

I hereby give notice that an ordinary meeting of the CCO Direction and Oversight Committee will be held on:

Date: Thursday, 9 March 2023
Time: 10.00am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

**Komiti mō te Whakahaere Tikanga me te Aro ki
te Pae Tawhiti mō ngā Whakahaere ka
Whakahaerehia e te Kaunihera /
Council Controlled Organisation Direction and
Oversight Committee**

OPEN AGENDA

MEMBERSHIP

Chairperson	Cr Wayne Walker	
Deputy Chairperson	Cr Shane Henderson	
Members	Cr Josephine Bartley	Cr Richard Hills
	IMSB Member James Brown	Cr Daniel Newman, JP
	Cr Angela Dalton	Cr Ken Turner
	Cr Chris Darby	Cr John Watson
	IMSB Member Hon Tau Henare	Cr Maurice Williamson
Ex-officio	Mayor Wayne Brown	
	Deputy Mayor Desley Simpson, JP	

(Quorum 6 members)

Duncan Glasgow
Kaitohutohu Mana Whakahaere Matua /
Senior Governance Advisor

6 March 2023

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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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1 Ngā Tamōtanga | Apologies

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

3 Te Whakaū i ngā Āmiki | Confirmation of Minutes

Click the meeting date below to access the minutes.

That the Council Controlled Organisation Direction and Oversight Committee:

- a) confirm the ordinary minutes of its meeting, held on [Monday, 5 December 2022](#), as a true and correct record.

4 Ngā Petihana | Petitions

5 Ngā Kōrero a te Marea | Public Input

6 Ngā Kōrero a te Poari ā-Rohe Pātata | Local Board Input

7 Ngā Pakihi Autaia | Extraordinary Business

Quarter Two Performance Reports 2022/2023 Substantive Council Controlled Organisations and Ports of Auckland Limited

File No.: CP2023/01193

Item 8

Te take mō te pūrongo Purpose of the report

1. To receive a summary of and comments on the substantive Council-Controlled Organisation (CCO) and Ports of Auckland Limited (POAL) second quarter/half year reports, for the period ending 31 December 2022.

Whakarāpopototanga matua Executive summary

2. Under Auckland Council's accountability framework, each substantive Council-Controlled Organisation (CCO) must provide a quarterly report to the CCO Direction and Oversight Committee. The reports for the second quarter of 2022/2023 are contained in Attachments A to C and are measured against the updated 10-year Budget and the 2022-2025 Statements of Intent (SOIs).
3. Under the Memorandum of Understanding between POAL and the council, POAL is required to provide a quarterly report to the council as shareholder. The report for the second quarter of 2022/2023 is contained in Attachment D.
4. Key results are highlighted in the table below, and in more detail in the body of the report.

Council-controlled Organisation	Summary of Quarter Two results
Tātaki Auckland Unlimited (TAU)	<ul style="list-style-type: none">• TAU's operating financial result was on track for the half year with a \$2 million favourable variance to budget, driven by higher events, visitation and film revenue. Capital spend was \$17.6 million. (57 per cent against year-to-date budget).• TAU has enjoyed excellent attendances at its venues and events during quarter two, with ticketed attendance tracking at 16.5 per cent above the SOI target at the end of the second quarter.• The Auckland Diwali Festival was back for the first time since 2019, with record-breaking participation of more than 100,000 people.• TAU has eleven SOI performance measures of which one was achieved, seven are on track to being achieved, one is not on track and two have not been measured this quarter.
Eke Panuku	<ul style="list-style-type: none">• Eke Panuku has been tracking favourably to budget driven by lower spend in staff costs and professional services.• Operating financial result for the council property portfolio managed by Eke Panuku was also better than budget due to both higher rental revenue and lower costs than planned. Capital spend was \$27.8 million (70 per cent against year-to-date budget).• Eke Panuku has 12 performance measures of which 6 are on track to meet their targets, 3 are at risk and 3 have not been measured this quarter.

