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## Komiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee

### OPEN MINUTES

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Minutes of a meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Tuesday, 20 March 2018 at 9.34am.

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#### PRESENT

<b>Chairperson</b>	Cr Ross Clow	
<b>Deputy Chairperson</b>	Cr Desley Simpson, JP	
<b>Members</b>	Cr Josephine Bartley	
	Cr Dr Cathy Casey	
	Deputy Mayor Bill Cashmore	
	Cr Fa'anana Efeso Collins	From 11.11am, Item 10
	Cr Linda Cooper, JP	Until 3.16pm, Item 12
	Cr Chris Darby	From 10.03am, Item 9
		Until 1.10pm, Item 11
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	From 10.36am, Item 10
		Until 1.10pm, Item 11
	Mayor Hon Phil Goff, CNZM, JP	
	Cr Richard Hills	
	IMSB Member Tau Henare	
	Cr Penny Hulse	Until 3.03pm, Item 12
	Cr Mike Lee	
	Cr Daniel Newman, JP	
	Cr Greg Sayers	Until 3.17pm, Item 12
	Cr Sharon Stewart, QSM	
	IMSB Chair David Taipari	From 9.55am, Item 9
	Cr Sir John Walker, KNZM, CBE	From 10.20am, Item 10
		Until 1.10pm, Item 11
	Cr Wayne Walker	Until 3.05pm, Item 12
	Cr John Watson	

#### ABSENT

<b>Members</b>	Cr Dick Quax
	IMSB Member Terrence Hohneck

#### ALSO PRESENT

Angela Dalton, Chair Manurewa Local Board  
Lisa Whyte, Chair Upper Harbour Local Board  
Margaret Miles, Deputy Chair Upper Harbour Local Board

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## 1 Apologies

Resolution number FIN/2018/35

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

- a) **accept the apologies from IMSB Member T Hohneck and Cr Quax for absence; Cr C Darby for lateness and early departure, on council business; Cr E Collins and IMSB Member D Taipari for lateness; and Cr L Cooper for early departure.**

**CARRIED**

## 2 Declaration of Interest

There were no declarations of interest.

## 3 Confirmation of Minutes

Resolution number FIN/2018/36

MOVED by Deputy Chairperson D Simpson, seconded by Cr G Sayers:

**That the Finance and Performance Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Monday, 12 March 2018 as a true and correct record.**

**CARRIED**

## 4 Petitions

There were no petitions.

## 5 Public Input

There was no public input.

## 6 Local Board Input

Angela Dalton, Manurewa Local Board Chair and Leigh Auton spoke at Item 11 Progressing Urban Development.

Lisa Whyte, Upper Harbour Local Board Chair and Margaret Miles, Upper Harbour Local Board Deputy Chair spoke at Item 14 - Disposal of reserve land required for the New Zealand Transport Authority Northern Corridor Improvements.

## 7 Extraordinary Business

There was no extraordinary business.

## 8 Notices of Motion

There were no notices of motion.

## 9 Integrating the New Zealand National Maritime Museum into Regional Facilities Auckland

*IMSB Chair D Taipari entered the meeting at 9.55 am.*

*Cr C Darby entered the meeting at 10.03 am.*

Resolution number FIN/2018/37

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

- a) **note the integration of the New Zealand Maritime Museum into Regional Facilities Auckland.**
- b) **note that Auckland Regional Amenities Funding Board has proposed funding of \$2,184,500 for the New Zealand National Maritime Museum Trust Board for 2018-2019.**
- c) **agree that, subject to the New Zealand National Maritime Museum Trust Board withdrawing its funding application to the Auckland Regional Amenities Funding Board, additional funding of \$2,184,500 be provided to Regional Facilities Auckland for 2018-2019 at no net financial impact on Council.**

**CARRIED**

## 10 Presentations from the Auckland Regional Amenities Funding Board

*Cr J Walker entered the meeting at 10.20 am.*

*Cr C Fletcher entered the meeting at 10.36 am.*

*Cr W Walker left the meeting at 10.35am.*

*Cr W Walker returned to the meeting at 10.41 am.*

*IMSB Chair D Taipari left the meeting at 10.51 am.*

*Cr P Hulse left the meeting at 10.51 am.*

*Cr P Hulse returned to the meeting at 11.02 am.*

*IMSB Chair D Taipari returned to the meeting at 11.03 am.*

*Cr E Collins entered the meeting at 11.11 am.*

Vern Walsh, Chair Auckland Regional Amenities Funding Board introduced the item and advised the meeting of presentations by various amenities. Also present were Auckland Regional Amenities Funding Board members – Victoria Carter, Precious Clark, Catherine Harland, Anita Killeen and Diane Maloney.

