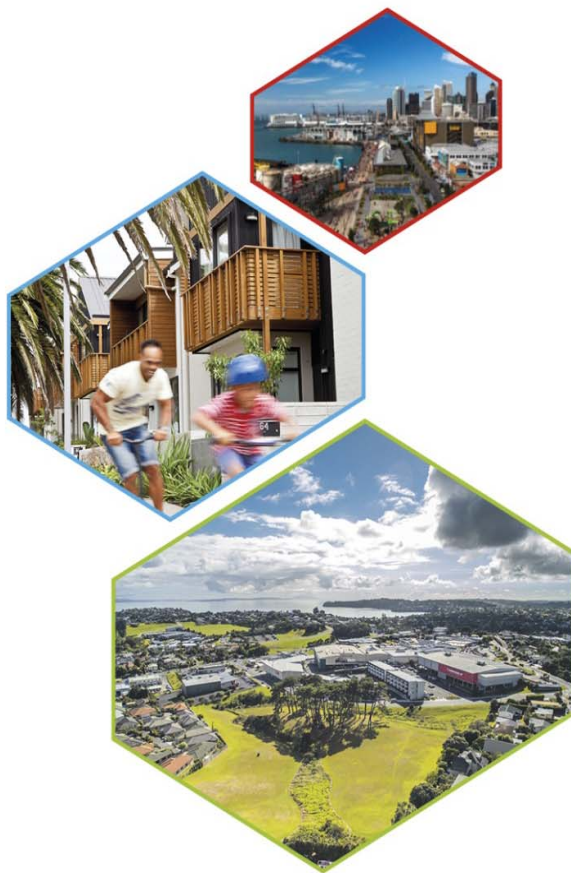


# DRAFT - STATEMENT OF INTENT

## PANUKU DEVELOPMENT AUCKLAND

For the period 1 July 2017 to 30 June 2020



# HE MIHI

Tēnā koutou ngā mana whenua me ngā iwi e noho nei ki raro i ngā maunga whakahii o Tāmaki Makaurau, tēnā koutou kātoa. Me mahi tahi nei tātou kia tūtuki ērā wawata mō te oranga o ngā iwi kātoa o te wāhi nei.

“To the people of the land and those residing under the sacred volcanic mountains of Auckland, greetings to you all. Let us all work together to fulfil our dreams so that we may all prosper in this beautiful city”.

**‘Panuku’** means to ‘move on’ or ‘move forward’ and the name conveys the concept of dynamism, of building towards excellence. It has been likened to the motion of a waka that requires skill to navigate, and teamwork to propel.

## **Chairman and Chief Executive Foreword**

Over its first year of operation Panuku has quickly come to terms with its role as Auckland's urban regeneration agency, and with a strong onus on Panuku to accelerate the pace and scale of urban regeneration across Auckland.

What has also become apparent, as we begin to transact and effect change in development locations, is the high level of dependency on all parts of the council family to work collectively in urban regeneration.

Panuku is the sole agency in the council family that leads urban regeneration. It does that by leveraging off council owned assets. Panuku brings together council landholdings where these assets are either fully surplus, (suburban carparks are an excellent example of this) or where there is the opportunity to optimise the location of council service functions and open up new development opportunities.

This SOI addresses a number of other strategic opportunities that have been identified since the establishment of the agency:

### *Integration opportunities*

The first opportunity is to integrate our development programme with the activities of other key players in the council family such as Auckland Transport, Watercare and key council departments such as storm-water, parks and community facilities. By doing this well, we will both accelerate regeneration, and also improve efficiency through joined-up activity across the council family.

### *Financial model challenges*

The second opportunity is to develop a reinvestment model to recognise and manage the tension between maximising financial results and the achievement of social, environmental and cultural outcomes.

Panuku seeks to maximise financial outcomes from both asset divestment and property portfolio rental income. However, the achievement of strategic outcomes, such as improving quality, improving the environment, economic development and improving the public realm, are important aspects to urban regeneration. These outcomes often come with financial trade-offs.

Both international and domestic experience of successful intensification in and around town centers shows that investment in public amenity is essential in order to create an attractive environment for residents, visitors and businesses. To achieve this, Panuku will need a broader ability to reinvest proceeds from development locations in some of the 'Unlock' category locations, as well as 'Transform' locations as is the case currently, if we are to successfully carry out our work.

### *Speed and scale*

Auckland's rapid growth means that Panuku needs to regenerate development locations at scale and at pace. Achieving this will require an openness by the council to consider different approaches, and investment proposals, than has been the case in the past. We will be working on proposals for discussion with council, and incorporate these in the 2018 Long Term Plan where appropriate.

To achieve scale, Panuku will need to aggregate properties with those we already own in development locations. It is clear from both extensive overseas experience and our own New Zealand experience (e.g. Britomart) that if we are to achieve the scale and quality of development needed to successfully meet the council's intensification objectives, we will need the ability to use, judiciously, the relevant provisions of the Public Works Act to compulsory acquire properties for urban development. The policy framework and delegations with the council will be an important priority for resolution in the coming 12 month period.

Panuku also needs immediate access to all surplus Council land, in order to make progress at pace and scale, while more complex and encumbered sites are unlocked for future development.

Panuku is broadly supportive of the government's Urban Development Authorities (UDA) proposal, which may provide Panuku with additional tools to streamline the development process to achieve larger scale developments at pace. This will be in the form of legislative powers that could streamline consultation over different statutory processes. Panuku is providing feedback on the Central Government UDA proposal through the Council family joint submission process.

Supporting the organisation to achieve these goals will be a high performance culture through corporate and staff performance frameworks, high performing, skilled and competent staff and effective and efficient systems and processes.

Panuku will continue its commitment to work closely with Auckland Council and other CCOs to increase our collective response to dealing with the demands of our rapidly growing city and contributing to achieving the outcomes sought in the Auckland Plan and LTP.

## TABLE OF CONTENTS

1. PURPOSE OF STATEMENT OF INTENT .....	6
2. ABOUT PANUKU .....	6
3. CONTRIBUTION TO THE WORLD'S MOST LIVEABLE CITY .....	7
4. PANUKU STRATEGIC OBJECTIVES.....	9
5. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION .....	11
6. PERFORMANCE OUTLOOK .....	14
7. SUMMARY OF FINANCIALS .....	23
8. IMPORTANT SHAREHOLDER ISSUES .....	29
9. APPROACH TO GOVERNANCE .....	30

## 1. PURPOSE OF STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of **Panuku Development Auckland (Panuku)** for the next three years, and the objectives that those activities will contribute to. This SOI also includes performance measures and targets as the basis of organisational accountability.

This SOI was adopted by the Panuku Board in June 2017.

## 2. ABOUT PANUKU

Panuku is the sole entity within the Auckland Council group responsible for urban redevelopment and/or regeneration leveraging off Council owned property.

Working in an agreed list of Priority Development Locations, with an emphasis in and around town centers, Panuku's role includes integration of its redevelopment plus with other inputs of the Council group. This is incorporated into its planning process for the various redevelopment locations. It strives to support intensification through partnerships with other investment partners, creating strategic value and where appropriate, seeking Council investment in priority locations. Panuku was formed in September 2015, from the merger of Waterfront Auckland and Auckland Council Property Limited.