Item 8

Council-controlled Organisation	Summary of Quarter Two results
Watercare	<ul style="list-style-type: none"> • Direct operating result was around \$20 million adverse to budget largely driven by lower revenue from development than anticipated and higher operating expenditure due to lower labour cost recoveries and more unplanned maintenance due to the wet weather. • Capital spend was ahead of plan (7.8 per cent over budget) due to acceleration of programmes, cost escalations and deferrals of delayed projects from the prior financial year. • Tunnelling for the Central Interceptor project was ahead of schedule as at December 2022. • Of the 24 measures which are tracked monthly, three targets were not achieved. • Ongoing wet weather has led to increased emissions from wastewater processing which is likely to impact on Watercare meeting its annual greenhouse gas target reductions.
Ports of Auckland	<ul style="list-style-type: none"> • POAL has lifted full year forecast profit and dividend to the council following strong first half. • Following the improved financial performance, an interim dividend of \$15 million was paid to the council on 28 February. POAL expects to pay a total dividend of \$30 million for the FY23 year, an increase of 111 per cent on the \$14.2 million total dividend in FY22, while also reducing the Group's debt. • Crane and ship rates are not on target. There is substantial work going into the container terminal turnaround and there is steady improvement but not yet achieving targets. Quarter two was impacted again by Covid and other unplanned staff absence, weather, poor condition of some vessels, and the need to slow the container terminal in December due to overloaded NZ inland supply chain. • POAL is continuing to work with other key ports and are on track to recommence berth windows during March 2023.

Ngā tūtohunga Recommendation/s

That the Council Controlled Organisation Direction and Oversight Committee:

- a) whiwhi / receive the 2022/2023 second quarter reports of the substantive Council-Controlled Organisations and Ports of Auckland Limited, provided as attachments A to D of the agenda report.

Horopaki Context

5. Each substantive CCO must provide a quarterly report to the CCO Direction and Oversight Committee. They are required to:
 - summarise the CCO's performance against the approved budget and agreed targets in the 10-year Budget and statement of Intent (SOI);
 - provide a forecast of the CCO's performance;
 - identify the cause of major variances;
 - highlight major achievements for the quarter; and
 - signal any potential or developing issues.
6. The CCO reports for the second quarter of 2022/2023 are in Attachments A to C of the agenda report.
7. Under the Memorandum of Understanding between POAL and the council, POAL is required to provide a quarterly report to the council as shareholder. Council and POAL have agreed a format similar to the quarterly report for substantive CCOs. The report for the second quarter of 2022/2023 is in Attachment D of the agenda report.

Tātaritanga me ngā tohutohu Analysis and advice

Tātaki Auckland Unlimited

Financial performance

8. Tātaki Auckland Unlimited (TAU)'s operating financial result for the half year as measured by net direct expenditure is in line with budget.
9. Direct revenue is \$22.2 million favourable to budget due largely to the unbudgeted grant funding from NZ Government Activate and Reactivate Tāmaki Makaurau programme, and better than expected event and film revenues.
10. Direct expenditure is \$20.2 million higher than budget due to the corresponding unbudgeted Activate and Reactivate Tāmaki Makaurau expenditure, increased costs of sales to support higher event and film revenues, and costs incurred to progress the Single Operator Stadiums Auckland Project.
11. Capital spend of \$17.6 million is below the YTD budget of \$30.9 million (57 per cent). Although delivery in this quarter has ramped up compared to the first quarter, the pace of delivery continued to be impacted by delays in securing labour because of the abundance of work in the market and extended business casing periods due to cost escalation.

Non-financial performance and other issues

12. In the quarter, TAU lost its Chair Mark Franklin, who passed away in November 2022. Mark was appointed chair of Auckland Tourism, Events & Economic Development in November 2018, and then became founding chair of the newly merged entity Auckland Unlimited (now TAU) from September 2020. His passion for people, for Auckland, and for the work TAU does was an inspiration for those who worked with him.
13. TAU has eleven SOI measures, of which seven are Long-term Plan measures. Eight of the eleven measures are tracked quarterly, one is a six-monthly measure and two are annual measures. At the end of quarter two, one performance measure target was achieved, seven performance measures are on track to being achieved, one is not on track, and two have not been measured.