Presentations were received from:

- New Zealand Opera (Sir John Harvey and Stuart Maunder)
- Auckland Philharmonia Orchestra (Richard Ebbett, Leigh Auton and Barbara Glaser)
- Auckland Rescue Helicopter Trust (Greg Barrow)
- Drowning Prevention Auckland – WaterSafe Auckland Incorporated (Denise Atkins and Davin Bray).

Resolution number FIN/2018/38

MOVED by Cr C Fletcher, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

- a) **thank the representatives from New Zealand Opera, Auckland Philharmonia Orchestra, Auckland Rescue Helicopter Trust and Drowning Prevention Auckland - WaterSafe Auckland Incorporated for their attendance and the information provided.**

**CARRIED**

## 11 Progressing urban development

*Cr A Filipaina left the meeting at 11.21 am.*

*Cr A Filipaina returned to the meeting at 11.28 am.*

Angela Dalton, Chairperson of the Manurewa Local Board and Leigh Auton were present and spoke to the item.

Resolution number FIN/2018/39

MOVED by Cr C Fletcher, seconded by Cr J Bartley:

**That the Finance and Performance Committee:**

- a) **receive and thank Manurewa Local Board Chair, Angela Dalton and Leigh Auton for their presentation regarding Progressing urban development.**

**CARRIED**

The meeting adjourned at 11.46am and reconvened at 12pm.

Cr Sir J Walker and Cr Cooper were not present.

*Cr C Fletcher left the meeting at 12.02 pm.*

*Cr L Cooper returned to the meeting at 12.03pm*

*Cr Sir J Walker returned to the meeting at 12.05pm*

*Cr C Fletcher returned to the meeting at 12.08 pm.*

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Note: Changes to the original motion were incorporated under recommendation f), with the agreement of the meeting

MOVED by Chairperson R Clow, seconded by Cr C Darby:

That the Finance and Performance Committee:

- a) approve the funding of the Transform and Unlock programme (excluding the waterfront) from the reinvestment of the proceeds of property sales from those locations for reinvestment in infrastructure, amenity, activation and site acquisition, noting that this approach will be reviewed within three years and is predicated on Panuku achieving the asset sales targets.
- b) approve the “regional portfolio approach” in which the reinvestment is focussed on priority outcomes within the Transform and Unlock programme, noting that the reinvestment is not ring-fenced to individual locations.
- c) approve that the Transform and Unlock reinvestment programme be included in the Long-term Plan 2018-2028 subject to no impact on group debt levels.

- d) approve the extension of the Optimisation of Service Property approach to Auckland Transport noting that this will enable reinvestment of net proceeds by Auckland Transport in transport priorities arising from the commercial development of service property undertaken in partnership with Panuku as part of an urban development project where airspace is being sold above a transport service site;
- e) approve the changes to the repayment protocols including three categories of acquisitions under the Strategic Development Fund as follows:
  - i) standard – 4 years repayment, starting once the site ceases to provide a holding income where appropriate, including cost of debt
  - ii) strategic – 6 years repayment, starting once the site ceases to provide a holding income where appropriate, including cost of debt, where acquisition enables a more complex, larger development
  - iii) specific terms – agreed on a case-by-case basis with Council enabling longer term investment and returns involving potentially higher risks and higher returns.
- f) agree that the Panuku Board has authorisation to dispose of any properties purchased using the Strategic Development Fund on its own authority in line with the original policy intent and where appropriate consultation be undertaken with Mana Whenua where any māori cultural interests may be affected.
- g) approve changes to the delegations for approvals for individual transactions using the Strategic Development Fund as follows:
  - i) up to \$20 million be delegated to the Panuku Board
  - ii) \$20 million to \$30 million be delegated to Auckland Council Chief Executive, Chief Finance Officer and the Chair of the Finance and Performance
  - iii) more than \$30 million remain with the Finance and Performance Committee.

MOVED by Cr D Newman, seconded by Deputy Chairperson D Simpson, an amendment by way of addition which was subsequently withdrawn:

- h) request that Panuku provide advice to the Planning Committee on the option of extending Transform Manukau to incorporate the Manurewa Town Centre and the Te Mahia train station.