### Activities

The activities of Panuku cover four broad areas:

1. Redevelopment of urban locations leveraged off council owned land, mostly within the existing suburbs.
2. Redevelopment of council non-service property and where appropriate, review of council service property
3. Management of council property not being used for service delivery, or redevelopment incorporating a service delivery function.
4. Other property related services such as strategic property advice, acquisitions and disposals

Panuku is charged with balancing financial and non-financial outcomes in order to create sustainable and resilient places where people want to live, work, invest, learn and visit.

### Vision

The vision of Panuku is "Shaping spaces for Aucklanders to love".

### Mission

The mission of Panuku is to rejuvenate urban Auckland, from small projects that refresh a site or building, to major transformations of town centres or neighbourhoods. Panuku improves the uses of land and buildings that Auckland Council owns, attract private investment and together we unlock their potential to create spaces Aucklanders love.

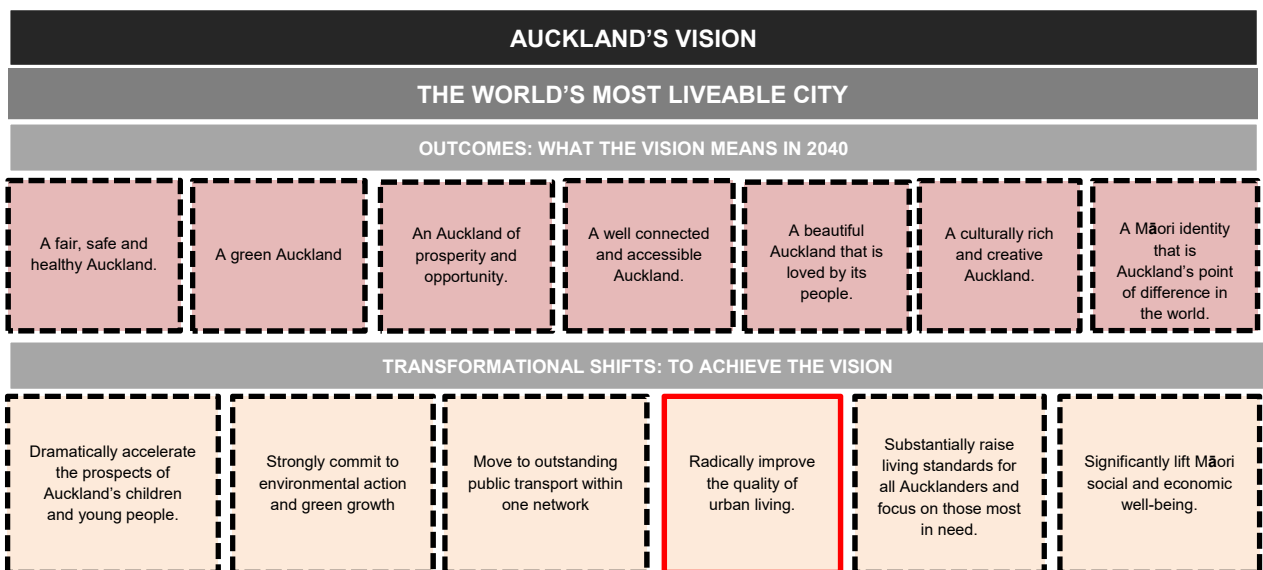
### 3. CONTRIBUTION TO THE WORLD'S MOST LIVEABLE CITY

The Auckland Plan is the roadmap to deliver on Auckland’s vision to be the most liveable city. This is a thirty year plan that is underpinned by a set of outcomes and transformational shifts to achieve this vision which help ensure we focus on the right things.

The Auckland Plan sets the strategic direction and transformational shifts to achieve actions, targets and outcomes that are required to achieve the vision to be the world’s most liveable city. Panuku plays a critical part in delivering on actions and targets across the Auckland Plan.

In particular, Panuku will play a significant role in the transformational shift to “**Radically improve the quality of urban living**” and in doing this, Panuku will contribute to all of the outcomes and other transformational shifts of the Auckland Plan, sometimes as a primary contributor and sometimes as a secondary contributor, depending on the urban redevelopment project.

Panuku is the sole agency doing regeneration and redevelopment in Manukau, Onehunga, Waterfront, Northcote, Avondale, Takapuna, Henderson, Papatoetoe, Ormiston, Tamaki, City Centre and Housing for Older Persons Portfolio. We expect our Council family including CCOs to support our sole role by releasing surplus sites, prioritising planning for infrastructure projects and spend, working closely with us in these locations which are council priorities.