14. For the measure that is not on track (number of Māori businesses that have been through a TAU programme or benefitted from a TAU intervention), the quarter two result of 25 (against target of 150) is expected to grow across the year. This is as the result of programmes delivered over quarters three and four. In additions, this performance measure does not capture businesses that benefit through the TAU supported Whariki Māori business network.
15. Highlights for TAU from quarter two include:
 - Ticketed attendance across TAU's venues and events was tracking at 16.5 per cent above the SOI target at the end of the second quarter. Further, the net promotor score across all venues was 45, five points above target.
 - The Indonesian swamp forest, the last part of Auckland Zoo's South East Asia Jungle Track project, opened on 22 October 2022.
 - The FIFA Women's World Cup 2023 Official Draw took place on 22 October 2022 at the Aotea Centre. The event attracted about 800 attendees and the international media's attention.
 - Climate Connect Aotearoa, a hub for collaborative climate innovation, was launched on 20 October 2022.
 - Two new sound stages opened at Auckland Film Studios (AFS) on 9 December 2022. The new AFS addition is expected to facilitate hundreds more high-skilled screen production jobs.

Issues / risks

16. TAU have highlighted that through the draft 2023/24 Annual Budget process, they have been asked to find \$44 million of operational cost savings. The organisation will go through a major change programme to achieve the savings and it will be critical to maintain focus on the delivery of the current programmes and services.

Eke Panuku

Financial performance

17. Eke Panuku has been tracking in line with its operating budget for the first six months (\$2 million favourable at the net direct expenditure level), driven by lower spend in staff costs due to a difficult recruitment market and lower professional services costs than planned.
18. For the council property portfolio managed by Eke Panuku, direct revenue has continued to track better than budget, largely due to additional rental income being received for longer than planned tenancy periods for some properties including Bledisloe House and properties in Hobsonville and New Lynn. Direct expenditure is lower than December YTD budget largely due to timing differences in repairs and maintenance across the portfolio.
19. Capital expenditure is \$27.8 million against the budget of \$39.6 million (70 per cent). The delivery in this quarter continued to be impacted by delays in acquisitions and timing differences between the actual spend and budget phasing for construction works.
20. Capital spend for the full year is forecast to be in line with the revised budget of \$60 million, which was reduced from the original \$80 million as part of Eke Panuku's response to realise an operating cost savings of \$5 million for the upcoming financial year and onwards.

Non-financial performance and other issues

21. Eke Panuku has 12 performance measures of which 5 are 10-year Budget measures. Nine of the 12 measures are tracked quarterly, two are tracked annually (surveys) and one will not be measured this year.
22. Performance measures that are at risk are capital project milestones, transform and unlock net sales and the asset recycling target agreed with the council. Although the targets are at risk at the moment, they are still forecast to be met.

23. Urban regeneration highlights for the quarter include:
- Opening of stage one of Takapuna's new Waiwharariki Anzac Square in December 2022 (area of 3,200 square meters). The public space includes seating, trees, planters, new lighting, Māori artwork, and paving.
 - Reopening of Te Ara Awataha greenway and Greenslade Reserve in Northcote after three years of works (upgrading 3,478 square meters). A community space that also plays a role in reducing flooding in area. This is a joint project with Healthy Waters and Kāinga Ora.
 - Completion of two new sections of Hayman Park Playground in Manukau in December 2022, including a flow bowl, pump track and rope play (project area of 3,943 square meters). Remaining work to be completed in June 2023.
 - Three awards were received, including a gold award for the Tank Park at Wynyard Quarter in the public and institutional spaces category at the Designers Institute of New Zealand Awards.
24. Property portfolio management highlights for the quarter include:
- Marinas - replacement of G, H and J piers, which are occupied and operational.
 - Introduction of providers offering a share boating service for over 50 vessels, which offers subscribers a sustainable boating choice.

Issues / risks

25. Eke Panuku have again noted that the weakening property market is impacting property development sales targets. Other risks include competitive labour market, material supply, delays with statutory planning processes, safety risks at the waterfront and staff availability.
26. The Human Rights Review Tribunal hearing in relation to the former Tavern Lane site development in Papatoetoe between the council/Eke Panuku and Ngai Tai Waipareira Housing concluded in June 2022. The Tribunal findings are yet to be released.
27. Recent flooding events in quarter three affected some rental properties. Property repairs and financial impacts are being worked through with the council's insurance provider.