Resolution number FIN/2018/40

MOVED by Cr C Darby, seconded by Chairperson R Clow:

- h) request that Panuku consider additional centres and areas for inclusion in the overall Transform, Unlock and Support Programme, including consideration of Manurewa, Takanini and Papakura, and that the total work be brought to the Planning Committee workshop before 1 August 2018.

**CARRIED**

The substantive motion was put.

Resolution number FIN/2018/40

MOVED by Chairperson R Clow, seconded by Cr C Darby:

**That the Finance and Performance Committee:**

- a) **approve the funding of the Transform and Unlock programme (excluding the waterfront) from the reinvestment of the proceeds of property sales from those locations for reinvestment in infrastructure, amenity, activation and site acquisition, noting that this approach will be reviewed within three years and is predicated on Panuku achieving the asset sales targets.**

- b) approve the “regional portfolio approach” in which the reinvestment is focussed on priority outcomes within the Transform and Unlock programme, noting that the reinvestment is not ring-fenced to individual locations.
- c) approve that the Transform and Unlock reinvestment programme be included in the Long-term Plan 2018-2028 subject to no impact on group debt levels.
- d) approve the extension of the Optimisation of Service Property approach to Auckland Transport noting that this will enable reinvestment of net proceeds by Auckland Transport in transport priorities arising from the commercial development of service property undertaken in partnership with Panuku as part of an urban development project where airspace is being sold above a transport service site;
- e) approve the changes to the repayment protocols including three categories of acquisitions under the Strategic Development Fund as follows:
  - i) standard – 4 years repayment, starting once the site ceases to provide a holding income where appropriate, including cost of debt
  - ii) strategic – 6 years repayment, starting once the site ceases to provide a holding income where appropriate, including cost of debt, where acquisition enables a more complex, larger development
  - iii) specific terms – agreed on a case-by-case basis with Council enabling longer term investment and returns involving potentially higher risks and higher returns.
- f) agree that the Panuku Board has authorisation to dispose of any properties purchased using the Strategic Development Fund on its own authority in line with the original policy intent and where appropriate consultation be undertaken with Mana Whenua where any māori cultural interests may be affected.
- g) approve changes to the delegations for approvals for individual transactions using the Strategic Development Fund as follows:
  - i) up to \$20 million be delegated to the Panuku Board
  - ii) \$20 million to \$30 million be delegated to Auckland Council Chief Executive, Chief Finance Officer and the Chair of the Finance and Performance
  - iii) more than \$30 million remain with the Finance and Performance Committee.
- h) request that Panuku consider additional centres and areas for inclusion in the overall Transform, Unlock and Support Programme, including consideration of Manurewa, Takanini and Papakura, and that the total work be brought to the Planning Committee workshop before 1 August 2018.

**CARRIED UNANIMOUSLY**

#### **Attachments**

- A 20180320 - Finance and Performance Committee - Item 11 - Progressing urban development - presentation

The meeting adjourned at 1.10pm and reconvened at 1.51pm

Cr C Darby, Cr C Fletcher, Cr P Hulse, Cr M Lee, Cr Sir J Walker and Cr W Walker were not present.

**14 Disposal of reserve land required for the New Zealand Transport Authority Northern Corridor Improvements Project**

*Cr P Hulse returned to the meeting at 1.52pm.  
Cr W Walker returned to the meeting at 1.54pm.  
Cr P Hulse left the meeting at 1.57 pm.  
Cr L Cooper left the meeting at 1.57pm.  
Cr M Lee returned to the meeting at 1.57pm.  
Cr L Cooper returned to the meeting at 2.02pm.  
Cr P Hulse returned to the meeting at 2.02 pm.*

Lisa Whyte, Upper Harbour Local Board Chair and Margaret Miles, Upper Harbour Deputy Chair were present and spoke to the item.

Resolution number FIN/2018/41

MOVED by Chairperson R Clow, seconded by Cr J Watson:

**That the Finance and Performance Committee:**

- a) **receive and thank Upper Harbour Local Board Chair, Lisa Whyte and Deputy Chair, Margaret Miles for their presentation regarding Disposal of reserve land required for the New Zealand Transport Authority Northern Corridor Improvements Project.**

**CARRIED**

Note: Changes to the original recommendations were incorporated with the addition of clause c), with agreement of the meeting.