Panuku is a primary contributor to this outcome



Panuku is a secondary contributor to these outcomes

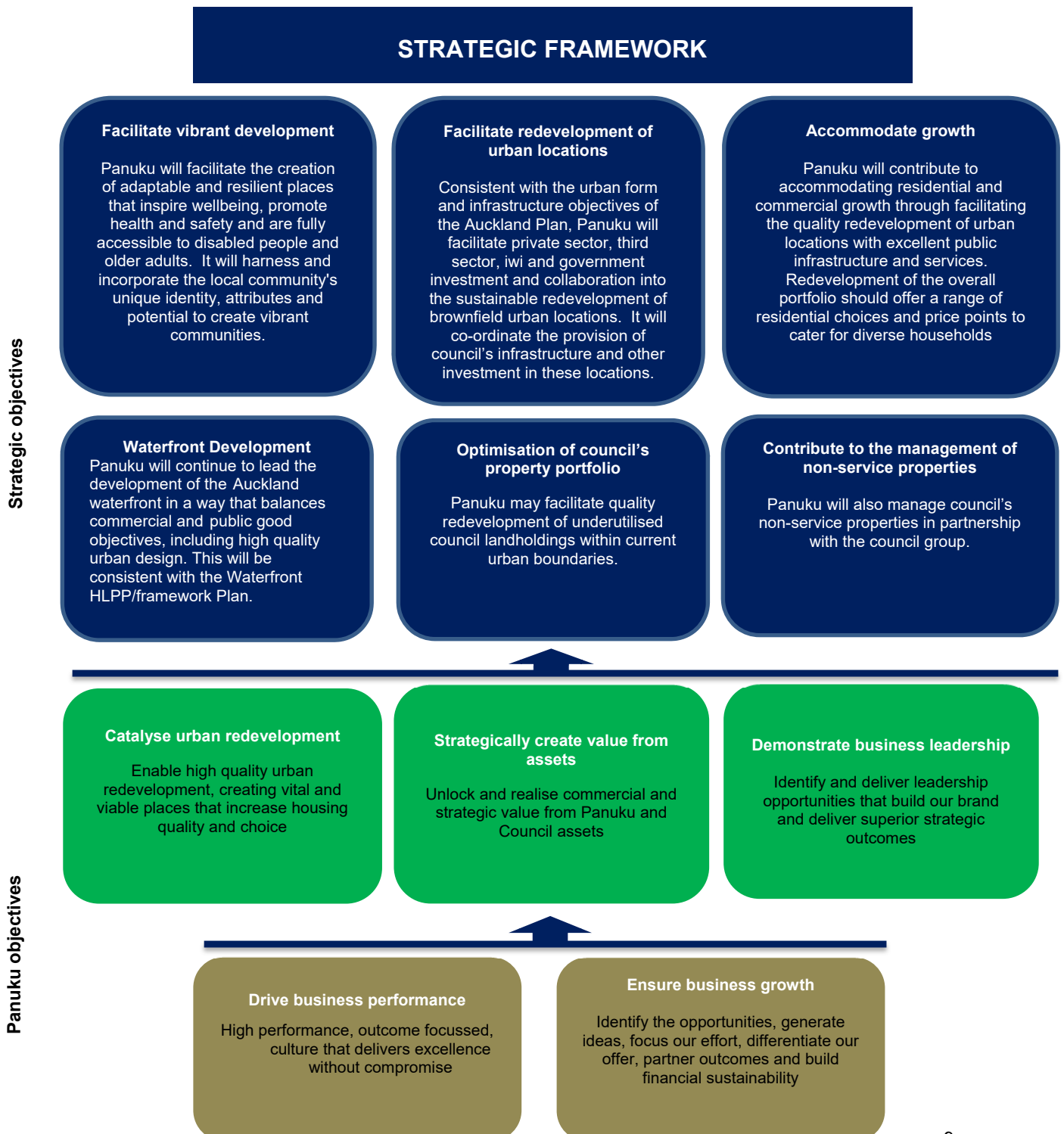


Auckland Plan transformational shifts	Degree of contribution	How Panuku contributes
Quality urban living	Primary contribution	<p><b>Regeneration</b></p> <p>Regeneration refers to the approach that Panuku is taking in the selected Transform and some Unlock locations, where we are seeking to achieve longer term social, economic, cultural, environmental outcomes as well as built form and financial outcomes. This holistic and integrated approach includes a high level of community and stakeholder engagement, framework planning, public realm development and activation, and working alongside the Government where appropriate and other partners.</p> <p>Panuku's redevelopment activity in the Unlock and Support locations is focussed on accommodating growth (residential, commercial, mixed use) through development projects by private and other partners. These projects are likely to include a lower level of master planning and community engagement compared to transform projects but still achieve good design, density and quality.</p> <p><b>Place making</b></p> <p>Panuku champions and fosters a place-led approach to urban regeneration that involves:</p> <ul style="list-style-type: none"> <li>- Utilising place making as a key tool in understanding what communities want and need from their places</li> <li>- Working with local people and groups to undertake place making initiatives, programming and activation throughout planning and implementation processes</li> <li>- Creation of developments that are inclusive, safe, resilient and sustainable</li> <li>- Ensure integrated, customer focussed processes and outcomes</li> <li>- Ongoing place management of key sites (e.g. Wynyard Quarter)</li> </ul> <p>Panuku champions through leadership and best practise our examples of place making on the national and international stage as well as providing a resource for the council family and Local Boards. We work closely with DPO, ADO and ACE to champion collaborative place making across the council family and seek to provide leadership in place making.</p>
Raised living standards	Secondary contribution	By increasing the supply of housing covering a range of price points and housing for disabled and older persons, working with partners, and improving the quality of urban centres; by enabling economic development opportunities through commercial redevelopment in centres and enhancing access to transport choices, in urban redevelopment projects.
Children and young people	The degree of contribution will depend on the nature of the urban redevelopment projects in the pipeline	By developing housing (with a range of price points) and safe and inclusive public spaces suitable for families, children and young people
Environmental action and green growth		By undertaking sustainable redevelopment of brownfield locations to create adaptable and resilient places and undertaking sustainable redevelopment in collaboration with development partners
Outstanding public transport		By undertaking re-development and intensification in brownfield and town centre locations that support the development of the passenger transport system being created by Auckland Transport, and which leverages off its investments.
Māori social and economic wellbeing		By providing opportunities in urban redevelopment projects to enhance Māori social and economic wellbeing through engagement with mana whenua iwi and hapū and other Māori organisations.



## 4. PANUKU STRATEGIC OBJECTIVES

Panuku has the following set of strategic objectives, derived from the purpose and role set out in the Accountability Framework. These are supported by three core strategic activities of Panuku which are catalyse urban redevelopment, strategically create value from assets and demonstrate business leadership. Internally Panuku supports these through activities driving business performance and business growth.



Panuku has a clear programme of work in its Transform and Unlock locations. The original list of priority development locations was agreed by Council in late 2015. This includes three transform areas; eight unlock areas and ten support areas. Panuku will recommend to Council for approval any changes to the transform and unlock areas.

Panuku needs flexibility within its programme of work and will bring forward new strategic opportunities as they arise, for example, as a result of market changes, site availability or partnership opportunities. A key focus on moving forward will be on delivery of smaller projects that can be delivered quickly on the ground.

Panuku development projects will deliver both financial and strategic outcomes from its activities. This means that in certain context such as the Transform locations, financial value is traded off to achieve social, environmental, economic development or cultural outcomes. Panuku is committed to being transparent in our communication with Council when it does this.

This supports Panuku Development Auckland's purpose of contributing to outcomes contained in the Auckland Plan. Panuku's approach to achieving strategic outcomes is informed by the Corporate Responsibility Framework (CRF). This document sets out how Panuku balances commercial outcomes with strategic public good outcomes. This is further supported by the Total Value Analysis methodology which will quantify, in monetary terms, the value of strategic outcomes achieved by the projects. Panuku will test its major investment decisions with relevant CCOs and Council before finalising business cases. Council will be provided with an assessment in business cases of the total "value" of projects, capturing both the financial and the strategic perspectives. Some of the non-financial outcomes that Panuku will deliver include sustainable design and accessibility, housing affordability, placemaking and economic development, which are leadership opportunities that are beyond what the market can deliver. Where required, some collective reporting on major projects will be carried out for the new Committees of Council.

Panuku creates value for the Council group through management of residential and commercial portfolio of properties, vacant sites, marinas, public space and other business interests. Panuku also disposes and acquires properties on behalf of Council. Property disposal proceeds contribute to meeting Council's LTP asset sales target.

## 5. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION

The following are the key initiatives/projects to deliver on Panuku strategic objectives:

Key project and initiatives		Description	Panuku Strategic goal	Contribution to strategic role
<b>Catalyse urban development</b>				
1	Continue to progress the projects which form the Panuku Priority Development Locations programme, as agreed with the Council	<p>The Panuku Operating Model consist of key planning documents that cover the key phases of Transform and Unlock projects, from concept to implementation, this process will enable integration and alignment with other Council group entities.</p> <ol style="list-style-type: none"> <li><b>High Level Project Plan</b> – Sets the project vision, scope and outcomes and obtains approvals from Board / Shareholder.</li> <li><b>Framework Plan</b> – A spatial plan that guides delivery of the project over a 20-25 year period.</li> <li><b>Engagement Plan</b> – includes placemaking, communications and stakeholder engagement.</li> <li><b>Implementation Plan</b> – which consist of the Execution Plan and Business case.</li> </ol> <p>The Execution Plan includes project phases /stages, project management, project team, control and governance. Business case – evaluates project viability, identify options, any funding approval needed and decision.</p> <p>The Panuku operating model is managed through the Board approved Master programme. Panuku is in implementation mode in a number of its locations. Real time information is available on our website. Progress is regularly reported to the Governing Body and Local Boards.</p>	Catalyse Urban Development	Radically improve quality of urban living for all
<b>Strategically create value from assets</b>				
2	Ongoing programme of identifying and assessing opportunities	The ongoing portfolio review programme mandated by Auckland Council with the support of CCOs and business units, will identify opportunities for future development, property asset divestment to targets agreed with the Council and enhanced property management. This includes taking a strategic perspective when undertaking rent reviews.	Strategically create value from assets	Strategically create value from assets
3	Optimisation: Realise optimisation opportunities in the Council group service portfolio.	<p>Realise optimisation opportunities in the Council group service portfolio through rationalisation, amalgamation, redevelopment, integration and intensification of Council owned service properties.</p> <p>At least one pilot will move to implementation stage in the near future.</p> <p>Implement an optimisation pilot.</p>	Strategically create value from assets	Strategically create value from assets
<b>Demonstrate business leadership</b>				
4	Enhance Customer Service	<p>Excellent customer service is relevant to a number of our aspirations for how we work with others. We will develop some key standards including timeframes and processes for responding to information or service requests and measuring our performance through surveys in key operational areas. Panuku also undertakes some customer research with mana whenua, Local Boards and visitors to the waterfront area.</p> <p>Panuku plans to further enhance customer service delivery through:</p> <ul style="list-style-type: none"> <li>Reviewing and enhancing its organisation-wide customer service protocols and standards</li> </ul>	Drive Business Performance	High Performing Council