Watercare

Financial performance

28. Watercare's net operating direct revenue is \$272.5 million, \$20.3 million adverse to budget for the half year.
29. Direct revenue is \$11.3 million lower than budget YTD, largely driven by lower infrastructure growth charges (IGC) revenues due to a general reduction in developer activity. IGC assessments YTD are 20 per cent down compared to the same period last year. Water and Wastewater revenues are ahead of budget which partially offset the unfavourable variance in IGC.
30. Direct expenditure is unfavourable to budget by \$9 million primarily due to timing differences between actual and planned in labour recoveries and unplanned maintenance costs in response to the wet weather Auckland has experienced year to date.
31. Capital spend is \$363.7 million, ahead of the budget YTD by around 8 per cent. The higher spend is due to acceleration of programmes such as the Water Pipe Renewal, Residential Smart Meters and Puketutu Biosolids Cell Wall. Cost escalations experienced across the programmes and capital deferrals for projects such as the Papakura Water Treatment Plant and Redoubt Water Reservoir from the last financial year also contributed to the higher spend.

Non-financial performance and other issues

32. Watercare has a total of 32 SOI measures. Of these, twenty-four are measured monthly. Targets for twenty-one of the monthly measures have been met. Targets were not met for three measures in the quarter:
 - Procurement sourced through Māori owned businesses - at 1.97 per cent was slightly below the target of 2 per cent. Indirect spend is proving problematic to source from suppliers and Watercare has explained that it will focus on addressing any underreporting.
 - Number of wet weather overflows - an average of 2.73 per discharge location compared within a target of less than two a year. This measure is likely to remain above target following the severe weather in January and February 2023.
 - Total recordable injury frequency rate (TRIFR) per million hours worked was lowered to less than ten in 2022/23 but was 15.8 in the quarter. It is noted that the injury frequency rate is trending downwards. Watercare has a large capital programme and health and safety is a high priority.
33. Targeted response times were met for attending urgent water call outs and sewage overflows in the quarter after these were not achieved in quarter one.
34. The Onehunga Water Treatment Plant was closed in October 2022 due to risk it would not consistently meet the new drinking water regulations set by Taumata Arowai. Watercare are considering long term options for the plant.
35. There is a large amount of transition work underway on the Government's three waters reform programme.
36. The Watercare board appointed Dave Chambers as interim chief executive in January 2023 following Jon Lamonte's appointment as the chief executive of the new Water Services Entity A.
37. With the passing of the Water Services Entities Act 2022 in December, Watercare and the council are now subject to the Department of Internal Affairs oversight regime of water services decisions. The next bills in the reform program, the Water Services Legislation Bill and Water Services Efficiency and Consumer Protection Bill, were introduced in December 2022 and submissions closed in February 2023. Both the council and Watercare lodged submissions on the bills.

Issues / risks

38. Network infrastructure was damaged in the storm and cyclone events in January and February 2023. Repairs are ongoing and Watercare implemented a raft of network reconfiguration and emergency arrangements to maintain water supply to customers. Wastewater networks have mostly recovered from the cyclone and Watercare are working through wastewater network failures that have arisen due to landslides during the floods.
39. Three waters reform has created an uncertain environment and suggests added workload for Watercare staff. This is reflected in a significant drop in the employee net promoter score in the latest staff engagement survey.
40. Health, safety and wellbeing, cost rises, and attraction and retention of specialist personnel are key risks for significant infrastructure projects like the Central Interceptor.

Ports of Auckland Limited

Business Reset Progress

41. This is the second quarterly report since POAL reset the strategic direction of the business (*Regaining our Mana* strategy). POAL's strategy aims to fix container operations, simplify the business operations and structure, and institute strong capital discipline and fiscal prudence. The end goal is significantly improving the previous poor performance and providing a better return to the council shareholder.
42. Quarter two shows improved performance. Container operations now at breakeven for YTD December 2022, a major turnaround from a full year trading loss of \$25 million at net profit after tax (NPAT) level in FY22 as part of POAL's overall FY22 \$25 million NPAT trading profit.
43. POAL has lifted full year forecast profit and dividend to the council following a strong first half year. Following the improved financial performance, an interim dividend of \$15 million will be paid to the council. POAL expects to pay a total dividend of \$30 million for the FY23 year, an increase of 111 per cent on the \$14.2 million total dividend in FY22, while also reducing the Group's debt.
44. POAL is continuing to work with other key Ports (Tauranga, Napier and Lyttelton), and are on track to recommence berth windows during March 2023.

