire Service and Civil Defense.

The workshop covered an exercise on tsunamis, the Wynyard Quarter's overarching evacuation plan, and participants discussing their own emergency plans. The workshop achieved a common understanding of local area risks and evacuation plans, tested individual emergency plans, and highlight areas for improvement. Positive feedback was received from the participants.

2.3.3 Local Board Engagement

This month Panuku has been meeting with Local Boards across Auckland to discuss with them what Panuku does. In general, Local Boards are excited about new opportunities that Panuku offers, and they will continue

2.3.4 Emirates Team New Zealand relocation

Emirates Team New Zealand has been given notice to move from their current premises by the end of November to allow for the hotel development to commence.

2.3.5 Westhaven Marina Open Day

Approximately 1,000 people enjoyed a marine market, dingily sailing, paddle boarding, dragon boating, dock tours and marine cruises at the Westhaven Open Day on 3 October 2015. The open day was held to encourage new people to visit and get involved in sailing.

2.3.6 Sustainable Business Awards

Panuku is a finalist in the Sustainable Business Network award's Community Impact Category for the regeneration of the Wynyard Quarter.

Also nominated in the Sustainability Champion category is Panuku's Senior Sustainability Advisor, Dr Viv Heslop, for her contribution to advancing sustainability through her career. The awards will be announced on 24 November 2015.

3. Compliance Summary

3.1 Health and Safety

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

The aim is to encourage a pro-active and participative health and safety culture in our workforce, in line with the recommendations of the Health and Safety Taskforce and the Royal Commission report into Pike River.

Board Directors and Officers have a positive duty of due diligence which requires them to "take all reasonable steps" to ensure that the PCBU (Person Conducting a Business or Undertaking – this will generally be the company or the employing organisation), is fulfilling the organisation's obligations under the law.

For directors, the duties will be similar to the discipline they have traditionally applied to managing financial risk and will include:

- Maintaining an up-to-date knowledge of workplace health and safety matters, including the legislation;
- Ensure Panuku has in place an appropriate Health and Safety Strategy, an embedded culture, and associated systems and processes for effective identification, reporting and management of health and safety requirements;
- Understanding the nature of the operations of the business and any associated risks and hazards;
- Ensuring and verifying that the PCBU has access to, and uses, the resources, information and processes needed to eliminate or – if elimination is not possible – to minimise safety risks.

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

The Audit and Risk Committee Terms of Reference have been amended to outline the committee's role in supporting the Board with its Health and Safety obligations. These terms are included in this month's Board Papers.

4. General Matters

4.1 Deeds of Indemnity

Deeds of Indemnity for Board Directors are being provided by Panuku. It is suggested that these are signed at this meeting.

Attachments:

A – Panuku Health and Safety Report.