Key project and initiatives	Description	Panuku Strategic goal	Contribution to strategic role
	<ul style="list-style-type: none"> <li>Effect consistent application of customer service protocols and standards across activities</li> <li>Design and implement new performance metrics for measuring customer service quality and impact and reporting on these metrics.</li> </ul>		
5	Local Boards engagement and planning	Provide business leadership	High Performing Council
6	Alignment in Planning, Strategy and Policies	Drive Business Performance	High Performing Council
7	Form Relationships and Partnerships	Provide business leadership	Radically improve quality of urban living for all
8	International Investment opportunities	Provide business leadership	Radically improve quality of urban living for all
9	Housing for older people network (HfOP)	Provide business leadership  Strategically create value	Radically improve quality of urban living for all

Key project and initiatives		Description	Panuku Strategic goal	Contribution to strategic role
		<p>Panuku will be responsible for:</p> <ul style="list-style-type: none"> <li>- administration and oversight of the HFOP Lease Agreement (including the management contract) between Council (landlord and asset owner) and HFOP Limited Partnership (tenant); and</li> <li>- delivering a multi-year redevelopment programme of the HFOP portfolio in accordance with the delegations from Council.</li> </ul> <p>The Council's CCO Governance and external Partnerships team will oversee the Joint Venture Partnership Structure with Selwyn Foundation including two yearly reporting on performance against its KPI's.</p>	from assets	
10	Redevelopment projects meets expectations of stakeholders	<p>Overall, Panuku has had positive feedback to its style and approach to stakeholder engagement to date. Over the next 12 months, Panuku will take a more disciplined approach to ensuring that the delivery of redevelopment projects meets expectations of key stakeholders including central government by incorporating in development engagement plans:</p> <ol style="list-style-type: none"> <li>a. more overt definition of our key stakeholders,</li> <li>b. definition of their expectations,</li> <li>c. enabling stakeholders to view and sign off on our plans,</li> <li>d. monitoring and review of stakeholder engagement processes</li> </ol>	Provide business leadership	Radically improve quality of urban living for all
11	Use of Public Works Act powers	<p>In order to achieve property aggregation needed to enable comprehensive redevelopment of greater quality and scale, obtain agreement with the Council on the use of existing (and any new) legislative tools providing for compulsory acquisition of property for urban development purposes as provided in the Public Works Act.</p> <p>Seek Council policy agreements and any necessary delegations, to the use of the compulsory acquisitions process contained in the Public Works Act to enable urban redevelopment in Priority Development Locations agreed with the Council.</p>	Provide business leadership	Radically improve quality of urban living for all
12	Value for money	<p>Panuku recognises the shareholder's wish to ensure full value for money from its CCOs and for the realisation of savings. Panuku also wishes to note the reality that its current programme of Priority Development Locations, as agreed with the shareholder in December 2015, is considerably in excess of the commitments of the two legacy organisations.</p> <p>This was based on the assumption that whilst savings were achieved by combining the two organisations on "day one", over time as the workload arising from the development programme expanded there would need to be recognition of the resource implications of what is effectively a whole new level of activity. These realities are reflected in the Panuku budget numbers.</p> <p>Panuku will continue to promote value for money through activities included in the Mayors Letter of Expectation and will set an internal efficiency target within the parameters communicated by Council.</p> <p>Panuku will carry out the following efficiency programmes to drive down costs. These include:</p> <ol style="list-style-type: none"> <li>1. Procurement through Council preapproved vendors and participation in reviews / contract negotiations</li> <li>2. Review of shared services utilisation</li> <li>3. Staff structure reviews</li> <li>4. IT systems efficiency reviews – ensure projects deliver the efficiency savings promised in the business case.</li> </ol>	Strategically create value from assets	High Performing Council

Key project and initiatives		Description	Panuku Strategic goal	Contribution to strategic role
13	Total Value Analysis (TVA): Process and approach to assessing financial and non-financial outcomes will be delivered.	Implement TVA across projects starting in Transform locations. TVA is a process to articulate, measure and monetise non-commercial benefits and costs to support holistic decision making.	Provide business leadership	Radically improve quality of urban living for all

### Specific projects delivering on Māori outcomes

Key project and initiatives		Description	Contribution to Māori outcomes
1	Achieving better outcomes for and with Māori  Recognition and celebration of Māori cultural values and heritage	Continued input to Te Toa Takitini (led by Te Waka Angamua) where Panuku can contribute to delivery of priority projects. Manage an inclusive mana whenua Forum to support a strong relationship with Panuku. Coordinate efficient engagement with Council family to streamline engagement with mana whenua and other Māori. Panuku will facilitate cultural expression opportunities through Te Aranga Design application through in early planning in Transform and selected Unlock locations. This work flows down to implementation of cultural expression opportunities in public realm projects. Māori identity will be recognised through promotion of te reo Māori such as naming new streets, laneways, buildings, signage, other communications, art and landscaping.  Placemaking will support Māori-focussed events at the waterfront and other selected locations.	Significantly lift Māori social and economic wellbeing Foster positive and productive relationships between Council and Māori Promote Māori identity as Auckland's point of difference in the world
2	Māori Development Opportunities	Engagement with mana whenua and other Māori organisations on commercial and housing developments, partnering opportunities in urban redevelopment projects and opportunities to purchase properties surplus to council requirements. Explore any means to improve the coordination and efficient engagement with mana whenua and other Māori organisations around potential disposal properties and properties that may become available for development.	Significantly lift Māori social and economic wellbeing

## 6. PERFORMANCE OUTLOOK

Panuku has an agreed set of performance measures and targets which form the basis for accountability to delivering on council's strategic direction, priorities and targets. These are reported on a quarterly basis, in accordance with the CCO Governance Manual.

The Strategic Framework for Panuku including the LTP activities, SOI goals and performance measures agreed as part of the Long-term Plan 2015-2025, are illustrated on the next page.