Financial performance

45. POAL's operating revenue is higher than planned with a favourable variance to budget of \$18 million for the half year. The favourable revenue result is driven by a combination of pricing improvement, as well as strong demurrage and storage revenue, which offsets the lower than targeted revenue from its container business.
46. Direct operating expense is \$8 million higher than budget due to higher fuel and transport costs in support of the increased transport and storage revenue, and above budget dry docking costs of bunker barge *Awanuia*. Salary and wages are also higher than budget primarily due to a slower uptake of Annual leave combined with increased stevedoring headcount in container terminal to support turnaround.
47. NPAT of \$20.8 million is approximately \$8 million higher than planned. Based on the first half results, POAL projects its full-year NPAT to increase from the budgeted \$35 million by \$7-10 million to \$42-45 million.
48. Capital spend is at \$13.9 million for the first half, against a budget of \$26.7 million (52 per cent of delivery) mainly due to timing and phasing differences between the plan and actual spend. Lead times on most projects are extended due to delays in securing contractors and/or equipment. Full year spend is projected to be below the \$49 million budget.

Non-financial performance and other issues

49. Several key performance targets relating to the container business are not on track to meet target, but they show improvements from quarter one:
 - Percentage of ships turned on time was 39 per cent - up from 30.3 per cent in quarter one but below the target of 75 per cent.
 - Crane rate (as measured by MOT) was 24.0 - just below the target of 25.
 - Ship rate (as measured by MOT) was 44.7 – up from 42.5 in quarter one, but below the target of 50.
 - TEU (Twenty-foot Equivalent Unit) throughput (000's) was 6.9 per cent below target but an improvement on quarter one which was 8.5 per cent below target.
 - Multi-cargo car units processed was 7.7 per cent below target.

50. Crane and ship rates are not on target leading to ongoing delays for ships and lower container volumes. There is substantial work going into the container terminal turnaround and there is steady improvement but not yet achieving targets. Quarter two was impacted again by Covid and other unplanned staff absence, weather, poor condition of some vessels, and the need to slow the container terminal in December due to overloaded NZ inland supply chain.
51. Key targets that are on track include:
- Container Terminal – Truck turnaround time (% turned at less than 30 minutes) - 80.4 per cent above the target of 75 per cent.
 - Multi-cargo average car dwell time (days) - 1.89 better than target of 2.1 days.
 - Percentage of land-side moves on rail - 15.2 per cent above target of 14 per cent.
 - Multi-cargo breakbulk tonnage was 1.1 per cent below target, but POAL expect to reach the target by the end of the year.

Benchmarking

52. The benchmarking for quarter two shows POAL is behind Tauranga and Lyttelton in the main performance metrics. See the graphs at the end of the POAL quarter two report.

Health and Safety

53. Port industry safety code of practice was developed in conjunction with Maritime NZ, unions and other ports. POAL will play leadership role in implementation over the coming months.

Other Matters of note

54. POAL recruited 18 new stevedoring employees in the quarter and upskilled 41 stevedores to straddle drivers and crane operators since July to meet increased operation demand.
55. POAL and Maritime Union of NZ agreed to a salary-based pay structure to provide stevedores more income stability.
56. The cruise business is fully underway again with near daily visits during the current busy season.

Issues / risks

57. Congestion in the global supply chain continues, albeit volumes and capacity utilisation are reducing on the larger East/West trade lanes resulting in reduced freight rates. New Zealand market remains congested due to lack of weekly frequency calling shipping services because of port delays in Asia and New Zealand. Rail capacity has been negatively impacted by ongoing line infrastructure work in Auckland region, resulting in cancellation of a number of planned trains.
58. Local supply chain is holding very high empty container stocks which is negatively impacting on the flow of laden imports off the port. The limited trucking capacity to move containers is hampering the ability to rectify.
59. POAL report that media attention is causing uncertainty for customers and team members. POAL are working closely with stakeholders such as the council and community to manage and mitigate.

Tauākī whakaaweawe āhuarangi **Climate impact statement**

60. The quarterly performance reports are a key tool to monitor the progress of each CCO and POAL on climate change action. The CCO and POAL quarterly reports contain commentary on activities relating to climate change.