Resolution number FIN/2018/42

MOVED by Cr J Watson, seconded by Cr W Walker:

**That the Finance and Performance Committee:**

- a) **approve the divestment of a combined total of approximately 3.8 hectares of reserve land (being portions of land at Rosedale Landfill, Tawa, Arrenway, Centorian, Meadowood, Alexandra Stream, Rook, Omega and Bluebird Reserves) to the New Zealand Transport Agency for motorway improvements at Upper Harbour, by transfer pursuant to Sections 50 and 52 of the Public Works Act 1981.**
- b) **note that the final areas of reserve for disposal will be subject to final survey following completion of the works, and that the final terms and conditions of sale will be approved under existing standing financial delegations.**
- c) **note the loss of reserve land and agree to consider funding be provided to improve existing parks in the Upper Harbour Local Board area, following a full business case.**

**CARRIED**

Note: Pursuant to Standing Order 1.8.3, IMSB Member T Henare requested that his dissenting vote be recorded.



**13 Te Toa Takitini - Quarter two report for the 2017/2018 financial year**

Resolution number FIN/2018/43

MOVED by IMSB Member D Taipari, seconded by IMSB Member T Henare:

**That the Finance and Performance Committee:**

- a) **note progress on key Te Toa Takitini portfolio projects included in this report for the second quarter of 2017/2018.**

**CARRIED**

**12 Response to the independent assessment of expenditure incurred by Auckland Council to deliver Māori outcomes**

*Cr P Hulse retired from the meeting at 3.03 pm.*

*Cr W Walker retired from the meeting at 3.05 pm.*

*Cr L Cooper retired from the meeting at 3.16 pm.*

*Cr G Sayers retired from the meeting at 3.17 pm.*

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Note: Changes to the recommendations were incorporated with agreement of the meeting.

Resolution number FIN/2018/44

MOVED by Mayor P Goff, seconded by Cr A Filipaina:

**That the Finance and Performance Committee:**

- a) **thank the Independent Māori Statutory Board for the ‘Assessment of expenditure incurred by Auckland Council on projects to deliver Māori outcomes’.**
- b) **note and accept the 13 findings contained in the report, which relate to:**
- i) **underspending on Māori related outcomes**
  - ii) **inaccuracies in reporting for 2016/2017**
  - iii) **the function, role and governance of Te Toa Takitini**
  - iv) **more focus on project/activity outcomes**
  - v) **the strategic vision and priorities for Māori**
  - vi) **further guidance on the four whai strategy and Māori Responsiveness Framework outcomes**
  - vii) **consistent reporting and better transparency of key initiatives and projects in council-controlled organisation Statements of Intent**
  - viii) **Watercare Services Limited Māori Responsiveness Plan**
  - ix) **potential of smaller-funded and business-as-usual projects to achieve Māori outcomes**
  - x) **improvements to project reporting processes and report quality**
  - xi) **guidelines for budget allocations**
  - xii) **project management capability, and processes.**

- c) note the proposed council group response, which is comprised of three broad elements, those being:
  - i) strategic alignment
  - ii) allocating budgets and improving reporting
  - iii) the transition of Te Toa Takitini.
- d) note that both the findings and the proposed response are management actions.
- e) agree that Te Toa Takitini Executive Leadership Group will report progress to address the findings in the report on “Assessment of expenditure incurred by Auckland Council to deliver Maori outcomes” as part of the Te Toa Takitini reports to the Finance and Performance Committee with a final report in December 2019.
- f) provide feedback to the Executive Leadership Group of Te Toa Takitini about the proposed response to the assessment.

**CARRIED**

Note: Pursuant to Standing Order 1.8.3, Cr S Stewart requested that her dissenting vote be recorded.

**Attachments**

- A 20180320 - Finance and Performance Committee - Item 12 - Response to the independent assessment of expenditure incurred by Auckland Council to deliver Maori outcomes - presentation

**15 Finance and Performance Committee - Information Report - 20 March 2018**

Resolution number FIN/2018/45

MOVED by Chairperson R Clow, seconded by Cr A Filipaina:

**That the Finance and Performance Committee:**

- a) receive the information report – 20 March 2018.

**CARRIED**

**16 Consideration of Extraordinary Items**

There was no consideration of extraordinary items.

3.28 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
AT A MEETING OF THE FINANCE AND  
PERFORMANCE COMMITTEE HELD ON

**DATE:**.....

**CHAIRPERSON:**.....