Auckland Plan	<p style="text-align: center;"><b>Vision – the world’s most liveable city</b></p> <p style="text-align: center;"><b>Strategic Framework</b></p>	
<p style="text-align: center;"><b>Key Transformational Shift: Radically improve the quality of urban living</b></p>		
LTP Activities	<p style="text-align: center;"><b>Catalyse urban redevelopment and demonstrate business leadership</b></p>	<p style="text-align: center;"><b>Strategically create value from assets</b></p>
SOI Goals	<p>Facilitate metro and town centre redevelopment</p> <p>Lead waterfront redevelopment</p> <p>Develop and activate public spaces on waterfront, metro and town centre development areas</p> <p>Facilitate private development of waterfront, metro, and town centre selected sites</p> <p>Facilitate effective engagement with Māori</p> <p>Facilitate housing development to increase housing supply</p>	<p>Manage non-service properties &amp; other assets of Council family</p> <p>Optimise returns from development and disposals</p> <p>Lead strategic property advice and acquisitions</p> <p>Optimise returns from the managed property portfolio</p> <p>Optimise return from assets</p> <p>Acquire properties</p> <p>Dispose agreed surplus properties</p> <p>Identify and propose opportunities across AC Group portfolios</p>
Performance Measures	<p><b>1.</b> HLPP Programme</p> <p><b>2.</b> Master Programme Deliverables/Outputs</p> <p><b>3.</b> Projected number of net new dwellings</p> <p><b>4.</b> Development agreements submitted</p> <p><b>5.</b> Project achieves outcome</p> <p><b>6.</b> % visitors satisfied with experience of public spaces (LTP)</p> <p><b>7.</b> % Aucklanders who visited the waterfront in the past year (LTP)</p> <p><b>8.</b> % of attendees satisfied with key Waterfront place programmes &amp; activities</p> <p><b>9.</b> Number of event days per year at the Waterfront</p> <p><b>10.</b> Number of visitors per year at the Waterfront</p> <p><b>11.</b> % customers satisfied overall with marina facilities and services (LTP)</p> <p><b>12.</b> # significant Māori initiatives implemented or active per annum (LTP)</p> <p><b>13.</b> % Māori groups satisfied with quality of engagement.</p>	<p><b>14.</b> Written evidence of opportunities</p> <p><b>15.</b> Property portfolio net surplus achieves the annual budget</p> <p><b>16.</b> Improvement in gross rental income</p> <p><b>17.</b> Rolling average % occupancy at month end (LTP)</p> <p><b>18.</b> ROI on like for like properties (LTP)</p> <p><b>19.</b> Return on Equity on commercial assets and services (LTP)</p> <p><b>20.</b> Stakeholder input obtained / List of properties recommended for disposal submitted to Council</p> <p><b>21.</b> Achieves total forecast net sales for the financial year</p> <p><b>22.</b> Satisfaction with Acquisitions service delivery</p>

## Performance Measures

Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets 2017/ 2018	2018/ 2019	2019/ 2020
<b>Catalyse urban development and demonstrate business leadership</b>						
Develop and activate town centre and Waterfront development areas	<b>1</b> Board approves, and regularly reviews, a master programme for the transform and unlock locations in the agreed Priority Development Locations programme.  A rolling HLPP programme is a subset of the Master Programme, and in communication to the Council, all HLPP's are approved by the Council.	Not available	New performance measure	Master programme is approved by Board and reviewed quarterly.  The quarterly rolling HLPP programme is approved by the Board, as subset of programme.	The quarterly rolling HLPP programme is approved by the Board as subset of programme.	The quarterly rolling HLPP programme is approved by the Board as subset of programme.
	<b>2</b> Achieve ten key deliverables in the Board approved Master programme.  (The main Master programme deliverables for Transform and Unlock Locations include the Engagement, Framework and Implementation Plans approved by the Panuku Board and by Council, where appropriate). It also includes key implementation milestones.	Not available	New performance measure	Master programme deliverables completed within the Board approved timeline.	Master programme deliverables completed within the Board approved timeline.	Master programme deliverables completed within the Board approved timeline.



Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets		
				2017/ 2018	2018/ 2019	2019/ 2020
	Number of net new dwelling units is calculated in accordance with agreed criteria.	Not available	New performance measure	Projected number of net new dwelling units is approved by the Board at least annually.	Projected number of net new dwelling units is approved by the Board at least annually.	Projected number of net new dwelling units is approved by the Board at least annually.
	<b>3</b>					
	Development agreements are submitted to the Panuku Chief Executive, Board and/or Council for approval.	Three year target progressing. Six development agreements have been entered into with third parties against a three year target of 26 development agreements.	<b>Three year target</b> Twenty six development agreements with partners including community housing organisations to be entered into.			
	<b>4</b>					
	On completion of the project or each key stage of the project, the project achieves the financial and non-financial outturn in the business cases. (Housing and urban regeneration combined)	Target progressing. There were no projects completed during this financial period.	All projects completed this year achieve business case financial and non-financial outturn	<b>Three year target</b> 15 development agreements with partners including community housing organisations to be entered into.		
	<b>5</b>					
				All projects completed this year achieve business case financial and non-financial outturn	All projects completed this year achieve business case financial and non-financial outturn	All projects completed this year achieve business case financial and non-financial outturn

Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets			
				2017/ 2018	2018/ 2019	2019/ 2020	
Develop and activate public spaces on waterfront, metro and town centre development areas	<b>6</b>	Percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)	93%	75%	75%	75%	
	<b>7</b>	Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)	74%	73%	73%	73%	
	<b>8</b>	Percentage of attendees surveyed satisfied with key Waterfront place programmes and activities	80%	83%	84%	85%	
	<b>9</b>	Number of event days per year at the Waterfront	Not available	New Measure	350 days	350 days	350 days
	<b>10</b>	Number of visitors per year at the Waterfront	Not available	New Measure	1.9 million	1.9 million	1.9 million
	<b>11</b>	Percentage of customers surveyed satisfied overall with marina facilities and services (LTP)	89%	73%	74%	75%	76%
	<b>12</b>	Number of significant Māori initiatives implemented or active per annum (LTP)	50	42	47	52	54
	<b>13</b>	% Māori groups satisfied with quality of engagement	The baseline has been established. 40% of mana	Maintain or Improve	Maintain or Improve	Maintain or Improve	Maintain or Improve

Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets		
				2017/ 2018	2018/ 2019	2019/ 2020
		whenua survey respondents were satisfied with the quality of engagement, 40% of respondents were neither satisfied nor dissatisfied and 20% were dissatisfied.				
<b>Strategically create value from assets</b>						
Identify and propose opportunities across Auckland Council Group owned properties.	14 Written evidence that opportunities have been identified and assessed, to be progressed or not. (Housing and urban regeneration combined)	50 opportunities have been identified and assessed during the year.	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed	At least 50 opportunities identified and assessed
Optimise returns from the managed property portfolio	15 The net surplus on the property portfolio achieves the annual budget agreed with Council.	Actual net surplus on the property portfolio for the 12 months ended 30 June 2016 is \$4.5 million ahead of budget (actual surplus of \$32 million against budget of \$27.5 million).  Actual net surplus on the property portfolio for the 10 months since the formation of Panuku, 1 September 2015 is	Net Surplus achieves budget for 2016/17	Net Surplus achieves budget for 2017/18	Net Surplus achieves budget for 2018/19	Net Surplus achieves budget for 2019/20

Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets		
				2017/ 2018	2018/ 2019	2019/ 2020
		\$3.7 million ahead of budget (actual surplus of \$29.6 million against budget of \$25.9 million).	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	
	<b>16</b> Improvement in gross rental income on those properties that are available for rent and have been held in the portfolio for at least two years prior to the end of the reporting period	Achieved 7.04% improvement in gross rental income on properties that are available for rent and on a like for like basis against two year CPI movement 0.9%.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	
	<b>17</b> For those properties available for rent: The rolling average over a 12 month period, of % occupancy at each month end (LTP).	The average of monthly % occupancy for the year is 98.25% against the target of 95%.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	The average of monthly % occupancy for the year is 95% or more.	
Optimise returns from the managed property portfolio	<b>18</b> Maintain or improve the baseline established at the end of the 2012/13 financial year.  ROI on properties on a like for like basis (LTP) Panuku is committed to continuously review and improve the ROI target over the term of the SOI.	The ROI calculated on this year's property valuation on a like for like basis is 2.83% against the 2.1% target.	Greater than or equal to 2.1%	Greater than or equal to 2.2%	Greater than or equal to 2.3%	

Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets		
				2017/2018	2018/2019	2019/2020
Optimise return from assets	<b>19</b> Return on Equity on commercial assets and services (LTP) at Waterfront.	13.5%	8.8%	8.4%	8.1%	7.5%
		A total of \$53.8 million worth of properties was recommended to council seeking approval to dispose for the 2015-16 financial period.  A total of \$44.8 million worth of properties was recommended to Council seeking approval to dispose for the 10 months since the formation of Panuku, 1 September 2015 (the target for 10 months is \$33.3 million).	A list of recommended properties totalling \$75 million gross value will be submitted to Council seeking approval to dispose for 2016/17 financial period.  A recommended disposal target for 2017/18 will be agreed by the Board in the 2016/17 financial period.	A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2017/18 financial period.  (Target is being developed for the final SOI)  A recommended disposal target for 2018/19 will be agreed by the Board in the 2017/18 financial period.	A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2018/19 financial period.  A recommended disposal target for 2019/20 will be agreed by the Board in the 2018/19 financial period.	A list of recommended properties with a total value agreed by the Board the prior year will be submitted to Council seeking approval to dispose for 2019/20 financial period.  A recommended disposal target for 2020/21 will be agreed by the Board in the 2019/20 financial period.
Dispose agreed surplus properties	<b>20</b> List of properties recommended for disposal submitted to Council  The disposal target for the next financial period will be agreed with Council in the current financial period.		Meet or exceed financial forecasts Property disposal target of \$50 million (net value of unconditional sales).	Meet or exceed financial forecasts Property disposal target of \$XX million (net value of unconditional sales). (Target is being developed for the final SOI)	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).
	<b>21</b> Achieve total forecast net sales for the financial year through unconditional agreements.	Achieved actual net sales of \$55.5 million for the financial year. The target of \$50 million has been exceeded.  Achieved actual net sales of \$46.2 million for the 10	Meet or exceed financial forecasts Property disposal target of \$50 million (net value of unconditional sales).	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).	Meet or exceed financial forecasts Property disposal target approved by the Board in the prior year (net value of unconditional sales).

Service Level Statement	Measure	Actual 2015/16	Annual Plan 2016/17	SOI Targets		
				2017/ 2018	2018/ 2019	2019/ 2020
		months since the formation of Panuku, 1 September 2015 (the target for 10 months is \$41.6 million).		Property disposal target (net value of unconditional sales) for 2017/18 financial period will be agreed by the Board in 2016/17.	target (net value of unconditional sales) for 2018/19 financial period will be agreed by the Board in 2017/18.	target (net value of unconditional sales) for 2019/20 financial period will be agreed by the Board in 2018/19.
Acquire properties	22 Acquisitions are delivered within the timeline agreed with Auckland Council.	87.5% of acquisitions are delivered within agreed timeline	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure	75% satisfaction against agreed service performance measure.

Performance Assessment Criteria						
	Achieved	Where the performance result for the year is either equal to or above the target, then the performance measure target was met (or achieved).		Not achieved but progress made	Where the performance result for the year is below the target (with a margin of more than 2%) but the result is better than the previous year.	
	Substantially achieved	Where the performance result for the year is below the target, but has not been achieved by a slim margin (of around 2%).		Not achieved	Where the performance result for the year is below the target (with a margin higher than 2%) and the result is lower than the result achieved in the previous year.	

## 7. SUMMARY OF FINANCIALS

Table one of the financial information outlines the budgets for Panuku in the Council Annual Plan and LTP for funding its activities in the next three years. This excludes the commercial portfolio activities Panuku manages on behalf of Council, which is outlined separately. The budgets also do not include funding for any new projects. New urban redevelopment projects will be chosen by Panuku (in consultation with Auckland Council) and they will need to be funded through budget reallocation; specific business case to council or through alternative funding streams.

Table 1

### SOI Financial Overview

*DRAFT*

#### Panuku Development Auckland (Excluding Commercial Portfolio)

\$000	Budget 2018	Budget 2019	Budget 2020
<b>Financial year ending 30 June</b>			
<b>Revenue</b>			
Operating funding from Auckland Council	18,374	18,488	18,994
Capital funding from Auckland Council	38,735	22,574	12,316
Fees and user charges	38,715	39,576	40,819
<b>Total revenue</b>	<b>95,824</b>	<b>80,638</b>	<b>72,129</b>
<b>Expenditure</b>			
Employee benefits	23,714	24,062	24,659
Depreciation and amortisation	11,149	12,298	13,107
Grants, contributions and sponsorship	15	16	16
Other operating expenses	24,528	23,650	24,040
<b>Total expenses</b>	<b>59,406</b>	<b>60,026</b>	<b>61,822</b>
Finance income	671	621	500
Finance expense	3,629	3,380	2,919
<b>Net operating income</b>	<b>33,460</b>	<b>17,853</b>	<b>7,888</b>
<b>CAPITAL EXPENDITURE</b>			
<b>Total capital expenditure</b>	<b>43,880</b>	<b>29,236</b>	<b>19,991</b>
<b>Comprised of:</b>			
Growth	26,265	17,947	14,394
Improve level of service	12,101	9,612	4,621
Renewals	5,514	1,677	976
<b>Total application of capital funding</b>	<b>43,880</b>	<b>29,236</b>	<b>19,991</b>
<b>Sources of capital funding:</b>			
Funded depreciation and operating surplus	5,145	6,662	7,675

Capital funding from Auckland Council	38,735	22,574	12,316
Loans from Auckland Council			
Subsidies and grants			
<b>Total capital funding</b>	<b>43,880</b>	<b>29,236</b>	<b>19,991</b>
<b>Capital funding surplus / (deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Prepaid ground leases cashflow	24,770	29,620	23,280
<b>Net funding surplus/(deficit)</b>	<b>24,770</b>	<b>29,620</b>	<b>23,280</b>

Capital funding for public space activities are funded by grants from Auckland Council. Commercial property and marina operational activities are funded through commercial income with any shortfall covered by debt funding. Cash surpluses generated from commercial operational activities, not used to reduce debt or fund capital works for commercial activities, over a threshold to be agreed annually, may be returned to the shareholder. Overheads will be allocated across each of the public, commercial, marina areas of activities. Capital expenditure is mainly made up of capital funding and loans from Council.