61. Climate Connect Aotearoa was launched on 20 October. Brought to life by TAU on behalf of the council, the hub's purpose is to enable collaborative climate innovation that will bring together business, government, Māori, academia, investors and climate innovators to develop, test and grow solutions needed to ensure Auckland and New Zealand reduce emissions in line with global agreements, and adapt and thrive in the face of climate change. The launch of the website included a Climate Innovation Ecosystem and a Knowledge Hub. In November 2022, the team launched a Knowledge Map that brings together existing climate resources to help businesses, organisations and individuals build knowledge and capacity for action.
62. Eke Panuku continue to implement actions in their climate change strategy. This includes the development of environmental standards for public realm projects which are in development.
63. Management of wastewater process emissions remains a focus for Watercare. The wet weather has increased the flow at wastewater treatment plants, which has led to increased greenhouse gas emissions.
64. Watercare report a 33 per cent carbon reduction through the design and materials used in works on the Dunkirk pump station storage tanks.
65. POAL's 2050 has developed carbon reduction roadmaps for operational business units based on reducing scope 1 emissions. POAL is continuing to assess the practicable extent of reductions POAL could target by 2030.
66. POAL report initiatives are underway to reduce staff waste to landfill and review waste to landfill across the port

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

67. Each CCO and POAL quarterly report contains information on how they are contributing to the council's outcomes and objectives.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe Local impacts and local board views

68. The governance of substantive CCOs and POAL is a responsibility delegated to the CCO Direction and Oversight Committee. We have not sought the views of local boards. CCOs provide six-monthly progress and performance reports to local boards. The quarterly reports also provide a summary of the engagement that CCOs have carried out with local boards during the quarter.

Tauākī whakaaweawe Māori Māori impact statement

69. Each CCO and POAL report on their contribution towards achieving Māori Outcomes in their quarterly report.
70. TAU advise that bilingual signage at Aotea Centre, The Civic, Auckland Town Hall, Bruce Mason Centre, Shed 10 and The Cloud is complete. NZ Maritime Museum bilingual signage is on track for completion by early March. Work is underway on a proposal for bilingual signage at the Viaduct Events Centre.
71. TupuToa Intern Programme - TAU participated in a 12-week intern programme aimed at increasing the number of Māori and Pacific leaders in the workplace and corporate sector. Running over summer, six university students took up the opportunity to work on various projects across the organisation and gain experience designed to assist them in their future careers.

72. Eke Panuku have continued engagement with mana whenua partners on projects across the business, including in Papatoetoe, Manukau, Onehunga and Northcote.
73. Watercare hosted iwi leaders from Waipunārangi - the iwi collective for Entity A to discuss three waters reform. Watercare also held staff and board workshops to increase understanding of Te Mana o Te Wai and its role within the water reforms.
74. POAL's Taura Herenga Waka (Māori Outcomes Framework) Taumata established to lead the Runanga and 3 Rōpū formed to focus on the principles of Te Tiriti through ambassadorship, education, development of Te Ao/Reo and whanaungatanga. Taumata meets regularly with the Independent Māori Statutory Board Secretariat who received a presentation on the POAL Taura Herenga Waka (Māori Outcomes Framework) and provided feedback to inform the implementation of the framework. POAL staff continue to engage with the Board Secretariat to provide updates on the implementation of Taura Herenga Waka.
75. POAL met with Ngati Whatua to discuss structured career building opportunities at POAL for whanau.
76. POAL has commenced development of a Te Tiriti training program.

Ngā ritenga ā-pūtea Financial implications

77. Each of the CCOs and POAL's quarterly reports contain information regarding their financial performance. These are described in the sections above.





Ngā raru tūpono me ngā whakamaurutanga Risks and mitigations

78. Each of the CCOs and POAL's quarterly reports contain information regarding their risks and mitigations, which is summarised above.

Ngā koringa ā-muri Next steps

79. This report is primarily for information purposes. The next CCO and POAL quarterly reports (Quarter Three, January to March 2023) will be provided to the CCO Direction and Oversight Committee in May 2023.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Tataki Auckland Unlimited Quarter Two Performance report 2022-2023	
B 	Eke Panuku Quarter Two Performance report 2022-2023	
C 	Watercare Quarter Two Performance report 2022-2023	
D 	Ports of Auckland Limited Quarter Two Shareholder Report 2022-2023	

Ngā kaihaina Signatories

Authors	Chris Levet - Principal Advisor Sarah Johnstone-Smith - Principal Advisor Trudi Fava - CCO Programme Lead Claire Gomas - Principal Advisor Rachel Wilson - Principal Advisor Tracy Xu - Senior Analyst
Authoriser	Alastair Cameron - Manager - CCO Governance & External Partnerships

Lead Councillor CCO updates

File No.: CP2023/00586

Te take mō te pūrongo

Purpose of the report

1. To whakaae / accept update reports from Lead Councillors about their activity in maintaining liaison with their assigned Council Controlled Organisations (CCOs) and the Ports of Auckland Limited.

Whakarāpopototanga matua

Executive summary



2. On 17 November 2022, the Governing Body approved the purpose and responsibilities of the Lead Councillor CCO role, as included in the Terms of Reference.
3. The purpose of the Lead Councillor CCO role is to assist the Governing Body to exercise effective direction and oversight of the substantive CCOs and the Ports of Auckland Limited.
4. Lead Councillors do not have a formal board role, and do not get involved in management decisions.
5. Key responsibilities of the Lead Councillor CCO includes:
 - attending open sessions of each CCO Board meeting and, at the discretion of the CCO Board Chair, closed sessions and committees. Confidential material is at the discretion of the CCO Board Chair, but CCO will be expected to provide sufficient information to enable Lead Councillors to exercise their functions
 - supporting the mayor and governing body by leading policy discussions that concern each CCO, including discussion in relation to the exercise of the council's direction and accountability powers
 - reporting on their activity with the CCO quarterly to the appropriate committee
 - attending mayoral meetings with CCO Board chairs
 - meeting with the mayor to discuss how the roles are operating and can be improved
 - creating and supporting good working relationships with CCOs, improving the exchange of information and perspectives
 - improving understanding of the expectations and perspectives of the council and community by CCOs
 - supporting greater understanding of the activities and expertise of CCOs by councillors and the council.
6. The Lead Councillor roles have been allocated as follows:
 - Tātaki Auckland Unlimited: Councillor Shane Henderson
 - Eke Panuku Development Auckland: Councillor Chris Darby
 - Watercare: Councillor Ken Turner
 - Ports of Auckland Limited: Councillor Chris Darby.
7. Written update reports are appended to this report for Tātaki Auckland Unlimited (Attachment A) and Ports of Auckland Limited (Attachment B). Additional update reports may be circulated prior to the meeting.

Ngā tūtohunga Recommendation/s

That the Council Controlled Organisation Direction and Oversight Committee:

- a) whakaae / accept the update reports from Lead Councillors.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Lead Councilor Tātaki Auckland Unlimited update	
B 	Lead Councilor Ports of Auckland Limited update	

Ngā kaihaina Signatories

Author	Duncan Glasgow - Kaitohutohu Mana Whakahaere / Governance Advisor
Authoriser	Alastair Cameron - Manager - CCO Governance & External Partnerships

Council Controlled Organisation Direction and Oversight Committee Forward Work Programme

File No.: CP2023/00585

Item 10

Te take mō te pūrongo

Purpose of the report

1. To whakaae / approve the Council Controlled Organisation Direction and Oversight Committee's forward work programme.

Whakarāpopototanga matua

Executive summary

2. This committee was established to have a general overview and insight into the strategy, direction and priorities of all Council Controlled Organisations (CCO) and Ports of Auckland Limited, except Auckland Transport.
3. The full terms of reference can be found [here](#).
4. Areas of work are briefly described and identified as requiring either decision or direction. Where possible, likely timeframes for coming before the committee have also been identified.
5. The forward work programme will be updated and reported monthly for information as part of the summary information report.
6. Staff recommend that the forward work programme be reviewed after decisions are made on the Annual Budget 2023/2024 and generally every six months.