Table 2

## SOI Financial Overview DRAFT

### Commercial Portfolio - Managed on Behalf of Council

\$000	Budget 2018	Budget 2019	Budget 2020
<b>Financial year ending 30 June</b>			
<b>Revenue</b>			
Operating funding from Auckland Council	0	0	0
Capital funding from Auckland Council	0	0	0
Fees and user charges	42,038	35,325	33,500
Other revenue	0	0	0
<b>Total revenue</b>	<b>42,038</b>	<b>35,325</b>	<b>33,500</b>
<b>Expenditure</b>			
Employee benefits	8	0	8
Depreciation and amortisation	0	0	0
Other operating expenses	26,566	17,025	15,169
<b>Total expenses</b>	<b>26,574</b>	<b>17,025</b>	<b>15,177</b>
Finance income	0	0	0
Finance expense	0	0	0
<b>Net operating income</b>	<b>15,464</b>	<b>18,300</b>	<b>18,323</b>



## CAPITAL EXPENDITURE

<b>Total capital expenditure</b>	<b>76,628</b>	<b>48,029</b>	<b>21,190</b>
<b>Comprised of:</b>			
Growth	30,207	18,377	3,810
Improve level of service	38,882	25,850	13,476
Renewals	7,539	3,802	3,904
<b>Total application of capital funding</b>	<b>76,628</b>	<b>48,029</b>	<b>21,190</b>
<b>Sources of capital funding:</b>			
Operating funding surplus	15,471	18,300	18,326
Capital funding from Auckland Council	0	4,392	0
Subsidies and grants - capex	61,854	25,337	10,550
<b>Total capital funding</b>	<b>77,325</b>	<b>48,029</b>	<b>28,876</b>
<b>Capital funding surplus / (deficit)</b>	<b>697</b>	<b>0</b>	<b>7,686</b>

Table 2 of the financial information outlines the budgets of the Commercial Portfolio managed by Panuku on behalf of the Auckland Council Group. The Commercial Portfolio includes the property portfolio and business interests such as quarries and forests.

Revenue includes portfolio rental income and is offset by operating cost recoveries and direct operating expenses such as repairs and maintenance but excludes depreciation from the property portfolio assets under management and control of Panuku.

Capital expenditure is funded from Council, capital expenditure subsidies, grants and operating surplus.

### Development Budget

Panuku development operating expenditure includes the costs of investigatory work to seek out and develop development opportunities. This includes preparation of feasibility studies and business cases and will be funded from extra property sales generated. Panuku development capital expenditure is the cost of developing properties for sale and will be funded from the sale of those properties.

\$ million	2015/16 Actual	2016/17 Annual Plan	2017/18 LTP	2018/19 LTP	2019/20 LTP
<b>Total development expenditure</b>	<b>4.3</b>	<b>9.2</b>	<b>5.9</b>	<b>6.1</b>	<b>6.1</b>
Development operating expenditure	2.9	5.6	3.2	3.3	3.3
Development capital expenditure	1.4	3.6	2.7	2.8	2.8
<b>Funded by:</b>					
Property disposals	4.3	9.2	5.9	6.1	6.1

## Strategic Development Fund Budget

Council's Strategic Development Fund (SDF) will be utilised to fund development projects. This will not have an impact on rates as sales from developments will cover all development costs including funding costs. Performance against the Development Budget and the SDF will be reported as part of regular Quarterly Reporting to the CCO Governance and Monitoring Committee.

\$ million	2015/16 Actual	2016/17 Annual Plan	2017/18 LTP	2018/19 LTP	2019/20 LTP
Development Capital Revenue	-	5.4	1.5	11.5	6.5
Development Capital Expenditure	0.9	24.3	33.4	22.7	14.3
<b>Surplus/ (deficit)</b>	<b>(0.9)</b>	<b>(18.9)</b>	<b>(31.9)</b>	<b>(11.2)</b>	<b>(7.8)</b>

## Other Development Budget

Projects funded directly through the LTP/ Annual Plan process on behalf of Council include Hobsonville, Ormiston, Papatoetoe, Transform Manukau, Tamaki, Northcote and HFOP.

\$ million	2015/16 Actual	2016/17 Annual Plan	2017/18 LTP	2018/19 LTP	2019/20 LTP
Development Capital Revenue	-	17.1	60.3	13.8	4.0
Development Capital Expenditure	7.3	27.2	36.0	21.6	3.0

## Specific expenditure towards Māori outcomes

Initiative - \$ 000	2015/16 Actual	2016/17 Annual Plan	2017/18 LTP	2018/19 LTP	2019/20 LTP
Māori engagement /specialist advice	303	242	200	203	207
Koha	-	5	5	5	5
Enabling iwi involvement in the remediation and environmental enhancement of the waterfront	146	72	141	144	147
Support for Māori-focused events at the waterfront	58	205	93	95	97
<b>Total</b>	<b>507</b>	<b>524</b>	<b>439</b>	<b>447</b>	<b>456</b>

## Cost of Services

2017/18	Revenue \$000	Other Revenue- \$000	Council Funding – OPEX \$000	Expendit ure \$000	Net Surplus/ (Deficit) (EBITDA) \$000
<p><b>Marina Operations</b> Panuku operates four marinas in the Auckland waterfront, Westhaven, Viaduct, Silo and Downtown. Westhaven provides most of the berthage and is home to over 2000 boats. Viaduct Marina operates as Auckland’s premier CBD marina for recreational vessels. Silo Marina, has 13 berths catering for superyachts from 60m-140m in length. The marina operations generate approximately \$14 million in rental revenue annually.</p>	14,344	0	25	8,053	6,316
<p><b>Panuku Commercial Property Management (Waterfront)</b> Panuku manages commercial properties on the Auckland waterfront, including the Cloud and Shed 10 buildings on Queens Wharf. The types of activity carried out include managing ground leases, negotiating commercial arrangements and maintaining the properties. Waterfront commercial properties generate approximately \$15 million in rental revenue annually.</p>	15,193	0	113	5,630	9676
<p><b>Engagement, Regeneration and Development Activity</b> Panuku leads urban regeneration in Auckland, from small projects that refresh a site or building, to major transformations of town centres. Transform locations selected are Manukau, Onehunga and Wynyard Quarter. Panuku will also Unlock development potential in other urban locations; those locations include Northcote, Takapuna, Hobsonville, Papatoetoe, Henderson, the City Centre and Ormiston.</p> <p>A part of this activity includes the Place shaping team that produces Framework Plans for our priority development locations. These plans ensure that the urban regeneration has high quality design outcomes, commercial opportunities are optimised, and economic, social, cultural and environmental considerations are balanced. The Engagement team work with the local community to ensure that Panuku’s developments reflect the character and needs of the area, and ensure that all stakeholders and their key priorities are identified and communicated in a way that builds trust and strong partnerships.</p> <p>The Development team carries out the implementation of Panuku’s development projects. This activity includes producing implementation plans, business cases, managing public infrastructure projects and overseeing private developments. The team also ensures the development is integrated, coordinated and achieves the outcomes we have set out in our guiding plans. Panuku’s developments include a mixture of housing and urban regeneration and may involve partnerships with central government, iwi and the private sector.</p>	0	6,225	3,478	12,434	(2,731)