Ngā tūtohunga


Recommendation/s

That the Council Controlled Organisation Direction and Oversight Committee:

- a) whakaae / approve the Council Controlled Organisation Direction and Oversight Committee forward work programme (Attachment A of the report)
- b) whakaae / agree that the Council Controlled Organisation Direction and Oversight Committee forward work programme be reported monthly for information and reviewed on a six-monthly basis in March and September each year.

Ngā tāpirihanga

Attachments

No.	Title	Page
A 	Council Controlled Organisation Direction and Oversight Committee - Forward Work Programme	

Ngā kaihaina

Signatories

Author	Duncan Glasgow - Kaitohutohu Mana Whakahaere / Governance Advisor
Authoriser	Alastair Cameron - Manager - CCO Governance & External Partnerships

Summary of Council Controlled Organisation Direction and Oversight Committee information memoranda and briefings – 9 March 2023

File No.: CP2023/00595

Item 11

Te take mō te pūrongo Purpose of the report

1. To whiwhi / receive a summary and provide a public record of memoranda or briefing papers that may have been distributed to the committee.

Whakarāpopototanga matua Executive summary

2. This is a regular information-only report which aims to provide greater visibility and openness and transparency of information circulated to committee members via memoranda/briefings or other means, where no decisions are required.
3. The following memos were circulated to members of the Council Controlled Organisation Direction and Oversight Committee:

Date	Subject
28/2/2023	Haumaru Housing: Half-year report period ending 31 December 2022
28/2/2023	Haumaru Housing: Deed of Lease report
28/2/2023	COMET Auckland Te Hononga Akoranga: Half-year report period ending 31 December 2022
28/2/2023	Tāmaki Regeneration Company: Quarterly report - 31 December 2022
28/2/2023	Tāmaki Regeneration Company: Financials
28/2/2023	Manukau Beautification Charitable Trust: Half-year report period ending 31 December 2022

4. The following workshops/briefings have taken place for the committee:

Date	Subject
1/03/2023	Workshop: Review of Eke Panuku urban regeneration performance (specific focus on Northcote, Avondale and Manukau)








5. This document can be found on the Auckland Council website, at the following link: <http://infocouncil.aucklandcouncil.govt.nz/>
6. Note that, unlike an agenda report, **staff will not be present to answer questions about the items referred to in this summary.** Members should direct any questions to the authors.

Ngā tūtohunga Recommendation/s

That the Council Controlled Organisation Direction and Oversight Committee:

- a) whiwhi / receive the Summary of Council Controlled Organisation Direction and Oversight Committee information memoranda and briefings – 9 March 2023.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	Haumaru Housing: Half-year report period ending 31 December 2022 (Under Separate Cover)	
B 	Haumaru Housing: Deed of Lease report (Under Separate Cover)	
C 	COMET Auckland Te Hononga Akoranga: Half-year report period ending 31 December 2022 (Under Separate Cover)	
D 	Tāmaki Regeneration Company: Quarterly report - 31 December 2021 (Under Separate Cover)	
E 	Tāmaki Regeneration Company: Financials (Under Separate Cover)	
F 	Manukau Beautification Charitable Trust – Half-year report period ending 31 December 2022 (Under Separate Cover)	
G 	Workshop notes and presentations: Review of Eke Panuku urban regeneration performance (specific focus on Northcote, Avondale and Manukau) (Under Separate Cover)	

Ngā kaihaina Signatories

Author	Duncan Glasgow - Kaitohutohu Mana Whakahaere / Governance Advisor
Authoriser	Alastair Cameron - Manager - CCO Governance & External Partnerships

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Council Controlled Organisation Direction and Oversight Committee

- a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 CONFIDENTIAL: Referred from the Audit and Risk Committee - Council-Controlled Organisations' Quarterly Risk Update - February 2023

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>In particular, the report contains risk reporting and detailed top risks confidential to the substantive council-controlled organisations' boards or Audit and Risk Committees. The substantive council-controlled organisations have provided their risk reports for council's Audit and Risk Committee subject to confidentiality.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

C2 CONFIDENTIAL: Referred from the Audit and Risk Committee - Ports of Auckland Limited Risk Update - February 2023

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>In particular, the report contains risk reporting and detailed top risks confidential to Ports of Auckland Limited's board or Audit and Risk Committee. Ports of Auckland Limited have provided their risk reports for the Council's Audit and Risk Committee subject to confidentiality.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>