2017/18	Revenue \$000	Other Revenue- \$000	Council Funding – OPEX \$000	Expendit ure \$000	Net Surplus/ (Deficit) (EBITDA) \$000
<p><b>Wynyard and Queens Wharf Public Space Management &amp; Activation</b></p> <p>Panuku manages and maintains the public space around Wynyard Quarter and Queens Wharf. Panuku also carries out place making activities and events to attract regular visitation to the Auckland waterfront and help create a vibrant and active urban environment. Around two million people visit the waterfront each year and over 5,000 people work in the Wynyard Quarter. Panuku’s annual place making programme is internationally renowned and includes events such as Matariki, Wynyard Christmas Quarter and Silo Cinema. The Waterfront also plays host to major events such as the Auckland On Water Boat Show and the Fringe Festival.</p>	1,282	3	4,940	6225	0
<p><b>Council Non Service Property Management (incl. Acquisitions &amp; Disposals)</b></p> <p>Panuku manages non-service properties valued at approximately \$1.9 billion on behalf of Auckland Council and Auckland Transport. The property portfolio includes a diverse range of rental properties (open space, commercial and residential) and business interests (quarries, waste disposal and forestry). On average the rental portfolio delivers an annual net surplus of \$18 million in returns back to council. This is included in Table 2 – Commercial Portfolio managed on behalf of Council.</p> <p>Panuku acquires property on behalf of Auckland Council for infrastructure projects and other service needs. On average Panuku acquires approximately \$40 million worth of properties for Council per annum.</p> <p>Panuku also carries out property disposals. It recommends to Council approximately \$50 million of properties for clearance and achieves unconditional sales of \$55 million per annum.</p>	0	2,095	2,335	4,430	0
<b>Governance and Overheads</b>	203	40	7,484	11,485	(3,758)
<b>Total</b>	<b>31,022</b>	<b>8,363</b>	<b>18,375</b>	<b>48,257</b>	<b>9,503</b>

## Other financial information

<b>Current value of assets</b>	The projected value of Panuku total assets as at: 30 June 2017: \$730 million 30 June 2018: \$750 million 30 June 2019: \$770 million	
<b>Shareholder equity ratio</b>	The projected shareholder equity ratio for Panuku as at: 30 June 2017: 93% 30 June 2018: 94% 30 June 2019: 95%	
<b>Accounting Policies</b>	Panuku Development Auckland's accounting policies are consistent with those of the Auckland Council group policies.	
<b>Financial Reporting</b>	Panuku Development Auckland's financial reporting will be in accordance with requirements of the CCO Governance Manual.	
<b>Asset sales (\$ million)</b>	2015/16 Actual	\$55.5m
	2016/17 Annual Plan	\$50.0m
	2017/18 LTP	(Target is being developed for the final SOI)
	2018/19 LTP	The property disposal target (net value of unconditional sales) for 2018/19 financial period will be agreed in 2017/18.

Panuku intends to distribute to Auckland Council funds from commercial activities that are surplus to requirement. We envisage paying a dividend of \$1.5 million a year during the period of this SOI.

Auckland Council confirms that they will not seek repayment from Panuku of the current loans for \$11.3m and \$11.7m totalling \$23m before 30 September 2017. Panuku will obtain authorisation from the shareholder before the purchase or acquisition of shares in any company.

## 8. IMPORTANT SHAREHOLDER ISSUES

### Value for Money

Panuku applies a value for money approach across its business and will continue to review its business operations, processes, practices and systems for efficiencies, effectiveness and economy. Panuku will also continue greater use of shared services provided by Auckland Council and participate in Council's Alternative Financing project.

### Signage and Communications

Panuku is an active member of the Brand Navigation Group and is committed to the group's objectives to improve public understanding of the use of rate payer funds through the use of the Panuku Council group logo. Panuku also incorporates the Auckland Council logo to acknowledge activities funded by the ratepayers.

## **Other shareholder issues**

Panuku will also work closely with Council and other CCOs in relation to other issues contained in the Mayor's Letter of Expectation:

- Panuku is contributing to the refresh of the Auckland Plan, particularly in areas where we have expertise and responsibility, specifically the Homes and Places Workstream and the development strategy.
- Panuku is aligned to and delivering on the Auckland Plan and other Council-mandated strategies and policies including Local Board Plans. In developing High Level Project Plans and Framework Plans for priority locations, Panuku identifies and reviews the relevant Council's plans, policies and strategies in order to set the vision and strategic outcomes and to ensure they are consistent with Local Board aspirations. The Auckland Plan, Economic Development Strategy, Housing Strategic Action Plan, Parks and Open Space Strategic Action Plan, Infrastructure Strategy and Public art policy, are some of the guiding documents of particular importance to Panuku projects.
- Panuku will contribute to the development of new metrics and indicators measuring the impact of its activities and projects in alignment with Council's better performance Framework for the 2018-2028 LTP.
- Panuku will participate in the design and implementation of the Auckland Council Group CCO accountability, Business cases, Group procurement, Treasury, Insurance and Sensitive expenditure policies.
- Panuku will work with Council to explore some of the areas identified in the Alternative Sources of Financing reports, such as accelerating asset divestment.
- Panuku will also work with council and other CCOs to establish priorities for funding applications to the government relating to the Housing Infrastructure Fund (Fund). The Fund will enable early investment in infrastructure required to support growth in both new greenfield areas and existing urban areas. Complex questions arise in considering how to recover the costs, and repay loans, in brownfields environments where there is a combination of existing property owners and new development sites.

## **9. APPROACH TO GOVERNANCE**

### **Governance**

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual. The Governance Manual sits alongside this SOI and Panuku will act in accordance with the Governance Manual.

Panuku reports to Council on Issues, Opportunities and Risks through the quarterly reporting process. Panuku also reports to the Finance and Performance Committee and Planning Committee.

### **Public and media**

As a Council-Controlled Organisation, it is recognised that a good deal of the work conducted by Panuku Development Auckland is carried out in public. As such, the principles

of transparency and accountability are always applied to our relationships with both the public and the media.

#### *Board meetings*

Panuku will hold as many of its monthly board meetings in open as possible. A public-excluded session will be held at each meeting to discuss confidential matters.

Agendas for each meeting will continue to be posted on the Panuku website (panuku.co.nz) prior to the meeting. Board papers (with confidential information redacted) will also be posted online.

Members of the public will be invited (via the Panuku website) to present to the Board on issues relevant to Panuku.

#### *Media*

Our media protocols are designed to ensure our interactions with the media are as proactive and transparent as possible. All media enquiries are responded to in a timely fashion and all information is shared with the media unless it is of a confidential nature.

#### *Online channels*

Panuku's major projects are outlined on our website [www.panuku.co.nz](http://www.panuku.co.nz) and all key documents (such as our Annual Report and the project plans for our development locations) are available online.

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009). The schedule of Panuku Development Auckland for year 1 of this SOI is as follows:

<b>Purpose</b>	<b>Date</b>	<b>Form of Public Notification</b>
Consider shareholder comments on draft SOI	28 June 2017	Advertisement in NZ Herald at least two weeks prior to meeting and on Panuku website five working days prior.
Consider performance against SOI targets	20 September 2017	